Revised 1/16/13

Department of Planning and Budget
2013 Fiscal Impact Statement

1. **Bill Number:** SB 862

   House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

   Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron:** Favola, Barbara A.

3. **Committee:** Rehabilitation and Social Services

4. **Title:** Foster care; independent living services

5. **Summary:** The proposed legislation extends from 60 days to 180 days the period after discontinuation of independent living services during which a person in foster care who has not yet reached the age of 21 may request restoration of independent living services. The bill requires local departments of social services to provide information and counseling to persons ages 18 to 21 who elect to leave foster care or terminate independent living services regarding available independent living services, should the person choose to continue receiving them, and the option and process of restoration of services, should the person choose to discontinue them. Written notice of this option must be included in the individual's transition plan.

6. **Budget Amendment Necessary**: Yes. Items 283, 338, and 341

7. **Fiscal Impact Estimates:** Preliminary

   Expenditure Impact:

Fiscal Year	*Dollars**	*Fund*
2013	-	-
2014	$245,043 $10,546	General Federal
2015	$365,736 $15,740	General Federal
2016	$365,736 $15,740	General Federal
2017	$365,736 $15,740	General Federal
2018	$365,736 $15,740	General Federal
2019	$365,736 $15,740	General Federal

*Does not include local match of $79,297 in FY 2014 and $118,354 each year thereafter.

8. **Fiscal Implications:** The independent living program provides services and activities for current and former foster children to promote self-sufficiency. While the program covers a wide array of services, not all services require financial assistance from the state or localities. In addition, many of these services are covered by federal funds Virginia receives to support independent living services statewide.

   The eligible population for the independent living program currently includes young people ages 14-18 who are likely to remain in foster care and those 18-21 who have aged out of foster care, but continue to need independent living services. The independent living program provides those services that are based on an assessment of life skills, as wells as career exploration, job skills, money management, housing, transportation and legal issues. Also, for those children aging out of foster care and those adopted after 16, vouchers of up to $5,000 per year are available for post-secondary education and training. The purpose of the program is to assist foster care youth in making the transition to self-sufficiency by helping them receive the education, training and services necessary for them to obtain employment.

   Currently, local departments of social services and licensed child placing agencies are not required to provide independent living services to youth ages 18 - 21. However, they are required to restore independent living services at the request of the youth as long as the request is made within 60 days of leaving the independent living program, the youth enters into a written agreement with the locality and has not reached 21 years of age. This bill extends the 60 day time limit to 180 days. This change will expand the population of youth who choose to come back to the program before the age of 21 and will require additional funds for those services purchased by localities (such as daily living skills training, counseling and vocational training) on behalf of eligible youth.

   Based on the data reported to the independent living program by the local departments of social services, 1,374 youth in the 18-20 age group are qualified to receive independent living services. Of the 1,374 youth, approximately 880 received services in FY 2012. This bill would require the local department of social services to serve the additional 494 individuals if they choose to re-enter the independent living program within 180 days. The Department has no way to definitively determine how many youth may opt back into the program after leaving if this bill is passed. However, assuming 247 (494*.50), or 50 percent, of the youth will opt back in within the current 60 day time frame, and based on a survey of local agencies, approximately 14 percent of the remaining youth will opt-in after 60 days, but before the 180 day limit, then an additional 35 (247*.14) youth would be provided independent living services with passage of this legislation. However, a gradual increase in the caseload (67 percent of annual cost) is assumed in the first year since all impacted youth will not immediately renter the program.

   There is no way to determine how any increased caseload will be distributed across local departments of social services. Some localities could receive multiple cases while others have none. Since local departments are reimbursed by the state based on the cost of delivering the required services; this statement provides the fiscal estimate at the state level which will be allocated to localities based on actual experience. Based on the average of 16 independent living cases to one local worker the average local staffing cost per case is $4,466 each year. Therefore, it would cost approximately $156,306 each year for local departments to serve 35 additional youth. These costs are partially offset by $24,227 by local matching dollars.

In addition, there could be some purchased services for these youth. It is difficult to project with any degree of certainty what the cost of independent living purchased services would be to fully serve this population. Service needs vary greatly from youth to youth, especially across different age groups. Furthermore, it is unknown the extent of services being provided to these youth. Based on FY 2012 data, the average cost per case is $2,087 per year for purchased services. It is estimated that it would cost a minimum of $73,045 (35*$2,087) annually to provide purchased services for these additional youth. There are limited federal monies available to serve this discretionary population and some localities do not have local funds available to supplement the limited federal and state dollars. As such, the additional costs for purchased services would be all general fund dollars.

The expanded 18 – 21 year old population will also have a fiscal impact on the Office of Comprehensive Services (OCS) because these children would be eligible for the independent living stipend which is funded by the Comprehensive Services Act (CSA). Currently the approved stipend is $644 per month. Using the estimated projected population of 35 children, the fiscal impact on CSA is $22,540 per month ($644 per month X 35 children); annualized, the total cost is $270,480. The aggregate share of this expense is 65.2 percent general fund ($176,353) and 34.8 percent local ($94,127). There may be additional costs of services provided by CSA, however these costs could not be estimated.

The total cost of this bill is estimated to be $499,831 each year, which includes local match of $118,354. Again, the first year cost is discounted ($334,886) to account for the gradual increase in the caseload (67 percent of annual cost) that is assumed in the first year.

9. **Specific Agency or Political Subdivisions Affected:**
   Department of Social Services
   Comprehensive Services for At-Risk Youth and Families

10. **Technical Amendment Necessary:** No

11. **Other Comments:** While it is conceivable that there may be impacts on other state entities in the absence of the services provided by this bill, the extent and costs of these impacts cannot be estimated. This bill is a companion to HB 1742.

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