

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Health and Human Services Appropriations Committee

BILL: CS/CS/CS/SB 1798

INTRODUCER: Health and Human Services Appropriations Committee, Education Committee, Children and Families Committee and Senator Rich

SUBJECT: Independent Living Transition Services

DATE: April 24, 2006

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|----------------|-----------------|-----------|---------------|
| 1. | <u>Sanford</u> | <u>Whiddon</u> | <u>CF</u> | <u>Fav/CS</u> |
| 2. | <u>Harkey</u> | <u>Matthews</u> | <u>ED</u> | <u>Fav/CS</u> |
| 3. | <u>Hardy</u> | <u>Peters</u> | <u>HA</u> | <u>Fav/CS</u> |
| 4. | _____ | _____ | _____ | _____ |
| 5. | _____ | _____ | _____ | _____ |
| 6. | _____ | _____ | _____ | _____ |

I. Summary:

This bill makes numerous changes to current law regarding the independent living transition services which the Department of Children and Family Services (DCF or the department) and its contracted services providers, the community-based care lead agencies, currently provide to children in foster care and young adults formerly in foster care.

The bill:

- Expands the eligibility for independent living services to include young adults who were adopted from foster care after age 16 and those who spent at least six months in foster care and were placed in guardianships by the court after reaching 16 years of age;
- Describes additional requirements for case planning for older foster children, including educational and career path planning, planning for age-appropriate activities, and planning for the transition into adulthood;
- Requires the department or community-based care lead agency providing independent living services to develop an annual plan for implementing these services;
- Requires that payments be made to young adults by direct deposit after the young adult has received services in financial literacy skills and lists exceptions to this requirement;
- Requires DCF to provide administrative support to the Independent Living Advisory Council;
- Authorizes community-based care lead agencies to purchase housing, education, transportation, and employment services in order to make these services available to young adults in lieu of providing direct payments, and requires that any eligible young adult who requests a direct payment must receive such payment;

- Requires DCF to report annually to the Legislature concerning the outcome measures of the program and the department's oversight of the program.
- Removes the word "Scholarship" from references to the Road to Independence Scholarship Program; and
- Removes the disability of nonage from foster children above the age of 17 for the sole purpose of entering into contracts for the lease of real property.
- Expands the Medicaid eligibility criteria to include 18 and 19 year old young adults aging out of foster care, and clarifies that young adults who were adopted from foster care after age 16 and those who spent at least six months in foster care and were placed in guardianships by the court after reaching 16 years of age are eligible for Medicaid.
- Appropriates \$2,802,522 from the General Revenue Fund and \$3,994,766 from the Medical Care Trust Fund to the Agency for Health Care Administration to expand the Medicaid eligibility criteria to include 18 and 19 year old young adults aging out of foster care.

This bill amends sections 409.1451, 39.013, 39.701, and 1009.25, Florida Statutes.

This bill creates section 743.045 of the Florida Statutes

II. Present Situation:

Foster Care, Generally

The Department of Children and Family Services (DCF or the department) administers a system of foster care services for children from infancy through age 17. Foster care is "care provided a child in a foster family or boarding home, group home, agency boarding home, child care institution, or any combination thereof."¹ For purposes of foster care, a child is any unmarried person under the age of 18 years who has not been emancipated by order of the court.²

An array of services is provided to children through the foster care system. Additionally, services are provided to the families of children in foster care to achieve safety, permanency, and well-being for the children. Chapter 39, F.S., provides for assessment, case planning, service delivery, and case review for children in foster care. The statute also provides for medical, mental health, and residential treatment services for children in foster care. These services are funded by a combination of federal (primarily Title IV-E and Medicaid) and state general revenue funds. Each child's foster care case is judicially reviewed at least once every six months.

Independent Living Services

As part of its array of services, DCF administers a system of independent living services throughout Florida. The two eligible populations are children age 13 through 17 in foster care, and young adults formerly in foster care age 18 through 22.³

These services are funded through a combination of federal (Chaffee and Education and Training Voucher) and state general revenue funds. The federal John H. Chaffee Foster Care Independence Program⁴ became effective in December 1999. Funding was first provided to

¹ s. 39.01(29), F.S.

² s. 39.01(12), F.S.

³ The statutory framework for these services is found at s. 409.1451, F.S.

⁴ 42 U.S.C. s. 644

states during late 2000, and Florida's federal funds for the provision of independent living services were substantially increased in comparison to federal funding received for these same services throughout the 1990's. During the summer of 2001, the department collaborated with legislative staff to explore independence related issues and solutions for children in foster care and young adults exiting the foster care system. This work resulted in a substantial re-write of s. 409.1451, F.S., setting up the current framework for Independent Living Transition Services.⁵

Programs including independent living services were implemented at the national and state levels in order to provide support to young people to assist them in the transition to adulthood. These programs are focused on providing educational and employment services and preventing young people from becoming homeless, unemployed, poverty stricken, incarcerated, unmarried parents, high school drop outs, or from exhibiting other high-risk behaviors. These services are based on the five key objectives outlined in the Federal John H. Chaffee Foster Care Independence Program. Those purposes are to:

- Identify children who are likely to remain in foster care until 18 years of age and help these children make the transition to self-sufficiency by providing services such as assistance in obtaining a high school diploma, career exploration, vocational training, job placement and retention, training in daily living skills, training in budgeting and financial management skills, substance abuse prevention, and preventive health activities;
- Help children who are likely to remain in foster care until 18 years of age receive the education, training, and services necessary to obtain employment;
- Help children who are likely to remain in foster care until 18 years of age prepare for and enter postsecondary training and education institutions;
- Provide personal and emotional support to children aging out (exiting) foster care through mentors and through the promotion of interaction with dedicated adults; and
- Provide financial, housing, counseling, employment, education, and other appropriate support and services to former foster care recipients between 18 and 21 years of age to complement their own efforts to achieve self-sufficiency and to ensure that program participants recognize and accept their personal responsibility for preparing for and then making the transition from adolescence to adulthood.

In FY 2005-2006, DCF allocated \$18.3 million to the Independent Living Transition Services Program. This total included \$8.9 million from the John H. Chaffee Foster Care Independence Program, \$3.2 million in federal Education and Training Vouchers funding, and \$6.2 million in general revenue in addition to the general revenue used to match the federal dollars.⁶

The services provided through Florida's independent living program include:

- Pre-Independent living services (for children age 13 to 15).
- Life Skills Services (for children age 15 to 18).
- Subsidized Independent Living (for children age 16 to 18).
- Aftercare Support Services (for young adults age 18 to 23).

⁵ Chapter 2002-19, L.O.F.

⁶ *Improvements in Independent Living Services will Better Assist State's Struggling Youth*, OPPAGA Report No. 05-61 (December 2005).

- Road to Independence Scholarship (for young adults age 18 to 23).
- Transitional Support Services (for young adults age 18 to 23).

According to the department, as of October 23, 2005, there were 30,080 children in out-of-home care in Florida, including 14,348 children in licensed foster care and 15,359 children in relative/non-relative care. At that time, 1,357 young adults were receiving Road to Independence Scholarship funding, and 998 were receiving transitional support funds.⁷ Children who are not in licensed out-of-home care are not eligible for independent living services. The department has identified 188 young adults who were in foster care for at least six months but who were either placed with a court-approved relative or guardian after reaching 16 years of age or were adopted after reaching 16 years of age.

Even with the array of services available, many stakeholders in Florida (and across the United States) are concerned about the population of young people exiting the nation's foster care system at age 18. The primary concerns are about young people's ability to be self-supporting and to achieve independence without the support of a family.

In December 2005, the Office of Program Policy Analysis and Government Accountability (OPPAGA) issued its second report examining the Independent Living Transition Services Program within DCF.⁸ The major findings of the report were:

- Foster youth tend to have poor academic outcomes due in part to their lack of school permanency, disabilities, disciplinary problems, and homelessness. In addition, former foster youth, compared to the same-age population, struggle with self-sufficiency upon leaving the foster care system.
- While the department allocated \$20 million the past two fiscal years to assist former foster youth, most potentially eligible youth did not receive independent living financial assistance.
- Current department contracts do not specifically require community providers to meet minimum performance standards for the independent living program. In addition, the current standards do not assess program quality, and the department's sampling methods result in inadequate oversight.

Road to Independence Scholarship Program

Florida's Road to Independence (RTI) Scholarship Program is intended to help former foster children, ages 18-23 years, receive the educational and vocational training needed to achieve independence. In order to receive RTI Scholarship benefits, recipients must be former foster youth who have earned a standard high school diploma or its equivalent and are enrolled full-time in an eligible postsecondary education institution as provided in s. 1009.533, F.S.

Most of the money available to assist young adults formerly in foster care was distributed through the RTI program in both FY 2003-2004 and FY 2004-2005. However, only 28 percent

⁷ Since a young adult can receive funds from both services, the numbers provided are not cumulative, but include duplicates.

⁸ The first report identified recommended minimum system standards in providing foster youth with independent living services, *Independent Living Minimum Standards Recommended for Children in Foster Care*, OPPAGA Report NO. 04-78 (November 2004).

of former foster children received this assistance in FY 2003-2004. The median amount of RTI funding received for each young adult was \$7,267,⁹ while the median for transition funding was \$1,975 and for aftercare was \$1,200.¹⁰ While OPPAGA identified several reasons that young adults might not be accessing the RTI funds, including lack of information about the program and not meeting eligibility requirements, another problem was that providers experienced funding shortfalls. Even though provider disbursements exceeded budget authority by nearly \$600,000 in FY 2003-2004 and by \$1.1 million in FY 2004-2005,¹¹ the providers reported insufficient funding to serve all eligible young adults.

Aftercare and Transitional Support Services

All former foster children in licensed foster care or subsidized independent living on their 18th birthday, including those who are not eligible for the RTI program, may be eligible to receive aftercare support services which continue to develop skills and abilities necessary for independent living. The services available include, but are not limited to, mentoring and tutoring, mental health services and substance abuse counseling, life skills classes, parenting classes, job skills training, and temporary financial assistance.¹² In addition to any services provided through aftercare support or the Road to Independence Scholarship, a young adult who was in foster care or in subsidized independent living on his or her 18th birthday may receive other short-term services, which may include financial services, housing, counseling, employment, education, mental health, disability, and other services.¹³ According to DCF, during the month of January 2006, 24.4 percent of eligible young adults received either aftercare services or transition services, or both.¹⁴

Medical Coverage

Obtaining adequate health care coverage is one of the biggest challenges for foster children transitioning to adulthood. Any child in Florida who has not reached 19 years of age whose family income is equal to or below 200 percent of the federal poverty level is eligible for the Florida KidCare program. The Florida KidCare program includes health benefits coverage provided to children through Medicaid, Medikids, Florida Healthy Kids, employer-sponsored group health insurance plans, and Children's Medical Services network. In the 2005 Legislative session, s. 409.1451(9), F.S., was amended to direct the department to enroll eligible young adults in the KidCare program.¹⁵ Except for coverage under the Medicaid program, coverage under the Florida KidCare program is not an entitlement. The federal government provides a 71.23 percent match with state dollars for persons enrolled under the age of 19. Former foster youth who receive the Road to Independence scholarship are automatically eligible to receive

⁹ The maximum potential funding per student per year for RTI is \$10,704.

¹⁰ OPPAGA Report No. 05-61, *supra*, at 8. The department, at the time of the OPPAGA study, limited aftercare payments to \$1000 and transition services payments to \$5000.

¹¹ The department covered the shortfalls with other funds, according to OPPAGA.

¹² s. 409.1451(5)(a)1., F.S.

¹³ s. 409.1451(5)(c), F.S.

¹⁴ Since these services are generally short-term, one would expect that an annual figure for young adults receiving them would be considerably higher.

¹⁵ SB 1314, codified as s. 409.1451(9), F.S., Chapter 2005-179, L.O.F. This bill also directed the Independent Living Advisory Council to make recommendations regarding medical coverage for this group. Subsequently, the Council recommended expansion of Medicaid coverage to include these young adults. The department has been unable to determine the number of young adults who have been referred or who have enrolled in KidCare as a result of this legislation. The department has identified 1523 potential enrollees.

Medicaid coverage, but other former foster children are not, and many struggle to obtain health coverage.¹⁶ Enrollees in the KidCare program are required to pay a \$15-\$20 monthly premium; the balance of the cost of the coverage is covered by state and federal dollars.

Ability to Contract

Minors (persons under the age of 18) are not able to enter into enforceable contracts. This inability has been reported to be a barrier to foster children achieving independence, as landlords are unwilling to let them sign leases which may not be enforceable. As a result, many foster children have no place to live when their foster child status ends on their 18th birthday.

III. Effect of Proposed Changes:

The bill amends s. 409.1451, F.S., to remove references to the “Road to Independence Scholarship,” replacing those references with the “Road to Independence Program.”

This bill expands eligibility for independent living services to young adults who were placed with a court-approved nonrelative or guardian after turning age 16 with a minimum of six months in foster care or who were adopted from foster care after the age of 16.

The bill specifies that the information the department provides to staff and foster parents concerning education and employment must include information about high school completion, grant applications, and vocational school opportunities. The bill requires the department to provide children and young adults with opportunities to participate in activities appropriate to their special needs as well as their age. It requires that the case plan required under Chapter 39, F.S, for a child in foster care include a plan addressing the child’s participation in age-appropriate activities. This plan must be reviewed as part of the judicial review of case plans. The bill directs the department to make a good-faith effort to fully explain the substance of all documents, reports, forms, or other records presented to a child before asking the child to sign such documents.

The bill requires the case plan for children over 14 years of age to include an educational and career path based on the abilities and interests of the child. A transition plan must be developed based on the independent living assessment already required by law. This transition plan must include specific tasks that the child must complete or maintain in order to achieve independence. The plan must be incorporated into the child’s case plan and reviewed by the court at the first judicial review following the child’s 17th birthday.

The bill directs the department or the community-based care lead agency, if the lead agency is contracted to perform services for young adults leaving foster care, to develop a plan to implement the aftercare, RTI, and transitional services during each fiscal year. The plan must be approved by the department and must include, at a minimum, the number of young adults to be served each month, the number of staff and all related costs to administer the services and program, the expenditures to be paid to or on behalf of the eligible recipients, and the cost of services to be provided to the young adults through an approved plan for housing, education, transportation, and employment.

¹⁶ s. 409.903(4), F.S.

The bill requires that the availability of the Road to Independence Program must be advertised to children and young adults in foster care, leaving foster care, or formerly in foster care; to case managers; to guidance and family services counselors; to principals and other relevant school administrators; to guardians ad litem; and to foster parents. The eligibility for the program is changed to allow for part-time students if the part-time student has a recognized disability. Payments for the Road to Independence Program must be made by direct deposit after a student has received aftercare support services in financial literacy skills, unless the recipient requests otherwise.

The amount of the Road to Independence Program award may be disregarded for the purposes of determining the eligibility for, or the amount of, any other federal or federally supported assistance.

The bill authorizes community-based care lead agencies to purchase housing, transportation, or employment services in lieu of providing funds to young adults to secure such services. The community-based care agencies must submit a plan and receive approval by the department before proceeding to obtain and provide these services. The bill requires that any eligible young adult who requests a direct payment must receive such payment.

The bill directs DCF to provide administrative support to the Independent Living Advisory Council and to give the advisory council access to data from the department, each community-based care lead agency and other relevant agencies in order to accomplish its assigned tasks. The bill limits the information to data which will not identify any specific child or young adult.

The bill requires DCF to report annually to the appropriate legislative committees concerning the outcome measures of the program and the department's oversight of the program. The report must be provided by January 31, and must include any programmatic or fiscal deficiencies found, how they were addressed, and the current status of compliance.

The bill removes the disability of nonage from children in foster care who are over the age of 17 for the sole purpose of executing contracts for the lease of residential property. It directs the court conducting the judicial review following the child's 17th birthday to enter a separate order removing the disability of nonage for this purpose.

The bill amends ss. 39.013, 39.701, and 1009.25, F.S., to remove the word "Scholarship" and replace it with "Program," to conform to the other changes made by the bill.

The bill expands the Medicaid eligibility criteria to include 18 and 19 year old young adults aging out of foster care, and clarifies that young adults who were adopted from foster care after age 16 and those who spent at least six months in foster care and were placed in guardianships by the court after reaching 16 years of age are eligible for Medicaid.

The bill appropriates \$2,802,522 from the General Revenue Fund and \$3,994,766 from the Medical Care Trust Fund to the Agency for Health Care Administration to expand the Medicaid eligibility criteria to include 18 and 19 year old young adults aging out of foster care.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Since all independent living transition services are provided subject to the availability of funds, the inclusion of a broader group of eligible recipients will make fewer resources available to each recipient unless the amount of funding for the program as a whole is increased commensurate with the increase in eligible participants. The Senate budget for Fiscal Year 2006-2007 appropriates an increase of \$5,099,419 from the General Revenue Fund for Independent Living Services.

C. Government Sector Impact:

Independent Living

Since the Independent Living Program is not an entitlement and services are provided subject to the availability of funds, technically there is no fiscal impact on DCF as a result of this legislation. The department estimates that 305 additional young adults will be eligible for independent living services based on the expanded eligibility in this bill. It is estimated that, of this population, only 105 young adults will participate in the program. The annual cost of providing services to the expanded population is estimated to be approximately \$761,872 for Fiscal Year 2006-2007. The Senate budget for Fiscal Year 2006-2007 appropriates an increase of \$5,099,419 from the General Revenue Fund for Independent Living Services.

Medicaid

The Agency for Health Care Administration estimates that 690 additional eighteen year olds and 833 additional nineteen year olds will be eligible to receive Medicaid services based on the expanded eligibility criteria in this bill. The estimated average annual cost to provide Medicaid services in Fiscal Year 2006-2007 will be \$3,445 for the eighteen year

old population and \$5,307 for the nineteen year old population, generating a total Medicaid cost of \$6,797,288 for Fiscal Year 2005-2006. This bill appropriates \$2,802,522 from the General Revenue Fund and \$3,994,766 from the Medical Care Trust Fund to the Agency for Health Care Administration for this Medicaid expansion.

Postsecondary Education

According to DCF, there are currently four students in Vocational-Technical Centers and 11 students in community colleges who are taking part in the Independent Living Program. The expanded eligibility criteria in this bill would require postsecondary schools to waive fees for an indeterminate number of additional students.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

VIII. Summary of Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
