

Extending Foster Care Beyond 18:

Getting Started

Barbara Hanson Langford and Margaret Flynn-Khan
on behalf of the Jim Casey Youth Opportunities Initiative

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Success BEYOND 18

A Better Path for Young People Transitioning from Foster Care to Adulthood.

States have an unprecedented opportunity to extend supports and services for young people age 18 and older under the federal Fostering Connections to Success and Increasing Adoptions Act (Fostering Connections) of 2008. For efforts to extend foster care beyond age 18 to be successful, state leaders need to undertake a careful planning process to consider how best to design new supports and services for the unique developmental needs of young adults and take into account the requirements and options under the law. This brief provides guidance on structuring a planning process to consider critical design issues for extending foster care and to project the net fiscal impact of that extension.

STRUCTURING AN EFFECTIVE PLANNING PROCESS

An effective planning process helps ensure that informed decisions are made according to the requirements and options of the federal law, local experience and capacity, and are broadly shared by participants. A comprehensive planning process includes the following key steps:

1. Convene a planning group of critical stakeholders
2. Review federal requirements and options
3. Consider existing supports and services and seek input from young people
4. Reach agreement on key design issues
5. Project costs and revenue
6. Consider next steps

Step 1. Convene a Planning Group of Critical Stakeholders

The first step is to convene a group of stakeholders to undertake the design process. Consider who should participate in the planning group based on who are critical partners in ensuring successful implementation of extended foster care. Participants will likely include:

- » State child welfare agency staff, including the leadership of the agency and/or of relevant bureaus or units, independent living staff, and staff with access to caseload and expenditure data;
- » Service providers who are currently serving this population;
- » Family court personnel, such as judges and/or staff from administrative offices;
- » Legal advocates, such as attorneys, CASAs and guardians ad litem;
- » Young people who have experienced foster care – those currently receiving services and/or those who are alumni of care;
- » Foster parent and/or family organizations that represent foster and adoptive families;
- » Other public agencies that can make important contributions to the lives of young people who participate in extended care, including departments of education, health, behavioral health, workforce development, adult developmental services, and housing;
- » Legislators and/or staff of relevant committees; and
- » Philanthropic leaders.

Broad-based planning groups that include diverse perspectives with the common goal of generating agreed-upon recommendations generally yield the most successful outcomes. However, including diverse sets of stakeholders can also produce some natural tensions between advocates, legislators, and state agency staff. Consider enlisting a neutral facilitator to mitigate these tensions and establish clear and transparent ground rules for participants.

Step 2. Review Federal Requirements and Options

The second step in the process is to review the federal requirements and options established by Fostering Connections and the Administration for Children and



Families (ACF) guidance published in 2010 Program Instructions.¹ Such a review establishes a clear context for decision making by identifying what the law and subsequent guidance require and where states have discretion in designing supports and services. Notably, the federal law and program instructions afford state child welfare agencies significant flexibility in developing policies for extended foster care. This section describes the requirements and options for extending foster care services beyond age 18.

Eligibility for Services under Title IV-E Extension

- » **Required extension across all Title IV-E programs.** If a state extends eligibility for one Title IV-E program, it must extend eligibility for all relevant Title IV-E programs. In other words, if the state opts to extend its foster care maintenance program to age 21, it must also extend adoption assistance and guardianship assistance, if the state has a guardianship assistance program in place. The requirement for extended adoption and guardianship subsidies applies only to those young people entering adoption or guardianship at age 16 or older.
- » **Option to extend eligibility to age 19, 20, or 21.** States have the option to determine eligibility for extended services through the age of 19, 20, or 21. ACF encourages states to extend eligibility through the maximum age of 21 to reach the broadest population of young people. Some states have considered phasing in eligibility over time.
- » **Required conditions for eligibility.** To be eligible for federal cost-sharing under the Title IV-E program, the young person must meet at least one of the following conditions:
 - Completion of secondary education or a program leading to an equivalent credential;
 - Enrollment in an institution that provides post-secondary or vocational education; full-time or part-time in a university or college; or enrolled in a vocational or trade school;
 - Participation in a program or activity designed to promote, or remove barriers to employment;
 - Employment equaling at least 80 hours per month; or
 - Incapability of participating in any of the previously described educational or employment

activities due to a documented medical condition.

Federal guidance encourages states to include all five categories of eligibility. States have the option of narrowing eligibility to allow only one or a combination of fewer than five of the conditions. States also can opt to establish broader eligibility criteria than those listed above, but would not receive federal reimbursement for those young people who participate outside the federal criteria.

Case Management, Transition Planning, and Permanency

- » **Required case management services and monthly caseworker visits.** Young people in extended foster care must continue to have monthly visits with their caseworkers. The state must describe the standards for these visits, with the continuing expectation that monthly face-to-face visits ensure the safety, permanency, and well-being of the young person until they leave care.
- » **Option to create new practice models for older youth.** States have discretion to create new case management approaches and practice models that take into account the unique developmental needs of young adults. For additional information on designing case management models, see *Extending Foster Care Beyond 18: Case Planning for Young Adults* (Jim Casey Youth Opportunities Initiative, Spring 2014).
- » **Required transition plan at least 90 days prior to departure from care.** States must ensure that all young people have a transition plan in place at least 90 days prior to their exit from care (either at age 18 or later, if the state extends eligibility). The development of the plan must be directed by the young person.
- » **Continued required reasonable efforts to finalize a permanency plan.** This requirement applies to young people 18 and older just as it applies to youth younger than 18. States must continue efforts to ensure young people in extended care have permanent connections with caring adults.
- » **Option for voluntary placement agreements.** The child welfare agency can choose to continue to serve young people in foster care after age 18 without closing their abuse or neglect case. Alternatively, the federal program instructions also clarify that a young person can enter extended foster care through a voluntary placement agreement.

1. The federal Program Instructions (ACYF-CB-PI-10-11) were issued on July 9, 2010 and are available at <http://www.acf.hhs.gov/programs/cb/resource/pi1011>.



Under a voluntary placement agreement, the young person makes an informed choice to continue in extended care with the option to leave if they decide to do so. Typically, if a state uses a voluntary placement agreement as the mechanism for extending care, the original case would be closed when a young person turns 18 and the case would be re-opened under a voluntary placement agreement (though a few states utilize voluntary placement agreements while keeping the original case open). A voluntary placement agreement is also a mechanism that states can use for young people to reenter foster care if they choose to leave and then later opt to come back into care.

An additional advantage of the voluntary placement agreement is that under federal guidance, when a young person leaves and reenters care at age 18 or older, the Title IV-E eligibility determination is made based on the young person's income, not on their family of origin's income. Utilizing this eligibility standard, states can reasonably expect most young people in care under voluntary placement agreements to be eligible for Title IV-E.

- » **Option to allow for exit and reentry to care.** States also have the option to allow young people who leave and then return to care to receive the same supports and services as those provided to young people who remained continuously in care.

Placement Options

- » **Placement settings for young people in extended foster care.** Title IV-E covers placement costs for eligible young people up to age 21 in allowable placement settings. Placement options for young people over the age of 18 can include traditional licensed placements such as foster homes and childcare institutions. Fostering Connections also created a new category of eligible placements called "supervised settings in which the individual is living independently." Such independent living placements can include an apartment or host home, a college dorm room, and shared housing. In addition, Title IV-E maintenance payments can be made directly to young people in supervised, independent living settings. Federal guidance encourages states to consider and create developmentally appropriate living arrangements for young people that provide opportunities to develop financial management skills and that afford increasing levels of independence. For additional information on designing placement settings, see *Extending Foster Care Be-*

yond 18: Placement Setting Options (Jim Casey Youth Opportunities Initiative, Fall 2013).

Case Review

- » **Continued case review requirements.** The same case review requirements remain for young people as are in place for youth under the age of 18 and receiving a payment under Title IV-E:
 - Periodic case reviews by either the court or an administrative panel; and
 - Annual permanency reviews by the court or an administrative body appointed or approved by the court.

Under a voluntary placement agreement (and if the original abuse or neglect case has been closed), annual permanency hearings are not required. However, there is a requirement that a judicial determination be made within 180 days of entering into the voluntary placement agreement that remaining in foster care is in the best interest of the young person. Federal guidance encourages review hearings to focus on progress toward goals created in the young person's transition plan and that address whether the young person is in a safe placement, whether continued foster care is appropriate, and whether the young person is receiving appropriate and meaningful supports and services. For additional information on designing effective review policies and practices, see *Re-examining the Foster Care Review Process: Extended Foster Care as a Catalyst for Improved Practices and Better Outcomes* (Jim Casey Youth Opportunities Initiative, August 2013).

- » **Option for legal representation.** Under federal law, legal representation is not required for children and youth in foster care (though many states have established state statutes requiring representation). States have the option for requiring legal representation for those who are in extended care over the age of 18, as well.

Supportive Services

- » **Mandated health coverage under Medicaid to age 26.** Under the Foster Care Independence Act of 1999, states had the option to extend Medicaid coverage to young people who aged out of foster care to age 21. Under Fostering Connections, if a state extends eligibility for Title IV-E beyond age 18, those young people become categorically eligible for Medicaid coverage. The Affordable Care Act (ACA) expanded eligibility for Medicaid coverage for young people in foster care even further. Beginning



January 1, 2014, states must provide Medicaid coverage for individuals under age 26 who were in foster care at age 18 and who were receiving Medicaid. Note that these young people will be eligible for full Medicaid benefits (not the Alternative Benefits Plan) which include Early, Periodic, Screening, Diagnosis and Treatment (EPSDT) services such as screening, preventive and early intervention services, diagnostic services and treatment for physical and mental health conditions (both acute and chronic). In addition, required coverage includes dental and vision care and durable medical equipment for young people with disabilities.

- » **Option to provide support services.** Federal reimbursement under the Title IV-E program is limited to maintenance and administrative costs and does not generally fund supportive services. States have discretion regarding other supportive services they choose to offer, such as educational, workforce, and other supports. For additional information on designing supportive services, see *Extending Foster Care Beyond 18: Partnering to Build Supportive Services* (Jim Casey Youth Opportunities Initiative, Fall 2013).

Step 3. Consider Existing Supports and Services and Seek Input from Young People

The next step in the planning process is to review the state's existing supports and services to assess what is already in place, what is working well, and what gaps exist. Such a review can help to determine strengths to expand upon, such as effective program models or high-quality providers, as well as identify areas where few services exist. In conducting such a review, also consider what current supports for young people under the age of 18 would need to be tailored for an older population and what existing supports offered to the general adult population would need to be customized based on the unique needs of young people in extended care.

To ensure this step is a manageable one, groups may want to limit the review to services directly funded by the child welfare agency or to map providers who are well known to participants. Consider collecting information on who provides services, how many young people are served by existing supports, what eligibility requirements are in place for these services, and any data on outcomes demonstrating the effectiveness of existing services. Appendix A provides a sample tool to utilize in conducting this review.

Consider engaging young people who are currently in or who are alumni of foster care to complete this analysis.

In addition to utilizing older youth in foster care to conduct a review of current services, also consider providing opportunities such as focus groups or forums for young people to provide input directly in the design process. These opportunities can yield important insight and perspective into how extended supports should be structured, what works well, and what needs to be improved.

Step 4. Reach Agreement on Key Design Issues

With an understanding of the federal requirements and options and a review of existing supports and services, the next step in the planning process is to reach agreement on key design issues. Critical questions for the planning group to consider and develop recommendations for include the following:

» Eligibility for services

- What age youth (18, 19, or 20) will be eligible for extended foster care, adoption subsidies, and guardianship subsidies?
- Which of the five federal categories of eligible youth will be served in the extended care program?
- Will reentry be allowed, and under what conditions?
- Will voluntary placement agreements be offered, and under what conditions (for all youth upon turning 18 or for only those who exit and reenter care)?

» Case management, transition planning, and permanency

- Who will provide case management (public agency workers, private contractors, or a mix)?
- What case management model will be used?
- What is a reasonable caseload for this age range?
- How will permanency efforts be structured and delivered?

» Placement options

- What placement settings will be available to young people over the age of 18? What supervised independent living settings will be included?



- Will direct payments to young people be included as one supervised living setting option?
- What will be the proportionate breakdown of young people across placement settings?

» **Case review**

- How will case oversight be structured (through court hearings or administrative reviews)?
- What legal representation will be available to young people over the age of 18?
- What judicial process will be used for reentry and/or for transition to voluntary placement agreements, if applicable?

» **Supportive services**

- What additional supportive services are needed?
- How and by whom will those services be delivered?
- How will new structures and policies be connected to, complement, or replace current services for young people in extended care?

Step 5. Project Costs and Revenue

With design assumptions in hand, the next step is to project the net costs and revenue associated with extending foster care beyond age 18. The process of conducting a full fiscal analysis can be a complicated calculus of assumptions and projections. This section seeks to provide general guidance on the overall process of estimating the net fiscal impact of extending foster care and highlights the key data required to accurately project costs.

In general, the fiscal analysis process created by the Jim Casey Youth Opportunities Initiative involves:²

- » First, estimating the total costs associated with the design decisions the planning group made;
- » Then, estimating the total revenues available to offset those costs, including Title IV-E funding for maintenance and administrative costs and existing state expenditures on placement and case management services; and
- » Lastly, producing an estimate of the net state cost.

As utilization of services, and thereby costs, may increase over time, generally these analyses are most helpful when they include projections over a five-year time period.

2. The Jim Casey Youth Opportunities Initiative has supported design and fiscal analyses processes in eight states including Florida, Georgia, Hawaii, Indiana, Iowa, Michigan, Nebraska, and Tennessee.

Cost Data and Detailed Assumptions

In order to project costs, the planning group (or a smaller subset of members with knowledge of and access to cost and caseload data) will need to develop detailed assumptions with respect to design issues. Cost assumptions are developed based on a review of historical caseload and expenditure data for older youth in care and in independent living or aftercare programs. Following are key questions to answer in order to generate needed cost assumptions:

» **Extended foster care costs assumptions**

- How many young people will be served in the extended care program?
 - How many young people in total will be eligible for extended care?
 - What proportion of eligible young people will be served? Will that proportion increase over time as the program becomes more established and known to young people? While young people exiting and reentering the program results in a dynamic case flow, it is generally helpful to estimate how many young people will be served on average on any given day and then annualize the cost assumptions to generate a yearly cost.
- How much will case management cost?
 - What are salary and fringe benefit levels for case managers, supervisors, and support staff?
 - What will case management ratios be for young people in extended care (for case managers, supervisors, and support staff)?
- How much will placements cost?
 - What is the monthly per youth cost for each placement setting?
 - What is the proportionate breakdown of young people across settings?

» **Supportive services**

- What is the cost of any other supportive services built into this design?
- How many young people will receive each type of supportive services?



» **Extended adoption subsidies**

- Will adoption subsidies be provided only to new adoptions finalized after implementation of the extension? Or, will adoption subsidies be provided to young people who were adopted in previous years and who will be age 18, 19, or 20 and eligible for the extension when it is implemented?
- How many young people age 16 and over are projected to be adopted?
- How many young people adopted at age 16 and over will be age 18, 19, or 20 and eligible for the subsidy during each year of the estimate?
- What will the monthly adoption subsidy amount be?

» **Extended guardianship subsidies**

- Will guardianship subsidies be provided only to new guardianships finalized after implementation of the extension? Or, will young people who achieved permanency through guardianships in previous years and who will be age 18, 19, or 20 be eligible for the extension upon its implementation?
- How many young people age 16 and over will enter guardianships?
- How many young people who enter guardianships at age 16 and over will be age 18, 19, or 20 and eligible for the subsidy during each year of the estimate?
- What will the monthly guardianship subsidy amount be?

» **Case review**

- What will be the court or administrative costs per review?
- What will be the cost of legal representation if the state opts to make legal representation available?
- How many reviews will be needed annually?

» **Administrative and overhead costs**

- What additional administrative or overhead costs should be included? Typical categories of administrative costs are administrative rates attached to particular placement settings, standard agency overhead costs applied to staffing costs, contract oversight costs for contracted case management and/or other services, eligibility determination and review costs, and administrative and payment systems associated with direct payments to young people or other providers.

Clarification of Revenue that Will Defray Costs

Once the planning group has a clear projection of costs, the next step in the fiscal analysis process is to clarify the associated revenue that can offset these costs. Revenue projections include the following:

» **Title IV-E revenue.** Since Title IV-E is structured as a cost-sharing reimbursement, projections of Title IV-E revenue begin with determining the total costs projected and then calculating the associated IV-E revenue a state can expect based on the following considerations:

- Determine if it is a Title IV-E reimbursable expense. Most of the expense categories included above are IV-E reimbursable. Placement costs are reimbursable as IV-E maintenance expenses. Case management, administrative reviews, and most other categories of administrative costs are reimbursable as administrative expenses.

Costs that are not IV-E reimbursable are court costs and certain categories of supportive services such as counseling services. An individual with expertise in Title IV-E claiming can assist in determining what is reimbursable within the categories of administrative and supportive service costs.

- Determine the proportion of young people in extended care who would meet Title IV-E income and education/workforce eligibility requirements (the IV-E penetration rate). The state child welfare agency will have current Title IV-E penetration rates for foster care, adoption assistance, and guardianship assistance. It is important to note that if the state opts to use a voluntary placement agreement for some or all youth (and therefore the IV-E determination is made solely on the young person's income) – the Title IV-E penetration rate for extended care will likely be 90 percent or higher.
- Apply the Title IV-E match rate. Under Title IV-E, the federal government matches state expenditures at different rates for maintenance and administrative costs. The Title IV-E match rate for maintenance costs is based on the state's FMAP (Federal Medical Assistance Percentages), which varies by state and ranges from 50 percent to 73 percent. The Title IV-E match rate for administrative costs is 50 percent.



- » **State revenue.** Most states provide services for older youth after they exit care in the form of independent living or aftercare services. As part of the planning process, state leaders may opt to integrate existing services into the new extended foster care program. Also include in revenue projections current state spending on supports for young people in extended care that are projected as part of the costs of extended foster care. For example, if the state plans to transition all or part of a state-funded after care program to the extended foster care program, include these revenues in the fiscal analysis. Also consider state-funded support for housing expenses for young people pursuing post-secondary education.
- » **Other federal revenue – Chafee Foster Care Independence Program.** Many states use their Chafee funds to provide case management and/or housing support through aftercare or independent living programs. Consider if all or some portion of that investment could be used to offset the total costs of extended foster care. Note that if eligibility for extended foster care is narrowly constructed, it likely makes sense to reserve a portion of Chafee funds to provide supports to those outside of the foster care program. In addition, because Chafee funds cannot be used to match federal IV-E dollars, the state must ensure that the amount of Chafee funds applied to extended care does not reduce the state investment below the match level required to draw down Title IV-E funding.
- » **Produce a final report.** Draft a final report that documents recommendations made during the planning process and details design and cost assumptions utilized in projecting cost and revenue. A written document helps to record critical decisions as well as to ensure transparency.
- » **Agree on steps for sharing the report with others.** Clarify if the report will be shared more broadly, in what form, and by whom. These decisions are particularly critical if stakeholders plan to move forward with any legislative strategy.
- » **Consider the legislative strategy,** as appropriate, associated with introducing and securing passage of a law authorizing extension of care. Consider who is best positioned to champion the bill and how to best utilize the power of young people currently or formerly in care to support this effort.
- » **Consider the time required and the tasks that must be accomplished within the state agency** to craft new policies, train workers, develop new contracts for the program, and begin to plan for implementation.

CONCLUSION

Fostering Connections provides significant opportunities for states to expand supports and services for young people in foster care beyond the age of 18 and to do so in new and innovative ways. Undertaking a planning process as outlined in this brief can help ensure that state leaders are able to thoughtfully consider requirements and options under the new law, creatively design extended care programs for a new population of young adults, and accurately project associated costs and revenue. Such a planning process lays a critical foundation for moving forward with legislative strategies and implementation efforts for extended care programs that seek to improve outcomes for young people transitioning from foster care.

Calculating the Net Fiscal Impact

Based on projections of costs and associated state and federal revenue, the final step in the fiscal analysis process is to calculate the net fiscal impact of the extended foster care program. Typically, it is useful to break out net costs for each Title IV-E program (maintenance, adoption assistance, and guardianship assistance if applicable) by year of implementation. States that already have significant investments in services for 18 to 21 year olds potentially will see little to no costs associated with the extension, with some able to utilize federal funds to extend services to a broader population of young people. In states with less investment of state funds in services for this population, the net fiscal impact will likely be higher.

Step 6. Consider Next Steps

With fiscal projections completed, consider the following next steps to conclude the planning process:

Appendix A: Review Current Supports and Services

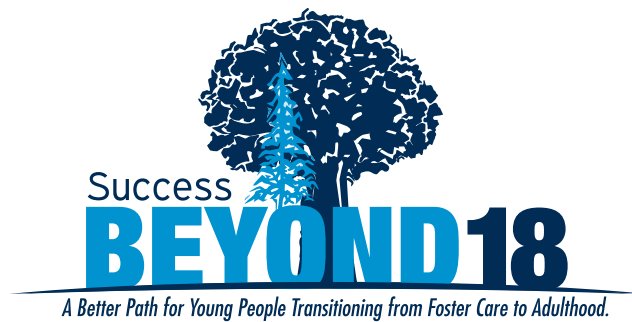
Who Provides Support?	How many served are age 18, 19, or 20?	Eligibility Requirements	Data on Outcomes	Additional Comments
Independent Living Programs and/or After Care Programs				
Housing Supports				
Permanency Planning				
Other Supportive Services				





About the Jim Casey Youth Opportunities Initiative

The mission of the Jim Casey Youth Opportunities Initiative is to ensure that young people – primarily those between ages 14 and 25 – make successful transitions from foster care to adulthood. We do this by working nationally, in states, and locally to improve policies and practices, promote youth engagement, apply evaluation and research, and create community partnerships. Our work creates opportunities for young people to achieve positive outcomes in permanence, education, employment, housing, health, financial capability, and social capital.



Jim Casey Youth Opportunities Initiative
222 South Central Ave., Suite 305
St. Louis, MO 63105
314-863-7000

www.jimcaseyyouth.org