Testimony Regarding
The Governor's Proposed Budget for the Department of Children and Families
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Appropriations Committee
February 22nd, 2013

Senator Harp, Representative Walker, and distinguished members of the Appropriations Committee:

We are testifying today on behalf of Connecticut Voices for Children, a research-based public education and advocacy organization that works statewide to promote the well-being of Connecticut's children, youth, and families.

1) Revenue Enhancement

DCF's proposed budget would realize approximately $7 million in new federal reimbursement (under Title IV-E of the Social Security Act) by exercising *some* of the options available to it under the federal Fostering Connections Act of 2008 (P. L. 110-351).[1] Fostering Connections expands a state's eligibility for Title IV-E financial reimbursement for "post-majority" services and supports it provides youth age 18 to 21 who continue to be served by a foster care agency. While we approve of DCF's decision to maximize federal reimbursements for services it *now* provides to youth of this age, we think it is important that the legislature be aware of the range of other options and opportunities presented to DCF by Fostering Connections that are not included in the Governor's budget.

Congress passed the Fostering Connections Act based on convincing evidence that young men and women who turn 18 while in foster care often struggle tremendously after "aging out" of state custody. After growing up with the state as their parent, they lose all support when they turn eighteen, and are often unprepared to transition into adulthood. In fact, the most comprehensive research on this population has found that, compared to peers who are raised by parents, foster youth are less likely to graduate from high school, less likely to attend college, less likely to be employed, more likely to experience an unplanned pregnancy, more likely to be homeless, and more likely to be involved in crime (if they are men). For those who do manage to find work, mean annual earnings are $13,989.[2] However, when youth are allowed to remain in foster care until age 21 and receive the types of supports other youth this age commonly receive from parents they are far more likely to enroll ultimately in a college, and there is also evidence that they are more likely to delay pregnancy, have higher earnings, and avoid criminal activity.[3]

Based on this evidence, Fostering Connections allows states to extend foster care to youth who are age 18 to 21 and receive federal reimbursement for such care, provided that the youth are either: a) enrolled in college, b) enrolled in a vocational education program, c) working at least 80 hours per month, d) enrolled in a program that removes barriers to employment, or e)

[1] See, Governor's Budget Summary, Department of Children and Families
[2] See, Powerpoint Presentation delivered by Mark Courtney at Success Beyond 18, December 6th, 2012. If interested, contact Kenny Feder at kfeder@ctvoices.org.
[3] *Ibid.*

incapable of doing any of these things because of a medical condition.[4] To provide maximum flexibility to states, Fostering Connections allows states to choose whether to serve all or just some of these five eligibility categories, and then provides Title IV-E reimbursement for all categories served. [5] It also allows states to extend foster care beyond age 18 in one of two ways – either by allowing youth to continue to simply remain in care after they turn 18, or by structuring extended foster care as a "voluntary reentry program," in which youth exit foster care at age 18 but then voluntarily reenter to receive services.[6]

The Governor's proposed budget (and HB 6367) reflects the decision to provide "post-majority services" to youth between the age of 18 and 21 who are in three of the five eligibility categories: in college, in a vocational program, or in any other approved program that removes barriers to employment. It also reflects the decision not to structure the extended foster care programs as a voluntary reentry program. In short, the Governor's proposed budget seeks only to make the changes necessary to gain $7 million in additional Title IV-E reimbursements to help offset the cost of the services DCF already is providing to these youth. It does not take full advantage of the opportunities presented by Fostering Connections in two basic ways:

1. Through the proposed statutory change in HB 6367, Connecticut is choosing to structure foster care for 18- to 21-year-olds as an extension of traditional foster care, rather than as a voluntary reentry program. While many states have selected this option,[7] there are potential financial benefits to structuring the program as voluntary reentry instead.

Title IV-E reimburses Connecticut for 50% of the cost of all eligible children in foster care. Currently, about half of all children in foster care in Connecticut are Title IV-E eligible, because eligibility is generally based on the income of a parent from whose home a child in foster care was removed. [8] This means Connecticut is reimbursed for about 50% * 50%, or 25% of the cost of providing foster care, adoption, and guardianship assistance to youth age 0 to 18. [9] Under the proposed statutory change, which structures post-majority services as a continuous extension of traditional care, Connecticut would continue to be reimbursed at this same rate, approximately 25%, for those youth age 18 to 21 who it continues to serve.[10]

However, under Fostering Connections, youth who voluntarily reenter foster care at 18, rather than remaining in it continuously, are reassessed for Title IV-E eligibility based on their own incomes, rather than their parents' incomes, making many more youth Title 4-E eligible.[11] *For*

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[4] See, ACF Program Instructions 10-11, available at http://www.acf.hhs.gov/programs/cb/resource/pi1011.
[5] *Ibid.*
[6] *Ibid.*
[7] E.g. California, See A.B. 12. Information about A.B. 12 is available at http://www.courts.ca.gov/7988.htm.
[8] Title IV-E foster care reimburses Connecticut for 50% of all foster care assistance payments, adoption assistance payments, and guardianship assistance payments made on behalf of youth who would have been eligible for AFDC before the program was eliminated by welfare reform. AFDC eligibility is assessed based on the income of a parent from whose home a child was removed. Because AFDC no longer exists, its income eligibility criteria are not adjusted for inflation, and fewer and fewer youth are eligible for federal foster care assistance each year. See Title IV-E of the Social Security Act, Sec. 472 & 474.
[9] E-mail from Barbara Claire, DCF Legal Director, January 30th.
[10] *Ibid.*
[11] See, ACF Program Instructions 10-11, available at http://www.acf.hhs.gov/programs/cb/resource/pi1011.

this reason, by structuring DCF post-majority services as a voluntary reentry program for every youth, rather than as an extension of traditional foster care, DCF could potentially double the number of youth over the age of 18 who are Title IV-E eligible, and capture potentially double the federal revenue.

Michigan provides an example of how a post-majority foster care program can be structured as a voluntary reentry program to maximize the federal reimbursements under Fostering Connections. Michigan's 2011 expansion requires any youth eligible for extended foster care under Fostering Connections, who wishes to continue to receive services from the department, to voluntarily re-enter foster care at age 18; rather than simply continuing the youth in foster care by amending the definition of a "child" to include youth under age 21.[12] Michigan's voluntary re-entry program, incorporated in its Title IV-E plan, was approved by the federal government in 2011; its programmatic structure has rendered many more youth Title IV-E eligible. This suggests that Connecticut might be able to capture substantially more federal revenue than currently proposed to serve young adults in foster care, if it were to structure its post-majority foster care services in a manner similar to Michigan's.

2. Connecticut also has chosen to expand foster care to only three of the five categories of youth eligible for post-majority services, the three who it already serves. Under Fostering Connections, Connecticut could also allow youth who are working at least 80 hours per month, or who medically incapable of falling in any other eligibility category, to receive post-majority foster care services, and also receive Title IV-E reimbursement for serving these youth. These are the youth who are perhaps *most* in need of services, because they are not yet ready to begin a post-secondary education program. In fact, allowing these youth to remain in care increases the likelihood they will one day attend college, and also helps them delay pregnancy and avoid homelessness.[13] Were Connecticut to extend post-majority services to these other two categories of youth, it would receive federal Title IV-E reimbursements for such services as well.

Because Connecticut stands to receive *at least* $7 million in new federal revenue in the upcoming fiscal year, and possibly substantially more if it structures post-majority services as a voluntary re-entry program, Connecticut has a unique opportunity *this year* to leverage the new federal reimbursements and use these funds as the federal government intended they be used under Fostering Connections, to expand post-majority services to *all* youth eligible for additional supports until age 21.

Maximizing federal revenue and serving as many young people as possible will allow Connecticut to do its best possible job as statutory parent to older youth in its care, and will promote better life outcomes for this most vulnerable population who must rely on the state as their parent through no fault of their own.

2) Spending Cuts and Reductions

[12] See, Michigan P.A. 225 and P.A. 226, 2011.

[13] See, Powerpoint Presentation delivered by Mark Courtney at Success Beyond 18, December 6th, 2012. If interested, contact Kenny Feder at kfeder@ctvoices.org.

DCF has realized critical savings through reductions in the use of expensive and restrictive congregate care placements, and through reductions in caseload achieved through the implementation of the new Strengthening Families Practice Model, which places increased emphasis on serving children with their families in their communities.

The Governor's budget reduces funding to the Department of Children and Families (DCF) by $21.7 million (2.6%) compared to the level of funding it would require to maintain current service levels in FY14. The budget's major reductions include a $4.1 million reduction to current spending by removing funding for four therapeutic group homes, a $4.7 million reduction to current spending by eliminating rate increases for private residential facilities, and an additional $2.0 million reduction to current spending on personal services by allowing 30 currently vacant positions to lapse.[14]

These cuts reflect in part DCF's increased commitment over the last two years to serving fewer youth in expensive and restrictive residential facilities and congregate care settings.[15] They also reflect caseload reductions DCF has been able to realize because of an enhanced commitment to serving children and their families together, and serving children in their communities as much as possible, through the Strengthening Families Practice Model. An integral part of this shift away from congregate care to serving children in their communities has been the implementation of Differential Response (DRS) – a nationally lauded and evidence based method for responding to low risk child endangerment cases by diverting them away from traditional abuse and neglect investigations and instead working with families to access services within their communities that can help to prevent the need for foster care.[16] DCF has also dramatically increased the placement of children with relatives and kin.[17] By collaborating with families, placing more children with relatives, and diverting more children and families away from foster care, DCF has been able to bring children out of congregate care and into less restrictive placements, and keep children out of foster care in general, lowering caseloads and creating cost savings. These reforms are also consistent with child welfare best practice – serving families in their communities helps children grow up safer and healthier, and preserves important ties to loved ones.

While these recent positive reforms have both reduced caseloads and saved money, it is important that a substantial portion of these savings be reinvested in bolstering the community-based services that help prevent children from entering into foster care and keep caseloads down.

The Governor does recommend an $846,792 (3.4%) increase in Community Based Child Protective Services. However, this increase is only 12% of the $6.9 million recommended cut in Out of Home Child Protective Services.[18] Similarly, the Governor recommends an increase of $1.1 million (1.3%) in Community Based Behavioral Health Services, but this represents only a fraction of the $8.3 million cut he recommends in Out of Home Behavioral Health Services.[19] Finally, the Governor recommends a $903,614 (9.8%) cut to the $9.5 million DCF requested to

[14] See, Governor's Budget Summary, Department of Children and Families.
[15] *Ibid.*
[16] *Ibid*.
[17] *Ibid.*
[18] See, Governor's Budget in Details, Department of Children and Families
[19] *Ibid.*

keep DRS at its current service level.[20] Unless the state maintains its commitment to Differential Response, DCF will struggle to identify youth who can be served in the community, and caseloads may begin to rise again.

Serving families in their communities is best child welfare practice, and leads to healthier, stronger, and smarter children. Unless Connecticut maintains its financial commitment to family and community based services, its support for youth struggling with behavioral health challenges, and its preventative measures such as Differential Response, DCF will be unable to keep its caseloads down, and the savings realized through congregate care and caseload reduction will disappear.

Thank you for your time, and I look forward to your questions.

[20] *Ibid.*