



Agency Recommendation Summary

The Department of Children, Youth, and Families (DCYF) requests \$3,747,000 (\$3,725,000 GF-S) and 7.0 Full Time Equivalents (FTE) in the 2024 Supplemental Budget to strengthen the administration and competency of the Independent Living (IL) program and to continue the implementation of a new approach to transition planning for youth exiting child welfare and juvenile rehabilitation systems. The funding will be used for three purposes: to stabilize the IL program and backfill for declining federal funding, to implement a rate for IL service providers, and to sustain adolescent transition program managers.

Program Recommendation Summary

090 - Program Support

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Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
Staffing						
FTEs	1.0	7.0	4.0	7.0	7.0	7.0
Operating Expenditures						
Fund 001 - 1	\$1,019	\$2,706	\$3,725	\$3,265	\$3,265	\$6,530
Fund 001 - A	\$3	\$19	\$22	\$19	\$19	\$38
Total Expenditures	\$1,022	\$2,725	\$3,747	\$3,284	\$3,284	\$6,568
Revenue						
001 - 0393	\$3	\$19	\$22	\$19	\$19	\$38
Total Revenue	\$3	\$19	\$22	\$19	\$19	\$38

Decision Package Description

The Independent Living (IL) program is a voluntary program designed to teach important life skills to current and former DCYF foster youth, including those in care, who returned home, were placed in a guardianship, or have been adopted. IL is funded through a federal grant allocated to the state based on the relative share of children in foster care. With the decline of children in out-home care, Washington's IL grant award has correspondingly declined in recent years and is no longer sufficient to administer the program and provide services. Additionally, the current payment structure for IL providers is not sufficient to cover costs associated with delivering services. DCYF seeks funding to implement a new case-based rate to cover costs and provide transparency, consistency, and financial sustainability for providers. The proposed rate is only partially funded with one-time funding provided in the 2023-25 Biennial Budget. Finally, the 2021-23 Biennial Budget provided one-time funding for the establishment of adolescent transition program managers. DCYF seeks to sustain this resource for youth exiting systems of care.

The 2021-23 enacted budget (ESSB 5092 (2021), Section 227(21)) directs DCYF to create and implement a new approach to transition planning for youth exiting child welfare and juvenile rehabilitation systems. The proviso directs DCYF to establish adolescent transition program managers, strengthen the administration and the competency of the IL program, and report on the reimagined approach to transition planning. DCYF utilized a co-design process and engaged with youth who have lived experience and other stakeholders to complete the redesign project and the Independent Living Transition Planning Report in November 2022. As required by the proviso in the enacted budget bill, the report identifies a roadmap and resources needed to support the program.

This decision packages includes three components:

- Funding to sustain IL and backfill for declining federal revenues: IL is funded through a federal grant allocated to the state based on the relative share of children in foster care, which has declined in recent years and is no longer sufficient to administer the program and provide services.;
- Funding to implement a rate increase designed to cover IL providers' costs; and

- Ongoing funding for DCYF to maintain the adolescent transition program managers funded in the 2021-23 Biennial Budget with one-time funding.

Sustaining Independent Living

Independent Living (IL) is DCYF's primary program to assist youth involved in the child welfare system to transition successfully into adulthood. IL is a voluntary program for current and former DCYF foster youth. Youth are eligible for the program if they were in an established dependency with DCYF or a Tribal court and in an out of home foster care placement for at least 30 days after becoming dependent between the ages of 15-17 years old. Once a youth becomes eligible for the program, they are eligible until their 23rd birthday.

Currently, IL is exclusively funded by a federal Chafee Grant that is allocated to states based on their relative shares of children and youth in foster care. While Washington's share of dependent youths in out-of-home care has been decreasing, the number of youth eligible for IL is not declining at the same rate. This is because once a youth becomes eligible for IL, they remain eligible until their 23rd birthday regardless of the status of their dependency.

Regular Chafee grant awards (non-ARPA) have declined from \$3.3 million in FFY 2020 to \$2.9 million in FFY 2023 at an average rate of -4.7% per year, and are expected to continue to decline. Contracted service provision for the youth currently in care costs \$2.8 million per year. In addition to the contracted services, DCYF provides roughly \$483,000 to Tribes to provide IL services to eligible youth under Tribal Jurisdiction and requires another \$488,000 for the costs to administer the program. The cost of the Tribal agreements and the administration have historically been covered with prior-year Chafee grant balances. DCYF now requires state funding to sustain and maintain the program as those balances are now depleted and DCYF anticipates declining federal funding in future years.

DCYF currently only serves about 30% of eligible youth. Without state funds, given the decline in the Chafee grant, there will be a reduction in the amount of funds that are available for contracts and services. The number of youth who can access the program will be reduced and service providers will enact waitlists for services. DCYF will procure new contracts with the reduced funding and a reduced service array within the program. This places DCYF caseworkers in a position to provide IL services without the support of local providers.

New and Increased IL Rate

The 2023-25 Biennial Budget provided \$750,000 per year in one-time funding for IL providers. This funding is not sufficient to move the payment method from a budget based to a case-based payment. A case-based payment structure provides adequate funding to providers for the work they do, including the ability to pay their staff a living wage which will help to retain and hire staff. IL serves a total of over 1,000 youth per year through 11 community-based organizations and 29 tribes throughout the state.

Providers have reported that they are unable to hire and retain staff due to low wages. In the past two years, DCYF has lost two providers due to rising rent and staff costs. DCYF has conducted numerous engagement meetings with IL providers throughout the year to better understand the cost of the service provision, so that DCYF can develop a rate that adequately meets provider's needs. In addition, DCYF extensively engaged youth with lived experience, community-based organizations, advocates, and others in the IL redesign process.

The requested rate increase funding allows DCYF to maintain the program and update the payment method. DCYF's rate model begins with estimating the costs to provide IL services, in particular the cost to recruit and retain direct service staff. DCYF is committed to public, transparent, and data driven methods for developing rate models that fully compensate Providers for the cost of a service and supports worker well-being. These proposed rates were developed using the following key strategies:

1. Use of Employment Security Department's published Occupational Employment and Wage Estimates to identify competitive wages.
2. Partnering with service Providers to understand costs in delivering the service.
3. Modeling the cost of benefits for personal time off, single participant health care, dental, vision, and professional development.
4. Using contract requirements to ensure wages and benefits are used for worker well-being.

For IL, these costs were informed by engagement with providers, which includes estimates and assumptions regarding case managers, project managers, and associated supervisory and data collection staff. The model also includes funding for reimbursable add-on services including outreach funds, quarterly group training funds, flexible funding to support youth, and funds to build community with and among youth (such as special events or graduation).

DCYF requests funding to provide a monthly case rate that is sufficient to pay for the cost of case management, in addition to assumed reimbursement-based funding for these costs. Once providers are adequately reimbursed for their costs, DCYF will continue to improve the program utilizing recommendations from lived experts in the legislative report, with the goal of expanding the program statewide.

Adolescent Transition Program Managers

The 2021–23 Biennial Budget provided one-time funding for one statewide adolescent transition program manager and six adolescent liaisons to be dedicated to supporting the transition planning for adolescents exiting DCYF systems of care. DCYF requests ongoing funding to maintain the 7 FTE positions.

The 6 adolescent liaisons function as peer support positions to support young people in navigating the transition to adulthood, connection to resources including the independent living program, and supporting youth engagement in the “17.5 staffing meeting” which is a comprehensive planning meeting to address a youth’s needs when exiting the child welfare system. 6 positions allow one to be located in each DCYF region. Lived experts and stakeholders requested a peer support model for the liaison positions when engaging in the transition re-design process.

The adolescent transition program manager will oversee the 6 adolescent liaisons and will create a road map and provide guidance to execute the recommendations to transitions services as outlined in the Independent Living Transition Planning Report. DCYF anticipates making the 7 FTEs permanent will create better youth participation in the 17.5 staffing meeting and in transition planning generally, as well as better connection and utilization of transition supports such as independent living and other community-based supports.

Assumptions and Calculations

Expansion, Reduction, Elimination or Alteration of a current program or service:

The IL program has historically been funded with Chafee grants totaling \$3.3 million in FFY 2020 and \$2.8 million in FFY 2023. See detailed backup for a history of Chafee grant awards. The decline is expected to continue.

The adolescent transition program managers were funded in the 21-23 Budget with one-time funding of \$1,923,000 (\$1,441,000 GF-S).

Detailed Assumptions and Calculations:

The total request is \$1,022,000 (\$1,019,000 GF-S) in FY 2024, \$2,725,000 (\$2,706,000 GF-S) in FY 2025 and \$3,284,000 (\$3,265,000 GF-S) in FY 2026 and beyond. This request consists of three components with costs as outlined below:

	2024	2025	2026	2027
Adolescent Transition FTE	\$153,000	\$1,001,000	\$958,000	\$958,000
Sustaining Independent Living	\$843,000	\$1,141,000	\$1,264,000	\$1,264,000
Independent Living Rates	\$26,000	\$583,000	\$1,062,000	\$1,062,000
Total	\$1,022,000	\$2,725,000	\$3,284,000	\$3,284,000

Adolescent Transition FTE

DCYF estimates the cost of the adolescent transition FTE as \$153,000 (\$150,000 GF-S) for FY 2024, \$1,001,000 (\$982,000 GF-S) for FY 2025 and \$958,000 (\$939,000 GF-S) in FY 2026 and beyond for 1 program manager and 6 peer liaisons.

Sustaining Independent Living

DCYF requests \$843,000 in GF-S in FY 2024, \$1,141,000 in GF-S in FY 2025 and \$1,264,000 GF-S for FY 2026 and ongoing to sustain the administration of the IL program.

The total cost of the base budget in the IL program is \$3,776,000, which includes \$2,805,000 in direct services contracts with IL providers, Tribal agreements of \$483,200 and administrative resources of \$488,000 per year (funding for 2 MA5 and goods and services).

The FFY 2023 Chafee award was \$2,866,000, about three quarters of which was spent in SFY 2023. DCYF assumes the annual Chafee awards will continue to decline at a rate of 4.7% per year. In SFY 2024, DCYF assumes there will be about \$885,000 in prior year Chafee balances to spend in SFY 2024, and that DCYF will split future Chafee awards between state fiscal years.

DCYF requests the delta between expected Chafee awards and the cost of the program in GF-S to stabilize the IL budget, as reflected below.

Estimated Chafee Balances & Spending	SFY 2023	SFY 2024	SFY 2025	SFY 2026	SFY 2027
Total Cost of IL Program	3,776,000	3,776,000	3,776,000	3,776,000	3,776,000
Federal Funding					
FFY22 & prior grants	1,794,492				
FFY23 grant (SFY23 spend estimated)	1,981,602	884,695			
FFY24 grant (estimated)		2,048,802	682,934		
FFY25 grant			1,952,618	650,873	
FFY26 grant				1,860,950	620,317
Total Federal Funding	3,776,094	2,933,497	2,635,552	2,511,823	620,317
GF-S Requested to Sustain IL		842,597	1,140,542	1,264,271	1,264,271

Implement IL Rates

The total annual ongoing cost for IL with the new rates will be \$4,837,000, including direct service contracts of \$3,866,500 per year with the new rate. DCYF requests \$26,000 in FY24 to implement the new rate in the fourth quarter of the year, \$583,000 in FY25, and \$1,062,000 ongoing beginning in FY26 to implement case-based rate for IL services. Funding is assumed to go up in the outlook due to the expiration of the \$750,000 per year in one-time funding provided in the 23-25 Budget.

DCYF bases this estimated rate on the estimated costs to provide IL services, including case management costs (personnel, salary, and health benefits including dental and vision, training, staff costs, and paid-time off); operations and overhead costs; program development; reimbursable add-on services such as training materials, funding for building community, quarterly group training sessions, and youth support funds. DCYF continues to examine assumptions behind rates models to ensure that proposed rates are reflective of provider costs and that all data are up-to-date. The total cost to deliver IL services is estimated to be \$430 per youth per month based on assumed provider costs and reimbursable add-on services. DCYF estimates there will be roughly 750 youth served per month, which is the average monthly caseload for IL services. DCYF further requests one-time funds of \$272,000 in start-up costs for new providers in FY25.

DCYF received \$1,500,000 (\$750,000 per year) in the 23-25 Budget, one-time ending in FY25, in funding for IL providers. DCYF has implemented nine months' worth of this funding in contract amendments through March 2024. DCYF assumes that, if the decision package is funded, the remainder of this funding will be used to offset the cost of the new rate. DCYF will work with providers to implement the new payment structure if the decision package is approved. If the decision package is not funded, DCYF will implement the remainder of the one-time funding as an increase to the current contracts.

Workforce Assumptions:

DCYF requests \$1,001,000 (\$982,000 GF-S) for 7.0 FTE.

- 1 FTE Management Analyst 5 – \$158,000
- 5 FTE Social & Health Program Consultant 2 - \$843,000

Strategic and Performance Outcomes

Strategic Framework:

IL was created to help youth who are most likely to age out of foster care prepare for adulthood with a focus on housing, education, employment, life skills, and permanent connections. The values of the program integrate with the following Governor's Results Washington goal areas:

- Healthy and Safe Communities
 1. Homelessness
 2. Pregnancy and Abortion Rate
 3. Opioid and Drug Overdoses
 4. Infant Mortality Rate
- Prosperous Economy
 1. WA State Unemployment Rates
 2. Average Washington Wages
- World Class Education
 1. 4 Year Graduation Rate
 2. Undergraduate Degrees

In addition, IL helps to meet these agency priorities:

- Create successful transitions to adulthood for youth and young adults in our care.
- Improve quality and availability of provider services.

Performance Outcomes:

In accordance with the improvements proposed in this decision package, DCYF expects the following positive outcomes:

- Providers will maintain current IL providers and their staff.
- Providers will produce improved youth outcomes through increased engagement.

In addition, DCYF currently reviews the program for quality assurance and provides feedback to providers regarding their performance. DCYF also utilizes the National Youth in Transition Database to track services and outcomes for youth in Independent Living.

Equity Impacts

Community outreach and engagement:

This ask is a result of the IL and Transition Planning redesign work which included:

- Communication and work with the 12 IL providers around service delivery and program needs.
- Consultation with Passion to Action Youth and Alumni Advisory Board (P2A) relating to the ongoing needs of adolescents for IL services and transition planning
- Four Town Halls were held to communicate the status of the project and solicited feedback from participants about service needs and priority areas
- Engaged current and former foster youth and youth residing in JR institutions.
- Collaboration with regional staff in Child Welfare and the JR system around IL needs of youth.
- Discussions with tribal representatives around IL and what is needed from DCYF to do the work.
- Collaboration with caregivers and biological parents to help figure out what is working, service gaps, and how to ensure that youth get the services they need when they need it.

Disproportional Impact Considerations:

This funding will allow the IL program to sustain and continue to serve youth who are ages 15 through 23 years old, who were dependent with DCYF or a Tribal court with an out of home placement for at least 30 days after becoming dependent. Funding will allow providers to work with youth without the fear of the Federal Chafee grant being reduced and the possible need to serve less youth.

Here is a breakdown of the race/ethnicity of program participants for SFY22.

Independent and Transitional Living Program – Participating Youth		
Race/Ethnicity		
White	606	47%
American Indian/Alaskan Native	81	6%
American Indian/Alaskan Native Multi	112	9%
Asian/Pacific Islander	38	3%
African American	122	9%
African American Multi	90	7%
Hispanic	211	16%
Other Multi	23	2%
Unknown	11	1%
Sex		
Female	802	62%
Male	492	38%
<i>Data Source: DCYF PQR855_SF22_IL report</i>		

Target Populations or Communities:

The current IL population and eligibility will stay intact with this ask. IL providers will be funded in a way that sustains the program. DCYF must create an avenue to sustain the program before working on expanding eligibility.

Other Collateral Connections

Puget Sound Recovery:

Not applicable.

State Workforce Impacts:

No impacts to any collective bargaining agreements or statewide compensation and benefits policy. The request would maintain the 7.0 FTE positions currently funded at DCYF.

Intergovernmental:

DCYF has engaged with tribal representatives through the co-design process detailed above.

Stakeholder Response:

Support for this decision package is anticipated from stakeholders, including IL providers represented through the Washington Association for Children and Families, the Child Welfare Advocacy Coalition, and youth advocates such as Mockingbird Society, Partners for our Children, and Northstar Advocates.

State Facilities Impacts:

Not applicable.

Changes from Current Law:

No changes to current statute necessary or rules necessary. DCYF will update contracts in accordance with the new rate structure should this DP be funded.

Legal or Administrative Mandates:

This proposal is not in response to litigation, audit finding, or executive order.

HEAL Act Agencies Supplemental Questions

Not applicable.

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

No

Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
Obj. A	\$95	\$581	\$676	\$581	\$581	\$1,162
Obj. B	\$31	\$203	\$234	\$203	\$203	\$406
Obj. C	\$869	\$1,724	\$2,593	\$2,326	\$2,326	\$4,652
Obj. E	\$2	\$13	\$15	\$13	\$13	\$26
Obj. G	\$2	\$17	\$19	\$17	\$17	\$34
Obj. J	\$0	\$43	\$43	\$0	\$0	\$0
Obj. T	\$23	\$144	\$167	\$144	\$144	\$288

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