

Health and Human Services Committee
LB 216
January 31, 2013

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Division of Children and Family Services
Department of Health and Human Services

My name is Thomas Pristow (T-H-O-M-A-S P-R-I-S-T-O-W) I am the Director of the Children and Family Services Division of the Department of Health and Human Services and I am here to testify in opposition to LB 216.

LB 216 provides for the extension of foster care for youth to age 21. In 2012, an independent consultant reported that the costs to provide foster care to age 21, for Fiscal Year 14 would be \$2.8 Million of State General Funds. This number is a gross underestimate based on assumptions that could result in the program being underfunded and cause a deficit in my budget.

The Department has calculated the costs for Fiscal Year 14 and the projection is \$11.5 Million of State General Funds which excludes possible Medicaid fiscal implications as this would be calculated by the Division of Medicaid and Long-Term Care and be impacted by the Affordable Health Care Act. The Department's calculation utilized the same revenue streams the consultant assumed including Federal Title IV-E funds, Chaffee Funds, and funds used for the Former Ward program.

The extension of foster care to age 21 is considered an entitlement program, meaning if the youth met the criteria for the program, and they want to enroll, they must receive the benefits. The Department's calculation assumes a 50% participation rate for eligible children. Some may believe this projection is high given the current utilization of the former ward program, which is approximately 10% of the youth who age out of foster care. However, the former ward program has far more eligibility restrictions and provides far less benefits than the extension of foster care to age 21 as written in the proposed bill. Therefore, the assumption of a 50% participation rate is reasonable and is fiscally responsible.

The consultant's fiscal projections did not include funding for youth who were adopted or were appointed a legal guardian after the age of 16. These youth would be eligible for foster care to age 21 in the proposed bill. This adds a potential of 228 youth being served through this program.

Also, the consultant's fiscal projections did not include additional funding for program, administrative, and the legal staff that would be needed based on the proposed bill

requirements. The costs associated with salaries, benefits, and operating costs for these positions is roughly \$1.1 Million dollars.

I remain committed to supporting youth in their efforts to plan for a healthy and successful transition to adulthood.

I am happy to take any questions from the committee members.