



Agency Recommendation Summary

The Department of Children, Youth and Families (DCYF) requests \$11,645,000 (\$7,699,000 GF-State) and 2.0 Full Time Equivalent (FTE) in the 2024 Supplemental Budget to increase the Basic Rate for Foster Care Maintenance Payments to licensed caregivers, to apply a housing supplement for youth in Extended Foster Care residing in Supervised Independent Living arrangements, and for fiscal staff to implement the new SIL payment.

Program Recommendation Summary

010 - Children and Families Services

The Department of Children, Youth and Families (DCYF) requests \$11,422,000 (\$7,480,000 GF-State) in the 2024 Supplemental Budget to increase the Basic Rate for Foster Care Maintenance Payments to licensed caregivers and to apply a housing supplement for youth in Extended Foster Care residing in Supervised Independent Living arrangements in counties with high housing costs.

090 - Program Support

The Department of Children, Youth and Families (DCYF) requests \$223,000 (\$219,000 General Fund State) and 2.0 full-time equivalent (FTE) in the 2024 Supplemental Budget. These resources are fiscal staff who are necessary to implement the new SIL payment structure.

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	0.0	2.0	1.0	2.0	2.0	2.0
Operating Expenditures						
Fund 001 - 1	\$0	\$7,480	\$7,480	\$7,480	\$7,480	\$14,960
Fund 001 - 2	\$0	\$3,942	\$3,942	\$3,942	\$3,942	\$7,884
Fund 001 - 2	\$0	\$4	\$4	\$4	\$4	\$8
Fund 001 - 1	\$0	\$219	\$219	\$205	\$205	\$410
Total Expenditures	\$0	\$11,645	\$11,645	\$11,631	\$11,631	\$23,262
Revenue						
001 - 0393	\$0	\$3,942	\$3,942	\$3,942	\$3,942	\$7,884
001 - 0393	\$0	\$4	\$4	\$4	\$4	\$8
Total Revenue	\$0	\$3,946	\$3,946	\$3,946	\$3,946	\$7,892

Decision Package Description

Foster Care Basic Rate:

Foster Care Maintenance Payment Basic Rates are paid as a reimbursement to licensed caregivers when a child has been removed from their home due to child abuse and neglect and placed into foster care by the juvenile court. The current Basic Rate is not sufficient to cover the costs incurred by licensed caregivers to provide for the needs of children in foster care. DCYF requests to increase the Basic Rate to fully cover costs incurred by caregivers.

Licensed caregivers receive a foster care maintenance payment on behalf of over 4,000 children placed in out of home care each month. DCYF has a strategic goal to prioritize placement of children and youth with kinship caregivers and to support them to become licensed so they may receive foster care payments. When placement with a kinship caregiver is not possible, non-relative family foster homes play a crucial role in caring for children placed out of home. In order to recruit, maintain, and ensure placements are stable and supportive, caregivers must be reimbursed for the cost of a child's basic needs while in their care.

DCYF pays a Basic Rate (level 1) to licensed caregivers to cover the cost of food, clothing, housing, and personal incidentals. Currently, through December 31, 2023, there are three additional levels of supplemental payments (levels 2, 3, and 4) which are paid to licensed caregivers who are parenting children with varying degrees of physical, developmental, behavioral, or mental health conditions that require increased effort, care, or supervision that are above the needs of a typically developing child. In January 2024, DCYF will begin the transition to a new 7-level system in which levels 2-7 include a supplement to the Basic rate to support children with higher levels of need, as included 2023-25 Biennial Budget. This request does not impact the funding nor the implementation of the new 7 level foster care maintenance payment structure.

To ensure licensed caregivers are fully reimbursed for the cost of care, DCYF is requesting a rate increase to the foster care maintenance payment Basic Rate. The 2023-25 Biennial Budget included a \$50 increase to the basic rate to address increased costs due to inflation. However, the increase was not based on an analysis of actual costs of caring for children in Washington. Based on a cost analysis performed by Western Washington University’s Center for Economic and Business Research, DCYF requests to update the Basic Rate to reflect increases in the costs incurred by caregivers to provide for the basic needs and incidentals of children in foster care to reflect the following:

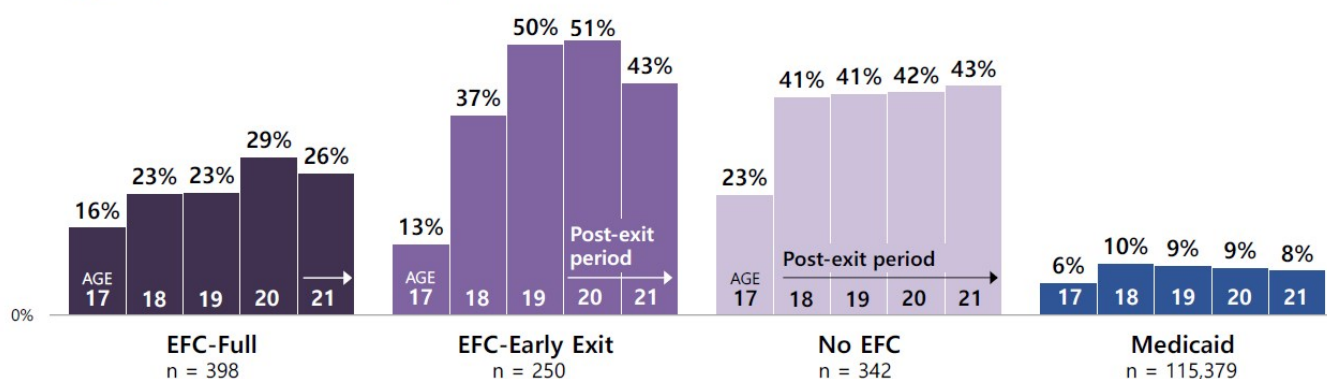
Age Group	Current Rate (2022) /Child/Month	New Rate/Child/Month	Rate Variance	Funding Request
Birth to 5	\$722	\$895	\$173	\$3,749,000
6 to 11	\$846	\$1,100	\$254	\$2,802,000
12+	\$860	\$1,034	\$174	\$1,739,000
Total				\$8,290,000

Extended Foster Care – Supervised Independent Living:

The Basic Rate is also the foundation for providing payments for youth in Extended Foster Care (EFC) who are in Supervised Independent Living arrangements (SIL). However, the rate does not cover the cost of housing for youth in EFC, particularly for those who live in high-cost counties, resulting in high rates of housing instability and homelessness for the population. When a youth ages out of foster care at age 18 they may enroll in EFC and voluntarily place themselves into the care and placement authority with DCYF. If a youth in EFC is capable of living independently, they may choose an independent living arrangement like shared housing or an apartment. A youth is eligible to receive a SIL payment if they are able to demonstrate they can make rent payments by combining their own income with a SIL payment. The SIL payment is equal to the Basic Rate for a youth age 12 and over (currently \$860 a month; DCYF proposes to increase this to \$1,034 as shown above.) The youth must also secure a living arrangement that meets DCYF health and safety standards and is approved by a caseworker.

Recent analysis of the EFC population by the Department of Social and Health Services Research and Data Analysis (RDA) division demonstrates that a significant portion of the population is homeless or unstably housed while in EFC and in care and placement authority of the agency, as referenced in the below chart. RDA found high rates of homelessness and housing instability among all groups of youth aging out of foster care, and especially among those who exit EFC before the age of 21.

Homelessness or Housing Instability among Foster Care and Medicaid Groups by Age
 Among young adults with 18th birthday in SFY 2016-2018



Source: DSHS Research and Data Analysis Division, 2023

One major reason for homelessness and housing instability among this population is that youth in EFC face great difficulty in pulling together the

financing to be able to secure and maintain housing. The Basic Rate does not account for the cost of independent housing or high variations in the cost of rent across the state. This is especially challenging in high-cost areas of the state like King, Pierce and Snohomish counties.

This proposal would increase the monthly Basic Rate paid for youth over the age of 12 from \$860 to \$1,034. The Basic Rate does take into account housing costs; however, the Basic Rate is structured to cover assumed costs for a caregiver who already lives independently and is adding a child or youth to their household. DCYF proposes to apply a housing supplement on top of the Basic Rate in order to address the high cost of housing in several areas of the state and to take into consideration that EFC youth will need to seek housing independently. The housing supplement would apply in King, Snohomish, Pierce, Clark, Kitsap, Skamania, and Thurston counties, which are areas of the state where housing costs far exceed the portion of the Basic Rate assumed to be for shelter.

The supplement will be calculated as one half of fair market rent for a 2-bedroom unit in the county in which the youth reside, less about one half of the Basic Rate. This formula presumes that fair market rent for a 2-bedroom unit is a reasonable proxy for the cost of securing an apartment or house-sharing. To calculate the amount of the supplement, DCYF subtracts about half of the new proposed Basic Rate (presumed to be related to housing costs under the new Basic Rate cost model described above) from the fair market rent for a 2-bedroom apartment. For example, the 2023 fair market rent for a 2-bedroom apartment in Pierce County is \$1,643, divided by half = \$822, minus \$542 (which is about half of the proposed increase to the Basic Rate) = \$280 monthly housing supplement.

		Housing Supplement			
County	EFC Caseload	1/2 of New Proposed Basic Rate (for shelter)	1/2 Fair Market Rent - 2 Bedroom (HUD)	Variance	Total Cost Per Fiscal Year
Clark	45	\$542	\$920	\$378	\$202,000
King	192	\$542	\$1,228	\$686	\$1,582,000
Kitsap	2	\$542	\$936	\$394	\$11,000
Pierce	116	\$542	\$822	\$280	\$388,000
Skamania	1	\$542	\$920	\$378	\$5,000
Snohomish	102	\$542	\$1,228	\$686	\$842,000
Thurston	46	\$542	\$728	\$186	\$102,000
Total	504				\$3,132,000

Assumptions and Calculations

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

The foster care Basic Rate maintenance payment and Extended Foster Care Supervised Independent Living payments are funded under the foster care entitlement program. This proposal requests to fund a Basic Rate increase, which is also the rate paid for SIL arrangements, and to expand EFC services by providing a housing supplement.

Detailed Assumptions and Calculations:

DCYF requests \$11,645,000 (\$7,699,000 GF-S) in the 2024 Supplemental Budget beginning in FY25 and ongoing.

Basic Rate Increase

DCYF assumes \$8,290,000 (\$4,974,000 GF-S) in the 2024 Supplemental Budget to increase basic foster care maintenance payments. DCYF will increase the basic rate to reflect increases in the costs incurred by caregivers to provide for the basic needs and incidentals of children in foster care, including food, shelter, clothing, personal items, and other essentials.

Supervised Independent Living

DCYF assumes \$3,132,000 (\$2,506,000 GF-S) in the 2024 Supplemental Budget for Supervised Independent Living, beginning in FY25 and ongoing, to provide a housing supplement intended to cover the cost of housing for youth in EFC in counties with high housing costs. It is assumed that the housing supplement will cover the difference between the housing portion of the proposed new basic rate (\$542 per month), and ½ of the fair market rent of a two-bedroom apartment according to Housing and Urban Development (HUD) data. DCYF requests funding to provide a housing supplement in seven counties where the difference between ½ of fair market rent and the housing portion of the proposed new basic rate is greater than \$150/month. (King, Snohomish, Pierce, Clark, Kitsap, Skamania, and Thurston counties.) The proposed housing supplement is multiplied by the current EFC caseload in each of the seven counties to identify the cost.

Workforce Assumptions:

DCYF requests \$112,000 (\$110,000 General Fund State) and 2.0 Full Time Equivalents (FTE) in the 2024 Supplemental Budget.

Fiduciary Support

2.00 FTE Fiscal Analyst 2 – \$223,000 (\$219,000 GF-S) annually.

DCYF estimates additional fiscal FTE will be needed to process the new SIL housing supplement payment structure. DCYF's current payment system does not allow for regional payments. Staff are needed to research and confirm that the high-cost county housing supplement applies, and to process placement changes if a child or youth moves. Workload was estimated based on calculations related to the average caseload for fiscal analysts and an estimate of the number of payments, actions, and research minutes needed under the new payment structure.

Strategic and Performance Outcomes

Strategic Framework:

This proposal contributes to the Governor's Result Washington:

Healthy and Safe Communities: Providing youth, young adults, and families the resources and supports needed to achieve stable housing.

Performance Outcomes:

- Reduction of youth and young adults entering homelessness after exiting publicly funded systems of care.
- Reduction in the number of children in out of home care.
- Preventing entry into foster care.
- Reducing length of stay in out of home care.

Equity Impacts

Community outreach and engagement:

DCYF sought input for this proposal from the Foster Parents Association of Washington, Mockingbird Society, the Extended Foster Care Community Workgroup and other child welfare stakeholders. Stakeholders have strongly urged the department to increase rates to reflect the true cost of caring for children and to address homelessness and housing instability among the EFC population.

Disproportional Impact Considerations:

Black and Indigenous children are over represented in the child welfare system in Washington. In addition, housing instability is disproportionately experienced by Black, Indigenous, and people of color in Washington State. Youth of color are disproportionately likely to enter into homelessness after exiting a system of care and families of color are more likely to experience housing instability.

Target Populations or Communities:

This request ensures licensed caregivers' cost of caring for a child/youth in care are fully covered and ensures EFC youth have resources to secure and maintain housing.

Other Collateral Connections

Puget Sound Recovery:

Not applicable

State Workforce Impacts:

Not applicable

Intergovernmental:

Not applicable.

Stakeholder Response:

Licensed caregivers have been requesting an increase to the Basic Rate to cover the true cost of caring for children and youth in the state of Washington. In addition, DCYF's Extended Foster Care Community Workgroup has been urging DCYF to increase rates for Supervised Independent Living payments to address homelessness and housing instability among the EFC population. Foster Parents Association of Washington, Mockingbird Society, the Child Welfare Advocacy Coalition and other child welfare stakeholders support raising these rates.

State Facilities Impacts:

Not applicable

Changes from Current Law:

Not applicable

Legal or Administrative Mandates:

Not applicable

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. N	\$0	\$11,422	\$11,422	\$11,422	\$11,422	\$22,844
Obj. A	\$0	\$120	\$120	\$120	\$120	\$240
Obj. B	\$0	\$49	\$49	\$49	\$49	\$98
Obj. E	\$0	\$4	\$4	\$4	\$4	\$8
Obj. G	\$0	\$5	\$5	\$5	\$5	\$10
Obj. J	\$0	\$14	\$14	\$0	\$0	\$0
Obj. T	\$0	\$31	\$31	\$31	\$31	\$62

Agency Contact Information

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