

# Position Statement

## For 2023 Session

### TRANSITION AGE YOUTH SERVICES EXPANSION

#### Proposal

##### Issue:

The federal government provides funding to states to serve older youth in foster care and extended foster care to gain independent living skills. In Minnesota the funding support the STAY program for older youth. In 2015, federal law increased the age range of children served by STAY, however the base funding has not changed since 2006. Per Department of Human Services Child Safety & Permanency Division, there are over 9,000 youth eligible for services in Minnesota. Historically, Minnesota has served less than a third of the eligible youth, leaving over 6,000 youth without the necessary fiscal and services supports to transition successfully to adulthood. Youth in foster care are offered extended foster care from age 18 to age 22, with assistance for housing and development of a plan to gain independent living skills. Youth may choose to leave foster care and the financial supports and services at any time after age 18.

Nationally, youth transitioning from foster care to adulthood face increased barriers to success:

- 50% will experience homelessness within 18 months
- 25% will experience incarceration within 2 years
- 60% will live in poverty
- 97-99% will not have opportunity to graduate from college

An estimated 7-8% of youth in foster care are receiving social security benefits at the time they reach the age of majority. It is unknown what percentage of these youth are placed due to their own disability and may move into adult supported services and housing that utilize their social security benefits for room and board. For 92+% of youth transitioning to adulthood the lack of financial support and services to provide guidance, emotional support and living skills places the youth at high risk of long-term barriers to success. Youth in the foster care system overrepresent communities of African American, American Indian, Hispanic and LGBTQ. Lack of services for transition age youth contributes to the inequities already present in the foster care system. It also results in the increase in costs in other areas of service such as homelessness services/housing, incarceration, medical assistance/SNAP, and mental health/substance abuse services.

##### Implementation Strategy:

To ensure equitable opportunity for all transition age youth, especially those from overrepresented communities, MACSSA supports expansion of services and benefits to youth entering independent living. Most non-system involved youth transitioning to adulthood have support in place to mentor, lead, and set expectations (parents) to assist with the transition to adulthood. Youth transitioning from foster care services often lack this resource. In 2020 there were 700 youth over the age 18 in extended foster care who would be eligible for this expansion (Minnesota's Out of Home Care and Permanency Report 2020). This requires an investment in all transition age youth exiting the foster care system to independent living, including additional state contribution to the STAY program to support the following types of supports and services.

This includes expansion of services under Minnesota Statute 260C.451 to include:

- Step-down funding upon exiting the foster care system to address barriers to housing and decrease risk of homelessness. Funding would be contingent upon the youth engaging in reaching realistic and obtainable goals offering youth the independent living skills necessary to navigate society.

- Extended independent living services access through a private agency and/or county human services agency to assist with budget and fiscal management, social skills, employability, home management, etc. with additional funding to support the service provision.
- Investment in housing and skills services development in rural areas of Minnesota and those with higher concentration of underserved populations.

### Systemic Priority Alignment (highlight all that apply and explain why)

- **Equity**
- **Integrated Services**
- **Fiscal Framework**

From the GARE Toolkit (See [www.racialequityalliance.org](http://www.racialequityalliance.org)): What are the racial equity impacts of this particular decision? Who will benefit from or be burdened by it? Are there strategies to mitigate unintended consequences?

The current services available to youth transitioning from foster care are limited in availability, accessibility, and funding. While a small percentage of youth exiting the foster care system to independent living have access to social security benefits and an on-going funding stream, most youth leave care with limited fiscal resources and few positive community connections (Annie E. Casey Foundation). Children of underserved communities including African American, Native American, Hispanic, and LGBTQ are over-represented in the foster care system. For these youth exiting the foster care system with additional barriers further adds to the inequities in opportunities for success in early adulthood.

Other than a short-term federal investment through COVID funding, there has been limited or no increases since 2005 in federal funding for STAY eligible youth (federal CHAFEE funds). A state investment in transition age youth would provide increased opportunity to serve this population without a shift in costs to counties. Success of transition age youth is also expected to provide a fiscal benefit to the state and counties by reducing ongoing costs for incarceration and homelessness and increasing earning potential of the youth. Federal estimates of the annual cost of homelessness is approximately \$40,000 per year per person (US Housing & Urban Development-HUD). Estimates of the cost of incarceration is approximately \$35,000 per year per person (Federalregister.gov). Investments in transition age youth can decrease long term costs to county, state, and federal governmental services.

### Relevant Committee (highlight all that apply and explain why)

- **Adult Services**
- **Behavioral Health**
- **Children's Services**
- **Equity**
- **Healthcare**
- **Modernization**
- **Policy**
- **Self-Sufficiency**

Transition age youth are served in the children's services area if the placement was authorized under MN Statute 260C. Historically, there continues to be inequity and disproportionality of children from underserved populations in the foster care system. Addressing the needs of transition age youth can help improve equitable opportunity for former foster youth to find success in adulthood. Improving opportunity for success also impacts self-sufficiency by potentially reducing reliance on long-term services due to homelessness, below poverty level earning income and potential incarceration. It can also reduce the need for adult services due to mental health and chemical abuse concerns both areas of need found higher in persons who were former foster youth than in the general population.

### Rationale/Background:

Transition age youth exiting the foster care system between ages 18 and 22 face greater challenges than their same age peers due to lack of fiscal resources and social/emotional supports. Research shows the human mind is not fully developed until age 26. For most youth, there is a "safety net" of family and other social/emotional/fiscal resources to help

them navigate the adult world. For many youth exiting the foster care system resources are few. Research shows increased levels of homelessness, incarceration, poverty, and mental/physical health concerns. Ultimately this can impact not only the youth but future generations of children and youth. Investment in transition age youth not only is a responsibility of the state but also makes fiscal sense—assisting youth to become contributing members of society vs. being served in long-term costly systems.

It is estimated approximately 7-8% of youth exiting the foster care system have financial resources due to social security benefits. The remaining 92% exit with no additional fiscal benefits. An equitable solution is to invest in the development of longer-term fiscal, social, educational and supportive resources; funded through state allocations and accessible regardless of location of the youth's residence. MACSSA supports potential initiatives to meet the needs of youth such as the following, and also advocate for the extended services to be provided through community based agencies under contract with DHS.

**Expand STAY in the Community statewide.** Stay in the Community was previously known as the Healthy Transition to Adulthood (HTA) and the Healthy Transition and Homeless Prevention (HTHP) programs. Expansion would allow the department to provide services to the overrepresented communities of African American, American Indian, and lesbian, gay, bisexual, transgender and queer (LGBTQ+) youth, as well as youth living in rural Minnesota, where there is often a shortage of services and shelter.

- **Increase funding for Stay in the Community.** In 2015, federal law increased the age range of children served by STAY, but expanding the program to more children funding has not changed since 2006. Currently, there are over 9,000 youth eligible for services in Minnesota. Historically, Minnesota has served less than a third of the eligible youth. Additional funding will allow the department to serve more youth, offer the program statewide, and provide culturally specific programming to African American, American Indian, and LGBTQ+ youth. Annually this grant serves approximately 3,000 youth; this increase would support services to 6,000 eligible youth.

- **Establish the Support Beyond 21 program.** Create a new program to provide financial assistance to youth aging out of extended foster care. The program as envisioned would provide \$6,000 in payments to these youth during their first year following extended foster care. The payments would be stepped down every 3 months and services would be available through community-based organizations to help these youth with budgeting and financial literacy.



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Approved on: