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Executive Summary

Over the past decade, policymakers and child welfare practitioners increasingly recognize that youth who experience foster care need continued support past age 18. As a result, policymakers have increased funding to support young people ages 18 and older who are in and/or transitioning from foster care. Within this new funding environment, however, little is known about how funding streams come together to provide supports for this population. This report draws on interviews the authors conducted with 19 child welfare leaders in eight jurisdictions to highlight how jurisdictions are using existing funding sources to serve this population and examine the funding challenges they continue to face. We identify policy issues for the child welfare field to consider as they seek to improve services and supports for young people transitioning from care.

Existing funding sources that support young people transitioning from foster care

Across the eight jurisdictions in which we conducted interviews, federal funding sources provide the underlying structure for services to young people ages 18 to 21 transitioning from foster care. These sources include the Title IV-E Foster Care Program, which provides extended foster care for youth 18-21; the John H. Chafee Foster Care Program for Successful Transition to Adulthood, which provides funding to help prepare older youth in care to successfully transition to adulthood; and others. Together, these funding streams provide continued foster care placements, case management, transition services, health and mental health services, and more. Jurisdictions invest significant state and/or local resources to make the required match to draw down these federal funds. Jurisdictions also fund services and supports beyond what federal dollars can finance, frequently using other funding sources to invest in post-secondary supports; extension of certain services beyond federal age requirements; and intensive, individualized supports.

Funding levels for young people transitioning from foster care

Due to the difficulty of breaking out spending by age of children and youth, as well as the complexity of funding streams, most interviewees were unable to provide specific information about child welfare agency expenditures for services and supports for young people 18 and older. However, some existing data sources shed light on this topic. Although jurisdictions vary greatly in how they use federal, state, and local funding sources, we know that services and supports for this population rely on significant state investment, and that Chafee funding (one of the main federal funding streams for this population) is a small portion of overall child welfare agency expenditures for this group of young people.

Funding challenges and opportunities for supporting young people transitioning from foster care

Interviewees identified the following challenges to funding needed supports to this population.

- **Providing intensive supports and skill development.** Interviewees highlighted that while the existing services are sufficient for some young people, many youth transitioning from care need more support. The demand for more intensive supports and skill development exceed what the Chafee program can
fund and do not align with the types of services that are reimbursable under the Title IV-E extended foster care program.

- **Ensuring that young people are connected to supportive adults.** There are insufficient resources for caseworkers or transition staff to provide the support needed by young people who turn 18 (and are not connected to a family) to build stable adult connections.

- **Avoiding service “cliffs.”** Many young people struggle to complete post-secondary education and maintain housing and stable employment after they are no longer eligible for extended foster care and Chafee services.

- **Coordinating funding streams and services.** Despite their best efforts, most jurisdictions struggle to coordinate and align the various resources available to this population. The funds flow through a variety of agencies, organizations, and providers, which makes coordination difficult.

**Policy discussion**

Based on the challenges identified by the child welfare leaders we interviewed, we believe the following policy issues deserve further exploration by federal, state, and local policymakers; providers; funders; advocates; and young people who have experienced foster care.

- **How increased funding levels could better support the John H. Chafee Foster Care Program for Successful Transition to Adulthood in achieving its objectives.** The ability of Chafee-funded programs to adequately support this population and meet the program’s objectives has diminished over time, while the demands on the program have increased. An increase in Chafee funding could improve coordination of existing funding streams and encourage states to provide transition supports to young people to age 23. Discussion questions for the field include:
  - Should Chafee funding be increased and structured to provide or incentivize more individualized and intensive transitional services to young people who need them?
  - How could increased Chafee funding better promote building evidence about the services and supports that lead to improved outcomes, and for whom?

- **How to take advantage of Title IV-E Foster Care Program funding for this population.** States can choose to extend their Title IV-E Foster Care Program to age 21 and receive Title IV-E reimbursement for those costs assuming the youth meet certain criteria (such as engagement in school or work). Given the demonstrated benefits of extended foster care for young people, all states should consider extending their IV-E Foster Care Program. Title IV-E extended foster care funding can provide a foundation for creating developmentally appropriate experiences that promote young people’s continued education and self-sufficiency. Discussion questions for the field include:
  - How can existing Title IV-E Foster Care Program funding be used to support specialized permanency (legal and relational) efforts and more intensive case management for young adults in extended foster care?
  - Should the Title IV-E Foster Care Program be changed to allow for reimbursement of expenses for services, such as counseling and coaching, that are critical for young people in this developmental stage?

- **How to leverage new opportunities under the Family First Prevention Program for young people ages 18 and older.** The recently enacted Family First Prevention Services Act will allow states to be reimbursed under Title IV-E for trauma-informed, evidence-based prevention services for children and youth at risk of entering foster care and their family, and for pregnant and parenting foster youth. Through the provision of effective prevention programs, the Family First Prevention Program can help reduce the number of older youth in foster care and in need of extended supports past age 18. It can
also provide jurisdictions with an opportunity to improve supports for pregnant and parenting youth in foster care and provide prevention services to young adults whose adoption or guardianship is at risk of disruption. As implementation begins, a discussion question for the field is:

- **Can states use the Title IV-E Prevention Program to ensure that young people who are transitioning from foster care but not enrolled in extended foster care are considered candidates for care to receive the supports that they need?**

- **How to improve state and local coordination across funding sources to better serve young people transitioning from foster care.** Federal programs outside of child welfare, including those focused on housing, education, and the workforce, also target some services towards this population. State and local jurisdictions should develop an explicit approach to coordinating funding streams and the programs they support. This coordination can maximize funding that is already available and help jurisdictions create a comprehensive array of services and supports for this population. Discussion questions for the field include:

  - **Can states use the Title IV-E Prevention Program to ensure that young people who are transitioning from foster care but not enrolled in extended foster care are considered candidates for care to receive the supports that they need?**

  - **How can jurisdictions better demonstrate the value of coordination and its impact on young people’s ability to access and benefit from services?**

  - **Are there ways to encourage federal non-child welfare programs to collaborate with child welfare programs to better meet the needs of young adults transitioning from foster care?**

  - **How could an increase in federal Chafee funding incentivize and support jurisdictions to better coordinate and align existing resources?**

This report, informed by what interviewees shared about the challenges and successes experienced in the eight jurisdictions, is intended to begin a conversation about how the child welfare field can address the funding challenges that must be resolved in order to enhance services and supports for this population. The field must continue to build on federal, state, and local policymakers’ commitment to this population and work to ensure that all young people have what they need to make a successful transition from foster care to adulthood.
Introduction

In fiscal year (FY) 2017, about 20,000 young people emancipated from foster care (U.S. Department of Health and Human Services [DHHS], 2018c). These youth often face significant challenges during their child welfare system involvement that place them at higher risk for negative outcomes. For example, they are at risk of homelessness, unemployment, and poor educational attainment (Courtney et al., 2011), outcomes that will be costly for both the young people and communities. A recent report by the Jim Casey Youth Opportunities Initiative at the Annie E. Casey Foundation found that if young people transitioning from foster care experienced outcomes similar to their peers in the general population, the total savings to society over their lifetime would be $4.1 billion for each cohort of youth aging out of care (Annie E. Casey Foundation, 2019).

Given this population’s risk for negative outcomes, and the fact that many parents support their adult children financially and emotionally through their early 20s (Fingerman et al., 2015), there has been growing recognition over the past decade, among policymakers and child welfare practitioners, that youth who have experienced foster care and do not have parental assistance need continued support past age 18. As a result, policymakers have increased funding for supports to young people ages 18 and older who are in and transitioning from foster care. Of particular significance, the passage of the Fostering Connections to Success and Increasing Adoptions Act of 2008 gave states the option to receive Title IV-E reimbursement for extended foster care up to age 21. Subsequent federal legislative efforts have required states to provide some young people who age out of foster care with access to Medicaid until age 26 and have placed increased emphasis on permanency and developmentally appropriate services. In recent years, federal programs outside of child welfare, including those focused on housing, education, and the workforce, have more explicitly targeted their services towards this population. Most recently, the Family First Prevention Services Act of 2018 (Family First) extended transition services for young people with foster care experience from age 21 to age 23 and extended federal post-secondary support from age 23 to age 26.

The changing federal policy context and the heightened interest in supporting young people transitioning from foster care has been accompanied by increased state and local investments in this population. However, within this new environment, we know little about how federal, state, and local funding streams come together to provide an array of supports and services for young people transitioning from foster care, and we are uncertain about what challenges remain. As a result, Youth Villages contracted with Lynn Tiede and Child Trends to conduct interviews with child welfare leaders to explore these topics.

Drawing on these interviews with child welfare leaders in eight jurisdictions, we developed this report to help policymakers, funders, and service providers better understand the current financing landscape for this population. We highlight how states and counties are using existing funding sources to serve this population, and the funding challenges they face as they strive to provide effective services and supports for young people transitioning from foster care.

Jurisdictions selected for interviews

We interviewed representatives from the eight jurisdictions listed below. These jurisdictions were selected because they 1) represent diversity in geography and child welfare administrative structures (county vs. state administered); 2) use diverse funding streams to fund services and supports for older youth in, or transitioning from, care; and/or dedicate significant funding for this population; and 3) are implementing programs and services to address the needs of this population.

- Alameda County, California
- Allegheny County, Pennsylvania
- Colorado
- Illinois
- Indiana
- North Carolina
- North Dakota
- Tennessee

1 Throughout this report, when summarizing what we learned from child welfare leaders, we use the term "most" to indicate six or seven of the jurisdictions; “many” to indicate four to five; and “some,” “several,” or “few” to indicate three.
What young people transitioning from foster care need to be successful

Based on prior research and the interviews conducted for this report, we identified the following characteristics of services that are critical for meeting the developmental needs of young people transitioning from foster care.

- **Comprehensive, ongoing supports.** Social scientists consider young adults to be in a “semi-autonomous” phase when they are acting independently, yet still need support (Setterson & Ray, 2010). According to social scientists, some parental support is necessary for youth to successfully transition into our society (Mortimer, 2012). For young people involved in the child welfare system, several studies have shown the benefits of extended foster care (foster care beyond age 18) in the areas of education, employment, housing, and more (Courtney & Hook, 2017; Hook & Courtney, 2011; Lee, Courtney, & Tajima, 2014; Courtney & Okpych, 2017 as cited in Courtney, Okpych & Park, 2018).

- **Individualized supports.** While youth need access to comprehensive supports, they are not a homogenous group; the same supports are not necessary for every young person. Research on the general population suggests that parents’ removing or shifting of supports as young people achieve adulthood milestones can provide benefits (Swartz, Kim, Uno, Mortimer & O’Brien, 2011). For young people making the transition to adulthood from foster care, the Midwest Evaluation of the Adult Functioning of Former Foster Youth identified four distinct groups: accelerated adults, struggling parents, emerging adults, and troubled and troubling. The researchers concluded that each group has unique characteristics and that supports must be targeted to meet their unique needs (Courtney, Hook & Lee, 2010). From a practice perspective, to successfully individualize services to meet a young person’s needs, it is critical to engage youth in a collaborative, youth-driven planning process (Capacity Building Center for States, 2018).

- **Connections to caring, supportive adults.** For all young people, caring adults act as a safety net against the natural ups and downs that occur during the transition to adulthood (Swartz et al., 2011). They help young people learn life skills in the most natural setting and guide them toward self-sufficiency (Jim Casey Youth Opportunities Initiative, 2011). Unfortunately, many young people transitioning from foster care have limited or no connections to family, or they have family or adult connections who are not well-equipped to provide support. While child welfare staff can provide support for a time, it is critical that young people have adults and a network of support that exists beyond the time-limited supports that they receive from public systems.
Existing Funding Sources that Support Young People Transitioning from Foster Care

We interviewed leaders from eight jurisdictions to better understand how they use different funding sources to improve youth outcomes related to permanency, education, employment, housing, physical and mental health, and financial literacy. This section describes how key funding sources are used to provide supports and services to young people transitioning from foster care.

Title IV-E Foster Care Program

Title IV-E of the Social Security Act is the largest federal funding source used by child welfare agencies (Rosinsky & Williams, 2018). Acknowledging that youth need ongoing supports, states can choose to extend foster care to age 21 and receive Title IV-E reimbursement for those costs assuming the youth meet certain criteria. Just over half of states, including the states represented by the eight jurisdictions selected for this study, have exercised this option (Juvenile Law Center, 2018). As with foster care for children and youth under age 18, states receive reimbursement for a portion of maintenance costs (i.e., room and board) and administrative costs. Maintenance costs are reimbursed based on the state’s Federal Medical Assistance Percentage, which ranged from 50 percent to approximately 77 percent in FY 2020 (Federal Financial Participation, 2018). Administrative costs, which include case management, are reimbursed by the federal government at a 50 percent rate. Federal standards require that, at a minimum, caseworkers visit children and youth in foster care on a monthly basis, although states can receive Title IV-E reimbursement for more frequent caseworker visits. It is important to note that states can be reimbursed for administrative costs such as determining eligibility, case planning, and referrals for services; however, other costs, such as education and medical expenses and social services such as counseling, are not reimbursable (Fiscal Requirements [Title IV-E], 2010).

Across the eight jurisdictions, caseworkers meet with young people in extended care at least once a month. Team meetings bring together the caseworkers, young person, transition staff, and others identified by the young person, to assist in case planning. Many of the jurisdictions have also created extended foster care placements that are designed specifically for young adults, such as supervised independent living. For example, Illinois—a state that used state funds to extend foster care for almost 30 years before the passage of Fostering Connections—uses Title IV-E Foster Care Program funding and state funding to provide an array of extended foster care placement options. These range from independent living options to supportive housing programs designed specifically for pregnant and parenting youth, and for young people with developmental disabilities. In Alameda County, the My First Place program uses Title IV-E Foster Care Program funding, along with state, local, and private funding, to deliver a comprehensive supportive housing program that includes education, employment, and intensive case management to young people age 18 and older. While other jurisdictions where we conducted interviews have more limited types of placements.

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2 To be eligible under the Title IV-E extended foster care program, a young person must meet at least one of the following criteria: 1) completion of secondary education, 2) enrollment in a post-secondary institution or a vocational or trade school, 3) participation in a “program or activity designed to [...] remove barriers to employment,” 4) working at least 80 hours per month, or 5) unable to meet these criteria due to a documented medical condition. States have the option to limit eligibility to one or more of the eligibility categories (DHHS, 2010).

3 To be eligible for IV-E foster care reimbursement, several criteria must be met, including that the home from which the child or youth was removed must have been considered financially “needy” based on 1996 poverty standards.

4 My First Place is a supportive housing program for young adults ages 18-24 who have or had child welfare or justice system involvement. The program includes education, employment and case management support. For more information, see: https://www.firstplaceforyouth.org/our-work/what-we-do/first-place/
available, interviewees shared that they are working to expand their placement options to better serve different populations of young people.

**John H. Chafee Foster Care Program for Successful Transition to Adulthood (Chafee)**

Developed in 1999, the Chafee program has provided funding to states and tribes for activities that prepare youth with foster care experience, ages 14 and older, to successfully transition to adulthood. Chafee funding is flexible and can support a wide variety of transition services to youth in and out of foster care, including educational, employment, financial, and housing supports. Chafee originally provided transition services for young people up to age 21. Following the passage of Family First, states that offer extended foster care to age 21 have the option to use Chafee funding for eligible youth up to age 23.

The Chafee program is a capped entitlement under Title IV-E funded at $140 million per year since its creation, with states required to provide a minimum 20 percent match. States can use up to 30 percent of their Chafee funding to support room and board for youth over 18 (Fernandes-Alcantara, 2017). In 2014, the Preventing Sex Trafficking and Strengthening Families Act increased funding levels to $143 million per year starting in FY 2020. **While the passage of Family First in 2018 gave states the option to extend Chafee eligibility to age 23 in some cases, program funding was not increased.**

Jurisdictions are currently using Chafee program funding in a variety of ways. Based on our interviews, across the eight jurisdictions, Chafee is often used to fund staff who provide transition services to Chafee-eligible youth. Transition program staff typically conduct life skills assessments and support youth in their transition planning. In two jurisdictions we interviewed, Chafee funds support staff who are specialized in a particular area, such as education; in many jurisdictions, Chafee supports classes for young people on topics such as budgeting and financial literacy. In a couple of the jurisdictions we interviewed, Chafee is also used to fund state and/or regional youth advisory boards that inform policies and practices related to older youth in and transitioning from foster care.

Another common use of Chafee funding is direct financial support for housing and other transition needs. Many leaders interviewed report using Chafee funding to provide limited housing support for young people at the point when they transition from foster care at age 18 or older. A couple of jurisdictions identify a specific limit, such as a lifetime maximum of $1,000 in housing funds, while other jurisdictions base housing support on the young person’s need and the availability of funds. Most jurisdictions reported using Chafee to provide flexible funding for transition expenses other than housing, such as costs related to starting a new job, transportation, extra-curricular activities, or emergency medical needs.

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5 Locally, these Chafee-funded staff have a variety of titles, such as transition staff, transition planners, or independent living staff. For the purposes of this report, they are referred to as “transition program staff.”

**Chafee funding per child**

In FY 2016, approximately 112,000 young people received at least one independent living service from the state agency that administers the Chafee program (DHHS, 2018a). In that same year, states were allocated $138 million under Chafee (Fernandes-Alcantara, 2017). Based on these figures, and including the required 20 percent state match, the current Chafee allocation provides, on average, **$1,536 per young person per year**, covering both direct service and administrative costs.
Chafee funding is also used to coordinate with other agencies delivering services and supports for young people ages 18 and older. At the local level, transition program staff build and maintain relationships with local public housing authorities, post-secondary institutions, and employment agencies to access other federal and state resources. To better support coordination, Chafee funding is sometimes used to support state-level staff tasked with cross-agency coordination. For example, Tennessee uses Chafee funding to support a Youth Engagement Coordinator who works with young people and other agencies to improve access and coordination of services. The Youth Engagement Coordinator identifies and shares information about opportunities for connecting young people to supports such as Job Corps or public housing, and also works at the state level to address systemic issues. In Colorado, a staff person supported with Chafee funding and a federal grant is embedded within the Department of Higher Education to improve access to post-secondary supports for youth in and transitioning from foster care and to ensure these young people are considered in policy and funding decisions.

**Education and Training Vouchers**

Added to the Chafee program in 2002, the Education and Training Vouchers Program (ETV) provides vouchers of up to $5,000 per year, for as many as five years, for the cost of post-secondary education or vocational training for Chafee-eligible youth. The vouchers were originally available to young people up to age 23; in 2018, Family First raised the ETV eligibility criteria to age 26. Funding for ETVs is discretionary and is authorized up to $60 million annually. In FY 2017, states and tribes were allocated approximately $42.5 million in ETV funding (Fernandes-Alcantara, 2017). Among the eight jurisdictions, ETV funds are administered through the state agency, a contracted provider, or the state student aid office. Caseworkers, transition program staff, or sometimes education specialists help eligible youth apply for ETV funding. Two interviewees indicated that they often struggle to identify enough young people who are interested in and attending post-secondary education and can maintain their eligibility for ETVs.

**Medicaid**

In 2010, the Patient Protection and Affordable Care Act (ACA) mandated that states extend Medicaid eligibility to youth who age out of foster care, up to age 26, regardless of their income or assets as long as they were enrolled in Medicaid while in care. Leaders in the jurisdictions shared that transition staff and caseworkers help young people enroll in Medicaid and maintain their coverage while they are in foster care and/or are Chafee eligible. Medicaid funding is also used to support young people in foster care who are placed in residential treatment facilities. In Illinois and Alameda County, transitional housing programs for young people in extended foster care partner with community-based mental health organizations to provide Medicaid-reimbursable mental or behavioral health services as part of an array of services and supports. In North Carolina, several Medicaid managed care organizations have utilized the state Medicaid waiver to create a service definition that covers comprehensive transitional living services for young people transitioning from foster care and have a mental or behavioral health diagnosis. Some interviewees indicated that even though Medicaid is available to fund health and mental health services for this population, there are systemic challenges with accessing Medicaid, such as a lack of providers.

**Family Unification Program**

Administered by the U.S. Department of Housing and Urban Development, the Family Unification Program (FUP) provides a pool of housing choice vouchers that can be used for families involved in the child welfare system; since 2000, FUP can also be used for young adults who exited foster care at age 16 or older. In 2016, FUP voucher eligibility for young people was extended from age 21 to age 24, and the availability of vouchers was expanded from 18 months to 36 months. Child welfare agencies and local housing authorities must collaborate on the allocation of FUP vouchers. Many jurisdictions interviewed reported that at least a
portion of FUP vouchers were used for youth transitioning from foster care. Jurisdictions also shared that 
the exact number of vouchers allocated to young people varies from year to year and across communities. 
This makes it difficult to know the extent of their use. Overall, we learned that while FUP vouchers can be 
helpful, the number of vouchers available to youth is far less than what is needed to meet the transitional 
housing needs of this population. Among the eight jurisdictions, the Illinois Department of Children and 
Family Services was unique in that its statewide Youth Housing Assistance Program,\(^6\) funded through state 
and Chafee funds, coordinates with local housing authorities across the state to allocate FUP vouchers for 
young people transitioning from foster care.

**Workforce Innovation and Opportunity Act**

Administered by the U.S. Department of Labor, the Workforce Innovation and Opportunity Act (WIOA) 
funds workforce training and supports coordination with education and vocational programs. The WIOA 
Youth Program serves eligible youth, ages 14 to 24, including young people who are currently or were 
formerly in foster care. WIOA also funds youth-focused programs such as YouthBuild and Job Corps. In 
many of the jurisdictions we interviewed, transition staff refer young people to WIOA partners for 
employment programs and training. In Allegheny County, WIOA partners provide comprehensive 
employment supports through the 412 Youth Zone,\(^7\) a one-stop center that serves young people 
transitioning from foster care, ages 18 through 23, with an array of transition services.

**Federal TRIO programs**

Administered by the U.S. Department of Education, TRIO is a set of programs designed to identify and 
prepare students from disadvantaged backgrounds for higher education and to support their persistence 
and increase graduation rates. Young people who left foster care at age 13 or older are one of the 
populations eligible for TRIO programs. These programs often operate through post-secondary institutions, 
and the level of collaboration with the child welfare agency varies by community. One interviewee shared 
that they are unaware of whether young people who are transitioning from foster care and are enrolled in 
college are accessing TRIO programs. On the other hand, North Dakota, due to its small size, is able to 
convene universities, colleges, and TRIO representatives at quarterly Chafee meetings to coordinate 
campus support for this population.

**State and local child welfare funding**

Jurisdictions invest significant state and local child welfare resources in providing the required state match 
for Title IV-E extended foster care and the Chafee program. All eight jurisdictions allocate additional state 
and local child welfare funding to provide services for this population that go beyond the federal 
requirements and provide more comprehensive supports. Examples include:

- **Post-secondary education.** To augment ETVs, most of the jurisdictions we interviewed provide 
  additional post-secondary supports such as state-funded scholarships (Indiana, North Carolina, and 
  Tennessee), state-funded college stipends (Allegheny County) or county-funded scholarships (Alameda

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\(^6\) The Illinois Youth Housing Assistance program promotes housing stability for youth that are currently or formerly in foster care. For 
more information, see: https://www2.illinois.gov/dcfs/brighterfutures/Documents/Housing%20Tip%20Sheet.pdf

\(^7\) In addition to providing independent living services, the 412 YouthZone co-locates many services for this population including 
employment, housing, mental health, and legal services, which are supported through different funding sources. For more information, 
see: https://www.auberle.org/the-412-youth-zone
In Illinois, state-funded community colleges and universities “waive...tuition and fee amounts that exceed” eligible students’ federal Pell Grants and state scholarship funds (Walker, 2019).

- **Supports beyond age 21.** Two jurisdictions are using significant state and local funding to extend supports and services beyond the federal age-based requirements. Alameda County uses local child welfare funding to provide transitional housing supports for up to 24 months for young people ages 18 to 24 through Transitional Housing Program Plus, including the My First Place program. In Allegheny County, the 412 Youth Zone program uses only state and local funding to provide independent living services for young people ages 18 through 23.

- **Intensive, individualized supports.** State and local funds are also being used to provide more intensive and individualized supports to young people who need them. Indiana’s state-funded Youth Connections Program works closely with young people ages 14 and older, including those in extended foster care, to provide family search and engagement services and ongoing supports to build relationships. In Illinois, state child welfare funding is used to support a team that coordinates the transition of young people with developmental or intellectual disabilities to adult services. Tennessee, North Carolina, and Allegheny County are investing state, local, and private funding to provide the YVLifeSet program to young people who need more intensive and individualized transition supports. In Alameda County, state and local funds augment comprehensive supports provided by the My First Place program.

- **Youth support.** Two jurisdictions use state and local funding for peer or “near-peer” youth support programs. Alameda County’s Youth Advocates Program uses county funds to provide peer support to young people to help them advocate for themselves and others. In Allegheny County, the Youth Support Partners program uses state funds to hire 40 full-time staff who, using their lived experience, help young people navigate the system and connect to resources and natural supports.

**Funding Levels for Young People Transitioning from Foster Care**

As the above examples demonstrate, states and counties use multiple federal, state, and local funding streams to provide services for this population. For this report, we sought information about spending on this specific population in order to examine funding levels and use of funding sources across jurisdictions. Unfortunately, we were unable to gather much detailed information about funding levels from most of the jurisdictions; this was due to both the difficulty of breaking out spending by age of the young people served and the multitude of the funding streams that flow through a variety of agencies. However, existing data sources can shed some light on the levels and composition of funding currently available for young people transitioning from foster care:

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8 For more information on Transitional Housing Placement Plus program, see: [http://www.cdss.ca.gov/inforesources/Foster-Care/Transitional-Housing-Programs](http://www.cdss.ca.gov/inforesources/Foster-Care/Transitional-Housing-Programs)

9 For more information on Youth Connections program, see: [https://www.in.gov/dcs/2412.htm](https://www.in.gov/dcs/2412.htm)

10 YVLifeSet is an evidence-based program that assists young people to make a successful transition from foster care to adulthood. For more information, see: [https://www.youthvillages.org/yvlifeset/](https://www.youthvillages.org/yvlifeset/)

11 For more information on Youth Advocates program, see: [https://www.westcoastcc.org/what-we-do/training-education/youth-advocate-program/](https://www.westcoastcc.org/what-we-do/training-education/youth-advocate-program/)

12 For more information on Youth Support Partners, see: [https://www.alleghenycounty.us/Human-Services/News-Events/Accomplishments/Youth-and-Family-Support/Youth-Support-Partners-(YSP).aspx](https://www.alleghenycounty.us/Human-Services/News-Events/Accomplishments/Youth-and-Family-Support/Youth-Support-Partners-(YSP).aspx)
Based on Child Trends’ national survey of child welfare financing, we know that state and local funding sources represent just over half of total child welfare agency expenditures (56 percent) and federal sources represent the remainder (Rosinsky & Williams, 2018). State funds are the primary source of child welfare agency funding for services and supports provided to older youth in, or previously in, foster care.¹³ In relation to overall child welfare agency spending, the survey found that only 2 percent of total expenditures are spent on services and assistance for older youth (including youth under 18 and excluding foster care maintenance payments; see Rosinsky & Williams, 2018).

According to the National Youth in Transition Database (NYTD), approximately 112,000 young people received at least one independent living service in FY 2016 from the state agency that administers the Chafee program (DHHS, 2018a). In that same year, states were allocated $138 million under Chafee (Fernandes-Alcantara, 2017). Based on these figures, and including the required 20 percent state match, the current Chafee allocation provides, on average, $1,536 per young person per year, covering both direct service and administrative costs.

In addition to these data sources, one jurisdiction was able to share funding data on young people ages 18 and older who are either in, or transitioning from, foster care. The jurisdiction reported approximately $18 million in child welfare agency expenditures on this population, with half coming from state dollars (51 percent) and about a third from Medicaid (30 percent).¹⁴ Much smaller amounts were sourced from the Title IV-E Foster Care Program (11 percent), ETV (4 percent), Chafee (3 percent), and federal grant funding (1 percent). While jurisdictions vary greatly in how they use federal, state, and local child welfare and related funding sources, this example provides further evidence that services and supports for this population rely on significant state investment. It also illustrates that Chafee funding is a relatively small portion of overall expenditures.

Funding Challenges and Opportunities for Supporting Young People Transitioning from Foster Care

Jurisdictions are leveraging federal, state, and local resources to provide supports for young people ages 18 and older who are transitioning from foster care. Yet, despite recent legislative efforts to expand services and supports for this population, child welfare resources continue to be limited, and the funding context remains complex. We asked interviewees to identify funding challenges that hinder their ability in their jurisdiction to provide needed services and supports to this population. The challenges that were identified, as well as specific ways in which jurisdictions are addressing them, point to opportunities to improve outcomes for young people transitioning from foster care.

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¹³ This is a finding from the Child Welfare Financing Survey, which defines services and assistance for older youth as (1) “services or supports intended to help youth make a successful transition from foster care to adulthood,” (2) “services for youth who have aged out of foster care or who left foster care (for any reason) at age 16 or older, and” (3) “all associated administrative costs.” Foster care maintenance payments for youth 18 or older are not included. (Rosinsky & Williams, 2018).

¹⁴ Medicaid funding for which the child welfare agency paid the non-federal match. The jurisdiction reported that this funding is used primarily to support placement of young people 18 and older in residential facilities.
Providing intensive supports and skill development

Interviewees highlighted that while the existing services and supports are enough for some young people, there are still many youth transitioning from care for whom these supports are insufficient. For example, many young people who want to pursue post-secondary education face significant hurdles due to the inadequacy or instability of their earlier educational experiences; consequently, they continue to need tutoring, remediation, and general support in developing life skills so that they can succeed in post-secondary education settings. Similarly, to participate in workforce opportunities and programs, some young people need one-on-one job coaching, mentoring, and training. These intensive, needed supports exceed what the Chafee program can fund and do not align with the types of services reimbursable under the Title IV-E extended foster care program; these supports are often not related to a medical diagnosis, and therefore, are not reimbursed by Medicaid. Some intensive supports may be available through a scholarship program, post-secondary institution, or a job training program; however, such supports are limited in scope and tied to the young person maintaining their enrollment.

Jurisdictions are working to address these challenges in a variety of ways. Some are using state, local, and private funding to deliver more intensive programs such as My First Place and YVLifeSet. Colorado is developing a comprehensive coach-based model called Pathways to Success with a federal discretionary grant. Alameda County uses local funding to provide job coaching and mentoring as part of their youth employment program. Interviewees noted that despite these efforts, more funding is needed to meet the needs of all the young people who require intensive supports and skill development. Without these supports, young people are unable to benefit from existing post-secondary and employment supports. Further, if youth are not connected to education or employment, their eligibility for Title IV-E extended foster care is jeopardized.

Ensuring that young people are connected to supportive adults

According to interviewees from two jurisdictions, ensuring that young people have adults in their lives who can support them throughout their early adulthood is a significant challenge. For young people who turn 18 and have not been connected to a family, interviewees shared that there are insufficient resources for caseworkers or transition staff to provide the necessary support to help these youth build stable adult connections and a network of support. Caseworkers, who typically only visit youth on a monthly basis—the federal minimum requirement—face the dual challenge of providing young adults with support in their transition to adulthood while also connecting them with caring adults. Transition programs are not structured or funded to enable staff to provide the individualized and intensive support that young people who do not yet have stable relationships need. One interviewee’s highest priority for investing more money would be to hire staff who could work with young people to strengthen and establish relationships with supportive adults.

Interviewees identified promising approaches that they feel are helping young people build supportive adult connections. According to two interviewees, youth who are placed with foster families and relatives rather than in institutional settings prior to age 18 have a better opportunity to naturally develop life-long relationships. Interviewees in two jurisdictions also described targeted programs that help young adults build lasting relationships: Indiana’s Youth Connections program assists young people from ages 14 to 20 in

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15 Pathways to Success seeks to prevent homelessness among “youth ages 14 to 21 who are currently in or transitioning out of foster care, or who are homeless up to the age of 21 with foster care histories” and includes a coaching-based model of youth engagement, housing navigation, small-scale financial assistance, a focus on advancing permanency, and resource referrals (Davis, Prendergast, & McHugh, 2018). Colorado is implementing this project via a Youth At-Risk of Homelessness grant from the Children’s Bureau.
Finding supportive adults and building strong relationships; and Allegheny County has found that its Youth Support Partners, who have lived experience in foster care, have been very effective in helping young adults build natural networks of support. However, interviewees in some jurisdictions shared that they rely exclusively on the efforts of caseworkers to ensure young adults transitioning from foster care have supportive adults in their life.

**Avoiding service “cliffs”**

Many jurisdictions noted that young people transitioning from foster care face challenges when they reach the age at which they are no longer eligible for certain supports, such as extended foster care and Chafee services. Housing is a particular challenge. FUP vouchers, which can be provided to young people beyond age 21, are very limited in number, and their availability varies by community. Other public housing options often have wait lists. One interviewee commented that losing housing supports undermines a young person’s progress in other areas including education and employment. Moreover, young people who no longer have the support of transition staff when they become ineligible for Chafee must face the additional challenges of navigating multiple adult systems to access public housing, post-secondary education, employment, or health and mental health supports. In addition, one interviewee acknowledged a broader challenge: Few jobs with livable wages exist for young people who have not yet completed post-secondary education or job training. The situations of youth transitioning from foster care stand in contrast to those of youth transitioning from intact families, who often are not expected to be entirely self-sufficient in their early 20s and still receive financial and emotional support from their parents (Fingerman et al., 2015).

Interviewees from two jurisdictions shared how they have tried to ease the abrupt termination of extended foster care and transition supports by providing options for young people to live independently, such as in apartments without supervision. As mentioned earlier, two jurisdictions are also investing state and local funding to extend supports and services beyond federal age requirements. Based on our interviews, many of the jurisdictions also intend to extend Chafee services to age 23, as Family First now allows; however, at least two interviewees have concerns about the lack of an increase in Chafee funding to accompany this expanded population.

**Coordinating funding streams and services**

Despite their best efforts, jurisdictions struggle to coordinate and align resources. The funding sources that support young people transitioning from foster care are used by a variety of agencies, organizations, and providers. Federal non-child welfare programs targeting this population, such as FUP, TRIO, and WIOA, rely heavily on collaboration at the local level. Young people, with the help of transition program staff, must juggle accessing services from different agencies, each with specific program requirements and structures. Interviewees from many jurisdictions noted that young people often find it difficult to understand what is involved in contacting, accessing and maintaining services. This lack of understanding can cause young people to lose critical supports, including their Medicaid coverage.

Importantly, interviewees identified ensuring better coordination as a way to improve services. In Allegheny County, for example, an integrated human services system is seen as critical to ensuring that young people have access to child welfare, housing, workforce development, health, and mental health services. Interviewees from other jurisdictions highlighted that devoting staff time and resources to cross-agency

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16 Recently, housing voucher access for youth transitioning from care has been expanded through Tenant Protection Vouchers (U.S. Department of Housing and Urban Development, 2019).
collaboration is necessary to leverage existing resources and ensure that young people can access the support they need. As previously mentioned, jurisdictions are using existing funding streams to finance some coordination efforts; however, interviewees from most jurisdictions acknowledged that coordination was an ongoing challenge.

**Policy Discussion**

This report provides a snapshot of how eight jurisdictions are funding services and supports for young people transitioning from foster care. While these jurisdictions comprise only a portion of child welfare agencies from across the country and are not intended to be representative of all child welfare agencies and communities, they are working to create similar systems of support and encountering similar challenges. The challenges these jurisdictions face have a direct impact on their ability to support young people’s successful transition from foster care to adulthood; as such, these challenges should inform more conversations about how to maximize the use of existing funding and increase flexibility or funding when needed.

Based on the funding challenges examined in this report, we have identified four policy issues, presented below, that warrant further exploration. However, we acknowledge that child welfare financing is complex and that more perspectives are needed. Therefore, for each policy issue, we pose questions for the child welfare field to consider, and we encourage further conversation among federal, state and local policymakers; providers; funders; advocates; and young people who have experienced foster care.

**How increased funding levels could better support the John H. Chafee Foster Care Program for Successful Transition to Adulthood in achieving its objectives**

Over time, the ability of Chafee-funded programs to adequately support this population and meet Chafee’s objectives has diminished, while the demands on the program have increased. For example, the extension of foster care is increasing the demand for Chafee transition services. A recent Child Trends report found that young adults “in extended foster care are more likely to receive services, and receive more services, than older youth not in extended foster care” (Rosenberg & Abbott, 2019). Similarly, with the recent extension of Chafee eligibility from age 21 to 23, the number of young people eligible for Chafee transition services has increased. In addition, since Chafee was first established in 1999, more federal programs that are not focused on child welfare have been targeted to serve this population. While these changes provide much-needed opportunities, it is the Chafee program that bears the responsibility of coordinating with local organizations and agencies to ensure young people transitioning from foster care can access and benefit from the available services. Despite the multiple ways that demands on Chafee-funded services have grown, Chafee has received minimal funding increases over the years. In fact, after accounting for inflation, Chafee’s funding levels are about 30 percent lower now than when it was established.

Increasing Chafee funding could help address funding challenges that jurisdictions currently face. Without additional funding for the extension of Chafee to age 23, resource-strapped jurisdictions will have difficulty making the case to extend supports, or they may extend supports only in a very limited way. With more funding, states could build out transition supports to age 23 and help youth avoid the service cliff that many of them experience at age 21. Moreover, additional Chafee funding could help jurisdictions better coordinate existing funding streams and enhance cross-system coordination. While state and local jurisdictions can take action to improve coordination absent an increase in Chafee, additional Chafee funding could spur efforts across states and maximize the use of existing federal and state funding to benefit young people transitioning from foster care.
A discussion about increasing Chafee will also naturally lead to conversation about directing public resources in the most effective way possible. Determining the best way to direct resources is challenging because there is limited evidence available about which programs and services improve outcomes for young people transitioning from foster care. Therefore, an increase in Chafee funding could be coupled with an increased focus on building the evidence for programs that best support young people transitioning from foster care, including programs that target specific subpopulations, such as young parents, young men, young people of color, LGBTQ youth, or young people with emotional or behavioral health needs.

As policymakers consider increasing Chafee funding, their discussions should include these questions:

- Should Chafee funding be increased and structured to provide or incentivize more individualized and intensive transitional services to young people who need them?
- How could increased Chafee funding better promote building evidence about the services and supports that lead to improved outcomes and for whom?

**How to take advantage of Title IV-E Foster Care Program funding**

The Title IV-E Foster Care Program is a significant funding stream that supports young people ages 18 and older in the states with Title IV-E extended foster care. Based on our interviews with child welfare leaders in eight jurisdictions, extended foster care funding can provide the foundation for creating developmentally appropriate experiences that promote young people’s continued education and self-sufficiency. Given the demonstrated benefits of extended foster care for young people (Courtney & Hook, 2017; Hook & Courtney, 2011; Lee, Courtney, & Tajima, 2014; Courtney & Okpych, 2017 as cited in Courtney et al., 2018) all states should strongly consider extending their Title IV-E Foster Care Program to age 21.

Jurisdictions should also continue to explore how Title IV-E extended foster care funding can better support young people’s developmental needs. For example, several interviewees acknowledged that caseworkers’ monthly visits do not provide sufficient time for them to meet the needs of young adults. State and local jurisdictions could require more frequent visits for older youth who need them, financing the additional cost in part through Title IV-E. However, existing restrictions on case management expenses do not permit IV-E reimbursement for caseworker activities such as counseling and coaching (Fiscal Requirements [Title IV-E], 2010), despite the fact that it would be a developmentally appropriate for a young adult to receive these services from a caseworker.

As federal, state, and local child welfare leaders consider how to maximize the Title IV-E Foster Care Program funding, their discussions should include these questions:

- How can existing Title IV-E Foster Care Program funding be used to support specialized permanency (legal and relational) efforts and more intensive case management for young adults in extended foster care?
- Should the Title IV-E Foster Care Program be changed to allow for reimbursement of expenses for services, such as counseling and coaching, that are critical for young people in this developmental stage?

**How to leverage new opportunities under the Family First Prevention Program for young people ages 18 and older**

When implemented, the Family First Title IV-E Prevention Program will allow states to be reimbursed under IV-E for trauma-informed, evidence-based prevention services for children and youth at risk of entering
foster care and their family, as well as for pregnant and parenting foster youth. These services include mental health and substance use prevention and treatment programs, and parent skill-based programs that are approved by a federal clearinghouse (DHHS, 2018b).

The new Title IV-E Prevention Program has the potential to address the funding challenges that were identified by interviewees from the jurisdictions to help improve outcomes for young people ages 18 and older. Effective prevention programs for adolescents can help reduce the number of older youth in foster care and in need of extended supports past age 18. In addition, Family First provides jurisdictions an opportunity to further develop comprehensive supports specifically for pregnant and parenting youth who are in foster care, including extended foster care. The Title IV-E Prevention Program can also help support some young people whose guardianship or adoption arrangement is at risk of disruption or dissolution (DHHS, 2018b). As the Family First Prevention Program goes into effect, federal policymakers and states should identify evidence-based programs and services that are appropriate for adolescents, young adults, and young parents. In addition, we know that some young people in states with Title IV-E extended foster care leave care prior to age 21 due to personal choice or challenges with maintaining eligibility due to extended foster care program requirements. There is an open question in the field about whether it is possible or desired to define a candidate for foster care to include young people ages 18 to 21 who are transitioning from foster care but not enrolled in extended foster care, so that they may receive prevention services if needed.

As child welfare leaders begin implementation of the new Family First Title IV-E Prevention Program, a discussion question for the field is:

- Can states use the Title IV-E Prevention Program to ensure that young people who are transitioning from foster care but not enrolled in extended foster care are considered candidates for care to receive the supports that they need?

How to improve state and local coordination across funding sources

It is important that state and local jurisdictions develop an explicit approach to coordinating funding streams and the programs they support. We believe this will maximize funding that is already available to support this population. The coordination of various child welfare and other federal, state, and local funding streams can help jurisdictions create a comprehensive array of services and supports that young people need. However, it is important to acknowledge that the agencies administering the non-child welfare funding streams are serving broader populations of vulnerable children, youth, and adults. Without intentional coordination and outreach from the child welfare agency, it is easy for young adults transitioning from foster care to be overlooked.

Improved coordination could occur in a variety of ways. For example, similar to Tennessee’s approach, child welfare leaders could hire specialized staff to be responsible for understanding various programs and their eligibility requirements, and for coordinating with other agencies. These staff could serve as resources for other transition staff, caseworkers, and young people, helping to remove barriers and promote opportunities. Alternatively, child welfare leaders could create a cross-disciplinary team that is focused on serving young adults transitioning from foster care. This would make it easier to access or braid together funding streams to serve this population. States could also create positions that focus on a particular program, such as staff who specialize in maximizing FUP or Medicaid for this population.

As state and local jurisdictions explore how to improve coordination, their discussions should include these questions:
• Obtaining funding for coordination can be difficult. How can jurisdictions better demonstrate the value of coordination and its impact on young people’s ability to access and benefit from services?

• Are there ways to encourage federal non-child welfare programs to collaborate with child welfare programs to better meet the needs of young adults transitioning from foster care?

• How could an increase in federal Chafee funding incentivize and support jurisdictions to better coordinate and align existing resources?

Conclusion

Based on our interviews, the jurisdictions represented in this report, like others across the country, use a mixture of federal, state, and local resources to provide supports to young people transitioning from foster care. Despite these efforts, jurisdictions face critical funding challenges that hinder their ability to support all young people’s successful transition to adulthood. The policy discussion in this report is informed by what we learned about the jurisdictions—both their challenges and successes—and is intended to begin a conversation. Given that federal funding drives much of the state and local child welfare spending, the field must carefully evaluate the extent to which federal programs are supporting and promoting effective supports and services to young adults as they transition from foster care.

Most importantly, the child welfare field must not lose the momentum that has been built from the increasing recognition that youth who experience foster care need continued support past age 18. Stakeholders must continue to learn from the experiences of young people in foster care and those who work to support them. The field must build on federal, state, and local policymakers’ commitment to this population and work to ensure that all young people have what they need to make a successful transition from foster care to adulthood.
References


