

**Testimony Regarding  
DCF Services to Prepare Youth Aging Out of State Care  
Nicholas Handler\***  
Program Review and Investigations Committee  
October 3<sup>rd</sup>, 2013

Senator Kissel, Representative Mushinsky, and distinguished members of the Committee:

I am testifying today on behalf of Connecticut Voices for Children, a research-based public education and advocacy organization that works statewide to promote the wellbeing of Connecticut's children, youth, and families.

**Introduction**

Every year in Connecticut, hundreds of young adults age out of the foster care system. These young people are expected to enter adulthood and find housing—a daunting task for any young person—despite overwhelming barriers. Many lack bank accounts or any significant savings.<sup>1</sup> Many have poor credit scores or no credit scores.<sup>2</sup> Few have ever read a lease, or know whom to call to initiate utility service. Most lack the money to pay for security deposits, furniture and appliances. Many lack access to adequate transportation, a major hurdle to finding permanent employment and shopping for affordable necessities. Finally, few have family or friends to turn to for financial support, or to guarantee loans or rental leases. In short, most lack the basic skills and resources for living independently that so many other youth enjoy.<sup>3</sup>

As a result, these young people too often become homeless. While data for Connecticut youth are not publicly available, large-scale studies from other states provide troubling insight into the life outcomes of foster youth who age out. Notably, young people who age out of foster care are significantly more likely than their peers to experience periods of housing insecurity and homelessness. Two significant studies found that over forty percent of youth who aged out of foster

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\* Mr. Handler is a student at Yale Law School. This testimony was prepared through the Yale Law School Legislative Advocacy Clinic under the supervision of J.L. Pottenger, Jr., Nathan Baker Clinical Professor of Law, Shelley Geballe, Distinguished Senior Fellow at Connecticut Voices for Children and Clinical Visiting Lecturer at Yale Law School, and Ellen Shemitz, Executive Director at Connecticut Voices for Children.

<sup>1</sup> Telephone interview with John Lawlor, Program Manager for Young Adult Supportive Housing at The Connection, Inc., September 26, 2013. While statistics on financial assets for youth who age out of foster care are not available in Connecticut, national statistics provide some insight into the challenges faced by this population. One major longitudinal study found that within one year of aging out of foster care, 55% of young people reported some form of economic distress, including 18.6 % who reported not being able to afford rent, and 39.9% who reported not being able to afford clothes. In addition, over half of young adults reported outstanding debts, and only 45.5% reported having a checking or savings account. See Mark Courtney et al., "Midwest Evaluation of the Adult Functioning of Former Foster Youth," Chapin Hall at the University of Chicago, May 2005, 28-29.

<sup>2</sup> This includes young people whose credit scores were lowered by creditor errors or fraud while they were in foster care. Congress has begun to respond to this problem by including in the Child and Family Services Improvement Act of 2011 a provision requiring that youth in foster care receive a free copy of his or her credit report. Stacey Goldberg Belle & Sarah Chenven, "Accessing Credit Reports for Foster Youth: A Reference Guide for Child Welfare Agencies," Credit Builders Alliance, June 2013.

<sup>3</sup> Interview with John Lawlor,

care experienced at least one episode of homelessness within two years of leaving state care.<sup>4</sup> Over thirty percent spent at least one night living on the streets, in a car, or in a structure not meant for residential use.<sup>5</sup> For these young people who fail to establish a continuously stable living environment after aging out of foster care, the long-term consequences can be dire. Homeless youth are significantly more likely to experience emotional problems, chronic homelessness and criminal convictions in later life.<sup>6</sup> And the consequences of this systemic failure are not only human, but fiscal as well. Recent research has estimated that our state governments collectively spend more than \$5.7 billion on each age cohort that fails to transition successfully from foster care to independent adulthood.<sup>7</sup>

**It is important that Connecticut investigate strategies for improving housing outcomes for youth who age out of foster care.** By removing them from their families, the state has become their “parent,” assuming not only a legal but an ethical responsibility to assure their healthy development. Like any other parent, Connecticut therefore has assumed responsibility for helping these young people transition successfully to adulthood.

The need for parental support as youth transition into adulthood is particularly acute now. As the cost of living has continued to rise nationally, and as the Great Recession has dampened the employment prospects of youth,<sup>8</sup> parents and relatives have played an increasingly important role in the lives of most American young adults. Approximately half of the nation’s youth aged 18 to 24 live at home, and nearly two-thirds receive financial support from their parents.<sup>9</sup> In 2012, twenty-seven percent of parents identified themselves as the primary means of financial support for a child over the age of eighteen.<sup>10</sup> Without these resources, the chances of many young people living financially and emotionally stable lives would be substantially diminished. **It is imperative that the state of Connecticut give children in its own care the same chances for success afforded to their peers.**

This testimony identifies two crucial factors that affect the ability of youth who age out of foster care to access safe, stable, and affordable housing:

- 1) The paucity of affordable or subsidized housing in Connecticut; and

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<sup>4</sup> Amy Dworsky & Mark Courtney, “Assessing the Impact of Extending Care Beyond Age 18 on Homelessness: Emerging Findings from the Midwest Study,” Chapin Hall at the University of Chicago, March 2010, 3-4; Patrick J. Fowler, et al., “Pathways to and From Homelessness and Associated Psychosocial Outcomes Among Adolescents Leaving the Foster Care System,” *American Journal of Public Health*, Vol. 99, No.8, August 2009, 1454

<sup>5</sup> Dworsky & Courtney, Midwest Study, 4

<sup>6</sup> Fowler, et al., “Pathways to and From Homelessness,” 1454

<sup>7</sup> Susan Golonka, “Transition to Adulthood: How States Can Support Older Youth in Foster Care,” *National Association of Governors* (December, 2010), 3

<sup>8</sup> In 2012, Connecticut’s unemployment rate for young workers aged 16 to 24 was 17.1%, higher than the national average and nearly double the state unemployment rate of 6.4% for workers aged 25 to 55. Connecticut also had the second-highest rate of long-term youth unemployment (defined as youth out of work for more than 26 weeks) at 33.6%. See, Edie Joseph & Orlando Rodriguez, “The State of Working Connecticut 2013: Young People in the Work Force,” *Connecticut Voices for Children*, August 2013, available at: <http://www.ctvoices.org/publications/state-working-connecticut-2013-young-people-workforce>

<sup>9</sup> Sarah Oldmixon, “State Policies to Help Youth Transition out of Foster Care,” *National Governors Association Center for Best Practices*, January, 2007, 1

<sup>10</sup> Paul Taylor et al., “The Sandwich Generation: Rising Financial Burdens for Middle-Aged Americans,” *Pew Research Social & Demographic Trends*, January 30, 2013

- 2) Inadequate income to pay the ancillary costs associated with living independently, including utility bills, transportation costs, and furniture and utility costs

We urge the Committee to research strategies for improving the long-term housing prospects for Connecticut's foster youth. This research should have two components: 1) collecting, analyzing and publicizing important data on the number of youth who age out of foster care, and their ultimate housing and life outcomes; and 2) analyzing best practices from housing providers who assist youth aging out foster care, both in Connecticut and nationwide, so the Committee might recommend in its report a comprehensive, state-level strategy for preventing homelessness among this particularly vulnerable group of young people for whom the state has unique responsibility.

### Recommendations for Research

#### Access to Housing

Connecticut has one of the most expensive apartment rental markets in the United States.<sup>11</sup> The average Fair Market Rent (FMR) for a one-bedroom apartment is \$958. To spend no more than thirty percent of his or her monthly income on housing, a renter would need to earn an hourly wage \$18.43, well above the median wage for renters of \$15.71 and nearly triple Connecticut's minimum wage of \$8.25.<sup>12</sup> For teenagers with no financial support and little earning power, these housing costs are impossible to meet.

While data from Connecticut are unavailable, recent research on foster care alumni in other states has shown that fewer than half are employed within six years of exiting foster care, and even fewer are employed full-time.<sup>13</sup> Of those who have found work, the mean wage is only \$10.59 for men and \$9.09 for women.<sup>14</sup> Moreover, youth who age out of foster care only earn less than one half of what their employed peers earn nationally.<sup>15</sup> In short, unsubsidized market rate housing is hardly ever a viable option for young people discharged from DCF.

Compounding the problem, subsidized housing and supportive housing designated for young adults aging out of foster care are in short supply. Demand for Section 8 housing and the Connecticut Rental Assistance Program (RAP) continues to dramatically exceed supply. Applications for Section 8 and RAP have been closed in Connecticut since 2007, and the last time waiting lists were opened the state received more than 47,000 applications for only 7,000 places on the Section 8 waiting list, and 5,000 places on the RAP waiting list.<sup>16</sup> Moreover, national data indicate that childless renters over the age of 18 make up only a small portion of those who ultimately receive some form of

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<sup>11</sup> See "Out of Reach 2013: Connecticut," National Low Income Housing Coalition, 2013, State Data Appendix, available at: <http://nlihc.org/oor/2013/CT>

<sup>12</sup> Ibid

<sup>13</sup> Jennifer L. Hook and Mark Courtney, "Employment of Former Foster Youth as Young Adults: Evidence from the Midwest Study," Chapin Hall at the University of Chicago, March 2010

<sup>14</sup> Ibid

<sup>15</sup> By age 23 to 24, youth who had aged out of foster care earned an average of \$8,000 annually, compared to \$18,300 annually for their peers. See Mark Courtney et al., "Midwest Evaluation of the Adult Functioning of Former Foster Youth: Outcomes at Age 23 and 24," Chapin Hall at the University of Chicago, 2010, 32

<sup>16</sup> Email from Michelle Molina of John D'Amelia & Associates, October 2, 2013. D'Amelia & Associates administers Connecticut's state Section 8 and RAP programs.

federal rental assistance.<sup>17</sup> The only provider of supportive housing services to this population in Connecticut is The Connection, Inc., a supportive living program which contracts with DCF to provide heavily subsidized housing and supportive services to older youth who are no longer eligible for DCF services. However, Connection only has the funding and personnel to serve 36 clients statewide. No other organization in Connecticut is dedicated to providing housing specifically for youth aging out of foster care.

Some states have responded to affordable housing shortages by investing directly in supportive living programs for youth with a foster care history at risk of homelessness. In particular, California, which operates foster care services at the county level, has been recognized as a leader in providing transitional housing.<sup>18</sup> Like Connection, California programs in Los Angeles, San Diego and Sacramento Counties have created supportive housing programs which allow youth who age out of foster care to live in subsidized apartments and continue to receive social services while they gain independent living skills. One of the oldest and most successful of these programs, the First Place Fund in San Mateo County, has housed over 300 foster care alumni since its founding in 1998, and recorded an 85% success rate in preventing homelessness among its clients. Based on the strength of its success, the program has recently expanded to Alameda County and Los Angeles County.<sup>19</sup>

Other states have tried to expand access to housing by working with existing affordable housing agencies. Some have used conditional grants to encourage affordable housing providers to increase the number of rental units available to youth aging out of foster care. The Michigan State Housing Development Authority has allocated \$3 million in rental assistance to organizations dedicated to youth homelessness. The grants were allocated to nine separate affordable housing organizations around the state, on the condition that at least 25% of available units were reserved specifically for youth aging out of foster care.<sup>20</sup> New Jersey's Housing and Mortgage Finance Agency has partnered with the Department of Human Services to use bonding to subsidize the construction of housing developments specifically for youth aging out of foster care.<sup>21</sup>

**We urge the Committee to draw on successful models from other states to investigate different options for increasing the availability of affordable housing for youth. This should include both directly funding supportive living programs such as Connection and increasing the availability of Section 8 and RAP housing to young adults discharged from DCF, and giving these youths preference in the allocation of current subsidies. In addition, we urge the Committee to investigate the possibility of expanding foster care to all youth in DCF care until they reach the age of 21. Because young people who age out of foster care need many of the same supports as those who remain in DCF after the age of eighteen,**

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<sup>17</sup> According to an analysis by the Center on Budget and Policy Priorities (CBPP) of 2010-2012 data from the Department of Housing and Urban Development (HUD), only 10% of federal rental assistance nationally (including Section 8 Housing Choice Vouchers, Section 8 Project-Based Rental Assistance, and Public Housing) was awarded to childless renters over the age of 18. By contrast, 31% of federal rental assistance was awarded to elderly renters, 17% to renters with disabilities, and 33% to renters with children. See "Policy Basics: Federal Rental Assistance," Center for Budget and Policy Priorities, January 25, 2013, available at: <http://www.cbpp.org/cms>

<sup>18</sup> Deseree Gardner, "Youth Aging out of Foster Care: Identifying Best Practices," National Association of Counties, February 2008, 7

<sup>19</sup> Home Page, "The First Place Fund for Youth," September 26, 2013, available at: [www.firstplaceforyouth.org](http://www.firstplaceforyouth.org)

<sup>20</sup> Susan Golonka, "Transition to Adulthood: How States Can Support Older Youth in Foster Care," National Association of Governors (December, 2010), 22

<sup>21</sup> Oldmixon, "State Policies to Help Youth Transition out of Foster Care," 14 Connecticut Voices for Children

expanding foster care services could provide necessary supportive living programs while taking advantage of federal matching funds.

### Living Expenses

Many youth age out of DCF with little money, poor credit history, and limited or no family financial support. Few can afford necessary expenditures such as security deposits, rent, utility bills, furniture and appliances. Advocates and service providers recognize that unless young people can pay the minimum expenses required to lease and furnish an apartment, they have little hope of obtaining and being able to remain in stable housing. For example, through the Community Housing Assistance Program (CHAP), many of these expenses are subsidized for young people who remain in DCF after the age of eighteen. However, CHAP has restrictive eligibility criteria that many youth on the verge of aging out of foster care cannot meet. To qualify for this vital assistance, a youth must devote forty “productive hours” per week to academic classes, vocational training or work.<sup>22</sup> Young people who are struggling to find a job or stay in school are not eligible for CHAP assistance, even though they often need it most of all.

Currently, only one pilot program in Connecticut—The Connection, Inc.—offers assistance for housing and living expenses to young adults who age out of DCF care. The program covers rent, security deposit and utility bills, and offers small grants for the purchase of furniture and appliances. The Youth Housing Assistance Program (YHAP) in Illinois has provided similar grants to youth aging out of foster care, but on a larger scale.<sup>23</sup> The program provides start-up grants of \$800 to emancipated youth to pay for furniture, appliances, and security deposits, and provides partial assistance of up to \$100 per month for rent. YHAP also offers emergency cash assistance to pay for additional or unforeseen housing expenses.<sup>24</sup> These programs provide examples of the types of transitional living programs that many young people need in order to gradually gain financial independence.

In addition to cost-of-living expenses, youth who age out of foster care face unique challenges with respect to credit history. In particular, youth in foster care are at exceptionally high risk for identity theft. In one study, Los Angeles County estimated that over half of young people in the California foster care system had been victims of identity theft.<sup>25</sup> Poor credit as a result of identity theft can take years to resolve, and have severe repercussions for the ability of young adults to live independently: They may be barred from access to housing, student loans and other types of financing.

Lawyers and advocates for youth in foster care have recommended both preventative measures—such as educating young people about the importance of keeping financial information secure—and remedial measures, such as financial counseling and legal assistance for young people who have been

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<sup>22</sup> Youth enrolled in CHAP receive between \$733 and \$1,314 per month in rental assistance, depending on the area in which they live. They also receive a food subsidy of \$180 per month, a utility subsidy of \$60 per month, a heat subsidy of \$50 per month, and several other forms of assistance. See “Adolescent Services Independent Living Program,” Policy Manual, Department of Children Families, 42-5-3, available at: <http://www.dir.ct.gov/dcf/policy/adoles42/42-5-3.htm>

<sup>23</sup> Youth Housing Assistance, Illinois Department of Children and Family Services (September 23, 2013) [http://www.state.il.us/dcf/library/com\\_communications\\_yhouse.shtml](http://www.state.il.us/dcf/library/com_communications_yhouse.shtml)

<sup>24</sup> Ibid

<sup>25</sup> Jean Clemente, “Protecting and Defending a Young Person in Foster Care from Financial Identity Theft,” *Child Law Practice*, vol. 28, no. 12, February 2010

the victims of fraud.<sup>26</sup> Congress and some state legislatures have taken initial steps to address this problem. The 2011 federal Child and Family Services Improvement and Innovation Act required that state foster care agencies provide each youth in their care with a copy of his or her credit report annually, beginning at age sixteen.<sup>27</sup> Delaware recently enacted a law requiring the state's foster care agency to review the credit reports of all young people in its care for fraud before they age out.<sup>28</sup> However, identity theft is a complex problem, and these types of laws represent only initial steps towards combatting it. **We urge this Committee to investigate comprehensive strategies for preventing and redressing fraud committed against children in DCF care.**

Lastly, transportation is a crucial but often overlooked component of independent living. Purchasing or leasing an automobile is far beyond the means of nearly every teenager aging out of DCF care. Yet in most areas of Connecticut, stable access to a car is crucial to maintaining steady employment and living independently. The majority of jobs, as well as stores and supermarkets, are impossible to access regularly using public transportation.

Even for youth who have access to automobiles, the costs associated with obtaining a driver's license, and registering, insuring and maintaining a car can consume an unsustainable portion of their monthly income. The cost of driver's education courses and driver's license fees are beyond the means of most young adults exiting the foster care system.<sup>29</sup> While youth in DCF care receive a subsidy to cover half of the cost for driver's license and applications fees, no such assistance is available to those who age out. In addition, because of their age and lack of credit history and driving experience, youth transitioning out of DCF are frequently quoted exorbitant monthly rates for automobile insurance.<sup>30</sup>

Because they cannot seek coverage under a parent's insurance, even young people in DCF who are licensed, experienced drivers face the choice between spending a considerable portion of their income on insurance premiums, unlawfully driving without insurance coverage, or foregoing automobile access altogether.

**We urge the Committee to draw on the experiences of programs such as Connection and YHAP to find affordable ways to help pay for expenses such as appliances, utilities and security deposits. These expenditures are as necessary to stable housing as an apartment itself, and they are the types of large, up-front costs for which most young adults receive financial assistance from their parents. With relatively low-cost financial assistance, Connecticut could eliminate a major hurdle to independent living for foster youth. Additionally, the Committee should investigate options for providing affordable automobile access to youth transitioning out of DCF. In addition, it should investigate strategies for addressing the ancillary expenses that prevent many young people from driving even when they are able to obtain access to a car.**

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<sup>26</sup> "Resolving Consumer Identity Theft for Foster Youth: 2013 Edition" Alliance for Children's Rights, 2013, available at: <http://kids-alliance.org/wp-content/uploads/2013/08/ID-theft-manual.pdf>

<sup>27</sup> Summary of the "Child and Family Services Improvement and Innovation Act" (S. 1542/H.R. 2883), National Conference of State Legislatures, September 16, 2011, available at: <http://www.ncsl.org/issues-research/human-services/summary-of-the-quotchild-and-family-services-imp.aspx>

<sup>28</sup> "Governor Signs Bill Requiring Credit Check to Protect Children Aging Out of Foster Care from Identity Theft," State of Delaware Website, July 25, 2012, available at: <http://news.delaware.gov/2012/07/25/governor-signs-bill-requiring-credit-check-to-protect-children-aging-out-of-foster-care-from-identity-theft/>

<sup>29</sup> See "Support Programs and Services, Driver's License and/or Permit Fees," Policy Manual, Department of Children Families, 42-20-25, available at: <http://www.ct.gov/dcf/cwp/view.asp?a=2639&Q=327780>

<sup>30</sup> Interview with John Lawlor

## Conclusion

Youth who age out of foster care in Connecticut face enormous hurdles to finding stable housing. Connecticut has assumed a responsibility to support these young people, and to prepare them for a successful transition to adulthood. Yet too often, the state fails and the children it has taken into its care find themselves struggling with financial hardship and homelessness.

There are concrete programs this Committee can investigate to improve these outcomes:

- Expanding the supply of rental vouchers and affordable housing in the state, and providing priority access to youth leaving foster care
- Expanding foster care to cover all young people until the age of 21, including those who are struggling to find work or succeed academically
- Expanding access to supportive living programs for young people who do age out of foster care to ensure that they can gradually transition to fully independent living
- Assisting young people in financial planning and asset-building to prepare them to make major purchases and weather financial hardship; and
- Protecting the children in DCF from predatory financial fraud.

Connecticut can and should provide young people in its own care with the same supports and resources that so many of their peers receive from their parents. Having taken these children away from their families and assumed the responsibilities of a statutory parent, Connecticut has the same obligation to ensure they do not end up homeless as more traditional parents have to their children. This Committee can begin by investigating practical steps to ensure that every young person in the state enjoys financial security and access to stable and affordable home during their transition to adulthood.

