

Recommendations to Improve the Chafee Program

In March 2022, the Journey to Success campaign launched a national policy initiative to advance solutions that improve outcomes for youth who are in or transitioning from foster care. The campaign's initial [white paper](#) outlined a set of goals centered on healing, family connections, and economic opportunity—themes that continue to guide its policy development.

From the outset, the campaign's defining approach has been its [methodology](#): pairing rigorous research and data with the insights and leadership of young people with lived experience in foster care and those who support them. This commitment to shared expertise has shaped every phase of the campaign's work, from identifying challenges to formulating actionable policy recommendations.

The following recommendations to strengthen the Chafee program are grounded in that same approach. Now nearly 25 years old, the Chafee program offers a substantial record of what works—and what does not—based on decades of implementation. The campaign is deeply grateful to the young people with lived experience in foster care, agency partners, researchers, caregivers, and others whose perspectives continue to inform efforts to ensure that this vital program fulfills its promise.

I. Introduction and Background on the Chafee Program

The John H. Chafee Foster Care Program for Successful Transition to Adulthood program is a critically important source of support for youth in and leaving foster care. Created 25 years ago, as one of the first funding streams specifically dedicated to supporting youth as they transition through adolescence to adulthood and out of the foster care system.

A. How Chafee Funds Can Be Used

Chafee funds can support a wide range of services that are limited only by the purpose of the law. Funds can be used to pay for the delivery of services as well as resources and funds paid directly to youth. The purpose includes providing the following:

- Transitional services such as assistance in obtaining a high school diploma and post-secondary education, career exploration, vocational training, job placement, and retention;
- Training and opportunities to practice daily living skills (such as financial literacy training and driving instruction);
- Substance abuse prevention and preventive health activities (including smoking avoidance, nutrition education, and pregnancy prevention);
- Services to establish meaningful, permanent connections with a caring adult;
- Developmentally appropriate activities, positive youth development, experiential learning, and ongoing opportunities to engage in age or developmentally-appropriate activities
- Aftercare services in areas that can include financial, housing, counseling, employment, and educational supports.

42 U.S.C.A. § 677 (a). To help states understand the flexibility of the funding stream, the Administration for Children and Families provided additional examples of how Chafee funds can be used during the pandemic. Those examples included: (1) providing one-time or ongoing direct financial assistance; (2)

purchasing cell phones, tablets, laptops, internet service, cell phone plans or other technological tools for young people; (3) hiring youth/young adults with lived experience in child welfare to provide navigation and/or outreach services to fellow youth/young adults; employing youth/young adults, at the agency level and/or as part of contractor staff, to provide outreach and support to fellow youth and young adults; (4) contracting with service providers who are currently working with youth and young adults formerly in foster care to provide services through the agencies to which such youth are already connected (e.g., supportive housing providers and Runaway and Homeless Youth (RHY) grantees); (5) Establish websites, hotlines, and other mechanisms to track and provide information on assistance requests. Program Instruction, [ACYF-CB-PI-21-04](#), pages 11-12 (March 9, 2021).

One limitation on Chafee funds is that states cannot use more than 30% of their Chafee allocation on housing and related supports (“room and board”) for youth who are age 18 or older. 42 U.S.C.A. § 677 (b)(3)(C).

B. Chafee Eligibility

Chafee eligibility includes:

- youth who are ages 14 or older and who are in foster care;
- young people who are under age 21 and were in foster care at age 14 or older (or under age 23 in states with Title IV-E extended foster care);
- young people who are under age 21 and left foster care to adoption or kinship guardianship at age 16 or older (or under age 23 in states with Title IV-E extended foster care)

42 U.S.C.A. § 677 (a). When a youth is in foster care, the state that has placement and care responsibility is obligated to provide the youth Chafee services (even if they are placed out of state.) States are obligated to provide Chafee services to Chafee-eligible young people who are no longer in foster care and who reside in their state until age 21 or 23, regardless of what state they were in foster care. 42 U.S.C.A. § 677 (b)(3)(A)(i); [Child Welfare Policy Manual, Independent Living](#), 3.1 F, Question 3 (January 18, 2021)(clarifying that the state where the young person resides is responsible for providing Chafee services after a young person ages out).

States, territories, or tribes with federally funded extended foster care or an equivalent program have the option to extend Chafee eligibility to age 23. 42 U.S.C.A. § 677 (b)(3)(A)(ii). As of September 30, 2025, the following 31 states, District of Columbia and Puerto Rico have opted to provide Chafee services to young people up to age 23: Colorado, Connecticut, Delaware, Florida, Hawaii, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Mexico, New York, New Hampshire, North Dakota, Oregon, Pennsylvania, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, and Wisconsin. See [John H. Chafee Foster Care Program for Successful Transition to Adulthood](#) (last visited January 5, 2025). The Prairie Band of Potawatomi and the Santee Sioux Nation have also taken this option.

C. Allotment and Reallotment of Chafee Funds

Chafee funds are allocated by the federal government to states, territories and tribes. The annual amount is allotted according to the state foster care ratio, which is the ratio of the number of children in foster care to the total number of children in foster care in all states for the most recent fiscal year. 42 U.S.C.A. § 677 (c)(4). Amounts for tribes are determined based on a tribe’s share of children in foster care in the state in which the tribal children reside. 42 U.S.C.A. § 677 (c). Of note is the fact that the foster care ratio is based on comparisons of the number of children and youth in foster care of all ages

rather than focusing on the number of Chafee/ETV eligible youth as a percentage of children and youth of all ages. States have two fiscal years to spend their Chafee funds. 42 U.S.C.A. § 677 (d)(3).

Although many young people who need services have been unable to access them, overall, underspending of Chafee funds has been a consistent problem. The Government Accountability Office (GAO) reported that on average about \$8 million in Chafee and ETV funds are not spent by states each year.¹ However, it does not appear that underspending is reflective of a lack of need. Rather, the states surveyed in the GAO Report cited the following as reasons for underspending: (1) lack of coordination between program and fiscal staff to know that funds remained, (2) delays in getting invoices from contractors, and (3) lack of staffing to serve youth and deliver services.²

If a state does not apply for all of its allotment or expend the funds allotted, the remaining funds can be reallocated. 42 U.S.C.A. § 677 (d)(4). HHS may also redistribute funds that are paid out to states and are not expended. 42 U.S.C.A. § 677 (d)(5). States have an opportunity to apply for the unexpended funds. The reallocation system has helped maximize fund usage. For example, in fiscal year 2022, \$8.9 million in Chafee and ETV funds were unspent, reallocation resulted in redistributing all but \$670,000 of that amount.³

Chafee funding has remained fixed at \$140 million for many years and only recently increased to \$143 million annually. As noted below, in 2021, 444,348 youth were eligible for Chafee services. If all of these youth were served, only \$321.82 would be available per youth to provide the array of services the Chafee program aims to provide eligible youth.

D. Data on Usage of Chafee Services and Outcomes

There is a great need for Chafee services. For example, in 2021, there were 444,348 youth eligible for Chafee services.⁴ Despite tremendous need, fewer than one-quarter of eligible young people receive Chafee services in a given year, and less than half of eligible youth will ever receive a Chafee service during the entire time they are eligible.⁵ Anecdotally, we hear from young people that many did not learn of Chafee services until they were no longer eligible, and others reported that the needs they had—for financial assistance and help finding housing—were often not offered by the program. The GAO report also shows a mismatch in what is being offered and what young people and stakeholders are saying is most in need. For example, the GAO notes that the most widely received services included the independent living assessment, academic support, budget and financial management, and health education⁶ while also noting that housing and costs related to postsecondary education are unmet needs.⁷

The relative lack of service usage contributes to the poor outcomes that we continue to see for youth leaving foster care. The most recent National Youth in Transition Database Report showed among 21-year-olds with foster care experience in 2021:

¹ [GAO Report: HHS Should Help States Address Barriers to Using Federal Funds for Programs Serving Youth Transitioning to Adulthood 22 \(January 2025\)](#)(“GAO Report”)

² [GAO Report](#) at 23.

³ [GAO Report](#) at 25.

⁴ [Fostering Youth Transitions](#) at 5.

⁵ [Fostering Youth Transitions](#) at 4.

⁶ [GAO Report](#) at 10-11.

⁷ [GAO Report](#) at 21.

- 79% had earned a high school diploma or GED credential, compared with 92% of their peers in the general population
- 24% had been enrolled in postsecondary education or training, compared to 50% of 21-year-olds in the general population; and
- 55% were employed full time or part time, while 64% of their peers in the general population had jobs.⁸

In addition, even while the total number of young people in foster care has declined, an older youth's chance of leaving foster care to permanency (reunification, adoption, guardianship) has declined since 2016, with over half leaving foster care on their own without the support of a family.⁹ The Chafee Program has benefited a group of young people who very much need support accessing education, workforce, housing resources. There is much potential in the program. However, key components can be updated and adapted to better meet the current needs of more young people transitioning out of foster care.

II. Recommendations

To Improve Chafee Program Awareness and Access:

1. Require that youth in foster care are notified about the Education and Training Voucher and Chafee programs beginning at age 14 and at least at every status review hearing (every 6 months) and 6 month case review.
2. Improve information available to youth, caregivers, case workers, and others by requiring that information about the state's Chafee and Education and Training Voucher programs (and how to apply) is posted in a clear and accessible way online.
3. Commission a technology partner to develop national web and mobile information about available Chafee and ETV services for eligible youth. The information should be geared at youth, young adults, caregivers, case workers, and others who support and guide youth in foster care.¹⁰ In creating these resources, HHS can draw on plan information it already receives from states but also should obtain supplemental information such as: (1) contact information for the Chafee and ETV coordinator(s), (2) clear descriptions of the Chafee and ETV service array (3) eligibility criteria, and (4) the process to apply/access/engage in these services, including educational support, federal and state financial aid, driving classes, workforce training programs, legal services, housing, and other.
4. Designate \$25 million in new Chafee funds to strengthen these awareness-raising and notification activities, with \$3 million reserved for HHS to develop and manage the software application and technology.

⁸ [Fostering Youth Transitions: State and National Data to Drive Advocacy 2023](#) (Annie E. Casey Foundation 2023)(“Fostering Youth Transitions”)

⁹ [Fostering Youth Transitions](#) at 3.

¹⁰ States already must report annually to HHS about their Chafee and ETV programs to comply with Title IV-B requirements. Based on the recent passage of the Supporting America's Children and Families Act, HHS will be creating a standardized Title IV-B plan format (which includes Chafee and ETV plans) to make these plans available on a public website. We enthusiastically support public posting of the plans and ask that HHS go a step further to convert the plan documents into helpful web and mobile resources to help youth and their caregivers stay informed about available services.

5. Designate \$30 million in new Chafee funds for a new competitive grant program to connect youth to supportive peers and adults who are able to provide mentoring and specialized service navigation and can help youth get connected to the services they need most. (\$10 million a year over three years)

To Improve the Reach and Effectiveness of the Chafee Program:

6. Provide youth the coordinated support they need to thrive by aligning Chafee age eligibility with other youth and young adult services. Extend Chafee eligibility to youth up to age 26 to improve access to and continuity of services during their transitional years to young adulthood. This would align Chafee with other program eligibility, including the Education and Training Voucher (ETV) program, Medicaid, and Fostering Youth to Independence (FYI) housing vouchers. This change would also align with the recently enacted Title IV-B legislation that adds a definition of “youth” (an individual not yet 26 years old), improving the ability of youth to access important preventative services. Adjusting Chafee’s age eligibility to age 26 streamlines for efficiency and removes a troubling eligibility cliff that now exists.
7. Expand the reach of the Chafee program and support permanency by making youth who leave foster care to a kinship guardianship arrangement or adoption at age 14 or older eligible for Chafee services.¹¹
8. To better reflect the actual scope of the needs of youth 14-21, revise the allocation formula to reflect the ratio of children in foster care who are ages 14-21 in the state to the total number of children in foster care in all states for the most recent fiscal year. The current allocation formula is the ratio of the number of children in foster care of all ages in the state to the total number of children in foster care of all ages in all states for the most recent fiscal year. See 42 U.S.C.A. § 677 (c)(4).
9. Give youth early and ongoing access to the vital documents they need to engage in school, work, housing, and health care services by amending existing case planning requirements related to youth receiving their vital documents to ensure that access to these documents begins at age 14. A parallel amendment should be made in the case review section of the law to require court oversight of this important provision.
10. Allocate \$25 million in Chafee funds specifically to provide counseling and support related to access and success in postsecondary programs. These funds should be flexible so that states can enlist a range of strategies and partners to deliver educational support, including but not limited to tutoring, remediation, educational coaching, advising, and accessing financial aid, including ETV.

To Increase Connection with Workforce Programs and Training:

11. Amend case planning requirements so that beginning at age 14, youth learn about options for learning to drive and gaining a driver’s license and allocate \$35 million to help states cover these costs.
12. Pass the following provision of A Stronger Workforce for America Act, HR 6655 of 2023:

¹¹As part of the Family First Prevention Services Act, P.L. 115-123, the age of eligibility for Chafee services and ETV was changed from age 16 to age 14. However, the provisions related to eligibility for Chafee and ETV for youth who leave to guardianship and adoption was not changed and remains at age 16. We recommend that this inconsistency be eliminated and strongly believe this change will further support permanency.

- a. Create a new \$65 million competitive grant program called the Youth Apprenticeship Readiness Grant program.
 - b. Create a new definition of “opportunity youth”, to replace “out-of-school youth”, by including youth experiencing homelessness and youth in foster care in the definition regardless of school enrollment status.
 - c. Streamline the enrollment process by allowing programs to begin serving youth while an eligibility determination is being made, shifting the burden of determining eligibility to providers, and aligning the documentation requirements to determine foster youth status with those of the Higher Education Act.
13. Require the Administration for Children and Families, in consultation with the Secretary of Labor, the Secretary of the Department of Education, the Commissioner of the Rehabilitation Services Administration, and the CEO of the Corporation for National and Community Services, and state-based community stakeholders to:
- a. Inventory all federally funded workforce and career readiness programs, including apprenticeship programs and programs funded through the Carl D. Perkins Career and Technical Education Improvement Act¹² that serve young people between ages 14 and 21;
 - b. Identify barriers to access and retention of youth with experience in foster care in these programs, including, but not limited to financial, social, and skill readiness barriers, and provide recommendations to address any barriers identified, including those that would leverage ETV and Chafee funds; and
 - c. Develop and issue guidance to state and local child welfare agencies on how to connect youth to vocational and technical training and any wraparound support that should be provided to facilitate successful persistence and completion.

¹² Youth who are in or have been in foster care are considered “special populations” in the Perkins Act. 20 U.S.C.A. § 2301 (48)(H). The state plan must include a description of how access to CTE programs will be expanded to include special populations, 20 U.S.C.A. § 2342 (d)(4)(B)(ii), and how the state will “improve outcomes and reduce performance gaps for CTE concentrators, including those who are members of special populations.” 20 U.S.C.A. § 2342 (d)(4)(C)(vii). The accountability measures described in 20 U.S.C.A. § 2323 include reporting on the performance of all program participants, including special populations, and reporting on how special populations can be better supported to excel in CTE programs.