

Government of the District of Columbia
Office of the Chief Financial Officer



Glen Lee
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Glen Lee
Chief Financial Officer 

DATE: January 23, 2026

SUBJECT: Fiscal Impact Statement – Support, Opportunity, Unity, Legal Relationships (SOUL) Amendment Act of 2025

REFERENCE: Bill 26-399, Draft Committee Print as provided to the Office of Revenue Analysis on January 22, 2026

Conclusion

Funds are not sufficient in the fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill. The bill will cost \$385,000 in fiscal year 2026 and \$1.98 million over the financial plan.

Background

The bill establishes¹ a new permanency pathway within the District of Columbia's child welfare system for neglected youth² ages sixteen and older who are in the care and custody of the Child and Family Services Agency (CFS) and are preparing to transition out of foster care. The new permanency option is called the SOUL permanency option. This option allows youth to form a legal relationship with a SOUL family without terminating existing familial legal relationships. A SOUL family consists of one or more adult caregivers³ and supporters⁴ who provide guidance, support, and, in some cases, housing and basic needs to the youth.

¹ By amending Chapter 23 of Title 16 of the District of Columbia Code.

² Pursuant to D.C. Official Code § 16-2317.

³ Caregivers are adults who are not the youth's birth parents and who are committed to providing housing for the youth, meeting the basic needs of the youth, and holding rights and taking on responsibilities to care for the youth as specified in the support family agreement.

⁴ Supporters are adults who are committed to holding rights and responsibilities to care for the youth as specified in the support family agreement.

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A youth may request the SOUL permanency option through a direct request to the Family Court through a written affidavit or a formal motion. The Family Court is required to grant the request unless it determines, and documents in writing, that doing so would not serve the youth's best interest. The bill establishes the process for filing a motion and specifies that a motion must include:

- A description of the proposed support family with the names and roles of each SOUL family member;
- A statement explaining why the SOUL permanency option is in the youth's best interest;
- Written consents, if any, to the proposed SOUL family; and
- A proposed support family agreement that is signed by all parties involved.

A youth may file a motion to request the permanency option even if not all parties sign the SOUL family agreement. In this case, the motion must identify the party or parties that disagree and provide the reasoning for the disagreement. If the guardian ad litem does not support the SOUL family agreement as being in the best interest of the youth, the Family Court must appoint an attorney to assist the youth with the SOUL family process.

A SOUL family agreement must detail the allocation of legal custody, rights and responsibilities,⁵ financial expectations, and any commitments by CFSAs. If disagreements exist among proposed members, the youth may still proceed, and the Family Court will consider those concerns during adjudication. When multiple caregivers are part of a SOUL family, a lead caregiver must be designated to make final decisions in the event of conflicts regarding the youth's care.

When a motion to establish a SOUL family is filed, the Family Court must schedule an adjudicatory hearing within 90 days and give notice to all parties involved. Hearings must be held privately before a judge and recorded. The youth and all proposed SOUL family members must be present for the hearing to proceed. During the hearing, the Family Court will evaluate whether the proposed SOUL family serves the youth's best interest and must consider factors including:

- The youth's need for a stable and permanent home;
- The physical, mental, and emotional health of all individuals involved to the degree that each affects the youth's physical, emotional, and developmental needs;
- The youth's relationships with parents, siblings, relatives, caregivers, and the proposed SOUL family members;
- The allocation of rights among SOUL family members and whether the proposed SOUL family agreement ensures the youth has a stable home and their basic needs are met;
- The youth's opinion of their own best interests; and
- The impact on the youth of remaining in the care and custody of CFSAs.

After considering all of the evidence and making a determination that the SOUL family agreement is in the youth's best interests, the Family Court must issue an order establishing the proposed SOUL family and closing the neglect case. The Family Court may only issue a final support family order after the youth has lived within the proposed SOUL family arrangement for at least six months and has requested closure of the neglect case. When a final order establishing a SOUL family is issued, the order must incorporate the full support family agreement, close the youth's neglect case, and preserve the legal parent-child relationship, including rights related to inheritance, adoption

⁵ Including who among the support family will provide housing, food, clothing, transportation, education support, physical and mental health support, support through challenges, financial management support, problem-solving skills, and independent living skills.

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consent, religious affiliation, and contact. The District government or the youth, through their legal counsel, may initiate proceedings to terminate the parent-child relationship through existing legal processes.⁶

The Family Court must retain jurisdiction to enter or modify the SOUL family order until the youth turns 21, provided the youth consents after reaching the age of eighteen. A youth who exits foster care may not reenter foster care after age eighteen. Modifications may include adding or removing SOUL family members or adjusting allocations of rights and responsibilities. Parents may also seek modifications before the youth turns eighteen if there is a substantial change in circumstances.

The bill allows CFSAs to provide subsidy payments to a SOUL family irrespective of their state of residence. Subsidy eligibility is limited to the SOUL caregiver(s) providing housing for the youth. Subsidy payments must be allocated in the following manner:

- For youth 18 years and six months or younger, payments are made to the SOUL caregiver(s).
- For youth older than 18 years and six months, subsidies must be divided between the youth and the SOUL caregiver(s).
- Youth 18 or older who are not residing with a SOUL caregiver may receive the full subsidy from CFSAs upon request.

Subsidy eligibility continues until the youth reaches age 21. SOUL family subsidies are contingent upon the availability of appropriations and are not considered an entitlement.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill. The bill will cost \$385,000 in fiscal year 2026 and \$1.98 million over the financial plan.

CFSAs require additional resources to implement supports for SOUL families. CFSAs will contract with experts to develop and administer training for social workers and attorneys on the new permanency option. The total cost of curriculum development and trainer compensation is \$10,000 in fiscal year 2026 and \$25,000 over the financial plan. CFSAs will also contract with young adults who were in foster care to serve as coaches for SOUL youth and families and assist with court processes and assessment plans. This coaching contract will cost \$27,000 in fiscal year 2026 and \$325,000 over the financial plan. The agency will also require resources to design and print materials, develop a website, and purchase promotional materials to introduce the new permanency option to the foster care community and community-based organizations. The total cost of implementation resources is \$50,000 in fiscal year 2026 and \$85,000 over the financial plan.

CFSAs will need to hire two additional social workers to support the agency in conducting the required SOUL family planning meetings, as well as to provide support to families post-case closure to ensure they have access to the services and support they need. The salary and fringe cost for these employees is \$265,000 in fiscal year 2026 and \$1.1 million over the financial plan.

SOUL youth who reside in the District will receive health insurance coverage through the District's Medicaid program until age 21. However, SOUL youth who end up residing in Maryland will lose Medicaid coverage as soon as they turn 19 due to state eligibility requirements. To compensate for

⁶ Pursuant to D.C. Official Code § 16-2354(a).

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the loss of Medicaid coverage for SOUL youth in Maryland, CFSAs will cover health insurance premiums and maximum out-of-pocket expenses for SOUL youth until they reach the age of 21. The total cost of health insurance premiums and maximum out-of-pocket expenses for Maryland SOUL youth is \$33,000 in fiscal year 2026 and \$440,000 over the financial plan.

The bill also allows for subsidy payments to SOUL youth until they reach the age of 21. CFSAs will pay SOUL subsidy rates in a daily amount equivalent to the lowest foster care subsidy rate. Since SOUL youth will no longer be in foster care, funds that would have been allocated towards foster subsidies will be redirected towards SOUL subsidies. Therefore, no additional funding is necessary to implement SOUL subsidies.

Support, Opportunity, Unity, Legal Relationships (SOUL) Amendment Act of 2025					
	Total Cost				
	FY 2026	FY 2027	FY 2028	FY 2029	Total
SOUL Curriculum Development and Training ^(a)	\$10,000	\$5,000	\$5,000	\$5,000	\$25,000
SOUL Family Coaches ^(b)	\$27,000	\$68,000	\$112,000	\$118,000	\$325,000
Implementation Support ^(c)	\$50,000	\$25,000	\$5,000	\$5,000	\$85,000
Salary and Fringe ^(d)	\$265,000	\$272,000	\$279,000	\$286,000	\$1,102,000
Total Health Insurance Costs ^(e,f,g,h)	\$33,000	\$67,000	\$138,000	\$202,000	\$440,000
Total Fiscal Impact	\$385,000	\$437,000	\$539,000	\$616,000	\$1,977,000

Table Notes:

- (a) Assumes a one-time \$5,000 cost to develop training in fiscal year 2026 and recurring costs of \$5,000 to contract with live experts to provide training to attorneys and social workers.
- (b) Assumes six hours of coaching per month per youth for the first two years at \$25 per hour.
- (c) Assumes salary for two Grade 12, Step 5, Social Workers and salary cost growth of 2.1 percent in fiscal year 2027 and 2.0 percent in fiscal years 2028 and 2029. Assumes fringe rate of 27.2 percent with fringe cost growth of 2.4 percent in fiscal year 2027 and 2.35 percent in fiscal years 2028 and 2029.
- (d) Assumes one-time website development cost of \$25,000 in fiscal year 2026 and ongoing maintenance costs beginning in fiscal year 2027.
- (e) Assumes a seven-year ramp-up to a maximum of 120 SOUL families in fiscal year 2032. Assumes 35 percent of SOUL families are located in MD.
- (f) Average annual premium cost is calculated by averaging the annual premium cost for a 19 or 20-year-old enrolled in the highest-priced Gold Insurance Plan (CareFirst Blue Preferred PPO) in Prince George's County, Montgomery County, Anne Arundel County, Charles County, and Howard County.
- (g) Assumes annual insurance premium growth of 13.4 percent.
- (h) Assumes \$302.62 tax credit and state premium assistance for SOUL youth.