Preparation for Adult Living (PAL) program, it is not currently leveraging any federal IV-E funds for this purpose.

Research Shows Positive Results
Since the passage of the Fostering Connections Act, there has been an increasing body of research pointing to the positive impact of extending foster care beyond age 18.

The Midwest Study and CalYOUTH, both large-scale longitudinal studies of former foster youth have found improved outcomes among youth in extended care.

The Midwest Study and CalYOUTH, both large-scale longitudinal studies of former foster youth conducted by Chapin Hall at the University of Chicago, found improved outcomes of youth in extended care. Chapin Hall researchers found that being in extended care increased high school credential attainment, college enrollment, employment, income, housing stability at age 21, and decreased the odds of young adults experiencing economic hardship, being homeless, being arrested or convicted of a crime, and becoming pregnant.

Each year, more than 400 Iowa youth reach their 18th birthday while in a foster care placement, at which time they legally “age out” of Iowa’s foster care system. Aging out is associated with a host of negative outcomes as these young people struggle to make a successful transition to adulthood without support from a permanent family or other positive adults in their lives.

Under the federal law, states that extend foster care beyond age 18 can use federal Title IV-E funds to provide care to young people who are:

- Completing secondary education or a program leading to an equivalent credential;
- Enrolled in a post-secondary institution or vocational education program;
- Participating in a program designed to promote, or remove barriers to employment;
- Working at least 80 hours per month; or
- Are incapable of meeting the above requirements due to a medical condition

To date, twenty-eight states (with two more pending) have taken advantage of federal funding to extend care to youth who would otherwise exit foster care at age 18. While Iowa offers state-funded services to this population through the Preparation for Adult Living (PAL) program, it is not currently leveraging any federal IV-E funds for this purpose.

The Fostering Connections to Success and Increasing Adoptions Act of 2008 offers states the option to use federal funding to extend care for youth in foster care up to age 21.
Policy Considerations

Given the growing body of evidence of the benefits of extended foster care, and the opportunity to learn from the experiences of several states that have taken this step, it is timely for Iowa to consider extending Title IV-E funded foster care for young adults age 18 to 21. The following five policy areas will need to be addressed when considering this change:

1. **Prioritizing Permanency**

   Permanency still matters for older youth in care and is the preferred outcome for all youth in the system. While this is as much a practice issue as it is a policy matter, it will be important to develop strategies to ensure that extended foster care eligibility does not deter working toward permanency and family connections for all youth.

2. **Eligibility**

   States may elect to use all or some of the federal eligibility conditions for IV-E funding of extended care but are encouraged to allow all options, which most states have done. Current eligibility for Iowa’s PAL program is comparable to the IV-E criteria, except PAL does not include the medical condition exception to education or employment. It is also possible to extend care to age 19, 20 or 21; of the states that have extended care, most include young people up to age 21. Most states also allow young people to leave and

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**Federally Funded Extended Foster Care Status (as of June 2019)**

![Map of Federally Funded Extended Foster Care Status](source: Mainspring Consulting)
re-enter extended care and many have created “trial independence” options to facilitate re-entry.

Case Management

One of the concerns of extending care is the potential for increasing caseloads of state case managers. While IV-E eligibility is contingent on having an open foster care case, it should be possible to contract out most case management functions for young adults to avoid increasing the burden on DHS Workers or Juvenile Court Officers. Details about the nature and extent of ongoing DHS/JCO involvement (and access to related services) will need to be determined, but the individualized self-sufficiency plan and twice-monthly in-person visits currently required in PAL offers a developmentally appropriate case management model for young adults and could be a viable option for extended care in Iowa.

Placement/Housing

Housing instability and homelessness are serious and significant problems among young people who age out of foster care (Child Trends 2019). Being able to access housing assistance through extended foster care is an important benefit for these young adults, and strategies for offering appropriate housing options will need to be developed and implemented.

Under the Fostering Connections Act, non-licensed independent living settings (with supervision) are an allowable living arrangement for young adults over age 18. Based on federal guidance, it appears that in addition to family foster care, Iowa's Supervised Apartment Living (SAL) placements (both cluster-site and scattered site) and approved housing under PAL would be considered approved living arrangements. Further, the IV-E agency may pay all or part of the foster care maintenance payment directly to the young person, making the approach of issuing stipends directly to young people currently used in Iowa’s PAL program also allowable.

Judicial Oversight

One of the more significant changes if Iowa extends care will be continuing judicial oversight of young adults who remain in care. This will likely require a statutory change to the definition of child in Iowa Code 232.2, which now limits juvenile court involvement to minors under age 18. There is, however, flexibility in how states implement the required periodic judicial review, which may occur outside of a court hearing. The purposes of the judicial reviews are to ensure that young adults are receiving appropriate services and that they are making adequate progress on their transition plan to remain eligible for extended foster care. Further, the state will need to determine if young adults who are appearing in court should be entitled to legal representation.

Youth Voice

Earlier this year, the federal Children’s Bureau issued guidance to States emphasizing the importance of integrating the voices of families and youth served by the child welfare system into all aspects of child welfare planning and improvement.

Young people with lived experience in foster care should be actively involved in discussing the policy considerations outlined above.

Young people with lived experience in foster care should be actively involved in discussing the policy considerations outlined above. Having the voice of young people as part of
the conversation will result in better policy and ultimately better outcomes.

Cost Implications
Given Iowa's current investment in youth who age out of foster care, it may be possible to extend voluntary foster care to this population without significantly increasing the cost to the State. Several factors will affect the fiscal impact of this policy change, but there are strategies to minimize any new costs, while maximizing federal funding. For example, States may re-determine IV-E eligibility of a young adult who is entering or re-entering voluntary extended care based on the young person’s income alone at age 18 or later. Doing so would result in most young adults in extended care qualifying for IV-E funding.

The most significant costs of extended foster care to 21 are for monthly maintenance payments and case management for young adults who continue in care, both of which will leverage federal funding. Iowa’s existing Supervised Apartment Living (SAL) placements and the PAL program are analogous to extended care. Minimal changes in these state-funded programs, along with maintaining an open child welfare case, may be enough to leverage IV-E funds to offset any new costs and could be explored to generate new resources to support this population with limited impact on state spending.

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Child Trends (2019) *Supporting Older Youth Beyond Age 18: Examining Data and Trends in Extended Foster Care*
Child Trends (September 2019) *Funding Supports and Services for Young People Transitioning from Foster Care by Lynn Tiede and Kristina Rosinsky*
Annie E. Casey Foundation (January 2019) *Future Savings: The Economic Potential of Successful Transitions From Foster Care to Adulthood*
Mainspring Consulting (2019) *Promising Program Models for Extended Foster Care & Transition Services*

Additional Resources
Annie E. Casey Foundation (2018) *Fostering Youth Transitions: Using Data to Drive Policy and Practice Decisions*
Juvenile Law Center (2018) *National Extended Foster Care Review: 50-State Survey of Extended Foster Care Law and Policy*
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About the Youth Policy Institute of Iowa
The Youth Policy Institute of Iowa is a non-profit organization specializing in policies and programs affecting youth and young adults who have been involved in child welfare or juvenile justice systems in Iowa. YPII partners with a wide variety of local, state, and national organizations to develop and promote policy and practice improvements, evaluate programming, disseminate information, and enhance services for vulnerable and disconnected youth.