



[SF 2284](#) – Foster Care Services (LSB5954XS)
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Fiscal Note Version – New

Description

[Senate File 2284](#) makes the following changes to the Aftercare Service Program:

- Allows a person to qualify for the Program if the person exited foster care services paid by the State when the person was 16 years of age or older.
- Requires the Department of Health and Human Services (HHS) to amend its administrative rules in the following ways:
 - Set the start-up allowance offered through the Program at a one-time payment of \$900.
 - Set the vendor payments offered through the Program at \$2,000 per year.
 - Set the extended services allowance offered through the Program at \$2,000 for a one-year period calculated from the date of initiation of extended services.
 - Allow each person who is participating in the Program to receive the Preparation for Adult Living (PAL) stipend regardless of the person's age, provided that the person meets all other requirements for the PAL stipend.

Background

The Program was established to assist persons leaving foster care and other court-ordered services in making the transition to self-sufficiency. Participants are provided with support and guidance through regular, individual meetings with a self-sufficiency advocate. Advocates assess the participant for life skills and help the participant develop a self-sufficiency plan, complete with developmentally appropriate goals and objectives. Financial assistance is available to support individuals in achieving their self-sufficiency goals. Core aftercare services are provided to individuals between the ages of 18 and 21. Extended aftercare services are provided to individuals ages 21 and 22 who want additional support. Pre-aftercare services are offered to youth aged 17 to help transition them into aftercare.

Currently, a person is eligible for the Program if the person is 22 years of age or younger and exited foster care after the person attained 18 years of age.

Currently, the maximum start-up allowance offered through the Program is a one-time payment of \$600, the maximum annual vendor payments allowance is set at \$1,200, and the maximum annual extended services allowance is set at \$1,200.

During FY 2023, a total of 535 persons ages 18, 19, and 20 received core aftercare services and support, a total of 201 persons received extended services and support, and there were 190 referrals for pre-aftercare services.

Assumptions

- Under Senate File 2284, there may be approximately 100 persons who will be newly eligible to receive core services and support each year. The HHS estimates that approximately 60.0% of eligible persons will participate in the Program.

- There may be approximately 50 new extended services participants each year and approximately 25 new pre-aftercare participants each year.
- Senate File 2284 will not apply retroactively, as the HHS intends to adopt administrative rules so that the Bill only applies to individuals who become eligible for participation in the Program on or after July 1, 2024. As a result, total core aftercare costs will be realized in FY 2026 and total extended aftercare costs will be realized in FY 2028.
- Individuals may or may not participate in the Program every month or year that they are eligible.
- The HHS estimates annual costs per new individual participating in the Program as follows:
 - Approximately \$1,000 for individuals first entering the Program.
 - Approximately \$7,800 for individuals receiving core services and support.
 - Approximately \$3,600 for individuals receiving extended services and support.
- Senate File 2284 may increase costs to the HHS by \$135,000 for increased startup payments, vendor payments, and extended payments to participants.
- Total costs to implement the Program are realized in FY 2028.

Fiscal Impact

Senate File 2284 is estimated to increase costs to the HHS for the Aftercare Service Program as shown in **Figure 1**.

Figure 1 — Aftercare Service Program Costs Under SF 2284

	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>
New Pre-Aftercare Participants	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
New Core Aftercare Participants	468,000	936,000	936,000	936,000	936,000
New Extended Aftercare Participants	0	0	0	180,000	180,000
Increased Payments to Participants	135,000	135,000	135,000	135,000	135,000
Total	\$ 628,000	\$ 1,096,000	\$ 1,096,000	\$ 1,276,000	\$ 1,276,000

Source

Department of Health and Human Services

/s/ Jennifer Acton

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.