

PREPARATION FOR ADULT LIVING (PAL) STIPEND

Definition:

The purpose of the PAL program is to provide financial support to eligible youth who are receiving Aftercare services and who meet the additional criteria outlined below. Youth receiving a PAL stipend are not eligible to receive aftercare vendor payments.

(DHS Rules 441-187.10(234) pages 8-10)

Eligibility requirements:

1. Youth must have left foster care on or after their 18th birthday, and have been in foster care at least six of the previous twelve months in Iowa.
2. Youth must be *ineligible* for voluntary foster care placement.
3. Youth has an approved living situation other than a parent's home. This may include living with a former foster family, in their own apartment, or in a college dormitory.
4. Youth is engaged in or actively pursuing full-time activity comprised of one or more of the following:
 - a. Enrolled in a postsecondary educational training program or work training.
 - b. Employed an average of 25 hours or more per week.
 - c. School/program attendance leading to high school diploma or GED when not eligible for voluntary foster care

Youth receiving a PAL stipend are not eligible to receive Aftercare vendor payments.

The PAL stipend will be discontinued under the following conditions:

1. Youth does not meet work or education eligibility requirements for 30 consecutive days without good cause.
2. Youth fails to follow self-sufficiency plan components and expectations.
3. Lack of program funds
4. If youth is enrolled in an education or training program, they must be making satisfactory progress (according to the education or training program criteria). If youth is not making satisfactory progress, they may stay in PAL by choosing the work option.
5. Youth reaches 21st birthday.
6. Youth is no longer residing in Iowa.
7. Youth lives with parent(s).

If the youth's PAL stipend is discontinued for any of the above reasons, they are still eligible for aftercare without the stipend. They would then qualify for the aftercare vendor payments.

Payment: The monthly stipend will be issued according to the following guidelines:

1. The PAL stipend will be based on the needs documented in the self-sufficiency plan/ budget and their net income. The maximum amount they may receive is \$558.75.
2. When the net earnings of a youth in PAL exceed the maximum payment, the stipend will be reduced the following month by \$0.50 for every dollar earned over the maximum payment. (calculated quarterly)
3. If the youth has unearned income that exceeds the maximum payment, a youth is not eligible for a stipend.

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4. If a youth is living in a foster family setting, the payment will be issued to the youth or foster parent.
5. For youth living in an apartment or college dormitory, the stipend will be issued to the youth.

Advocate responsibilities:

1. Advocates will need to verify enrollment in education/training program at the beginning of the semester by their class list. Ongoing, you will be talking with the youth and should know if they are still enrolled in the classes. At midterms you will verify their progress and enrollment by their midterm grades, and then again with final grades. To determine full time school status please use the following formula:

Based on a class equaling 3 credit hours: (3 hours of class time + 2 hours for every hour in class studying per week)

2 classes = half time (6 hours class time + 12 hours studying = 18 hours)

3 classes = three quarters time (9 hours class time + 18 hours studying = 27 hours)

4 or more = full time (12 hours class time + 24 hours studying = 36 hours)

2. Both initial and ongoing eligibility and stipend amount shall be based on a projection of income based on the best estimate of future income. All countable earned and unearned income received by the recipient during the 30 days prior to application shall be used to project future income. Employment and earnings will be verified by youth's payroll stubs quarterly or if there is a significant change in status (loss of job, start job, new income). Youth will need to provide a copy of their payroll stub (or you will need to see it) when they get paid. . During the first two weeks of the month each quarter, Advocates will verify youth's net earnings (take home after taxes etc.) for the previous 30 days to predict future. Advocates will calculate their total net earnings for the month. When the youth's net earnings exceed the maximum stipend payment (\$558.75), the stipend will be reduced for the following quarter by \$.50 for every dollar earned over the maximum payment. (**see calculating stipend below**)
3. After verifying employment and calculating stipend during the first two weeks of the month, advocates will then request a check or direct deposit from their agency (PAL stipend request form) for the appropriate stipend amount.
4. The stipend will then be dispersed by the advocate to the youth toward the end of the month for the next month. This should be done within the last 5 days of the month. Please be considerate of 1st of the month rent deadlines if that is what the youth has budgeted this money for.
5. During the month of enrollment, a youth that does not come directly out of Supervised Apartment Living will receive two stipends. The first stipend is issued as quickly as possible pro-rated based on their date of entry. For example:

If Jimmy John admits on August 10, the advocate completes assessment and SSP with budget. He will be here 22 days in August. Daily rate of 18.36 X 22 = \$403.92 for his August check.

They will then receive the second check at the end of the month as described above. Keep in mind that during that first month of admission they need to be enrolled full time, working full time, or actively pursuing this full time activity.
6. Document stipend on "stipend tracking form" in file.

Calculating PAL Stipend:

1. Calculate/ project what their monthly net income will be. If their net income is less than \$558.75 skip to step #4. If their net income is more than \$558.75 complete steps #2 and #3.
2. **For incomes above \$558.75** complete the following formula:

$$(\text{Net income} - 558.75) \div 2 = A.$$

Then you take $558.75 - A = B$.

The maximum stipend possible for the participant is B. For example:

Jimmy John's net earning for June is \$640.00.

$$\begin{array}{r} \$640.00 \\ - \$558.75 \\ \hline \$81.25 \end{array}$$

$$\$81.25 \div 2 = \$40.63(A)$$

$$\begin{array}{r} \$558.75 \\ - \$40.63(A) \\ \hline \mathbf{\$518.12(B)} \end{array}$$

The maximum stipend possible for Jimmy John is \$518.12 (B).

3. Complete the budget indicating income and expenses. Take the income — expenses = C.
 - a. If "C" is a positive number, they do not get a stipend. However, you may want to check to see if it is a realistic budget.
 - b. If "C" is a negative number, compare it to "B" from step 2 above. If it is more than "B" the most they can get is "B". If it is less than "B" than "C" is their stipend. For example with Jimmy John:

$$\begin{array}{r} \text{Income} \quad \quad \$640 \\ \text{Total Expenses} - \$1180 \\ \hline C = \quad \quad \quad -\$540 \end{array}$$

Stipend would be **\$518.12** because the expressed need of \$540 exceeds the maximum stipend possible (B), and you will need to refigure his budget as his expenses exceed his income.

Example #2:

$$\begin{array}{r} \text{Income} \quad \quad \$640 \\ \text{Total Expenses} - \$1000 \\ \hline C = \quad \quad \quad -\$360 \end{array}$$

Stipend would be **\$360.00** because that is all he needs to cover expenses.

Example #3:

$$\begin{array}{r} \text{Income} \quad \quad \$640 \\ \text{Expenses} \quad \quad - \$400 \\ \hline C = \quad \quad \quad \$240 \end{array}$$

He would not need a stipend as his income covers his expenses.

Go to Step #5.

4. Income is less than \$558.75

Complete the budget indicating income and expenses. Take the income $-$ expenses = C.

- a. If "C" is a positive number, they do not get a stipend. However, you may want to check to see if it is a realistic budget.
- b. If "C" is a negative number, then that is their stipend up to the maximum amount of \$558.75 that is allowed in the rules.

Income	\$440
Total Expenses	- \$1050
C =	-\$610

Stipend would be **\$558.75** because the expressed need of \$610 is more than the maximum amount allowed in the rules, and you will need to refigure some budgeting as his expenses are a little too high to meet.

Example #2:

Income	\$440
Total Expenses	- \$800
C =	-\$360

Stipend would be **\$360.00** because that is all he needs for expenses.

Example #3:

Income	\$500
Expenses	- \$400
C =	\$100

He would not need a stipend as his income covers his expenses.

- 5. Remember, stipends only need to be calculated quarterly for the following three months unless there is a significant change in their status.