



Improve Iowa's Employment and Economic Security

Family Investment Program/PROMISE JOBS

Food Assistance

Child Care Assistance

Child Support Recovery

Family Investment Program



Purpose

Iowa's Family Investment Program (FIP) is a cash assistance program to support low-income families with children and to provide services for them to become self-sufficient.

Who Is Helped

The Family Investment Program helps people with minor children. Families must:

- Meet income and asset requirements.
- Be residents of Iowa.
- Be citizens or legally qualified non-citizens (such as refugees).
- Participate in work, training, or educational services to become self-sufficient.

75 percent of recipients are one-parent families, while 5 percent include both parents.

20 percent of FIP households provide care to children of relatives. Some of these children are in the child welfare system. Others came to live with relatives as the result of voluntary arrangements with their parents.

The average FIP family is headed by a single Caucasian woman between 20 and 29 years old with a high school or GED education. The typical family has two children under the age of 6.

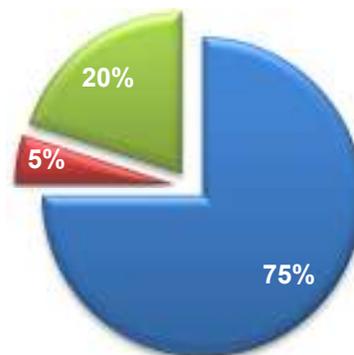
Benefits are limited to a five-year lifetime limit with exceptions in hardship cases.

The average family receives FIP for 22 months.

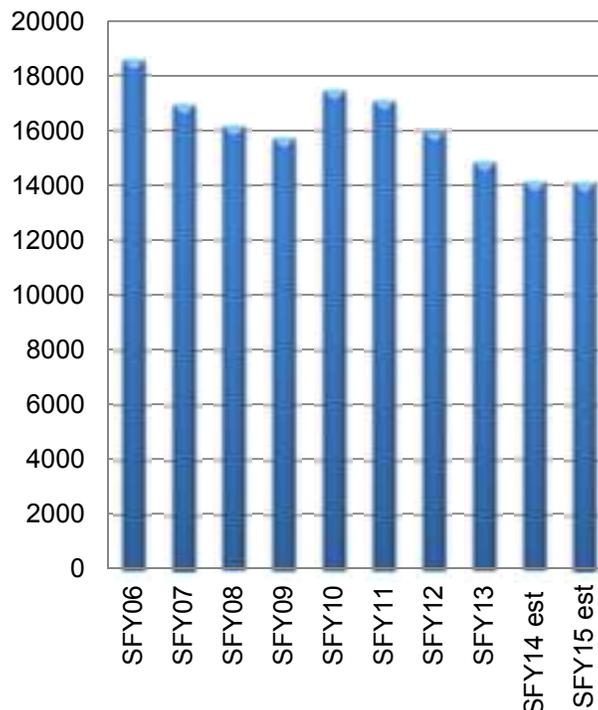
The FIP caseload is currently at a new modern-day low. Caseloads are projected to hit a floor by January 2014, when they will level out.

FIP Family Makeup SFY13

■ One-Parent (75%) ■ Two-Parent (5%) ■ Relative (20%)



FIP Average Monthly Cases



- ✓ *A parent and two children must have income after deductions below \$361/month, or \$4,332 annually, to qualify.*
- ✓ *In June 2013, over 92 percent of individuals receiving FIP also received Food Assistance and nearly 99 percent received Medicaid.*
- ✓ *About 250 families currently have a hardship exemption from the five-year limit. Hardship determinations are revisited every six months.*
- ✓ *Every month, about 61 recipients are canceled because of the five-year lifetime limit.*

Services

The FIP appropriation funds the following:

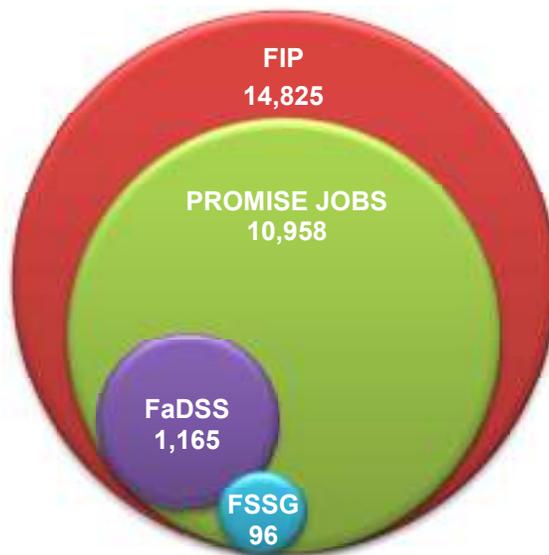
- Cash benefits. FIP cash benefits are provided on a monthly basis. Eligibility determination is made by DHS Field Operations staff. DHS staff also make referrals for the PROMISE JOBS program.
 - An average of 14,825 families a month received FIP in SFY13.

- PROMISE JOBS Program. The acronym stands for Promoting Independence and Self-Sufficiency through Employment, Job Opportunities, and Basic Skills.
 - DHS contracts with Iowa Workforce Development (IWD) to provide PROMISE JOBS services.
 - This program provides training, education, and employment services. In addition the program pays allowances for specified costs, such as transportation, related to participating in program activities.
 - The DHS Bureau of Refugee Services provides PROMISE JOBS services to FIP recipients with refugee status.
 - An average of 10,958 FIP families a month received PROMISE JOBS in SFY13.

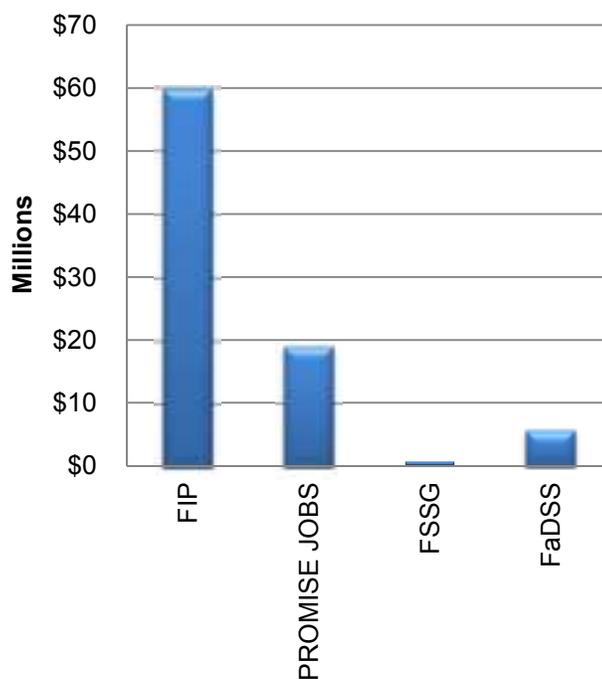
- Family Self-Sufficiency Grant (FSSG) Program
 - DHS contracts with IWD to administer this grant program.
 - This grant program provides up to \$1,000 per family per year to pay for work related goods and services (e.g. car repair, clothing, employment related certification requirements).
 - An average of 96 FIP families a month received this grant in SFY13.

- Family Development and Self Sufficiency (FaDSS) Program.
 - The Department of Human Rights administers this program.
 - FaDSS services include intensive home-based case management services to PROMISE JOBS families who have barriers keeping them from achieving self-sufficiency.
 - An average of 1,165 FIP families a month received this service in SFY13.

Monthly Average Types of Services SFY13



Expenditures SFY13



	<ul style="list-style-type: none"> ✓ <i>PROMISE JOBS participants must sign a self-sufficiency agreement identifying what they will do to become self-sufficient before receiving a FIP grant.</i> ✓ <i>FIP recipients receive their monthly cash benefits via an Electronic Access Card (EAC) that can be used anywhere a VISA debit card is accepted. To comply with federal law, effective February 1, 2014, FIP recipients will be prohibited from using their Electronic Access Card (EAC) at liquor stores, casinos, and adult-entertainment venues in which performers disrobe or perform in an unclothed state.</i> 									
Goals & Strategies	<p>Goal: Help families become self-sufficient</p> <p>Strategies:</p> <ul style="list-style-type: none"> • Provide an array of employment related supports. • Coordinate with IWD to improve work participation rates. <p>Goal: Become more efficient in processing and evaluating applications.</p> <p>Strategy: Install a new eligibility computer system.</p>	<p>Results:</p> <ul style="list-style-type: none"> • In SFY13, 76.4 percent of people who left FIP stayed off the benefit program for at least a year. • Iowa's actual work rate for the first half of FFY13 exceeds the federal requirement by approximately 18.8 percentage points. • The DHS has selected a vendor to install a new eligibility system called the ELigibility Integrated Application Solution (ELIAS). The system will also generate Food Assistance and Medicaid eligibility and benefit calculations. <ul style="list-style-type: none"> ○ The current system is outdated and requires significant duplicate entries and work-arounds. ○ ELIAS will utilize current technology architecture to enable more accurate and timely eligibility determinations; a more effective way to identify potential fraud and abuse; and an opportunity to link with online service applications. ○ The new system will be implemented in 2014 with a two-phased approach. Medical Assistance in January and FIP and Food Assistance later in the year. 								
Cost of Services	<ul style="list-style-type: none"> • The average annual benefit per FIP recipient is \$1,568. • The average annual cost of service per-person in the PROMISE JOBS program is \$1,612. • The average FSSG grant per family is \$483. 									
	<ul style="list-style-type: none"> ✓ <i>The maximum annual FIP amount paid to a family of three is less than 27 percent of the federal poverty level.</i> 									
Funding Sources	<p>The Family Investment Program is funded by state general funds, federal funds, including TANF, and other funding (child support recovery that is used to offset public assistance).</p> <p>The SFY15 total FIP budget is \$94,516,688:</p> <ul style="list-style-type: none"> • \$48,503,875 (51.3 percent) is state general funds. • \$37,113,344 (39.3 percent) is federal funds. • \$ 8,899,469 (9.4 percent) is other. 	<p style="text-align: center;">SFY15 Funding</p> <ul style="list-style-type: none"> ■ State General Fund ■ Federal ■ Other Funding <table border="1"> <caption>SFY15 Funding Data</caption> <thead> <tr> <th>Funding Source</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>State General Fund</td> <td>51%</td> </tr> <tr> <td>Federal</td> <td>39%</td> </tr> <tr> <td>Other Funding</td> <td>10%</td> </tr> </tbody> </table>	Funding Source	Percentage	State General Fund	51%	Federal	39%	Other Funding	10%
Funding Source	Percentage									
State General Fund	51%									
Federal	39%									
Other Funding	10%									

- ✓ *Temporary Assistance for Needy Families (TANF) is a block grant, which means Iowa gets the same amount of funding each year.*
- ✓ *PROMISE JOBS participation helps Iowa meet federal TANF work participation rates.*
- ✓ *Failure to meet TANF work participation rates can reduce federal funding.*

SFY 2015 Budget Drivers

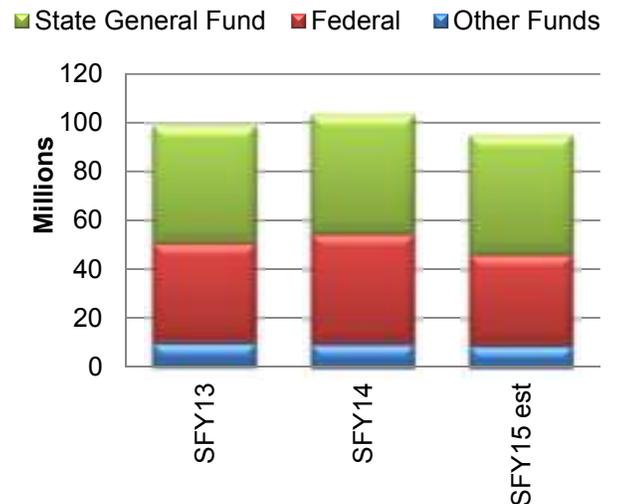
The total SFY15 FIP budget request reflects a \$540,000 (1.1 percent) general fund increase from the SFY15 Governor's Recommendation.

This restores funding to SFY14 appropriated levels as follows:

- \$40,000 for the fatherhood initiative.
- \$500,000 for FaDSS.
- Due to declining FIP caseloads and costs per case, SFY15 expenditures are expected to be less than the combined amount of general funds and TANF funds appropriated in SFY14. Maintaining the SFY14 general fund level for FIP better enables the state to meet TANF work participation requirements. Savings in FIP costs consisting of TANF funds allows these funds to be used for child care, reducing the need for general funds for that program.

The FIP budget is aided by recoveries from non-custodial parents in child support cases. Child support recoveries have recently started to decrease and that is expected to continue through SFY15.

Total Budget Funding Mix



- ✓ *Current funding and authorization for the TANF block grant ends September 30, 2013. It is likely that TANF will be extended rather than a full reauthorization process completed by that date.*

Legal Basis

Federal:

- Title IV-A of the Social Security Act
- Code of Federal Regulations 45 CFR 260 – 265

State:

- Iowa Code, Chapter 239B
- Iowa Administrative Code, 441 IAC 40, 41, 42, 45, 46, and 93

**Request - Family Investment Program / PROMISE JOBS
State Fiscal Year 2015**

Request Total: \$94,516,688

General Fund Need: \$48,503,875

Request Description:

This request includes: The Family Investment Program (FIP) that provides cash assistance to low-income families. PROMISE JOBS provide training, education and employment services to FIP families. Family Development and Self-Sufficiency (FaDSS) provides case management services to FIP families with multiple/severe self-sufficiency barriers. Family Self-Sufficiency Grants (FSSG) provides payment for goods or services to FIP participants or vendors to address barriers to employment. Food Assistance EBT provides for the purchase of food using an Electronic Benefit Transfer card. Food Assistance Employment and Training (FA E&T) provides job seeking skills, training, and employment assistance to Food Assistance recipients not on FIP. Initiatives to improve customer service and accuracy of benefit determination while being more efficient through the use of technology.

SFY15 Governor's Recommendation - 2013 Session

SFY15 Enacted Appropriation	\$24,218,607
Restore Enacted Approp to SFY15 Gov. Rec.	\$23,678,607
I3 Distribution	\$66,661

Total State \$ Appropriated: \$47,963,875

Funding Needed to Maintain Current Service Level

Decision Package	Decision Package Description	Amount
1	This decision package adjusts status quo SFY15 to SF 446 for SFY14 as enacted during the 2013 Legislative session. This consists of \$40,000 for the fatherhood initiative and a \$500,000 increase for FaDSS.	\$540,000
2	Reduced need for FIP. Projected expenditures for FIP cash assistance for SFY15 are lower than the level appropriated for SFY14 due to reduced caseloads and a slightly lower cost per case. The budget for SFY14 serves an average of 14,850 cases per month at an average cost per case of \$335.87. The projected need for SFY15 is to serve an average of 14,035 cases per month at an average cost of \$332.56.	(\$3,502,157)
3	Reduce TANF funding for FIP instead of state general funds. Reducing the TANF funding rather than state lets the state maintain its current level of maintenance of effort which helps the state meet TANF work participation requirements ¹ and makes the TANF savings available to meet other needs within the department. Using TANF savings in this manner has the potential to reduce the need for state general funds in other areas of the department's budget. FIP sees a reduction in TANF and overall funding while state savings are realized somewhere other than FIP (see Child Care).	\$3,502,157
4	Reduced costs for PROMISE JOBS allowances. The projected need for PROMISE JOBS allowances for SFY15 is lower than the SFY14 budget due to fewer cases and a lower cost per case. Transportation allowances are projected to serve 2,814 cases per month at an average cost of \$102.50. Education/Other allowances are projected to serve 177 cases per month at an average cost of \$54.54. Part of this savings in state general funds is being redirected to technology for ELIAS operating and maintenance costs while the balance allows for reducing the amount of TANF needed for PROMISE JOBS. See decision packages # 5 and #6 below.	(\$1,196,685)
5	Funding needed for the increased state share of the operation and maintenance costs in SFY15 due to the new eligibility system (ELIAS) currently in development. Funded by redirecting \$422,157 of the state savings from the PROMISE JOBS allowances.	\$422,157
6	Reduce TANF Funding for PROMISE JOBS by \$774,528 instead of state general funds. Reducing the TANF funding rather than state lets the state maintain its current level of maintenance of effort which helps the state meet TANF work participation requirements ¹ and makes the TANF savings available to meet other needs within the department (see decision package #8).	\$774,528
7	TANF funding needed in SFY15 for the FIP share of development costs for the ELIAS system is \$939,458, a reduction of \$4,110,993 from the amount of TANF funds appropriated in SFY14 for this purpose.	\$0

**Request - Family Investment Program / PROMISE JOBS
State Fiscal Year 2015**

8	Increase the TANF allocation for subsidized employment by \$616,600 in an effort to improve the TANF work participation rates. This reduces the combined TANF savings from FIP and PROMISE JOBS in decision packages #3 and #6 available for other purposes.	\$0
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Total Requested for Current Service Level Funding: \$540,000

The net effects of Decision Packages 2-8 are to:

- * Reduce overall funding for FIP and PROMISE JOBS.
- * Maintain the TANF allocation for child care at the SFY14 level, a \$3M increase from SFY13, reducing the need for general funds. This is Decision Package #3 in the Child Care Assistance budget request.
- * Use TANF savings to increase funding for a subsidized employment program to improve TANF work participation rates.
- * Reduce overall TANF funding to the state's annual award (no carry forward or one-time funding).

¹ States can reduce the TANF work participation rates they are required to meet by means of a caseload reduction credit. This credit is initially based on the comparison of recent FIP caseloads to caseloads from a base year (FFY05). Required work rates are reduced by the same percentage points as any caseload reduction credit. So if a state has a credit of 10% for its all-family caseload, the base 50% work rate requirement is reduced to 40%.

States can increase their caseload reduction credit and further reduce their required work rates by expending state funds for allowable TANF purposes in excess of the amount required as their maintenance of effort (MOE). For example, Iowa's caseload reduction credit applied to the all-family work rate for FFY13 is expected to nearly double, from 16.9% to 31.5%, due to excess maintenance of effort expenditures. This reduces the required all-family work rate from 33.1% to 18.5%. The separate 2-parent work rate is also further reduced due to excess MOE.

Reducing state expenditures counted as maintenance of effort even if still meeting the minimum required amount reduces the state's ability to meet TANF work participation requirements. Failure to meet the state's all-family rate can result in a loss of \$4.5M in TANF funding which the state would then have to make up for with state funds. Having any savings in state/TANF funded programs be considered as TANF savings helps prevent such penalties. TANF savings have the potential to be used to generate state savings elsewhere in the department's budget.

Funding for Improved Results

Decision Package	Decision Package Description	Amount
		\$0
Total Requested for Improved Results Funding:		<u>\$0</u>

General Fund Total	\$48,503,875
General Fund Change From Prior Year	\$540,000

Total Funding Summary:

	State Funding Total	\$57,403,344
	Program	
General Fund	\$48,503,875	
SLTF	\$0	
Tobacco	\$0	
Iowa Care	\$0	
HCTA	\$0	
Other *	\$8,899,469	
Total	\$57,403,344	

*Other: Child Support Recoveries, \$8,355,469; FIP/PROMISE JOBS Overpayment Client Recoveries, \$485,000; Misc. Recoupments/Refunds, \$59,000

**Request - Family Investment Program / PROMISE JOBS
State Fiscal Year 2015**

Federal Funding Total		\$37,113,344
Program		
TANF	\$33,278,993	
SSBG	\$0	
ARRA	\$0	
IowaCare	\$0	
HCTA	\$0	
Other **	\$3,834,351	
Total	\$37,113,344	

** Other: FFP earned from Food Assistance, \$1,516,032; Medicaid, \$2,162,323; CHIP \$36,996; Refugee Services, \$119,000.

Other Funding Total		\$0
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Program	
Other	\$0

Totals	Program
	\$94,516,688

Request Total
\$94,516,688

FTEs included in request:

FTEs	9.0
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Notes:

FIP funding includes \$8,355,469 from the state share of child support collections. If the Child Support Recovery Unit is not funded at the requested level, FIP will need an additional \$468,000 for SFY15.

Food Assistance



Purpose

Food Assistance (FA), also known as Supplemental Nutrition Assistance Program (SNAP), is a federally funded program that provides food or benefits to purchase food for low-income Iowans.

Who Is Helped

Food Assistance

People eligible for Food Assistance must:

- Be residents of Iowa.
- Be citizens or legally qualified non-citizens (such as refugees).
- Have household incomes not to exceed 160 percent of the federal poverty level. For a family of three, that equals a gross annual income of about \$31,000.

In SFY13:

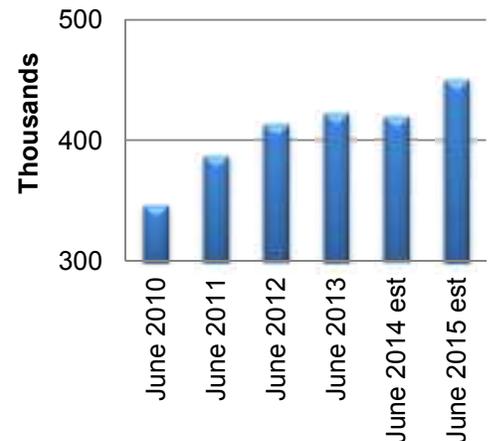
- An average of 418,566 Iowans in 197,376 households received benefits every month, a four percent increase from SFY12.
- 81 percent of FA recipients also receive Medicaid or Family Investment Program (FIP) benefits.
- The average recipient is a 25-year-old white female.

Supplemental Food Programs

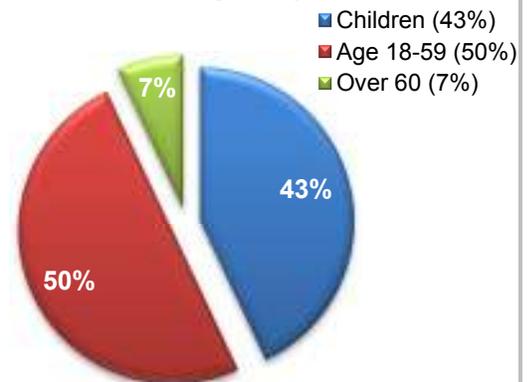
The Commodity Supplemental Food Program (CSFP) and The Emergency Food Assistance Program (TEFAP) provide food to low-income Iowans.

- An average of 2,955 Iowans per month were served through CSFP and 998,000 pounds of commodities were distributed in SFY13.
- 95 percent of those served by CSFP are elderly.
- TEFAP served an average of 275,000 individuals per month and distributed 3.9 million pounds of food during SFY13.

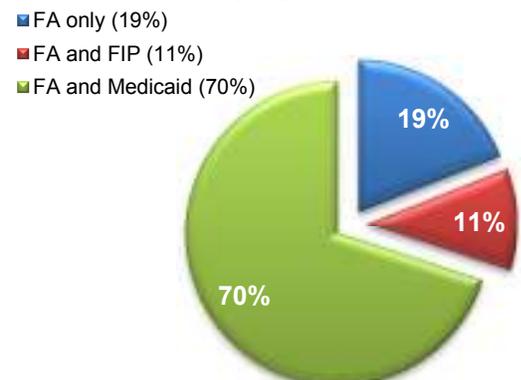
FA Recipients



Age of Recipients in SFY13



Recipients by Program in SFY13



- ✓ *Having children is not a requirement to receive Food Assistance benefits.*
- ✓ *People incarcerated more than 30 days are not eligible. Their families may continue to receive benefits if the household still meets eligibility requirements.*
- ✓ *Pending Congressional decisions for the Farm Bill may impact broad-based categorical eligibility, resulting in fewer eligible persons.*

Services

Food Assistance

- Food Assistance benefits assure low-income lowans have access to food.
- Benefits may only be used to purchase unprepared food and non-alcoholic beverages.
- All Food Assistance transactions occur electronically on Electronic Benefit Transfer (EBT) cards. The card does not have cash benefits and will not work at ATMs.
- EBT cards may be used to buy food at 120 farmer markets providing easy access to the freshest food Iowa has to offer.

Supplemental Food Programs

- The Commodity Supplemental Food Program (CSFP) distributes commodities directly to recipients, most of whom are elderly.
- The Emergency Food Assistance Program (TEFAP) distributes food through food banks to low-income lowans.

Employment and Training Program

This is a voluntary program through Food Assistance offering job seeking skills, classroom training, and structured employment search; it is available in 15 Iowa counties.

Nutrition Education

Written educational materials are provided to FA recipients to promote healthy food choices.



EBT Card Sample

Average Benefits SFY13:

- **\$249.62 per month per household**
- **\$117.72 per month per individual**
- **\$3.87 per day per individual**
- **\$1.29 per meal**

Farmers' Markets EBT Sales



- ✓ *While Food Assistance may be used in any state, approximately 95 percent of benefits are used in Iowa or bordering states.*
- ✓ *DHS and the Department of Education partner to identify children who qualify for free school lunches based on the receipt of Food Assistance or FIP, or being in foster care.*

Goals & Strategies

Goal: Improve efficiency and accuracy.

Strategies:

- Continue monitoring and training on key causes of errors.
- Implement new benefit eligibility and payment system.

Goal: Assure benefits are issued timely.

Strategy:

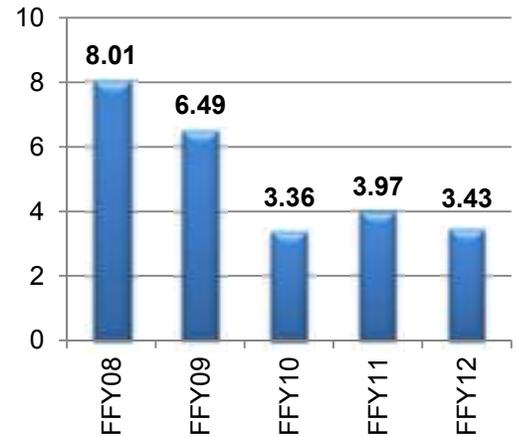
- Monitor performance.

Goal: Prevent fraud and abuse.

Strategies:

- Implement new methods to identify potential misuse of EBT cards.
- Identify and cancel benefits for ineligible individuals who are incarcerated.

Percentage of Error Calculating Benefits



In SFY12, DHS procured a new eligibility system to perform Medicaid, FA, and FIP eligibility functions. This system will also generate FA and FIP benefits.

- IABC, the current eligibility system is outdated and requires significant duplicate entries and work-arounds by income maintenance staff as well as significant time to update system coding when laws or regulations change.
- The new system will utilize current technology architecture to enable more accurate and timely eligibility determinations; more effective ways to identify potential fraud and abuse; and opportunities to link with online service applications.
- The new system will be implemented in 2014 with a two-phase approach: Medical Assistance in January, and FA and FIP later in the year.

Cost of Services

The average annual FA benefit per recipient is \$1,413.

Funding Sources

Food Assistance benefits and The Emergency Food Assistance Program (TEFAP) are paid 100 percent by federal dollars. Iowa and the federal government split the administrative costs 50/50.

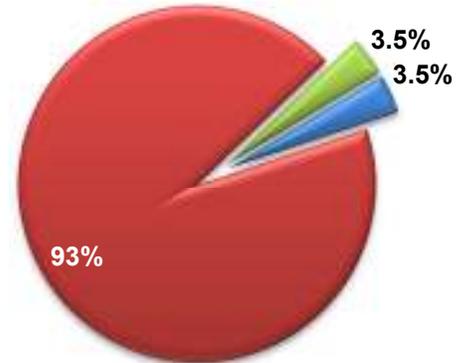
Nutrition Education, Commodity Supplemental Food Program (CSFP), and the Employment & Training (E & T) program are paid 100 percent with federal dollars.

The SFY 2015 total projected budget is \$673,581,518:

- \$650,302,227 is federal.
 - \$627,197,718 in benefits.
 - \$23,104,509 in admin costs.
- \$23,279,291 is state general fund.

SFY15 Funding

- State General Fund (3.5%)
- Federal Benefits (93%)
- Federal Admin (3.5%)



- ✓ *In SFY13, \$591.2 million was drawn from the federal government for Food Assistance benefits, a one-year increase of 0.1 percent.*
- ✓ *The USDA estimates that \$9.20 in economic activity is generated for every \$5 spent on food.*
- ✓ *Both state and federal funds are used to contract with a vendor to provide EBT cards. DIA's fraud investigators also receive federal funding for FA activities.*

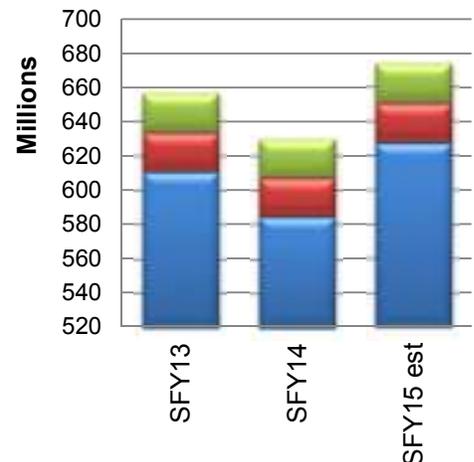
SFY 2015 Budget Drivers

There are several variables that may impact Food Assistance benefit expenditures.

- Due to an improving economy, Food Assistance enrollment appears to have peaked and caseloads are expected to gradually decrease until early 2014.
- Implementation of the Iowa Health and Wellness Plan, combined with other provisions of the Affordable Care Act, is expected to cause enrollment to grow again starting in January 2014 and continuing through all of SFY15.
- The American Recovery and Reinvestment Act (ARRA) of 2009 included an across-the-board increase in Food Assistance benefits as a way to stimulate the economy and help address hardship caused by the recession. That increase, which continues to cause benefits to be greater than they would be otherwise, is scheduled to end in October 2013.
- There will be an across-the-board reduction in benefits starting in November 2013. Households receiving the maximum benefit are expected to see a decrease of about 5.4% while households getting less than the maximum will see a slightly smaller percentage decrease.

Total Budget Funding Mix

- State General Fund
- Federal Admin
- Federal Benefits



	<p>✓ <i>The Centers for Budget and Policy Priorities (CBPP) has estimated that Iowa could see a reduction of up to \$43 million in benefits between November 2013 and September 2014. Although a one-time event, this reduction will continue to have an ongoing impact on future FA benefits.</i></p>
<p>Legal Basis</p>	<p>Federal:</p> <ul style="list-style-type: none"> • Code of Federal Regulations: 7 CFR 272.2 • The Food, Conservation, and Energy Act (Farm Bill) of 2008, which has been extended through a series of continuing resolutions. • Section 6 of the Food and Nutrition Act of 2008 as amended by P.L. 110-246 <p>State:</p> <ul style="list-style-type: none"> • Iowa Administrative Code, 441 IAC 65

Child Care Assistance



Purpose

The Child Care Assistance (CCA) Program supports low-income families with working parents, parents gaining work skills, or parents going to school. In addition to paying for child care, this appropriation supports the regulation of child care providers and quality improvement activities.

Who Is Helped

Child Care Assistance program provides financial assistance for children under the age of 13 in:

- Families where parents are working at least 28 hours per week **or** are in school full time, and have incomes below 145 percent of the Federal Poverty Level (FPL).
- Families with children with special needs where parents are working or are in school full time with incomes up to 200 percent FPL.
- Families receiving Family Investment Program benefits and are participating in PROMISE JOBS (PJ).

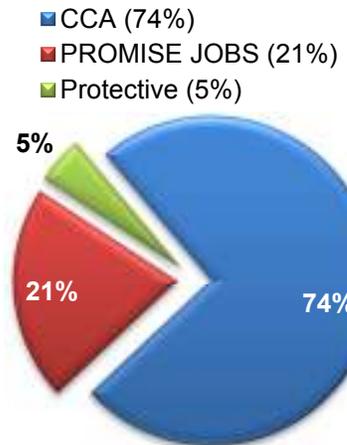
Protective Child Care is available to children who have been abused or neglected.

In SFY13, 42,295 children were served.

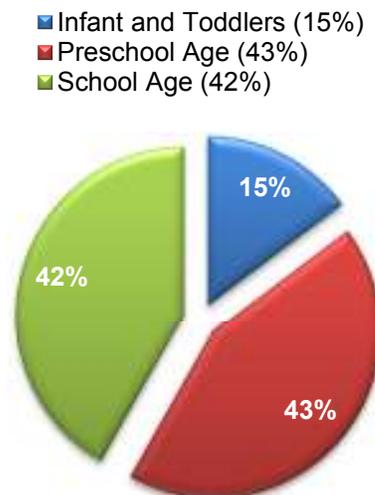
- A monthly average of 23,414 children received a child care service, a 2.2 percent decrease from SFY12.
- The number of children receiving child care assistance is not expected to change much from SFY14 to SFY15 in any of the three categories.

The average CCA child is of pre-school age, has one sibling and lives in a one-parent family. The parent is working. The family income is below 100 percent of the FPL and therefore does not have a co-pay for services.

Number of Children Served SFY13



Ages of Children Served SFY13



- ✓ *The 2013 Federal Poverty Level for a family of three is \$19,530. A family of three can earn up to \$28,327 annual gross wages and remain eligible for CCA.*
- ✓ *In SFY13, 93.8 percent of families needing child care were employed, a 1.2 percentage point increase over SFY12.*

Services

The Child Care Assistance program allows parents to choose their child care provider. Providers include:

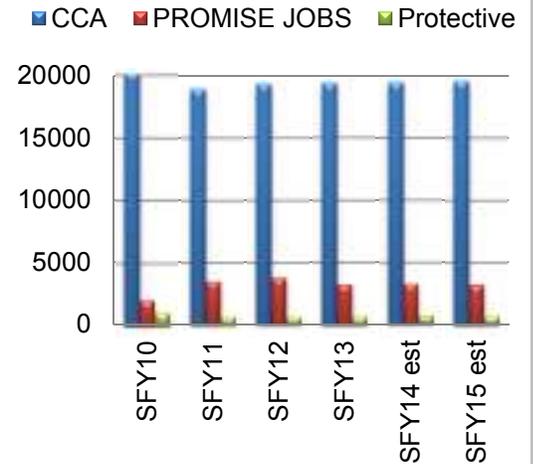
- 1,340 licensed child care centers.
- 4,100 registered child care development homes. In-home providers caring for six or more children at one time must register.
- 2,840 legally operating, non-registered providers who receive payment under the CCA program. Providers caring for five or fewer children at one time are not required to be regulated.

Activities other than child care assistance funded by this appropriation:

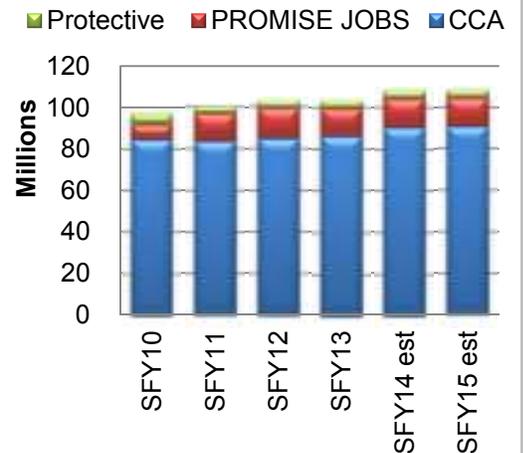
- The five Child Care Resource and Referral contracts and the 31 wraparound child care contracts. Both increase access to quality services/providers. Management and oversight of these contracts is performed by General Administration staff.
- The Quality Rating System (QRS) which identifies and promotes quality in child care services. The QRS is voluntary for providers. Management and oversight for this program is performed by General administration staff.
- Regulation activities which are carried out by Field Operations and General Administration staff.

In addition, Child Care Assistance and Protective Child Care eligibility and payment activities are performed by DHS Field Operations. PROMISE JOBS child care eligibility activities are performed by Iowa Work Force Development staff.

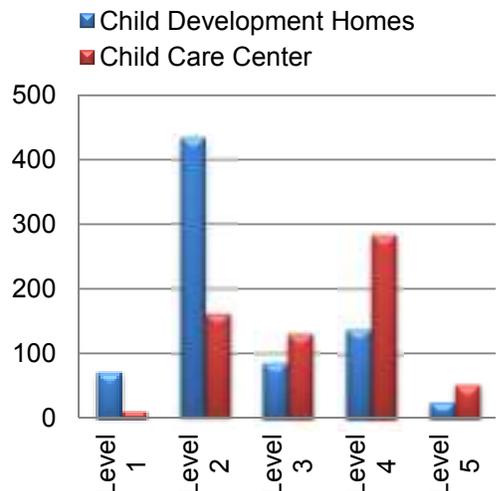
Average Monthly Number of Children Served

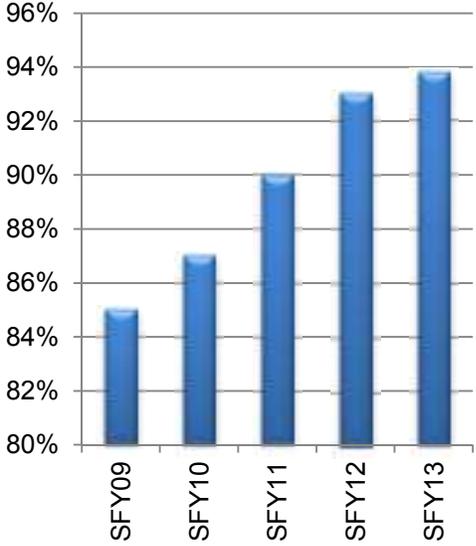


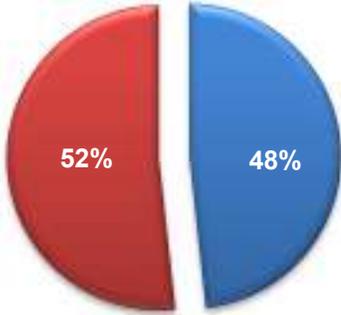
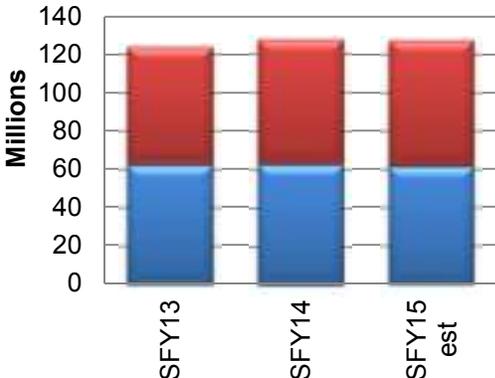
Expenditures By Type



QRS Level Achieved June 2013



	<ul style="list-style-type: none"> ✓ <i>More than 90 percent of child care bills are submitted electronically.</i> ✓ <i>100 percent of child care centers are visited annually.</i> 													
Goals & Strategies	<p>Goal: Improve lowans Employment and Economic Security</p> <p>Strategies:</p> <ul style="list-style-type: none"> • Provide child care assistance to support working families. • Promote the use of quality child care services. • Ensure child care payments are made timely. 	<p>SFY13 Results</p> <ul style="list-style-type: none"> • 93.8 percent of families paid under CCA received assistance due to employment. • 88 percent of children were cared for in regulated settings. • 90 percent of all CCA expenditures were made to regulated providers. • 99.5 percent of correctly submitted child care bills were paid within 10 days. <p style="text-align: center;">Percentage of CCA Families Employed</p>  <table border="1" data-bbox="1019 751 1495 1297"> <caption>Percentage of CCA Families Employed</caption> <thead> <tr> <th>SFY</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>SFY09</td> <td>85%</td> </tr> <tr> <td>SFY10</td> <td>87%</td> </tr> <tr> <td>SFY11</td> <td>90%</td> </tr> <tr> <td>SFY12</td> <td>93%</td> </tr> <tr> <td>SFY13</td> <td>94%</td> </tr> </tbody> </table>	SFY	Percentage	SFY09	85%	SFY10	87%	SFY11	90%	SFY12	93%	SFY13	94%
SFY	Percentage													
SFY09	85%													
SFY10	87%													
SFY11	90%													
SFY12	93%													
SFY13	94%													
Cost of Services	<p>The average annual child care assistance benefit per child in SFY13 was \$4,419. With the rate increase legislated for SFY14, the average annual child care assistance benefit per child in SFY14 is estimated at \$4,608.</p> <ul style="list-style-type: none"> ✓ <i>Current child care reimbursement rates are based on a 2004 Market Rate Study (MRS). The Child Care and Development Fund (CCDF) regulations require states to conduct a MRS every two years and to set their rates based on that information to assure access. The combined effect of provider rate increases in SFY13 and SFY14 is about the same as using the 2006 Market Rate Study.</i> 													

<p>Funding Sources</p>	<p>Child Care Assistance programs are funded by state general funds and federal funds, including the Child Care Development Fund (CCDF) and TANF (Temporary Assistance for Needy Families).</p> <p>The total Child Care Assistance budget for SFY15 is \$127,585,612:</p> <ul style="list-style-type: none"> • \$61.6 million (48 percent) state general fund • \$66.0 million (52 percent) federal 	<p>SFY15 Funding</p> <ul style="list-style-type: none"> ■ State General Fund (48%) ■ Federal Funds (52%) 
<p>SFY 2015 Budget Drivers</p>	<p>The total SFY15 Child Care Assistance budget request reflects a \$3,932,774 (6.0 percent) general fund decrease from the SFY15 Governor’s Recommendation.</p> <p>The key budget drivers of the SFY15 decrease are:</p> <ul style="list-style-type: none"> • Little if any change in caseloads or cost per case so costs stay about the same. • Availability of federal child care funds carried forward from SFY14. • Ability to maintain increase in TANF funding at the SFY14 level due to the decreased need in FIP. 	<p>Total Budget Funding Mix</p> <ul style="list-style-type: none"> ■ Federal ■ State General Fund 
	<ul style="list-style-type: none"> ✓ <i>Federal funding for CCDF is partially subject to annual sequestration reductions required under the Budget Control Act of 2011 (BCA, P.L. 112-25). FFY14 and FFY15 funding has been estimated based on actual FFY13 funding. The impact of future sequestration is unknown and has not been included in CCDF funding estimates.</i> 	
<p>Legal Basis</p>	<p>Federal:</p> <ul style="list-style-type: none"> • Section 418 of Title IV-A of the Social Security Act, as amended • Title VI of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 • Child Care and Development Fund Block Grant Act of 1990 • Code of Federal Regulations 45, Parts 98 and 99 <p>State:</p> <ul style="list-style-type: none"> • Iowa Code, Chapters 237A and 256I 	

**Request - Child Care Assistance
State Fiscal Year 2015**

Request Total: \$127,585,612

General Fund Need: \$61,571,218

Request Description:

The Child Care Assistance (CCA) program provides funding for child care for children of low-income parents who are working or in school including families participating in PROMISE JOBS activities or receiving protective child care. Funding within the CCA appropriation also supports the Child Care Resource and Referral (CCR&R) Agencies and the Quality Rating System.

This request seeks to provide funding for the anticipated number of children to be served in child care assistance; increase the percentage of children served in regulated settings; increase the number of registered child development homes; and increase the number of providers who voluntarily apply for the quality rating system and receive a rating at level 2 or higher.

SFY15 Governor's Recommendation - 2013 Session

SFY15 Enacted Appropriation	\$31,354,897
Restore Enacted Approp to SFY15 Gov. Rec.	\$34,123,326
I3 Distribution	\$25,769

Total State \$ Appropriated: \$65,503,992

Funding Needed to Maintain Current Service Level

Decision Package	Decision Package Description	Amount
1	This decision package adjusts status quo SFY15 to SF 446 for SFY14 as enacted during the 2013 Legislative session. This amount consists of a decrease of \$653,624 due to decreased need, a decrease of \$2,560,257 due to federal funds carried forward from SFY13, an increase of \$3,445,452 for a 4% provider rate increase, and a decrease of \$3,000,000 due to a one-time increase in TANF funding.	(\$2,768,429)
2	Replace one-time increase in TANF funding that was appropriated from TANF surplus in SFY14 to restore funding to SFY14 level.	\$3,000,000
3	Increase TANF funding for SFY15 from the annual TANF grant. With TANF savings from FIP, there is now sufficient TANF from the annual grant to fund a sustainable increase from ongoing revenue. This reduces the need for state general funds while sustaining maintenance of effort and matching requirements for both CCDF and TANF.	(\$3,000,000)
4	Replace the federal carry forward budgeted for use in SFY14 to restore funding to the SFY14 level.	\$1,861,392
5	Replace the reduction of federal CCDF funds with state general funds to restore funding to the SFY14 level. Estimated CCDF revenue is anticipated to be less due to the assumption that no reallocated matching funds will be available, decreasing matching funds based on the FMAP rate, and a slightly increasing federal share of costs for General Administration, Local Administrative Expense, and Field Operations.	\$536,095
6	Replace one-time funding from the Child Care Facility Fund for federal record checks with state general funds to restore funding to SFY14 level.	\$318,572
7	Reduced costs for Child Care Assistance. Projected expenditures for child care assistance for SFY15 are now lower than the level appropriated in SFY14 due to very low projected caseload growth and decreased cost per child projections. The budget for SFY14 serves an average of 23,493 children per month at an average monthly cost of \$386.72 per child. The projections for SFY15 are to serve an average of 23,530 children per month at an average monthly cost of \$383.60 per child.	(\$709,814)
8	Reduced need due to one-time expenditures in SFY14. Expenditures budgeted in SFY14 for a searchable database of child care providers and QRS evaluation are not needed in SFY15.	(\$100,000)
9	Federal surplus carried forward from SFY14 reduces the need for state general funds.	(\$3,070,590)
Total Requested for Current Service Level Funding:		<u>(\$3,932,774)</u>

**Request - Child Care Assistance
State Fiscal Year 2015**

Funding for Improved Results

Decision Package	Decision Package Description	Amount
		\$0
Total Requested for Improved Results Funding:		\$0

General Fund Total	\$61,571,218
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General Fund Change From Prior Year	(\$3,932,774)
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Total Funding Summary:

State Funding Total	\$61,571,218
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	Program
General Fund	\$61,571,218
SLTF	\$0
Tobacco	\$0
Iowa Care	\$0
HCTA	\$0
Other	\$0
Total	\$61,571,218

Federal Funding Total	\$66,014,394
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	Program
TANF	\$25,732,687
SSBG	\$0
ARRA	\$0
IowaCare	\$0
HCTA	\$0
Other **	\$40,281,707
Total	\$66,014,394

** Child Care and Development Fund (CCDF): The total of \$43,939,948 CCDF projected funding less \$6,728,831 for federal match to General Administration, Local Administrative Expenses (LAE), and Field Operations leaves \$37,211,117 available for the child care program. This total also includes \$3,070,590 projected federal surplus carried forward from SFY14.

Other Funding Total	\$0
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	Program
Other	\$0

Totals	Program
	\$127,585,612

Request Total
\$127,585,612

FTEs included in request:

FTEs	-
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Child Support Recovery Unit



Purpose

The Child Support Recovery Unit assists custodial parents to receive court-ordered child support payments. Recoveries also reimburse taxpayers for the cost of public assistance (welfare).

Who Is Helped

Eligibility for services:

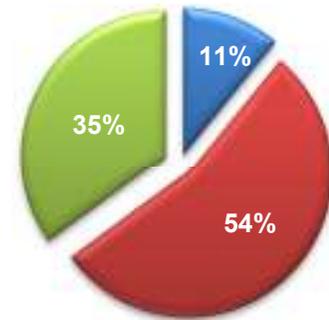
- All people who receive public cash assistance from the Family Investment Program (FIP). Recoveries reimburse government benefits.
- All people who pay a one-time fee (\$25) for help in recovering court-ordered support.

Number served:

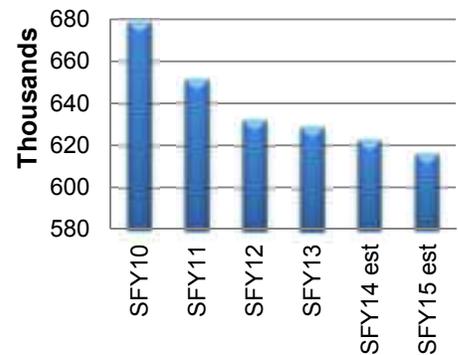
- In SFY13, CSRU served 628,422 parents and children on 178,529 cases. Of these:
 - 11 percent receive FIP.
 - 54 percent formerly received FIP.
 - 35 percent never received FIP. These people asked for the state's help in collecting child support and paid a one-time \$25 fee.
- Caseloads are projected to remain level through SFY15.
- During SFY13, in cases where support had been established or modified by CSRU, the median annual income of a custodial parent served by CSRU was \$11,664. For noncustodial parents served by CSRU, the median annual income was \$15,912.

Who Receives Child Support SFY13

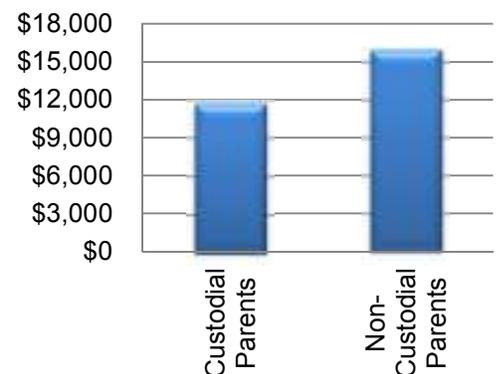
- Now Receiving FIP (11%)
- Former FIP (54%)
- Never FIP (35%)



Number of Parents and Children Served



Median Annual Income for CSRU Families in SFY13



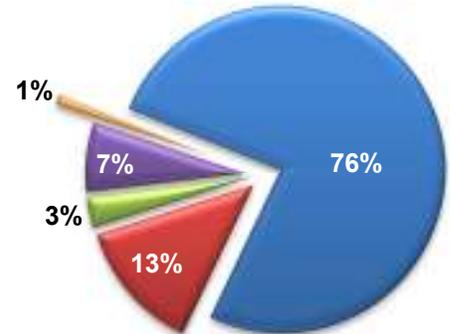
- ✓ *In SFY13, \$22.2 million in collections went to state and federal governments to offset the cost of public assistance.*
- ✓ *9 percent of custodial parents served by CSRU are male.*

Services

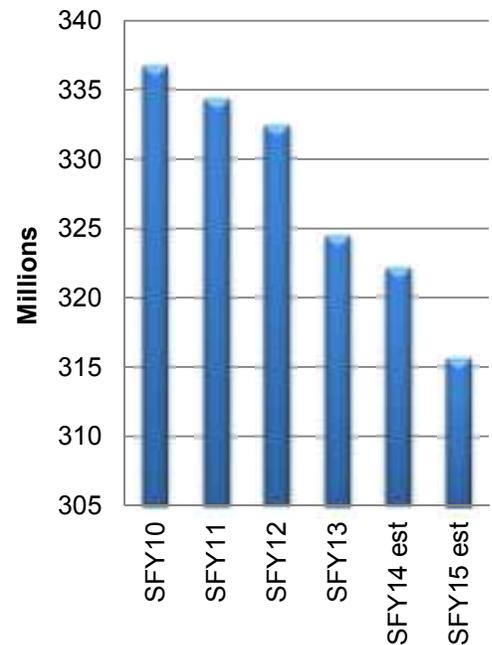
- The CSRU helps parents establish paternity and support orders and enforces orders for support. Child support collections help families with children become self-sufficient.
- Customers are served by 22 field offices, a centralized employer call center, the Collection Services Center, and a central operations unit.
- CSRU sent 141,834 income-withholding notices to employers in SFY13. Seventy-six percent of collections come from employer withholdings.
- Trend: There has been an increase in withholdings from employers, but the increase has not kept pace with the decline of benefits collected from unemployment benefits.
- In SFY13, the Collection Services Center (CSC) processed 2,931,674 child support payments, totaling \$324.4 million.
- In SFY13, the CSRU filed 8,213 affidavits establishing paternity, 6,849 orders establishing paternity and support, and 5,882 modifications of support orders.

Child Support Collections SFY13

- Income Withholding (76%)
- Other (13%)
- Unemployment Benefits (3%)
- Tax Offsets (7%)
- License Sanctions (1%)



Total Child Support Collections



- ✓ *The average child support collected during SFY13 was \$170.28 a month.*
- ✓ *Child support helps address part of the estimated \$918 per month it costs to raise a child.*
- ✓ *In SFY14, 62.5 percent of the Child Support Recovery Unit operating budget is for staffing costs and 37.5 percent is for the support costs.*

Goals & Strategies

Goal: Secure financial and emotional support for children from both parents.

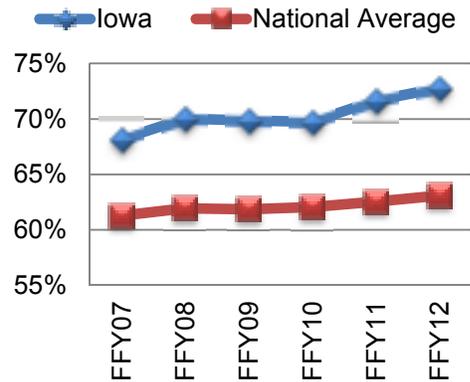
Strategies:

- Collect child support in the month it is due. Timely support is essential to family self-sufficiency.
- Make it easy for employers to deduct child support from wages.

Results:

- In SFY13, CSRU collected 73 percent of current support in the month due. Iowa routinely exceeds the national average.

Support Collected in the Month Due



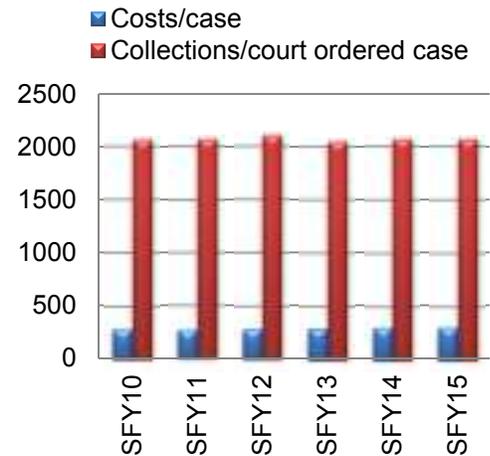
- CSRU collected \$247.8 million from employers in SFY13. Iowa was the first state to operate one-stop service center for employers.

Cost of Services

The average annual cost for CSRU to provide services is \$306 per case.

The CSRU collects an average of \$2,043 annually per court-ordered case.

Annual Costs & Collections per Case



- ✓ During SFY15, each CSRU employee will collect an estimated \$609,351 in child support.
- ✓ During SFY13, the state cost per full-time equivalent employee of \$24,534 was nearly cost-neutral with \$19,933 returned in public assistance collections per FTE used to reimburse the FIP program.
- ✓ For every \$1 spent to collect child support, \$5.91 was collected for children, families, and to reimburse taxpayers for the cost of public assistance (welfare).

Funding Sources

The Child Support Recovery Unit is funded by state dollars and federal funds, including a match via federal financial participation and federal incentives based on key performance areas.

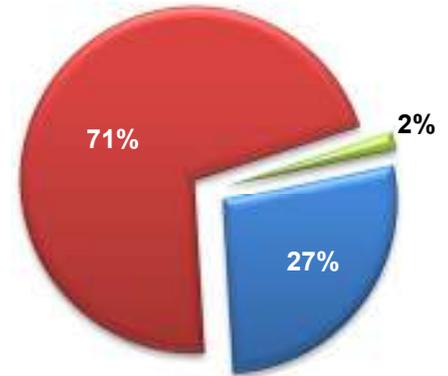
The total budget for SFY15 is \$54,444,548:

- \$38,598,318 (70.9 percent) is federal funding.
- \$14,911,230 (27.4 percent) is state general fund.
- \$935,000 (1.7 percent) is other funding.

CSRU receives federal incentives based on performance in five key areas. We are expecting a decline of approximately 9 percent in receipt of incentive funding compared to FFY09. Overall performance has improved but Iowa is still experiencing a decline in total collections, which impacts incentives.

SFY15 Funding

- State General Fund (27%)
- Federal Funds (71%)
- Other Funding (2%)



- ✓ *In SFY15, CSRU will reimburse the FIP (welfare) program \$8.4 million (state share) in public assistance collections.*
- ✓ *CSRU collections reimburse the FIP program for public assistance benefits. Thus without full funding for CSRU, decreased public assistance collections will become an additional funding need for the FIP program.*

SFY 2015 Budget Drivers

The total SFY15 CSRU budget request reflects a \$696,149 (4.9 percent) general fund increase from the SFY15 Governor's Recommendation.

The key budget drivers of the SFY15 increase are:

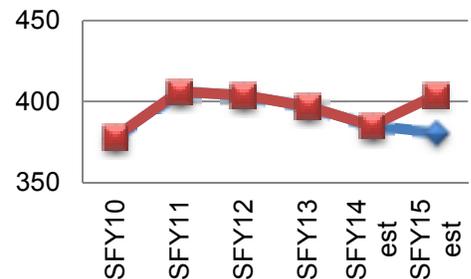
- Loss of federal incentives.
- Increased cost of services.

In SFY15, without this funding, impacts will include an estimated loss of:

- 26 FTEs
- \$15.9 million total collections
- \$468,006 state share of public assistance collections

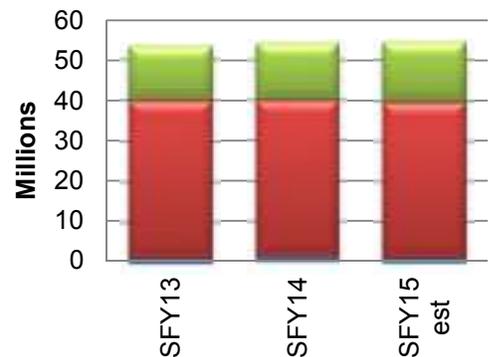
Cases per Worker

- With Funding
- Without Funding



Total Budget Funding Mix

- State General Fund
- Federal Funding
- Other Funding



	<ul style="list-style-type: none"> ✓ <i>Incentives are expected to decline by approximately 9 percent from FFY09 to FFY15.</i> ✓ <i>There is a growing need to work with CSRU customers on a more individual basis during these difficult economic times in order to ensure their needs are met.</i>
<p>Legal Basis</p>	<p>Federal:</p> <ul style="list-style-type: none"> • 42 U.S.C. §602(a)(2) Additionally, in accordance with TANF Maintenance of Effort (MOE) requirements at 42 U.S.C. §609(a)(8) and §652(g) <p>State:</p> <ul style="list-style-type: none"> • Iowa Code, Chapters 252B, 252C, 252D, 252E, 252F, 252H, 252I, 252J, 252K • Iowa Administrative Code, 441 IAC 95, 96, 97, 98 and 99

**Request - Child Support Recovery
State Fiscal Year 2015**

Request Total: \$54,444,548

General Fund Need: \$14,911,230

Request Description:

Child Support Recovery Unit establishes the legal obligation of both parents to provide for their children and enforces the obligation established by the court. CSRU is seeking funding to address increased operating costs (corporate technology, Department of Administrative Services charges for Information Technology, interest to the Federal government on child support payments received, equipment and rent) and the loss of federal incentives.

This offer seeks to secure paternity for no less than 90% of the children, secure child support orders for no less than 85% of all child support cases in our caseload, and collect no less than 70% of all support in the month in which it is due. \$315.6M will be collected for Iowa's children through the enforcement work of staff and attorneys. Of this, \$8.4M (state share) at current FMAP will be secured for FIP.

SFY 2015 Governor's Recommendation

SFY15 Enacted Appropriation	\$7,086,885
Restore Enacted Approp to SFY15 Gov Rec	\$7,086,885
I3 Distribution	\$41,311

Total State \$ Appropriated: \$14,215,081

Funding Needed to Maintain Current Service Level

Decision Package	Decision Package Description	Amount
1	<div style="border: 1px solid black; padding: 5px;"> Replace additional loss of Federal incentives: Without full funding, the program impact will be: *Loss of 18 FTEs to perform establishment and enforcement of paternity and child support orders *Estimated loss of \$11.0M total collections for children and families *Estimated loss of \$324K state share of public assistance collections to reimburse the FIP program. </div>	\$483,963
2	<div style="border: 1px solid black; padding: 5px;"> SFY15 Increased costs of service (corporate technology, Department of Administrative Services charges for Information Technology, interest to the Federal government on child support payments received, and rent). Without full funding, the program impact will be: *Loss of 8 FTEs to perform establishment and enforcement of paternity and child support orders *Estimated loss of \$4.9M total collections for children and families *Estimated loss of \$144K state share of public assistance collections to reimburse the FIP program. </div>	\$212,186
Total Requested for Current Service Level Funding:		<u>\$696,149</u>

Funding for Improved Results

Decision Package	Decision Package Description	Amount
<div style="border: 1px solid black; height: 15px; width: 100%;"></div>		
Total Requested for Improved Results Funding:		<u> </u>

General Fund Total	\$14,911,230
General Fund Change From Prior Year	\$696,149

**Request - Child Support Recovery
State Fiscal Year 2015**

Total Funding Summary:

State Funding Total		\$14,911,230
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Program	
General Fund	\$14,911,230
SLTF	
Tobacco	
Iowa Care	
HCTA	
Other	
Total	\$14,911,230

Federal Funding Total		\$38,598,318
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Program	
TANF	
SSBG	
ARRA	
IowaCare	
HCTA	
Other	\$38,598,318
Total	\$38,598,318

Title IV-D

Other Funding Total		\$935,000
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Program	
Other	\$935,000

Fee income

Totals	Program
	\$54,444,548

Request Total
\$54,444,548

FTEs included in request:

FTEs	459.0
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This budget request does not reflect any changes or impact for potential salary adjustments. In the event of a salary adjustment that is not funded by appropriation, reductions in force will likely occur. DOM estimated CSRU's salary adjustment for SFY14 to be \$133,996 state dollars, which is the equivalent of 5.0 FTE's. DHS expects a comparable adjustment for SFY15.