



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

September 29, 2014

The Honorable Terry E. Branstad
State Capitol
Des Moines, IA 50319

Dear Governor Branstad:

On behalf of the Human Services Council, we are submitting our funding recommendations for the Iowa Department of Human Services for SFY16 and SFY17. The appropriation requests detailed in the recommendations provide funding for the Department's work with over 970,000 Iowans who benefit from the programs and services administered by the Department.

The budget requests are organized consistent with the Department's strategic plan. Each request provides an overview of who we serve, what services are provided, goals and strategies, cost of services, how services are funded and what factors are driving the budget request. The funding needed to maintain the array of services and sustain results is detailed in the financial pages following each overview.

During the 2014 session of the 85th General Assembly, the Legislature appropriated \$1,775 million in general funds; the Department is managing to a goal of 5,057 full-time equivalent positions. Status quo is presented as the SFY15 Enacted Appropriation as approved during the 2014 legislative session. Our SFY16 and SFY17 budget requests reflect the general fund increases from the SFY15 Enacted Appropriation that are necessary to achieve our strategic goals while implementing carefully considered cost management initiatives.

Our health programs continue to experience enrollment growth but a declining federal medical assistance percentage. The budget recommendations for institutions reflect maintaining the Mental Health Institutes (MHIs) at current levels and the State Resources Centers (SRCs) consistent with planned reductions. The Department and this Council plan to continue to look for more efficient delivery systems for these populations.

The Department's continuing challenge is to build further efficiencies that maintain our ability to provide quality services and assure safety. Director Palmer and the Department will continue to pursue cost management initiatives over the next few months leading up to the 2015 legislative session. These initiatives will be considered in light of the resources necessary to achieve the Department's strategic goals while recognizing the challenges of continuing predictability and stability in the state budget.

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With you, we remain committed to the work of the Department and the critical roles it plays in making a difference in the lives of lowans. The submitted budget recommendations provide funding to continue these efforts. As always, if you have questions, members of the Council and Department staff are available to provide clarification and assist in deliberations.

Sincerely,

A handwritten signature in cursive script that reads "Mark Anderson".

Pastor Mark Anderson, Vice-Chair
Council on Human Services

cc: Council Members

Dr. Phyllis S. Hansel
Alexa Heffernan
Guy W. Richardson
Kimberly A. Spading
Roberta A. Yoder
State Senator Amanda Ragan
State Senator Jack Whitver
State Representative Joel Fry
State Representative Lisa Heddens

Enclosure