



# **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.

67 percent of FIP households are one-parent families, while 6 percent include both parents.

27 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 equivalent 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.

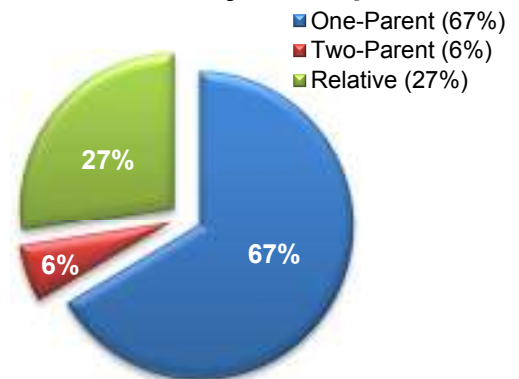
Average length of time on FIP:

- Single parent family: 21 months
- Two-parent family: 9 months
- Caretaker family: 29 months

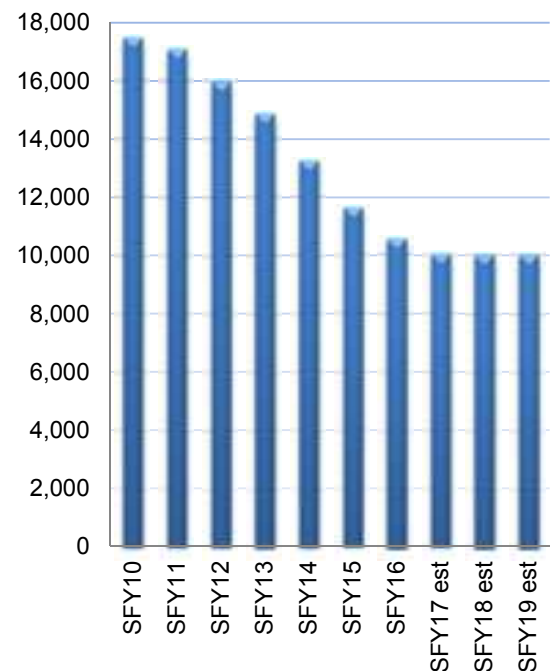
The FIP caseload has decreased every year from SFY11-SFY16. The caseload is expected to continue to decrease, but at a slower rate, through December 2016. The caseload is then expected to remain relatively stable, still experiencing some month-to-month ups and downs, for the rest of SFY17, as well as for SFY18-19.

The FIP budget request includes funding for an Iowa-based non-profit organization to provide tax preparation assistance to low-income Iowans for the express purpose of expanding use of the federal and state earned income tax credit or EITC. By reducing a household's tax liability and in many cases even paying a refund, the EITC encourages work by increasing the amount of income available to meet household expenses.

**FIP Family Makeup SFY16**



**FIP Average Monthly Cases**



For tax year 2016, the maximum adjusted gross income limit for a household headed by a single parent ranges from \$39,296 (one qualifying child) to \$47,955 (three or more qualifying children). The 2016 maximum adjusted gross income limit for a 2-parent household ranges from \$44,846 to \$53,505. FIP families and other low-income households can receive tax preparation assistance. Households with no qualifying children may also be eligible for the EITC; however, income limits are much lower.

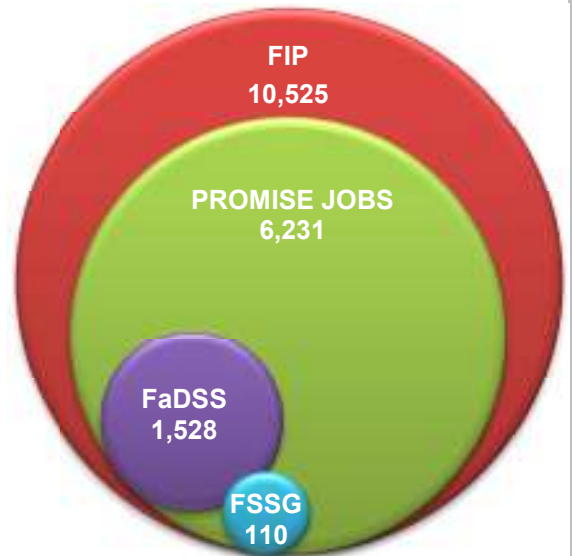
- ✓ *A parent with two children must have income after deductions below \$426/month, or \$5,112 annually, to qualify.*
- ✓ *In June 2016, over 89 percent of individuals receiving FIP also received Food Assistance and 94 percent received Medicaid.*
- ✓ *About 215 families currently have a hardship exemption from the five-year limit. Hardship determinations are revisited every six months.*
- ✓ *Every month, about 39 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 10,525 families a month received FIP in SFY16.
- 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 6,231 FIP families a month received PROMISE JOBS in SFY16.

**Monthly Average Types of Services SFY16**

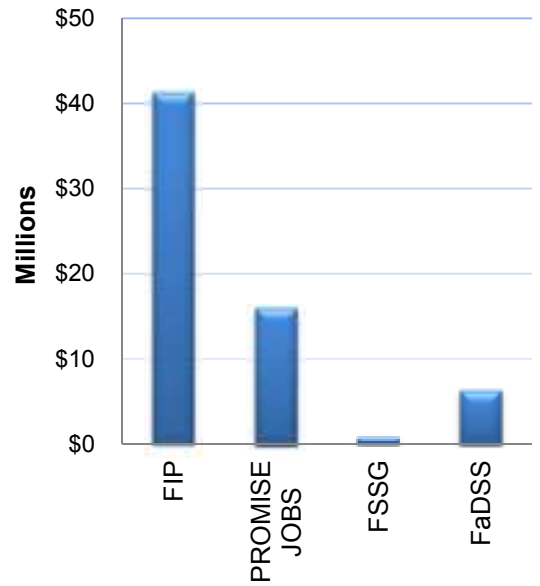


- Family Self-Sufficiency Grant (FSSG) Program.
  - DHS contracts with IWD to administer this grant program.
  - This grant program provides up to \$1,000 per family per year to pay for work related goods and services (e.g. car repair, clothing, and employment related certification requirements).
  - An average of 110 FIP families a month received this grant in SFY16.
- Family Development and Self-Sufficiency (FaDSS) Program.
  - The Department of Human Rights administers this program.
  - FaDSS provides intensive home-based case management services to PROMISE JOBS families who have barriers keeping them from achieving self-sufficiency.
  - An average of 1,528 FIP families a month received this service in SFY16.

Free tax preparation assistance is provided to low-income families and individuals to complete and submit federal and state tax returns, including electronic filing, which may qualify for federal and state earned income tax credits. The maximum federal EITC for tax year 2016 ranges from \$3,373 with one qualifying child, to \$6,269 with three or more qualifying children. The maximum federal EITC for a household with no qualifying child is \$506.

Iowa's state EITC is based on a percentage of the federal EITC, currently 15 percent. An emphasis is put on providing tax preparation assistance in areas of the state lacking this resource.

**Expenditures SFY16**



- ✓ **Before** receiving a FIP grant, PROMISE JOBS participants must sign a self-sufficiency agreement identifying what they will do to become self-sufficient.
- ✓ FIP recipients receive their monthly cash benefits via an Electronic Access Card (EAC) that can be used anywhere a VISA debit card is accepted. Effective February 1, 2014, the department implemented policy to comply with federal legislation that prohibits participants from using their EAC at liquor stores, casinos, and adult entertainment venues in which performers disrobe or perform in an unclothed state.
- ✓ Both federal and state refundable EITC are generally exempt or excluded when determining eligibility for other public assistance programs, including FIP and Food Assistance. Earned income disregards further encourage FIP families to work and also increase household income.

<b>Goals &amp; Strategies</b>	<p>Goal: Help families become self-sufficient.</p> <p>Strategies:</p> <ul style="list-style-type: none"> <li>• Provide an array of employment related supports.</li> <li>• Coordinate with IWD to improve work participation rates.</li> <li>• Participate as a mandatory partner in Iowa's one-stop centers.</li> </ul>	<p>Results:</p> <ul style="list-style-type: none"> <li>• In SFY16, 79.2 percent of people who left FIP stayed off the benefit program for at least a year.</li> <li>• Iowa's actual work rate for the first half of FFY16 exceeds the federal requirement by approximately 32 percentage points.</li> </ul>								
<b>Cost of Services</b>	<ul style="list-style-type: none"> <li>• The average annual benefit per FIP recipient is \$1,590.</li> <li>• The average annual cost of service per-person in the PROMISE JOBS program is \$2,254.</li> <li>• The average FSSG grant per family is \$519.</li> </ul> <p>✓ <i>The maximum annual FIP amount paid to a family of three is less than 25 percent of the federal poverty level.</i></p> <p>✓ <i>In SFY16, the average monthly FIP payment was: \$342.25 for 1-parent households = \$4,107 annually; \$423.09 for 2-parent households = \$5,077 annually; and \$266.23 for caretaker households = \$3,195 annually.</i></p>									
<b>Funding Sources</b>	<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 SFY17 total Enacted FIP budget is \$89,241,970:</p> <ul style="list-style-type: none"> <li>• \$48,673,875 (54 percent) is state general funds.</li> <li>• \$31,768,626 (36 percent) is federal funds.</li> <li>• \$ 8,799,469 (10 percent) is other.</li> </ul>	<p style="text-align: center;"><b>SFY17 Funding</b></p> <ul style="list-style-type: none"> <li>■ State General Fund (54%)</li> <li>■ Federal (36%)</li> <li>■ Other Funding (10%)</li> </ul> <table border="1"> <caption>SFY17 Funding Data</caption> <thead> <tr> <th>Funding Source</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>State General Fund</td> <td>54%</td> </tr> <tr> <td>Federal</td> <td>36%</td> </tr> <tr> <td>Other Funding</td> <td>10%</td> </tr> </tbody> </table>	Funding Source	Percentage	State General Fund	54%	Federal	36%	Other Funding	10%
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<b>Legal Basis</b>	<p><b>Federal:</b></p> <ul style="list-style-type: none"> <li>• Title IV-A of the Social Security Act</li> <li>• Code of Federal Regulations 45 CFR 260 – 265</li> </ul> <p><b>State:</b></p> <ul style="list-style-type: none"> <li>• Iowa Code, Chapter 239B</li> <li>• Iowa Administrative Code, 441 IAC 40, 41, 42, 45, 46, and 93</li> </ul> <p>✓ <i>Temporary Assistance for Needy Families (TANF) is a block grant, which means Iowa gets the same amount of funding each year.</i></p> <p>✓ <i>PROMISE JOBS participation helps Iowa meet federal TANF work participation rates.</i></p> <p>✓ <i>Failure to meet TANF work participation rates can reduce federal funding.</i></p> <p>✓ <i>Current funding and authorization for the TANF block grant ends September 30, 2016. It is likely that TANF will be extended rather than go through a full reauthorization process completed by that date.</i></p>									

# Food Assistance



## Purpose

Food Assistance (FA), also known as the 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.

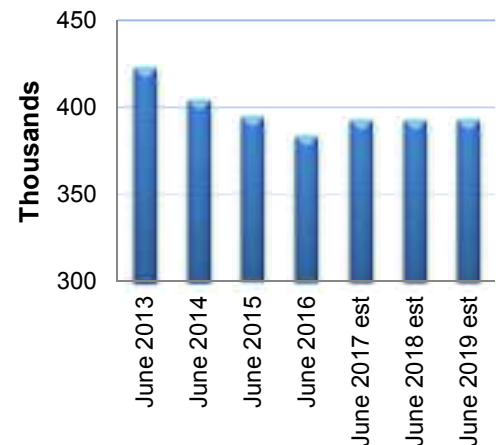
To provide more complete and accurate counts of households and recipients, DHS has made the following improvements, which are reflected in counts for SFY15 and future years:

- Counts are done mid-month following the report month rather than at the end of the report month as has been done in the past. For example, July counts are done mid-August.
  - About 2,000 households are in a closed status at the end of each month but are re-opened the following month.
  - Under the old counting method, these households would not be included and as a result, household and recipient counts have been understated.
- A new category for both households and recipients has been added based on participation in the Healthy and Well Kids in Iowa (**hawk-i**) program.
- Recipient counts are now based on each household member's participation status in other programs rather than the household category. Under the old method, if a household was categorized as FA and FIP, all FA recipients would also be categorized and counted as FA and FIP regardless of actual FIP status.

In SFY16:

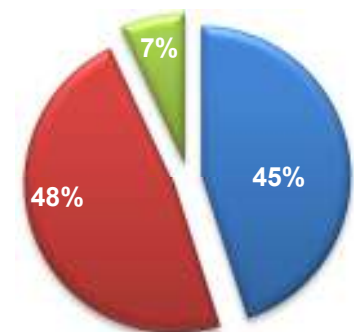
- An average of 398,317 Iowans in 181,839 households received benefits every month, a 0.8 percent decrease from SFY15.
- 85 percent of FA recipients also receive Medicaid and/or Family Investment Program (FIP) benefits, or **hawk-i**.
- The average recipient is a 26-year-old Caucasian female.

### FA Recipients



### Age of Recipients in SFY16

- Children (45%)
- Age 18-59 (48%)
- 60 & Over (7%)



### Supplemental Food Programs

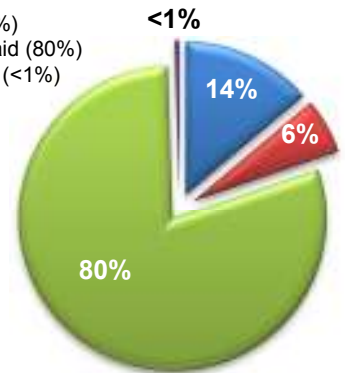
The Commodity Supplemental Food Program (CSFP) and The Emergency Food Assistance Program (TEFAP) provide food to low-income lowans.

Due to a change in federal law, CSFP now exclusively serves elderly, low-income lowans. Low-income women and children, who were previously covered, are now served by the Women, Infants, and Children (WIC) program.

- An average of 2,868 lowans per month were served through CSFP and over 865,000 pounds of commodities were distributed in SFY16.
- TEFAP served an average of 103,500 individuals per month and distributed 4.3 million pounds of food during SFY16.

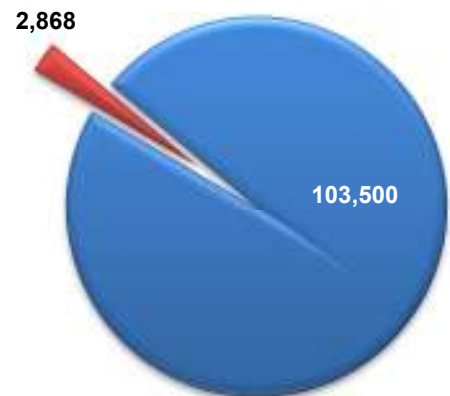
### Recipients by Program in SFY16

- FA only (14%)
- FA and FIP (6%)
- FA and Medicaid (80%)
- FA and hawk-I (<1%)



### Monthly Average Recipients of TEFAP and CSFP SFY16

- TEFAP
- CSFP



- ✓ *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.*
- ✓ *Requirements under the federal Affordable Care Act (ACA) for individuals to obtain health care coverage and the increased availability of such coverage to lowans under the Iowa Health and Wellness Plan, have caused a shift in household and recipient counts from FA Only to FA Medicaid. By June 2017, FA Only households are projected to account for less than 12 percent of all households receiving Food Assistance as compared to over 33 percent of all households in December 2012.*

## Services

### Food Assistance

- Food Assistance benefits assure low-income Iowans 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 from 150 farmers at 110 different farmers markets and 39 roadside stands across Iowa. This provides easy access to the freshest food Iowa has to offer.

### Supplemental Food Programs

- The Commodity Supplemental Food Program (CSFP) distributes commodities directly to elderly recipients.
- The Emergency Food Assistance Program (TEFAP) distributes food through food banks and meal sites to low-income Iowans.

### Employment and Training Program

This is a voluntary program through Food Assistance offering job seeking skills, classroom training, and structured employment search.

DHS partners with the following community colleges to provide services to those FA recipients seeking training for employment: Des Moines Area Community College (DMACC), Hawkeye, Indian Hills, Iowa Western, Kirkwood and Southwestern.

### Nutrition Education

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



EBT Card Sample

### Average Benefits SFY16:

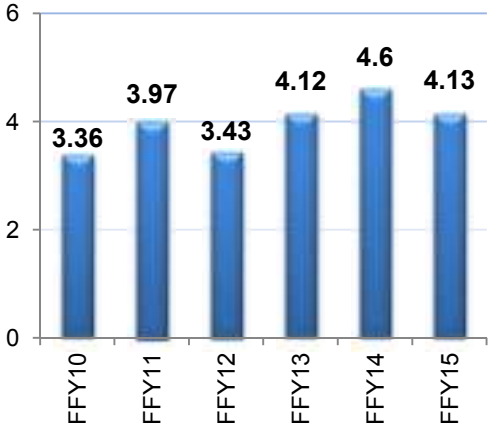
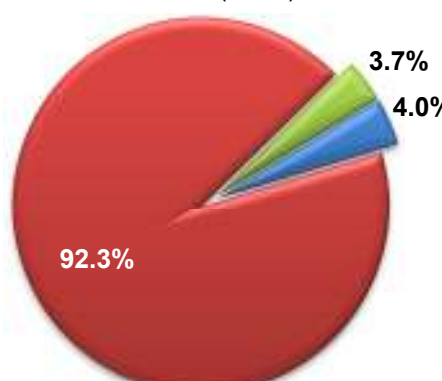
- **\$231.99** per month per household
- **\$105.95** per month per individual
- **\$3.48** per day per individual
- **\$1.16** per meal

### Farmers Markets EBT Sales



- ✓ *While Food Assistance may be used in any state, approximately 99 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.*
- ✓ *Employment and Training services through community colleges provide short term certification for in-demand industries in Iowa.*



<p><b>Goals &amp; Strategies</b></p>	<p>Goal: Improve efficiency and accuracy. Strategy:</p> <ul style="list-style-type: none"> <li>Continue monitoring and training on key causes of errors.</li> </ul> <p>Goal: Assure benefits are issued timely. Strategy: Monitor performance.</p> <p>Goal: Prevent fraud and abuse. Strategies:</p> <ul style="list-style-type: none"> <li>Implemented new methods to identify potential misuse of EBT cards.</li> <li>Identify and cancel benefits for ineligible individuals who are incarcerated.</li> </ul>	<p><b>Percentage of Errors Calculating Benefits</b></p>  <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Percentage of Errors</th> </tr> </thead> <tbody> <tr> <td>FFY10</td> <td>3.36</td> </tr> <tr> <td>FFY11</td> <td>3.97</td> </tr> <tr> <td>FFY12</td> <td>3.43</td> </tr> <tr> <td>FFY13</td> <td>4.12</td> </tr> <tr> <td>FFY14</td> <td>4.6</td> </tr> <tr> <td>FFY15</td> <td>4.13</td> </tr> </tbody> </table>	Fiscal Year	Percentage of Errors	FFY10	3.36	FFY11	3.97	FFY12	3.43	FFY13	4.12	FFY14	4.6	FFY15	4.13
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<p><b>Cost of Services</b></p>	<p>The average annual FA benefit per recipient is \$1,310.</p> <p>✓ <i>In SFY16, the average monthly FA benefit for FIP households was \$413.32 = \$4,960 annually; for FA Only households was \$162.29 = \$1,947 annually; for Medical Assistance households was \$229.13 = \$2,750 annually; and for hawk-i households was \$232.73 = \$2,793 annually.</i></p>															
<p><b>Funding Sources</b></p>	<p>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.</p> <p>Nutrition Education, Commodity Supplemental Food Program (CSFP), and the Employment &amp; Training (E &amp; T) program are paid 100 percent with federal dollars.</p> <p>The SFY17 total projected budget is \$555,318,987:</p> <ul style="list-style-type: none"> <li>\$533,217,097 is federal <ul style="list-style-type: none"> <li>\$512,661,398 in benefits</li> <li>\$20,555,699 in admin costs</li> </ul> </li> <li>\$22,101,890 in state general fund.</li> </ul>	<p><b>SFY17 Funding</b></p> <ul style="list-style-type: none"> <li>State General Fund (4.0%)</li> <li>Federal Benefits (92.3%)</li> <li>Federal Admin (3.7%)</li> </ul> 														
<p>✓ <i>In SFY16, \$511.4 million was drawn from the federal government for Food Assistance benefits, a one-year decrease of 1.9 percent.</i></p> <p>✓ <i>The USDA estimates that \$9.20 in economic activity is generated for every \$5 spent on food.</i></p> <p>✓ <i>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.</i></p> <p>✓ <i>While caseloads have decreased during the past two years, they are not expected to reach pre-recession levels. This applies not only to Iowa, but also nationally.</i></p>																

## Legal Basis

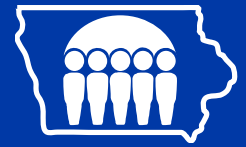
### **Federal:**

- Code of Federal Regulations: 7 CFR 272.2
- The Agricultural Act of 2014 (P.L. 113-79).
- Section 6 of the Food and Nutrition Act of 2014 as amended by P.L. 113-79

### **State:**

- 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 provides financial assistance for children under the age of 13 in:

- Families whose parents are: (1) working at least 28 hours per week; or (2) in school full time; or (3) are working and in school for a combined minimum of 28 hours per week; and (4) have income 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.

The Child Care Development Block Grant (CCDBG) Act of 2014, and federal regulations implementing the Act, provide families with opportunities for additional months of CCA coverage, effective SFY17.

- States are required to use a 12-month certification period compared to the 6-month period previously used in Iowa.
- An exit eligibility program, CCA Plus, is available for 12 months to families at re-certification if they meet eligibility requirements but are over 145 percent FPL but under 85 percent of the state median income.
- Families with a temporary lapse (less than three months) in work or other activities qualifying for CCA, including maternity leave, job loss, school breaks, etc., will maintain eligibility during that time.

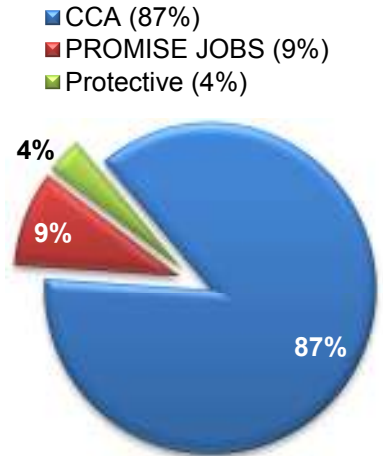
Families receiving Family Investment Program benefits and participating in certain PROMISE JOBS (PJ) activities can receive financial assistance for children under the age of 13.

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

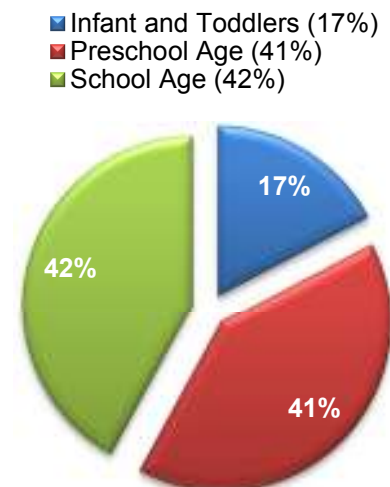
In SFY16, 37,486 children were served.

- A monthly average of 21,111 children received a child care service, a 0.9 percent decrease from SFY15.
- Caseloads for Child Care Assistance and Protective Child Care are expected to increase in SFY17 and SFY18, while the PROMISE JOBS caseload is expected to continue to decrease both years, but at a slower rate.

### Number of Children Served SFY16



### Ages of Children Served SFY16



	<ul style="list-style-type: none"> <li>Child Care Assistance caseloads are expected to continue to increase in SFY19, while caseloads for Protective Child Care and PROMISE JOBS remain at SFY18 levels.</li> </ul> <p>The average CCA child is under age five, 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.</p>																																																	
	<ul style="list-style-type: none"> <li>✓ <i>The 2016 Federal Poverty Level for a family of three is \$20,160. A family of three can earn up to \$29,232 annual gross wages and remain eligible for CCA.</i></li> <li>✓ <i>In SFY16, 94.7 percent of families needing child care were employed; this is no change from SFY15.</i></li> </ul>																																																	
<p><b>Services</b></p>	<p>The Child Care Assistance program allows parents to choose their child care provider. Providers include:</p> <ul style="list-style-type: none"> <li>1,488 licensed child care centers.</li> <li>3,207 registered child care development homes. In-home providers caring for six or more children at one time must register.</li> <li>1,379 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.</li> </ul> <p>Activities other than child care assistance funded by this appropriation:</p> <ul style="list-style-type: none"> <li>The five Child Care Resource and Referral contracts and the 17 wraparound child care contracts both increase access to quality services/providers. Management and oversight of these contracts is performed by General Administration staff.</li> <li>The Quality Rating System (QRS) 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.</li> <li>Regulatory activities which are carried out by Field Operations and General Administration staff.</li> </ul> <p>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.</p>	<p><b>Average Monthly Number of Children Served</b></p> <table border="1"> <caption>Average Monthly Number of Children Served</caption> <thead> <tr> <th>SFY</th> <th>CCA</th> <th>PROMISE JOBS</th> <th>Protective</th> </tr> </thead> <tbody> <tr> <td>SFY14</td> <td>18,500</td> <td>1,500</td> <td>1,000</td> </tr> <tr> <td>SFY15</td> <td>18,000</td> <td>1,500</td> <td>1,000</td> </tr> <tr> <td>SFY16</td> <td>18,000</td> <td>1,500</td> <td>1,000</td> </tr> <tr> <td>SFY17 est</td> <td>21,000</td> <td>1,500</td> <td>1,000</td> </tr> <tr> <td>SFY18 est</td> <td>22,000</td> <td>1,500</td> <td>1,000</td> </tr> <tr> <td>SFY19 est</td> <td>22,000</td> <td>1,500</td> <td>1,000</td> </tr> </tbody> </table> <p><b>Expenditures By Type</b></p> <table border="1"> <caption>Expenditures By Type (Millions)</caption> <thead> <tr> <th>SFY</th> <th>CCA</th> <th>PROMISE JOBS</th> <th>Protective</th> </tr> </thead> <tbody> <tr> <td>SFY14</td> <td>85</td> <td>10</td> <td>5</td> </tr> <tr> <td>SFY15</td> <td>85</td> <td>10</td> <td>5</td> </tr> <tr> <td>SFY16</td> <td>85</td> <td>10</td> <td>5</td> </tr> <tr> <td>SFY17 est</td> <td>95</td> <td>10</td> <td>5</td> </tr> </tbody> </table>	SFY	CCA	PROMISE JOBS	Protective	SFY14	18,500	1,500	1,000	SFY15	18,000	1,500	1,000	SFY16	18,000	1,500	1,000	SFY17 est	21,000	1,500	1,000	SFY18 est	22,000	1,500	1,000	SFY19 est	22,000	1,500	1,000	SFY	CCA	PROMISE JOBS	Protective	SFY14	85	10	5	SFY15	85	10	5	SFY16	85	10	5	SFY17 est	95	10	5
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SFY15	85	10	5																																															
SFY16	85	10	5																																															
SFY17 est	95	10	5																																															
	<ul style="list-style-type: none"> <li>✓ <i>More than 82 percent of child care bills are submitted electronically.</i></li> <li>✓ <i>100 percent of child care centers are visited annually.</i></li> <li>✓ <i>In working toward a target of monitoring 100% of child development homes, 98% had on-site visits last year.</i></li> </ul>																																																	

## Goals & Strategies

Goal: Improve Iowans' Employment and Economic Security

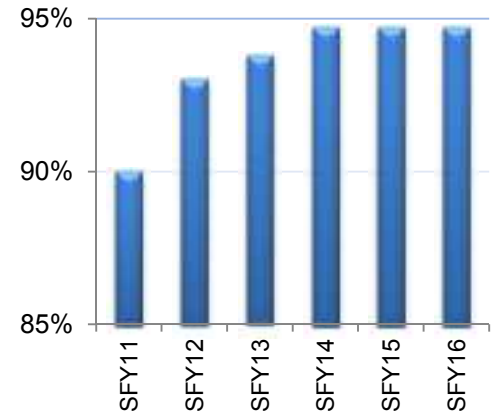
Strategies:

- Provide child care assistance to support working families.
- Promote the use of quality child care services.
- Ensure child care payments are made timely.

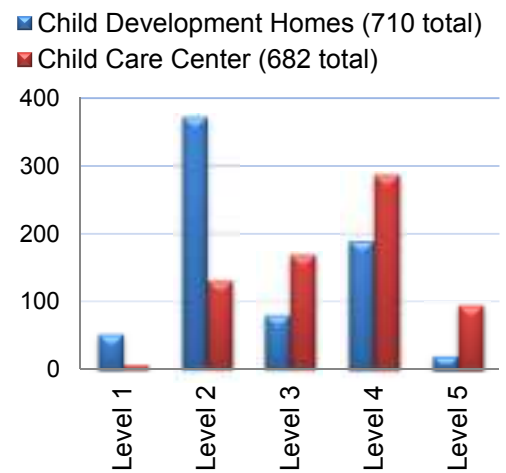
SFY16 Results

- 94.7 percent of families paid under CCA received assistance due to employment.
- 92 percent of children were cared for in regulated settings.
- 92 percent of all CCA expenditures were made to regulated providers.
- 99.7 percent of correctly submitted child care bills were paid within 10 days.

### Percentage of CCA Families Employed



### QRS Level Achieved June 2016



- ✓ *The Child Care Development Block Grant (CCDBG) Act of 2014, "Reauthorization", made significant policy changes across the subsidy, regulatory and quality improvement components of the child care system. The Act also authorized funding increases over five years. Iowa was allocated about \$2.3 million in additional funds for FFY16.*
- ✓ *Federal funding for CCDF is partially subject to annual sequestration reductions required under the Budget Control Act of 2011 (BCA, P.L. 112-25). The impact of future sequestration is unknown and has not been included in CCDF funding estimates.*

## Cost of Services

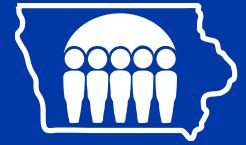
The average annual child care assistance benefit per child in SFY16 was \$4,810.

The average annual child care assistance benefit per child in SFY17 is estimated at \$4,815.

- ✓ *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 three years and to set their rates based on that information to assure access.*

<p><b>Funding Sources</b></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 SFY17 is \$129,029,410:</p> <ul style="list-style-type: none"> <li>• \$40,216,046 (31 percent) state general fund</li> <li>• \$88,813,364 (69 percent) federal</li> </ul> <p>From SFY14 to SFY17, state funding for CCA has decreased by \$26,320,233, including a \$10 million de-appropriation in SFY16, or 42 percent. From SFY14-SFY16, the monthly average caseload decreased by 6.8 percent, while the average cost per child increased by just one percent. No additional state funds were requested in SFY17, despite an additional \$8 million projected cost for implementing policy changes required by the federal legislation.</p>	<p><b>SFY17 Funding</b></p> <ul style="list-style-type: none"> <li>■ State General Fund (31%)</li> <li>■ Federal Funds (69%)</li> </ul> <p>A 3D pie chart titled 'SFY17 Funding' showing the distribution of funding. The chart is divided into two segments: a blue segment representing 31% (State General Fund) and a red segment representing 69% (Federal Funds). The segments are slightly exploded from each other.</p>
	<ul style="list-style-type: none"> <li>✓ <i>The CCDF is a capped federal block grant. Child care is not a federal entitlement and there are a specific amount of federal funds available to states. Iowa consistently receives all available CCDF.</i></li> <li>✓ <i>Up to 30 percent of TANF funds can be transferred to CCDF and SSBG combined. The combined maximum amount is currently being transferred to those programs.</i></li> <li>✓ <i>CCDF Reauthorization, enacted in 2014, imposed a number of new requirements on states. Several of these changes require that Iowa provide additional months of CCA coverage and increase costs. Additional funding is also included under reauthorization; however, it is insufficient to cover all of the anticipated costs from these policy changes.</i></li> <li>✓ <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). The impact of future sequestration is unknown and has not been included in CCDF funding estimates.</i></li> </ul>	
<p><b>SFY18 &amp; SFY19 Budget Drivers</b></p>	<p>This request includes \$3,826,485 to replace one-time carry-forward funds appropriated in SFY17 that will not be available in SFY18 and SFY19.</p>	
<p><b>Legal Basis</b></p>	<p><b>Federal:</b></p> <ul style="list-style-type: none"> <li>• Section 418 of Title IV-A of the Social Security Act, as amended</li> <li>• Title VI of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996</li> <li>• Child Care and Development Fund Block Grant Act of 2014</li> <li>• Code of Federal Regulations 45, Parts 98 and 99</li> </ul> <p><b>State:</b></p> <ul style="list-style-type: none"> <li>• Iowa Code, Chapters 237A and 256I</li> </ul>	

# 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:

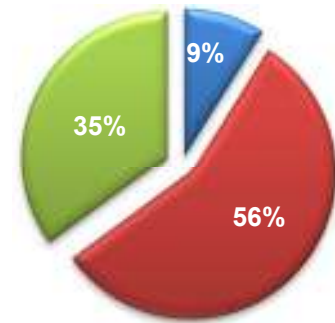
- All people who receive public cash assistance from the Family Investment Program (FIP). Recoveries reimburse government benefits.
- All people who pay a one-time fee (\$25) for help in recovering court-ordered support.

### Number served:

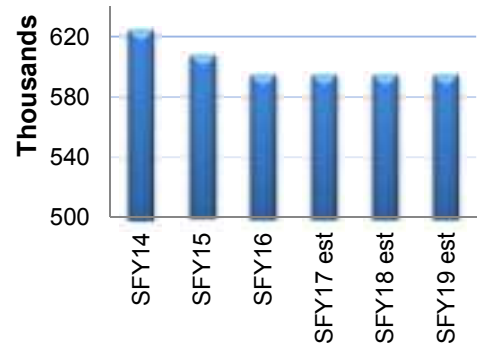
- In SFY16, CSRU served 594,377 parents and children on 168,857 cases. Of these:
  - 9 percent receive FIP.
  - 56 percent formerly received FIP.
  - 35 percent never received FIP. These people asked for the state's help in collecting child support and paid a one-time \$25 fee.
- Caseloads are projected to remain level through SFY18 and SFY19.
- During SFY16, in cases where support had been established or modified by CSRU, the median annual income of a custodial parent served by CSRU was \$15,540. For noncustodial parents served by CSRU, the median annual income was \$20,640.

## Who Receives Child Support SFY16

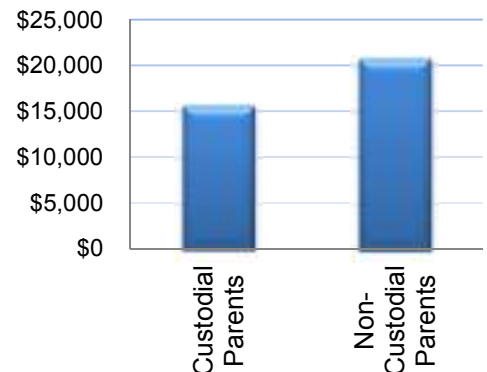
- Now Receiving FIP (9%)
- Former FIP (56%)
- Never FIP (35%)



## Number of Parents and Children Served



## Median Annual Income for CSRU Families in SFY16



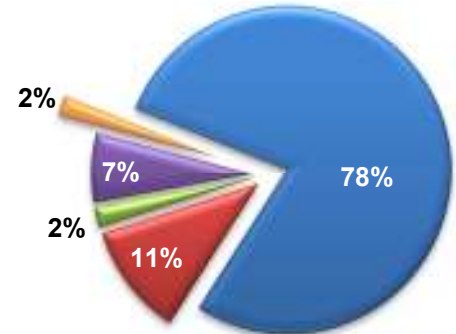
- ✓ *In SFY16, \$17.8 million in collections went to state and federal governments to offset the cost of public assistance.*
- ✓ *8.5 percent of custodial parents served by CSRU are male.*

## Services

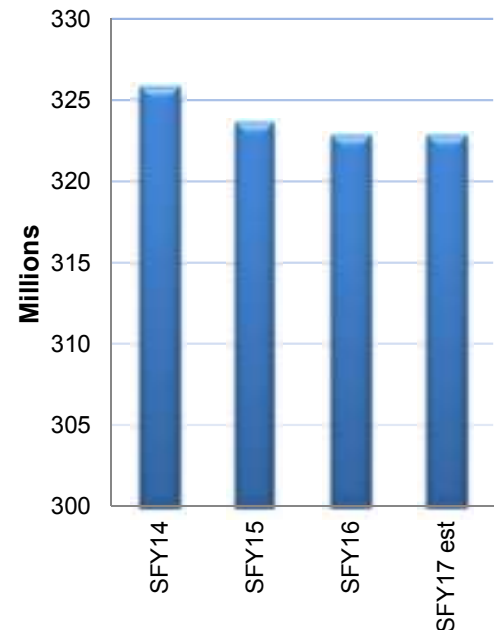
- The CSRU helps parents establish paternity and support orders and enforces orders for support. Child support collections help families with children become self-sufficient.
- Customers are served by 22 field offices, a centralized employer call center, the Collection Services Center, and a central operations unit.
- CSRU sent 167,222 income-withholding notices to employers in SFY16. Seventy-eight percent of collections come from employer withholdings.
- In SFY16, the Collection Services Center (CSC) processed 2,844,561 child support payments, totaling \$322.8 million.
- In SFY16, the CSRU filed 9,286 affidavits establishing paternity, 5,674 orders establishing paternity and support, and 4,468 modifications of support orders.

### Child Support Collections SFY16

- Income Withholding (78%)
- Other (11%)
- Unemployment Benefits (2%)
- Tax Offsets (7%)
- License Sanctions (2%)



### Total Child Support Collections



- ✓ *The average child support collected during SFY16 was \$173.59 a month.*
- ✓ *Child support helps address part of the estimated \$973 per month it costs to raise a child.*
- ✓ *In SFY17, 65 percent of the Child Support Recovery Unit operating budget is for staffing costs and 35 percent is for the support costs.*



## Goals & Strategies

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

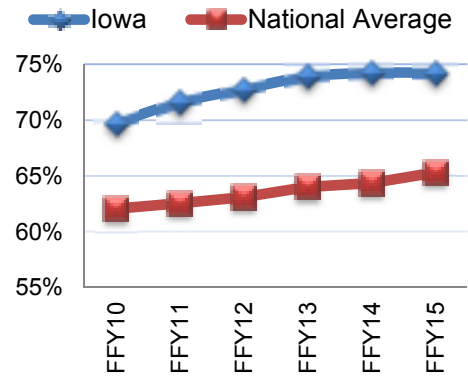
Strategies:

- 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 SFY16, CSRU collected more than 74 percent of current support in the month due. Iowa routinely exceeds the national average.

### Support Collected in the Month Due



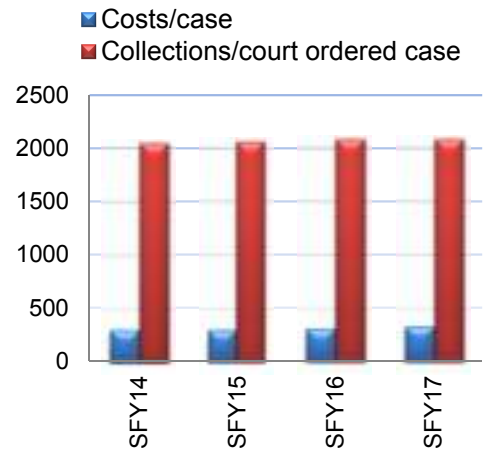
- CSRU collected \$251.1 million from employers in SFY16. Iowa was the first state to operate one-stop service center for employers.

## Cost of Services

The average annual cost for CSRU to provide services is \$335 per case.

The CSRU collects an average of \$2,083 annually per court-ordered case.

### Annual Costs & Collections per Case



- ✓ *During SFY17, each CSRU employee will collect an estimated \$639,251 in child support.*
- ✓ *During SFY16, the state cost per full-time equivalent employee of \$27,104 was largely covered by the \$17,762 returned in public assistance collections per FTE used to reimburse the FIP program.*
- ✓ *For every \$1 spent to collect child support, \$5.71 was collected for children, families, and to reimburse taxpayers for the cost of public assistance (welfare).*

<p><b>Funding Sources</b></p>	<p>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.</p> <p>The total budget for SFY17 is \$58,143,432:</p> <ul style="list-style-type: none"> <li>• \$42,451,486 (73.0 percent) is federal funding.</li> <li>• \$14,663,373 (25.2 percent) is state general fund.</li> <li>• \$1,027,573 (1.8 percent) is other funding.</li> </ul> <p>CSRU receives incentives based on performance in five key areas. Decreased availability of federal incentive dollars requires an additional state funding need.</p>	<p><b>SFY17 Funding</b></p> <ul style="list-style-type: none"> <li>■ State General Fund (25%)</li> <li>■ Federal Funds (73%)</li> <li>■ Other Funding (2%)</li> </ul> <table border="1"> <caption>SFY17 Funding Data</caption> <thead> <tr> <th>Funding Source</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Federal Funds</td> <td>73%</td> </tr> <tr> <td>State General Fund</td> <td>25%</td> </tr> <tr> <td>Other Funding</td> <td>2%</td> </tr> </tbody> </table>	Funding Source	Percentage	Federal Funds	73%	State General Fund	25%	Other Funding	2%
Funding Source	Percentage									
Federal Funds	73%									
State General Fund	25%									
Other Funding	2%									
<p><b>Legal Basis</b></p>	<ul style="list-style-type: none"> <li>✓ <i>In SFY17, CSRU will reimburse the FIP (welfare) program \$7.4 million (state share) in public assistance collections.</i></li> <li>✓ <i>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.</i></li> <li>✓ <i>Without full funding for CSRU, families will be impacted by a loss of collections.</i></li> </ul> <p><b>Federal:</b></p> <ul style="list-style-type: none"> <li>• 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)</li> </ul> <p><b>State:</b></p> <ul style="list-style-type: none"> <li>• Iowa Code, Chapters 252B, 252C, 252D, 252E, 252F, 252H, 252I, 252J, 252K</li> <li>• Iowa Administrative Code, 441 IAC 95, 96, 97, 98 and 99</li> </ul>									