



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.

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

30 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.

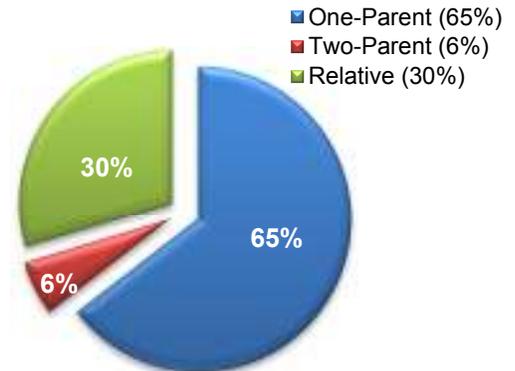
Average length of time on FIP:

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

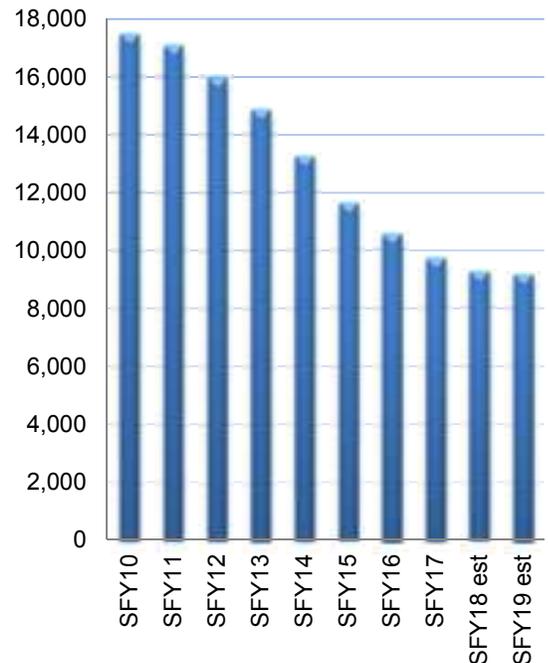
After decreasing every year from SFY10-17, the FIP caseload is expected to remain relatively stable, close to the June 2017 figure with some month-to-month ups and downs.

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 SFY17



FIP Average Monthly Cases



For tax year 2017, the maximum adjusted gross income limit for a household headed by a single parent ranges from \$39,617 (one qualifying child) to \$48,340 (three or more qualifying children). The 2017 maximum adjusted gross income limit for a 2-parent household ranges from \$45,207 to \$53,930. 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.

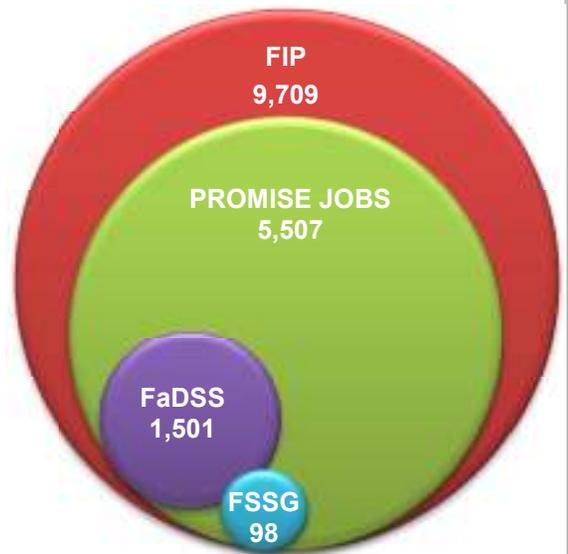
- ✓ *A parent with two children must have income after deductions below \$426/month, or \$5,112 annually, to qualify.*
- ✓ *In June 2017, over 88 percent of individuals receiving FIP also received Food Assistance and 94 percent received Medicaid.*
- ✓ *About 168 families currently have a hardship exemption from the five-year limit. Hardship determinations are revisited every six months. This is less than two percent of the FIP caseload.*
- ✓ *Every month, about 35 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 9,709 families a month received FIP in SFY17.
- 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 5,507 FIP families a month received PROMISE JOBS in SFY17.

Monthly Average Types of Services SFY17

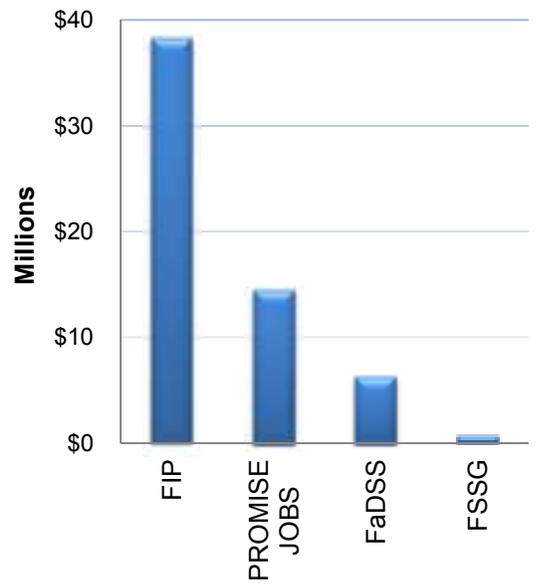


- Family Self-Sufficiency Grant (FSSG) Program.
 - DHS contracts with IWD to administer this grant program.
 - This grant program provides up to \$1,000 per family per year to pay for work related goods and services (e.g. car repair, clothing, and employment related certification requirements).
 - An average of 98 FIP families a month received this grant in SFY17.
- 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.
 - FaDSS is an example of a “Two-Generation” program designated to disrupt the poverty cycle by meeting the needs of both children and their parents simultaneously. The federal TANF agency has encouraged states to adopt more two-generation strategies.
 - An average of 1,501 FIP families a month received this service in SFY17.

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 2017 ranges from \$3,400 with one qualifying child, to \$6,318 with three or more qualifying children. The maximum federal EITC for a household with no qualifying child is \$510.

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 SFY17



- ✓ ***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.

	<ul style="list-style-type: none"> ✓ <i>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.</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. • Participate as a mandatory partner in Iowa's one-stop centers. 	<p>Results:</p> <ul style="list-style-type: none"> • In SFY17, 79.9 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 FFY17 exceeds the federal requirement by approximately 34 percentage points. 								
Cost of Services	<ul style="list-style-type: none"> • The average annual benefit per FIP recipient is \$1,596. • The average annual cost of service per-person in the PROMISE JOBS program is \$2,315. • The average FSSG grant per family is \$549. <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 SFY17, the average monthly FIP payment was: \$345.68 for 1-parent households = \$4,148 annually; \$431.07 for 2-parent households = \$5,173 annually; and \$269.94 for caretaker households = \$3,239 annually.</i></p>									
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 SFY18 total Enacted FIP budget is \$76,579,976:</p> <ul style="list-style-type: none"> • \$43,004,480 (56 percent) is state general funds. • \$26,301,636 (34 percent) is federal funds. • \$ 7,273,860 (10 percent) is other. 	<p style="text-align: center;">SFY18 Funding</p> <ul style="list-style-type: none"> ■ State General Fund (54%) ■ Federal (36%) ■ Other Funding (10%) <table border="1"> <caption>SFY18 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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Legal Basis	<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, 2018. It is possible federal legislation may be enacted before that date to change funding levels, state requirements, or both.</i></p> <p>Federal:</p> <ul style="list-style-type: none"> • Title IV-A of the Social Security Act • Code of Federal Regulations 45 CFR 260 – 265 <p>State:</p> <ul style="list-style-type: none"> • Iowa Code, Chapter 239B • Iowa Administrative Code, 441 IAC 40, 41, 42, 45, 46, and 93 									

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 \$32,200.

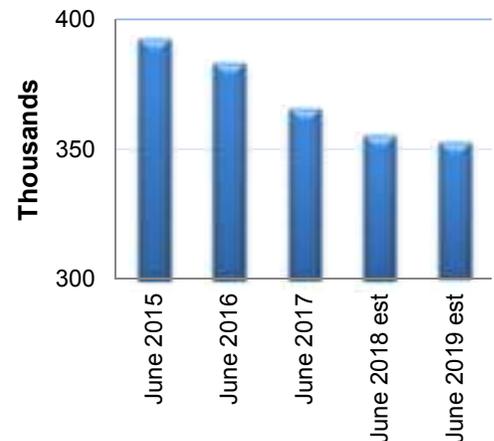
To provide more complete and accurate counts of households and recipients, DHS has made the following improvements, which are reflected in counts for SFY15 and future years:

- 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 SFY17:

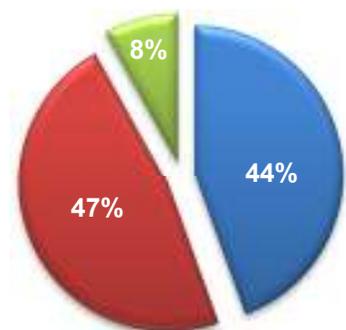
- An average of 375,513 Iowans in 177,049 households received benefits every month, a 5.7 percent decrease from SFY16.
- 87 percent of FA recipients also receive Medicaid and/or Family Investment Program (FIP) benefits, or **hawk-i**.
- The average recipient is a 26-year-old Caucasian female.

FA Recipients



Age of Recipients in SFY17

- Children (44%)
- Age 18-59 (47%)
- 60 & Over (8%)



Supplemental Food Programs

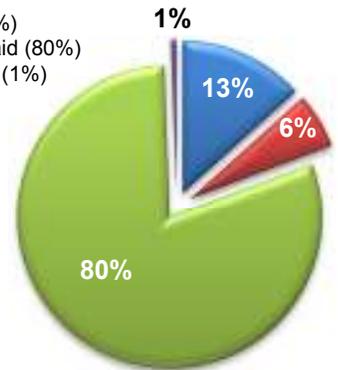
The Commodity Supplemental Food Program (CSFP) and The Emergency Food Assistance Program (TEFAP) provide food to low-income lowans.

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 administered by the Iowa Department of Public Health (IDPH).

- An average of 3,092 lowans per month were served through CSFP and over 900,000 pounds of commodities were distributed in SFY17.
- TEFAP served an average of 109,000 individuals per month and distributed 6.9 million pounds of food during SFY17.

Recipients by Program in SFY17

- FA only (13%)
- FA and FIP (6%)
- FA and Medicaid (80%)
- FA and hawk-I (1%)



Monthly Average Recipients of TEFAP and CSFP SFY17

- 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 caused a shift in household and recipient counts from FA Only to FA Medicaid. As of June 2017, FA Only households accounted 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 ensure 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 more than 150 farmers at 102 different farmers markets and 38 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, Southwestern, Northeastern Iowa, and Western Iowa Tech.

Nutrition Education

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



EBT Card Sample

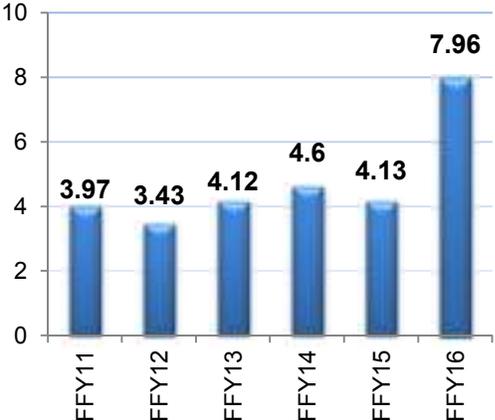
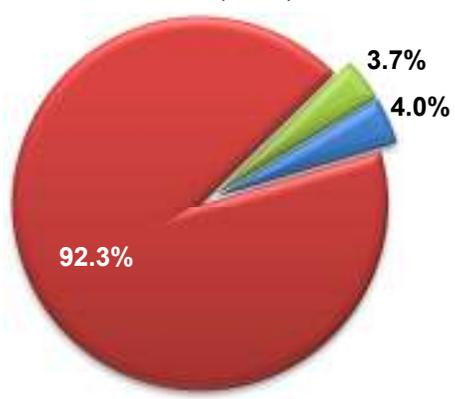
Average Benefits SFY17:

- \$231.18 per month per household
- \$109.00 per month per individual
- \$3.58 per day per individual
- \$1.19 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.*
- ✓ *Employment and Training services through community colleges provide short term certification for in-demand industries in Iowa.*

<p>Goals & Strategies</p>	<p>Goal: Improve efficiency and accuracy. Strategy:</p> <ul style="list-style-type: none"> Continue monitoring and training on key causes of errors. <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"> Implemented new methods to identify potential misuse of EBT cards. Identify and cancel benefits for ineligible individuals who are incarcerated. 	<p>Percentage of Errors Calculating Benefits</p>  <table border="1"> <thead> <tr> <th>FFY</th> <th>Percentage of Errors</th> </tr> </thead> <tbody> <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> <tr> <td>FFY16</td> <td>7.96</td> </tr> </tbody> </table>	FFY	Percentage of Errors	FFY11	3.97	FFY12	3.43	FFY13	4.12	FFY14	4.6	FFY15	4.13	FFY16	7.96
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<p>Cost of Services</p>	<p>The average annual FA benefit per recipient is \$1,308.</p> <p>✓ <i>In SFY17, the average monthly FA benefit for FIP households was \$418.66 = \$5,024 annually; for FA Only households was \$164.13 = \$1,970 annually; for Medical Assistance households was \$229.57 = \$2,755 annually; and for hawk-i households was \$232.63 = \$2,792 annually.</i></p>															
<p>Funding Sources</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 & Training (E & T) program are paid 100 percent with federal dollars.</p> <p>The SFY18 total projected budget is \$519,671,300:</p> <ul style="list-style-type: none"> \$498,865,341 is federal <ul style="list-style-type: none"> \$479,424,692 in benefits \$19,440,649 in admin costs \$20,805,959 in state general fund. 	<p>SFY18 Funding</p> <ul style="list-style-type: none"> State General Fund (4.0%) Federal Benefits (92.3%) Federal Admin (3.7%) 														
<p>✓ <i>In SFY17, \$495.6 million was drawn from the federal government for Food Assistance benefits, a one-year decrease of 3.1 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>Caseloads have decreased during the past three years and are projected to continue to decrease for the next two years, but 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:

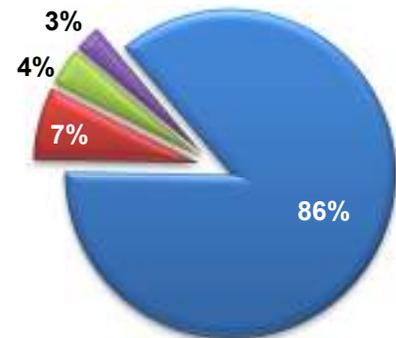
- Families whose parents are: (1) working at least 28 hours per week; or (2) in school full time; or (3) are working and in school for a combined minimum of 28 hours per week; and (4) have income below 145 percent of the Federal Poverty Level (FPL).
- Families with children with special needs where parents 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 currently available for 12 months to families at re-certification if they meet eligibility requirements but are over 145 percent FPL and under 85 percent of the State Median Income (SMI).
 - Final federal regulations published on September 30, 2016, require states to base exit eligibility on reaching a certain income limit established by the state, but under 85 percent of the SMI. Effective October 1, 2018, states cannot use a time limit to determine the duration of their exit eligibility programs.
 - The department is in the process of assessing future policy changes for SFY19 to comply with the final federal regulations, including the fiscal impact of these changes. This process may involve negotiating exit eligibility criteria that is acceptable to the federal agency responsible for administering the CCDBG.
- 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.

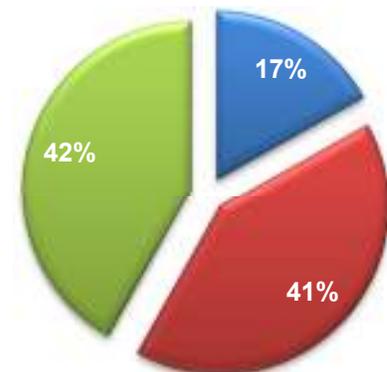
Number of Children Served SFY17

- CCA (86%)
- PROMISE JOBS (7%)
- Protective (4%)
- CCA Plus (3%)



Ages of Children Served SFY17

- Infant and Toddlers (17%)
- Preschool Age (41%)
- School Age (42%)



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 SFY17, 36,304 children were served.

- A monthly average of 22,689 children received a child care service, a 7 percent increase from SFY16.
- Caseloads for Child Care Assistance and CCA Plus are expected to increase in both SFY18 and SFY19, while the PROMISE JOBS caseload is expected to continue to decrease both years, but at a slower rate.
- The Protective caseload is expected to continue to increase during the first six months of SFY18, and then level off for the rest of SFY18 and SFY19.

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.

- ✓ *The 2017 Federal Poverty Level for a family of three is \$20,420. A family of three can earn up to \$29,616 annual gross wages and remain eligible for CCA.*
- ✓ *In SFY17, 94.7 percent of families needing child care were employed; this is no change from SFY16.*

Services

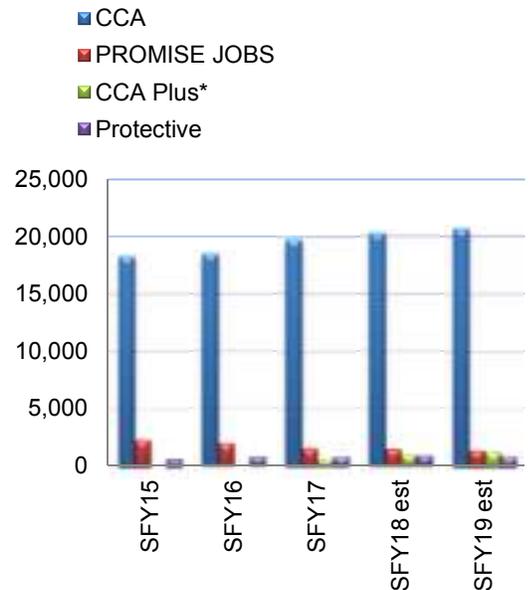
The Child Care Assistance program allows parents to choose their child care provider. Providers include:

- 1,512 licensed child care centers.
- 2,898 registered child care development homes. In-home providers caring for six or more children at one time must register.
- 733 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.

The number of non-registered providers reported as receiving CCA payments decreased significantly from June 2016 – June 2017; from 1,379 to 733, a reduction of 646 or 47 percent.

- The department has reasoned that this reduction is largely due to the combined effect of: (1) new requirements for this type of provider imposed by federal reauthorization legislation and resulting regulations; and (2) identifying and eliminating from the list/count, providers previously authorized to receive CCA payments who have either never actually received a payment, or have not received recent payments.

Average Monthly Number of Children Served



*CCA Plus was implemented in SFY17.

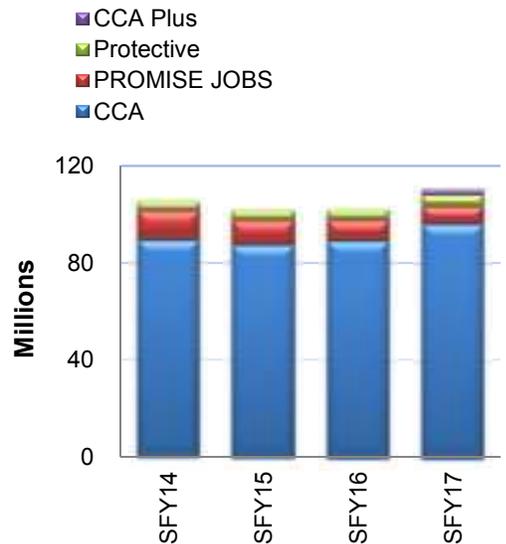
- The department has further reasoned that the potential impact on the availability of CCA-funded services caused by any reduction in the number of non-registered providers due to new federal requirements is largely offset by an increase in the capacity of licensed child care centers resulting from a combination of new centers and expanded capacity of existing centers.
 - Had all of the non-registered providers eliminated from the department's SFY16 count been serving the maximum number of CCA children allowed – neither condition actually existed – the number of CCA slots corresponding to these providers would have been 3,230.
 - In contrast, the number of slots available through licensed centers increased by 3,400.

Activities other than child care assistance funded by this appropriation:

- 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.
- 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.
- Regulatory 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.

Expenditures By Type



- ✓ *More than 85 percent of child care bills are submitted electronically.*
- ✓ *100 percent of child care centers are visited annually.*
- ✓ *In SFY17, the department met a target of monitoring 100% of child development homes by conducting on-site visits of each home.*

Goals & Strategies

Goal: Improve Iowans' Employment and Economic Security

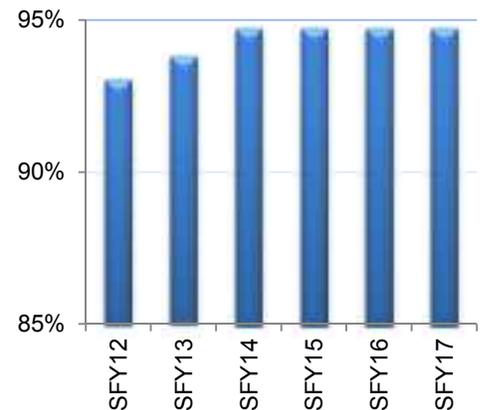
Strategies:

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

SFY17 Results

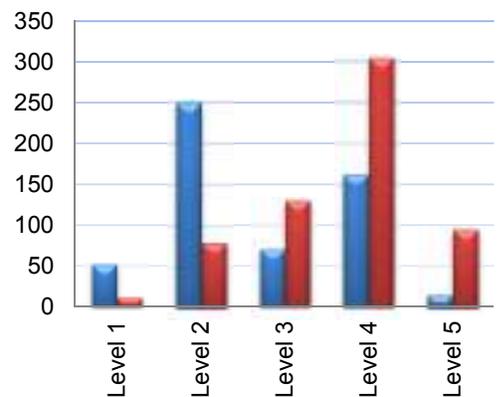
- 94.7 percent of families paid under CCA received assistance due to employment.
- 93 percent of children were cared for in regulated settings.
- 94 percent of all CCA expenditures were made to regulated providers.
- 99.8 percent of correctly submitted child care bills were paid within 10 days.

Percentage of CCA Families Employed



QRS Level Achieved June 2017

- Child Development Homes (547 total)
- Child Care Center (616 total)

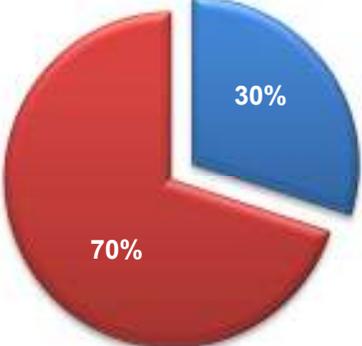


- ✓ *The Child Care Development Block Grant (CCDBG) Act of 2014, "Reauthorization", made significant policy changes across the subsidy, regulatory and quality improvement components of the child care system. The Act also authorized funding increases over five years. Iowa was allocated about \$943,415 in additional funds for FFY17.*
- ✓ *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 SFY17 was \$4,858.

- ✓ *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.*

Funding Sources	<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 SFY18 is \$131,208,030:</p> <ul style="list-style-type: none"> • \$39,343,616 (30 percent) state general fund • \$91,864,414 (70 percent) federal 	<p style="text-align: center;">SFY18 Funding</p> <ul style="list-style-type: none"> ■ State General Fund (30%) ■ Federal Funds (70%) 
	<ul style="list-style-type: none"> ✓ <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> ✓ <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> ✓ <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> ✓ <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> 	
SFY19 Budget Drivers	<p>This request includes \$1,722,918 to replace one-time funds appropriated in SFY18 that will not be available in SFY19. This includes a prior year carry-forward of \$1,500,000 and \$222,918 from the Child Care Facility Fund.</p>	
Legal Basis	<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 2014 • Code of Federal Regulations 45, Parts 98 and 99 <p>State:</p> <ul style="list-style-type: none"> • Iowa Code, Chapters 237A and 256I 	

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:

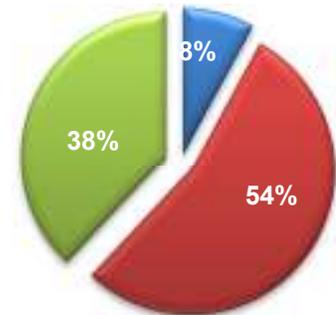
- All people who receive public cash assistance from the Family Investment Program (FIP). Recoveries reimburse government benefits.
- All people who pay a one-time fee (\$25) for help in recovering court-ordered support.

Number served:

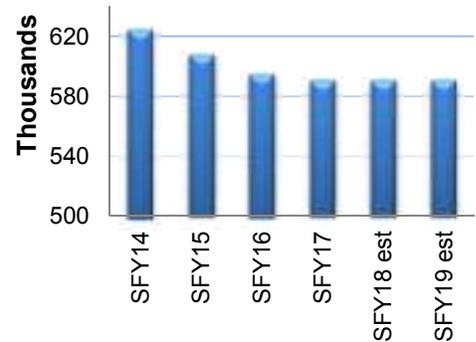
- In SFY17, CSRU served 590,311 parents and children on 167,702 cases. Of these:
 - 8 percent receive FIP.
 - 54 percent formerly received FIP.
 - 38 percent never received FIP. These people asked for the state's help in collecting child support and paid a one-time \$25 fee.
- Caseloads are projected to remain level through SFY19.
- During SFY17, in cases where support had been established or modified by CSRU, the median annual income of a custodial parent served by CSRU was \$15,732. For noncustodial parents served by CSRU, the median annual income was \$19,848.

Who Receives Child Support SFY17

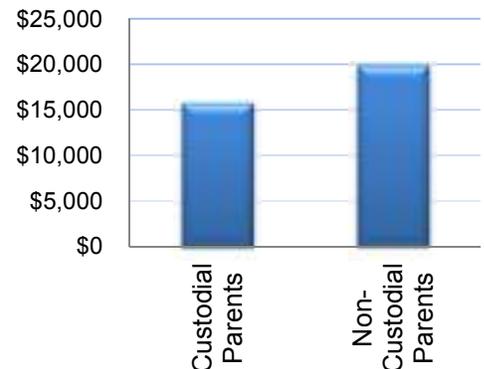
- Now Receiving FIP (8%)
- Former FIP (54%)
- Never FIP (38%)



Number of Parents and Children Served



Median Annual Income for CSRU Families in SFY17



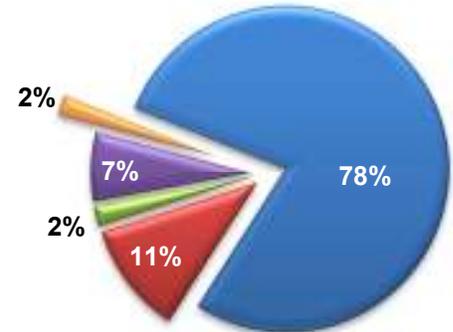
- ✓ *In SFY17, \$17.0 million in collections went to state and federal governments to offset the cost of public assistance.*
- ✓ *8.7 percent of custodial parents served by CSRU are male.*

Services

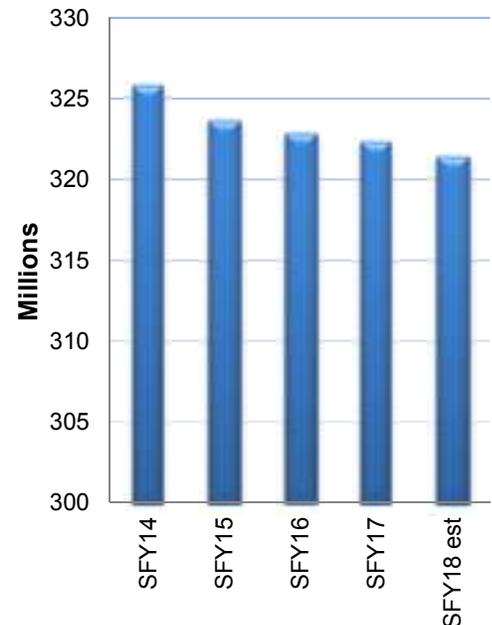
- The CSRU helps parents establish paternity and support orders and enforces orders for support. Child support collections help families with children become self-sufficient.
- Customers are served by 22 field offices, a centralized employer call center, the Collection Services Center, and a central operations unit.
- CSRU sent 165,826 income-withholding notices to employers in SFY17. Seventy-eight percent of collections come from employer withholdings.
- In SFY17, the Collection Services Center (CSC) processed 2,791,973 child support payments, totaling \$322.3 million.
- In SFY17, the CSRU filed 8,925 affidavits establishing paternity, 6,302 orders establishing paternity and support, and 4,340 modifications of support orders.

Child Support Collections SFY17

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



Total Child Support Collections



- ✓ *The average child support collected during SFY17 was \$173.47 a month.*
- ✓ *Child support helps address part of the estimated \$1,005 per month it costs to raise a child.*
- ✓ *In SFY18, 64 percent of the Child Support Recovery Unit operating budget is for staffing costs and 36 percent is for the support costs.*

Goals & Strategies

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

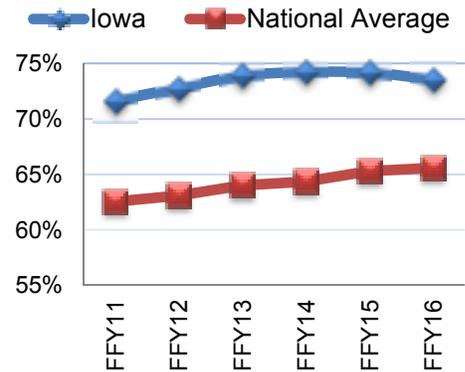
Strategies:

- 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 SFY17, CSRU collected more than 73 percent of current support in the month due. Iowa routinely exceeds the national average.

Support Collected in the Month Due



- CSRU collected \$252.4 million from employers in SFY17. 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 \$333 per case.

The CSRU collects an average of \$2,082 annually per court-ordered case.

Annual Costs & Collections per Case



- ✓ *During SFY18, each CSRU employee will collect an estimated \$630,215 in child support.*
- ✓ *During SFY17, CSRU collected \$16,603 per full-time equivalent (FTE) employee to reimburse the FIP program for public assistance provided, returning a significant portion of the state cost per FTE of \$27,987.*
- ✓ *For every \$1 spent to collect child support, \$5.73 was collected for children, families, and to reimburse taxpayers for the cost of public assistance (welfare).*

<p>Funding Sources</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 SFY18 is \$55,793,410:</p> <ul style="list-style-type: none"> • \$40,176,222 (72.0 percent) is federal funding. • \$12,586,635 (22.6 percent) is state general fund. • \$3,030,553 (5.4 percent) is other funding. <p>CSRU receives incentives based on performance in five key areas.</p>	<p>SFY18 Funding</p> <ul style="list-style-type: none"> ■ State General Fund (23%) ■ Federal Funds (72%) ■ Other Funding (5%)
	<ul style="list-style-type: none"> ✓ <i>In SFY18, CSRU will reimburse the FIP (welfare) program \$6.8 million (state share) in public assistance collections.</i> ✓ <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> ✓ <i>Without full funding for CSRU, families will be impacted by a loss of collections.</i> 	
<p>SFY19 Budget Drivers</p>	<p>This request includes \$2,000,000 to replace one-time funds from the Collection Services refund Account appropriated in SFY18 that will not be available in SFY19.</p>	
<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 	