
Improve Iowans' 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:

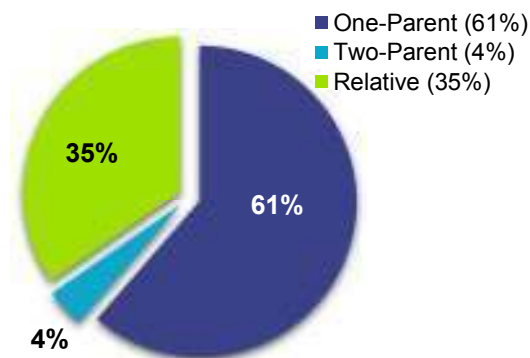
- Meet income and asset requirements.
- Be residents of Iowa.
- Be citizens or legally qualified non-citizens (such as refugees).
- Participate in work, training, or educational services to become self-sufficient.

61 percent of FIP households are one-parent families, while 4 percent include both parents.

35 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.

FIP Family Makeup SFY19



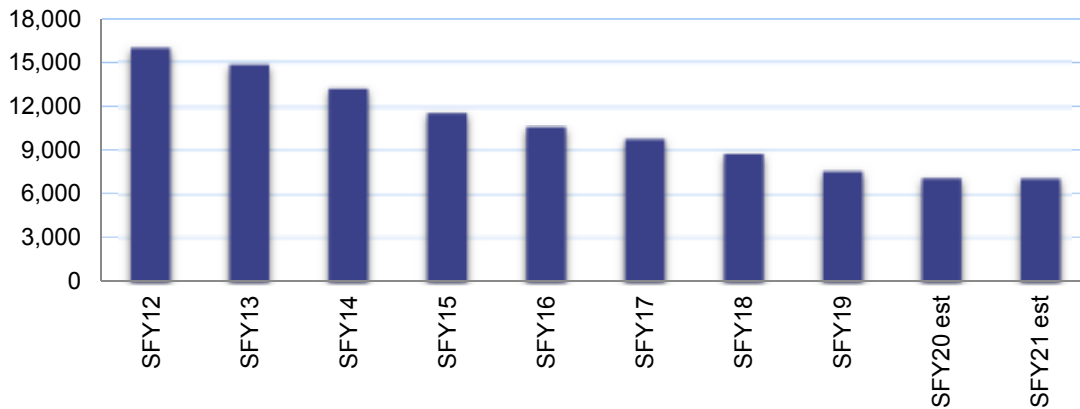
Benefits are limited to a five-year lifetime limit with exceptions in hardship cases.

Average length of time on FIP:

- Single parent family: 22 months
- Two-parent family: 9 months
- Caretaker family: 29 months

FIP caseloads have decreased every year since SFY10. The single-parent caseload is expected to continue to decrease in SFY20, but at a slower rate, while the two-parent and caretaker caseloads remain relatively stable. Caseloads for all three populations are expected to remain stable in SFY21.

FIP Average Monthly Cases



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.

For tax year 2019, the maximum adjusted gross income limit for a household headed by a single parent ranges from \$41,094 (one qualifying child) to \$50,162 (three or more qualifying children). The 2019 maximum adjusted gross income limit for a 2-parent household ranges from \$46,884 to \$55,952. Households with no qualifying children may also be eligible for the EITC; however, income limits are much lower.

FIP families and other low-income households can receive tax preparation assistance.

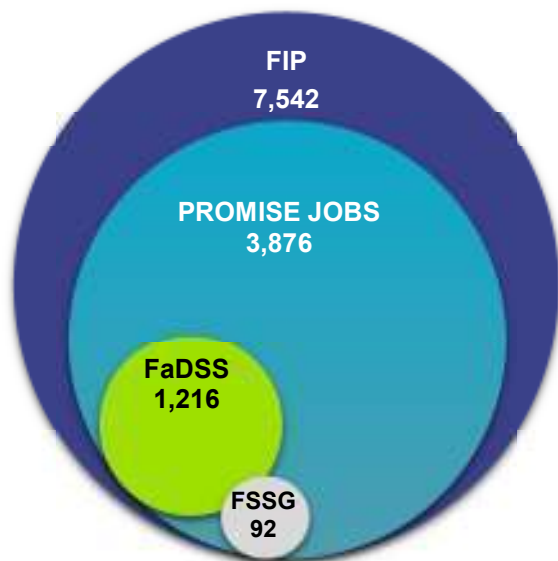
- ✓ *A parent with two children must have income after deductions below \$426/month, or \$5,112 annually, to qualify.*
- ✓ *In June 2019, over 86 percent of individuals receiving FIP also received Food Assistance and 95 percent received Medicaid.*
- ✓ *About 112 families currently have a hardship exemption 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 28 recipients are canceled because of the five-year lifetime limit.*
- ✓ *Language in the department's SFY20 appropriations bill, HF766, requires the department to use a request for proposal process (RFP) to award funds allocated for the purpose of supporting tax preparation assistance and increasing the use of earned income tax credits by low-income Iowa families.*
 - *The Internal Revenue Service (IRS) awards federal funds under its Volunteer Income Tax Assistance (VITA) grant program for much the same purpose, matching funds that grant applicants secure from other sources.*
 - *To maximize the use of both federal and state funds in meeting a common purpose while also taking advantage of the rigorous competitive application process used by the IRS, state funds are available only to Iowa non-profit organizations that are awarded federal funds under the VITA program.*

SERVICES

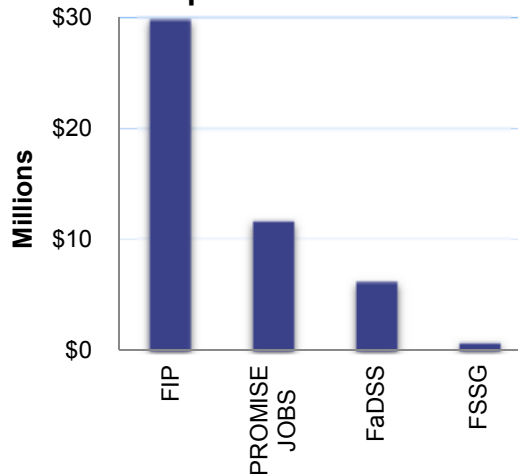
The FIP appropriation funds the following:

- 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 7,542 families a month received FIP in SFY19.
- 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 3,876 FIP families a month received PROMISE JOBS in SFY19.
- 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 92 FIP families a month received this grant in SFY19.
- Family Development and Self-Sufficiency (FaDSS) Program.
 - The Department of Human Rights (DHR) 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 1,216 FIP families a month received this service in SFY19.
 - Beginning in SFY20, DHR began providing FaDSS services to non-FIP families in select areas of the state. At least 90 percent of all families receiving FaDSS services must be currently receiving FIP or have received FIP within the last seven months.

Monthly Average Types of Services SFY19



Expenditures SFY19



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 2019 ranges from \$3,526 with one qualifying child, to \$6,557 with three or more qualifying children. The maximum federal EITC for a household with no qualifying child is \$529.

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.

- ✓ ***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 or MasterCard 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.

GOALS & STRATEGIES

Goal: Help families become self-sufficient.

Strategies:

- 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.

Results in SFY19:

- In SFY19, 81.8 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 FFY19 exceeds the federal requirement by a wide margin.

COST OF SERVICE

- The average annual benefit per FIP recipient is \$1,643.
 - The average annual cost of service per-person in the PROMISE JOBS program is \$2,706.
 - The average FSSG grant per family is \$611.
- ✓ *The maximum annual FIP amount paid to a family of three is less than 24 percent of the federal poverty level.*
 - ✓ *In SFY19, the average monthly FIP payment was: \$349.63 for 1-parent households = \$4,195 annually; \$447.45 for 2-parent households = \$5,369 annually; and \$274.75 for caretaker households = \$3,297 annually.*

FUNDING SOURCES

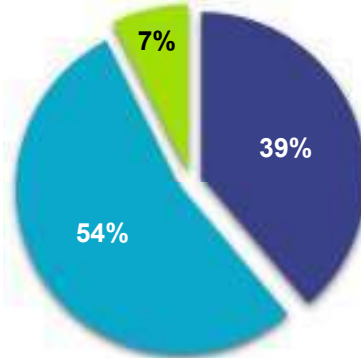
The Family Investment Program is funded by state general funds, federal funds, including TANF, and other funding from child support recovery and intrastate transfers.

The SFY20 total FIP budget is \$103,156,972

- \$40,003,978 (39 percent) is state general funds.
- \$55,458,714 (54 percent) is federal funds.
- \$ 7,694,280 (7 percent) is other.

SFY20 Funding

- State General Fund (39%)
- Federal (54%)
- Other Funding (7%)



- ✓ *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.*
- ✓ *Current funding and authorization for the TANF block grant ends September 30, 2019.*

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

Food Assistance

PURPOSE

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

WHO IS HELPED

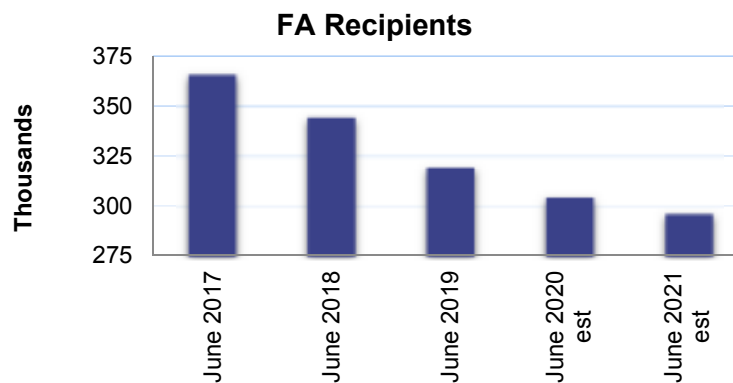
Food Assistance

People eligible for Food Assistance must:

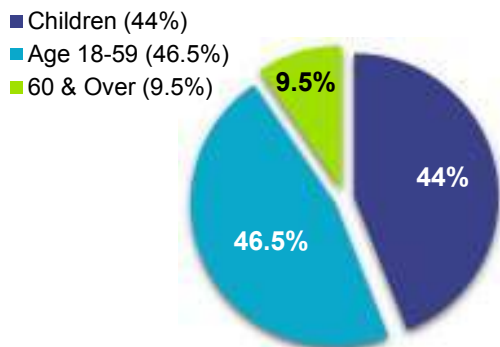
- Be residents of Iowa.
- Be citizens or legally qualified non-citizens (such as refugees).
- Have household incomes not to exceed 160 percent of the federal poverty level. For a family of three, that equals a gross annual income of about \$33,200.

In SFY19:

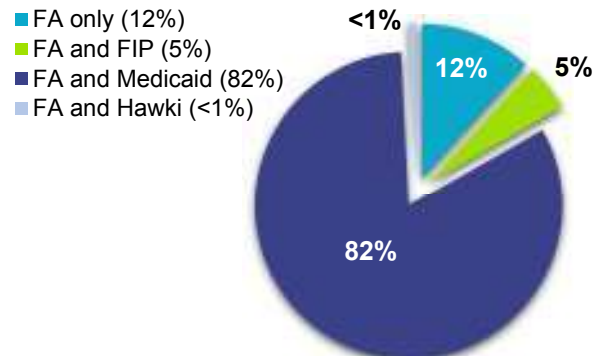
- An average of 332,121 lowans in 159,600 households received benefits every month, a 7 percent decrease from SFY18.
- Recipients and benefits have decreased every year since SFY14.
- 88 percent of FA recipients also receive Medicaid and/or Family Investment Program (FIP) benefits, or Hawki.
- The average recipient is a 28-year-old Caucasian female.
- 56 percent of recipients are under age 18 or over age 59.



Age of Recipients in SFY19



Recipients by Program in SFY19



Food Distribution Programs

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

- TEFAP distributes food through food banks and meal sites.
 - TEFAP received over 11 million pounds of food during SFY19 for statewide distribution.
 - Of the 11 million pounds of food received, 4.4 million was Trade Mitigation product received January – June.
 - Trade Mitigation is the purchase of commodities to assist in alleviating trade damage sustained by farmers. These products are provided to Iowa at no cost.
 - CSFP distributes commodities directly to elderly recipients.
 - An average of 3,343 elderly Iowans were served per month in SFY19.
 - Over one million pounds of food was distributed in SFY19.
- ✓ *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 Iowans under the Iowa Health and Wellness Plan, caused a shift in household and recipient counts from FA Only to FA Medicaid. As of June 2019, FA Only households accounted for slightly more than 10 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.
- Plants and seeds used to produce food are eligible to be purchased with FA benefits.
- All FA transactions occur electronically on Electronic Benefit Transfer (EBT) cards. The card does not have cash benefits and will not work at an ATM.

Average Food Assistance Benefits in SFY19:

- \$226.90 per month per household
- \$109.05 per month per individual
- \$3.59 per day per individual
- \$1.20 per meal

Employment and Training Program

- Food Assistance Employment and Training (E&T) is a voluntary program for FA recipients. The program offers recipients job seeking skills, classroom training, and structured employment search, at no cost to participants.
- DHS partners with the following to provide these valuable services to FA recipients seeking self-sufficiency through training and employment:
 - Des Moines Area Community College
 - Eastern Iowa Community College
 - Hawkeye Community College
 - Indian Hills Community College
 - Iowa Central Community College
 - Iowa Lakes Community College
 - Iowa Western Community College
 - Kirkwood Community College
 - Northeast Iowa Community College
 - Southwestern Community College
 - Western Iowa Tech Community College

- New community college partners for SFY20 include: Iowa Central, Iowa Lakes, and Eastern Iowa.
- 65 percent of participants who completed E&T in SFY19 obtained a credential for an in-demand industry.
- Future plans for the E&T program include expanding to all Iowa community colleges, as well as community based organizations.
- Developing community based organization partnerships will be the expansion focus for the E&T program in SFY20.

Wireless EBT Program

- This program provides farmers with wireless machines so they may process transactions for FA recipients at farmers markets and roadside stands. This provides easy access to the freshest food Iowa has to offer while promoting local farmers and economies.
- EBT cards may be used to buy food from:
 - 114 farmers
 - 79 different farmers markets
 - 35 roadside stands

Nutrition Education

SNAP Education (SNAP-Ed) teaches FA recipients about good nutrition and how to make their food dollars stretch further. SNAP-Ed participants also learn the importance of being physically active.

- ✓ *While Food Assistance may be used in any state, approximately 98 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 free short term certification for in-demand industries in Iowa.*

GOALS & STRATEGIES

Goal: Improve efficiency and accuracy.

Strategies:

- Implement new training strategies to reduce the FFY19 error rate of 10.02 percent.
- Implement more in-depth investigative monitoring of the root causes of errors.

Goal: Assure benefits are issued timely.

Strategy:

- Monitor performance.

Goal: Prevent fraud and abuse.

Strategies:

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

COST OF SERVICE

The average annual FA benefit per recipient is \$1,309.

- ✓ *In SFY19, the average monthly FA benefit for FIP households was \$411.62 = \$4,939 annually; for FA Only households was \$155.59 = \$1,867 annually; for Medical Assistance households was \$226.83 = \$2,722 annually; and for Hawki households was \$246.75 = \$2,961 annually.*

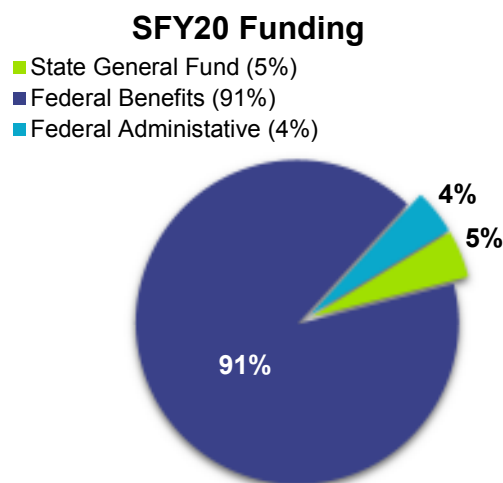
FUNDING SOURCES

Food Assistance benefits and The Emergency Food Assistance Program (TEFAP) are funded 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 funded 100 percent with federal dollars.

The SFY20 total projected budget is \$458,668,044:

- \$437,235,762 is federal
 - \$416,870,008 in benefits
 - \$ 20,365,754 in administrative costs
- \$21,432,282 in state general fund



- ✓ *In SFY19, \$432.6 million was drawn from the federal government for Food Assistance benefits, a one-year decrease of 6.5 percent.*
- ✓ *The USDA estimates that \$9 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.*
- ✓ *The Department of Inspections and Appeals (DIA) receives federal funding for fraud investigations related to Food Assistance.*

LEGAL BASIS

Federal:

- Code of Federal Regulations: 7 CFR 272.2
- The Agricultural Improvement Act of 2018 (P.L. 115-334)

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.

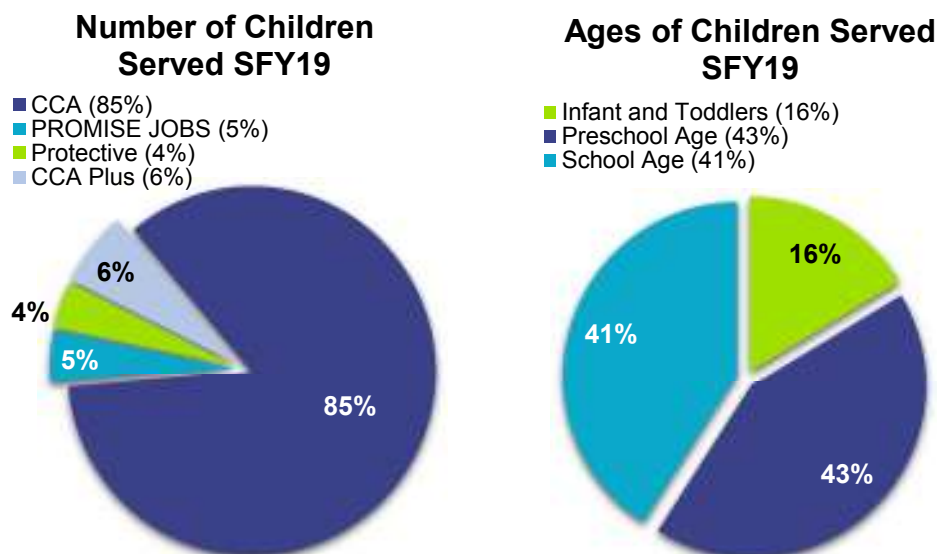
WHO IS HELPED

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) places certain requirements on state child care programs:

- Families are eligible for 12-month certification periods.
- Families with a temporary lapse in work or education/training that qualify for CCA, including maternity leave, medical incapacity, job loss, school breaks, etc., will maintain eligibility during that time.
- An exit eligibility program, CCA Plus, is currently available for one additional 12-month period to families at re-certification if they meet eligibility requirements but are over 145 percent of the Federal Poverty Level (FPL) and under 85 percent of the State Median Income (SMI).
 - Final federal regulations clarified that States may not set a time limit for exit eligibility programs, but do allow states to set income eligibility levels below 85 percent of the SMI.
 - The department anticipates submitting a proposal for federal approval to implement a modified exit income eligibility level for CCA Plus of 185 percent of the FPL with no time limitation as long and income remains below 185 percent FPL.



Families receiving Family Investment Program (FIP) 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 SFY19, 38,434 (unduplicated) children were served.

- A monthly average of 24,109 children received a child care service, a 0.4 percent increase from the SFY18 monthly average of 24,009.
- The Child Care Assistance caseload is expected to increase in each year for SFY20-21.
- The PROMISE JOBS caseload is expected to continue to decrease each year for SFY20-21, but at a slower rate.
- The Protective caseload is expected to remain stable for SFY20-21.
- The CCA Plus caseload is expected to continue to remain level for SFY20, and then decrease for SFY21 due to the transition to new eligibility criteria.

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 2019 Federal Poverty Level for a family of three is \$21,330. A family of three can earn up to \$30,936 annual gross wages and remain eligible for CCA.*
- ✓ *In SFY19, 93.1 percent of families needing child care were employed.*

SERVICES

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

- 1,508 licensed child care centers.
- 2,568 registered child care development homes. In-home providers caring for six or more children at one time must register.
- 190 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 from June 2018 – June 2019; from 289 to 190, a reduction of 99 providers or 34 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.
- 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.

Average Monthly Number of Children Served



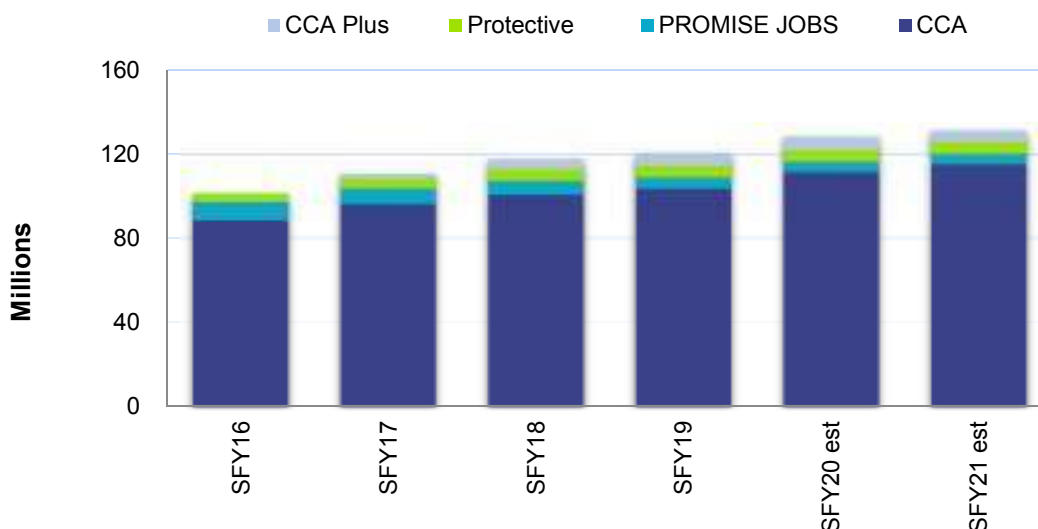
*CCA Plus was implemented in SFY17. SFY20 projections are based on current policy of providing 12 additional months of service. SFY21 projections are based on transitioning to 185% of the FPL with no time limit.

Activities other than child care assistance funded by this appropriation include:

- The five Child Care Resource and Referral contracts and the 14 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 SFY19, the department met a target of monitoring 96% of child development homes by conducting on-site visits of each home.*

GOALS & STRATEGIES

Goal: Improve Iowans' Employment and Economic Security

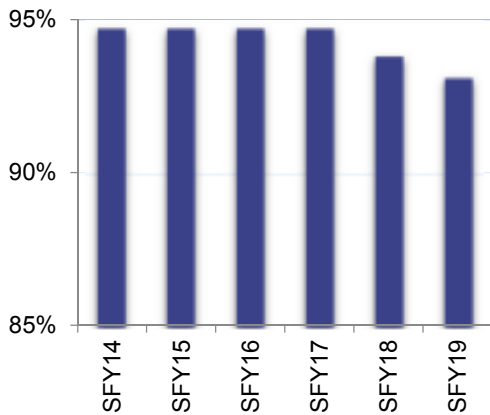
Strategies:

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

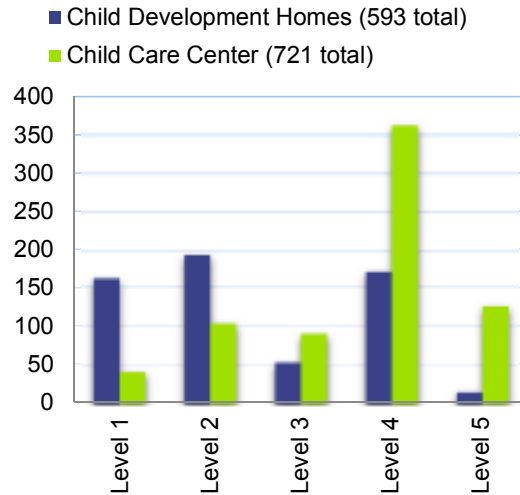
SFY19 Results

- 93.1 percent of families paid under CCA received assistance due to employment.
- 98 percent of children were cared for in licensed or regulated child development homes.
- 97 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 2019



COST OF SERVICE

The average annual child care assistance benefit per child in SFY19 was \$4,998.

The average annual child care assistance benefit per child in SFY20 is estimated at \$5,256.

- ✓ *Current child care reimbursement rates are based on a 2017 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

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) block grant.

The CCDF includes discretionary funds under the Child Care and Development Block Grant (CCDBG) as well as mandatory and matching funds.

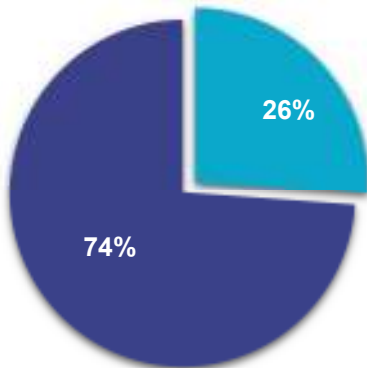
The total Child Care Assistance budget for SFY20 is \$156,183,866:

- \$40,816,931 state general funds
- \$115,366,935 federal funds
- Does not include federal share of funding for Field and General or Local Administrative costs.
- Does include carry forward of federal CCDBG funding from prior years.

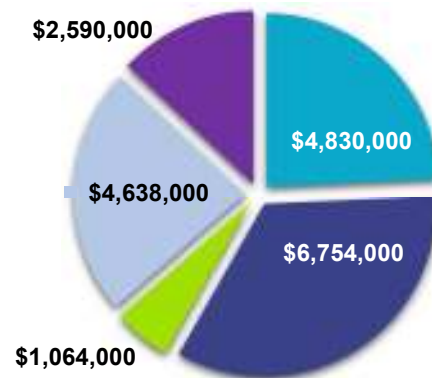
Cost Increases Due to CCDBG Act SFY20 Projections

SFY20 Funding

- State General Funds (26%)
- Federal Funds (74%)



- Change in Eligibility Reviews (24%)
- CCA Plus (34%)
- Temporary Lapse/Job Search (6%)
- Tiered Reimbursement-QRS Levels (23%)
- Add'l Quality Set Aside Expenditures (13%)



Federal discretionary funding under the CCDBG was increased for FFY18 and FFY19 to help cover the increase in costs to states as a result of implementing provisions of the Child Care Development Block Grant Act of 2014. For Iowa, this increase was approximately \$19 million annually. In SFY20, the department projects spending of nearly \$19.9 million related to implementation of the provisions of the Act.

For budgeting purposes, the department assumes the increase in CCDBG funding will continue for FFY20 and FFY21. The Act includes provisions that prohibit states from using this increase to supplant state funding for child care. Iowa's use of the increased CCDBG funding in SFY20 is shown in the chart above.

- ✓ *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.*
- ✓ *Additional TANF funds are used directly for child care costs of working families.*
- ✓ *Federal discretionary funding under the CCDBG is subject to annual sequestration reductions required under the Budget Control Act of 2011 (BCA, P.L. 112-25). Reductions have been avoided through subsequent legislation increasing spending limits required by the BCA.*
- ✓ *Current federal mandatory and matching child care funding expires on September 30, 2019, along with funding for the Temporary Assistance for Needy Families (TANF) block grant.*
 - *Federal legislation has been introduced in both the House and Senate to reauthorize TANF and mandatory CCDF funding.*

LEGAL BASIS

Federal:

- 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
- Consolidated Appropriations Act of 2018 (P.L. 115-14)
- CFR 45, Parts 98 and 99

State:

- Iowa Code, Chapters 237A and 256I

Child Support Recovery Unit

PURPOSE

The Child Support Recovery Unit helps parents establish paternity and support orders and enforces orders for support. Child support collections help families become self-sufficient.

WHO IS HELPED

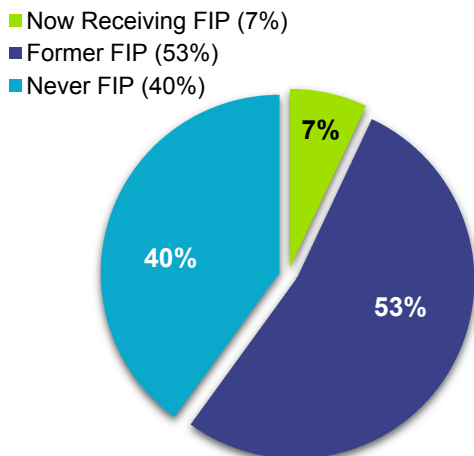
Eligibility for services:

- All people who receive public cash assistance from the Family Investment Program (FIP). Collections also reimburse taxpayers for the cost of public assistance benefits.
- All people who ask for help in collecting court-ordered support.

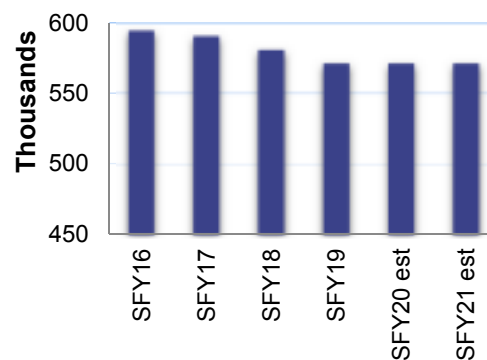
Number served:

- In SFY19, CSRU served 571,113 parents and children on 162,248 cases. Of these:
 - 7 percent receive FIP.
 - 53 percent formerly received FIP.
 - 40 percent never received FIP. These people asked for the state's help in collecting child support.
- Caseloads are projected to remain level through SFY21.

Who Receives Child Support SFY19

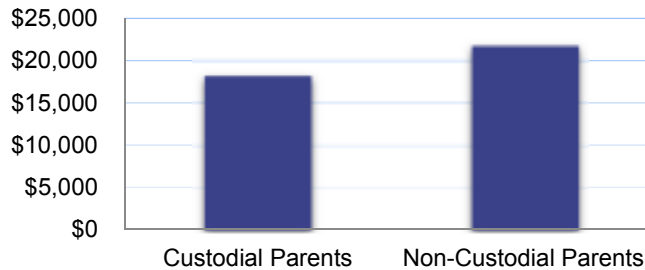


Number of Parents and Children Served



- During SFY19, in cases where support had been established or modified by CSRU, the median annual income of a custodial parent served by CSRU was \$18,192. For noncustodial parents served by CSRU, the median annual income was \$21,720.
- 8.8 percent of custodial parents are male.

Median Annual Income for CSRU Families in SFY19



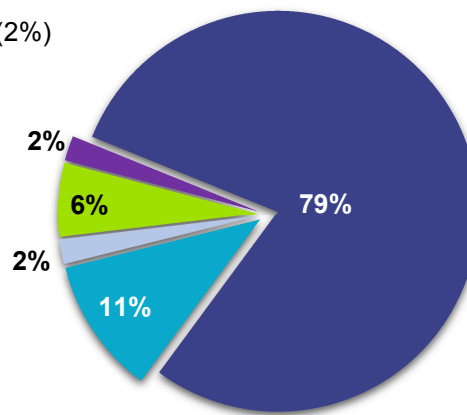
- ✓ *In SFY19, nearly \$14.6 million in collections went to state and federal governments to offset the cost of public assistance.*

SERVICES

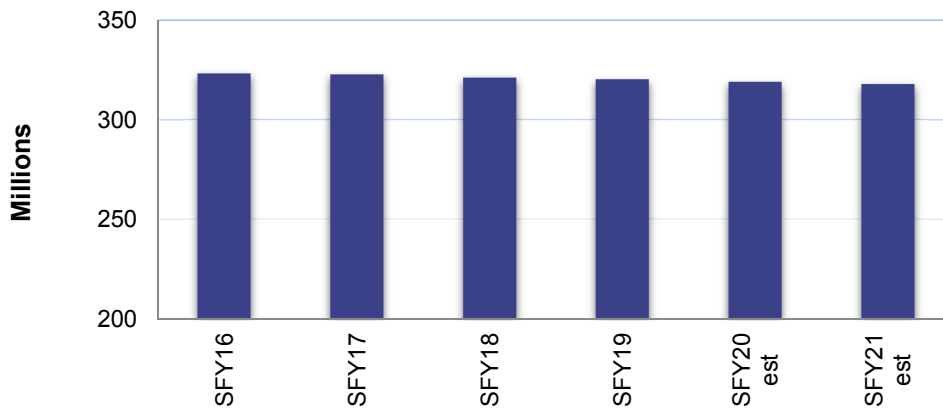
- Customers are served by 21 field offices, a centralized employer call center, the Collection Services Center, and a central operations unit.
- CSRU sent 159,196 income-withholding notices to employers in SFY19. Seventy-nine percent of collections come from employer withholdings.
- In SFY19, the Collection Services Center (CSC) processed 2,681,579 child support payments, totaling \$319.9 million.
- In SFY19, the CSRU filed 9,245 affidavits establishing paternity, 4,967 orders establishing paternity and support, and 3,553 modifications of support orders.

Child Support Collections SFY19

- Income Withholding (79%)
- Other (11%)
- Unemployment Benefits (2%)
- Tax Offsets (6%)
- License Sanctions (2%)



Total Child Support Collections



- ✓ The average child support collected during SFY19 was \$177.02 a month.
- ✓ Child support helps address part of the estimated \$996 per month it costs to raise a child.
- ✓ In SFY20, 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.

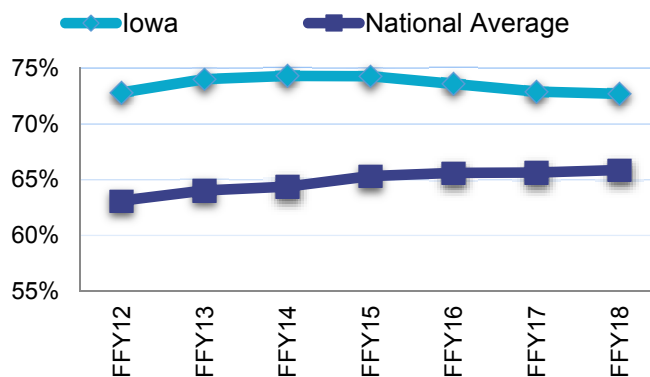
Strategies:

- 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.

SFY19 Results

- In SFY19, CSRU collected nearly 73 percent of current support in the month due. Iowa routinely exceeds the national average.

Support Collected in the Month Due



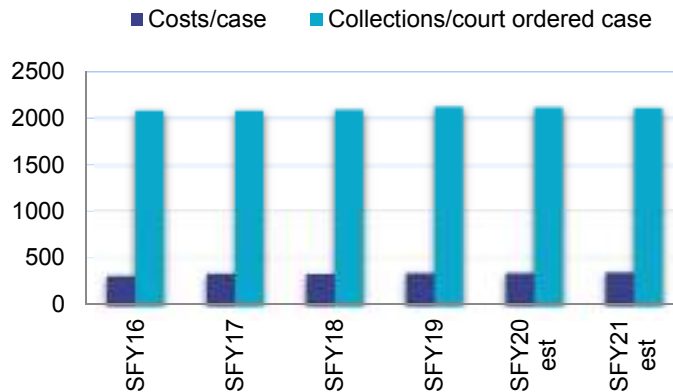
- CSRU collected \$251.8 million from employers in SFY19. Iowa was the first state to operate a one-stop service center for employers.

COST OF SERVICE

The average annual cost for CSRU to provide services is \$341 per case.

The CSRU collects an average of \$2,124 annually per court-ordered case.

Annual Costs & Collections per Case



- ✓ During SFY20, each CSRU employee will collect an estimated \$671,032 in child support.
- ✓ During SFY19, CSRU collected \$14,150 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 \$28,054.
- ✓ For every \$1 spent to collect child support, \$5.86 was collected for children, families, and to reimburse taxpayers for the cost of public assistance (welfare).

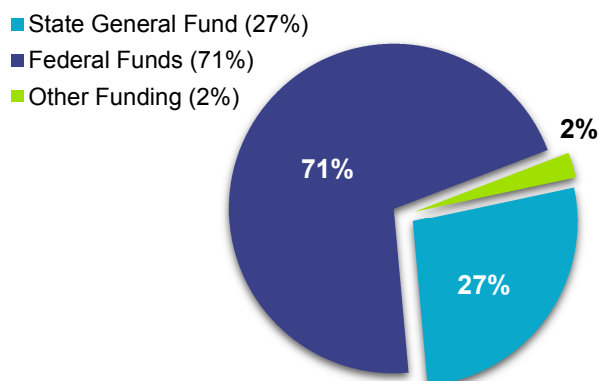
FUNDING SOURCES

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 SFY20 is \$55,286,802:

- \$39,052,211 (70.6 percent) is federal funding.
- \$14,867,813 (26.9percent) is state general fund.
- \$1,366,778 (2.5 percent) is other funding.

SFY20 Funding



- ✓ *In SFY20, CSRU will reimburse the FIP (welfare) program \$5.2 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.*
- ✓ *Without full funding for CSRU, families will be impacted by a loss of collections.*

LEGAL BASIS

Federal:

- 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)

State:

- Iowa Code, Chapters 252B, 252C, 252D, 252E, 252F, 252H, 252I, 252J, 252K
- Iowa Administrative Code, 441 IAC 95, 96, 97, 98, 99, and 100.