

# 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.

76 percent of recipients are one-parent families, while 6 percent include both parents.

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

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

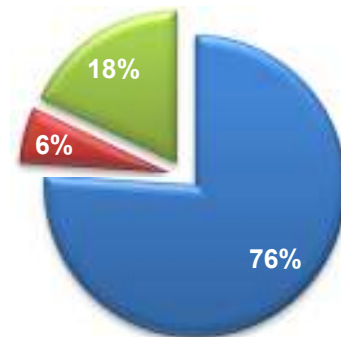
Benefits are limited to a five-year lifetime limit with exceptions in hardship cases.

The average family receives FIP for 22 months.

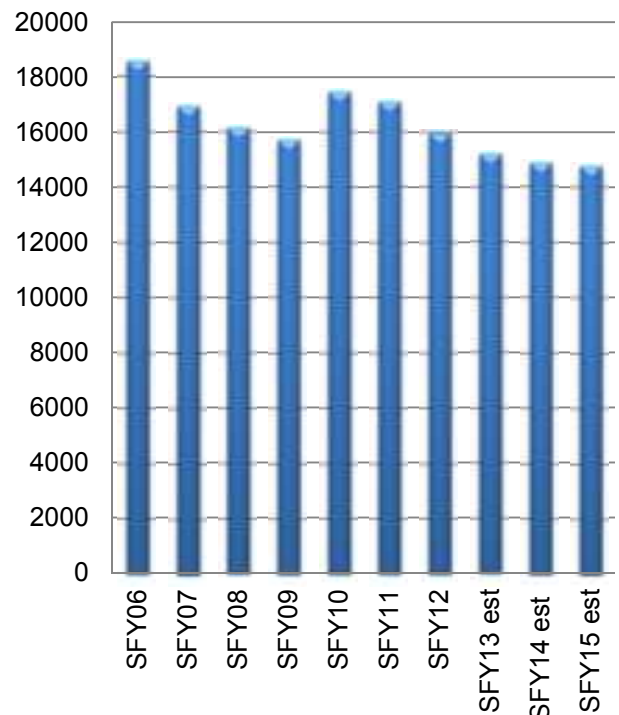
After years of steadily declining caseloads, the trend reversed and caseloads increased during the 2009-10 recession. Caseloads are again falling and are near modern-day record lows. Caseloads are projected to continue a gradual decline until June 2014, when they will level out.

### FIP Family Makeup SFY12

■ One-Parent ■ Two-Parent ■ Relative



### FIP Average Monthly Cases



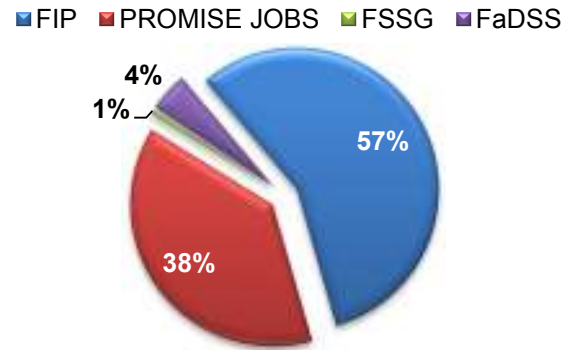
- ✓ *A parent and two children must have income after deductions below \$361/month, or \$4,332 annually, to qualify.*
- ✓ *In June 2012, over 92 percent of individuals receiving FIP also received Food Assistance and nearly 98 percent received Medicaid.*
- ✓ *About 125 families receive a hardship exemption from the five-year limit. Hardship determinations are revisited every six months.*
- ✓ *Every month, about 60 recipients are canceled because of the five-year lifetime limit.*

**Services**

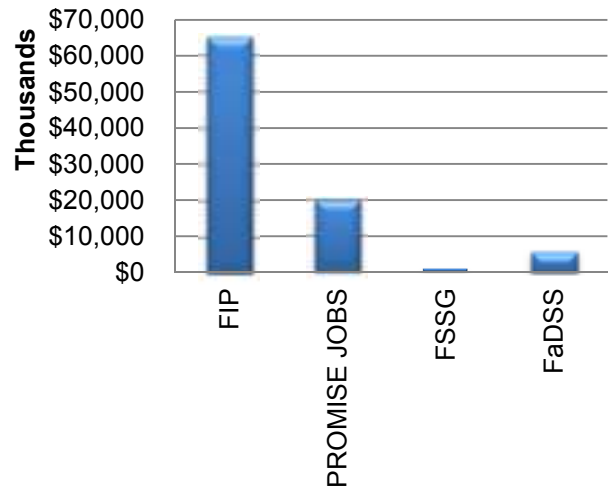
The FIP appropriation funds the following:

- 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.
- 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 lowans with refugee status.
- Family Self-Sufficiency Grant (FSSG) Program
  - DHS contracts with IWD to administer this grant program
  - This grant program provides up to \$1,000 per family per year to pay for work related goods and services (e.g. car repair, clothing, employment related certification requirements).
  - An average of 162 families a month received this grant in SFY12.
- Family Development and Self Sufficiency (FaDSS) Program.
  - The Department of Human Rights administers this program.
  - FaDSS services include intensive home-based case management services to PROMISE JOBS families who have barriers keeping them from achieving self-sufficiency.
  - An average of 1,529 FIP families received this service in SFY12.

**Average Monthly Types of Services SFY12**



**Expenditures SFY12**



	<ul style="list-style-type: none"> <li>✓ <i>PROMISE JOBS participants must sign a self-sufficiency agreement identifying what they will do to become self-sufficient <b>before</b> receiving a FIP grant.</i></li> <li>✓ <i>FIP recipients receive their monthly cash benefits via an Electronic Access Card (EAC) that can be used anywhere a VISA debit card is accepted. 91 percent of benefits are redeemed in Iowa and another 4.5 percent are redeemed in surrounding states.</i></li> </ul>	
<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 to family.</li> <li>• Coordinate with IWD to improve work participation rates</li> </ul> <p>Goal: Become more efficient in processing and evaluating applications.</p> <p>Strategy: install a new eligibility computer system.</p>	<p>Results:</p> <ul style="list-style-type: none"> <li>• In SFY12, 72 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 FFY12 exceeds the federal requirement by approximately 3.4 percentage points.</li> <li>• The DHS has selected a vendor to install a new eligibility system called the Eligibility Integrated Application Solution (ELIAS). The system will also generate Food Assistance and Medicaid eligibility and benefit calculations. <ul style="list-style-type: none"> <li>○ The current system is an outdated mainframe installed in 1970. It requires significant duplicate entries and work-arounds.</li> <li>○ ELIAS will utilize current technology architecture to enable a more accurate and timely eligibility determinations; a more effective way to identify potential fraud and abuse; and an opportunity to link with online service applications.</li> <li>○ ELIAS will be implemented in a 2-phase approach with Medical assistance occurring in October 2013, and FA and FIP in March 2014.</li> </ul> </li> </ul>
<b>Cost of Services</b>	<ul style="list-style-type: none"> <li>• The average annual benefit per FIP recipient is \$1,572.</li> <li>• The average annual cost of service per-person in the PROMISE JOBS program \$1,490.</li> <li>• The average FSSG grant per family is \$439.</li> </ul> <p>✓ <i>The maximum annual FIP amount paid to a family of three is less than 31 percent of the federal poverty level.</i></p>	

**Funding Sources**

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).

The SFY14 total FIP budget is \$102,029,498:

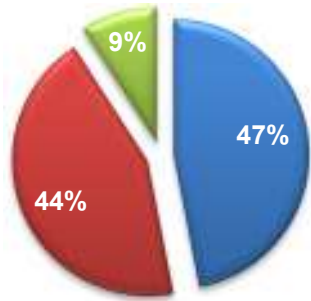
- \$47,897,214 (47 percent) is state general fund.
- \$44,829,283 (43.9 percent) is federal funds.
- \$9,303,001 (9.1 percent) is other.

The SFY15 total FIP budget is \$98,567,310:

- \$47,897,214 (48.6 percent) is state general fund.
- \$41,367,095 (42 percent) is federal funds.
- \$9,303,001 (9.4 percent) is other.

**SFY14 Funding**

■ State General Fund ■ Federal ■ Other Funding



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

**SFY 2014 & 2015 Budget Drivers**

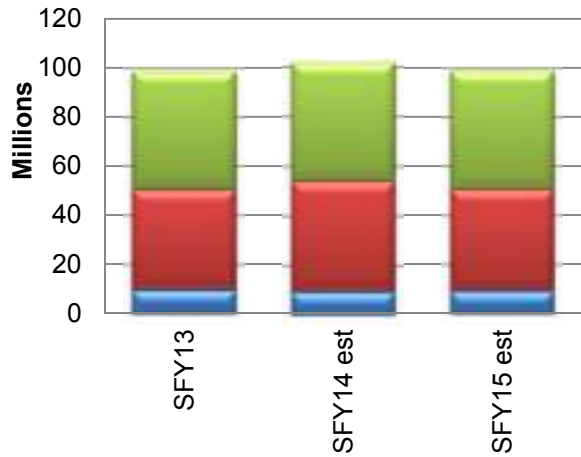
The FIP budget for state general funds is constant from SFY13 through SFY14 and SFY15. Due to declining caseloads, no increase in state general funds is requested.

- The key budget driver for the decrease in the FIP caseload is the improving economy. FIP enrollment has declined steadily as Iowa recovered from the recession.
- The 2012 drought is expected to have some impact on the Iowa economy. Because the actual impact is unclear at this time, the department has not attempted to calculate an impact on FIP caseloads.

The FIP budget is aided by recoveries from non-custodial parents in child support cases. With fewer employees in the CSRU, recoveries are expected to decline.

**Total Budget Funding Mix**

■ State General Fund ■ Federal ■ Other Funds



**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