

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.

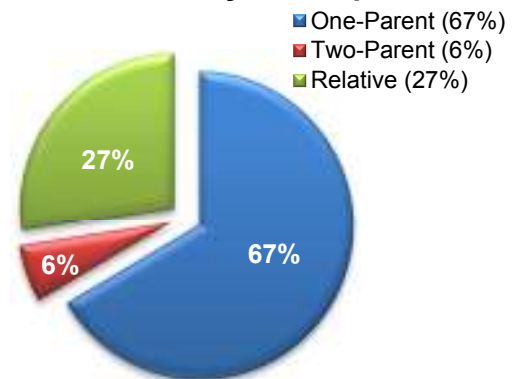
Average length of time on FIP:

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

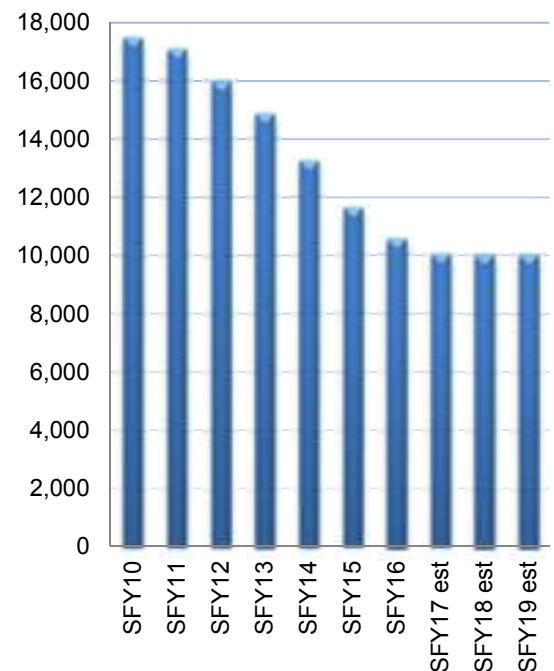
The FIP caseload has decreased every year from SFY11-SFY16. The caseload is expected to continue to decrease, but at a slower rate, through December 2016. The caseload is then expected to remain relatively stable, still experiencing some month-to-month ups and downs, for the rest of SFY17, as well as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

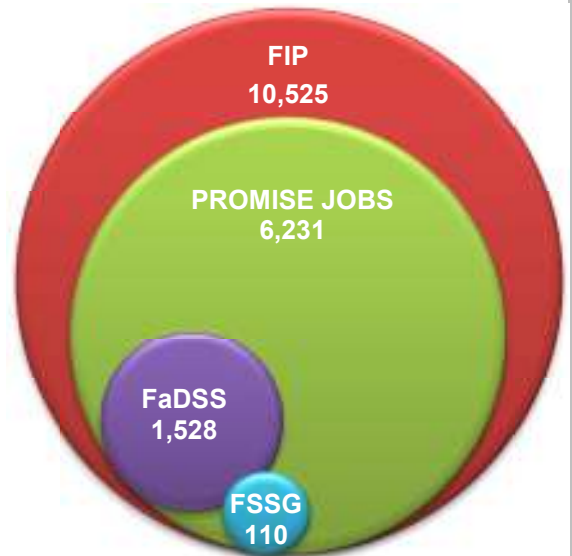
- ✓ *A parent with two children must have income after deductions below \$426/month, or \$5,112 annually, to qualify.*
- ✓ *In June 2016, over 89 percent of individuals receiving FIP also received Food Assistance and 94 percent received Medicaid.*
- ✓ *About 215 families currently have a hardship exemption 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

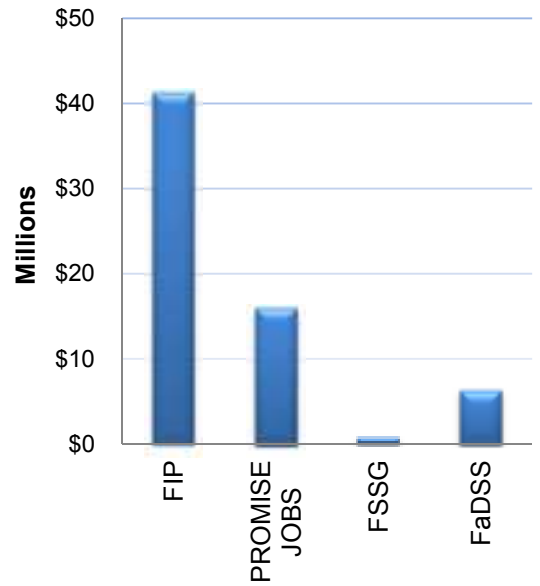


- Family Self-Sufficiency Grant (FSSG) Program.
 - DHS contracts with IWD to administer this grant program.
 - This grant program provides up to \$1,000 per family per year to pay for work related goods and services (e.g. car repair, clothing, and employment related certification requirements).
 - An 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.

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 SFY16, 79.2 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 FFY16 exceeds the federal requirement by approximately 32 percentage points. 								
Cost of Services	<ul style="list-style-type: none"> • The average annual benefit per FIP recipient is \$1,590. • The average annual cost of service per-person in the PROMISE JOBS program is \$2,254. • The average FSSG grant per family is \$519. <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>									
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 SFY17 total Enacted FIP budget is \$89,241,970:</p> <ul style="list-style-type: none"> • \$48,673,875 (54 percent) is state general funds. • \$31,768,626 (36 percent) is federal funds. • \$ 8,799,469 (10 percent) is other. 	<p style="text-align: center;">SFY17 Funding</p> <ul style="list-style-type: none"> ■ State General Fund (54%) ■ Federal (36%) ■ Other Funding (10%) <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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Legal Basis	<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 <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>									