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Family Investment Program, Food Assistance Program, State Child Care Assistance, and Earned Income Tax Credit

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I. Introduction

The State of Iowa implements federal-state programs providing various forms of financial and other assistance to low-income Iowans. This Legislative Guide provides a summary of four financial assistance programs of major importance to low-income families with children: the Family Investment Program (FIP), the Food Assistance Program, the state Child Care Assistance (CCA) Program, and the Earned Income Tax Credit (EITC). The programs provide cash or other forms of financial assistance to individuals and families and all but the EITC are administered by the Iowa Department of Health and Human Services (HHS), formerly known as the Department of Public Health and the Department of Human Services (DHS). In general, a person must apply for HHS-administered assistance through the HHS Services Portal Online (available at dhsservices.iowa.gov/apspssp/ssp.portal), the HHS Child Care Client Portal (available at cmis.dhs.state.ia.us/clientportal/), or at a local HHS office.

For the four programs highlighted in this Guide, program eligibility is based upon one or more of the following factors:

- The financial means of the applicant and the applicant's family. For programs other than the EITC, "financial means" includes both income and property or other available resources. Income eligibility usually involves a comparison of family income with poverty levels outlined in administrative rules.
- The size of the applicant's family. Family size is determined by the number of dependents the applicant has plus a spouse, if any.

This Legislative Guide provides an overview of FIP, the Food Assistance Program, the CCA Program, and the EITC programs' major components, financial and participation information, legal background, and examples of how the programs work.

Sources. The information consulted in the preparation of this Legislative Guide includes the Iowa Code, Iowa Administrative Code (through October 3, 2022), federal law and regulations (through October 3, 2022), interviews, and Iowa DHS Policy Manuals in effect as of July 1, 2022. Unless otherwise indicated, Iowa Code citations are to the 2023 Iowa Code.

II. Family Investment Program (FIP)

A. Overview

Purpose. FIP provides cash assistance to needy families with children. Eligibility is determined based upon the applicant's monthly family income and total value of resources. Unless a hardship extension is granted, the period of assistance is subject to a lifetime limit of 60 months. Participants enter into a Family Investment Agreement (FIA) which outlines the steps necessary for a participant to become self-sufficient.¹

Participants. The typical FIP participant family in Iowa is headed by a single, 20 to 29-year-old Caucasian female with the equivalent of a high school education with two children under the age of 6.² An average of 6,771 families per month were served in fiscal

¹ Iowa Department of Human Services, Policy Employees' Manual - Title 4 - Family Investment Program, Chapter C: Nonfinancial Eligibility, p. 57-61, available at dhs.iowa.gov/sites/default/files/4-C.pdf?062120211355.

² Legislative Services Agency, Budget Unit Brief - FY 2022 - Family Investment Program/PROMISE JOBS, p. 1, available at legis.iowa.gov/docs/publications/FT/1209874.pdf.



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year 2020-2021.³ Approximately 65 percent were single-parent families, 5 percent had both parents in the home, and 30 percent consisted of children living with a nonparent relative.⁴ FIP provides monthly cash payments based on family size and income. The average payment is about \$323 per month (\$3,876 annually) per household.⁵ The average period of FIP assistance is currently 23 months for single-parent families, 10 months for two-parent families, and 33 months for families of children living with caretaker relatives. As of June 2021, over 87 percent of individuals receiving FIP assistance also received Supplemental Nutrition Assistance Program (SNAP) benefits and 98 percent received Medicaid.⁶

B. History

Iowa enacted FIP in 1993 to replace the Aid to Families with Dependent Children (AFDC) Program as part of the state's welfare reform initiative. Since Iowa's welfare reform initiative preceded welfare reform measures on the federal level, Iowa's program initially operated under a federal waiver. In 1996, the federal government enacted the federal Personal Responsibility and Work Opportunity Reconciliation Act, replacing the entire AFDC Program, which operated as an entitlement, with the Temporary Assistance for Needy Families (TANF) Program, a federal block grant.

C. Funding

The FIP program is funded by the federal government through the TANF Block Grant and state appropriations. The TANF Block Grant allows the states a significant amount of flexibility in the use of the federal grant moneys, subject to maintenance of effort requirements (i.e. a minimum amount of money a state needs to contribute to federally-approved uses before a state receives its full share of TANF funds). In state fiscal year 2020-2021, Iowa received \$131.5 million in TANF funds. Of those funds, the state allocated \$532,859 to two tribal TANF programs and \$434,032 to support federal research and technical assistance. The remaining \$130,558,068 was combined with \$422,315 remaining from the previous fiscal year's TANF award in order to fund FIP benefits as well as several other benefit programs. From the \$130,980,383, the state allocated \$3,709,006 to FIP Cash Assistance, \$1,293,000 to Family Self-Sufficiency Grants, \$5,412,060 to the PROMISE JOBS Program, \$1,037,186 to the Family Development and Self-Sufficiency Program (FaDSS), and \$1,037,186 to fund the technology necessary to run FIP programs. In total, \$14,340,232 of federal TANF funds were allocated to FIP-related programs in state fiscal year 2020-2021. In addition to the \$14.3 million of federal funding, the state appropriated an additional \$30 million in state general funds for a total of \$44.3 million in appropriations for FIP-related benefits. Funding for FIP cash assistance also includes the state share of child support collections from support assigned to the state due to the receipt of FIP and collections of FIP overpayments. For state fiscal year 2020-2021, DHS projected child support collections of \$5 million and overpayment recoveries of \$200,000.⁷

³ Iowa Department of Human Services, Supplemental Nutrition Assistance Program (SNAP) and Family Investment Program (FIP), available at dhs.iowa.gov/dashboard_SNAPFIP (last visited August 9, 2021).

⁴ Letter from Carrie Malone, Legislative Liaison, Iowa Department of Human Services (August 5, 2021) (on file with author).

⁵ Iowa Department of Human Services, Supplemental Nutrition Assistance Program (SNAP) and Family Investment Program (FIP), available at dhs.iowa.gov/dashboard_SNAPFIP (last visited August 9, 2021).

⁶ Letter from Carrie Malone, Legislative Liaison, Iowa Department of Human Services (August 5, 2021) (on file with author).

⁷ Id.

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Other TANF appropriations in addition to FIP cash assistance include categorical eligibility for SNAP, the Healthy Marriage Program, child abuse prevention, pregnancy prevention, child care assistance, child and family services, field operations, and general administration. The TANF Block Grant appropriations in state fiscal year 2020-2021 for purposes other than FIP cash assistance totaled \$116.6 million.⁸

D. General Requirements

As a condition of receiving cash assistance, FIP requires a participating family to enter into an FIA. The FIA generally provides for family members' participation in one or more work, training, and education components which collectively are known as the Promoting Independence and Self-sufficiency through Employment, Job Opportunities and Basic Skills Program or PROMISE JOBS.⁹

E. Related Programs

With some exceptions, FIP participants also receive assistance from the Food Assistance Program and family health care coverage through the Medicaid Program (also known as "Title XIX" due to the program's legal basis in that title of the federal Social Security Act, and as "Medical Assistance" as it is referred to at the state level in Iowa Code chapter 249A). In addition, HHS has an extensive program to establish child support obligations and to collect these obligations on behalf of FIP participants and others.¹⁰

F. Legal Basis

FIP, codified in Iowa Code chapter 239B, was enacted in 1997 to replace Iowa Code chapters 239 (AFDC) and 249C (Job Opportunities and Basic Skills or JOBS). HHS's rules for the program can be found in the Iowa Administrative Code under agency number 441, chapters 7, 40-47, and 93. Federal law is codified in 42 U.S.C. chapter 7, subchapter IV - Grants to States for Aid and Services to Needy Family with Children and for Child Welfare Services, and in federal regulation 45 C.F.R. chapter II, pts. 260-287. The federal law initially authorized the block grant and funding for a period of five years. After years of debate, and more than 10 temporary extensions, TANF was extended in 2006 for five more years until September 30, 2010, in 2011 until September 30, 2011, and in 2012 for an additional three months.¹¹ Since then, TANF has continued with temporary extensions, the most recent one extending TANF funding through September 30, 2022.¹²

G. Family Units

In order to participate in FIP, a family unit must include a child less than 18 years of age who is residing with at least one parent or other specified relative who is listed in law and in rule.¹³ The income eligibility requirements and the amount of cash assistance paid to a family participating in the program are based upon the number of people determined

⁸ Id.

⁹ Iowa Admin. Code 441-41.24.

¹⁰ Iowa Code §239B.2(6); Iowa Code §239B.6; see generally Iowa Code chapters 252A - 252K.

¹¹ U.S. House of Representatives Committee on Ways and Means Green Book, Temporary Assistance for Needy Families Introduction and Overview, *available at* [greenbook-waysandmeans.house.gov/2011-green-book/chapter-7-temporary-assistance-for-needy-families/tanf-introduction-and-overview](https://www.gpo.gov/assets/2011/02/2011-green-book/chapter-7-temporary-assistance-for-needy-families/tanf-introduction-and-overview) (last visited August 9, 2021).

¹² Congressional Research Service, The Temporary Assistance for Needy Families (TANF) Block Grant: Responses to Frequently Asked Questions, *available at* fas.org/sfp/crs/misc/RL32760.pdf (last updated March 31, 2022).

¹³ Iowa Admin. Code 441-41.28(1).



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to be in the family unit. As basic eligibility is linked to the presence of children, to be considered a part of the family unit, an adult must have a relationship link with a child as a relative, by marriage, or by legal status. The statute and rules list those who may qualify as having a relationship to the child, including the parent or other “specified relative” such as a grandparent, aunt, stepparent, etc. Special provisions exist for children who themselves are parents and who may have good cause for not living with their own parent or guardian.¹⁴

H. Basic Eligibility

Eligibility requirements for FIP include a large number of factors to address specific circumstances of applicants for the program.¹⁵ Due to the complexity of the requirements, the following list of basic factors provides only a general guide to the requirements for determining eligibility and should not be relied upon to predict whether HHS would determine if a particular family unit is eligible for benefits:

- **Application.** The program requires an applicant to submit an application to HHS through its online client portal available at ccmis.dhs.state.ia.us/clientportal or by going to a local HHS office. An assessment to help determine what benefits a household may receive is available ccmis.dhs.state.ia.us/clientportal/Prequalification.aspx. HHS utilizes a combined application form so that one application can be used to apply for all of the major public assistance programs for families, including FIP, child care assistance, Medicaid, and food assistance. The initial application process requires a telephone or face-to-face interview with an HHS income maintenance worker or other representative.¹⁶ Continuing eligibility requires a review of eligibility at least every six months.¹⁷ Decisions concerning eligibility are issued in writing and may be appealed.¹⁸
- **Income Level.** The initial income eligibility determination for applicants is subject to a three-part test as illustrated in Appendix A. The income eligibility determination for the continuing eligibility of participants is subject to a two-part test,¹⁹ also illustrated in Appendix A. If income exceeds a certain level, an application is rejected or eligibility is ended. Participants are required to report whenever income starts or stops, and certain types of income are automatically reported to HHS through the state Income and Eligibility Verification System known as “IEVS.”²⁰
- **Resources.** Program eligibility allows for ownership of various resources such as a homestead, household goods, personal effects, life insurance which has no cash surrender value, one motor vehicle of any value, and a motor vehicle with a value of up to \$5,993 for each adult and working teenage child. In addition, the applicant family may have up to \$2,000 in other personal property, which may include the amount of motor vehicle value in excess of \$5,993 for each adult and working

¹⁴ Iowa Admin. Code 441-41.22; Iowa Admin. Code 441-41.28(2)(b).

¹⁵ Iowa Code §239B.2; Iowa Admin. Code 441-41.

¹⁶ Iowa Admin. Code 441-40.24(2).

¹⁷ Iowa Admin. Code 441-40.27(1).

¹⁸ Iowa Department of Human Services, Employees' Manual - Title 4 - Family Investment Program, Chapter A: Administration, p. 12, available at dhs.iowa.gov/sites/default/files/4-A.pdf?061720212124.

¹⁹ Iowa Admin. Code 441-41.27(9).

²⁰ 7 C.F.R. §272.8; Iowa Admin. Code 441-40.27(4).



teenage child. The amount of property associated with a homestead can affect eligibility. In determining the continuing eligibility of a participating family, the limit on additional personal property increases to \$5,000.²¹

- **Tools.** The resource requirements also allow for ownership of up to \$10,000 in tools of the trade or capital assets for self-employment.²²
- **Employment.** The presence of an employed or unemployed parent in a family unit does not by itself make the family eligible or ineligible. The amount of family income and parent involvement in a FIA and employment and training activities are critical factors in determining initial or continuing eligibility.²³
- **Family Investment Agreement.** With few exceptions, as a condition of eligibility, adult FIP applicants must enter into and sign an FIA, as described in section J of this portion of this Guide, and are referred to the PROMISE JOBS Program. Recipients of FIP benefits are subject to the terms of the FIA for as long as they receive benefits.²⁴
- **Information.** Applicants and participants must agree to provide information as requested by HHS.²⁵
- **Child Support.** The parent or specified relative is subject to a list of requirements, such as cooperation with paternity establishment and other child support requirements. There are “good cause” exceptions to these requirements; for example, if cooperation would cause physical or emotional harm to a child or other family member, the requirement would not apply.²⁶
- **Residency.** The parent or specified relative must be a resident of the State of Iowa.²⁷
- **Citizenship.** The parent or specified relative must either be a U.S. citizen or have a noncitizen status recognized under federal law. Under federal law, in order to be eligible for a federal public benefit, a qualified alien as defined in 8 U.S.C. §1641 must reside in the United States for at least five years before becoming eligible. However, the five-year residency requirement does not apply to the following qualified aliens:²⁸
 - Aliens described in 8 U.S.C. §1612 (alien admitted as an Amerasian).
 - Aliens as defined in 8 U.S.C. §1641 (Cuban and Haitian entrants to the U.S.).
 - Aliens who were battered or subjected to extreme cruelty and who meet requirements for noncitizen status under federal law.
 - Alien veterans with honorable discharges not due to alienage and their spouses and unmarried dependents.

²¹ Iowa Admin. Code 441-41.26; Iowa Department of Human Services, Employees' Manual - Title 4 - Family Investment Program, Chapter D: Resources, p. 1, available at dhs.iowa.gov/sites/default/files/4-D.pdf?092820211427.

²² Iowa Admin. Code 441-41.26(1)(n).

²³ Iowa Code §239B.2(3).

²⁴ Iowa Admin. Code 441-41.24.

²⁵ Iowa Code §239B.2(5).

²⁶ Iowa Code §239B.2(6).

²⁷ Iowa Code §239B.2(8); Iowa Admin. Code 441-41.23.

²⁸ Iowa Admin. Code 441-41.23(5).



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- Aliens on active duty (not for training) in the U.S. Armed Forces and their spouses and unmarried dependents.
- Aliens admitted as a refugee or asylee under section 207 or 208 of the Immigration and Nationality Act.
- Aliens who were certified as victims of human trafficking.
- Certain Iraqi or Afghan immigrants treated as refugees.
- **School Attendance.** Requirements in Iowa law applying sanctions to participant families for a child's failure to attend school, often called "Learnfare," were repealed in 2004.²⁹ However, a child who does not attend school is required to enter into a FIA and be referred to the PROMISE JOBS Program.³⁰ If a child is attending school, participants are required to report any change in the child's school attendance.³¹

I. Other Eligibility Considerations

In addition to the basic eligibility provisions above, consideration is given to certain individual circumstances of a family for initial and continuing eligibility. Examples of the circumstances considered include:

- **Time Limit.** Under federal law, a participant is subject to a general lifetime limit of 60 calendar months for the receipt of assistance funded by the TANF Program. Federal law allows the state to exempt up to 20 percent of the caseload from this requirement for hardship reasons.³² The time limit begins when an adult person begins receiving FIP cash assistance.³³
- **Work Requirements.** Federal law also requires that a minimum percentage of each state's participant caseload participate in work activities or the state is subject to a financial penalty. These required state work participation rates are 50 percent overall and 90 percent for two-parent families.³⁴ However, a state can reduce the percentage rate target by using a caseload reduction credit. For every percentage point a state reduces its caseload below its FY 2004-2005 level (without restricting eligibility), the credit reduces the state's target participation rate by one percentage point.³⁵ To count toward a state's work participation rate, single parents must participate in work activities for an average of 30 hours per week, or an average of 20 hours per week if they have a child under six years of age.³⁶ Two-parent families must participate in work activities for an average of 35 hours per week or, if they receive federal child care assistance, 55 hours per week.³⁷
- **Stepparents.** The rules include various special provisions for stepparents and other nonparental relatives. For example, the resources of a stepparent living in

²⁹ Iowa Code §239B.2A (repealed by 2004 Acts, ch. 1043, §11).

³⁰ Iowa Admin. Code 441-41.24(1), (2); Iowa Department of Human Services, Employees' Manual -Title 4 - Family Investment Program, Chapter C: Nonfinancial Eligibility, p. 143, available at dhs.iowa.gov/sites/default/files/4-C.pdf?092820211435.

³¹ Iowa Admin. Code 441-40.27(4)(e)(4).

³² 45 C.F.R. §264.1; Iowa Admin. Code 441-41.30(3).

³³ Iowa Admin. Code 441-41.30(2).

³⁴ 42 U.S.C. §607(a) (2018).

³⁵ 42 U.S.C. §607(b)(3) (2018).

³⁶ 42 U.S.C. §607(c)(1)(A) (2018), (2)(B) (2018).

³⁷ 42 U.S.C. §607(c)(1)(B).



the home are not considered unless the stepparent is included in the family unit for purposes of eligibility and in determining the amount of assistance.³⁸

- **Controlled Substance Felony Offense.** Iowa has opted out of a provision in the federal law that would require a reduction in the cash assistance paid to a family unit that includes an individual who has been convicted of a felony offense that has, as an element of the offense, the possession, use, or distribution of a controlled substance. However, Iowa law provides that unless exempt for good cause specified in rule, such an individual must participate in drug rehabilitation activities or fulfill other requirements to verify that the individual does not illegally possess, use, or distribute a controlled substance.³⁹

J. Family Investment Agreement (FIA)

An applicant family is required to commit to the family's FIA as part of the application process.⁴⁰ The FIA is an individualized agreement between the FIP participant and the state of Iowa that outlines the family's needs, the services to be provided by the PROMISE JOBS Program, the actions the family will take, and the time frames to be met by the family so that the family can become economically self-sufficient.⁴¹ A limited benefit plan is the consequence for a participant's failure to carry out the steps of a FIA.⁴² See the Limited Benefit Plan subsection in subsection M of this portion of this Guide for more information.

Only the following circumstances exempt individual FIP participants from entering into an FIA:⁴³

- The individual is less than 16 years of age and is not a parent.
- The individual is 16, 17, or 18 years of age, is not a parent, and is attending elementary or secondary school or the equivalent level of a vocational or technical education program on a full-time basis.
- The individual is not a U.S. citizen and is not a qualified alien.

In addition, a leave from engagement in work or training options must be offered to a participant upon the birth of a child or placement with the participant parent of an adoptive or foster care child. The leave duration matches that available under the federal Family and Medical Leave Act of 1993, which entitles a person to up to 12 work weeks of leave from employment during any 12-month period for similar family events.⁴⁴

Through individual assessment, PROMISE JOBS and the participant choose appropriate work or training options. The FIA options include the following:⁴⁵

- Jobs readiness activities, including job club, individual job search, workplace essentials training, mental health treatment, substance abuse treatment, or other rehabilitative activities.
- Work activities, including part-time or full-time employment, self-employment, on-the-job training, work experience, or unpaid community service.

³⁸ Iowa Admin. Code 441-41.22(3); Iowa Admin. Code 441-41.28(1).

³⁹ Iowa Code §239B.5(3)(b).

⁴⁰ Iowa Code §239B.2(3)(a).

⁴¹ Iowa Code §239B.8; Iowa Admin. Code 441-41.24.

⁴² Iowa Code §239B.9.

⁴³ Iowa Code §239B.8(1).

⁴⁴ Iowa Code §239B.8(2).

⁴⁵ Iowa Code §239B.8(2); Iowa Admin. Code 441-93.4(4).



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- Educational activities, including high school completion, general education development (GED) certification, adult basic education (ABE), English as a second language (ESL) training, vocational training, or postsecondary training up to and including a baccalaureate degree.
- Developing skills that would strengthen an individual's ability to be a better parent.
- Participation in the Family Development and Self-Sufficiency Program (FaDSS) or other family development program.
- Referral for family planning counseling services. However, the PROMISE JOBS Program will not impose a Limited Benefit Plan for failure to choose or carry out a family planning counseling services component.⁴⁶
- Participation in a safety plan to address or prevent family or domestic violence. This option may include a temporary waiver period from required participation in employment-related activities.⁴⁷
- Activities to address barriers to participation which may be specified in an incremental FIA. The following are identified in rule as barriers: need for adult or child care in an area where that care is not available, lack of transportation, substance addiction, sexual or domestic abuse history, overwhelming family stress, or physical or cognitive disability or mental illness.⁴⁸

Some of the additional financial support provisions available to help participants in carrying out their FIA activities include:⁴⁹

- The CCA Program when needed to participate in a PROMISE JOBS activity.
- A reimbursement for transportation expenses when needed to participate in a PROMISE JOBS activity other than employment. For those employed, a deduction to cover transportation costs is given from the income earned to calculate the family's FIP grant.
- Some training and education expenses including tuition for high school completion, ABE, ESL, GED, and short-term training, and required clothing and equipment.
- Short-term assistance through the Family Self-Sufficiency Grant (FSSG) Program to remove a barrier related to obtaining or retaining employment.

K. PROMISE JOBS Program

Throughout the history of the AFDC Program, various initiatives were implemented at the federal and state levels to add work, training, and education components to the program. This component in Iowa is known as the PROMISE JOBS or JOBS Program, and the statutory provisions are found in Iowa Code chapter 239B along with the other FIP provisions. HHS currently contracts with the Department of Workforce Development to provide the PROMISE JOBS Program services, and the HHS Bureau of Refugee Services provides the program to refugees until the refugee obtains U.S. citizenship or English proficiency.⁵⁰

⁴⁶ Iowa Admin. Code 441-93.9(3).

⁴⁷ Iowa Code §239B.8(2)(i).

⁴⁸ Iowa Code §239B.8(2)(j); Iowa Admin. Code 441-93.14.

⁴⁹ Iowa Department of Human Services, Employees' Manual - Title 4 - Family Investment Program, Chapter A: Administration, pp. 15-17, available at dhs.iowa.gov/sites/default/files/4-A.pdf?092820211511.

⁵⁰ Iowa Admin. Code 441-47.21; Iowa Admin. Code 441-93.2(2); See generally Iowa Admin. Code 441-61.

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PROMISE JOBS Program staff work with participants in FIP to develop and monitor the participant family's FIA. The PROMISE JOBS Program requirements vary in accordance with the FIA entered into by a particular family. Generally, the program includes the following activities:⁵¹

- Placing applicants and participants in employment and training.
- Institutional and work experience training for applicants and participants for whom the training is likely to lead to regular employment.
- Special work projects for applicants and participants for whom a job in the regular economy cannot be found.
- Incentives, opportunities, services, financial education, and other benefits to aid applicants and participants.
- Providing services and payments for persons whose FIP eligibility has ended, in order to help stabilize or improve their employment status.

In addition to the FIA options and the activities described above, the PROMISE JOBS Program may include orientation and assessment, job-seeking skills training, and parenting skills training.⁵² A participant's transportation and child care needs are addressed as part of the PROMISE JOBS Program and included in the FIA.⁵³

L. Family Development and Self-Sufficiency (FaDSS) Program

Overview. The FaDSS Program is available statewide and provides intensive employment. Participation in the program is voluntary. Families eligible for the FaDSS Program are referred to the program by Department of Workforce Development PROMISE JOBS workers, local HHS workers, family self-referral, or other sources. The Department of Human Rights, Division of Community Action Agencies, administers the program. Local grantees provide direct services using trained workers.⁵⁴

Program Service Components. The FaDSS Program may include assistance regarding job-seeking skills, family budgeting, nutrition, self-esteem, health and hygiene, child rearing, child care education preparation, and goal setting. In addition, grants awarded by the Family Development and Self-Sufficiency Council may address other family needs, such as child care assistance, transportation, substance abuse treatment, support group counseling, food, clothing, and housing.⁵⁵

M. Limited Benefit Plan

If an individual participant does not fulfill reporting requirements or other terms of the FIA, the individual, and usually the individual's family, enters into a Limited Benefit Plan (LBP).⁵⁶ An initial LBP excludes eligibility for cash assistance for an indeterminate period with cash assistance only to be reinstated if a participant complies with FIA requirements.⁵⁷ If a person is subject to a subsequent LBP, the LBP is effective for six

⁵¹ Iowa Code §239B.17.

⁵² Iowa Admin. Code 441-93.4(4).

⁵³ Iowa Code §239B.24; Iowa Admin. Code 441-93.4(3).

⁵⁴ Iowa Admin. Code 441-9.10(4)(e); Iowa Admin. Code 421-24; Iowa Department of Human Services, Policy Income Maintenance Manual - Title 4 - Family Investment Program, Chapter J: PROMISE JOBS, p. 2, available at dhs.iowa.gov/sites/default/files/4-J.pdf?092820211500.

⁵⁵ Iowa Code §216A.107(3)(c); Iowa Admin. Code 421-24.6(3).

⁵⁶ Iowa Code §239B.9.

⁵⁷ Iowa Admin. Code 441-41.24(8).



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months, and is followed by an indeterminate period of ineligibility that will only end if the participant completes significant actions in the PROMISE JOBS Program.⁵⁸ Except for cases involving noncompliance by a needy relative acting as a payee, a stepparent, or a child who is a mandatory JOBS Program participant, an LBP applies to the entire family unit.⁵⁹

N. Crimes — Program Violations

State law provides that it is a fraudulent practice to obtain or attempt to obtain FIP benefits or assistance by use of a willfully false statement or representation, by knowingly failing to disclose a material fact, by impersonation, or by any fraudulent device. It is also a fraudulent practice to aid or abet another person in obtaining or attempting to obtain FIP benefits or assistance by any such means and to access benefits for use in certain electronic benefit transactions.⁶⁰ Fraudulent practice crimes are classified by degrees according to the value of property or service involved. Thus the penalty for conviction for a fraudulent practice ranges from a simple misdemeanor for a fifth degree offense involving a value of less than \$300 to a class “C” felony for a first degree offense involving a value in excess of \$10,000.⁶¹

Under federal law, if an individual’s benefits under a federal, state, or local law relating to a means-tested welfare or a public assistance program are reduced because of an act of fraud by the individual under the law or program, the individual may not, for the duration of the reduction, receive an increased benefit under the Food Assistance Program, a public housing program, or any other means-tested welfare or public assistance program for which federal funds are appropriated as a result of a decrease in the income of the individual attributable to such reduction.⁶²

If a person is convicted of making a fraudulent statement or misrepresentation of the person’s residence in order to receive benefits under FIP, the Food Assistance Program, SNAP, or federal Supplemental Security Income (SSI) assistance simultaneously in two or more states, the person is ineligible to receive assistance for 10 years.⁶³

O. Special Needs Payments

Guardians/Conservators. Provision is made for payments for guardianship or conservatorship fees up to \$10 per case per month.⁶⁴

School Expenses. Payment is allowed for expenses associated with a child’s attendance at a public or accredited nonpublic school, including those incurred in a certified preschool and home schooling that is monitored and approved by the school system. Expenses include education costs, specific charges made by a school, and expenses required of all students in a course of instruction. Examples include mandatory fees for home economics or physical education. Payment is not provided for items for which the school could waive the fee or has waived the fee.⁶⁵

⁵⁸ Iowa Admin. Code 441-41.24(8)(a), (e).

⁵⁹ Iowa Code §239B.9(2).

⁶⁰ Iowa Code §239B.14.

⁶¹ Iowa Code §§714.9-714.13.

⁶² 42 U.S.C. §608a (2018).

⁶³ Iowa Admin. Code 441-46.29.

⁶⁴ Iowa Admin. Code 441-41.28(3)(b).

⁶⁵ Iowa Admin. Code 441-41.28(3)(a); Iowa Department of Human Services, Policy Income Maintenance Manual - Title 4 - Family Investment Program, Chapter F: Budgeting, pp. 22-23, available at dhs.iowa.gov/sites/default/files/4-F.pdf?092820211426.

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Waiver of School Fees. A public school is required to waive fees for FIP participants and other indigent children attending within that public school's area. The family must complete an application and reapply each year. The waiver applies to any item supplied by the school for which the school would otherwise charge a fee, such as textbooks, school supplies, transportation, and summer school tuition.⁶⁶

P. FIP Eligibility and Cash Assistance Benefit Example

Calculating eligibility and the cash assistance benefit amount is a complex process. Both eligibility for FIP and the amount of cash assistance are determined by applying several schedules. The Schedule of Basic Needs or Payment Standard was last increased in fiscal year 1990-1991.⁶⁷

See Appendix A for a sample calculation. This sample calculation is for a single parent working 36 hours per week with a one-year-old child and a child in the third grade. See Appendix A for a detailed look at how the eligibility and cash assistance amounts are determined. If the family wage earner in the example was employed 40 hours per week at the minimum wage of \$7.25 per hour, the family income would be too high for the family to be eligible for FIP. In the Appendix A example, the single parent works 36 hours per week at \$7.25 per hour and meets all resource requirements but does not have any other income such as child support. In this example, the monthly FIP cash assistance benefit is \$75.

III. Supplemental Nutrition Assistance Program (SNAP)

A. Overview

Purpose. Iowa's SNAP services, formerly known as the Food Assistance Program and formerly known at the federal level as the Food Stamp Program, is intended to promote the general welfare of low-income households by raising the households' levels of nutrition to avoid hunger and malnutrition. The program also is intended to benefit the retail and agricultural economies. Originally, under the national program, participants utilized paper coupons to purchase food items, but beginning in 1988, more jurisdictions opted instead to use electronic cards through electronic benefit transfer (EBT). EBT uses a card that operates similar to a debit card, except that the card can only be used to purchase food items. An EBT card offers increased security and portability, and made usage across jurisdictions much easier than paper coupons. Since 2004, all 50 states, the District of Columbia, the Virgin Islands, and Guam use EBT cards.⁶⁸

In 2008, the Farm Bill altered federal SNAP qualification requirements by increasing the minimum benefits and several deductions for benefit computation, thereby increasing the range of persons eligible for benefits and the amount of benefits they could receive. The bill also created an educational component of SNAP to inform participants of activities and options that may lead to healthier living.⁶⁹

The most recent substantial change to SNAP was passed in the Farm Bill of 2014. The bill increased the types of retailers able to accept SNAP benefits, created new ways

⁶⁶ Iowa Department of Human Services, Policy Income Maintenance Manual - Title 4 - Family Investment Program, Chapter F: Budgeting, pp. 25-26, available at dhs.iowa.gov/sites/default/files/4-F.pdf?092820211426.

⁶⁷ Iowa Administrative Bulletin Volume XIV, pp. 37-39.

⁶⁸ U.S. Department of Agriculture Food and Nutrition Service, A Short History of SNAP, available at www.fns.usda.gov/snap/short-history-snap#2002 (last visited September 28, 2021).

⁶⁹ Id.



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to promote SNAP participants' move into employment and self-sufficiency, enacted new quality control measures, and implemented several measures to combat benefit misuse and fraud.⁷⁰

Participants. In fiscal year 2021-2022, 286,757 Iowa residents received food assistance each month, a 4.12 percent decrease from July 2020.⁷¹ Of Iowa households receiving food assistance benefits, an average of 12,520, or 8 percent, received food assistance but no other state benefits, and 134,915, or 92 percent, received food assistance and benefits from FIP or the Medicaid Program, or both.⁷²

Funding Sources. Food assistance benefits are 100 percent federally funded. About \$461.6 million in federal food and nutrition funds were received in Iowa in fiscal year 2020-2021. The federal and state governments share payment of the administrative costs, with each paying 50 percent of these costs.⁷³

B. Legal Basis

Iowa law for implementing the federal SNAP provisions involving HHS is codified at Iowa Code sections 234.12, 234.12A, and 234.13. The HHS rules for the programs are published in the Iowa Administrative Code under agency number 441, chapters 65 and 66. At the federal level, the program is administered by the United States Department of Agriculture. Federal law is codified at 7 U.S.C. chapter 51, §§2011-2036d. Federal rules are published in Title 7, Chapter II, of the Code of Federal Regulations, pts. 271 through 285.

C. Eligibility

Eligibility for SNAP is based upon various residency, income, and resource tests. Persons who are eligible for certain other public welfare programs such as FIP, ongoing county general assistance, and federal SSI are generally deemed to be “categorically eligible” for food assistance. However, a participant must still meet program eligibility requirements and HHS must adjust the food assistance benefit amount based upon the participating family or household’s income and other individual circumstances.⁷⁴ The maximum monthly benefit for an eligible household of three is \$740.⁷⁵

The basic eligibility unit for food assistance is a household which includes spouses, parents, and children, or related or unrelated persons, who customarily buy, fix, and eat their food together. Ineligible persons include certain aliens, certain students, persons who do not comply with program requirements, and incarcerated persons.⁷⁶

⁷⁰ Id.

⁷¹ Iowa Department of Human Services, Supplemental Nutrition Assistance Program (SNAP) and Family Investment Program (FIP), available at dhs.iowa.gov/dashboard_SNAPFIP; Iowa Department of Public Health, The Supplemental Nutrition Assistance Program (SNAP), available at idph.iowa.gov/inn/snap.

⁷² Letter from Carrie Malone, Legislative Liaison, Iowa Department of Human Services (August 5, 2021) (on file with author).

⁷³ Iowa Department of Human Services, Fiscal Summary, available at dhs.iowa.gov/dashboard_fiscal (last visited September 28, 2021); U.S. Department of Agriculture, Exploring the Causes of State Variation in SNAP Administrative Costs, available at www.fns.usda.gov/snap/exploring-causes-state-variation-snap-administrative-costs (last visited September 28, 2021).

⁷⁴ Iowa Department of Human Services, Policy Income Maintenance Manual - Title 4 - Family Investment Program, Chapter F: Budgeting, pp. 4-17, available at dhs.iowa.gov/sites/default/files/4-F.pdf?092820211426.

⁷⁵ 7 C.F.R. §273.10(e)(2) and 273.10(e)(4); Iowa Department of Human Services, Employees' Manual - Title 7 - SNAP, Chapter F: Budgeting, p. 13, available at dhs.iowa.gov/sites/default/files/7-F.pdf?092820211554.

⁷⁶ 7 C.F.R. §273.1(b).



D. Application

The program requires an applicant to submit a completed application either to any HHS local office or online through the HHS client portal. If applying through a local HHS office, the application may be submitted in person, by mail, by fax, or by electronic means. If the applicant is also applying for FIP, a combined public assistance form and interview may be used.⁷⁷

An HHS worker must verify the information submitted on the application. The verification covers a broad spectrum of information including the identity of the applicant, income, and certain deductible expenses, and may include reviewing documents, interviewing collateral contacts, conducting home visits, and using the state Income and Eligibility Verification System, which contains income and resource information from multiple government agency databases.⁷⁸

An approved household will typically receive benefits within 30 days of the date of the application,⁷⁹ but a person may be eligible for expedited benefits processing if the person's household has less than \$150 in monthly gross income and the household has \$100 or less in liquid assets; a member of the person's household is a migrant or seasonal farmworker and the household has less than \$100 in liquid assets; or the person's rent, mortgage, and utilities are more than the person's combined monthly income and liquid resources. If approved for emergency service, the household will receive its first food assistance benefits within seven days of the application date.⁸⁰ Decisions concerning eligibility are issued in writing and may be appealed.⁸¹ Households in which all adult members are elderly or disabled and have no earned income have a certification period of 12 months. Most other households are assigned a certification period of six months, though HHS may certify a household for a shorter period not less than three months if the household's income appears unstable or the household includes an able-bodied adult without dependents.⁸²

Reporting Requirements. At recertification, participants are required to report changes in circumstances that could change eligibility for the program. Such events include when a household's total gross income goes over the income limit for the household's size, when an able-bodied adult without dependents stops working an average of 80 hours per month, and lottery winnings of \$3,500 or more. These events must be reported by the 10th day of the month following the date of the event.⁸³

E. Use of the Electronic Benefit Transfer (EBT) System

The coupon or "stamp" system used for many years to distribute benefits has been replaced with an EBT system.⁸⁴ Benefits are credited once per month on the same day, based upon the first letter of the last name of the person for whom the food assistance case was opened.⁸⁵ An Iowa EBT card can be used in other states that accept the card and

⁷⁷ Iowa Department of Human Services, How to Apply, available at dhs.iowa.gov/how-to-apply.

⁷⁸ 7 C.F.R. §273.2(f).

⁷⁹ 7 C.F.R. §273.10(g)(1).

⁸⁰ 7 U.S.C. §2020(e)(9) (2018).

⁸¹ 7 C.F.R. §273.15.

⁸² Iowa Admin. Code 441-65.5(3).

⁸³ 7 C.F.R. §273.12(a).

⁸⁴ 7 C.F.R. pt. 274.

⁸⁵ Iowa Admin. Code 441-65.4; Iowa Department of Human Services, Supplemental Nutrition Assistance Program (SNAP) FAQs, available at dhs.iowa.gov/food-assistance-FAQ (last visited October 4, 2022).



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vice versa.⁸⁶ A household may have up to three cards drawing from the same account.⁸⁷ An Iowa EBT card may be used in any of the following authorized retailers:

- Bakeries, convenience stores, farmers markets, food cooperatives, grocery stores, health food stores, meat markets, and specialty stores.
- Communal dining facilities and congregate meal sites.
- Meals on Wheels programs (for persons age 60 and older or for persons who have a disability).
- Roadside vendors and route sales.
- Any of the following living situations where the eligible household member is residing: group living arrangements, private not-for-profit drug or alcohol treatment programs, public and private not-for-profit homeless programs, and shelters for battered women and children.

The Food and Nutrition Services (FNS) division of the U.S. Department of Agriculture is responsible for authorizing retailers to accept food assistance. A retailer must display a sign indicating the retailer's authorization at the retailer's location.⁸⁸

F. Income Requirements

The program uses both gross and net income calculations as shown in the chart below to determine eligibility and the amount of assistance provided. Households which are categorically eligible are not subject to income requirements for determining eligibility. Categorically eligible households include households where all members qualify for FIP, SSI, or general assistance or households eligible for the Promoting Healthy Marriage Program.⁸⁹ All other households must meet both gross and net income guidelines.⁹⁰ Net income is determined by making various adjustments to gross income for standard deduction purposes, medical expenses, dependent care costs, child support paid by household members, homeless shelter deduction purposes, and excess shelter expenses.⁹¹

⁸⁶ 7 C.F.R. §274.8.

⁸⁷ Iowa Department of Human Services, Policy Income Maintenance Manual - Title 7 - SNAP, Chapter A: Administration, p. 27, available at dhs.iowa.gov/sites/default/files/7-A.pdf?092820211619.

⁸⁸ Iowa Department of Human Services, Policy Income Maintenance Manual - Title 7 - SNAP, Chapter A: Administration, p. 39, available at dhs.iowa.gov/sites/default/files/7-A.pdf?092820211619.

⁸⁹ Iowa Department of Human Services, Employees' Manual - Title 7 - Food Assistance, Chapter C: Nonfinancial Eligibility, p. 11, available at dhs.iowa.gov/sites/default/files/7-C.pdf?092820211701.

⁹⁰ 7 C.F.R. §273.9(a).

⁹¹ Iowa Department of Human Services, Policy Income Maintenance Manual - Title 7 - SNAP, Chapter F: Budgeting, pp. 11-12, available at dhs.iowa.gov/sites/default/files/7-F.pdf?092820211554.

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FOOD ASSISTANCE ELIGIBILITY — MAXIMUM LIMITS — September 23, 2022⁹²

Household Size	Maximum Gross Monthly Income	Maximum Net Monthly Income
1	\$1,473	\$1,113
2	\$1,984	\$1,526
3	\$2,495	\$1,920
4	\$3,007	\$2,313
5	\$3,518	\$2,706
6	\$4,029	\$3,100
7	\$4,541	\$3,493
8	\$5,052	\$3,886
	For each additional person, add \$512	For each additional person, add \$394

G. Resource Limits

Except for those with categorical eligibility, food assistance eligibility is subject to limitations regarding the resources owned by the household. The basic limit is no more than \$2,250. However, for households with eligible members who have a disability or are older than age 60, the limit is \$3,500. These amounts are adjusted for inflation annually as directed by the FNS.⁹³

Countable resources include liquid resources which can easily be converted to cash, such as savings, and nonliquid resources which cannot be easily converted to cash, such as buildings or other real property. The entire value of one motor vehicle is excluded.⁹⁴ At least a portion of the value of other vehicles are also excluded if used as the household's home, for self-employment, or for transporting a household member who has a physical disability.⁹⁵ Other commonly held resources not counted toward the resource limit include a person's homestead, household goods, tax-qualified retirement plans, tools and equipment used for a trade, farmland necessary for farming operations, and the EITC.⁹⁶ Resources of a household member who receives federal SSI, TANF assistance, or aid for permanent and total disability are also not counted toward the resource limit.⁹⁷

H. Work Requirements

Unless exempt, the members of a food assistance household are subject to work requirements.⁹⁸ Those subject to the work requirements are deemed to be "Mandatory Work Registrants" or MWRs. MWRs must work at least 30 hours per week if their employer

⁹² Iowa Department of Human Services, Policy Income Maintenance Manual - Title 7 - SNAP, Chapter F: Budgeting, pp. 10, 12, available at dhs.iowa.gov/sites/default/files/7-F.pdf?092820211554.

⁹³ Iowa Admin. Code 441-65.30(2).

⁹⁴ 7 C.F.R. §273.8(c); Iowa Admin. Code 441-65.30.

⁹⁵ 7 C.F.R. §273.8(f).

⁹⁶ 7 C.F.R. §273.8(e).

⁹⁷ 7 C.F.R. §273.8(e)(17).

⁹⁸ 7 C.F.R. §273.7(a)(1).



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offers at least 30 hours of work per week and may not voluntarily quit a job that provides at least 30 hours of work per week in order to qualify for food assistance.⁹⁹

Able-bodied adults ages 18 to 59, without dependents (also referred to as ABAWDs) are subject to work requirements and must work or participate in a work program at least 60 hours per month. Some exemptions from the work requirement include a person under 18 years of age, a person 50 years of age or older, pregnancy, student status, persons with a disability, a member of a household under the age of 18 who receives food assistance, or a person caring for an incapacitated person or a dependent child under six years of age.¹⁰⁰

I. Benefit Amount

The benefit amount is determined based upon monthly estimates of anticipated income. The anticipated income and deductible expenses for the months of the certification period are applied to determine the benefit amount for the months of the certification period.¹⁰¹ The benefit amount is determined by multiplying a household's net monthly income by 30 percent and subtracting that figure from the maximum benefit amount. See Appendix B for an example calculation of food assistance benefits. The following are maximum benefit amounts:¹⁰²

MAXIMUM FOOD ASSISTANCE BENEFITS

Household Size	Maximum Monthly Allotment
1	\$281
2	\$516
3	\$740
4	\$939
5	\$1,116
6	\$1,339
7	\$1,480
8	\$1,691
For each additional member, add \$211	

J. Crimes — Program Violations

State law provides that it is a fraudulent practice to obtain or attempt to obtain food assistance benefits by the use of a willfully false statement or representation; by knowingly failing to report changes in circumstances affecting entitlement to benefits; by transferring an EBT card or other assistance transfer instrument to another with the intent the benefits

⁹⁹ 7 C.F.R. §273.7(a).

¹⁰⁰ Iowa Department of Human Services, Policy Income Maintenance Manual - Title 7 - Food Assistance, Chapter C: Nonfinancial Eligibility, pp. 24-26, available at dhs.iowa.gov/sites/default/files/7-C.pdf?062120211631; Iowa Department of Human Services, Policy Income Maintenance Manual - Title 7 - Food Assistance, Chapter I: Specific Households and Participants, pp. 29-31, available at dhs.iowa.gov/sites/default/files/7-I.pdf?062120211636.

¹⁰¹ 7 C.F.R. §273.10(c).

¹⁰² Iowa Department of Human Services, Policy Income Maintenance Manual - Title 7 - SNAP, Chapter F: Budgeting, p. 13, available at dhs.iowa.gov/sites/default/files/7-F.pdf?062120211556.

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will be used for someone other than the eligible person's household; by acquisition, use, or attempt to use benefits which were not issued to that household; or by knowingly acquiring, altering, transferring, or redeeming of benefits in violation of state or federal requirements for the program.¹⁰³

The penalty provisions are the same as for FIP. Fraudulent practice crimes are classified by degrees according to the amount involved. Thus the penalty for conviction for a fraudulent practice ranges from a simple misdemeanor fifth degree offense involving a value that does not exceed \$300 to a class "C" felony for a first degree offense involving a value in excess of \$10,000.¹⁰⁴ In addition, if a court or an administrative disqualification hearing results in a finding that a person obtained or attempted to obtain food assistance benefits by fraudulent means, the person is deemed to have committed an intentional program violation and is ineligible for food assistance benefits. The period of ineligibility can be permanent upon a first, second, or third violation depending on the nature and seriousness of the violation. For example, if the violation was trafficking food assistance benefits valued at \$500 or more, the period of ineligibility is permanent for the first violation.¹⁰⁵

K. Disaster Food Assistance

Households adversely affected by a disaster in a presidentially declared disaster area may be eligible for individual food assistance benefits if the state is federally approved to operate a disaster program.¹⁰⁶

L. Food Assistance Benefit Example

The amount of Food Assistance Program benefits is determined based upon the number of family members and countable family income.

Appendix B provides an example of how the benefit is determined for a single-parent family with two children, one a toddler and the other a third-grader. In this example, also used in Appendix A, the single parent works 36 hours per week at \$7.25 per hour and meets all resource requirements but does not have other income such as child support for the two children. The example assumes that apartment rent is \$727 per month and the family pays utility costs. Since the family in the example receives FIP benefits, the family is categorically eligible for food assistance benefits. In this example, the food assistance benefit for the family is \$595 per month.

IV. State Child Care Assistance

A. Overview

Purpose. The state Child Care Assistance (CCA) Program is administered by HHS to assist low-income working families, including FIP participants, with the cost of child care for children 12 years of age and under or 18 years of age and under if the child has a developmental disability.¹⁰⁷ Assistance is provided on a sliding scale basis according to

¹⁰³ Iowa Code §234.13.

¹⁰⁴ Iowa Code §§714.9 - 714.13.

¹⁰⁵ Iowa Admin. Code 441-65.46.

¹⁰⁶ 7 C.F.R. §280.1.

¹⁰⁷ Iowa Code §237A.1.



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family income.¹⁰⁸ The program promotes the provision of high-quality child care by offering to pay greater fees as providers meet greater minimum quality standards.¹⁰⁹

Participants. In FY 2021-2022, 29,969 children 12 years of age and under (and 18 years of age and under for children with special needs) were provided child care assistance through the CCA Program.¹¹⁰

Funding Sources. This program is funded by the federal government through the Child Care and Development Block Grant, commonly referred to as the Child Care and Development Fund (CCDF) and by state appropriations. In addition to the funding from CCDF, many states, including Iowa, exercise the authorization to transfer a portion of the funding appropriated for the TANF Block Grant to CCDF. In federal fiscal year 2020-2021, the following amounts were budgeted for CCA and child care-related activities allowed or required under CCDF:¹¹¹

- Federal CCDF: \$73.6 million
- Federal TANF transferred for child care: \$47.1 million
- Iowa appropriations: \$40.8 million
- Total state and federal spending for federal fiscal year 2020-2021: \$161.6 million

B. Legal Basis

History. The Child Care and Development Block Grant was originally created in the federal Omnibus Budget Reconciliation Act of 1990 (OBRA 1990) as a discretionary funding program. When federal welfare reform legislation was enacted in 1996, replacing the AFDC Program with the TANF Block Grant, related child care entitlement programs were incorporated into the Child Care and Development Block Grant. Consequently, CCDF includes specific funding streams, earmarked funding, and state funding requirements. The earmarked funding may be used for research and evaluation, resource and referral activities, activities that increase parental choice, provision of technical assistance, and activities designed to improve the quality and availability of child care.¹¹²

Federal Law. The federal Child Care and Development Block Grant of 1990, as amended, and the federal Social Security Act §418, as amended, are the primary sources of federal law. Both are codified at 42 U.S.C. §9858 et seq. Federal rules are published at 45 C.F.R. pts. 98 and 99.

State Law. Iowa law for the CCA Program is codified at Iowa Code section 237A.13. Eligibility and reimbursement requirements may be periodically revised in legislation, typically in annual appropriations legislation for HHS. Rules are published in 441 IAC chapter 170. HHS policy is published in the Department of Human Services Manual, Title 13 — Social Services Resources, Chapter G — “Child Care Assistance,” available on the Internet at: dhs.iowa.gov/sites/default/files/13-G.pdf?071420211558.

¹⁰⁸ Iowa Admin. Code 441-170.4(2).

¹⁰⁹ Iowa Admin. Code 441-170.4(7).

¹¹⁰ Iowa Department of Human Services, Child Care - Families and Children Served, available at dhs.iowa.gov/dashboard_childcare (last visited September 6, 2022).

¹¹¹ U.S. Department of Health and Human Services, Early Childhood Training and Technical Assistance Program, Overview of CCDF, History and Purposes of the CCDBG and CCDF, Sept. 2016, available at childcareta.acf.hhs.gov/ccdf-fundamentals/history-and-purposes-ccdbg-and-ccdf (last visited July 14, 2021).

¹¹² Letter from Carrie Malone, Legislative Liaison, Iowa Department of Human Services (August 5, 2021) (on file with author).



C. Basic Eligibility

Family Circumstances. CCA is available to participants on a sliding-scale basis to children who are described by one of the following circumstances:¹¹³

- The child's parent, guardian, or custodian meets income requirements and is participating full-time in approved academic, vocational, or technical training. Assistance provided while the parent participates in postsecondary education leading up to and including a baccalaureate degree program or vocational training is subject to a 24-month lifetime limit.
- The child's parent, guardian, or custodian is employed 28 or more hours per week, or an average of 28 or more hours per week, and the family income meets income requirements. Child care assistance may be provided for child care obtained during the hours of employment of a single parent or the coinciding hours of employment of both parents in a two-parent home, and for actual travel time between the home, child care facility, and place of employment. If a parent works a shift of at least six hours of employment between the hours of 8 p.m. and 6 a.m. and needs to sleep during daytime hours, child care services may also be provided to allow the parent to sleep during daytime hours.
- The child requires protective needs for child care.
- The child's parent, guardian, or custodian meets income requirements and is absent from home due to hospitalization, physical illness, or mental illness, or is present but unable to care for the child or participate in work or training for a limited period as verified by a physician. CCA is limited under this provision to provide assistance for a maximum of 90 consecutive calendar days unless a service area manager or designee approves an extension because of extenuating circumstances as evidenced by a verified statement from a physician.
- The child's parent, guardian, or custodian meets income requirements and is seeking employment. CCA only covers child care during the hours when the parent is actually looking for employment, including travel time, and employment-seeking activities limited to 90 consecutive calendar days, and child care is limited to 30 days in a 12-month period.¹¹⁴
- The child's parent, guardian, or custodian requires child care services due to participation in activities approved under the PROMISE JOBS Program.
- The child's family is part of the FIP and there is a need for child care services due to employment or participation in vocational training or education. If a parent, guardian, or custodian of a family in FIP remains at home instead of receiving training or education, the family may still receive child care assistance if the person who remains at home receives federal SSI.¹¹⁵
- The child's parent, guardian, or custodian meets income requirements, is employed, and is participating 28 hours or more in approved academic or vocational training. Assistance provided while the parent participates in

¹¹³ Iowa Code §237A.13(1); Iowa Admin. Code 441-170.2.

¹¹⁴ Iowa Code §237A.13(1)(b); Iowa Admin. Code 441-170.2(2)(b)(5).

¹¹⁵ Iowa Admin. Code 441-170.2(2)(b)(7).



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postsecondary education leading up to and including a baccalaureate degree program or vocational training is subject to a 24-month lifetime limit.

Income Eligibility. Unless other eligibility requirements are applicable, as described below, in order to meet initial eligibility requirements, the family's nonexempt gross monthly income cannot exceed the following income limits applicable to the family's situation:¹¹⁶

- 145 percent of the federal poverty level applicable to the family size for children needing basic care.
- 200 percent of the federal poverty level applicable to the family size for children with special needs.
- 85 percent of Iowa's median family income if that figure is lower than the other two limits.

For ongoing eligibility, the family's nonexempt gross monthly income cannot exceed the following income limit applicable to the family's situation:¹¹⁷

- 85 percent of Iowa's median family income.
- 225 percent of the federal poverty level applicable to the family size for children with special needs if that figure is lower than 85 percent of Iowa's median family income.

Due to legislation passed during the 2021 session of the Iowa General Assembly, the ongoing eligibility requirements are scheduled to change to allow benefits to continue for families until they are over 250 percent of the applicable federal poverty level (275 percent for families of children with special needs). However, families between 225 percent and 250 percent of the federal poverty level (between 225 percent and 275 percent for families of children with special needs) will be subject to a phase-out that requires them to pay an increasing portion of the child care costs as the family's gross monthly income increases. The following is a description of the phase-out:¹¹⁸

- Families above 225 percent but less than 235 percent of the federal poverty level will be required to pay for 33 percent of the family's child care costs.
- Families at or above 235 percent but less than 245 percent of the federal poverty level will be required to pay for 45 percent of the family's child care costs.
- Families at or above 245 percent but at or less than 250 percent of the federal poverty level will be required to pay for 60 percent of the family's child care costs.
- Families of children with special needs above 225 percent but less than 245 percent of the federal poverty level will be required to pay for 33 percent of the family's child care costs.
- Families of children with special needs at or above 245 percent but less than 265 percent of the federal poverty level will be required to pay for 45 percent of the family's child care costs.

¹¹⁶ Iowa Admin. Code 441-170.2(1)(a)(1).

¹¹⁷ Iowa Admin. Code 441-170.2(1)(a)(2).

¹¹⁸ 2021 Iowa Acts, ch. 178, §1.

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- Families of children with special needs at or above 265 percent but at or less than 275 percent of the federal poverty level will be required to pay for 60 percent of the family's child care costs.

When calculating gross monthly income, a family is allowed to exclude certain income from the calculation. Income exemptions include certain types of unearned income, various forms of public assistance such as food assistance, and adoption subsidy payments.¹¹⁹

Public Assistance Eligibility. CCA is available to persons participating in activities approved under the PROMISE JOBS Program and participants in FIP without regard to income eligibility requirements if there is a need for child care services.¹²⁰ PROMISE JOBS staff administer child care assistance when child care is necessary for participation in PROMISE JOBS activities.¹²¹

Child Protection Eligibility. Child care services for a child with protective needs are provided without regard to income. To receive protective child care services, the family must meet specific requirements, and child care must be identified in the child's social services case file as a necessary service.¹²²

Age of Child. CCA is only available to children up to age 13 unless a child has special needs, in which case CCA is available until age 19.¹²³

Period of Eligibility. Eligibility for CCA is redetermined at least every 12 months. However, HHS redetermines general eligibility for recipients of FIP, persons whose earned income was taken into account in determining the needs of FIP recipients, and persons who have children with protective needs because these families are deemed financially eligible so long as the FIP eligibility or need for protective services continues.¹²⁴

D. Waiting Lists

Overview. CCA is not an entitlement program.¹²⁵ If there is insufficient funding to provide CCA benefits to all who are eligible, HHS is required to apply waiting list requirements. The waiting list is applied in the following descending order of priority:¹²⁶

- Families with an income at or below 100 percent of the federal poverty level whose members, for at least 28 hours per week in the aggregate, are employed or are participating at a satisfactory level in an approved training program or educational program, and parents with a family income at or below 100 percent of the federal poverty level who are under the age of 21 and are participating in an educational program leading to a high school diploma or the equivalent.
- Parents with a family income at or below 100 percent of the federal poverty level who are under the age of 21 and are participating, at a satisfactory level, in an approved training program or in an educational program.

¹¹⁹ For a full list of exclusions, see Iowa Admin. Code 441-170.2(1)(d).

¹²⁰ Iowa Admin. Code 441-170.2(1)(b).

¹²¹ Iowa Admin. Code 441-170.3(3)(a).

¹²² Iowa Admin. Code 441-170.2(1)(b).

¹²³ Iowa Admin. Code 441-170.2(2)(a).

¹²⁴ Iowa Admin. Code 441-170.3(5).

¹²⁵ Iowa Code §237A.13(8).

¹²⁶ Iowa Code §237A.13(7).



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- Families with an income of more than 100 percent but not more than 145 percent of the federal poverty level whose members, for at least 28 hours per week in the aggregate, are employed or are participating at a satisfactory level in an approved training program or educational program.
- Families with an income at or below 200 percent of the federal poverty level whose members are employed at least 28 hours per week with a special needs child as a member of the family.

Waiting List Exceptions. The following are not subject to the waiting list requirements:¹²⁷

- Persons deemed to be eligible for benefits under the CCA Program in accordance with Iowa Code section 239B.24.
- A family that is receiving state CCA at the time a child is born into the family. The newborn child shall be approved for services when the family reports the birth of the child.
- Children who need protective services to prevent or alleviate child abuse or neglect.
- A child in a family that is eligible for the CCA Program and that receives a state adoption subsidy for the child.

E. Sliding Scale

Overview. Child care assistance is available on a sliding scale of family copayments determined based upon the amount of a family's nonexempt gross monthly income (primarily earned income) and the number of family members. See Appendix C for a table showing the family income limitations and amount of copay required per unit of service for a particular subsidy amount.¹²⁸ The provider collects the copay from the family. A unit of service is one-half day, which is defined as up to five hours of service in a 24-hour period.¹²⁹

Temporary Copay Reduction or Exemption. A family's sliding scale copay may be temporarily reduced or exempted for any of the following circumstances:¹³⁰

- Extensive medical bills for which there is no payment through insurance coverage or other assistance.
- Shelter costs that exceed 30 percent of the household income.
- Utility costs, not including the cost of a telephone, that exceed 15 percent of the household income.
- Additional expenses for food resulting from diets prescribed by a physician.

F. Types of Providers

Overview. In general, according to federal law, families are free to select the type of child care provider,¹³¹ subject to various state requirements intended to protect children's

¹²⁷Iowa Code §237A.13(7).

¹²⁸Iowa Admin. Code 441-170.4(2)(a).

¹²⁹Iowa Admin. Code 441-170.1; Department of Human Services, Employees' Manual - Title 13 - Child Care, Chapter G: Child Care Assistance, pp. 83-85, available at dhs.iowa.gov/sites/default/files/13-G.pdf?092820211808.

¹³⁰Iowa Admin. Code 441-170.4(2)(c).

¹³¹Iowa Admin. Code 441-170.4(3).

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health and safety, such as child abuse registry checks.¹³² The following provider types are addressed in HHS rules:¹³³

- Licensed child care center.
- Registered child development home.
- In-home care.
- Nonregistered child care home.

Out-of-state providers are also allowed to participate in the CCA Program if they meet all requirements of at least one of the listed provider types.¹³⁴

Regulation of Providers. In FY 2019-2020, there were 2,518 registered child development home programs, 675 child care home programs, 398 Department of Education preschool programs, and 1,510 HHS licensed centers/preschool programs.¹³⁵ Each person providing child care to children whose families are participating in the CCA Program is subject to criminal and child abuse registry checks, whether or not the provider is registered or licensed.¹³⁶

Child Care Centers. Child care centers are licensed by HHS once they meet various health, safety, and staffing requirements set by HHS.¹³⁷ A child care center is required to have a certain amount of physical space per child, but as long as the facility meets all space requirements, a child care center may be licensed to care for any number of children.¹³⁸ A child care center must have a current Iowa Form 470-0618 on file with HHS to operate.¹³⁹ As of July 31, 2022, there were 1,804 licensed child care centers in Iowa.¹⁴⁰

Child Development Homes. Child development homes registered by HHS fall into three categories: A, B, and C.¹⁴¹ Each category is subject to the same general health and safety and physical space requirements, but each category has progressively higher standards for age, experience, and educational qualifications of the providers with C requiring the highest standards. Additional staff may be required in all categories, depending on the number of children present for a period of time.¹⁴² A child development home must have a current Iowa Form 470-3498 on file with HHS to operate.¹⁴³ As of July 31, 2022, there were 3,296 child development homes in Iowa.¹⁴⁴

A category A provider may care for the following numbers of children at any one time:¹⁴⁵

- Up to three children of any age.

¹³² Iowa Code §237A.5.

¹³³ Iowa Admin. Code 441-170.4(3).

¹³⁴ Iowa Admin. Code 441-170.4(3)(c).

¹³⁵ Iowa Child Care Resource & Referral, State of Iowa - July 2020, available at iowaccrr.org/resources/files/Data/FY20/FY20%20State%20Iowa.pdf (last visited August 9, 2021).

¹³⁶ Iowa Code §237A.5; Iowa Admin. Code 441-109.6(6), 441-110.11(3), 441-120.11(3).

¹³⁷ Iowa Admin. Code 441-109.2.

¹³⁸ Iowa Admin. Code 441-109.2(7)(b), 441-109.11.

¹³⁹ Iowa Admin. Code 441-170.4(3)(a).

¹⁴⁰ Iowa Department of Human Services, Child Care Providers, available at dhs.iowa.gov/dashboard_childcare (last visited September 6, 2022).

¹⁴¹ Iowa Code §237A.3A(3).

¹⁴² Iowa Admin. Code 441-110.13, 441-110.14, 441-110.15.

¹⁴³ Iowa Admin. Code 441-170.4(3)(b).

¹⁴⁴ Iowa Department of Human Services, Child Care Providers, available at dhs.iowa.gov/dashboard_childcare (last visited September 6, 2022).

¹⁴⁵ Iowa Admin. Code 441-110.13.



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- Up to four children if at least one child is above 18 months old.
- Up to six children if at least two children are above 24 months old and at least one other child is above 18 months old.
- Up to eight children when an emergency school closing is in effect.

A category B provider may care for the following numbers of children at any one time:¹⁴⁶

- Up to three children of any age.
- Up to four children if at least one child is above 18 months old.
- Up to six children if at least two children are above 24 months old and at least one other child is above 18 months old.
- Up to 10 children if the provider meets the requirements to care for 6 children and no more than 6 children who do not attend school are present and no more than 4 children who do attend school are present.
- Up to 12 children if the provider meets the requirements to care for 10 children and the provider is providing care for the 2 additional children on a part-time basis.
- Up to 12 children when an emergency school closing is in effect.

A category C provider may care for the following numbers of children at any one time:¹⁴⁷

- Up to three children of any age.
- Up to 12 children if no more than 3 children are 18 months old or younger and no more than 4 children are 24 months old or younger.
- Up to 14 children if the provider meets the requirements to care for 12 children and the 2 additional children attend school and are present for at least two hours at one time.
- Up to 16 children if the provider meets the requirements to care for 14 children and the 2 additional children are being cared for on a part-time basis.

In-home Care. In-home child care refers to care when an adult caretaker, selected by the child's parent, provides care for a child in the child's home.¹⁴⁸ A person must only apply to be an in-home caregiver if that person wants to receive payment from the CCA Program for care provided to children in the CCA Program. An in-home provider must care for a minimum of three CCA Program-eligible children and meet several professional development and health and safety training standards, subject to HHS approval of an Iowa Form 470-2890 application before the in-home provider is allowed to receive payment from the CCA Program.¹⁴⁹

Child Care Homes. Child care homes are restricted to providing care to five or fewer children at any one time or, as of July 1, 2021, to six or fewer children at any one time if at least one of the children is school-aged. Like in-home care providers, child care home

¹⁴⁶Iowa Admin. Code 441-110.14.

¹⁴⁷Iowa Admin. Code 441-110.15.

¹⁴⁸Iowa Admin. Code 441-170.4(3)(e).

¹⁴⁹Iowa Admin. Code 441-170.4(3)(e); Iowa Department of Human Services, Form 470-2890, *available at* dhs.iowa.gov/sites/default/files/470-2890.pdf?060320211906.

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providers must have HHS approve an Iowa Form 470-2890 application before the child care home provider can receive payment from the CCA Program.¹⁵⁰ As of July 31, 2022, there were 308 nonregistered child care homes participating in the CCA Program.¹⁵¹

G. State Child Care Assistance Benefit Example

Overview. Eligibility for the CCA Program is determined based upon the parent having a need for service, financial eligibility (for those not exempt from this requirement), and nonfinancial eligibility (citizenship/alien status, age, State of Iowa residency). Financial eligibility is determined based upon the number of family members and countable family income. Appendix C provides a table used for determining the income eligibility and copayment requirements for the CCA Program.

Example. The CCA Program table in Appendix C can be applied to the example used for the FIP and food assistance benefits in Appendices A and B. The family in the example is a single-parent family with two children, a toddler and a third grader. The single parent works 36 hours per week at \$7.25 per hour and does not have other income such as child support, resulting in a gross income of \$1,044 per month. In this example, it is assumed the toddler and school-age child are receiving child care for 40 hours per week in a registered, category B child development home and that the care is provided at the maximum full-day rates paid by HHS of \$25.96 for the toddler and \$21.64 for the school-age child. This translates to \$238.00 per week or \$1,023.40 per month (four and one-third weeks).

Because the family in the example is participating in FIP, the family is categorically eligible for state child care assistance without regard to income eligibility requirements if there is a need for child care services. However, according to the table, any family of three meeting other eligibility requirements and earning less than \$1,739 per month is eligible for the CCA Program without a copayment. With children the same age as the family in the example, the maximum benefit without copayment for five full days of child care per week is \$392.10 per week or \$1,686.03 per month.

V. Earned Income Tax Credit

A. Earned Income Tax Credit Overview (EITC)

The EITC is an income tax credit for low-to-moderate income individuals and families. It applies to both federal and Iowa income taxes and the taxpayer must file income tax returns to receive the credit. The EITC reduces federal and state income tax liabilities. Both state and federal EITC credits are refundable, which means a tax refund is payable even if the credit amount exceeds the amount of taxes owed. A person automatically qualifies for the Iowa EITC if that person qualifies for the federal EITC and amounts to 15 percent of the amount of the federal EITC, up to a maximum for tax year 2022 of \$1,040 for a family with three or more children, \$925 for a family with two qualifying children, \$560 for a family with one qualifying child, and \$84 for a family with no qualifying children.¹⁵²

¹⁵⁰Iowa Admin. Code 441-120.2.

¹⁵¹Iowa Department of Human Services, Child Care Providers, available at dhs.iowa.gov/dashboard_childcare (last visited September 6, 2022).

¹⁵²Iowa Department of Revenue, Iowa Earned Income Tax Credit, available at tax.iowa.gov/expanded-instructions/iowa-earned-income-tax-credit-2021 (last visited September 28, 2021); Internal Revenue Service, Earned Income Tax Credit: Do I Qualify? available at www.irs.gov/newsroom/earned-income-tax-credit-do-i-qualify (last visited August 9, 2021).



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For tax year 2022, married filing jointly taxpayers with three or more qualifying children can earn up to \$59,187 in a year and receive a federal credit of up to \$6,935, and a married filing jointly taxpayer with no children can earn up to \$22,610 and receive a federal credit of up to \$560.¹⁵³

The EITC is also available to families participating in public assistance programs although families receiving the maximum EITC would likely have too much income to be eligible for those programs. Receiving the EITC does not affect income eligibility for public benefits, such as Medicaid, food assistance, cash assistance such as FIP, CCA Program benefits, or subsidized housing.¹⁵⁴

HHS is required to provide educational materials about federal and state EITC to each household receiving assistance or benefits under FIP, food assistance, and other programs administered by HHS.¹⁵⁵ The Iowa EITC is administered by the Department of Revenue and funded with State General Fund dollars. HHS is not involved in EITC administration.

B. History

Congress originally approved the tax credit legislation in 1975 in part to offset the burden of social security taxes and to provide an incentive to work.¹⁵⁶ The Iowa EITC was originally enacted in 1989, was nonrefundable, and equaled five percent of the amount provided by the federal EITC.¹⁵⁷ The Iowa EITC has since become a refundable tax credit,¹⁵⁸ and it is now equivalent to 15 percent of the federal EITC.¹⁵⁹

C. Legal Basis

Federal law for the EITC is codified at 26 U.S.C. §32. Iowa law is codified at Iowa Code section 422.12B.

D. Funding

Nationally, for tax year 2018, the EITC was claimed on 26.5 million returns and amounted to \$64.9 billion.¹⁶⁰ For tax year 2019, roughly 195,000 people filing Iowa tax returns claimed, at a minimum, the federal EITC for a total of \$450 million.¹⁶¹

E. Eligibility

A taxpayer must have earned income and file an income tax return to receive EITC benefits, even if the taxpayer is not otherwise required to file a return.¹⁶² Earned income includes wages, salary, and tips where federal income taxes are withheld; income from a

¹⁵³Internal Revenue Service, Earned Income Tax Credit: Do I Qualify? *available at* www.irs.gov/newsroom/earned-income-tax-credit-do-i-qualify (last visited August 9, 2021).

¹⁵⁴Iowa Department of Human Services, Earned Income Tax Credit, *available at* dhs.iowa.gov/EITC; Internal Revenue Service, Publication 596 (2022), Earned Income Credit (EIC), *available at* www.irs.gov/publications/p596 (last visited August 9, 2021).

¹⁵⁵Iowa Code §217.36.

¹⁵⁶Congressional Research Service, The Earned Income Tax Credit (EITC): A Brief Legislative History, pp. 2-4, *available at* sgp.fas.org/crs/misc/R44825.pdf (last updated April 28, 2022).

¹⁵⁷1989 Iowa Acts, ch. 268, §6.

¹⁵⁸2007 Iowa Acts, ch. 161, §1, 22.

¹⁵⁹Iowa Code §422.12B.

¹⁶⁰Internal Revenue Service, Earned Income Tax Credit Statistics, *available at* www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/earned-income-tax-credit-statistics (last visited August 9, 2021).

¹⁶¹Internal Revenue Service, Statistics for Tax Returns with EITC, *available at* www.eitc.irs.gov/eitc-central/statistics-for-tax-returns-with-eitc/statistics-for-tax-returns-with-eitc (last visited August 9, 2021).

¹⁶²Iowa Department of Human Services, Earned Income Tax Credit, *available at* dhs.iowa.gov/EITC; Internal Revenue Service, Publication 596 (2020), Earned Income Credit (EIC), *available at* www.irs.gov/publications/p596 (last visited August 9, 2021).

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job where the employer did not withhold taxes (e.g. gig economy work such as driving a car for booked rides, selling goods online, and freelance work); money made from self-employment such as through a self-owned business or farm or as a member of a religious order; benefits from a union strike; certain disability benefits received before the minimum retirement age; nontaxable combat pay (i.e. Form W-2, box 12 with code Q marked). Earned income does not include pay received as an inmate in a penal institution, interest and dividends, pensions and annuities, social security, unemployment benefits, alimony, and child support.¹⁶³

Having dependent children also has a large impact on eligibility. Although the EITC is available to taxpayers without children, for the tax year 2022, the adjusted gross income (AGI) of these individuals cannot exceed \$16,480, or \$22,610 if married filing jointly, in order to claim this credit, while families with at least one child may have an AGI of \$43,492 and \$49,622 respectively.¹⁶⁴

Other eligibility provisions involve the dependency relationship, age of taxpayer or dependent, disability status of children, residency and citizenship status in the U.S., and the existence of investment income (must be \$10,300 or less). The following table outlines the earned income parameters for tax year 2022:¹⁶⁵

¹⁶³Internal Revenue Service, Who Qualifies for the Earned Income Tax Credit (EITC), *available at* www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/who-qualifies-for-the-earned-income-tax-credit-eitc (last visited on August 9, 2021). Internal Revenue Service, Earned Income and Earned Income Tax Credit (EITC) Tables, *available at* www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/earned-income-and-earned-income-tax-credit-eitc-tables (last visited August 9, 2021).

¹⁶⁴Internal Revenue Service, Income Limits and Range of EITC, *available at* www.eitc.irs.gov/eitc-central/about-eitc/income-limits-and-range-of-eitc/income-limits-and-range-of-eitc (last visited August 9, 2021).

¹⁶⁵Internal Revenue Service, Earned Income and Earned Income Tax Credit (EITC) Tables, *available at* www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/earned-income-and-earned-income-tax-credit-eitc-tables (last visited August 9, 2021).



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Federal and Iowa Earned Income Tax Credit Parameter Tax Year 2022

Number of Children	Maximum AGI for Eligibility (Single, Head of Household, or Widowed)*	Maximum AGI for Eligibility (Married Filing Jointly)*	Federal Maximum Credit	Iowa Maximum Credit
No Children	\$16,480	\$22,610	\$560	\$84
One Child	\$43,492	\$49,622	\$3,733	\$560
Two Children	\$49,399	\$55,529	\$6,164	\$925
Three or More Children	\$53,507	\$59,187	\$6,935	\$1,040

** Taxpayers cannot claim the EITC if they file their returns married filing separately.¹⁶⁶

F. EITC Benefit Example

For purposes of illustration, in the example of the single-parent with two children who works 36 hours per week at \$7.25 per hour (estimated AGI of \$13,572), the federal credit for tax year 2022 would be \$6,164 and the Iowa EITC would be \$925. As indicated previously, receiving the EITC does not affect income eligibility for public benefits, such as Medicaid, Food Assistance, cash assistance, child care assistance, or subsidized housing.

Unlike welfare benefits which are paid on a monthly or other periodic basis, the EITC benefit is primarily paid in one lump sum as a refund through federal and state tax return systems.¹⁶⁷

VI. Combined Benefit Packages — Other Assistance

A. Monthly Benefit Value Example

In the example of the single-parent with a toddler and a third grader who receive all-day child care in a category B child development home, with the single parent working 36 hours per week at \$7.25 per hour, assuming no change in the circumstances, the cash value of the combined monthly FIP, food assistance, child care assistance, and the EITC as of October 1, 2021, are as follows:

FIP Benefit	\$75.00
Food assistance benefit	\$595.00
State child care assistance benefit	\$1,023.40
Federal EITC	\$498.33
Iowa EITC	\$74.75
Combined monthly benefit amount	\$2,266.48

¹⁶⁶ Internal Revenue Service, Who Qualifies for the Earned Income Tax Credit (EITC), available at www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/who-qualifies-for-the-earned-income-tax-credit-eitc (last visited August 9, 2021).

¹⁶⁷ 111th United States Congress, Pub L. No. 111-226, Tit. 2, §219.



B. Other Assistance

In addition to the benefits in the above section A, the example family may be eligible for other programs and benefits, such as the following:

- The Medical Assistance Program (also known as Medicaid or Title XIX).¹⁶⁸
- Free and reduced-price school meals.¹⁶⁹
- Low-Income Home Energy Assistance Act (LIHEAA) administered through the Iowa Department of Health and Human Services.¹⁷⁰
- Individual Development Accounts, or IDAs, which help low-income Iowans accumulate assets through personal savings and matching contributions available from charitable organizations.¹⁷¹

¹⁶⁸Iowa Code chapter 249A; Iowa Admin. Code 441-75.

¹⁶⁹National School Lunch Act and the Child Nutrition Act of 1966, 42 U.S.C. §§1751-1793.

¹⁷⁰Iowa Admin. Code 441-65.8.

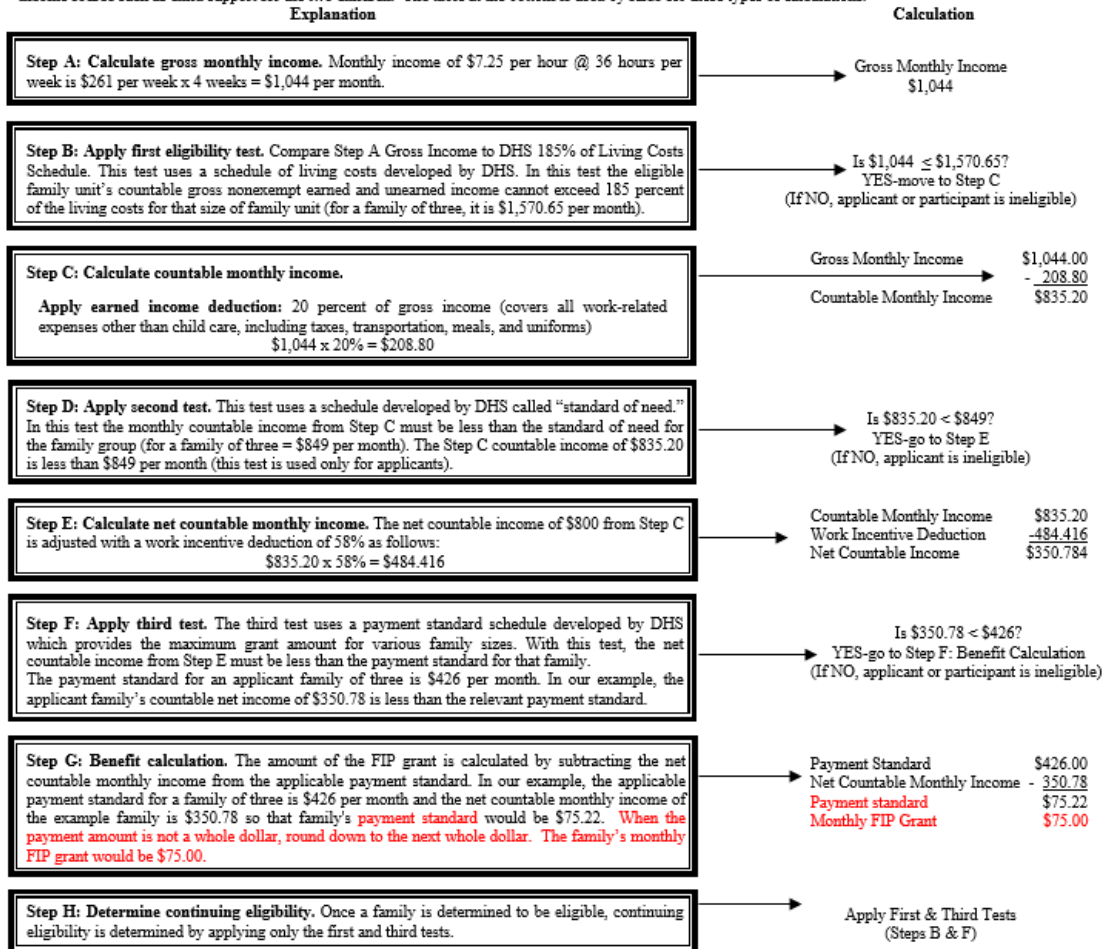
¹⁷¹Iowa Code chapter 541A.



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Appendix A — Family Investment Program Calculation of Eligibility and Benefit Example

Assumptions. Here's a sample calculation of initial eligibility requirements and a benefit amount for a single-parent family with two children, one a toddler age one and the other a third grader. In this example, the single parent works 36 hours per week in a \$7.25 per hour job and meets all resource requirements, and there is no other income source such as child support for the two children. The table at the bottom is used by HHS for these types of calculations.



Number of Persons	Schedule of Needs (in Dollars)										Each Add'l Person
	1	2	3	4	5	6	7	8	9	10	
185% of Living Costs	675.25	1330.15	1570.65	1824.10	2020.20	2249.60	2469.75	2695.45	2915.60	3189.40	320.05
Schedule of Living Costs or Standard of Need	365	719	849	986	1092	1216	1335	1457	1576	1724	173
Schedule of Basic Needs or Payment Standard	183	361	426	495	548	610	670	731	791	865	87
Ratio of Basic Needs to Living Costs	50.18	50.18	50.18	50.18	50.18	50.18	50.18	50.18	50.18	50.18	50.18

Source: Iowa Department of Human Services Policy Income Maintenance Manual — Title 4 — Family Investment Program, Chapter F — "Budgeting, Applying Income Tests," as of 9/10/10.

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Appendix B — Calculation of Food Assistance Benefits

Assumptions. This is an example of calculation of food assistance benefits as of October 27, 2021, using the Appendix A example of a working single-parent with a one-year-old and an eight-year-old. In this example, the single parent works 36 hours per week in a \$7.25 per hour job and there is no other income source, such as child support, for the two children. It is assumed that the family resides in Polk County in a two-bedroom apartment with rent of \$727 per month and the family pays telephone, heating, and air conditioning costs. Because the family is participating in the FIP Program, the family is categorically eligible for food assistance. Therefore, this example only shows how the benefit amount is calculated and does not show an eligibility determination.

Explanation	Calculation																								
Step A: Calculate gross monthly income. Monthly income of \$7.25 per hour @ 36 hours per week is \$261 per week x 4 weeks = \$1,044 per month.	Step A Gross Monthly Income \$1,044																								
Step B: Apply earned income adjustment. 20 percent of gross income of \$1,044 (covers all work-related expenses other than child care, including taxes, transportation, meals, and uniforms) $\$1,044 \times 20\% = \208.80	Gross Monthly Income from Step A \$1,044.00 -208.80 Step B Subtotal \$835.20																								
Step C: Add unearned income to adjusted income. In our example the family is receiving a monthly FIP benefit. Step B Adjusted Income \$835.20 FIP Benefit + \$75.00	Subtotal from Step B \$835.20 +75.00 Step C Subtotal \$910.20																								
Step D: Apply standard deduction. The standard deduction for households sizes one through six is equal to 8.31% of the monthly net income standard for each household size.* In 2021, the monthly net income standard for a family of three is \$1,830. So, \$153 is subtracted from the Step C subtotal in our example.	Subtotal from Step C \$910.20 -153.00 Step D Subtotal \$757.20																								
Step E: Subtract medical. Since this deduction is only available for household members who are elderly or disabled, the deduction is not applicable to this example.	Subtotal from Step D \$757.20 - 0 Step E Subtotal \$757.20																								
Step F: Subtract child support payment deduction. Since the example family does not have a child support obligation, this deduction does not apply.	Subtotal from Step E \$757.20 - 0 Step F Subtotal \$757.20																								
Step G: Subtract allowable dependent care costs. Since the family does not have out-of-pocket dependent care costs, this deduction does not apply.	Subtotal from Step F \$757.20 - 0 Step G Subtotal \$757.20																								
Step H: Subtract homeless standard deduction. Since the family is not a homeless family, this deduction does not apply.	Subtotal from Step G \$757.20 - 0 Step H Subtotal \$757.20																								
Step I: Subtract excess shelter expenses. Households without an elderly or disabled person receive a deduction of up to \$586 for their monthly shelter costs that are more than 50% of their income after all other deductions. <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Rent</td> <td style="width: 30%;">\$727.00</td> <td style="width: 30%;"></td> </tr> <tr> <td>Utilities</td> <td>\$200.00</td> <td></td> </tr> <tr> <td>Shelter Cost</td> <td>\$927.00</td> <td></td> </tr> <tr> <td></td> <td style="border-top: 1px solid black;">-\$378.60</td> <td></td> </tr> <tr> <td></td> <td>\$548.40 (subject to maximum of \$586)</td> <td></td> </tr> </table>	Rent	\$727.00		Utilities	\$200.00		Shelter Cost	\$927.00			-\$378.60			\$548.40 (subject to maximum of \$586)		<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"></td> <td style="width: 30%;">Subtotal from Step G</td> <td style="width: 30%;">\$757.20</td> </tr> <tr> <td></td> <td></td> <td style="border-top: 1px solid black;">-548.40</td> </tr> <tr> <td></td> <td>Net Monthly Income</td> <td>\$208.80</td> </tr> </table>		Subtotal from Step G	\$757.20			-548.40		Net Monthly Income	\$208.80
Rent	\$727.00																								
Utilities	\$200.00																								
Shelter Cost	\$927.00																								
	-\$378.60																								
	\$548.40 (subject to maximum of \$586)																								
	Subtotal from Step G	\$757.20																							
		-548.40																							
	Net Monthly Income	\$208.80																							
Step J: Benefit calculation. Step 1. Multiply the net monthly income figure from Step I by 30%. $\$208.80 \times 30\% = \62.64 (round up result) \$63.00 Step 2. Determine maximum food assistance allotment for family. \$658.00 for a family of 3 Step 3. Subtract the Step 1 amount from the Step 2 amount.	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"></td> <td style="width: 30%;"></td> <td style="width: 30%;">\$658.00</td> </tr> <tr> <td></td> <td></td> <td style="border-top: 1px solid black;">- 63.00</td> </tr> <tr> <td></td> <td>Net Monthly Food Assistance Benefit</td> <td>\$595.00</td> </tr> </table>			\$658.00			- 63.00		Net Monthly Food Assistance Benefit	\$595.00															
		\$658.00																							
		- 63.00																							
	Net Monthly Food Assistance Benefit	\$595.00																							

Source: Iowa Department of Human Services Income Maintenance Employees' Policy Manual, Title 7 — Food Assistance, Chapter F — Budgeting: "Determining Assistance — Calculating Benefit Level" as of 7/1/21.

*7 C.F.R. §273.9(d)(1)(i); 7 C.F.R. §273.9(a)(2)



FIP, Food Assistance, Child Care Assistance, and EITC

Appendix C — Child Care Assistance Program Income Eligibility and Copay Requirements

Effective July 2022

Level	Monthly Income According to Family Size													Unit Fee Based on Number of Children in care		
	1	2	3	4	5	6	7	8	9	10	11	12	13+	1	2	3 or more
A	\$1,076	\$1,450	\$1,824	\$2,197	\$2,571	\$2,945	\$3,318	\$3,692	\$4,066	\$4,439	\$4,813	\$5,187	\$5,560	\$0.00	\$0.00	\$0.00
B	\$1,133	\$1,526	\$1,920	\$2,313	\$2,706	\$3,100	\$3,493	\$3,886	\$4,280	\$4,673	\$5,066	\$5,460	\$5,853	\$0.20	\$0.45	\$0.70
C	\$1,165	\$1,569	\$1,974	\$2,378	\$2,782	\$3,187	\$3,591	\$3,995	\$4,400	\$4,804	\$5,208	\$5,613	\$6,017	\$0.45	\$0.70	\$0.95
D	\$1,196	\$1,611	\$2,028	\$2,443	\$2,858	\$3,274	\$3,689	\$4,104	\$4,520	\$4,935	\$5,350	\$5,766	\$6,181	\$0.70	\$0.95	\$1.20
E	\$1,230	\$1,657	\$2,084	\$2,511	\$2,938	\$3,365	\$3,792	\$4,219	\$4,646	\$5,073	\$5,499	\$5,927	\$6,354	\$0.95	\$1.20	\$1.45
F	\$1,263	\$1,702	\$2,141	\$2,579	\$3,018	\$3,457	\$3,895	\$4,333	\$4,773	\$5,211	\$5,649	\$6,089	\$6,527	\$1.20	\$1.45	\$1.70
G	\$1,299	\$1,749	\$2,201	\$2,652	\$3,102	\$3,554	\$4,004	\$4,455	\$4,906	\$5,357	\$5,807	\$6,259	\$6,710	\$1.45	\$1.70	\$1.95
H	\$1,334	\$1,797	\$2,261	\$2,724	\$3,187	\$3,651	\$4,113	\$4,576	\$5,040	\$5,503	\$5,966	\$6,430	\$6,892	\$1.70	\$1.95	\$2.20
I	\$1,372	\$1,847	\$2,324	\$2,800	\$3,276	\$3,753	\$4,228	\$4,704	\$5,181	\$5,657	\$6,133	\$6,610	\$7,085	\$1.95	\$2.20	\$2.45
J	\$1,409	\$1,898	\$2,388	\$2,876	\$3,365	\$3,855	\$4,344	\$4,832	\$5,322	\$5,811	\$6,300	\$6,790	\$7,278	\$2.20	\$2.45	\$2.70
K	\$1,448	\$1,951	\$2,454	\$2,957	\$3,459	\$3,963	\$4,465	\$4,968	\$5,471	\$5,974	\$6,476	\$6,980	\$7,482	\$2.45	\$2.70	\$2.95
L	\$1,488	\$2,004	\$2,521	\$3,037	\$3,553	\$4,071	\$4,587	\$5,103	\$5,620	\$6,136	\$6,652	\$7,170	\$7,686	\$2.70	\$2.95	\$3.20
M	\$1,529	\$2,060	\$2,592	\$3,122	\$3,653	\$4,185	\$4,715	\$5,246	\$5,778	\$6,308	\$6,839	\$7,371	\$7,901	\$2.95	\$3.20	\$3.45
N	\$1,571	\$2,116	\$2,662	\$3,207	\$3,752	\$4,299	\$4,844	\$5,389	\$5,935	\$6,480	\$7,025	\$7,571	\$8,116	\$3.20	\$3.45	\$3.70
O	\$1,615	\$2,175	\$2,737	\$3,297	\$3,857	\$4,419	\$4,979	\$5,540	\$6,101	\$6,662	\$7,222	\$7,783	\$8,344	\$3.45	\$3.70	\$3.95
P	\$1,659	\$2,235	\$2,812	\$3,387	\$3,963	\$4,540	\$5,115	\$5,690	\$6,267	\$6,843	\$7,418	\$7,995	\$8,571	\$3.70	\$3.95	\$4.20
Q	\$1,706	\$2,297	\$2,890	\$3,482	\$4,074	\$4,667	\$5,258	\$5,850	\$6,443	\$7,035	\$7,626	\$8,219	\$8,811	\$3.95	\$4.20	\$4.45
R	\$1,752	\$2,360	\$2,969	\$3,577	\$4,184	\$4,794	\$5,401	\$6,009	\$6,618	\$7,226	\$7,834	\$8,443	\$9,051	\$4.20	\$4.45	\$4.70
S	\$1,801	\$2,426	\$3,052	\$3,677	\$4,302	\$4,928	\$5,553	\$6,177	\$6,804	\$7,428	\$8,053	\$8,680	\$9,304	\$4.45	\$4.70	\$4.95
T	\$1,850	\$2,492	\$3,135	\$3,777	\$4,419	\$5,062	\$5,704	\$6,346	\$6,989	\$7,631	\$8,273	\$8,916	\$9,558	\$4.70	\$4.95	\$5.20
U	\$1,902	\$2,562	\$3,223	\$3,883	\$4,543	\$5,204	\$5,864	\$6,523	\$7,185	\$7,844	\$8,504	\$9,166	\$9,825	\$4.95	\$5.20	\$5.45
V	\$1,954	\$2,631	\$3,311	\$3,989	\$4,666	\$5,346	\$6,023	\$6,701	\$7,380	\$8,058	\$8,736	\$9,415	\$10,093	\$5.20	\$5.45	\$5.70
W	\$2,008	\$2,705	\$3,404	\$4,100	\$4,797	\$5,495	\$6,192	\$6,889	\$7,587	\$8,284	\$8,980	\$9,679	\$10,376	\$5.45	\$5.70	\$5.95
X	\$2,063	\$2,779	\$3,496	\$4,212	\$4,928	\$5,645	\$6,361	\$7,076	\$7,794	\$8,509	\$9,225	\$9,943	\$10,658	\$5.70	\$5.95	\$6.20
Y	\$2,121	\$2,857	\$3,594	\$4,330	\$5,066	\$5,803	\$6,539	\$7,274	\$8,012	\$8,748	\$9,483	\$10,221	\$10,957	\$5.95	\$6.20	\$6.45
Z	\$2,179	\$2,934	\$3,692	\$4,448	\$5,203	\$5,961	\$6,717	\$7,473	\$8,230	\$8,986	\$9,742	\$10,499	\$11,255	\$6.20	\$6.45	\$6.70
AA	\$2,240	\$3,017	\$3,795	\$4,572	\$5,349	\$6,128	\$6,905	\$7,682	\$8,461	\$9,238	\$10,014	\$10,793	\$11,570	\$6.45	\$6.70	\$6.95
BB	\$4,000	\$5,000	\$6,000	\$7,000	\$8,000	\$9,000	\$9,000	\$9,000	\$9,500	\$9,500	\$10,500	\$11,000	\$12,000	\$6.70	\$6.95	\$7.20

Source: Iowa Department of Human Services, Social Services Employees' Policy Manual, Title 13 — Social Service Resources, Ch. G — Child Care Assistance, pp. 98-99 "Authorizing Services: Fee Schedule" (as of July 2022).



Age Group	No QRS		QRS 1 or 2		QRS 3 or 4		QRS 5	
	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs
Infant and Toddler	\$19.30	\$51.94	\$20.50	\$51.94	\$21.50	\$51.94	\$23.21	\$51.94
Preschool	\$17.00	\$30.43	\$18.00	\$30.43	\$18.98	\$30.43	\$20.00	\$30.43
School Age	\$13.50	\$30.34	\$14.75	\$30.34	\$15.00	\$30.34	\$16.00	\$30.34

Age Group	No QRS		QRS 1 or 2		QRS 3 or 4		QRS 5	
	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs
Infant and Toddler	\$12.98	\$19.47	\$13.50	\$20.25	\$13.75	\$20.63	\$14.00	\$21.00
Preschool	\$12.50	\$18.75	\$12.75	\$19.13	\$13.00	\$19.50	\$13.75	\$20.63
School Age	\$10.82	\$16.23	\$11.25	\$16.88	\$12.00	\$18.00	\$12.50	\$18.75

Age Group	No QRS		QRS 1 or 2		QRS 3 or 4		QRS 5	
	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs
Infant and Toddler	\$14.00	\$21.00	\$14.50	\$21.75	\$15.00	\$22.50	\$15.25	\$22.88
Preschool	\$13.75	\$20.63	\$14.50	\$21.75	\$14.75	\$22.13	\$15.00	\$22.50
School Age	\$11.25	\$16.88	\$12.50	\$18.75	\$13.00	\$19.50	\$14.50	\$21.75

Age Group	Basic	Special Needs
Infant and Toddler	\$12.98	\$19.47
Preschool	\$12.50	\$18.75
School Age	\$10.82	\$16.23

Source: Iowa Department of Human Services, Social Services Employees' Policy Manual, Title 13 — Social Service Resources, Ch. G — Child Care Assistance, pp. 82-89 "Establishing Payment Rate — Maximum Payment Rates" (as of July 2021).