



American Recovery and Reinvestment Act of 2009 - Human Service Impact

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- The American Recovery and Reinvestment Act of 2009 will have a positive impact on several Iowa Human Service programs including:
 - Medicaid
 - Child Welfare (Foster Care/Adoption/Subsidized Guardianship)
 - Child Care
 - Child Support Enforcement
 - Food Assistance (Supplemental Nutrition Assistance Program)
 - Temporary Assistance for Families (Family Investment Program)
- In most cases, funding comes via an increase in the Federal contribution toward expenditures, or Federal match. Federal dollars will be earned and can be claimed only when eligible programmatic expenditures are made. Most significant is the increase of 6.2% in Federal match for Medicaid, Foster Care and Adoption Subsidy. Child Care and TANF are block grants whose increases will be allocated to eligible states using different approaches.
- The financial impact is time-limited, generally covering FFY 09 through 10. The attached spreadsheet estimates the impact in each area across three State fiscal years: SFY 09, 10 and 11. Stimulus funding will be available for only one or two quarters of SFY 11.
- It is important to note that the programs included in the ARRA are, by design those most likely to experience the recessionary challenge of increased demand and rising caseloads. Caseloads are generally projected to remain high through SFY 11 although the enhanced Federal funding ends mid-year. As a result, the ARRA offers minimal opportunity to expand programs or increase eligibility.
- There has been little Federal program-specific operational guidance offered to-date. We continue to work with our Federal partners to clarify sections of the bill and assure timely and full access to the funding.
- What isn't included: significant portions of the work of the Department aren't positively impacted by the stimulus bill including service delivery through our field staff and facilities, and continued development of the emergency mental health and children's mental health service systems. We continue to assess the impact on services of insufficient funding in these areas.