
FISCAL UPDATE Article

Fiscal Services Division

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ADOPTION SUBSIDY FORECASTING GROUP — MARCH 2019

Forecasting Group. Staff members from the Department of Management (DOM), the Department of Human Services (DHS), and the Fiscal Services Division of the Legislative Services Agency (LSA) met on March 29, 2019, to discuss the [Adoption Subsidy](#) Program caseload growth and expenditures for FY 2019 and FY 2020. The Forecasting Group is established in Iowa Code section [234.47](#) to discuss expenditures and agree on a consensus estimate for the current and upcoming fiscal years.

Projections. The current estimate of the Program is:

- An estimated ending surplus of \$159,000 in FY 2019. Under current law, these funds will be carried forward for reinvestment savings expenditures in FY 2020.
- An estimated surplus of \$41,000 in FY 2020.

The percent of children eligible for funding under Title IV-E has continued to increase. Additionally, while the number of adoption cases per month has grown this year, only three of seven months have been net growth positive this fiscal year. Finally, due to when the administrative rules became effective, the DHS will not be starting the Subsidized Guardianship Program in FY 2019, leading to a decrease in estimated expenditures of \$133,000. There is no change to the FY 2020 estimate for Subsidized Guardianship expenditures.

Reinvest Savings. The DHS current reinvestment obligation from FFY 2015 to FFY 2018 is estimated to total \$6.8 million. Current reinvestment spending through State FY 2019 is estimated to total \$2.9 million for the Treatment Outcome Package (TOP) Tool. After accounting for that spending, there would remain a current estimated unfunded obligation of \$3.9 million.

Looking ahead, the DHS will be forming a work group over the summer to develop ideas that could address the current obligation. Services have to have been started after FFY 2016 to qualify as new reinvestment expenditures, and there is an opportunity that some of the one-time expenditures used to implement the federal Families First Prevention Services Act (Public Law [115-123](#)) could qualify.

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