
BUDGET UNIT BRIEF – FY 2023

Fiscal Services Division

July 1, 2022



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Rent Subsidy Program

Purpose and History

The Home and Community-Based Services Rent Subsidy Program provides rent assistance to individuals on one of the Medicaid Home and Community-Based Services (HCBS) Waivers. Individuals that are on an HCBS Waiver have their health care and other support services paid for by the Medicaid Program; however, due to federal law, the Medicaid Program cannot pay for housing unless it is in an institutional setting. The Rent Subsidy Program provides a monthly rent assistance payment to these individuals to help them live successfully in their own homes or communities until they become eligible for any other local, State, or federal rent assistance. By providing a rent subsidy and allowing these individuals to live in their homes or communities, the State is able to save money by avoiding higher cost institutional-based care and allow individuals to remain in a less restrictive setting. The Program has been administered by the Iowa Finance Authority (IFA) since FY 2005.

The Rent Subsidy Program began in FY 1997 as an allocation of the General Fund State Supplementary Assistance appropriation to the Department of Human Services (DHS) in [SF 2442](#) (FY 1997 Health and Human Services Appropriations Act). The Program was funded with an annual allocation from the DHS until FY 2004, when the Program was funded by the Senior Living Trust Fund (SLTF) as part of a larger appropriation to the DHS in [HF 667](#) (FY 2004 Health and Human Services Appropriations Act). In FY 2005, the DHS transferred the Program to the IFA through an Iowa Code chapter [28E](#) agreement, and in FY 2006, the IFA received a direct appropriation for the Program from the SLTF in [HF 825](#) (FY 2006 Health and Human Services Appropriations Act). The Program resumed funding from the General Fund in FY 2012 in [SF 517](#) (FY 2012 Economic Development Appropriations Act).

Funding – State General Fund

The Rent Subsidy Program currently receives 100.0% of its funding from a State General Fund appropriation.

Related Statutes and Administrative Rules

Iowa Code chapter [28E](#)

Iowa Administrative Code [265—24](#)

Budget Unit Number

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More Information

Home and Community-Based Services Rent Subsidy Program:

www.iowafinanceauthority.gov/Public/Pages/PC81LN11

Iowa Finance Authority: www.iowafinanceauthority.gov

Department of Human Services: www.dhs.iowa.gov

Medicaid HCBS Waivers: www.legis.iowa.gov/docs/publications/FTNO/10773.pdf

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