Department of
HUMAN SERVICES

# *REPORT ON NONREVERSION OF FUNDS*

**SEPTEMBER 2020**

# IOWA DEPARTMENT OF HUMAN SERVICES
# REPORT ON NONREVERSION OF FUNDS

## The purpose of this report is to satisfy the requirements found in 2020 Iowa Acts Chapter 1121 Section 43.

Sec. 43. REPORT ON NONREVERSION OF FUNDS. The department of human services shall report the expenditure of any moneys for which nonreversion authorization was provided for the fiscal year beginning July 1, 2019, and ending June 30, 2020, for the family investment program account, state supplementary assistance, child and family services, the mental health institutes, field operations, or general administration to the chairpersons and ranking members of the joint appropriations subcommittee on health and human services, the legislative services agency, and the four legislative caucus staffs on a quarterly basis beginning October 1, 2020.

## NONREVERSION AMOUNTS

| APPROPRIATION | AMOUNT | EXPLANATION |
|---|---|---|
| Family Investment Program Account (FIP) | $9,028,372 | The $9.0 million year-end balance is primarily due to:<br>1. Lower than projected technology spending; largely related to the ELIAS project<br>2. Revenue from the FIP share of child support collections in excess of budget due to collections from the COVID-19 stimulus payments<br>3. Reductions in PROMISE JOBS activities caused by COVID-19<br>4. FIP caseload declines (pre-COVID) |
| State Supplementary Assistance | $1,888,492 | There was a $2,456,564 carry-forward from SFY19 that was retained and spent in the appropriation. The Department received authority to use a portion of appropriation for the SNAP error rate penalty; remaining funds will be used for related obligations. |
| Child and Family Services | $11,171,109 | The $11.2 million year-end balance is primarily due to:<br>1. Declining core services cases (foster, group, shelter, FSRP) which is driven by:<br>a. Family First implementation efforts including a continued focus on family reunification and reducing institutional placements<br>b. COVID-19 impacts including an approximate 30 percent reduction in accepted intakes during the final two months of the school year<br>2. Lower performance-related payments to vendors<br>3. Additional federal revenues (adoption incentives, Family First implementation funds and CMHG used for Children's Systems of Care) |

| APPROPRIATION | AMOUNT | EXPLANATION |
|---|---|---|
| | | 4. Lower than projected spending across a number of child welfare contracts |
| Cherokee Mental Health Institute | $0 | N/A |
| Independence Mental Health Institute | $0 | N/A |
| Field Operations | $5,226,469 | The majority of the balance is due to the amount of time it took to fill positions over the year. The budget supported 1,479 FTEs, but the overall Field average paid was 1,429. Field started the year with 1,398 paid FTEs and ended the year with 1,487 paid FTEs. Slightly lower support spending and other minor revenue increases also contributed to the balance. |
| General Administration | $220,941 | The year-end balance is due to a combination of vacancy savings, slightly lower support spending, and other minor revenue increases. |

Although not required to be reported, below is additional information on other DHS appropriations with significant balances that will remain available in SFY21.

| APPROPRIATION | AMOUNT | EXPLANATION |
|---|---|---|
| Medical Assistance | $185,769,260 | The end of session projected balance was $120.6 million which was primarily due to the COVID-19 enhanced FMAP savings. The final balance has increased as a result of the following:<br>1. Additional COVID-19 enhanced FMAP savings related to the Medicare Part D claw back for dual eligibles<br>2. Increased Health Care Trust Fund revenue<br>3. Payment obligations shifting from SFY20 to SFY21 (timing only) |
| Adoption Subsidy | $3,434,836 | The year-end balance is due to the COVID-19 enhanced FMAP savings along with increased IV-E revenue due to the percentage of children eligible for federal IV-E match being higher than projected. |
| Children's Health Insurance Program/Hawki | $3,363,709 | The year-end balance is primarily due to the COVID-19 enhanced FMAP savings. The amount is consistent with the end of session estimate. |

| APPROPRIATION | AMOUNT | EXPLANATION |
|---|---|---|
| State Resource Centers | Glenwood<br>$2,871,250<br><br>Woodward<br>$2,864,975 | Factors contributing to the state resource center balances include:<br>1. FTE recruiting challenges and subsequent vacancy savings<br>2. Additional revenue due to the COVID-19 enhanced FMAP<br>3. A portion of the Glenwood supplemental funding received in SFY20 will not be spent until SFY21 |

## DETAIL REGARDING USE OF NONREVERSION MONEYS

The nonreversion funds identified above have not yet been expended. Development of a proposed spending plan is in process; the plan will be shared when completed.