

SFY24 Report on Nonreversion of Funds

DECEMBER 2023

This report is in response to the requirements found in 2023 Iowa Acts Chapter 112 Section 49.

Sec. 49. REPORT ON NONREVERSION OF FUNDS. The department of health and human services shall report the expenditure of any moneys for which nonreversion authorization was provided for the fiscal year beginning July 1, 2022, and ending June 30, 2023, to the general assembly on a quarterly basis beginning October 1, 2023.

This report details all General Fund balances that will carry forward from SFY23 to SFY24 and includes balances reported in prior quarterly nonreversion reports. Much of the funding that is carrying forward is a result of variation (decrease) in typical utilization patterns for some programs, enhanced FMAP funding, and other impacts related to the pandemic. The Agency anticipates use of most of these funds over the next year.

The amount spent reflects actual expenditures through November 2023.

Medical Assistance

Authority: 2022 Iowa Acts Ch. 1131 Sec. 38

Description: \$421,379,409 will remain available in SFY24.

Of this amount, \$367,990,615 has accumulated over multiple years and is primarily due to the COVID-19 increased FMAP savings. One-time recoveries in SFY23 and certain expenses shifting from SFY23 to SFY24 are also contributing to the balance.

A portion of the one-time recoveries (\$8 million) will be transferred to the Public Assistance Modernization Fund in SFY24 pursuant to 2023 Iowa Acts Ch. 112 Sec. 63. All other remaining funds will be retained in the Medical Assistance appropriation and are available for ongoing investment and expenditure.

The remaining \$53,388,794 is the unspent balance from the temporary 10 percentage point increase to the state's FMAP for certain Medicaid HCBS pursuant to section 9817 of the American Rescue Plan Act of 2021 (ARPA). This amount must be invested in accordance with Iowa's approved ARPA HCBS spending plan.

Note: The prior quarterly report incorrectly calculated the amount of the carry-forward associated with the ARPA HCBS spending plan. This has been corrected in the current report.

Reported expenditures:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
ARPA HCBS Spending Plan	\$53,388,794	\$8,736,633	\$44,652,161
Transfer to the Public Assistance Modernization Fund*	8,000,000	8,000,000	0
Behavioral Health and Disability Services System Evaluation	7,163,651	0	7,163,651
Medical Assistance Program Expenditures	352,826,964	0	352,826,964
Grand Total	\$421,379,409	\$16,736,633	\$404,642,776
Notes			
<ol style="list-style-type: none"> 1. The \$8 million Public Assistance Modernization Fund amount is considered fully spent because the entire amount has been transferred to the fund. The amount that has subsequently been spent out of the fund is \$11,593. 2. The \$352.8 million balance will not be spent until current year funds are exhausted. 			

Child & Family Services

Authority: 2023 Iowa Acts Ch. 112 Sec. 43

Description: \$21,635,251 will remain available in SFY24. This balance has accumulated over multiple years and is primarily due to lower foster care caseloads due to both Family First implementation efforts and COVID-19 impacts, lower performance-related payments to vendors, and additional federal revenues. Of this amount, a portion will be used to fund the replacement of the state's child welfare IT system, a small amount will be retained for prior year JCS claims, and the remainder will be used to fund QRTP and Shelter provider rate increases approved in SFY22 and SFY23.

Reported Expenditures:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
Child Welfare IT System	\$6,625,481	\$0	\$6,625,481
Prior Year JCS Claims	22,690	320	22,370
QRTP and Shelter Provider Rates	14,987,080	3,445,469	11,541,611
Grand Total	\$21,635,251	\$3,445,789	\$18,189,462

Family Investment Program

Authority: 2023 Iowa Acts Ch. 112 Sec. 41

Description: \$14,884,505 will remain available in SFY24. This balance has accumulated over multiple years and is primarily due to lower cases in FIP and PROMISE JOBS and lower than projected technology spending; largely related to the ELIAS project. These funds are reserved for one-time projects including HHS alignment, the IT data center move, public assistance oversight, and IT costs associated with the Lucas move.

Reported Expenditures:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
HHS One-Time Projects	\$14,884,505	\$601,879	\$14,282,626
Grand Total	\$14,884,505	\$601,879	\$14,282,626

Further detail is provided in [Attachment I](#).

Hawki Trust Fund

Authority: Iowa Code Chapter 514I.11.2

Description: \$13,696,387 will remain available in SFY24. This balance has accumulated over multiple years and is primarily due to the COVID-19 increased FMAP savings. These funds are reserved for current and future year CHIP/Hawki expenses.

Reported Expenditures:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
CHIP/Hawki Expenditures	\$13,696,387	\$0	\$13,696,387
Grand Total	\$13,696,387	\$0	\$13,696,387
Notes			
1. The \$13.7 million balance will not be spent until current year funds are exhausted.			

Glenwood Resource Center

Authority: 2022 Iowa Acts Ch. 1131 Sec. 25.6

Description: \$13,531,971 will remain available in SFY24. Much of the balance has accumulated over multiple years and is due to the COVID-19 increased FMAP savings and staffing vacancies. In addition, in SFY23 \$11 million was transferred from the Adoption Subsidy appropriation to HHS facilities to ensure sufficient facility funding in both SFY23 and SFY24. Of this amount, \$2,783,288 was transferred to the Glenwood Resource Center. Of the total carry over amount, \$235,793 is for a Chapter 8A capital improvement project where funds were sent to DAS in SFY23, but the project is not yet complete so carried forward to SFY24. The remaining \$13.3 million carry forward balance is expected to be used to cover closure-related funding

needs in SFY24 (employee retention payments, offsets to revenue declines, vacation payouts, etc.).

Reported Expenditures:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
GRC Cottages Roof Repair	\$235,793	\$235,793	\$0
GRC Closure-Related Expenditures	13,296,178	\$0	13,296,178
Grand Total	\$13,531,971	\$235,793	\$13,296,178
<u>Notes</u>			
1. The \$13.3 million balance will not be spent until current year funds are exhausted.			

Adoption Subsidy

Authority: 2022 Iowa Acts Ch. 1131 Sec. 20.4

Description: \$13,368,373 will remain available in SFY24. This balance has accumulated over multiple years and is due to the COVID-19 increased FMAP savings, higher IV-E penetration rates and lower caseloads. Of this amount, approximately \$4.9 million will be used to meet the federal adoption reinvestment obligation. The remaining amount is not currently obligated.

Note: The adoption reinvestment obligation has increased from the prior report. This amount is recalculated at the end of each federal fiscal year and the obligation increased based on updated FFY23 calculations.

Reported Expenditures:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
Adoption Reinvestment Obligation	\$4,886,381	\$0	\$4,886,381
To Be Determined	8,481,992	0	8,481,992
Grand Total	\$13,368,373	\$0	\$13,368,373

Woodward Resource Center

Authority: 2022 Iowa Acts Ch. 1131 Sec. 25.6

Description: \$10,937,808 will remain available in SFY24. Much of the balance has accumulated over multiple years and is due to the COVID-19 increased FMAP savings and staffing vacancies. Of the total carry over amount, \$1,268,266 is for Chapter 8A capital improvement projects where funds were sent to DAS in SFY23, but the projects are not yet complete so carried forward to SFY24. The remaining \$9.7 million carry forward balance will be used to address

operational needs at the Woodward Resource Center and transferred to cover funding shortfalls at the Eldora State Training School, CCUSO, and two MHIs.

Reported Expenditures:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
Myers Hall New Fire Sprinkler System	\$433,693	\$433,693	\$0
Chapel Sprinkler	379,473	379,473	0
Medical Center North Façade Window Replacement	453,667	453,667	0
Tunnel Evaluation Update	1,433	1,433	0
Facility Operational Needs	9,669,542	0	9,669,542
Grand Total	\$10,937,808	\$1,268,266	\$9,669,542
Notes			
I. The \$9.7 million balance will not be spent until current year funds are exhausted.			

CCUSO

Authority: 2022 Iowa Acts Ch. 1131 Sec. 26.3

Description: \$7,900,237 will remain available in SFY24. Of this amount, \$1,858,041 is for Chapter 8A capital improvement projects where funds were sent to DAS in SFY23, but the projects are not yet complete so carried forward to SFY24. The remaining \$6.0 million balance was set aside from the \$11 million Adoption Subsidy transfer to be used for Voldeng remodel costs in SFY24.

Reported Expenditures:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
Intercom and Controlled Doors	\$32,300	\$32,300	\$0
Voldeng Remodel	7,867,937	7,825,741	42,196
Grand Total	\$7,900,237	\$7,858,041	\$42,196
Notes			
I. The amount spent on the Voldeng Remodel increased by \$6 million from the prior report. These funds were transferred to DAS in October 2023.			

Field Operations

Authority: 2023 Iowa Acts Ch. 112 Sec. 44

Description: \$6,425,620 will remain available in SFY24. This amount includes approximately \$4.5 million in unspent SFY22 carry forward and the remaining amount is primarily due to vacancy savings. The balance is reserved for one-time activities in the Field Operations appropriation.

Note: Budgeted amounts for some of the line items have changed from the prior report due to updated estimates.

Reported Expenditures:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
Social Worker Retention	\$2,884,408	\$1,442,204	\$1,442,204
Social Worker Recruitment	716,792	41,467	675,325
Child Protective Services Assessment	466,935	0	466,935
Overtime for PHE Unwind	225,000	97,421	127,579
HHS "Front Door" Evaluation	153,090	0	153,090
Bridging Engagement Project	79,169	0	79,169
Scanner for Child Care Unit	100,000	0	100,000
Retro IV-E Participation Rate Changes	1,777,070	0	1,777,070
Other/Miscellaneous	23,156	9,533	13,623
Grand Total	\$6,425,620	\$1,590,625	\$4,834,995

State Supplementary Assistance

Authority: 2022 Iowa Acts Ch. 1131 Sec. 15.4

Description: \$4,258,454 will remain available in SFY24. This balance has accumulated over multiple years and is primarily due to continued reductions in the number served across multiple SSA service categories (residential care facilities, dependent person program, etc.). These funds are reserved for the remaining SNAP reinvestment obligation and the Lucas move project.

Reported Expenditures:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
SNAP Reinvestment Obligation	\$766,293	\$0	\$766,293
Lucas Move Project	3,492,161	0	3,492,161
Grand Total	\$4,258,454	\$0	\$4,258,454

General Administration

Authority: 2023 Iowa Acts Ch. 112 Sec. 45 and 46

Description: \$3,594,704 will remain available in SFY24. This amount includes approximately \$3.0 million in unspent SFY22 carry forward that was reserved for the Lucas move project. Of the remaining amount, \$428,836 is associated with the unspent MOMS program allocation and the remainder is reserved for potential late claims.

Reported Expenditures:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
Lucas Move Project	\$3,045,866	\$2,993,923	\$51,943
MOMS Program	428,836	0	428,836
Potential SFY23 Late Claims	120,002	774	119,228
Grand Total	\$3,594,704	\$2,994,697	\$600,007
<u>Notes</u> 1. The \$428,836 MOMS balance will not be spent until current year funds are exhausted.			

Child Care Assistance

Authority: 2023 Iowa Acts Ch. 112 Sec. 42

Description: \$2,862,321 will remain available in SFY24. State funds were left unspent so that federal expenditures could be maximized. This was done to avoid the reversion of federal CCDF discretionary funds at the end of FFY23.

Reported Expenditures:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
To Be Determined	\$2,862,321	\$0	\$2,862,321
Grand Total	\$2,862,321	\$0	\$2,862,321

Eldora State Training School

Authority: 2022 Iowa Acts Ch. 1131 Sec. 18.4

Description: \$718,144 will remain available in SFY24. The entire balance is associated with Chapter 8A capital improvement projects where funds were sent to DAS in SFY23, but the projects are not yet complete so carried forward to SFY24.

Reported Expenditures:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
Gym A/C	\$645,244	\$645,244	\$0
Retaining Wall Replacement	72,900	72,900	0
Grand Total	\$718,144	\$718,144	\$0

Community Capacity

Authority: 2022 Iowa Acts Ch. 1131 Sec 3.4.j

Description: \$429,805 will remain available in SFY24 which is consistent with the amount that carried forward from SFY22 to SFY23 (\$412,021). The balance will remain in this account and be used for the rural psychiatric residency program.

Reported Expenditures:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
Rural Psychiatric Residencies	\$429,805	\$0	\$429,805
Grand Total	\$429,805	\$0	\$429,805
Notes			
1. The \$429,805 balance will not be spent until current year funds are exhausted.			

Independence MHI

Authority: 2022 Iowa Acts Ch. 1131 Sec. 24.4

Description: \$420,124 will remain available in SFY24. The entire balance is associated with Chapter 8A capital improvement projects where funds were sent to DAS in SFY23, but the projects are not yet complete so carried forward to SFY24.

Reported Expenditures:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
Laundry Building Roof Repair	\$420,124	\$420,124	\$0
Grand Total	\$420,124	\$420,124	\$0

Family Support Subsidy

Authority: Iowa Code Chapter 225C.41.2

Description: \$343,695 will remain available in SFY24. This balance has accumulated over multiple years and is primarily due to lower spending in the Children at Home program. These funds are reserved for Children at Home program expansion.

Reported Expenditures:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
Children At Home Program	\$343,695	\$0	\$343,695
Grand Total	\$343,695	\$0	\$343,695

Cherokee MHI

Authority: 2022 Iowa Acts Ch. 1131 Sec. 24.4

Description: \$138,722 will remain available in SFY24. The entire balance is associated with Chapter 8A capital improvement projects where funds were sent to DAS in SFY23, but the projects are not yet complete so carried forward to SFY24.

Reported Expenditures:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
Cherokee 7 North Remodel	\$15,378	\$15,378	\$0
Cherokee Parking Lots	123,344	123,344	0
Grand Total	\$138,722	\$138,722	\$0

Criminal & Juvenile Justice; Human Rights Administration; Community Advocacy and Services

Authority: Iowa Code Chapter 8.62

Description: \$87,626 will remain available in SFY24 in these three legacy Human Rights appropriations. The funds will be used for employee training, technology, or purchases from Iowa prison industries as required by Iowa Code Chapter 8.62. Expenditure of funds will be reported in accordance with subsection 3 of Chapter 8.62 and will not be included on this quarterly report to avoid duplication.

Iowa Department of Health and Human Services
HHS One-Time Projects Using FIP Carry-Forward

12/12/2023

FIP Carry-Forward Available in SFY24	14,884,505
Amount Spent	601,879
Amount Obligated But Not Yet Spent	14,282,626

One-Time Activities	Projected Expenditures and Obligations		Actual Expenditures through Nov-23		Unspent Obligations	
	Total	State	Total	State	Total	State
Data Center Move	239,867	176,261	51,644	37,950	188,223	138,312
Accounting and Payroll System Updates (Workday, I/3)	277,330	176,321	63,840	40,578	213,490	135,744
VX Rack Re-platforming	1,100,956	1,100,956	-	-	1,100,956	1,100,956
Corporate Technology Assessment	210,970	210,970	2,269	2,269	208,701	208,701
Enterprise Architecture & IT Strategy Implementation	1,389,153	836,077	21,746	13,539	1,367,407	822,537
ServiceNow Implementation	115,741	85,050	19,650	14,440	96,091	70,611
Appeals System Implementation	200,000	131,013	11,954	7,831	188,046	123,183
MoveIT SW Replacement Implementation	110,900	81,493	-	-	110,900	81,493
DHS Recruiting Campaign	20,000	12,764	-	-	20,000	12,764
Contracting Software	378,269	227,332	30,394	18,266	347,875	209,066
Cost Allocation Review Contract	665,786	410,596	-	-	665,786	410,596
Business Process Redesign Contract	34,450	22,032	-	-	34,450	22,032
Rent Reimbursement Implementation	514,221	514,221	102,727	102,727	411,494	411,494
HHS Alignment Efforts	855,348	603,224	262,032	223,779	593,316	379,445
IT Costs Associated with Lucas Move	6,500,000	4,156,966	219,693	140,501	6,280,307	4,016,464
Public Assistance Oversight / Master Client Index	5,055,125	3,243,006	-	-	5,055,125	3,243,006
Other agency-wide modernization efforts/contingencies	4,455,727	2,896,223	-	-	4,455,727	2,896,223
Total	22,123,842	14,884,505	785,949	601,879	21,337,893	14,282,626