

SFY24 Report on Nonreversion of Funds

JUNE 2024

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 May 2024.

Medical Assistance

Authority: 2022 Iowa Acts Ch. 1131 Sec. 38 Description:

\$421,379,409 will remain available for FY24.

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.

Reported expenditures: Medical Assistance:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
ARPA HCBS Spending Plan	\$53,388,794	\$34,895,888	\$18,492,906
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	\$42,895,888	\$378,483,521
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 \$222,692. 2. The \$352.8 million balance will not be spent until current year funds are exhausted. HHS expects to start spending these funds in June 2024. 			

Child & Family Services

Authority: 2023 Iowa Acts Ch. 112 Sec. 43

Description: \$21,635,251 will remain available for FY24. 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: Child & Family Services:

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	13,979	8,711
QRTP and Shelter Provider Rates	14,987,080	7,659,139	7,327,941
Grand Total	\$21,635,251	\$7,673,118	\$13,962,133

Family Investment Program

Authority: 2023 Iowa Acts Ch. 112 Sec. 41 as amended by 2024 Iowa Acts Ch. 1157 Sec. 24.

Description: \$14,884,505 will remain available for FY24. 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 integration.

Reported Expenditures: Family Investment Program:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
HHS One-Time Projects	\$14,884,505	\$2,174,525	\$12,709,980
Grand Total	\$14,884,505	\$2,174,525	\$12,709,980

Further FIP detail is provided in Attachment I.

Hawki Trust Fund

Authority: Iowa Code Chapter 514I.11.2

Description: \$13,696,387 will remain available for FY24. 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: Hawki Trust Fund:

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
<u>Notes</u> 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 for FY24. 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 and SFY25 (employee retention payments, offsets to revenue declines, vacation payouts, etc.).

Reported Expenditures: Glenwood Resource Center:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
GRC Cottages Roof Repair	\$235,793	\$235,793	\$0
GRC Closure-Related Expenditures	13,296,178	6,001,988	7,294,190
Grand Total	\$13,531,971	\$6,237,781	\$7,294,190
Notes			
I. Due to declining revenues resulting from lower patient days, \$6.0 million of the GRC carry-forward balance was used to fund operations.			

Adoption Subsidy

Authority: 2022 Iowa Acts Ch. 1131 Sec. 20.4

Description: \$13,368,373 will remain available for FY24. 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. Additional amounts have been obligated pursuant to 2024 Iowa Acts Ch. 1157 Sec. 34.

Reported Expenditures: Adoption Subsidy:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
Adoption Reinvestment Obligation	\$4,886,381	\$0	\$4,886,381
QRTP Rates and Security Enhancements	TBD	0	TBD
Renovation or Purchase of PMIC Facility	3,000,000	0	3,000,000
To Be Determined	5,481,992	0	5,481,992
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 for FY24. 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: Woodward Resource Center:

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	7,131,153	2,538,389
Grand Total	\$10,937,808	\$8,399,419	\$2,538,389
<u>Notes</u>			
I. The following amounts have been transferred from WRC in May-24 to cover operational needs at the other facilities. <ul style="list-style-type: none"> a. CCUSO: \$1,100,000 b. Cherokee MHI: \$2,500,000 c. Independence MHI: \$3,531,153 			

CCUSO

Authority: 2022 Iowa Acts Ch. 1131 Sec. 26.3

Description: \$7,900,237 will remain available for FY24. 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: CCUSO:

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
<u>Notes</u>			
I. At the end of SFY24, HHS expects to re-obligate a portion of these funds since the Voldeng project will be funded by a \$7,000,000 Rebuild Iowa Infrastructure Fund appropriation in SFY25 pursuant to 2024 Iowa Acts Ch. 1155 Sec. 1.5.c.			

Field Operations

Authority: 2023 Iowa Acts Ch. 112 Sec. 44

Description: \$6,425,620 will remain available for FY24. 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.

Reported Expenditures: Field Operations:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
Social Worker Retention	\$2,884,408	\$1,499,232	\$1,385,176
Social Worker Recruitment	166,556	99,929	66,627
Child Protective Services Assessment	485,399	485,399	0
Overtime for PHE Unwind	389,682	378,229	11,453
HHS "Front Door" Evaluation	0	0	0
Bridging Engagement Project	0	0	0
Scanner for Child Care Unit	0	0	0
Retro IV-E Participation Rate Changes	2,471,262	0	2,471,262
Other/Miscellaneous	28,313	19,636	8,677
Grand Total	\$6,425,620	\$2,482,425	\$3,943,195

State Supplementary Assistance

Authority: 2022 Iowa Acts Ch. 1131 Sec. 15.4

Description: \$4,258,454 will remain available for FY24. 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 Thrive Iowa Program.

Reported Expenditures: State Supplementary Assistance:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
SNAP Reinvestment Obligation	\$766,293	\$82,630	\$683,663
Other	3,492,161	0	3,492,161
Grand Total	\$4,258,454	\$82,630	\$4,175,824
Notes			
1. A portion of the \$3,492,161 balance will likely be reserved for the Thrive Iowa Program in SFY25 pursuant to 2024 Iowa Acts Ch. 1157 Sec. 21.6.			

General Administration

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

Description: \$3,594,704 will remain available for FY24. 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: General Administration:

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	819	119,183
Grand Total	\$3,594,704	\$2,994,742	\$599,962
<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 for FY24. 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: Child Care Assistance:

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 for FY24. 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: Eldora State Training School:

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 for FY24 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: Community Capacity:

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
Rural Psychiatric Residencies	\$429,805	\$0	\$429,805
Grand Total	\$429,805	\$0	\$429,805
<u>Notes</u>			
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 for FY24. 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: Independence MHI:

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 for FY24. 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: Family Support Subsidy:

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 for FY24. 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: Cherokee MHI:

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 for FY24 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.

FIP Carry-Forward Available in SFY24	14,884,505
Amount Spent	2,174,525
Amount Obligated But Not Yet Spent	12,709,980

One-Time Activities	Projected Expenditures and Obligations		Actual Expenditures through Feb-24		Unspent Obligations	
	Total	State	Total	State	Total	State
Data Center Move ¹	155,000	99,336	99,254	63,609	55,746	35,726
Accounting and Payroll System Updates (Workday, I/3)	713,671	477,153	410,869	273,930	302,802	203,223
VX Rack Replatforming	1,100,956	1,100,956	-	-	1,100,956	1,100,956
Corporate Technology Assessment	248,933	248,933	23,103	23,103	225,830	225,830
Enterprise Architecture & IT Strategy Implementation	1,687,176	1,061,128	133,288	80,078	1,553,888	981,050
ServiceNow Implementation	3,714	2,380	33,400	21,405	(29,686)	(19,025)
Appeals System Implementation	169,921	103,795	70,812	43,255	99,109	60,540
MoveIT SW Replacement Implementation	110,900	71,073	-	-	110,900	71,073
DHS Recruiting Campaign	40,000	28,215	-	-	40,000	28,215
Contracting Software	334,899	218,407	147,556	96,229	187,344	122,177
Cost Allocation Review Contract	783,015	551,901	343,111	241,839	439,904	310,063
Business Process Redesign Contract	34,450	22,032	-	-	34,450	22,032
Rent Reimbursement Implementation	885,776	885,776	527,533	527,533	358,243	358,243
HHS Alignment Efforts ²	569,910	454,586	185,535	130,531	384,375	324,055
Retro IV-E Adjustments (General Admin and CAB)	1,000,000	1,000,000	-	-	1,000,000	1,000,000
IT Costs Associated with integration	6,500,000	4,575,863	956,012	673,012	5,543,988	3,902,851
Public Assistance Oversight / Master Client Index	5,055,125	3,243,006	-	-	5,055,125	3,243,006
Other agency-wide modernization efforts/contingencies	1,138,408	739,965	-	-	1,138,408	739,965
Total	20,531,855	14,884,505	2,930,474	2,174,525	17,601,381	12,709,980

Notes

1. The prior quarterly report included expenditures that will not be funded by FIP Carry-Forward. As a result, reported expenditures on this report were reduced.
2. Reported expenditures on this report were reduced due to a reallocation to the "IT Costs Associated with Lucas Move" line.