

FY24 Report on Nonreversion of Funds

SEPTEMBER 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 FY23 to FY24 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 FY24.

Medical Assistance

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

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

Of this amount, \$364,910,493 has accumulated over multiple years and is primarily due to the COVID-19 increased FMAP savings. One-time recoveries in FY23 and certain expenses shifting from FY23 to FY24 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 FY24 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 \$56,468,916 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: Due to a federal reporting adjustment, there was a funding shift from the non-ARPA HCBS balance to the ARPA HCBS balance when compared to prior reports.

Reported expenditures: Medical Assistance

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
ARPA HCBS Spending Plan	\$56,468,916	\$38,454,925	\$18,013,991
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	349,746,842	67,777,861	281,968,981
Grand Total	\$421,379,409	\$114,232,786	\$307,146,623
Notes			
<p>I. 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 \$330,343.</p>			

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 FY22 and FY23.

Reported Expenditures: Child & Family Services

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
Child Welfare IT System	\$6,625,481	\$2,843,117	\$3,782,364
Prior Year JCS Claims	22,690	13,979	8,711
QRTP and Shelter Provider Rates	14,987,080	8,318,408	6,668,672
Grand Total	\$21,635,251	\$11,175,504	\$10,459,747

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 the Lucas move.

Reported Expenditures: Family Investment Program

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
HHS One-Time Projects	\$14,884,505	\$4,275,641	\$10,608,864
Grand Total	\$14,884,505	\$4,275,641	\$10,608,864

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	\$6,174,340	\$7,522,047
Grand Total	\$13,696,387	\$6,174,340	\$7,522,047

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 FY23 \$11 million was transferred from the Adoption Subsidy appropriation to HHS facilities to ensure sufficient facility funding in both FY23 and FY24. 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 FY23, but the project is not yet complete so carried forward to FY24. The remaining \$13.3 million carry forward balance will be used to cover closure-related funding needs (employee retention payments, offsets to revenue declines, vacation payouts, etc.) and transferred to cover funding shortfalls at CCUSO and the two MHIs.

Reported Expenditures: Glenwood Resource Center

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
GRC Cottages Roof Repair	\$235,793	\$133,840	\$101,953
Other Facility Operational Needs	4,590,000	4,590,000	0
GRC Closure-Related Expenditures	8,706,178	7,803,594	902,584
Grand Total	\$13,531,971	\$12,527,434	\$1,004,537
Notes			
I. The following amounts have been transferred from GRC to cover operational needs at the other facilities. <ul style="list-style-type: none"> a. CCUSO: \$1,100,000 b. Cherokee MHI: \$1,008,882 c. Independence MHI: \$2,481,118 			

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
Adoption Reinvestment Spend in CFS	5,481,992	1,019,289	4,462,703
Grand Total	\$13,368,373	\$1,019,289	\$12,349,084

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 FY23, but the projects are not yet complete so carried forward to FY24. 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 CCUSO and the two MHIs.

Reported Expenditures: Woodward Resource Center

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
Myers Hall New Fire Sprinkler System	\$433,693	\$318,062	\$115,631
Chapel Sprinkler	379,473	254,866	124,607
Medical Center North Façade Window Replacement	453,667	325,956	127,711
Tunnel Evaluation Update	1,433	1,008	425
Other Facility Operational Needs	9,669,542	2,338,500	7,331,042
Grand Total	\$10,937,808	\$3,238,392	\$7,699,416
<u>Notes</u>			
2. The following amounts have been transferred from WRC to cover operational needs at the other facilities.			
a. CCUSO: \$917,185			
b. Cherokee MHI: \$1,421,315			

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 FY23, but the projects are not yet complete so carried forward to FY24. The remaining \$6.0 million balance was set aside from the \$11 million Adoption Subsidy transfer to be used for Voldeng remodel costs in FY24.

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	233,577	7,634,360
Grand Total	\$7,900,237	\$263,120	\$7,634,360
<u>Notes</u>			
1. The intercom and controlled door project ended in FY24. \$2,756 in unspent funds were returned to CCUSO by DAS and used to offset other salary and support costs at the facility.			
2. In FY25, HHS expects to re-obligate a portion of the Voldeng funds since the this project will be funded by a \$7,000,000 Rebuild Iowa Infrastructure Fund appropriation 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 FY22 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	\$2,849,140	\$2,849,140	\$0
Social Worker Recruitment	167,785	167,785	0
Child Protective Services Assessment	485,399	485,399	0
Overtime for PHE Unwind	523,879	523,879	0
Bridging Engagement Project	8,682	8,682	0
Retro IV-E Participation Rate Changes	2,368,674	0	2,368,674
Other/Miscellaneous	22,061	22,061	0
Grand Total	\$6,425,620	\$4,056,946	\$2,368,674

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	\$314,424	\$451,869
Other	3,492,161	0	3,492,161
Grand Total	\$4,258,454	\$314,424	\$3,944,030
Notes			
1. A portion of the \$3,492,161 balance will likely be reserved for the Thrive Iowa Program in FY25 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 FY22 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	\$3,045,866	\$0
MOMS Program	428,836	0	428,836
Potential FY23 Late Claims	120,002	120,002	0
Grand Total	\$3,594,704	\$3,165,868	\$428,836

Notes

1. \$986,654 in unspent Lucas Move Project funds were returned to the General Administration appropriation by DAS and used to offset other salary and support costs within the appropriation including the cost of the annual vacation payout.
2. The \$428,836 MOMS balance will not be spent until current year funds are exhausted.
3. Of the \$120,002 late claims amount, \$18,360 was spent on SFY23 late claims paid in SFY24 and the remainder was used to offset other salary and support costs within the appropriation including the cost of the annual vacation payout.

Child Care Assistance

Authority: 2023 Iowa Acts Ch. 112 Sec. 42

Description: \$2,860,791 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.

Note: A small adjustment was made to the Child Care Assistance carry-forward amount to correct an error included on prior reports.

Reported Expenditures: Child Care Assistance

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
To Be Determined	\$2,860,791	\$0	\$2,860,791
Grand Total	\$2,860,791	\$0	\$2,860,791

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 FY23, but the projects are not yet complete so carried forward to FY24.

Reported Expenditures: Eldora State Training School

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
Gym A/C	\$645,244	\$558,062	\$87,182
Retaining Wall Replacement	72,900	65,415	7,485
Grand Total	\$718,144	\$623,477	\$94,667

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 FY22 to FY23 (\$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 FY23, but the projects are not yet complete so carried forward to FY24.

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
<u>Notes</u> 1. The laundry building roof repair project ended in FY24. \$286,942 in unspent funds were returned to Independence by DAS and used to offset other salary and support costs at the facility.			

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	\$56,374	\$287,321
Grand Total	\$343,695	\$56,374	\$287,321

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 FY23, but the projects are not yet complete so carried forward to FY24.

Reported Expenditures: Cherokee MHI

Expenditure Category	Budget Amount	Amount Spent	Remaining Balance
Cherokee 7 North Remodel	\$15,378	\$11,308	\$4,070
Cherokee Parking Lots	123,344	108,671	14,673
Grand Total	\$138,722	\$119,979	\$18,743

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	4,275,641
Amount Obligated But Not Yet Spent	10,608,864

One-Time Activities	Projected Expenditures and Obligations		Actual Expenditures through SFY24		Unspent Obligations	
	Total	State	Total	State	Total	State
Data Center Move	155,000	99,336	102,967	70,194	52,033	29,142
Accounting and Payroll System Updates (Workday, I/3)	713,671	477,153	552,566	364,829	161,105	112,324
VX Rack Replatforming	1,100,956	1,100,956	-	-	1,100,956	1,100,956
Corporate Technology Assessment	248,933	248,933	31,767	31,767	217,166	217,166
Enterprise Architecture & IT Strategy Implementation	1,687,176	1,061,128	238,518	144,639	1,448,657	916,489
ServiceNow Implementation	50,000	32,044	41,347	26,452	8,653	5,592
Appeals System Implementation	169,921	103,795	104,801	63,371	65,120	40,424
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	189,924	127,066	144,976	91,341
Cost Allocation Review Contract	783,015	551,901	553,087	385,235	229,928	166,667
Business Process Redesign Contract	34,450	22,032	-	-	34,450	22,032
Rent Reimbursement Implementation	1,328,664	1,328,664	1,044,178	1,044,178	284,486	284,486
HHS Alignment Efforts	569,910	454,586	515,448	402,512	54,463	52,074
Retro IV-E Adjustments (General Admin and CAB)	1,000,000	1,000,000	-	-	1,000,000	1,000,000
IT Costs Associated with Lucas Move	6,500,000	4,575,863	2,319,403	1,615,398	4,180,597	2,960,464
Public Assistance Oversight / Master Client Index	5,055,125	3,243,006	-	-	5,055,125	3,243,006
Other agency-wide modernization efforts/contingencies	411,406	267,414	-	-	411,406	267,414
Total	20,294,026	14,884,505	5,694,005	4,275,641	14,600,021	10,608,864