



# FY25 Annual Transfer Report

September 2025



## **This report is in response to the requirements found in 2024 Iowa Acts Chapter 1157 Section 21.**

### *Sec. 21. DEPARTMENT OF HEALTH AND HUMAN SERVICES TRANSFERS AND CASHFLOW.*

*1. The department of health and human services may transfer funds appropriated in this Act to support continuing alignment efforts, to maximize federal support in accordance with the department's federal costs allocation plan, and for resources necessary to implement and administer the services for which funds are provided. The department shall report any transfers made pursuant to this subsection to the general assembly.*

The report is submitted to inform the general assembly of appropriation transfers that occurred during Fiscal Year 2025 (FY25). These transfers were made to ensure effective use of resources and continued delivery of services within budget authority.

The transfers fall into five general categories:

1. Transfers to legacy program appropriations
2. Transfers due to HHS appropriation mapping
3. Transfers due to the HHS centralized service structure
4. Transfer of indirect cost recoveries
5. Transfers for enterprise costs

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### **Transfers to legacy program appropriations**

Several HHS assistance programs (Child Care, Child Welfare, Medicaid, etc.) have payments that originate in external IT systems that then interface with the state's Iowa Advantage accounting system. Any updates to the Iowa Advantage appropriation and accounting structure also require updates to these external systems. The new HHS accounting structure was finalized late Spring 2024 and HHS determined there was insufficient time to design, test and implement corresponding changes to its external IT systems prior to July 1<sup>st</sup>. Therefore, in FY25, HHS assistance payments continued to be paid from legacy program appropriations. Transfers were made to fund the state share of these payments.

These are one-time transfers. Program appropriations have been mapped into the new HHS accounting structure in FY26.

**Total Transfers: \$2,062,685,811**

### **Transfers due to HHS appropriation mapping**

At the time HHS finalized its FY25 appropriation structure, decisions impacting the HHS table of organization and program responsibility were still being made. As a result, there were some instances where the division receiving the appropriation was not the division

managing the program. Transfers were made to move these funds to the correct division.

Similar transfers will occur in FY26. HHS will be proposing appropriation adjustments in FY27 to eliminate the need for these transfers in future years.

**Total Transfers: \$5,835,057**

### **Transfers due to the HHS centralized service structure**

Alignment provided HHS the opportunity to develop shared processes and best practices across several business areas which resulted in improved efficiency and streamlined workflows. To accomplish this, certain business functions which were previously dispersed throughout the legacy agencies have been brought together in a centralized service structure.

One example of this is human resources. The HHS now has a centralized HR team that supports the entire organization to ensure consistent HR processes. This bureau and corresponding budget reside in the Accountability, Compliance, and Program Integrity appropriation, however, in certain cases the HR work that supports a specific division is charged back to that division. For example, the work done by HR staff to support the HHS facilities is funded by a transfer from the State-Operated Specialty Care (SOSC) appropriation. These transfers are an allowable use of the SOSC appropriation since the division is paying for the same HR services they always have; they are just paying for it as a transfer instead of paying for direct staff or reimbursing DAS for a similar service.

Other examples of this include IT services, attorney general services, and post-employment payouts (termination payments and the Sick Leave Insurance Program).

These transfers will occur annually due to the new HHS organizational structure.

**Total Transfers: \$26,302,377**

### **Transfer of indirect cost recoveries**

Indirect costs are expenses not directly tied to a specific project or activity, but necessary for running the organization. Examples of indirect costs include the director's office, administrative salaries, and accounting services.

Indirect cost recovery is the process of getting reimbursed for those overhead costs by including them in grant or contract budgets, using an approved indirect cost rate.

These indirect recoveries accrue in division grants and contract budgets (primarily in the Public Health division) but fund the overhead expenses that are primarily paid from the

Accountability, Compliance, and Program Integrity appropriation. Transfers were made to move this revenue to where the expenses occurred.

These transfers will occur annually due to the new HHS organizational structure.

**Total Transfers: \$5,054,357**

**Transfers for enterprise costs**

Given the new HHS structure and centralized nature of certain business functions, there were enterprise costs (IT, overhead, etc.) that could not be easily assigned to an HHS division. These enterprise costs were instead paid from the Accountability, Compliance, and Program Integrity appropriation which caused total expenditures to exceed the budgeted amount. This additional cost was funded by transfers from other appropriations.

Similar transfers could occur in future years, but HHS will look to minimize the need by doing the following:

1. Reducing enterprise costs where possible.
2. Maximizing the use of non-state funding sources where appropriate.
3. Developing an allocation basis to more equitably assign these enterprise costs to the benefiting divisions.

**Total Transfers: \$5,966,452**

All transfers are summarized below, and further detail is provided in Attachment 1.

<b>Transfer Category</b>	<b>Amount</b>
Transfers to legacy program appropriations	\$ 2,062,685,811
Transfers due to HHS appropriation mapping	5,835,057
Transfers due to the HHS centralized service structure	26,302,377
Transfer of indirect cost recoveries	5,054,357
Transfers for enterprise costs	5,966,452
<b>Grand Total</b>	<b>\$ 2,105,844,054</b>

Appropriation transfers are a vital fiscal management tool that allows HHS to respond to dynamic needs within the constraints of our existing budget. We remain committed to transparency, efficiency, and accountability in the use of public funds.

Should the general assembly require additional details or wish to discuss any transfer in greater depth, we welcome the opportunity for further engagement.

From Account	To Account		Amount	Explanation
<b>Transfers to legacy program appropriations</b>				
Community Access & Eligibility	K54 Family Investment Program	N01	19,779,369	CAE program and administrative costs
Medicaid	K56 Hawki Fund	0374	32,375,426	Hawki program costs
Medicaid	K56 State Supplementary Assistance	N10	3,390,256	State Supp program costs
Medicaid	K56 Medical Assistance	N20	1,819,301,890	Medicaid program costs
Medicaid	K56 CHIP	N22	7,836,913	CHIP program costs
Health Program Operations	K57 Hawki Fund	0374	750,000	Hawki administrative costs
Health Program Operations	K57 Family Investment Program	N01	136,957	Medicaid administrative costs
Health Program Operations	K57 Medical Assistance	N20	6,926,998	Medicaid administrative costs
Health Program Operations	K57 Health Program Operation	N28	28,010,314	Medicaid administrative costs
Child Care Assistance	K58 Child Care Assistance	N56	34,912,011	Child Care program and administrative costs
Early Intervention and Supports	K59 Child Care Assistance	N56	630,104	Early Childhood Iowa administrative costs
Child Protective Services	K60 Child and Family Services	N71	45,446,410	Child protective services program and administrative costs
Child Protective Services	K60 Decategorization	N79	63,189,163	Child protective services program and administrative costs
<b>Transfers to legacy program appropriations subtotal</b>			<b>2,062,685,811</b>	
<b>Transfers due to HHS appropriation mapping</b>				
Aging and Disability Services	K51 Early Intervention and Supports	K59	949,282	Children at Home program
Aging and Disability Services	K51 State Supplementary Assistance	N10	1,269,240	In-Home Health Related Care program costs
Public Health	K53 Behavioral Health	K52	60,845	Iowa Donor Registry
Community Access & Eligibility	K54 Early Intervention and Supports	K59	91,378	EIS administrative costs
Health Program Operations	K57 Community Access & Eligibility	K54	413,776	Health Insurance Premium Payment (HIPP) Program administrative costs
Health Program Operations	K57 Community Access & Eligibility	K54	57,795	State Family Planning Program administrative costs
Child Care Assistance	K58 Early Intervention and Supports	K59	569,752	EI carry-forward balance moved to EIS
Child Protective Services	K60 Aging and Disability Services	K51	200,000	Adult Protective Services administrative costs
Child Protective Services	K60 Aging and Disability Services	K51	183,982	In-Home Health Related Care administrative costs
Child Protective Services	K60 Aging and Disability Services	K51	2,963	Legacy Field Operations carry-forward moved to ADS
Child Protective Services	K60 Community Access & Eligibility	K54	14,976	Legacy Field Operations carry-forward moved to CAE
Child Protective Services	K60 Early Intervention and Supports	K59	1,000,000	MOMS Program
Child Protective Services	K60 Accountability, Compliance, and Program Integrity	K62	1,365	Legacy Field Operations carry-forward moved to ACP
Accountability, Compliance, and Program Integrity	K62 Department of Management		1,019,703	Criminal & Juvenile Justice Planning (CJJP)
<b>Transfers due to HHS appropriation mapping subtotal</b>			<b>5,835,057</b>	
<b>Transfers due to the HHS centralized service structure</b>				
Aging and Disability Services	K51 Accountability, Compliance, and Program Integrity	K62	218,222	Division IT services paid from a central account
Aging and Disability Services	K51 Accountability, Compliance, and Program Integrity	K62	15,401	Division administrative costs paid from a central account
Aging and Disability Services	K51 Accountability, Compliance, and Program Integrity	K62	2,471	SLIP and Term costs paid from a central account
Behavioral Health	K52 Accountability, Compliance, and Program Integrity	K62	268,448	Division IT services paid from a central account
Behavioral Health	K52 Accountability, Compliance, and Program Integrity	K62	158	Division administrative costs paid from a central account
Behavioral Health	K52 Accountability, Compliance, and Program Integrity	K62	642	SLIP and Term costs paid from a central account
Public Health	K53 Accountability, Compliance, and Program Integrity	K62	226,830	Division IT services paid from a central account
Community Access & Eligibility	K54 Child Support Services	K55	17,000	CSS contract paid from carry-forward funds
Community Access & Eligibility	K54 Accountability, Compliance, and Program Integrity	K62	7,786,559	Division IT services paid from a central account
Community Access & Eligibility	K54 Accountability, Compliance, and Program Integrity	K62	499,461	Agency costs paid from carry-forward funds
Community Access & Eligibility	K54 Accountability, Compliance, and Program Integrity	K62	104,306	Division administrative costs paid from a central account
Community Access & Eligibility	K54 Accountability, Compliance, and Program Integrity	K62	312,102	SLIP and Term costs paid from a central account
Child Support Services	K55 Accountability, Compliance, and Program Integrity	K62	1,937,944	Division IT services paid from a central account
Child Support Services	K55 Accountability, Compliance, and Program Integrity	K62	36,527	Division administrative costs paid from a central account
Child Support Services	K55 Accountability, Compliance, and Program Integrity	K62	117,591	SLIP and Term costs paid from a central account
Medicaid	K56 Accountability, Compliance, and Program Integrity	K62	59,156	Division IT services paid from a central account

From Account	To Account		Amount	Explanation
Health Program Operations	K57 Accountability, Compliance, and Program Integrity	K62	1,355,178	Division IT services paid from a central account
Health Program Operations	K57 Accountability, Compliance, and Program Integrity	K62	510,113	Division administrative costs paid from a central account
Health Program Operations	K57 Accountability, Compliance, and Program Integrity	K62	39,592	SLIP and Term costs paid from a central account
Child Care Assistance	K58 Accountability, Compliance, and Program Integrity	K62	34,319	Division IT services paid from a central account
Child Care Assistance	K58 Accountability, Compliance, and Program Integrity	K62	50,022	Division administrative costs paid from a central account
Child Care Assistance	K58 Accountability, Compliance, and Program Integrity	K62	19,244	SLIP and Term costs paid from a central account
Early Intervention and Supports	K59 Accountability, Compliance, and Program Integrity	K62	53,548	Division IT services paid from a central account
Early Intervention and Supports	K59 Accountability, Compliance, and Program Integrity	K62	32,822	Division administrative costs paid from a central account
Early Intervention and Supports	K59 Accountability, Compliance, and Program Integrity	K62	1,157	SLIP and Term costs paid from a central account
Child Protective Services	K60 Accountability, Compliance, and Program Integrity	K62	2,951,773	Division IT services paid from a central account
Child Protective Services	K60 Accountability, Compliance, and Program Integrity	K62	1,441,758	Division administrative costs paid from a central account
Child Protective Services	K60 Accountability, Compliance, and Program Integrity	K62	420,467	SLIP and Term costs paid from a central account
State-Operated Specialty Care	K61 Public Health	K53	389,942	Public Health clinical staff supporting the facilities
State-Operated Specialty Care	K61 State-Operated Specialty Care	K61	1,144,482	Central office facility staff funded from facility accounts
State-Operated Specialty Care	K61 Accountability, Compliance, and Program Integrity	K62	4,621,983	Division IT services paid from a central account
State-Operated Specialty Care	K61 Accountability, Compliance, and Program Integrity	K62	764,352	Division administrative costs paid from a central account
State-Operated Specialty Care	K61 Accountability, Compliance, and Program Integrity	K62	868,807	SLIP and Term costs paid from a central account
<b>Transfers due to the HHS centralized service structure subtotal</b>			<b>26,302,377</b>	
<b>Transfer of indirect cost recoveries</b>				
Public Health	K53 Behavioral Health	K52	137,265	Transfer of indirect recovery
Public Health	K53 Child Support Services	K55	386	Transfer of indirect recovery
Public Health	K53 Health Program Operations	K57	1,633	Transfer of indirect recovery
Public Health	K53 Early Intervention and Supports	K59	34,653	Transfer of indirect recovery
Public Health	K53 Accountability, Compliance, and Program Integrity	K62	4,167,347	Transfer of indirect recovery
Community Access & Eligibility	K54 Accountability, Compliance, and Program Integrity	K62	602,875	Transfer of indirect recovery
Child Protective Services	K60 Accountability, Compliance, and Program Integrity	K62	110,198	Transfer of indirect recovery
<b>Transfer of indirect cost recoveries subtotal</b>			<b>5,054,357</b>	
<b>Transfers for enterprise costs</b>				
Community Access & Eligibility	K54 Accountability, Compliance, and Program Integrity	K62	4,750,000	Transfer for enterprise costs
Child Protective Services	K60 Accountability, Compliance, and Program Integrity	K62	1,216,452	Transfer for enterprise costs
<b>Transfers for enterprise costs subtotal</b>			<b>5,966,452</b>	
<b>GRAND TOTAL ALL TRANSFERS</b>			<b><u>2,105,844,054</u></b>	