



FY26 Annual Transfer Report

September 2026



This report is in response to the requirements found in 2025 Iowa Acts Chapter 169 Section 26.

Sec. 26. DEPARTMENT OF HEALTH AND HUMAN SERVICES TRANSFERS AND CASHFLOW.

1. Notwithstanding any provision of law to the contrary, the department of health and human services may transfer moneys 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 moneys are appropriated. 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 State Fiscal Year 2026 (FY26). These transfers were made to ensure effective use of resources and continued delivery of services within budget authority.

The transfers fall into four 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. Transfers to program funds

Transfers to legacy program appropriations

The child welfare decategorization funding pools remain in a legacy appropriation until the program ends. The FY26 HHS appropriation bill allocated \$1,717,000 for this purpose.

Total Transfers: \$1,717,000

Transfers due to HHS appropriation mapping

At the time HHS finalized its 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 FY27. HHS will be proposing appropriation adjustments in FY28 to eliminate the need for these transfers in future years.

Total Transfers: \$21,992,694

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: \$98,694,583

Transfer to program funds

Certain HHS appropriated dollars are allocated to activities that are authorized and paid for in a separate fund. This includes:

- Aging and Disability Services and Behavioral Health substance use disorder and tobacco prevention services paid from the Behavioral Health Fund.
- Public Health funds allocated to activities within the Emergency Medical Services Fund.
- Community Access and Eligibility funds allocated to Volunteer Iowa.
- Medicaid funds allocated to the Hawki Trust Fund.
- Health Program Operations funds allocated to the Autism Support Fund.
- Early Intervention and Support funds allocated to the Early Childhood Iowa Fund.

These transfers will occur annually.

Total Transfers: \$103,039,185

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

Transfer Category	Amount
Transfers to legacy program appropriations	\$ 1,717,000
Transfers due to HHS appropriation mapping	21,992,694
Transfers due to the HHS centralized service structure	98,694,583
Transfer to program funds	103,039,185
Grand Total	\$ 225,443,463

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.