
BUDGET UNIT BRIEF – FY 2025

Fiscal Services Division

July 1, 2024



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Rent Subsidy Program

Purpose and History

The Home- and Community-Based Services (HCBS) Rent Subsidy Program provides rent assistance to individuals on one of the Medicaid HCBS Waivers. Individuals who are on an HCBS Waiver have their health care and other support services paid for by the Medicaid Program; however, due to federal law, the Medicaid Program cannot pay for housing unless it is in an institutional setting. The Rent Subsidy Program provides a monthly rent assistance payment to these individuals to help them live successfully in their own homes or communities until they become eligible for any other local, State, or federal rent assistance. By providing a rent subsidy and allowing these individuals to live in their homes or communities, the State is able to save money by avoiding the use of higher-cost institutional-based care and allow individuals to remain in a less restrictive setting. The Program has been administered by the Iowa Finance Authority (IFA) since FY 2005.

The Rent Subsidy Program began in FY 1997 as an allocation of the General Fund State Supplementary Assistance appropriation to the then Department of Human Services (DHS) in 1996 Iowa Acts, chapter [1213](#) (FY 1997 Health and Human Services Appropriations Act). The Program was funded with an annual allocation from the DHS until FY 2004, when the Program was funded by the Senior Living Trust Fund (SLTF) as part of a larger appropriation to the DHS in 2003 Iowa Acts, chapter [175](#) (FY 2004 Health and Human Services Appropriations Act). In FY 2005, the DHS transferred the Program to the IFA through an Iowa Code chapter [28E](#) agreement, and in FY 2006, the IFA received a direct appropriation for the Program from the SLTF in 2005 Iowa Acts, chapter [175](#) (FY 2006 Health and Human Services Appropriations Act). The Program resumed funding from the General Fund in FY 2012 in 2011 Iowa Acts, chapter [130](#) (FY 2012 Economic Development Appropriations Act).

Funding — State General Fund

The Rent Subsidy Program currently receives 100.0% of its funding from a State General Fund appropriation in the annual Economic Development Appropriations Act.

Related Statutes and Administrative Rules

Iowa Code chapter [28E](#)

Iowa Administrative Code [265—24](#)

Budget Unit Number

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More Information

Home and Community-Based Services Rent Subsidy Program:

iowafinance.com/renter-programs/home-and-community-based-services-rent-subsidy-program

Iowa Finance Authority: iowafinanceauthority.gov

Department of Health and Human Services: hhs.iowa.gov

Medicaid HCBS Waivers: legis.iowa.gov/docs/publications/FTNO/1294641.pdf

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