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## BUDGET UNIT BRIEF – FY 2023

Fiscal Services Division

July 1, 2022



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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

## MHDS Region Incentive Fund

### Purpose and History

The regional [Mental Health and Disability Services \(MHDS\)](#) system provides locally delivered services that are regionally managed within statewide standards. Local access to mental health and disability services for adults and children with severe emotional disturbances are provided by established mental health and disability services regions to residents of Iowa regardless of the location of their residence. There are 14 MHDS [regions](#) statewide. 2021 Iowa Acts, [Senate File 619](#) (FY 2022 Taxation and Other Provisions Act), changed funding from a local to a statewide system of financing, created a new MHDS Region Incentive Fund to provide additional funding to the MHDS regions, and specified criteria under which an MHDS region may apply for funding. The [Department of Health and Human Services \(DHHS\)](#) will make its final decisions on or before December 15 of each year regarding acceptance or rejection of the submissions for incentive funds applications.

### Funding — State General Fund

A \$3.0 million General Fund appropriation from SF 619 to the MHDS Region Incentive Fund was made in FY 2022. Beginning in FY 2026, any balance in the Fund will be multiplied by a growth factor, not to exceed 3.5% in a fiscal year, equal to the sales tax growth rate for the preceding fiscal year minus 1.5%.

### Related Statutes and Administrative Rules

Iowa Code section [225C.7A](#)

Iowa Administrative Code [441](#)

### Budget Unit Number

4130N670001

Doc ID 1305893

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### More Information

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