

CHAPTER 62

COUNTY MENTAL HEALTH AND DISABILITY SERVICES — CASH FLOW AMOUNT RESTRICTIONS

H.F. 691

AN ACT relating to funding of county mental health and disability services by modifying provisions relating to the use of specified excess cash flow funds, and including effective date and retroactive applicability provisions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. [Section 331.391, subsection 4](#), Code 2019, is amended to read as follows:

4. a. If a region is meeting the financial obligations for implementation of its regional service system management plan for a fiscal year and residual funding is anticipated, the regional administrator shall reserve an adequate amount of unobligated and unencumbered funds for cash flow of expenditure obligations in the next fiscal year.

~~b. For fiscal years beginning July 1, 2017, July 1, 2018, and July 1, 2019, that portion of each region's cash flow amount either reserved in the combined account or reserved among all separate county accounts under the control of the governing board that exceeds twenty-five percent of the gross expenditures from the combined account or from all separate county accounts under control of the governing board in the fiscal year preceding the fiscal year in progress shall be used in whole or in part to fund the payment of services provided under the regional service system management plan under [section 331.393](#).~~

e. ~~b.~~ Each region shall certify to the department of management on or before December 1, ~~2020~~ 2022, and each December 1 thereafter, the amount of the region's cash flow amount in the combined account that is attributable to each county within the region based upon each county's proportionate amount of funding and contributions to the region or other methodology specified in the regional governance agreement or certify the cash flow amount for each separate county account that is under the control of the governing board at the conclusion of the most recently completed fiscal year.

~~d. (1) c.~~ For fiscal years beginning on or after July 1, ~~2021~~ 2023, ~~for each region having a population of one hundred thousand or over, the region's cash flow amount, either reserved in the region's combined account or reserved among all separate county accounts under the control of the governing board, shall not exceed twenty-four~~ percent of the gross expenditures from the combined account or from all separate county accounts under control of the governing board for the fiscal year preceding the fiscal year in progress.

~~(2) For fiscal years beginning on or after July 1, 2021, for each region having a population of less than one hundred thousand, the region's cash flow amount shall not exceed twenty-five percent of the gross expenditures from the combined account or from all separate county accounts under control of the governing board for the fiscal year preceding the fiscal year in progress.~~

Sec. 2. [Section 331.424A, subsection 1](#), paragraph b, Code 2019, is amended to read as follows:

b. "Cash flow reduction amount" means the amount calculated under [subsection 4](#) and used to reduce a county budgeted amount under [subsection 9](#) for fiscal years beginning on or after July 1, ~~2021~~ 2023.

Sec. 3. [Section 331.424A, subsection 4](#), Code 2019, is amended to read as follows:

4. a. An amount of unobligated and unencumbered funds, as specified in the regional governance agreement entered into by the county under [section 331.392](#), shall be reserved in the county services fund to address cash flow obligations in the next fiscal year, subject to the limitations of [this subsection](#).

~~b. For fiscal years beginning July 1, 2017, July 1, 2018, and July 1, 2019, that portion of each county's cash flow amount reserved in the county services fund that exceeds an amount equal to twenty-five percent of the gross expenditures from the county services fund in the fiscal year preceding the fiscal year in progress shall be used in whole or in part to fund the~~

county's financial obligations for the payment of services provided under the regional service system management plan under [section 331.393](#).

~~e. b.~~ Each county shall, as part of the financial report required under [section 331.403](#), certify the county's cash flow amount in the county services fund at the conclusion of the most recently completed fiscal year.

~~d. c.~~ For each fiscal year beginning on or after July 1, ~~2021~~ 2023, of a county's cash flow amount maintained in the county services fund or of the region's cash flow amount attributable to the county under [section 331.391, subsection 4](#), paragraph "~~e~~" "b", an amount equal to the county's cash flow reduction amount shall be used to fund the county's financial obligations for the payment of services provided under the regional service system management plan under [section 331.393](#).

~~e. d. (1)~~ For each fiscal year beginning on or after July 1, ~~2021~~ 2023, each county's cash flow reduction amount shall be determined as follows and shall result in a reduction of the county budgeted amount determined pursuant to [subsection 9](#):

(1) For each county located in a region having a population of one hundred thousand or over, the county's cash flow reduction amount equals equal to the sum of the county's cash flow amount in the county services fund plus the most recent amount certified by the region for the county under [section 331.391, subsection 4](#), paragraph "~~e~~" "b", minus ~~twenty~~ forty percent of the gross expenditures from the county services fund in the fiscal year preceding the fiscal year in progress. However, the cash flow reduction amount shall not be less than zero and shall not exceed the county budgeted amount determined under [subsection 9](#) prior to any reduction resulting from the cash flow reduction amount.

(2) ~~For each county located in a region having a population of less than one hundred thousand, the county's cash flow reduction amount equals the sum of the county's cash flow amount in the county services fund plus the most recent amount certified by the region for the county under [section 331.391, subsection 4](#), paragraph "~~e~~", minus twenty five percent of the gross expenditures budgeted from the county services fund for the fiscal year in progress. However, the cash flow reduction amount shall not be less than zero and shall not exceed the county budgeted amount determined under [subsection 9](#) prior to any reduction resulting from the cash flow reduction amount. For the applicable fiscal years, each county's cash flow reduction amount calculated pursuant to this paragraph shall result in a reduction of the county budgeted amount determined pursuant to [subsection 9](#).~~

Sec. 4. [Section 331.424A, subsection 9](#), Code 2019, is amended to read as follows:

9. a. For the fiscal year beginning July 1, 2017, and each subsequent fiscal year, the county budgeted amount determined for each county shall be the amount necessary to meet the county's financial obligations for the payment of services provided under the regional service system management plan approved pursuant to [section 331.393](#), not to exceed an amount equal to the product of the regional per capita expenditure target amount multiplied by the county's population, and, for fiscal years beginning on or after July 1, ~~2021~~ 2023, reduced by the amount of the county's cash flow reduction amount for the fiscal year calculated under [subsection 4](#), if applicable.

b. If a county officially joins a different region, the county's budgeted amount shall be the amount necessary to meet the county's financial obligations for payment of services provided under the new region's regional service system management plan approved pursuant to [section 331.393](#), not to exceed an amount equal to the product of the new region's regional per capita expenditure target amount multiplied by the county's population, and, for fiscal years beginning on or after July 1, ~~2021~~ 2023, reduced by the amount of the county's cash flow reduction amount for the fiscal year calculated under [subsection 4](#), if applicable.

Sec. 5. COUNTY BUDGET AMENDMENT AND RECERTIFICATION — REGIONAL SERVICE SYSTEM MANAGEMENT PLAN AMENDMENT.

1. To the extent necessary to implement the provisions of this Act, a county may amend that portion of the county's budget related to cash flow amounts in the county mental health and disability services fund for the fiscal year beginning July 1, 2018.

2. If this Act takes effect on or after March 15, 2019, notwithstanding [section 24.17](#), for the fiscal year beginning July 1, 2019, a county may recertify the county's budget as necessary

to implement the provisions of this Act. A budget recertified pursuant to this section must be recertified in duplicate to the county auditor not later than thirty days after the effective date of this Act, and protests to the budget shall be filed not later than ten days after the county's budget is recertified.

3. To the extent necessary to implement the provisions of this division of this Act, a mental health and disability services region may amend the region's regional service system management plan or annual service and budget plan approved under [section 331.393](#) for the fiscal year beginning July 1, 2018, or for the fiscal year beginning July 1, 2019.

Sec. 6. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 7. RETROACTIVE APPLICABILITY. This Act applies retroactively to July 1, 2018, for fiscal years beginning on or after that date.

Approved May 1, 2019