

Approved

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SENATE FILE 493  
 BY HUSAK, DOYLE, DELUHERY,  
 PRIEBE, TIEDEN, FRAISE,  
 BOSWELL, RIORDAN, KIBBIE,  
 HESTER, JENSEN, GETTINGS,  
 PETERSON, PATE, SOORHOLTZ,  
 MURPHY, TAYLOR, RENSINK,  
 LIND, BORLAUG, VANDE HOEF,  
 HEDGE, KERSTEN, FUHRMAN,  
 MILLER, WELSH, NYSTROM,  
 McLAREN, STURGEON, RITTMER,  
 ROSENBERG, RIFE, and DRAKE

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
 Approved \_\_\_\_\_

A BILL FOR

1 An Act establishing a state funding formula for the state to  
 2 assume the costs of services provided to adults with mental  
 3 retardation, a developmental disability, or mental illness,  
 4 and providing an effective date.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 493

1 Section 1. PURPOSE. It is the purpose of this Act to  
2 provide property tax relief to the counties of this state by  
3 providing state financial assistance for the funding of  
4 services provided to persons with mental retardation,  
5 developmental disabilities, or mental illness. In providing  
6 property tax relief, it is also the purpose of this Act that  
7 persons with mental retardation, developmental disabilities,  
8 or mental illness be provided with the support services  
9 necessary for these persons to be fully included as  
10 contributing members of their families, neighborhoods, and  
11 communities.

12 Sec. 2. NEW SECTION. 225C.45 SPECIAL MENTAL HEALTH,  
13 MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES SERVICES  
14 FUND.

15 1. This section applies to services provided to adult  
16 residents of this state with mental retardation, a  
17 developmental disability, or mental illness. For the purposes  
18 of this section, "resident" means an adult person with mental  
19 retardation, a developmental disability, or mental illness who  
20 is a legal resident of this state.

21 2. A special mental health, mental retardation, and  
22 developmental disabilities services fund is established in the  
23 office of the treasurer of state under the control of the  
24 department. The fund shall consist of moneys appropriated to  
25 the fund by the general assembly.

26 3. It is the intent of the Seventy-fourth General  
27 Assembly, 1991 Session, that by the end of the fiscal period  
28 beginning July 1, 1991, and ending June 30, 2001, the state  
29 will assume one hundred percent of the cost of mental health,  
30 mental retardation, and developmental disabilities services  
31 provided to residents by incrementally increasing state  
32 spending for these services. In order to achieve this goal,  
33 moneys shall be provided annually to counties from the special  
34 mental health, mental retardation, and developmental  
35 disabilities services fund established in subsection 2.

1 The state's proportional share of the sum of state and county  
2 funding for these services provided to residents shall be as  
3 follows:

4 a. For the fiscal year beginning July 1, 1992, thirty  
5 percent of the sum of state and county funding for services  
6 provided to residents during the fiscal year beginning July 1,  
7 1990.

8 b. For the fiscal year beginning July 1, 1993, forty  
9 percent of the sum of state and county funding for services  
10 provided to residents during the fiscal year beginning July 1,  
11 1991.

12 c. For the fiscal year beginning July 1, 1994, fifty  
13 percent of the sum of state and county funding for services  
14 provided to residents during the fiscal year beginning July 1,  
15 1992.

16 d. For the fiscal year beginning July 1, 1995, sixty  
17 percent of the sum of state and county funding for services  
18 provided to residents during the fiscal year beginning July 1,  
19 1993.

20 e. For the fiscal year beginning July 1, 1996, seventy  
21 percent of the sum of state and county funding for services  
22 provided to residents during the fiscal year beginning July 1,  
23 1994.

24 f. For the fiscal year beginning July 1, 1997, eighty  
25 percent of the sum of state and county funding for services  
26 provided to residents during the fiscal year beginning July 1,  
27 1995.

28 g. For the fiscal year beginning July 1, 1998, ninety  
29 percent of the sum of state and county funding for services  
30 provided to residents during the fiscal year beginning July 1,  
31 1996.

32 h. For the fiscal year beginning July 1, 1999, one hundred  
33 percent of the sum of state and county funding for services  
34 provided to residents during the fiscal year beginning July 1,  
35 1997.

1 i. For the fiscal year beginning July 1, 2000, one hundred  
2 percent of the funding for services provided to residents  
3 provided during the fiscal year and in each succeeding fiscal  
4 year.

5 4. In each fiscal year, the amount appropriated to the  
6 fund shall be allocated to each county as follows:

7 a. Fifty percent based upon the county's proportion of the  
8 state's general population.

9 b. Fifty percent based upon the county's proportion of the  
10 total expenditures of counties during the previous fiscal year  
11 for services provided to persons with mental retardation, a  
12 developmental disability, or mental illness.

13 5. The following percentages of the amount allocated to a  
14 county are available to the county for the following purposes:

15 a. Fifty percent for the county's general expenditures for  
16 mental health, mental retardation, and developmental  
17 disabilities services to residents.

18 b. Fifty percent for the county's expenditures for the  
19 following mental health, mental retardation, and developmental  
20 disabilities services selected by counties and provided to  
21 residents:

22 (1) Case management.

23 (2) Supported employment.

24 (3) Community-based housing, including but not limited to  
25 group homes with five beds or less which promote quality  
26 support services, appropriate levels of independence, and  
27 community inclusion for residents. However, expenditures  
28 relating to a group home with more than five beds or a group  
29 home which does not comply with the location requirements of  
30 section 358A.25, subsection 3, or section 414.22, subsection  
31 3, are not eligible for reimbursement. Expenditures for  
32 housing provided in intermediate care facilities for the  
33 mentally retarded with ten beds or less which received a  
34 certificate of need under chapter 135 on or before July 1,  
35 1991, are eligible for payment under this allocation until

1 July 1, 1997.

2 (4) Individual support services provided to residents  
3 living in community-based housing or an independent living  
4 arrangement or to residents and residents' families when a  
5 resident is living with the resident's family. The support  
6 services are any service deemed necessary by a county to  
7 support a resident in a community-based housing or other  
8 living arrangement described in this lettered paragraph, and  
9 include any employment, training, or educational program. The  
10 support services may also include provision of or payment for  
11 the costs of food, medical services, clothing, and counseling.

12 (5) Day programming provided to residents living in  
13 community-based housing, an independent living arrangement, or  
14 with the resident's family.

15 6. The rates established for reimbursement of persons  
16 providing services to residents shall be reasonable and  
17 adequate to cover the costs of efficiently operated and  
18 economical services.

19 7. The state shall have sole responsibility for funding  
20 any new services which the state requires to be provided to  
21 residents. In the event that the state includes a new  
22 population in the definition of "resident", the state shall  
23 have sole responsibility for funding services provided to that  
24 population.

25 Sec. 3. LEGISLATIVE INTENT. Nothing in this Act is  
26 intended by the general assembly to be the provision of a fair  
27 and equitable funding formula specified in 1985 Iowa Acts,  
28 chapter 249, section 9. Nothing in this Act shall be  
29 construed, is intended, or shall imply a claim of entitlement  
30 to any programs or services specified in section 225C.28.

31 Nothing in this Act is intended, shall be construed, or  
32 shall imply the creation of a new county responsibility for  
33 funding of services and nothing in this Act shall relieve a  
34 county from any existing funding responsibility, including but  
35 not limited to responsibilities required under section 222.60.



1 county for two purposes. Fifty percent is available for the  
2 county's general expenditures for mental health, mental  
3 retardation, and developmental disabilities services and the  
4 remaining amount must be expended for specified services. It  
5 is specified that service provider reimbursement rates must be  
6 reasonable and adequate and that new responsibilities and  
7 newly covered populations are a state responsibility.

8 The mental health and mental retardation commission is  
9 directed to adopt rules establishing requirements for the  
10 specified services. The county finance committee is directed  
11 to adopt rules providing accounting and reporting requirements  
12 for county expenditures for mental health, mental retardation,  
13 and developmental disabilities services.

14 It is specified that the bill does not contain a fair and  
15 equitable formula implementing the bill of rights of persons  
16 with mental retardation, developmental disabilities, or  
17 chronic mental illness. In addition, it is specified that  
18 while the bill does not create a new county funding  
19 responsibility, it also does not relieve a county of existing  
20 funding responsibilities, including a requirement relating to  
21 persons with mental retardation.

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