

Attached is the historical MHDD allowed growth recommendations from the State County Management Committee/MHDD Commission and the Governor and the enacted amounts by the General Assembly.

- Frequently the State County Management Committee/MHDD Commission used estimated inflation, the amount of services, and the growth in the number of consumers within the recommendation.
 - Section 331.439(3b) of the Code of Iowa requires the following: "The allowed growth factor adjustment shall address costs associated with new consumers of service, service cost inflation, and investments for economy and efficiency. In developing the service cost inflation recommendation, the state commission shall consider the cost trends indicated by the gross expenditure amount reported in the expenditure reports submitted by counties pursuant to subsection 1, paragraph "a"."
- Enacted amounts for Fiscal Years 2001 and 2002 caused the MHDD Commission to embark upon greater percentages being recommended to retrieve the decline in the allowed growth amounts.
- Beginning in FY 2002, the Community Services Fund appropriation was distributed as part of the Allowed Growth Formula, although kept as a separate appropriation. \$19.6 million original FY 2002 appropriation; \$18.7 million revised for FY 2002; \$18.2 million original FY 2003 appropriation and \$17.8 million revised for FY 2003 and then \$17.8 million in recent Fiscal Years.
- The Governor included additional funds for implementation of the recommended redesign starting for FY 2004.
- The General Assembly included funds for Brain Injury beginning in FY 2007 that are provided to the Department of Public Health.
- It is expected that the General Assembly will reconsider the FY 2008 enacted appropriation during the 2007 Legislative Session given the increase in the final funding for FY 2007 during the last days of the 2006 Session. The enacted FY 2008 appropriation does not include the \$3.1 million increase in funding for FY 2007 over and above the originally-enacted FY 2007 amount.
- The Allowed Growth Formula Percent is the result of multiplying the sum of the past base expenditure (\$214.2 million) and the previous year's allowed growth by a factor/number. For example, (using rounded numbers) the sum of \$214.2 million and the FY 2005 allowed growth of \$23.7 million is \$237.9 million for FY 2006. Multiplying that times the 2.0% allowed growth results in \$4.76 million. If a specific dollar amount is determined for the budget, the factor/number is determined by the formula in reverse.

Mental Health Allowed Growth History

Fiscal Year	Commission Recommendation	Governor's Recommendation	Original Enacted	Final Enacted	Comments
2000	Increase of an estimated \$16,300,000 Growth Formula Percent: 5.0% Inflation Formula Percent: 2.2%	Increase of \$5,621,824 Total Allowed Growth: \$18,126,362 Formula percent: 2.48%	\$12,504,538 Increase of \$5,621,824 Total Allowed Growth: \$18,126,362 Formula percent: 2.48%	\$18,126,362	FY 2000 funds were appropriated in SF 2410. HF 2545 distributed the FY 2000 funds and established the various pools.
2001	Increase of \$25,900,000 Total Allowed Growth: \$44,026,362 Formula percent: 11.0%	Increase of \$3,647,240 Total Allowed Growth: \$21,733,602 Formula percent: 1.57%	Increase of \$3,647,240 Total Allowed Growth: \$21,733,602 Formula percent: 1.57%	\$19,868,987	FY 2001 enacted in HF 782; SF 2435 reduced FY 01 by \$791,156 from the Risk Pool Allocation
2002	Increase of an estimated \$16,500,000 Total Allowed Growth: An estimated \$36,368,987 Formula Percent: 7.00%	Increase of \$9,400,000 Total Allowed Growth: \$31,133,602 Formula percent: 4.00%	Increase of \$5,510,266 Total Allowed Growth: \$26,492,712 Formula Percent: 2.3353%	\$8,842,479	FY 2002 enacted in SF 2452 HF 732 amended SF 2452 to provide an appropriation of \$24,887,428 and a withholding factor of \$15,554,307 resulting in an appropriation of \$9,333,121 SF 2304 transferred \$1,500,000 from the Risk Pool to the State General Fund. HF 759 affirmed many of the 4.3% across-the-board reductions resulting in an appropriation of \$8,931,797. \$89,318 Reverted/Across the Board

Mental Health Allowed Growth History

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2002					First year of adding the Community Services Appropriation to the Allowed Growth Formula Distribution.
2003	Increase of \$20,698,018 Total Allowed Growth: \$42,431,620 to FY 2001 Total Formula Percent: 8.60%	Increase of \$5,541,581 Rerevised Total Allowed Growth: \$25,410,568 rerevised to FY 2001 total Original Formula Percent: 6.487% Revised Formula Percent: 6.449545% Rerevised Formula Percent: 2.4847431%	Increase of \$5,551,521 Total Allowed Growth: \$14,874,702 Formula Percent: 2.50%	\$14,181,000 Total of \$14,181,000 Revised in Special Session II Final Formula Percentage of 2.393694% Revised in Special Session II	FY 2003 enacted in HF 755 HF 2627 reduced FY 2003 to \$14,181,000 \$14,181,000
2004	Increase of \$19,531,951 Total Allowed Growth: \$33,712,951. Represents the FY 2002 and FY 2003 appropriations plus inflation Percent Increase: 8.5%	Increase of \$6,883,037 Total Allowed Growth: \$21,331,027 Percent Increase: 3.00%	Increase of \$4,892,638 Total Allowed Growth: \$19,073,638 Formula Percent: 2.142484%	\$19,073,638	FY 2004 enacted in HF 2623
2005	Increase of \$25,926,362	Increase of \$4,665,111 for a 2.0% growth factor in FY 05 plus another \$2.0 m for mental health redesign in 04	Increase of \$4,665,111	\$23,738,749	FY 2005 enacted in SF 458.

Mental Health Allowed Growth History

Fiscal Year	Commission Recommendation	Governor's Recommendation	Original Enacted	Final Enacted	Comments
2005	Total Allowed Growth: \$45,000,000 Formula Percent: 11.115003%	Total Allowed Growth: \$23,738,749 Formula Percent: 2.00%	Total Allowed Growth: \$23,738,749 Formula Percent: 2.00% without transfer of \$2.0 million from Risk Pool to Medicaid in HF 685; 2.86% with transfer.		
2006	Increase of \$5,183,633 Revised Increase of \$11,369,105 Total Allowed Growth: \$28,922,382 Revised total of \$35,107,854 Formula Percent: 2.1787233% Revised Formula Percent: 4.7785278	Increase of \$4,768,613 for FY 06 growth factor plus another \$2.4 m in 06 for redesign Total Allowed Growth: \$28,507,362 Formula Percent: 2.0%	Increase of \$4,768,613 Total Allowed Growth: \$28,507,362 Formula Percent: 2.00%	\$28,507,362	FY 2006 enacted in SF 2298
2007	Increase of \$10,921,017 Total Allowed Growth: \$39,428,379 Formula Percent: 4.5%	Increase of \$9,707,571 for FY 07 allowed growth factor plus another \$4,853,786 for redesign. Total Allowed Growth: \$38,214,923 Formula Percent: 4.0%	Increase of \$7,280,679 Total Allowed Growth: \$35,788,041 Formula Percent: 2.00% for MHDD; 1.00% for BI	\$38,888,041	FY 2007 enacted in HF 882 FY 2007 increased by \$3.1 million in HF 2797

Mental Health Allowed Growth History

Fiscal Year	Commission Recommendation	Governor's Recommendation	Original Enacted	Final Enacted	Comments
2008	Increase of \$22,497,296	Increase of \$9,998,798	Increase of \$7,499,100 compared to original FY 2007 appropriation. Increase of \$4,399,100 compared to the revised FY 2007 appropriation. Increase of \$1,899,400 compared to the revised FY 2007 appropriation less increase for BI.		
	Total Allowed Growth: \$58,285,337	Total Allowed Growth: \$45,786,839	Total Allowed Growth: \$43,287,141		With the revised FY 2007, the General Assembly knew the FY 2008 percentage did not include that revision and is expected to revise FY 2008 when it convenes. Prior to increase of \$3.1 m beyond original FY 2007 appropriation, the General Assembly provided a 2.0% increase for MH and a 1.0% increase in formula for the BI portion.
	Formula Percent: 9.0%	Formula Percent: 4.0%	Formula Percent: 2.00% for MHDD and 1.00% for BI		It is expected that the G.A. will add \$3,192,199 more than end result of 08 less 07 revised, to include the 07 new \$3,100,000 and the 3.0% for a total of \$7,592,099