

Reprinted

FILED JAN 9 1996

SENATE FILE 2030  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 2001)

Passed Senate, Date 1/10/96 <sup>(P.58)</sup> Passed House, Date 1-25-96 <sup>(P.125)</sup>  
Vote: Ayes 48 Nays 0 Vote: Ayes 97 Nays 0  
Approved Feb 8, 1996

**A BILL FOR**

1 An Act relating to state and county mental health and  
2 developmental disability funding provisions and including an  
3 applicability provision and an effective date.

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

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S.F. 2030

1 Section 1. Section 331.424A, Code Supplement 1995, is  
2 amended by adding the following new subsection:

3 NEW SUBSECTION. 6. Notwithstanding any other provision of  
4 law to the contrary, a county shall have no obligation to pay  
5 for or provide mental health, mental retardation, or  
6 developmental disabilities services for any person that  
7 applies through the county's single entry point and clinical  
8 assessment process after the moneys in the county services  
9 fund are expended.

10 Sec. 2. Section 331.439, subsection 3, Code Supplement  
11 1995, is amended to read as follows:

12 3. a. For the fiscal year beginning July 1, 1996, and  
13 succeeding fiscal years, the county's mental health, mental  
14 retardation, and developmental disabilities service  
15 expenditures for a fiscal year are limited to a fixed budget  
16 amount. The fixed budget amount shall be the amount  
17 identified in the county's management plan and budget for the  
18 fiscal year. The county shall be allowed an inflation factor  
19 adjustment for services paid from the county's services fund  
20 under section 331.424A which is in accordance with the  
21 county's management plan and budget, implemented pursuant to  
22 this section.

23 b. Based upon information contained in county management  
24 plans and budgets, the state-county management committee shall  
25 recommend an inflation factor adjustment to the council on  
26 human services by November 15 for the succeeding fiscal year.  
27 The inflation factor adjustment shall address costs associated  
28 with new consumers of service, service cost inflation, and  
29 investments for economy and efficiency. The council on human  
30 services shall recommend to the governor the amount of the  
31 inflation factor adjustment for the succeeding fiscal year.  
32 The governor shall consider the council's recommendation in  
33 developing the governor's recommendation for an inflation  
34 factor adjustment for inclusion in the governor's proposed  
35 budget for the succeeding fiscal year submitted in accordance

1 with chapter 8.

2 c. If the general assembly has not revised the amount of  
3 the inflation factor adjustment for a fiscal year on the date  
4 county budgets must be approved and levies must be certified  
5 for that fiscal year, the budgets and levies shall utilize the  
6 inflation factor adjustment for that fiscal year recommended  
7 by the governor in the governor's proposed budget.

8 Sec. 3. Section 426B.2, subsection 1, Code Supplement  
9 1995, is amended by adding the following new unnumbered  
10 paragraph:

11 NEW UNNUMBERED PARAGRAPH. Moneys provided to a county for  
12 property tax relief in a fiscal year in accordance with this  
13 subsection shall not be less than the amount provided for  
14 property tax relief in the previous fiscal year.

15 Sec. 4. REVISED COUNTY LEVY LIMIT FOR MENTAL HEALTH-  
16 DEVELOPMENTAL DISABILITY SERVICES FUND. Notwithstanding  
17 section 331.424A, subsection 4 and section 331.438, subsection  
18 1, paragraph "a", Code Supplement 1995, for the fiscal year  
19 beginning July 1, 1996, the amount of a county's base year  
20 expenditures used for purposes of certifying a levy for  
21 payment of services from the county's mental health, mental  
22 retardation, and developmental disabilities services fund  
23 shall not exceed the maximum amount specified in this section.  
24 The maximum amount shall be the county's net expenditure  
25 amount for qualified mental health, mental retardation, and  
26 developmental disabilities services contained in the county's  
27 final budget for the fiscal year beginning July 1, 1995,  
28 certified in accordance with chapter 24. Unless an appeal is  
29 entered by a county and approved by the state appeal board as  
30 provided in this section, the amount of the levy certified in  
31 accordance with this section by a county shall be the amount  
32 reported to the county finance committee by December 1, 1995.  
33 A county may request a revision of the reported amount by  
34 appealing to the state appeal board. The board may only  
35 approve a revision if the revised amount is equal to or less

1 than the maximum amount calculated pursuant to this section  
2 and if the amount of the levy to be certified in accordance  
3 with this section would not cause the total amount of the  
4 property taxes levied and certified by the county to exceed  
5 the adjusted amount authorized for the county pursuant to  
6 section 444.25A for the fiscal year beginning July 1, 1995.  
7 The appeal must be entered within fourteen days of the date of  
8 enactment of this section of this Act, and a decision by the  
9 state appeal board to revise the reported amount must be  
10 certified within twenty-eight days of the effective date of  
11 this section of this Act. The decision of the state appeal  
12 board is final.

13 Sec. 5. EFFECTIVE DATE. Section 4 and this section of  
14 this Act, being deemed of immediate importance, take effect  
15 upon enactment. If this Act is enacted on or after March 15,  
16 1996, notwithstanding section 24.17, a county may recertify  
17 the county's budget as necessary to incorporate the change in  
18 the maximum amount for the county's mental health, mental  
19 retardation, and developmental disabilities services fund as  
20 authorized in section 4 of this Act. A budget recertified  
21 pursuant to this section must be recertified in duplicate to  
22 the county auditor not later than twenty days following the  
23 date of enactment of this Act and protests to the recertified  
24 budget must be filed not later than thirty days following the  
25 date of enactment of this Act.

26 Sec. 6. APPLICABILITY. The amendment in this Act to  
27 section 331.439, subsection 3, relating to an inflation factor  
28 adjustment, first applies to the budget process for the fiscal  
29 year beginning July 1, 1997.

30 EXPLANATION

31 This bill relates to state and county mental health and  
32 developmental disability funding provisions.  
33 Section 331.424A is amended by adding a new subsection.  
34 The new subsection provides that a county has no obligation to  
35 pay for or provide mental health, mental retardation, or

1 developmental disability services for any person who applies  
2 through the county's service entry process after the moneys in  
3 the county's services fund are expended.

4 Section 331.439, subsection 3, is amended to provide a  
5 methodology for establishing an inflation factor adjustment  
6 for expenditures for the costs of county mental health and  
7 developmental disability services. The state-county  
8 management committee is to make an initial recommendation to  
9 the council on human services which in turn is to make a  
10 recommendation to the governor. The governor is to consider  
11 the council's recommendation in developing the governor's  
12 recommendation for inclusion in the governor's proposed budget  
13 for the succeeding fiscal year. Unless revised by action of  
14 the general assembly, the governor's budget recommendation for  
15 the inflation factor adjustment is to be used in county  
16 budgets and levies for the succeeding fiscal year. The bill  
17 includes an applicability provision specifying the inflation  
18 factor adjustment first applies to the budget process for the  
19 fiscal year beginning July 1, 1997.

20 Section 426B.2, providing for distributions to counties  
21 from the state property tax relief fund, is amended. The  
22 amendment provides that moneys provided to a county for  
23 property tax relief shall not be less than the amount provided  
24 to the county for this purpose in the previous fiscal year.

25 The bill provides a temporary provision which for the  
26 fiscal year 1996-1997 supersedes section 331.424A and permits  
27 a county to revise the maximum amount a county may levy for  
28 the county's mental health, mental retardation, and  
29 developmental disabilities services fund. Under the provision  
30 being superseded, the maximum amount is the net expenditures  
31 for these services in fiscal year 1993-1994. The bill permits  
32 a county to revise the levy amount to the net amount budgeted  
33 to be expended in fiscal year 1995-1996. The authority to  
34 revise the levy amount is subject to various reporting and  
35 appeal requirements. The bill includes an effective date upon

1 enactment for this provision and there is contingency language  
2 in the event the bill is enacted on or after March 15, 1996.

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**SENATE FILE 2030  
FISCAL NOTE**

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A fiscal note for **Senate File 2030** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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Senate File 2030 relates to funding for State and county mental health and developmental disabilities funding. The Bill stipulates that counties are not obligated to provide these services after the moneys in the counties' mental health services funds are expended. The Bill also revises the base year used to calculate the mental health levy limit; from FY 1994 to FY 1996. Additionally, the Bill directs the Governor to consider the use of an inflation factor to allow for future growth in spending.

Under current law, FY 1997 property tax funding for mental health services is limited to \$190.0 million. This is approximately \$25.6 million less than the estimated FY 1996 spending of \$215.6 million. Senate File 2030 permits counties to spend the same amount in FY 1997 as they will in FY 1996. The effect is to increase total property tax funding of mental health services by \$25.6 million compared to the maximum amount specified in current law. Due to the general county property tax limitation, however, overall county property taxes will not be raised by a like amount. It is anticipated that the increase in mental health spending will be significantly offset by decreased spending for other programs.

**FISCAL IMPACT**

Senate File 2030 is not expected to have any fiscal impact on General Fund revenues. In response to the increase in mental health services spending (\$25.6 million), counties will reduce spending or increase property taxes, to the extent allowed under the rules of the county property tax limitation.  
(LSB 3458sv, JAM)

FILED JANUARY 11, 1996

BY DENNIS PROUTY, FISCAL DIRECTOR

## SENATE FILE 2030

S-5002

1 Amend Senate File 2030 as follows:

2 1. Page 1, by inserting before line 1 the  
3 following:

4 "Sec. 100. Section 331.424A, subsection 4, Code  
5 Supplement 1995, is amended to read as follows:  
6 4. For the fiscal year beginning July 1, 1996, and  
7 for each subsequent fiscal year, the county shall  
8 certify a levy for payment of services. Unless  
9 otherwise provided by state law, for each fiscal year,

10 county revenues from taxes imposed by the county  
11 credited to the services fund shall not exceed an  
12 amount equal to the amount of base year budgeted  
13 expenditures for services in the base fiscal year  
14 beginning July 1, ~~1993~~ 1995, and ending June 30, ~~1994~~  
15 1996, as defined in section 331.438 and reported to  
16 the county finance committee by December 1, 1995, less  
17 the amount of property tax relief to be received  
18 pursuant to section 426B.2, subsections 1 and 3, in  
19 the fiscal year for which the budget is certified.  
20 The county auditor and the board of supervisors shall  
21 reduce the amount of the levy certified for the  
22 services fund by the amount of property tax relief to  
23 be received."

24 2. Page 1, line 3, by striking the word  
25 "Notwithstanding" and inserting the following: "If a  
26 county has contracted with a managed care entity,  
27 notwithstanding".

28 3. Page 2, by striking lines 8 through 14.

29 4. By striking page 2, line 15, through page 3,  
30 line 12, and inserting the following:

31 "Sec. 200. REVISION OF LEVY LIMIT. A county may  
32 request a revision of the amount the county reported  
33 to the county finance committee by December 1, 1995,  
34 as provided in section 331.424A, subsection 4, as  
35 enacted by this Act. The request must be submitted in  
36 writing. The county finance committee may accept or  
37 reject a revision in whole or in part. The revised  
38 amount shall not cause the total amount of the  
39 property taxes levied and certified by the county to  
40 exceed the amount certified by the county for the  
41 fiscal year beginning July 1, 1995. The request for  
42 revision must be submitted within fourteen days of the  
43 effective date of this section of this Act, and a  
44 decision by the county finance committee to accept or  
45 reject the revised amount must be issued within  
46 twenty-eight days of the effective date of this  
47 section of this Act. The decision of the committee is  
48 final."

49 5. Page 3, line 13, by striking the word and  
50 figure "Section 4" and inserting the following:

S-5002

-1-



**S-5002**

Page 2

1 "Sections 100 and 200".

2 6. By renumbering as necessary.

By STEWART IVERSON, Jr.

**S-5002 FILED JANUARY 10, 1996**

LOST

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**SENATE FILE 2030****S-5001**

1 Amend Senate File 2030 as follows:

2 1. By striking page 2, line 28, through page 3,  
3 line 12, and inserting the following: "certified in  
4 accordance with chapter 24. For purposes of this  
5 section, "qualified mental health, mental retardation,  
6 and developmental disabilities services" means the  
7 services specified on forms issued for this purpose by  
8 the county finance committee. Unless a written  
9 request for revision is submitted by a county and  
10 accepted by the county finance committee as provided  
11 in this section, the amount of the levy certified in  
12 accordance with this section by a county shall be the  
13 amount reported to the county finance committee by  
14 December 1, 1995. The county finance committee may  
15 accept or reject a revision in whole or in part. The  
16 revised amount shall not exceed the maximum amount  
17 contained in the county's final budget and the revised  
18 amount shall not cause the total amount of the  
19 property taxes levied and certified by the county to  
20 exceed the amount certified by the county for the  
21 fiscal year beginning July 1, 1995. The request for  
22 revision must be submitted within fourteen days of the  
23 effective date of this section of this Act, and a  
24 decision by the county finance committee to accept or  
25 reject the revised amount must be issued within  
26 twenty-eight days of the effective date of this  
27 section of this Act. The decision of the committee is  
28 final."

By ELAINE SZYMONIAK

**S-5001 FILED JANUARY 10, 1996**

ADOPTED



1 Section 1. Section 331.424A, Code Supplement 1995, is  
2 amended by adding the following new subsection:

3 NEW SUBSECTION. 6. Notwithstanding any other provision of  
4 law to the contrary, a county shall have no obligation to pay  
5 for or provide mental health, mental retardation, or  
6 developmental disabilities services for any person that  
7 applies through the county's single entry point and clinical  
8 assessment process after the moneys in the county services  
9 fund are expended.

10 Sec. 2. Section 331.439, subsection 3, Code Supplement  
11 1995, is amended to read as follows:

12 3. a. For the fiscal year beginning July 1, 1996, and  
13 succeeding fiscal years, the county's mental health, mental  
14 retardation, and developmental disabilities service  
15 expenditures for a fiscal year are limited to a fixed budget  
16 amount. The fixed budget amount shall be the amount  
17 identified in the county's management plan and budget for the  
18 fiscal year. The county shall be allowed an inflation factor  
19 adjustment for services paid from the county's services fund  
20 under section 331.424A which is in accordance with the  
21 county's management plan and budget, implemented pursuant to  
22 this section.

23 b. Based upon information contained in county management  
24 plans and budgets, the state-county management committee shall  
25 recommend an inflation factor adjustment to the council on  
26 human services by November 15 for the succeeding fiscal year.  
27 The inflation factor adjustment shall address costs associated  
28 with new consumers of service, service cost inflation, and  
29 investments for economy and efficiency. The council on human  
30 services shall recommend to the governor the amount of the  
31 inflation factor adjustment for the succeeding fiscal year.  
32 The governor shall consider the council's recommendation in  
33 developing the governor's recommendation for an inflation  
34 factor adjustment for inclusion in the governor's proposed  
35 budget for the succeeding fiscal year submitted in accordance

1 with chapter 8.

2 c. If the general assembly has not revised the amount of  
3 the inflation factor adjustment for a fiscal year on the date  
4 county budgets must be approved and levies must be certified  
5 for that fiscal year, the budgets and levies shall utilize the  
6 inflation factor adjustment for that fiscal year recommended  
7 by the governor in the governor's proposed budget.

8 Sec. 3. Section 426B.2, subsection 1, Code Supplement  
9 1995, is amended by adding the following new unnumbered  
10 paragraph:

11 NEW UNNUMBERED PARAGRAPH. Moneys provided to a county for  
12 property tax relief in a fiscal year in accordance with this  
13 subsection shall not be less than the amount provided for  
14 property tax relief in the previous fiscal year.

15 Sec. 4. REVISED COUNTY LEVY LIMIT FOR MENTAL HEALTH-  
16 DEVELOPMENTAL DISABILITY SERVICES FUND. Notwithstanding  
17 section 331.424A, subsection 4 and section 331.438, subsection  
18 1, paragraph "a", Code Supplement 1995, for the fiscal year  
19 beginning July 1, 1996, the amount of a county's base year  
20 expenditures used for purposes of certifying a levy for  
21 payment of services from the county's mental health, mental  
22 retardation, and developmental disabilities services fund  
23 shall not exceed the maximum amount specified in this section.  
24 The maximum amount shall be the county's net expenditure  
25 amount for qualified mental health, mental retardation, and  
26 developmental disabilities services contained in the county's  
27 final budget for the fiscal year beginning July 1, 1995,  
28 certified in accordance with chapter 24. For purposes of this  
29 section, "qualified mental health, mental retardation, and  
30 developmental disabilities services" means the services  
31 specified on forms issued for this purpose by the county  
32 finance committee. Unless a written request for revision is  
33 submitted by a county and accepted by the county finance  
34 committee as provided in this section, the amount of the levy  
35 certified in accordance with this section by a county shall be

1 the amount reported to the county finance committee by  
2 December 1, 1995. The county finance committee may accept or  
3 reject a revision in whole or in part. The revised amount  
4 shall not exceed the maximum amount contained in the county's  
5 final budget and the revised amount shall not cause the total  
6 amount of the property taxes levied and certified by the  
7 county to exceed the amount certified by the county for the  
8 fiscal year beginning July 1, 1995. The request for revision  
9 must be submitted within fourteen days of the effective date  
10 of this section of this Act, and a decision by the county  
11 finance committee to accept or reject the revised amount must  
12 be issued within twenty-eight days of the effective date of  
13 this section of this Act. The decision of the committee is  
14 final.

15 Sec. 5. EFFECTIVE DATE. Section 4 and this section of  
16 this Act, being deemed of immediate importance, take effect  
17 upon enactment. If this Act is enacted on or after March 15,  
18 1996, notwithstanding section 24.17, a county may recertify  
19 the county's budget as necessary to incorporate the change in  
20 the maximum amount for the county's mental health, mental  
21 retardation, and developmental disabilities services fund as  
22 authorized in section 4 of this Act. A budget recertified  
23 pursuant to this section must be recertified in duplicate to  
24 the county auditor not later than twenty days following the  
25 date of enactment of this Act and protests to the recertified  
26 budget must be filed not later than thirty days following the  
27 date of enactment of this Act.

28 Sec. 6. APPLICABILITY. The amendment in this Act to  
29 section 331.439, subsection 3, relating to an inflation factor  
30 adjustment, first applies to the budget process for the fiscal  
31 year beginning July 1, 1997.

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H-5008

1 Amend Senate File 2030, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 1, by inserting before line 1 the  
4 following:

5 "Sec. 100. Section 331.424A, subsection 4, Code  
6 Supplement 1995, is amended to read as follows:

7 4. For the fiscal year beginning July 1, 1996, and  
8 for each subsequent fiscal year, the county shall  
9 certify a levy for payment of services. Unless  
10 otherwise provided by state law, for each fiscal year,  
11 county revenues from taxes imposed by the county  
12 credited to the services fund shall not exceed an  
13 amount equal to the amount of base year expenditures  
14 for services ~~in the fiscal year beginning July 1,~~  
15 ~~1993, and ending June 30, 1994,~~ as defined in section  
16 331.438, less the amount of property tax relief to be  
17 received pursuant to section 426B.2, subsections 1 and  
18 3, in the fiscal year for which the budget is  
19 certified. The county auditor and the board of  
20 supervisors shall reduce the amount of the levy  
21 certified for the services fund by the amount of  
22 property tax relief to be received."

23 2. Page 1, by striking lines 1 through 9.

24 3. Page 1, by inserting after line 9 the  
25 following:

26 "Sec. 200. Section 331.438, subsection 1, Code  
27 Supplement 1995, is amended to read as follows:

28 1. For the purposes of section 331.424A, this  
29 section, and section 331.439, and chapter 426B, unless  
30 the context otherwise requires:

31 a. "Base year expenditures" means the actual the  
32 amount selected by a county and reported to the county  
33 finance committee pursuant to this paragraph. The  
34 amount selected shall be equal to the amount of net  
35 expenditures made by a the county for qualified mental  
36 health, mental retardation, and developmental  
37 disabilities services provided in either of the  
38 following fiscal year beginning July 1, 1993, and  
39 ending June 30, 1994, years:

40 (1) The actual amount reported to the state on  
41 October 15, 1994, for the fiscal year beginning July  
42 1, 1993.

43 (2) The net expenditure amount contained in the  
44 county's final budget certified in accordance with  
45 chapter 24 for the fiscal year beginning July 1, 1995,  
46 and reported to the county finance committee.

47 b. "Qualified mental health, mental retardation,  
48 and developmental disabilities services" means the  
49 services specified on forms issued by the county  
50 finance committee following consultation with the

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1 state-county management committee.

2 b. c. "State payment" means the payment made by  
3 the state to a county determined to be eligible for  
4 the payment in accordance with section 331.439."

5 4. Page 1, lines 18 and 19, by striking the words  
6 "allowed an inflation factor adjustment" and inserting  
7 the following: "authorized an allowed growth factor  
8 adjustment as established by the general assembly".

9 5. Page 1, by striking lines 25 and 26, and  
10 inserting the following: "recommend an allowed growth  
11 factor adjustment to the governor by November 15 for  
12 the succeeding fiscal year."

13 6. Page 1, line 27, by striking the word  
14 "inflation" and inserting the following: "allowed  
15 growth".

16 7. Page 1, by striking lines 29 through 31, and  
17 inserting the following: "investments for economy and  
18 efficiency."

19 8. Page 1, line 32, by striking the word  
20 "council's" and inserting the following:  
21 "committee's".

22 9. Page 1, line 33, by striking the word  
23 "inflation" and inserting the following: "allowed  
24 growth".

25 10. Page 2, by striking lines 2 through 7.

26 11. Page 2, by inserting before line 8 the  
27 following:

28 "Sec. 300. Section 426B.2, subsection 1, paragraph  
29 c, Code Supplement 1995, is amended to read as  
30 follows:

31 c. One-third based upon the county's proportion of  
32 all counties' base year expenditures, as defined in  
33 section 331.438, Code 1995, and reported to the state  
34 on October 15, 1994."

35 12. By striking page 2, line 15, through page 3,  
36 line 14, and inserting the following:

37 "Sec. 4. BASE YEAR DEFINITION ESTABLISHED. For  
38 purposes of establishing the amount of a county's base  
39 year expenditures under section 331.438, subsection 1,  
40 as enacted by this Act, unless a county submits a  
41 revision request in accordance with the provisions of  
42 this section, the amount the county shall be deemed to  
43 have selected for the county's base year expenditures  
44 is the amount of mental health, mental retardation,  
45 and developmental disabilities expenditures in the  
46 county's certified budget for fiscal year 1995-1996  
47 the county reported to the county finance committee by  
48 December 1, 1995. A revision request must be  
49 submitted in writing to the county finance committee  
50 which may accept or reject the revision in whole or in

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Page 3

1 part. The revised amount shall be either the amount  
 2 specified in section 331.438, subsection 1, paragraph  
 3 "a", subparagraph (1), or correction of the amount  
 4 reported by December 1, 1995, to the county finance  
 5 committee. The request for revision must be submitted  
 6 within fourteen days of the effective date of this  
 7 section, and a decision by the county finance  
 8 committee to accept or reject the revised amount must  
 9 be issued within twenty-eight days of the effective  
 10 date of this section. The decision of the county  
 11 finance committee is final."

12 13. Page 3, by inserting after line 14 the  
 13 following:

14 "Sec. 400. APPEAL FOR PROPERTY TAXES IN EXCESS OF  
 15 LIMITATION. Notwithstanding section 444.25A,  
 16 subsection 3, the requirement for a county to submit  
 17 budget forms by March 1, 1996, to be considered for  
 18 appeal, is changed to March 15, 1996, for budgets  
 19 submitted for the fiscal year beginning July 1, 1996,  
 20 and ending June 30, 1997.

21 Sec. 500. COUNTY MANAGEMENT PLAN SUBMISSION DATE.  
 22 Notwithstanding section 331.439, subsection 1,  
 23 paragraph "c", subparagraph (1), a county may apply to  
 24 the director of human services for an extension of not  
 25 more than thirty days beyond the April 1, 1996,  
 26 deadline for submission of the county's plan for  
 27 mental health service management for the fiscal year  
 28 beginning July 1, 1996. The director may grant the  
 29 extension if the director determines there are  
 30 exceptional circumstances which warrant the extension.

31 Sec. \_\_\_\_\_. MEDICAL ASSISTANCE COSTS FOR SERVICES TO  
 32 MINORS WITH MENTAL RETARDATION. There is appropriated  
 33 from the property tax relief fund created in section  
 34 426B.1 to the department of human services to  
 35 supplement the medical assistance appropriation for  
 36 the fiscal year beginning July 1, 1996, and ending  
 37 June 30, 1997, the following amount, or so much  
 38 thereof as is necessary, to be used for the purposes  
 39 designated:

40 For the nonfederal share of the costs of services  
 41 provided to minors with mental retardation under the  
 42 medical assistance program to meet the requirements of  
 43 section 249A.12, subsection 4:

44 ..... \$ 6,600,000

45 Notwithstanding section 426B.2, subsection 1, the  
 46 amount of moneys distributed under that subsection  
 47 shall be \$71.4 million."

48 14. Page 3, line 15, by striking the word and  
 49 figure "Section 4" and inserting the following:  
 50 "Sections 100, 200, 300, 4, 400, 500,".

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Page 4

- 1 15. Page 3, line 29, by striking the word
- 2 "inflation" and inserting the following: "allowed
- 3 growth".
- 4 16. Title page, line 2, by inserting after the
- 5 word "funding" the following: "and related".
- 6 17. Title page, by striking line 3 and inserting
- 7 the following: "appropriation, an effective date, and
- 8 an applicability provision."
- 9 18. By renumbering and revising internal
- 10 references as necessary.

By COMMITTEE ON WAYS AND MEANS  
HALVORSON of Clayton, Chairperson

H-5008 FILED JANUARY 24, 1996

*adopted 1/25/96  
(p. 123)*

HOUSE AMENDMENT TO  
SENATE FILE 2030

S-5010

1 Amend Senate File 2030, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 1, by inserting before line 1 the  
4 following:

5 "Sec. 100. Section 331.424A, subsection 4, Code  
6 Supplement 1995, is amended to read as follows:

7 4. For the fiscal year beginning July 1, 1996, and  
8 for each subsequent fiscal year, the county shall  
9 certify a levy for payment of services. Unless  
10 otherwise provided by state law, for each fiscal year,  
11 county revenues from taxes imposed by the county  
12 credited to the services fund shall not exceed an  
13 amount equal to the amount of base year expenditures  
14 for services ~~in the fiscal year beginning July 1,~~  
15 ~~1993, and ending June 30, 1994,~~ as defined in section  
16 331.438, less the amount of property tax relief to be  
17 received pursuant to section 426B.2, subsections 1 and  
18 3, in the fiscal year for which the budget is  
19 certified. The county auditor and the board of  
20 supervisors shall reduce the amount of the levy  
21 certified for the services fund by the amount of  
22 property tax relief to be received."

23 2. Page 1, by striking lines 1 through 9.

24 3. Page 1, by inserting after line 9 the  
25 following:

26 "Sec. 200. Section 331.438, subsection 1, Code  
27 Supplement 1995, is amended to read as follows:

28 1. For the purposes of section 331.424A, this  
29 section, and section 331.439, and chapter 426B, unless  
30 the context otherwise requires:

31 a. "Base year expenditures" means the actual the  
32 amount selected by a county and reported to the county  
33 finance committee pursuant to this paragraph. The  
34 amount selected shall be equal to the amount of net  
35 expenditures made by a the county for qualified mental  
36 health, mental retardation, and developmental  
37 disabilities services provided in either of the  
38 following fiscal year-beginning-July-1,-1993,-and  
39 ending-June-30,-1994- years:

40 (1) The actual amount reported to the state on  
41 October 15, 1994, for the fiscal year beginning July  
42 1, 1993.

43 (2) The net expenditure amount contained in the  
44 county's final budget certified in accordance with  
45 chapter 24 for the fiscal year beginning July 1, 1995,  
46 and reported to the county finance committee.

47 b. "Qualified mental health, mental retardation,  
48 and developmental disabilities services" means the  
49 services specified on forms issued by the county  
50 finance committee following consultation with the

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Page 2

1 state-county management committee.

2 b. c. "State payment" means the payment made by  
3 the state to a county determined to be eligible for  
4 the payment in accordance with section 331.439."

5 4. Page 1, lines 18 and 19, by striking the words  
6 "allowed an inflation factor adjustment" and inserting  
7 the following: "authorized an allowed growth factor  
8 adjustment as established by the general assembly".

9 5. Page 1, by striking lines 25 and 26, and  
10 inserting the following: "recommend an allowed growth  
11 factor adjustment to the governor by November 15 for  
12 the succeeding fiscal year."

13 6. Page 1, line 27, by striking the word  
14 "inflation" and inserting the following: "allowed  
15 growth".

16 7. Page 1, by striking lines 29 through 31, and  
17 inserting the following: "investments for economy and  
18 efficiency."

19 8. Page 1, line 32, by striking the word  
20 "council's" and inserting the following:  
21 "committee's".

22 9. Page 1, line 33, by striking the word  
23 "inflation" and inserting the following: "allowed  
24 growth".

25 10. Page 2, by striking lines 2 through 7.

26 11. Page 2, by inserting before line 8 the  
27 following:

28 "Sec. 300. Section 426B.2, subsection 1, paragraph  
29 c, Code Supplement 1995, is amended to read as  
30 follows:

31 c. One-third based upon the county's proportion of  
32 all counties' base year expenditures, as defined in  
33 section 331.438, Code 1995, and reported to the state  
34 on October 15, 1994."

35 12. By striking page 2, line 15, through page 3,  
36 line 14, and inserting the following:

37 "Sec. 4. BASE YEAR DEFINITION ESTABLISHED. For  
38 purposes of establishing the amount of a county's base  
39 year expenditures under section 331.438, subsection 1,  
40 as enacted by this Act, unless a county submits a  
41 revision request in accordance with the provisions of  
42 this section, the amount the county shall be deemed to  
43 have selected for the county's base year expenditures  
44 is the amount of mental health, mental retardation,  
45 and developmental disabilities expenditures in the  
46 county's certified budget for fiscal year 1995-1996  
47 the county reported to the county finance committee by  
48 December 1, 1995. A revision request must be  
49 submitted in writing to the county finance committee  
50 which may accept or reject the revision in whole or in

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Page 3

1 part. The revised amount shall be either the amount  
 2 specified in section 331.438, subsection 1, paragraph  
 3 "a", subparagraph (1), or correction of the amount  
 4 reported by December 1, 1995, to the county finance  
 5 committee. The request for revision must be submitted  
 6 within fourteen days of the effective date of this  
 7 section, and a decision by the county finance  
 8 committee to accept or reject the revised amount must  
 9 be issued within twenty-eight days of the effective  
 10 date of this section. The decision of the county  
 11 finance committee is final."

12 13. Page 3, by inserting after line 14 the  
 13 following:

14 "Sec. 400. APPEAL FOR PROPERTY TAXES IN EXCESS OF  
 15 LIMITATION. Notwithstanding section 444.25A,  
 16 subsection 3, the requirement for a county to submit  
 17 budget forms by March 1, 1996, to be considered for  
 18 appeal, is changed to March 15, 1996, for budgets  
 19 submitted for the fiscal year beginning July 1, 1996,  
 20 and ending June 30, 1997.

21 Sec. 500. COUNTY MANAGEMENT PLAN SUBMISSION DATE.  
 22 Notwithstanding section 331.439, subsection 1,  
 23 paragraph "c", subparagraph (1), a county may apply to  
 24 the director of human services for an extension of not  
 25 more than thirty days beyond the April 1, 1996,  
 26 deadline for submission of the county's plan for  
 27 mental health service management for the fiscal year  
 28 beginning July 1, 1996. The director may grant the  
 29 extension if the director determines there are  
 30 exceptional circumstances which warrant the extension.

31 Sec. \_\_\_\_ . MEDICAL ASSISTANCE COSTS FOR SERVICES TO  
 32 MINORS WITH MENTAL RETARDATION. There is appropriated  
 33 from the property tax relief fund created in section  
 34 426B.1 to the department of human services to  
 35 supplement the medical assistance appropriation for  
 36 the fiscal year beginning July 1, 1996, and ending  
 37 June 30, 1997, the following amount, or so much  
 38 thereof as is necessary, to be used for the purposes  
 39 designated:

40 For the nonfederal share of the costs of services  
 41 provided to minors with mental retardation under the  
 42 medical assistance program to meet the requirements of  
 43 section 249A.12, subsection 4:

44 ..... \$ 6,600,000

45 Notwithstanding section 426B.2, subsection 1, the  
 46 amount of moneys distributed under that subsection  
 47 shall be \$71.4 million."

48 14. Page 3, line 15, by striking the word and  
 49 figure "Section 4" and inserting the following:  
 50 "Sections 100, 200, 300, 4, 400, 500,".

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Page 4

1 15. Page 3, line 29, by striking the word  
2 "inflation" and inserting the following: "allowed  
3 growth".

4 16. Title page, line 2, by inserting after the  
5 word "funding" the following: "and related".

6 17. Title page, by striking line 3 and inserting  
7 the following: "appropriation, an effective date, and  
8 an applicability provision."

9 18. By renumbering and revising internal  
10 references as necessary.

(P. 181) *Senate Concurred 1-30-96* RECEIVED FROM THE HOUSE

S-5010 FILED JANUARY 25, 1996

SENATE AMENDMENT TO HOUSE AMENDMENT TO S. F. 2030

H-5033

1 Amend the House amendment, S-5010, to Senate File  
2 2030, as amended, passed, and reprinted by the Senate,  
3 as follows:

4 1. Page 1, by striking line 23.

5 2. By renumbering as necessary.

RECEIVED FROM THE SENATE

H-5033 FILED JANUARY 31, 1996

(P. 160) *House Refused 2/1/96* *Senate Recedes 2/7/96 (P. 263)*

SENATE FILE 2030

S-5025

- 1 Amend the House amendment, S-5010, to Senate File
- 2 2030, as amended, passed, and reprinted by the Senate,
- 3 as follows:
- 4 1. Page 1, by striking line 23.
- 5 2. By renumbering as necessary.

By EMIL J. HUSAK  
TOM VILSACK

S-5025 FILED JANUARY 30, 1996

ADOPTED

(P.181)

SENATE FILE 2030

S-5027

- 1 Amend the House amendment, S-5010, to Senate File
- 2 2030, as amended, passed, and reprinted by the Senate
- 3 as follows:
- 4 1. Page 1, by inserting after line 4 the
- 5 following:
- 6 "Sec. 600. Section 331.424, subsection 1,
- 7 paragraph a, subparagraph (1), Code Supplement 1995,
- 8 is amended to read as follows:
- 9 (1) The costs of inpatient or outpatient substance
- 10 abuse admission, commitment, transportation, care, and
- 11 treatment at any of the following:
- 12 (a) Care-and-treatment-of-persons-at-the The
- 13 alcoholic treatment center at Oakdale. However, the
- 14 county may require that an admission to the center
- 15 shall be reported to the board by the center within
- 16 five days as a condition of the payment of county
- 17 funds for that admission.
- 18 (b) A state mental health institute, or a
- 19 community-based public or private facility or
- 20 service."
- 21 2. Page 3, line 50, by inserting after the word
- 22 "Sections" the following: "600,".
- 23 3. By renumbering as necessary.

By ELAINE SZYMONIAK

S-5027 FILED JANUARY 30, 1996

LOST

(P.180)

Szymoniak  
Velsack  
Iverson

SSB 2001

Ways & Means  
Succeeded by  
SENATE FILE 2030

BY (PROPOSED COMMITTEE ON WAYS  
AND MEANS BILL BY CHAIR-  
PERSON PALMER)

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

A BILL FOR

1 An Act relating to state and county mental health and  
2 developmental disability funding provisions and including an  
3 applicability provision.

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

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1 Section ~~1.~~ Section 331.424A, Code Supplement 1995, is  
2 amended by adding the following new subsection:

3 NEW SUBSECTION. 6. Notwithstanding any other provision of  
4 law to the contrary, a county shall have no obligation to pay  
5 for or provide mental health, mental retardation, or  
6 developmental disabilities services for any person that  
7 applies through the county's single entry point and clinical  
8 assessment process after the moneys in the county services  
9 fund are expended.

10 Sec. 2. Section 331.439, subsection 3, Code Supplement  
11 1995, is amended to read as follows:

12 3. a. For the fiscal year beginning July 1, 1996, and  
13 succeeding fiscal years, the county's mental health, mental  
14 retardation, and developmental disabilities service  
15 expenditures for a fiscal year are limited to a fixed budget  
16 amount. The fixed budget amount shall be the amount  
17 identified in the county's management plan and budget for the  
18 fiscal year. The county shall be allowed an inflation factor  
19 adjustment for services paid from the county's services fund  
20 under section 331.424A which is in accordance with the  
21 county's management plan and budget, implemented pursuant to  
22 this section.

23 b. Based upon information contained in county management  
24 plans and budgets, the state-county management committee shall  
25 recommend an inflation factor adjustment to the council on  
26 human services by November 15 for the succeeding fiscal year.  
27 The inflation factor adjustment shall address costs associated  
28 with new consumers of service, service cost inflation, and  
29 investments for economy and efficiency. The council on human  
30 services shall recommend to the governor the amount of the  
31 inflation factor adjustment for the succeeding fiscal year.  
32 The governor shall consider the council's recommendation in  
33 developing the governor's recommendation for an inflation  
34 factor adjustment for inclusion in the governor's proposed  
35 budget for the succeeding fiscal year submitted in accordance



1 with chapter 8.

2 c. If the general assembly has not revised the amount of  
3 the inflation factor adjustment for a fiscal year on the date  
4 county budgets must be approved and levies must be certified  
5 for that fiscal year, the budgets and levies shall utilize the  
6 inflation factor adjustment for that fiscal year recommended  
7 by the governor in the governor's proposed budget.

8 Sec. 3. Section 426B.2, subsection 1, Code Supplement  
9 1995, is amended by adding the following new unnumbered  
10 paragraph:

11 NEW UNNUMBERED PARAGRAPH. Moneys provided to a county for  
12 property tax relief in a fiscal year in accordance with this  
13 subsection shall not be less than the amount provided for  
14 property tax relief in the previous fiscal year.

15 Sec. 4. APPLICABILITY. The amendment in this Act to  
16 section 331.439, subsection 3, relating to an inflation factor  
17 adjustment, first applies to the budget process for the fiscal  
18 year beginning July 1, 1997.

19 EXPLANATION

20 This bill relates to state and county mental health and  
21 developmental disability funding provisions.

22 Section 331.424A is amended by adding a new subsection.  
23 The new subsection provides that a county has no obligation to  
24 pay for or provide mental health, mental retardation, or  
25 developmental disability services for any person who applies  
26 through the county's service entry process after the moneys in  
27 the county's services fund are expended.

28 Section 331.439, subsection 3, is amended to provide a  
29 methodology for establishing an inflation factor adjustment  
30 for expenditures for the costs of county mental health and  
31 developmental disability services. The state-county  
32 management committee is to make an initial recommendation to  
33 the council on human services which in turn is to make a  
34 recommendation to the governor. The governor is to consider  
35 the council's recommendation in developing the governor's

1 recommendation for inclusion in the governor's proposed budget  
2 for the succeeding fiscal year. Unless revised by action of  
3 the general assembly, the governor's budget recommendation for  
4 the inflation factor adjustment is to be used in county  
5 budgets and levies for the succeeding fiscal year. The bill  
6 includes an applicability provision specifying the inflation  
7 factor adjustment first applies to the budget process for the  
8 fiscal year beginning July 1, 1997.

9 Section 426B.2, providing for distributions to counties  
10 from the state property tax relief fund, is amended. The  
11 amendment provides that moneys provided to a county for  
12 property tax relief shall not be less than the amount provided  
13 to the county for this purpose in the previous fiscal year.

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SENATE FILE 2030

AN ACT

RELATING TO STATE AND COUNTY MENTAL HEALTH AND DEVELOPMENTAL DISABILITY FUNDING AND RELATED PROVISIONS AND INCLUDING AN APPROPRIATION, AN EFFECTIVE DATE, AND AN APPLICABILITY PROVISION.

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

Section 1. Section 331.424A, subsection 4, Code Supplement 1995, is amended to read as follows:

4. For the fiscal year beginning July 1, 1996, and for each subsequent fiscal year, the county shall certify a levy for payment of services. Unless otherwise provided by state law, for each fiscal year, county revenues from taxes imposed by the county credited to the services fund shall not exceed an amount equal to the amount of base year expenditures for services ~~in the fiscal year beginning July 1, 1993, and ending June 30, 1994~~ as defined in section 331.438, less the amount of property tax relief to be received pursuant to section 426B.2, subsections 1 and 3, in the fiscal year for which the budget is certified. The county auditor and the board of supervisors shall reduce the amount of the levy certified for the services fund by the amount of property tax relief to be received.

Sec. 2. Section 331.438, subsection 1, Code Supplement 1995, is amended to read as follows:

1. For the purposes of section 331.424A, this section, and section 331.439, and chapter 426B, unless the context otherwise requires:

a. "Base year expenditures" means the actual amount selected by a county and reported to the county finance committee pursuant to this paragraph. The amount selected shall be equal to the amount of net expenditures made by a the county for qualified mental health, mental retardation, and developmental disabilities services provided in either of the following fiscal year beginning July 1, 1993, and ending June

~~30, 1994~~ years:

(1) The actual amount reported to the state on October 15, 1994, for the fiscal year beginning July 1, 1993.

(2) The net expenditure amount contained in the county's final budget certified in accordance with chapter 24 for the fiscal year beginning July 1, 1995, and reported to the county finance committee.

b. "Qualified mental health, mental retardation, and developmental disabilities services" means the services specified on forms issued by the county finance committee following consultation with the state-county management committee.

b. c. "State payment" means the payment made by the state to a county determined to be eligible for the payment in accordance with section 331.439.

Sec. 3. Section 331.439, subsection 3, Code Supplement 1995, is amended to read as follows:

3. a. For the fiscal year beginning July 1, 1996, and succeeding fiscal years, the county's mental health, mental retardation, and developmental disabilities service expenditures for a fiscal year are limited to a fixed budget amount. The fixed budget amount shall be the amount identified in the county's management plan and budget for the fiscal year. The county shall be authorized an allowed growth factor adjustment as established by the general assembly for services paid from the county's services fund under section 331.424A which is in accordance with the county's management plan and budget, implemented pursuant to this section.

b. Based upon information contained in county management plans and budgets, the state-county management committee shall recommend an allowed growth factor adjustment to the governor by November 15 for the succeeding fiscal year. The allowed growth factor adjustment shall address costs associated with new consumers of service, service cost inflation, and investments for economy and efficiency. The governor shall consider the committee's recommendation in developing the governor's recommendation for an allowed growth factor

adjustment for inclusion in the governor's proposed budget for the succeeding fiscal year submitted in accordance with chapter 8.

Sec. 4. Section 426B.2, subsection 1, paragraph c, Code Supplement 1995, is amended to read as follows:

c. One-third based upon the county's proportion of all counties' base year expenditures, as defined in section 331.438, Code 1995, and reported to the state on October 15, 1994.

Sec. 5. Section 426B.2, subsection 1, Code Supplement 1995, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Moneys provided to a county for property tax relief in a fiscal year in accordance with this subsection shall not be less than the amount provided for property tax relief in the previous fiscal year.

Sec. 6. BASE YEAR DEFINITION ESTABLISHED. For purposes of establishing the amount of a county's base year expenditures under section 331.438, subsection 1, as enacted by this Act, unless a county submits a revision request in accordance with the provisions of this section, the amount the county shall be deemed to have selected for the county's base year expenditures is the amount of mental health, mental retardation, and developmental disabilities expenditures in the county's certified budget for fiscal year 1995-1996 the county reported to the county finance committee by December 1, 1995. A revision request must be submitted in writing to the county finance committee which may accept or reject the revision in whole or in part. The revised amount shall be either the amount specified in section 331.438, subsection 1, paragraph "a", subparagraph (1), or correction of the amount reported by December 1, 1995, to the county finance committee. The request for revision must be submitted within fourteen days of the effective date of this section, and a decision by the county finance committee to accept or reject the revised amount must be issued within twenty-eight days of the effective date of this section. The decision of the county finance committee is final.

Sec. 7. APPEAL FOR PROPERTY TAXES IN EXCESS OF LIMITATION. Notwithstanding section 444.25A, subsection 3, the requirement for a county to submit budget forms by March 1, 1996, to be considered for appeal, is changed to March 15, 1996, for budgets submitted for the fiscal year beginning July 1, 1996, and ending June 30, 1997.

Sec. 8. COUNTY MANAGEMENT PLAN SUBMISSION DATE. Notwithstanding section 331.439, subsection 1, paragraph "c", subparagraph (1), a county may apply to the director of human services for an extension of not more than thirty days beyond the April 1, 1996, deadline for submission of the county's plan for mental health service management for the fiscal year beginning July 1, 1996. The director may grant the extension if the director determines there are exceptional circumstances which warrant the extension.

Sec. 9. MEDICAL ASSISTANCE COSTS FOR SERVICES TO MINORS WITH MENTAL RETARDATION. There is appropriated from the property tax relief fund created in section 426B.1 to the department of human services to supplement the medical assistance appropriation for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the nonfederal share of the costs of services provided to minors with mental retardation under the medical assistance program to meet the requirements of section 249A.12, subsection 4:

..... \$ 6,600,000

Notwithstanding section 426B.2, subsection 1, the amount of moneys distributed under that subsection shall be \$71.4 million.

Sec. 10. EFFECTIVE DATE. Sections 1, 2, 4, 6, 7, 8, and this section of this Act, being deemed of immediate importance, take effect upon enactment. If this Act is enacted on or after March 15, 1996, notwithstanding section 24.17, a county may recertify the county's budget as necessary to incorporate the change in the maximum amount for the

county's mental health, mental retardation, and developmental disabilities services fund as authorized in section 6 of this Act. A budget recertified pursuant to this section must be recertified in duplicate to the county auditor not later than twenty days following the date of enactment of this Act and protests to the recertified budget must be filed not later than thirty days following the date of enactment of this Act.

Sec. 11. APPLICABILITY. The amendment in this Act to section 331.439, subsection 3, relating to an allowed growth factor adjustment, first applies to the budget process for the fiscal year beginning July 1, 1997.

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LEONARD L. BOSWELL  
President of the Senate

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RON J. CORBETT  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2030, Seventy-sixth General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved Feb. 8<sup>TH</sup>, 1996

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TERRY E. BRANSTAD  
Governor

**SF 2030**