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SENATE FILE 241  
BY DELUHERY

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

**A BILL FOR**

1 An Act establishing a funding formula for the state to assume the  
2 costs for qualified mental health, mental retardation, and  
3 developmental disabilities services provided by counties for  
4 adults.

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

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SF 241  
WAYS & MEANS

1 Section 1. PURPOSE. It is the purpose of this Act to  
2 provide property tax relief to the citizens of this state by  
3 providing state financial assistance for the funding of  
4 services provided to persons with mental illness, mental  
5 retardation, or developmental disabilities. In providing  
6 property tax relief, it is also the purpose of this Act that  
7 persons with mental illness, mental retardation, or  
8 developmental disabilities be provided with the 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. 426B.6 STATE FUNDING FORMULA FOR  
13 QUALIFIED EXPENDITURES FOR ADULTS.

14 1. For the purposes of this section, unless the context  
15 otherwise requires, "qualified services" means qualified  
16 mental health, mental retardation, and developmental  
17 disabilities services, as defined in section 331.438.

18 2. It is the intent of the general assembly that by the  
19 end of the fiscal period beginning July 1, 2000, and ending  
20 June 30, 2006, by means of incremental increases in state  
21 appropriations to the property tax relief fund and to the  
22 department of human services for distribution to counties for  
23 allowed growth payments as provided in sections 331.439 and  
24 426B.5, the state will have assumed one hundred percent of the  
25 costs of providing qualified services to adults.

26 3. Notwithstanding contrary provisions of section 426B.2,  
27 subsection 2, moneys shall continue to be provided from the  
28 property tax relief fund until otherwise provided by law. The  
29 state's proportional share of the sum of state and county  
30 funding for qualified services to adults shall be as follows:

31 a. The rates established for reimbursement of persons  
32 providing qualified services to adults shall be reasonable and  
33 adequate to cover the costs of efficiently operated and  
34 economical services.

35 b. The state shall have sole responsibility for funding

1 any new mental health, mental retardation, or developmental  
2 disabilities services which the state requires to be provided  
3 to adults. In the event that the state requires a new service  
4 population to be eligible for payment of service costs, the  
5 state shall have sole responsibility for funding services  
6 provided to that population.

7 4. The state's proportional share of the sum of state and  
8 county funding for qualified services shall be as follows:

9 a. For the fiscal year beginning July 1, 2000, sixty  
10 percent of the sum of net state and county funding for  
11 qualified services provided to adults during the fiscal year  
12 beginning July 1, 1998.

13 b. For the fiscal year beginning July 1, 2001, seventy  
14 percent of the sum of net state and county funding for  
15 qualified services provided to adults during the fiscal year  
16 beginning July 1, 1999.

17 c. For the fiscal year beginning July 1, 2002, eighty  
18 percent of the sum of net state and county funding for  
19 qualified services provided to adults during the fiscal year  
20 beginning July 1, 2000.

21 d. For the fiscal year beginning July 1, 2003, ninety  
22 percent of the sum of net state and county funding for  
23 qualified services provided to adults during the fiscal year  
24 beginning July 1, 2001.

25 e. For the fiscal year beginning July 1, 2004, one hundred  
26 percent of the sum of net state and county funding for  
27 qualified services provided to adults during the fiscal year  
28 beginning July 1, 2002.

29 f. For the fiscal year beginning July 1, 2005, one hundred  
30 percent of the sum of net state and county funding for  
31 qualified services provided to adults during the fiscal year  
32 beginning July 1, 2004.

33 g. For the fiscal year beginning July 1, 2006, and  
34 succeeding fiscal years, the state shall provide one hundred  
35 percent of the funding for qualified services provided to

1 adults during a fiscal year.

2 Sec. 3. LEGISLATIVE INTENT. Nothing in this Act is  
3 intended, shall be construed, or shall imply the creation of a  
4 new county responsibility for funding of services and nothing  
5 in this Act shall relieve a county from any existing funding  
6 responsibility, including but not limited to responsibilities  
7 required under chapter 222.

8 EXPLANATION

9 This bill establishes a funding formula for increasing  
10 state participation in county costs for "qualified mental  
11 health, mental retardation, and developmental disabilities  
12 services" provided to adults. The qualified services are  
13 those identified on forms issued by the county finance  
14 committee following consultation with the state-county  
15 management committee, under Code section 331.438.

16 The intent of the general assembly as stated is to annually  
17 increase the proportion of state spending relative to county  
18 spending for these services over a six-year period until the  
19 state assumes 100 percent of the costs of the services. The  
20 period is July 1, 2000, through June 30, 2006. The state is  
21 to continue with the spending responsibility in subsequent  
22 years. The increase in state financial responsibility in each  
23 year is specified. It is specified that service provider  
24 reimbursement rates must be reasonable and adequate and that  
25 new responsibilities and newly covered populations are a state  
26 responsibility.

27 In addition, it is specified that while the bill does not  
28 create a new county funding responsibility, it also does not  
29 relieve a county of existing funding responsibilities,  
30 including a requirement relating to persons with mental  
31 retardation.

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