IOWA STATE ASSOCIATION OF COUNTIES

Legislative Property Tax Study Committee

November 7, 2007

ISAC's Mission Statement:
To promote effective and responsible county government for the people of Iowa.

The Iowa State Association of Counties (ISAC) would like to thank the Legislative Property Tax Study Committee for the invitation to provide input on the issues surrounding the property tax support of the county-managed MH/DD service delivery system.

Handouts:

Legislative History of MH/DD Partnership

County Human Services funded by Property Taxes

MH/DD Levy Rates – by county

MH/DD Levy Rates – bar graph

Funding Formula Diagram

Fund Balance History

History of MH\DD funding

Recommendations:
ISAC has aggressively pursued improvements in the Iowa MH/DD/BI system. This pursuit is an attempt to create a quality system for Iowans with disabilities by enhancing their quality of life and self-sufficiency. To help facilitate this system redesign, ISAC adopted a proposal that includes the following interdependent components:

- Standardization of clinical and financial eligibility;
- A defined set of core community-based services;
- Transition from the concept of legal settlement to one of residency;
- Increased utilization of federal funding for disability services;
- Creation of a funding formula that is directly linked to the individual receiving services;

- Expansion of the state-operated risk pool and creation of local risk pools; and
- Define/redefine roles of the state and counties in the management of the system

In order for the State of Iowa to realize either the system redesign proposed by the MH/DD Commission or the Mental Health Systems Transformation currently being developed, there must be adequate state funding to support system change. ISAC supports the following improvements to the disability service system:

- Allowed growth that takes into account inflation, growth in the numbers served and investments in improvements in the service delivery system;
- A state-county cooperative effort to manage increased Medicaid costs including the adoption of a uniform cost report for services funded by both counties and the state;
- Maintenance of Medicaid-funded case management services for persons with disabilities;
- Continued sufficient funding of the state payment program to allow the county of residence to provide the same services at the same reimbursement rate to persons with no county of legal settlement;
- Development of a timeline for moving the management of Medicaid and institutional state cases along with the associated funding to the county of residence; and
- Adequate funding of technical assistance and oversight of the Medicaid program, most critically the Habilitation Services and Home and Community Based Services (HCBS) in congregate living settings.

Once again this year, ISAC will be pursuing the ability for levy adjustments to be made at the local level to address the ongoing budget crisis that counties face in this area. Last year, ISAC proposed that the dollar cap on county levies be replaced with a rate cap. In addition to that concept, this year ISAC is suggesting that the state look at moving toward an “equalized” property tax contribution, by allowing counties with levies over $2.50/1000 to move to $2.50 and still be considered levied at 100% and to allow counties below $1.00/1000 to move up to $1.00 over time.

A suggestion coming from the Alternative Distribution Formula workgroup is to use reserve data that is one year older (for FY ’09 use FY’07 reserve data) in the allowed growth distribution formula. This would give counties the knowledge of what state dollars they will get at the beginning of the fiscal year rather than halfway through and would give legislators a more concrete idea of the impact of that any changes in the formula or additional funds appropriated would have on the system.

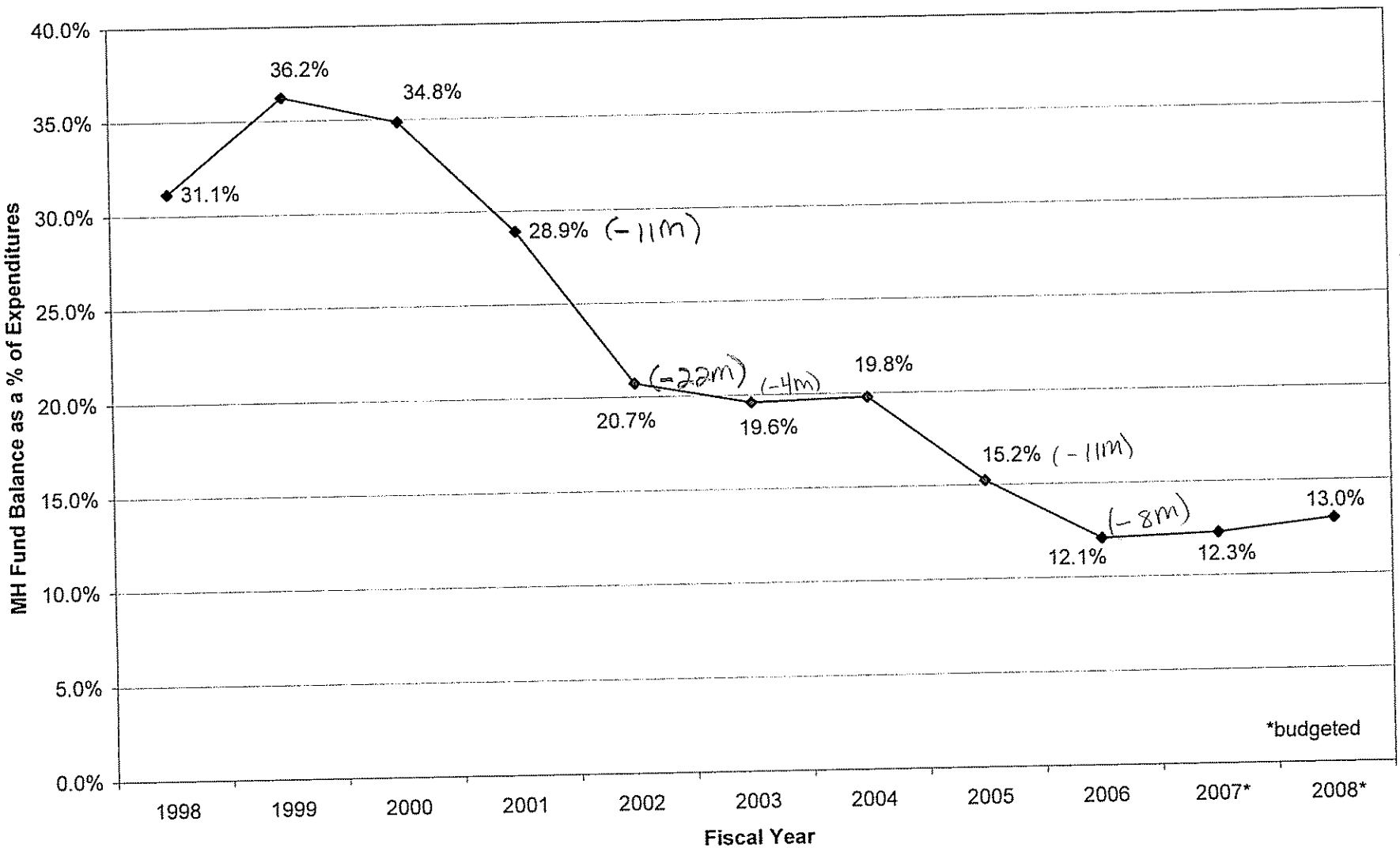
Mental Health Funding History

Fiscal Year	Property Tax Relief	Allowed Growth***	Community Services**	Additional Funding	County Mental Health Levy	Total
1996	54,400,000	-	-	-	134,100,000	188,500,000
1997	71,400,000	-	-	-	139,100,000	210,500,000
1998	88,400,000	6,100,000	-	-	123,600,000	218,100,000
1999	88,400,000	12,500,000	-	-	107,900,000	208,800,000
2000	88,400,000	18,100,000	-	-	102,700,000	209,200,000
2001	88,400,000	19,900,000	-	-	99,300,000	207,600,000
2002	88,400,000	8,600,000	18,700,000	-	106,300,000	222,000,000
2003	88,400,000	13,700,000	17,700,000	-	109,400,000	229,200,000
2004	88,400,000	17,100,000	17,700,000	-	111,700,000	234,900,000
2005	88,400,000	21,600,000	17,700,000	-	112,100,000	239,800,000
2006	88,400,000	26,500,000	17,700,000	-	113,800,000	246,400,000
2007	88,400,000	36,500,000	17,700,000	-	115,100,000	257,700,000
2008	88,400,000	41,600,000	17,700,000	12,000,000	119,400,000	279,100,000
2009*	88,400,000	61,600,000	17,700,000	-	-	167,700,000

*Preliminary appropriation; county levies unknown at this point.
**Community services funding existed prior to FY 2002, but was a separate appropriation. Beginning in FY 2002, the community services appropriation was combined with allowed growth and is now distributed through the same allocation formula as allowed growth.
***Allowed growth includes both the allowed growth and per capita funding pools.

Sources:
DHS Final Distribution Reports
ISAC Legislative Summary Reports
LSA Allowed Growth History Report

Statewide County Mental Health Fund Balance History



Source: Iowa Department of Management
County budgets and annual financial reports

10/31/2007

History of the County/State Partnership for Mental Health, Mental Retardation and Developmental Disability Services
Selected Milestones

1994: HF 2430 was the initial legislation.

- The "Base Year" (1994 Actual Expenditures for Mental Health and Developmental Disability Services)
- Defined what was included in the "State Payment" to counties.
- Established the "Single Entry Point Process" (CPC's)
- Established the "County Management Plans"

1995: SF 69

- Created the "capped services fund" (a designated fund for Mental Health/Developmental Disabilities expenses.) & deleted supplemental levy authority for these expenses. Legislature agreed to fund increases in the system due to inflation, new consumers and investments for economy and efficiency

1996: SF 2030 amended:

- "Base Year" to either the 1994 Actual Expenditures or 1996 Budgeted Expenditures

1997:

- Defined the "Allowed Growth" distribution formula
- Changed the State County Management growth recommendation timeframe
- Changed Voluntary Hospitalization Procedure to include the "Single Point of Entry" process

1998:

- Created the "Per Capita Expenditure Target Pool" and "Incentive and Efficiencies Pool" distribution formulas. The per capita fund was originally designed to get money to the counties that provided less service so that services access and availability could be equalized across the state. Since this was never implemented, the disparities among counties was not addressed.
- Created the "Risk Pool".

1999:

- Changed the "County Management Plan" from an annual plan to remain in effect unless amended, as of April 1, 2000.
- Instituted a three-year "Strategic Plan" to be submitted on April 1, 2000 and every third year thereafter, to the Department of Human Services for informational purposes only.
- Instituted an "Annual Review" to be submitted to the Department of Human Services for informational purposes only.

2001:

- Adult Rehabilitative Option Services for persons with chronic mental illness were approved for the Medicaid State Plan. (Replaced in FY '07 with Habilitation services following federal audit and state payback).
- Amended funding allocation for the "Per Capita Pool".
- Enacted a funding protocol for involuntary hospitalizations that included the "single entry point process"
- Reduced the "Allowed Growth Allocation" for FY2002 by $18 million and included the community services block grant in the allocation formula.

2002:

- Reduced the "Allowed Growth Allocation" (and others) by another 2.6%.

2003:

- Allowed Home and Community Based Services to be provided in Residential Care Facilities

2004:

- Instructed the Mental Health, Mental Retardation, Developmental Disabilities and Brain Injury Commission to start planning the implementation of the Adult System Redesign.

2005:

- Adult Day Services (Day Habilitation and Pre-Vocational) were started in the Home and Community Based Waiver Program.
- Implemented improved resolution process for legal settlement disputes.

2006:

- Moved the State Payment Program to the Counties for management (saving between $1M-$3M, 5%-15%)

2007:

- Infused an additional $12M into the county-managed system.
- Embarked on a new redesign process – MH Transformation

Human Services

Introduction

Counties have historically been responsible for meeting the needs of their residents who are elderly, poor, sick and disabled. Services provided to meet those needs are known as human services. During the 1960s and 1970s, the federal government assumed responsibility for providing many human services. During those years, the federal government expanded the scope of human services and the class of persons eligible to receive them. This expansion was accomplished through the direct provision and funding of some services and through the allocation of federal dollars to state and county governments for other programs.

During the 1980s, however, the federal government retreated from its activist role in financing human services but maintained requirements that programs be provided (more often known as mandated and/or entitlement programs). During the '80s the federal government eliminated numerous categorical programs and lumped them together, creating "block grants." The Social Services Block Grant and the Alcohol, Drug Abuse, and Mental Health Services Block Grant are examples of grants created in the human services area. The federal regulatory requirements on the new block grants were reduced and more interpretation of regulations and flexibility in how block grant funds were used was left up to the state.

Some federal funds, such as Medicaid, require state matching funds. As the state of Iowa has expanded the Medicaid program to cover services to persons with disabilities they have frequently required the county to provide the matching dollars for services that were traditionally funded with county property tax dollars. As an example, the state of Iowa requires that the counties in Iowa pay all of the match (non-federal share) for persons living in an Intermediate Care Facility for the Mentally Retarded (ICF/MR) or receiving the Home and Community Based Waiver services program for persons with mental retardation.

Services required to be provided by counties are outlined in the Iowa Code. These requirements are referred to as state mandates. Iowa law also gives counties the option of providing certain services and specifies the manner in which they are to be provided.

County Human Services Responsibilities

Iowa Code chapter 252 governs the provision of general assistance. Iowa Code §252.25 requires the board of supervisors of each county to provide assistance to poor persons lawfully in its county who are:

- Ineligible for assistance under federal and state programs, or
- In immediate need and are awaiting approval and receipt of assistance under federal and state programs, or
- In immediate need because their needs cannot be fully met by state or federal assistance.

"Poor person" is defined in Iowa Code §252.1 to mean a person who has no property and is unable because of physical or mental disabilities to earn a living by labor. The Iowa Supreme Court has found that people with some property may still fall within the definition of poor person when their property is insufficient to provide support for them. The county must establish guidelines setting eligibility for the assistance. The board of supervisors determines the form of assistance. For example, it might be food, rent, clothing, utilities or medical care.

Iowa Code chapter 252 also authorizes counties to grant general assistance to "needy persons." Iowa Code §252.1 is not to be construed as prohibiting "aid to needy persons who have some means, when the board shall be of the opinion that the same will be conducive to their welfare and the best interests of the public."

A general assistance program for "needy persons" is optional on the part of counties, but should be considered when developing your general assistance ordinance. A county's general assistance guidelines could determine who is eligible for such a program, what services will be provided and how much is to be spent per individual and county wide.

Iowa Code §252.26 requires the county board of supervisors to appoint a general assistance director for the county. In counties with populations of 100,000 or less, the board may appoint an employee of the Iowa Department of Human Services (DHS) who is assigned to work in the county as the general assistance director. A person employed by DHS who also serves as the county general assistance director is known as an "integrated" assistance director. As a result of several reorganizations of DHS, which have changed the responsibilities of local DHS administrators, fewer of these administrators are also serving as county integrated general assistance directors.

Beginning July 1, 2004, county general relief directors administered "state papers," a program of state funding for persons with serious medical needs to receive services at the University of Iowa Hospital and Clinics. Previously, this funding for services was administered by the courts. Most state papers were eliminated with the advent of IowaCares on July 1, 2005. State psychiatric papers continue to exist and, beginning July 1, 2006, administration of this funding, which had been left with the courts, was shifted to the counties.

The Social Security Act

A substantive part of the federal government's role in human services is support through the Social Security Act and federal block grants.

The Social Security Act was started in the 1930s during the Great Depression. It is the foundation for the federal human services involvement. There are major provisions, or "Titles," of the Act.

Title II: Old age, survivors and disability insurance.

Title IV: Grants to states for aid and services to needy families with children and for child welfare services. Essentially, Title IV outlines the Aid to Families with Dependent Children program (AFDC). In 1996, Congress passed the Temporary Assistance for Needy Families (TANF) Block Grant of the

Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ("the Act"). The block grant took effect July 1, 1997. TANF made many changes affecting a range of federal programs, including the Food Stamp Program, other nutrition programs, the Supplemental Security Income (SSI) Program, child support enforcement, and child care. In order to receive the TANF block grant, a state must submit a state plan that the Secretary of Health and Human Services (HHS) finds in compliance with federal law. While counties do not fund these programs, reduction in funding or eligibility can affect counties, as the lack of TANF dollars may increase the number of people seeking county general assistance.

Title XVI: Supplemental security income for the blind, aged and disabled (SSI). This program makes cash payments to disabled persons. Benefit levels and SSI is important to counties as these standards are used in Iowa to determine eligibility for other programs. In addition, SSI helps pay the cost of housing for disabled persons. The federal government in the mid-1980s initiated the SSI Interim Reimbursement program. The program provides reimbursement for county expenditures made to individuals through general assistance, veteran's affairs, or other county-funded programs if the individual is eventually determined eligible for SSI. Most counties either delegate the responsibility to a county employee or contract with Legal Services Corporation of Iowa to handle the application and appeals process of those seeking SSI.

Title XVIII: (Medicare): This program provides health insurance for aged, blind and disabled persons. Eligibility and benefits are determined and paid by the federal government. Federal decisions regarding Medicare eligibility and benefits impact counties. When eligibility is restricted or benefits are too low, more people will seek county help.

Title XIX: Medical Assistance Programs (Medicaid). This is a federal-state program providing medical services to eligible persons. The state and federal governments share the cost of Title XIX. Title XIX is used to pay the cost of health care services for individuals of low income who are aged, blind or disabled, or members of families with dependent children. Iowa instituted a limited health care plan, IowaCares, on July 1, 2005 that can provide some inpatient and outpatient services, doctor, and advanced registered nurse practitioner services, dental services, limited prescription drug benefits, and transportation for persons below 200% of federal poverty who would not otherwise be eligible for Medicaid funding. The Consolidated Omnibus Reconciliation Act of 1986 (COBRA) affects Medicaid as the mentally ill, mentally retarded, and developmentally disabled cannot stay in Intermediate Care Facilities (ICFs or nursing homes) unless they receive "active treatment" of their disability and are of an appropriate age to stay in an ICF. These individuals are frequently moved to ICF/MR or other living arrangements where the counties are required to pay.

Services funded by Title XIX include those provided by private physicians, nursing facilities, hospitals, public health nurses, community mental health centers, and some rehabilitation or in-home services. Products covered under the Iowa Medicaid plan include prescription drugs, prosthetic devices, eyeglasses and other durable medical goods.

In Iowa, Title XIX is used to pay for services to the mentally ill and mentally retarded at ICF/MRs, including the Glenwood and Woodward State Resource Centers and community-based ICF/MRs and the Home and Community Based Waiver for persons with Mental Retardation (HCBS/MR). Counties pay the non-federal share of Title XIX for all ICF/MR and HCBS/MR Waiver services for person 18 years and older. The state pays the non-federal share for children under age 18 and state cases, those persons with no county legal settlement.

Under Medicaid, services fall into several different categories. A large portion of the federal mandated services pertains to health care coverage, including visits to physicians and hospitalization. These entitlement services must be included by all states in their Medicaid plans. In addition there are programs that states include under Medicaid that are identified as optional services. Even though they may be considered essential to health care coverage, items or services that are optional include: drugs, outpatient mental health, ICF/MR, specialist care such as podiatry or optometry services, adult rehabilitation and habilitation services.

In 2001, adult rehabilitation option services (ARO) for adults with chronic mental illness were added to the state Medicaid plan. Counties are required to pay for 100% of the non-federal share. The services available include community support services and day program services. The state began a phase out of ARO services on November 1, 2006, and these services will no longer be available as of July 1, 2007. The state is replacing ARO with two new programs: remedial services program, which was implemented on November 1, 2006, and habilitation services under a Medicaid State Plan amendment, which the state is seeking federal approval for to be effective January 1, 2007.

Iowa has also chosen to develop several Home and Community Base Waivers services for special populations, including persons with mental retardation, brain-injury, physical disability, ill and handicapped, and elderly. In these services the federal government waives the normal Medicaid requirements and allows the state to design a program that is: 1) targeted to a specific population or geographic area; 2) limited to the number of persons that can be involved each year; 3) time limited; and 4) cost-effective to the Medicaid program.

Social Services Block Grant

The federal Social Services Block Grant (SSBG) funds are allocated to a number of adult and children's services, including a significant appropriation for the local purchase of adult mental health and mental retardation services. The services that have traditionally been funded under SSBG are:

- Direct Service. These are social services provided by DHS employees. Services provided under the direct service portion of SSBG include adoption services, child protective services, community support services, dependent adult protection, family-centered services, juvenile court-related services, client assessment and case management.
- State Purchase. This portion of the SSBG is appropriated by the Legislature to DHS for purchasing services from other providers, most often private nonprofit agen-

cies. Some of the services DHS buys with state purchase money include foster care, residential treatment, family planning, foster care group home services and administrative support.
- Local Purchase. Local purchases of services require that counties expend these funds on MH/MR/DD services according to the county management plan approved by the Director of the DHS.

Mental Health/Mental Retardation/Developmental Disabilities Statutory Responsibility

Persons with Mental Retardation: "Persons with mental retardation" means persons who meet the following three conditions:
- Significantly sub-average intellectual functioning: an intelligence quotient (IQ) of approximately 70 or below on an individually administered IQ test (for infants, a clinical judgment of significantly sub-average intellectual functioning) as defined by the Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition, American Psychiatric Association.
- Concurrent deficits or impairments in present adaptive functioning (i.e., the person's effectiveness in meeting the standards expected for the person's age by the person's cultural group) in at least two of the following areas: communication, self-care, home living, social and interpersonal skills, use of community resources, self-direction, functional academic skills, work, leisure, health and safety.
- The onset is before the age of 18.

The county must pay for the "treatment, training, instruction, care habilitation, support, and transportation of persons with mental retardation, as provided for in the county management plan provisions implemented pursuant to Iowa Code §331.439(1), in a state hospital school, or in a special unit, or any public or private facility approved by the director of the Department of Human Services." (Iowa Code §222.60)

Persons with Mental Illness: The county must pay for the cost of hospitalization in a state mental health institute and the "necessary and legal" costs and expenses for "taking into custody, care, investigation, admission, commitment, and support" of mentally ill persons in the mental health institutes (Iowa Code §§220.42, 230.1). The county responsible for the cost of a patient at a mental health institute is required to remove the patient to a county care facility if instructed to do so by the institute and a county without a county care facility may pay for the care in any "convenient and proper" county or private institution (Iowa Code §§227.11, 227.14). Certain provisions of the Iowa Code refer to persons with chronic mental illness. "Persons with chronic mental illness" means persons 18 and over, with a persistent mental or emotional disorder that seriously impairs their functioning relative to such primary aspects of daily living as personal relations, living arrangements or employment.

Persons with chronic mental illness typically meet at least one of the following criteria:
- Have undergone psychiatric treatment more intensive than outpatient care more than once in a lifetime (e.g., emergency services, alternative home care, partial hospitalization or inpatient hospitalization).
- Have experienced at least one episode of continuous, structured support residential care other than hospitalization.

In addition, these persons typically meet at least two of the following criteria, on a continuing or intermittent basis for at least two years:
- Are unemployed, employed in a sheltered setting or have markedly limited skills and a poor work history.
- Require financial assistance for out-of-hospital maintenance and may be unable to procure this assistance without help.
- Show severe inability to establish or maintain a personal social support system.
- Require help in basic living skills.
- Exhibit inappropriate social behavior which results in demand for intervention by the mental health or judicial system. In atypical instances, a person may vary from the above criteria and could still be considered to be a person with chronic mental illness (441 IAC Chapter 22).

Persons with Developmental Disabilities: "Persons with a developmental disability" means a person with a severe, chronic disability which:
- Is attributable to mental or physical impairment or a combination of mental and physical impairments.
- Is manifested before the person attains the age of 22.
- Is likely to continue indefinitely.
- Results in substantial functional limitations in three or more of the following areas of life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living and economic self-sufficiency.
- Reflects the person's need for a combination and sequence of services which are of lifelong or extended duration. There is no requirement for either the state or county to pay for services for persons with developmental disabilities other than mental retardation.

Iowa Code §331.424, specifies that the board of supervisors may pay for services to the extent they deem it advisable to pay for evaluation, treatment, habilitation and care of persons who are mentally retarded, autistic, or persons who are afflicted by any other developmental disability, at a suitable public or private facility providing inpatient or outpatient care; may pay for the care and treatment of persons placed in a county hospital, county care facility, health care facility, or any other public or private facility in lieu of admission to a state institution, or upon discharge, removal, or transfer from a state institution.

Persons with Brain Injury: "Persons with a Brain Injury" means a person with clinically evident brain damage or spinal cord injury resulting from trauma or anoxia which temporarily or permanently impairs the individual's physical or cognitive functions. The county is not required to fund services for persons with a brain injury, but may do so at the county's sole discretion.

County Management Plan: Beginning in the 1994 legislative session, a number of laws were enacted whose purpose was to significantly increase state funding of MH/MR/DD/BI services and provide the parameters under which the counties must manage the system. One of the primary purposes of this legislation was to provide property tax relief, and to improve the county's management of the system through requiring counties to hire qualified staff, develop a system of accountability and control by funders, improve the planning process by increasing stakeholder involvement, and to improve the coordination of services and assure the appropriateness of services that are authorized for public funding. The legislation created a State County Management Committee to further a partnership between the state and the county in the development and management of the system.

In 2002, the Legislature merged the State County Management Committee and the MH/DD Commission and expanded the duties of the newly recreated MH/DD Commission to include many of those of the State County Management Committee. Counties are required to submit a county management plan for approval by the director of the DHS, following review by the MH/DD Commission. The plans must identify how the county plans to implement the following elements: 1) planning, 2) identifying a provider network and contracting for services, 3) determination of eligibility, 4) funding authorization, 5) service monitoring and coordination, 6) service and cost tracking and evaluation, and 7) quality assurance. Each county is required to establish a central point of coordination (CPC) process, and employ a qualified CPC administrator.

Mental Health and Mental Retardation Funding Streams

County Funds: The county property tax has been the major funding source for services to adults with MH/MR/DD/BI. Services to these persons, along with other human service expenditures, constitute anywhere from 1/4 to 1/2 of county budgets. Beginning with legislation passed in 1994, the state began a process to fund a larger amount from state funds, including 50% of the base and all of the growth in the system. Beginning in FY96/97, the county levy for MH/MR/DD/BI services was "fixed" at either the FY93/94 or FY95/96 level of expenditure, minus the amount of property tax relief dollars the county receives. Beginning in FY96/97, the Legislature created the county mental health, mental retardation, and developmental disabilities services fund. All revenues from property taxes, state and federal government funds, state payments, property tax relief funds and other sources designated for MH/MR/DD/BI services are to be credited to this fund. All expenditures for MH/MR/DD/BI services must be paid from this fund. Some of the mandated services that must be paid from this fund are reimbursement to the state for 80% of the capped per diem for care provided to adults in state mental health institutes, and all of the non-federal share of the capped per diem for services provided in the Medicaid funded state hospital schools, community facilities licensed as ICF/MR, and the home and community based waiver program for persons with mental retardation.

State Funds: *Mental Health Developmental Disabilities Community Services Fund*: In the past the fund was distributed to counties on a two-part formula: 50% based on the proportion of the poverty population and 50% based on the percentage of the total state general population. This fund could be spent on MH/MR/DD/BI services, but no more than 50% could be spent on any one of the population groups. At least 50% of the funds had been spent on "contemporary" services that included: case management, supported employment, community based housing, ICF/MRs of 10 beds or less, individual support services, and day programming. In 2002 the Legislature began using the Community Services Fund to supplement cuts in allowable growth. The distribution was based on a methodology that took into account what the county was levying compared to what they were allowed and the percentage of their budget in reserve.

Property Tax Relief Payments: This payment began in FY95/96 to reduce the county levies for MH/MR/DD/BI services. The funds are distributed to counties by a three part formula: 1) the county's share of the population; 2) the county's share of the state's total taxable property valuation; and 3) the county's share of the base year MH/MR/DD/BI expenditures (counties had the option of choosing either FY94 or FY96 as their base year). The county is required to reduce the MH/MR/DD/BI levy by the amount received in state property tax relief payments.

County MH/MR/DD/BI Allowed Growth Factor Adjustment: The purpose of this fund is to provide state funding to counties to increase the pool of funds available for providing services to persons with disabilities. Counties must have an approved county management plan in order to be eligible to receive these funds. Beginning in FY00, the fund was allocated into three separate pools: 1) allowable growth, 2) per capita expenditure target pool, and 3) county risk pool. The growth and per capita expenditure funds are allocated to counties using formula methodologies. In 2002, the state cut $18M, including $2M in Risk Pool Funds, from the allowed growth funding to help address a state revenue shortfall.

Risk Pool Funds: The purpose of the mental health risk pool is to assist counties whose expenditures in the MH/MR/DD/BI service fund exceed budgeted costs due to unanticipated expenses for new individuals or other unexpected factors. The mental health risk pool is not intended for multiyear usage or as a source of planned revenue. County eligibility is based in part on whether the county has levied the maximum allowed and has no more than a 25% balance in their reserves. There has been no funding allocated to the Risk Pool Fund since FY 03. The state has appropriated the $2M, then "scooped" it to fund the state's Medicaid shortfall.

Other Funds: Other state funds include the Family Support Subsidy, Special Needs Grants, MH/MR/DD/BI State Cases and State Supplementary Assistance (SSA). SSA is primarily available to persons residing in residential care facilities.

Federal Funds: *Supplemental Security Income (SSI):* Most disabled persons, because of their disability, are eligible for the federal entitlement program serving aged, blind or disabled persons. SSI eligibility automatically entitles the client to Medicaid (Title XIX), which covers medical expenses. In addition, the state's Medicaid plan has been amended to fund some special services for the MR/DD/CMI population groups.

Medicaid (Title XIX): In addition to the regular medical and Iowa Plan benefits, the Medicaid program funds several special programs for the MH/MR/DD/BI populations. These services include: 1) ICF/MR; 2) Home and Community Based Waiver, which allows the state to redirect Medicaid funding from institutional setting to support a flexible array of community services on behalf of persons who are elderly or disabled; 3) Enhanced Services; and 4) ARO for persons with chronic mental illness.

Medicaid Enhanced Services: An enhanced service is used to identify three services that were added by DHS to the Medicaid Plan in 1988. These services require counties to pay 50% of the non-federal share when services are provided to persons with mental retardation, a developmental disability or chronic mental illness. In addition to these services, the state requires counties to pay 100% of the non-federal share for ICF/MR services and the home and community-based waiver for persons who would otherwise be in an ICF/MR. The candidate services are:

- Case management for persons with mental retardation, developmental disabilities and chronic mental illness
- Partial hospitalization
- Day treatment

Medicaid Managed Care (The Iowa Plan): Beginning in 1993, DHS contracted with a managed care company to manage the mental health services funded by Medicaid. All Medicaid enrollees except those who qualified under the Medically Needy program with a spend-down and persons over the age of 65 were covered by this contract, which is called the Iowa Plan. Services for Iowa Plan eligible consumers must be pre-authorized by the managed care company (MBC of Iowa) before payment will be approved. In 1998, DHS expanded the program and contracted again with MBC of Iowa to manage the program.

Medicaid (Targeted) Case Management For Persons With Mental Retardation, Developmental Disabilities or Chronic Mental Illness

Case Management is a process of assessing service needs. "Individual case management services" refers to activities provided to ensure that the client has received a comprehensive evaluation and diagnosis, to give assistance to the client in obtaining appropriate services and living arrangements, to coordinate the delivery of services and to provide monitoring to ensure the continued appropriate provision of services and the appropriateness of the living arrangement. Case management is a critical component in the management of the mental health system.

DHS Field Services/Service Area Advisory Boards

DHS maintains an office in each county, though they are not all staffed on a full-time basis. DHS determines in which community the office will be located. The board of supervisors shall determine the location of the office space for DHS in that community. The board of supervisors is mandated to "make reasonable efforts" to attempt to co-locate the DHS office with other state, local or private sector offices "in order to maintain the offices in a cost-effective location that is convenient to the public," (Iowa Code §217.43).

DHS must use the case-weight system to assure service provision. The county is to be contacted by DHS prior to modification of office hours. The county may subsidize with staff or funding positions in the county office. The 28E shall cover the entire fiscal year and can only be amended by mutual consent.

DHS divides the state up into eight services areas. DHS is mandated to establish a service area advisory board in each service area. The purpose of the advisory board is to improve communication and coordination between DHS and the counties. Each county board of supervisors in the service area appoints two members. In making the appointment, the county has to take into account gender and political affiliation. Only one of the two appointees can be a county supervisor.

Substance Abuse

Iowa Code chapter 125 governs the provision of substance abuse services. Counties are responsible for paying 25% of the cost of substance abuse treatment at state mental health institutes. The state pays 100% of the cost of substance abuse treatment at community-based facilities. Because detoxification is not considered part of treatment, counties most often pay all detoxification costs.

In cases of substance abuse commitments, counties pay 100% of the costs of court-appointed attorneys for indigent persons and the cost of a physician's examination of an indigent person being committed.

Substance abuse services are funded out of the general fund. Some "dual diagnosis services" – mental health and substance abuse - are funded proportionately out of the general fund and the MH/DD Services fund.

Dual Diagnosis Program

Legislation passed in 1998 expanded the dual diagnosis unit serving persons with co-existing conditions of mental illness and substance abuse at the Mt. Pleasant Mental Health Institute. Counties are required to pay 50% of the actual per diem, but are allowed some flexibility to fund from the county MH/MR/DD/BI Services Fund or the general fund.

Juvenile Services

Juvenile Justice System: The county's responsibilities for juvenile programs are identified in Iowa Code §232.141. Costs charged to the county in which the proceedings are held include fees and mileage of witnesses; expenses of officers serving notices and subpoenas; and compensation for a court-appointed attorney serving as counsel or guardian ad item.

Counties must pay the difference between the capped rate that the state pays shelter facilities and the actual cost of care at the shelters. However, this provision has been modified to limit the county obligation for shelter care costs to the difference between the state capped rate and the actual and allowable statewide average shelter care rate as determined by DHS.

Juvenile Detention: In 1987, the state of Iowa was ordered by a federal district court judge to submit a plan to reduce the rate of jailing juveniles to bring Iowa in compliance with the federal juvenile detention standards by the end of 1987. The state passed SF522 in 1987 to comply with the court order and to put severe restrictions on the cases in which a juvenile may be placed in an adult detention facility and the length of time the juvenile may be held there. HF2278, passed during the 1988 session, made further adjustments to the juvenile detention laws. The jail removal effort put additional pressure on county juvenile detention facilities.

In 1991, SF471 loosened the juvenile detention laws, providing that if the court has waived its jurisdiction over the child for the alleged commission of a forcible felony, and there is a serious risk that the child may be a harm to others, the child may be held in the county jail. However, "wherever possible" the child shall be held in sight and sound separation from adult offenders.

In 2006, there were eleven juvenile detention facilities in operation around the state, including facilities operated in Polk, Woodbury, Linn, Scott, and Dubuque counties. The facility in Dubuque is the most recent facility licensed (2005). With the addition of the 6 beds in Dubuque, the 11 facilities are licensed for a total of 279 beds. Some of the facilities are multi-county operations. A group of 13 counties joined together to build the facility in Waterloo that opened with 14 beds in 1989; it is now licensed for 31 beds. A group of nine counties in Southwest Iowa operate a 30-bed facility in Council Bluffs and a 20 bed multi-county facility is operated on the training school campus in Eldora. The remaining detention facilities are located in Cherokee, Montrose, and Chariton.

One of ISAC's legislative objectives has been to get increased state financial assistance for juvenile detention expenses. County and multi-county juvenile detention facilities are entitled to receive financial aid from the state in an amount not to exceed 50% of the costs of establishing, improving, operating and maintaining the facilities. The state has never appropriated a significant amount to assist counties with these expenses. In 1997, the Legislature recognized the need for additional funding for juvenile detention, but instead of increasing the general fund appropriation for juvenile detention, tied the appropriation amount to the first $1 million generated from driver license reinstatement fees.

Local Boards of Health and Public Health Nurses

Iowa Code chapter 137 requires the county board of supervisors to establish a local board of health in the county. The board of supervisors appoints members of the local board of health care for a three-year term. The local board of health has jurisdiction over public health matters in the county. Often this includes sanitation, ambulance service, homemaker health aides and public health nurses.

Aside from funds the local board of health receives from the state or federal government for specific programs, funding for the local board of health is a responsibility of the board of supervisors.

A significant program operated by the local board of health is the public health nursing service. The Legislature appropriates funds to the Department of Public Health (DPH) for public health nursing. The DPH allocates these funds to reach local board of health according to a formula. This appropriation helps the county fund the public health nursing program and helps reduce county and state hospitalization costs.

Homemaker Health Aide and Chore Services are services counties provide to help keep people in their own homes and avoid institutionalization. These services are provided to elderly, disabled and other persons at risk of institutionalization. The Legislature appropriates funds to the DPH for provision of homemaker health aide/chore services. These funds are then allocated to each county board of supervisors based on a formula. The county board of supervisors decides how the services will be provided in its county. Eligibility and program standards are developed by the DPH in administrative rules.

County Care Facilities

County care facilities are residential health care facilities licensed by the Department of Inspections and Appeals under Iowa Code chapter 135C. The populations of county care facilities are primarily persons with chronic mental illness, substance abuse, mental retardation or other disability. Since the mid-1970s, the majority of counties have chosen either to close or to enter into a contractual agreement with private entities for the operation of such facilities. This trend has resulted in only a handful of county care facilities owned and operated by local government. One reason for the move toward private care facilities is a set of federal regulations that prohibit Medicare or Medicaid funding for resident of state- or county-administered facilities that house more than 15 persons.

	FY08	FY07	FY06	FY05	FY04		
	Mental Health	Mental Health	Mental Health	Mental Health	Mental Health		
All Counties (mean)	$ 1.18	$ 1.15	$ 1.19	$ 1.20	$ 1.09		
All Counties (median)	$ 1.08	$ 1.09	$ 1.14	$ 1.15	$ 1.08	FY08	FY08
# at or above max	73	64	58	58	55	mental health	countywide
High rate	$ 2.80	$ 2.49	$ 2.69	$ 2.24	$ 2.50	levy	value
Low rate	$ 0.20	$ 0.29	$ 0.35	$ 0.36	$ 0.22	114,312,522	108,208,758,732
ADAIR	$ 0.85	$ 0.90	$ 0.89	$ 0.89	$ 0.87	281,691	363,379,654
ADAMS	$ 0.81	$ 0.73	$ 0.95	$ 0.95	$ 0.92	163,517	211,859,018
ALLAMAKEE	$ 1.38	$ 1.38	$ 1.14	$ 1.41	$ 1.36	703,440	570,271,004
APPANOOSE	$ 1.65	$ 1.65	$ 1.80	$ 1.95	$ 1.91	513,563	334,664,711
AUDUBON	$ 2.43	$ 0.81	$ 1.84	$ 1.83	$ 1.26	568,730	245,510,922
BENTON	$ 0.73	$ 0.60	$ 0.50	$ 0.39	$ 0.22	659,821	937,273,079
BLACK HAWK	$ 1.55	$ 1.57	$ 1.65	$ 1.66	$ 1.77	5,593,936	3,725,096,994
BOONE	$ 0.93	$ 0.94	$ 1.06	$ 1.08	$ 0.79	846,366	943,003,941
BREMER	$ 0.86	$ 0.56	$ 0.60	$ 1.68	$ 0.81	702,728	835,949,666
BUCHANAN	$ 1.75	$ 1.66	$ 1.56	$ 2.00	$ 1.86	1,259,787	738,493,038
BUENA VISTA	$ 0.74	$ 0.57	$ 0.76	$ 0.55	$ 0.45	517,032	721,825,488
BUTLER	$ 0.71	$ 0.73	$ 0.76	$ 0.76	$ 0.67	378,239	552,963,478
CALHOUN	$ 0.91	$ 0.92	$ 0.99	$ 1.02	$ 0.79	414,857	472,119,908
CARROLL	$ 2.10	$ 1.90	$ 1.65	$ 2.05	$ 1.42	1,575,578	772,271,234
CASS	$ 1.58	$ 1.67	$ 1.76	$ 1.81	$ 1.62	733,760	497,874,114
CEDAR	$ 1.21	$ 1.22	$ 1.28	$ 1.30	$ 1.26	947,693	803,291,234
CERRO GORDO	$ 1.26	$ 1.28	$ 1.36	$ 1.40	$ 1.38	2,165,934	1,812,118,771
CHEROKEE	$ 0.87	$ 0.87	$ 0.70	$ 0.70	$ 0.72	449,603	541,307,238
CHICKASAW	$ 0.74	$ 0.92	$ 0.96	$ 1.00	$ 0.56	393,457	543,108,443
CLARKE	$ 1.45	$ 1.48	$ 1.45	$ 1.44	$ 1.39	416,504	296,683,568
CLAY	$ 0.52	$ 0.53	$ 0.57	$ 0.57	$ 0.53	393,657	776,357,021
CLAYTON	$ 1.24	$ 1.25	$ 1.27	$ 1.26	$ 0.68	847,255	701,327,572
CLINTON	$ 1.71	$ 1.75	$ 1.91	$ 1.93	$ 1.88	2,738,048	1,685,409,706
CRAWFORD	$ 1.88	$ 1.89	$ 1.84	$ 1.84	$ 1.60	987,346	539,128,167
DALLAS	$ 0.62	$ 0.70	$ 0.62	$ 0.62	$ 0.89	1,485,112	2,460,227,887
DAVIS	$ 1.86	$ 1.88	$ 1.80	$ 1.80	$ 1.79	420,068	229,528,860
DECATUR	$ 1.56	$ 1.57	$ 1.58	$ 1.58	$ 1.46	307,310	206,511,720
DELAWARE	$ 1.17	$ 1.20	$ 1.24	$ 1.26	$ 1.19	896,821	789,655,420
DES MOINES	$ 1.56	$ 1.56	$ 1.57	$ 1.58	$ 1.50	1,641,204	1,123,264,301
DICKINSON	$ 0.29	$ 0.29	$ 0.35	$ 0.36	$ 0.36	406,372	1,398,707,166
DUBUQUE	$ 1.44	$ 1.35	$ 1.25	$ 0.91	$ 1.47	4,217,727	3,033,123,455
EMMET	$ 2.20	$ 2.24	$ 2.08	$ 2.14	$ 2.05	803,357	373,944,008
FAYETTE	$ 1.03	$ 1.02	$ 1.03	$ 1.05	$ 0.97	748,339	753,480,211
FLOYD	$ 1.07	$ 1.12	$ 1.13	$ 1.15	$ 0.77	586,910	572,251,655
FRANKLIN	$ 0.65	$ 0.47	$ 0.72	$ 0.75	$ 0.66	347,887	551,756,706
FREMONT	$ 0.92	$ 1.34	$ 1.01	$ 1.34	$ 1.16	308,175	349,986,868
GREENE	$ 1.06	$ 1.50	$ 1.55	$ 1.10	$ 1.26	430,607	420,087,897
GRUNDY	$ 0.66	$ 0.93	$ 0.97	$ 0.70	$ 0.65	367,647	569,578,206
GUTHRIE	$ 1.28	$ 0.92	$ 1.40	$ 1.25	$ 1.20	594,155	478,408,786
HAMILTON	$ 1.30	$ 1.30	$ 1.38	$ 1.38	$ 1.18	843,642	663,215,444
HANCOCK	$ 1.02	$ 1.07	$ 1.19	$ 1.20	$ 1.08	612,663	616,181,290
HARDIN	$ 1.29	$ 1.17	$ 1.24	$ 1.05	$ 1.01	819,916	656,498,158
HARRISON	$ 1.65	$ 1.37	$ 1.22	$ 1.72	$ 1.34	892,919	557,810,455
HENRY	$ 1.46	$ 1.47	$ 1.48	$ 1.50	$ 1.41	831,156	580,629,751
HOWARD	$ 0.91	$ 0.96	$ 0.98	$ 0.90	$ 0.90	354,470	400,830,692
HUMBOLDT	$ 1.07	$ 1.06	$ 1.07	$ 1.08	$ 0.93	455,623	444,200,156
IDA	$ 0.90	$ 0.91	$ 0.65	$ 0.68	$ 0.25	287,857	333,391,857
IOWA	$ 0.98	$ 0.74	$ 0.98	$ 1.08	$ 0.68	662,595	698,199,640
JACKSON	$ 1.19	$ 1.19	$ 1.24	$ 1.25	$ 1.19	762,642	660,773,665
JASPER	$ 2.80	$ 1.99	$ 2.26	$ 1.70	$ 0.77	2,992,515	1,116,097,060
JEFFERSON	$ 0.85	$ 0.90	$ 1.00	$ 1.00	$ 1.25	422,270	508,715,769
JOHNSON	$ 0.69	$ 0.71	$ 0.77	$ 0.80	$ 0.83	3,076,544	4,567,369,218
JONES	$ 1.22	$ 1.25	$ 1.29	$ 1.31	$ 1.24	857,523	721,975,003
KEOKUK	$ 0.50	$ 0.40	$ 0.60	$ 0.60	$ 0.60	218,488	455,989,509
KOSSUTH	$ 0.84	$ 0.65	$ 1.02	$ 1.24	$ 1.24	708,240	878,233,956

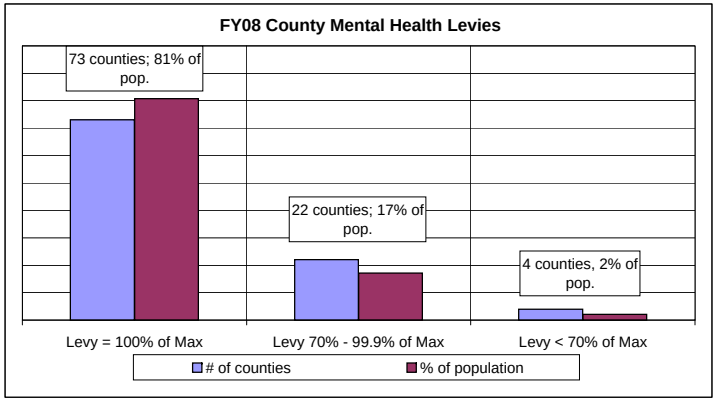
Source: Department of Management
County Budgets

	FY08 Mental Health	FY07 Mental Health	FY06 Mental Health	FY05 Mental Health	FY04 Mental Health		
All Counties (mean)	$ 1.18	$ 1.15	$ 1.19	$ 1.20	$ 1.09		
All Counties (median)	$ 1.08	$ 1.09	$ 1.14	$ 1.15	$ 1.08	FY08	FY08
# at or above max	73	64	58	58	55	mental health	countywide
High rate	$ 2.80	$ 2.49	$ 2.69	$ 2.24	$ 2.50	levy	value
Low rate	$ 0.20	$ 0.29	$ 0.35	$ 0.36	$ 0.22	114,312,522	108,208,758,732
LEE	$ 2.25	$ 2.30	$ 2.36	$ 1.54	$ 2.11	1,975,113	959,999,268
LINN	$ 1.10	$ 1.12	$ 1.14	$ 1.17	$ 1.18	7,734,931	7,442,204,994
LOUISA	$ 0.20	$ 0.60	$ 1.06	$ 1.28	$ 1.20	90,167	516,808,568
LUCAS	$ 1.55	$ 1.40	$ 1.40	$ 1.25	$ 1.25	361,811	243,268,828
LYON	$ 0.49	$ 0.50	$ 0.55	$ 0.55	$ 0.48	244,338	507,524,208
MADISON	$ 0.96	$ 0.89	$ 0.76	$ 0.78	$ 0.83	498,494	555,586,607
MAHASKA	$ 1.67	$ 1.27	$ 1.72	$ 1.76	$ 1.14	1,153,295	735,202,708
MARION	$ 1.00	$ 0.95	$ 1.22	$ 1.23	$ 1.19	892,784	923,682,666
MARSHALL	$ 1.72	$ 1.40	$ 1.24	$ 1.27	$ 1.20	1,973,772	1,227,771,340
MILLS	$ 1.01	$ 1.06	$ 1.15	$ 1.16	$ 1.08	582,998	606,451,036
MITCHELL	$ 1.36	$ 1.36	$ 1.40	$ 1.29	$ 1.16	600,260	448,728,156
MONONA	$ 0.89	$ 0.80	$ 0.80	$ 0.71	$ 0.53	367,202	421,773,928
MONROE	$ 1.01	$ 1.03	$ 0.80	$ 0.93	$ 0.96	332,698	338,349,553
MONTGOMERY	$ 0.66	$ 0.68	$ 0.75	$ 0.75	$ 0.71	244,748	392,435,853
MUSCATINE	$ 1.44	$ 1.47	$ 1.24	$ 1.24	$ 1.55	1,990,144	1,428,860,881
O'BRIEN	$ 1.08	$ 1.09	$ 1.10	$ 1.10	$ 0.96	555,421	527,222,381
OSCEOLA	$ 0.65	$ 0.67	$ 0.68	$ 0.70	$ 0.30	185,700	299,243,498
PAGE	$ 1.47	$ 1.40	$ 0.90	$ 0.90	$ 1.03	617,569	442,705,206
PALO ALTO	$ 1.57	$ 1.61	$ 1.67	$ 1.69	$ 1.54	670,113	439,474,000
PLYMOUTH	$ 0.37	$ 0.37	$ 0.39	$ 0.39	$ 0.35	350,684	987,558,513
POCAHONTAS	$ 1.08	$ 1.08	$ 1.14	$ 1.14	$ 0.89	424,081	409,265,515
POLK	$ 0.93	$ 0.96	$ 1.03	$ 1.06	$ 1.13	13,924,480	15,569,066,512
POTTAWATTAMIE	$ 1.10	$ 1.09	$ 1.06	$ 1.20	$ 1.15	3,268,715	3,207,611,214
POWESHIEK	$ 0.58	$ 0.60	$ 0.60	$ 0.60	$ 0.58	426,924	765,110,773
RINGGOLD	$ 1.53	$ 1.70	$ 1.67	$ 1.68	$ 1.66	327,736	223,920,522
SAC	$ 1.27	$ 1.04	$ 1.10	$ 1.10	$ 1.11	559,915	457,424,895
SCOTT	$ 0.55	$ 0.56	$ 0.58	$ 0.60	$ 0.63	3,178,002	6,019,157,294
SHELBY	$ 1.87	$ 1.91	$ 2.07	$ 2.06	$ 1.71	857,730	474,802,457
SIOUX	$ 1.00	$ 1.02	$ 1.06	$ 1.08	$ 0.96	1,003,495	1,022,722,037
STORY	$ 1.06	$ 1.08	$ 1.12	$ 1.15	$ 0.79	3,033,688	2,906,429,321
TAMA	$ 0.80	$ 0.81	$ 0.83	$ 0.80	$ 0.78	552,435	707,900,113
TAYLOR	$ 0.59	$ 0.59	$ 0.63	$ 0.63	$ 0.64	135,200	239,733,039
UNION	$ 2.16	$ 2.16	$ 2.21	$ 2.24	$ 2.27	698,159	347,919,227
VAN BUREN	$ 1.17	$ 1.20	$ 1.15	$ 0.96	$ 0.96	232,204	205,329,409
WAPELLO	$ 2.73	$ 2.49	$ 2.69	$ 2.23	$ 2.50	2,049,724	834,122,492
WARREN	$ 0.83	$ 0.84	$ 0.80	$ 0.78	$ 0.78	1,043,116	1,312,327,443
WASHINGTON	$ 0.76	$ 0.78	$ 0.81	$ 1.11	$ 1.05	557,492	759,599,753
WAYNE	$ 1.15	$ 1.17	$ 1.17	$ 1.17	$ 0.93	244,870	220,731,891
WEBSTER	$ 1.74	$ 1.56	$ 1.45	$ 1.07	$ 1.15	2,032,104	1,236,443,006
WINNEBAGO	$ 1.13	$ 1.12	$ 1.11	$ 1.11	$ 0.86	427,580	385,324,437
WINNESHIEK	$ 1.51	$ 1.51	$ 1.51	$ 1.78	$ 1.91	1,155,883	778,376,089
WOODBURY	$ 1.20	$ 1.21	$ 1.27	$ 1.29	$ 1.25	3,184,305	2,958,729,209
WORTH	$ 1.20	$ 1.25	$ 1.18	$ 1.18	$ 0.79	420,587	369,277,385
WRIGHT	$ 0.99	$ 0.99	$ 1.03	$ 1.04	$ 0.87	538,559	560,669,769

Source: Department of Management
County Budgets

	population	MH-DD Services	max	%	rate	value	proposal for linda min 1.00	max 2.00	net gain (loss)
All Counties	2982085	119,434,297	125,781,915	95.0%	-	108,208,758,732	12,215,833	(2,052,070)	10,163,762
Adair	7714	309,066	309,066	100.0%	$ 0.851	363,379,654	54,314	-	54,314
Audubon	6278	595,900	595,900	100.0%	$ 2.427	245,510,922	-	(104,877)	(104,877)
Boone	26584	878,976	878,976	100.0%	$ 0.932	943,003,941	64,030	-	64,030
Buchanan	21045	1,292,163	1,292,163	100.0%	$ 1.750	738,493,038	-	-	-
Butler	15073	389,899	389,899	100.0%	$ 0.705	552,963,478	163,063	-	163,063
Calhoun	10437	431,560	431,560	100.0%	$ 0.914	472,119,908	40,560	-	40,560
Cass	14124	789,047	789,047	100.0%	$ 1.585	497,874,114	-	-	-
Cedar	18326	968,646	968,646	100.0%	$ 1.206	803,291,234	-	-	-
Cerro Gordo	44384	2,284,794	2,284,794	100.0%	$ 1.261	1,812,118,771	-	-	-
Clarke	9156	430,559	430,559	100.0%	$ 1.451	296,683,568	-	-	-
Clay	16801	402,866	402,866	100.0%	$ 0.519	776,357,021	373,490	-	373,490
Clayton	18251	868,795	868,795	100.0%	$ 1.239	701,327,572	-	-	-
Clinton	49782	2,883,428	2,883,428	100.0%	$ 1.711	1,685,409,706	-	-	-
Crawford	16948	1,012,457	1,012,457	100.0%	$ 1.878	539,128,167	-	-	-
Dallas	54525	1,524,538	1,524,538	100.0%	$ 0.620	2,460,227,887	935,698	-	935,698
Davis	8602	426,870	426,870	100.0%	$ 1.860	229,528,860	-	-	-
Decatur	8656	321,858	321,858	100.0%	$ 1.559	206,511,720	-	-	-
Delaware	17848	926,948	926,948	100.0%	$ 1.174	789,655,420	-	-	-
Des Moines	40885	1,751,030	1,751,030	100.0%	$ 1.559	1,123,264,301	-	-	-
Dickinson	16924	412,509	412,509	100.0%	$ 0.295	1,398,707,166	986,200	-	986,200
Emmet	10479	820,900	820,900	100.0%	$ 2.195	373,944,008	-	(73,013)	(73,013)
Fayette	20996	773,024	773,024	100.0%	$ 1.026	753,480,211	-	-	-
Floyd	16441	610,064	610,064	100.0%	$ 1.066	572,251,655	-	-	-
Franklin	10708	358,934	358,934	100.0%	$ 0.651	551,756,706	192,822	-	192,822
Guthrie	11344	614,141	614,141	100.0%	$ 1.284	478,408,786	-	-	-
Hamilton	16087	860,241	860,241	100.0%	$ 1.297	663,215,444	-	-	-
Hancock	11680	629,221	629,221	100.0%	$ 1.021	616,181,290	-	-	-
Harrison	15745	920,559	920,559	100.0%	$ 1.650	557,810,455	-	-	-
Henry	20405	846,381	846,381	100.0%	$ 1.458	580,629,751	-	-	-
Howard	9677	364,201	364,201	100.0%	$ 0.909	400,830,692	36,628	-	36,628
Humboldt	9975	473,531	473,531	100.0%	$ 1.066	444,200,156	-	-	-
Ida	7180	300,889	300,889	100.0%	$ 0.903	333,391,857	32,502	-	32,502
Jackson	20290	787,145	787,145	100.0%	$ 1.191	660,773,665	-	-	-
Jasper	37409	3,120,466	3,120,466	100.0%	$ 2.796	1,116,097,060	-	(888,268)	(888,268)
Johnson	118038	3,138,395	3,138,395	100.0%	$ 0.687	4,567,369,218	1,428,993	-	1,428,993
Jones	20505	883,021	883,021	100.0%	$ 1.223	721,975,003	-	-	-
Lee	36338	2,164,720	2,164,720	100.0%	$ 2.255	959,999,268	-	(244,723)	(244,723)
Linn	201853	8,195,141	8,195,141	100.0%	$ 1.101	7,442,204,994	-	-	-
Lyon	11636	248,113	248,113	100.0%	$ 0.489	507,524,208	259,411	-	259,411
Madison	15547	534,189	534,189	100.0%	$ 0.961	555,586,607	21,396	-	21,396
Mahaska	22298	1,227,887	1,227,887	100.0%	$ 1.670	735,202,708	-	-	-
Marshall	39555	2,115,400	2,115,400	100.0%	$ 1.723	1,227,771,340	-	-	-
Mills	15595	609,781	609,781	100.0%	$ 1.005	606,451,036	-	-	-
Mitchell	10856	610,215	610,215	100.0%	$ 1.360	448,728,156	-	-	-
Monona	9343	375,993	375,993	100.0%	$ 0.891	421,773,928	45,779	-	45,779
Monroe	7725	340,278	340,278	100.0%	$ 1.006	338,349,553	-	-	-
Muscatine	42883	2,055,392	2,055,392	100.0%	$ 1.438	1,428,860,881	-	-	-
O'Brien	14409	570,532	570,532	100.0%	$ 1.082	527,222,381	-	-	-
Osceola	6629	195,225	195,225	100.0%	$ 0.652	299,243,498	104,017	-	104,017
Page	16263	652,027	652,027	100.0%	$ 1.473	442,705,206	-	-	-
Palo Alto	9549	688,176	688,176	100.0%	$ 1.566	439,474,000	-	-	-
Plymouth	24906	363,771	363,771	100.0%	$ 0.368	987,558,513	623,791	-	623,791
Pocahontas	7794	440,242	440,242	100.0%	$ 1.076	409,265,515	-	-	-
Polk	408888	14,439,175	14,439,175	100.0%	$ 0.927	15,569,066,512	1,129,847	-	1,129,847
Poweshiek	19007	444,227	444,227	100.0%	$ 0.581	765,110,773	320,887	-	320,887
Ringgold	5289	342,082	342,082	100.0%	$ 1.528	223,920,522	-	-	-
Sac	10682	579,215	579,215	100.0%	$ 1.266	457,424,895	-	-	-
Scott	162621	3,308,032	3,308,032	100.0%	$ 0.550	6,019,157,294	2,711,149	-	2,711,149
Shelby	12489	885,694	885,694	100.0%	$ 1.865	474,802,457	-	-	-
Sioux	32525	1,027,388	1,027,388	100.0%	$ 1.005	1,022,722,037	-	-	-
Story	80145	3,066,575	3,066,575	100.0%	$ 1.055	2,906,429,321	-	-	-
Tama	17890	568,799	568,799	100.0%	$ 0.804	707,900,113	139,102	-	139,102
Taylor	6540	140,346	140,346	100.0%	$ 0.585	239,733,039	99,386	-	99,386

levy	#	pop		
Levy = 100	73	8069.1%	2406285	0.806914
Levy 70% -	22	1720.3%	513013	0.172032
Levy < 70%	4	210.5%	62787	0.021055
total	99	9607.5%		



		MH-DD						proposal for linda		
	population	Services	max	%		rate	value	min 1.00	max 2.00	net gain (loss)
All Counties	2982085	119,434,297	125,781,915	95.0%	-		108,208,758,732	12,215,833	(2,052,070)	10,163,762
Union	12093	751,659	751,659	100.0%	$	2.160	347,919,227	-	(55,820)	(55,820)
Warren	43926	1,084,011	1,084,011	100.0%	$	0.826	1,312,327,443	228,319	-	228,319
Wayne	6542	254,099	254,099	100.0%	$	1.151	220,731,891	-	-	-
Webster	38960	2,146,797	2,146,797	100.0%	$	1.736	1,236,443,006	-	-	-
Winnebago	11216	433,910	433,910	100.0%	$	1.126	385,324,437	-	-	-
Woodbury	102972	3,564,086	3,564,086	100.0%	$	1.205	2,958,729,209	-	-	-
Worth	7698	441,512	441,512	100.0%	$	1.196	369,277,385	-	-	-
Wright	13419	554,967	554,967	100.0%	$	0.990	560,669,769	5,702	-	5,702
Black Hawk	126106	5,779,823	5,779,837	100.0%	$	1.552	3,725,096,994	-	-	-
Allamakee	14796	786,773	786,775	100.0%	$	1.380	570,271,004	-	-	-
Cherokee	12094	468,897	477,158	98.3%	$	0.866	541,307,238	72,411	-	72,411
Hardin	17791	850,000	898,104	94.6%	$	1.295	656,498,158	-	-	-
Iowa	16140	684,236	729,235	93.8%	$	0.980	698,199,640	13,964	-	13,964
Wapello	36010	2,276,391	2,447,733	93.0%	$	2.729	834,122,492	-	(608,142)	(608,142)
Appanoose	13422	552,197	607,651	90.9%	$	1.650	334,664,711	-	-	-
Adams	4192	172,315	191,282	90.1%	$	0.813	211,859,018	39,543	-	39,543
Carroll	20963	1,621,769	1,800,630	90.1%	$	2.100	772,271,234	-	(77,227)	(77,227)
Lucas	9543	378,000	441,861	85.5%	$	1.554	243,268,828	-	-	-
Marion	32987	923,682	1,089,896	84.7%	$	1.000	923,682,666	-	-	-
Dubuque	92384	4,360,995	5,165,648	84.4%	$	1.438	3,033,123,455	-	-	-
Winneshiek	21263	1,178,944	1,428,756	82.5%	$	1.515	778,376,089	-	-	-
Buena Vista	20091	535,610	669,512	80.0%	$	0.742	721,825,488	186,217	-	186,217
Van Buren	7836	240,000	314,328	76.4%	$	1.169	205,329,409	-	-	-
Benton	26962	681,482	908,642	75.0%	$	0.727	937,273,079	255,791	-	255,791
Pottawattamie	90218	3,515,633	4,745,180	74.1%	$	1.096	3,207,611,214	-	-	-
Washington	21529	578,045	781,141	74.0%	$	0.761	759,599,753	181,552	-	181,552
Jefferson	15945	434,068	607,300	71.5%	$	0.853	508,715,769	74,649	-	74,649
Grundy	12320	376,434	530,188	71.0%	$	0.661	569,578,206	193,144	-	193,144
Greene	9809	445,282	627,158	71.0%	$	1.060	420,087,897	-	-	-
Chickasaw	12412	400,575	572,250	70.0%	$	0.738	543,108,443	142,533	-	142,533
Montgomery	11365	258,818	369,740	70.0%	$	0.660	392,435,853	133,617	-	133,617
Fremont	7737	323,535	462,193	70.0%	$	0.924	349,986,868	26,452	-	26,452
Kossuth	16011	736,575	1,140,780	64.6%	$	0.839	878,233,956	141,659	-	141,659
Bremer	23837	720,183	1,294,995	55.6%	$	0.862	835,949,666	115,771	-	115,771
Keokuk	11081	227,995	490,075	46.5%	$	0.500	455,989,509	227,995	-	227,995
Louisa	11858	103,362	601,189	17.2%	$	0.200	516,808,568	413,447	-	413,447

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Step one – initial allocation – based on four distinct funding pools

Start Here!

State Funding Pools

County Initial Allocation

1 Community Services $17,727,890 — All counties are eligible for community services funding

2 Allowed Growth $12,000,000 — All counties are eligible for allowed growth funding

3 Per Capita $37,218,123 — Levy = 100% / Levy < 100%; FB < 25% / FB > 25%; Not eligible for per capita funding

4 Special Appropriation $12,000,000 — FB < 15% / FB > 15%; Levy = 100% / Levy < 100% but >90% / Levy < 90%; Rate > $2.00 / Rate < $2.00; Not eligible for special appropriation funding

The community services allocation changes by a small amount every year; it is based 50% on the latest general population estimate and 50% on the most recent poverty population data.

The allowed growth allocation changes minimally each year based on the latest general population estimate for each county.

The per capita allocation can change dramatically every year; it is based on the latest general population estimate for *eligible* counties; counties must levy 100% in the current year and have a fund balance below 25% one year prior to be eligible.

The special appropriation was a one-time appropriation for FY08; it is allocated based on population to counties with an FY07 fund balance of 15% or less and whose FY08 levy is either 100% of the maximum or at least 90% of the maximum with a rate above $2.00 per thousand.

Note: Fund balance always refers to the accrual fund balance in the year prior to the allocation; levy and rate always refer to the current year; population is always the most recent Census estimate.

County misses filing deadline for either:
a) annual financial report (December 1); or b) COMIS report (December 1) *See Iowa Code §331.439.*

County makes both filing deadlines (see left)

The allocation initially reserved for a county is sent back to the first three funding pools and re-allocated to eligible counties if a county misses a filing deadline.

Zero Dollars

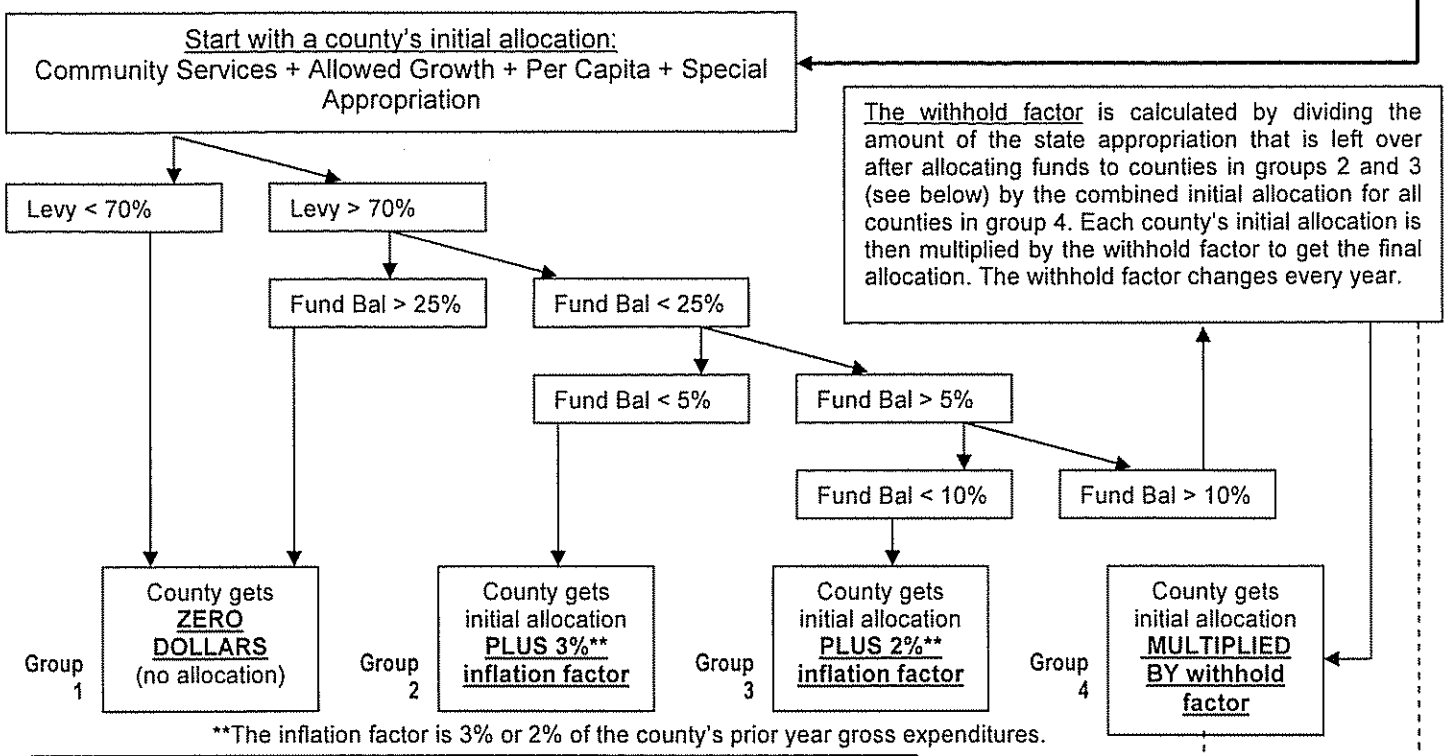
Proceed to step two

Withholding

The three state funding pools add up to an initial allocation of $78,946,013. But the state only appropriated $71,281,437 to counties for Mental Health Allowed Growth. We need a mechanism to get from the initial allocation to the final allocation – that mechanism is called the "withhold factor." This year the withhold factor is $7,664,576, the difference between the initial allocation and final allocation. The withhold factor only affects counties that are levying at least 70% in the current year and have fund balances between 10% and 25% one year prior to the allocation. See how it works in step two.

But first, the obvious question: Why doesn't the state just allocate enough money to each of the funding pools to match the appropriation? That would eliminate the withhold factor and the entire step two of this process. In fact, we'd be done right now if the state did that. But as you notice, the criteria for receiving funding from the pools are not the same. By "over-allocating" money to one pool or another and then using the withhold factor, the state can reward – or penalize – counties for exhibiting certain behavior. For instance, when the state "over-allocates" money to the per capita fund, it rewards counties levying 100%. So who gets penalized when those counties get rewarded? The counties levying between 70% and 100% with a fund balance between 10% and 25%. Their penalty comes in the form of a withhold factor, which reduces their final allocation. The withholding process is really just a rather complicated tool that the Legislature uses to make policy decisions.

Step two – final allocation – only four options – necessary because of the withhold factor



The withhold factor is calculated by dividing the amount of the state appropriation that is left over after allocating funds to counties in groups 2 and 3 (see below) by the combined initial allocation for all counties in group 4. Each county's initial allocation is then multiplied by the withhold factor to get the final allocation. The withhold factor changes every year.

**The inflation factor is 3% or 2% of the county's prior year gross expenditures.

A note about withholding – "The Ledge"

There is one final twist to the mental health allowed growth funding allocation: the ledge. The ledge only affects certain counties in group 4 above (those that are levying at least 70% and have fund balances between 10% and 15%) and is best explained with an example. Let's say County 'A' levies 100% and has a 9% fund balance; the county would fall in group 3 and receive its initial allocation plus the 2% inflation factor. Now let's say County 'B' levies 100% and has an 11% fund balance; it would fall in group 4 and receive only its initial allocation multiplied by the withhold factor. Even though County 'B' is only 1 percentage point above the 10% fund balance limit, it could potentially "lose" tens or even hundreds of thousands of dollars. The "lost" money is the amount of a county's initial allocation that it loses because of the withhold factor. Let's say that County 'B' has expenses of $500,000, a fund balance of $55,000 and an initial allocation of $150,000, and the withhold factor is 50%. The result is that County 'B,' which is over the 10% fund balance level for group 3 by only $5,000, loses $75,000 in state funding by the move to group 4. The ledge is designed to prevent that situation.

The ledge says that a county in group 4 with a fund balance between 10% and 15% can only "lose" an amount of money equal to the amount by which its fund balance exceeds 10%. (In FY08 there is no ledge protection for group 4 counties with fund balances between 15% and 25%.) In our example above, County 'B' could only lose $5,000 – not $75,000. The difference between the county's allowed loss and its loss due to the withhold factor ($70,000 in our example) is "added back" (the ledge is also called the "add-back") in to get the county's final allocation. But remember, it's all coming out of the same state appropriation. So when one county gets some funding "added back" due to the ledge, that changes the withhold factor for every other county in group 4. So after we go through the process outlined in step two above and get to the final allocation for group 4, that might not be the final allocation. We need to check to see if the ledge applies to any counties. If it does, we need to give those counties extra money (their add-back funding) and then re-calculate the withhold factor for all the remaining counties. Then we need to check again to see if the new withhold factor subjects any other counties to the ledge, and if so give them their money and re-calculate the withhold for the remaining counties. This goes on and on until no more counties are subject to the ledge. Then, finally – mercifully – the allocation process is over. Until next year.

Withhold Factor Calculation – Sample

Available Money
Combined initial allocation = Withhold Factor
(group 4 counties only)

$2,000,000
$4,000,000 = 50% Withhold Factor

Calculation for Individual Counties

Initial Allocation * Withhold Factor = Final Allocation

$150,000 * 50% = $75,000

Note: Fund balance always refers to the accrual fund balance in the year prior to the allocation; levy and rate always refer to the current year; population is always the most recent Census estimate.