

FEB 28 2006  
HUMAN RESOURCES

HOUSE FILE 2580  
BY WHITAKER

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

**A BILL FOR**

1 An Act relating to distribution of mental health, mental  
2 retardation, and developmental disabilities allowed growth  
3 funding to counties.

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

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HF 2580

1 Section 1. Section 426B.5, subsection 1, Code Supplement  
2 2005, is amended to read as follows:

3 1. PER CAPITA EXPENDITURE TARGET POOL.

4 a. A per capita expenditure target pool is created in the  
5 property tax relief fund. The pool shall consist of the  
6 moneys credited to the pool by law.

7 b. For the purposes of this subsection:

8 (1) "Budget year" means the fiscal year for which moneys  
9 are appropriated by the general assembly for distribution to  
10 the counties meeting eligibility requirements under this  
11 subsection.

12 (2) "Ending balance percentage" means the amount of a  
13 county's mental health, mental retardation, and developmental  
14 disabilities services fund fiscal year ending balance under  
15 generally accepted accounting principles expressed as a  
16 percentage of the county's actual gross expenditures from the  
17 services fund for that fiscal year.

18 (3) "Five-year rolling average ending balance percentage"  
19 means the average of a county's ending balance percentages  
20 over the five fiscal years immediately preceding the budget  
21 year.

22 c. A statewide per capita expenditure target amount is  
23 established. The statewide per capita expenditure target  
24 amount shall be equal to the one-hundredth percentile of all  
25 county per capita expenditures in the fiscal year beginning  
26 July 1, 1997, and ending June 30, 1998.

27 d. Moneys available in the per capita expenditure pool  
28 for a fiscal year shall be distributed to those counties that  
29 meet all of the following eligibility requirements:

30 ~~(1) The county is levying the maximum amount allowed for~~  
31 ~~the county's mental health, mental retardation, and~~  
32 ~~developmental disabilities services fund under section~~  
33 ~~331.424A.~~

34 (2) The county's per capita expenditure in the latest  
35 fiscal year for which the actual expenditure information is

1 available is equal to or less than the statewide per capita  
2 expenditure target amount.

3 ~~(3)~~ (2) ~~In the fiscal year that commenced two years prior~~  
4 ~~to the fiscal year of distribution, the county's mental~~  
5 ~~health, mental retardation, and developmental disabilities~~  
6 ~~services fund ending balance under generally accepted~~  
7 ~~accounting principles was~~ The county's five-year rolling  
8 average ending balance percentage as of the budget year is  
9 equal to or less than twenty-five ~~thirty~~ percent ~~of the~~  
10 ~~county's actual gross expenditures for the fiscal year that~~  
11 ~~commenced two years prior to the fiscal year of distribution.~~

12 (4) (3) The county is in compliance with the filing date  
13 requirements under section 331.403.

14 d. e. The distribution amount a county receives from the  
15 moneys available in the pool shall be determined based upon  
16 the county's proportion of the general population of the  
17 counties eligible to receive moneys from the pool for that  
18 fiscal year. ~~However, a county shall not receive moneys in~~  
19 ~~excess of the amount which would cause the county's per capita~~  
20 ~~expenditure to exceed the statewide per capita expenditure~~  
21 ~~target.~~ Moneys credited to the per capita expenditure target  
22 pool which remain unobligated or unexpended at the close of a  
23 fiscal year shall remain in the pool for distribution in the  
24 succeeding fiscal year.

25 e. f. The department of human services shall annually  
26 calculate the amount of moneys due to eligible counties in  
27 accordance with this subsection. The department shall  
28 authorize the issuance of warrants payable to the county  
29 treasurer for the amounts due and the warrants shall be issued  
30 in January.

31 EXPLANATION

32 This bill relates to the formula for distribution of mental  
33 health, mental retardation, and developmental disabilities  
34 (MH/MR/DD) allowed growth funding to counties from the per  
35 capita expenditure target pool.

1 The bill revises the eligibility provisions for the pool.  
2 The requirement for a county to levy the maximum authorized  
3 for the county's MH/MR/DD services fund is eliminated. The  
4 bill amends the provision requiring the ending balance of the  
5 county's MH/MR/DD services fund in the most recently available  
6 fiscal year to have been equal to or less than 25 percent of  
7 the county's gross expenditures from the services fund in that  
8 year by increasing the percentage amount to 30 percent. In  
9 addition, instead of applying to a single fiscal year, the  
10 percentage requirement is applied based upon a five-year  
11 rolling average.

12 Finally, the bill eliminates a distribution limitation that  
13 prohibits an eligible county from receiving moneys from the  
14 per capita expenditure target pool in an amount that would  
15 cause the county's per capita expenditures to exceed the  
16 statewide expenditure target. Under current law, the  
17 statewide expenditure target amount is equal to the 100th  
18 percentile of all county per capita expenditures in the fiscal  
19 year beginning July 1, 1997, and ending June 30, 1998.

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