
BUDGET UNIT BRIEF – FY 2023

Fiscal Services Division

July 1, 2022



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

MHDS Regional Service Fund

Purpose and History

The regional [Mental Health and Disability Services \(MHDS\)](#) system provides locally delivered services that are regionally managed within statewide standards. Local access to mental health and disability services for adults and children with severe emotional disturbances are provided by established mental health and disability services regions to residents of Iowa regardless of the location of their residence. There are 14 MHDS [regions](#) statewide. 2021 Iowa Acts, [Senate File 619](#) (FY 2022 Taxation and Other Provisions Act), changed funding from a local to a statewide system of financing, created a new MHDS Regional Service Fund, and establishes a General Fund standing appropriation to the [Department of Health and Human Services \(DHHS\)](#) for distribution to the MHDS regions' performance-based contracts. Senate File 619 eliminated the MHDS property tax levy over a two-year period, with all county levies reduced to no more than \$21.14 per capita in FY 2022 and reduced to \$0 beginning in FY 2023.

Funding — State General Fund

A General Fund standing appropriation to the MHDS Regional Service Fund was made beginning in FY 2022. Per capita amounts to the regions as detailed in SF 619 are as follows:

- \$15.86 in FY 2022.
- \$38.00 in FY 2023.
- \$40.00 in FY 2024.
- \$42.00 in FY 2025.
- Beginning in FY 2026 and beyond, the previous year's appropriation is multiplied by a growth factor indexed to sales tax growth for the preceding fiscal year, not to exceed 1.5%.

Related Statutes and Administrative Rules

Iowa Code section [225C.7A](#)

Iowa Administrative Code [441](#)

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More Information

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