

Iowa Mental Health Services: Access and Funding Through Property Taxes

Problem: A lack of access to critical, lifesaving mental health programs and services across Iowa due to a shortage of equitable and stable funding sources.

Solution: The state should authorize counties to set their per capita property tax levy for mental health programs and services at a level needed to meet local needs, to restore local control and increase sustainability.

Frequently Asked Questions:

Isn't this just a property tax increase in disguise?

Actually, allowing a handful of counties (6 at this time) to equalize their mental health levy with their regions would in turn allow a substantial number of other counties (70+) to lower their levies. Many counties will likely see a property tax levy reduction.

How are the Regions currently funded?

The Regions are funded with local property tax money. Each Region receives a different amount of property tax funding, based on a cap that was frozen in 1996. Because of reduced and unreliable state funding, property taxes have become the most important source of funding.

How are the MHDS Regions accountable for spending decisions?

MHDS Regional Boards are made up of elected county supervisors. Supervisors are accountable to the voters every four years. In addition, the Regions report to The Department of Human Services, which mandates and oversees services and approves their budgets. Accountability is built into the system.

How does the tax levy work?

The state must give the authority to the counties to raise their tax levy. However, this does not mean that property taxes automatically increase. The decision to raise property taxes is left up to each county's Board of Supervisors in consultation with the other counties in their Region. For example, Scott County has the second-lowest mental health tax rate in the state because of the 1996 dollar cap on mental health services. This has resulted in artificially higher tax rates in the other rural counties in that five-county Region, forcing those counties to subsidize a growing urban county.

How do county officials in the smaller counties feel about this? Doesn't this just effect the big urban counties?

Smaller, rural counties could benefit most from the property tax levy change because they are now often supplementing larger, urban counties that can't (by law) raise their levy. The urban counties want to be able to equitably levy taxes to cover programs and services for their residents.

Questions? Concerns? Contact Peggy Huppert, Executive Director, NAMI Iowa.

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