

infoNET

A publication of the Governor's DD Council & ID Action

MORE LEGISLATORS CALL IT QUILTS

Four more lawmakers say they will not run again in 2010, and one will not serve in the 2010 legislative session.

PAGE 5



Slow Economy Forces 10% Cut

Slow growth forced Governor to trim 10% from the state's already lean 2010 budget.

Iowans got some bad news last month - the state collected less money in taxes than predicted, about \$415 million less. Because the Legislature passed a budget using the earlier numbers, Iowa's budget was out of balance, which is against Iowa law. The Governor had no choice, the budget had to be balanced and the longer he waited, the worse the cuts would be.

On October 8, Governor Chet Culver ordered a 10% across the board cut of the state's \$5.8 billion budget. The Governor's cut trimmed about \$565 million from the budget, more than required (but hopefully enough to avoid another cut when the experts come back in December to look at the taxes collected). The Governor gave each Department two weeks to submit a plan to comply with the cut. **Here is a quick review of some of the cuts of interest to persons affected by disability:**

SLOW ECONOMY CONTINUES ON PAGE 2

IN THIS ISSUE

- PAGE 1** Slow Economy Forces 10% Cut
- PAGE 4** Governor Restores \$16 Million in Cuts
- PAGE 5** More Legislators Call It Quits
- PAGE 6** Other States Face Worse Budgets
- PAGE 7** Has Iowa's Economy Turned the Corner?
- PAGE 8** MH/DS Work Group Recommendations
- PAGE 8** MHI Review Team
- PAGE 9** Epic Legislative Battle

"One is not born into the world to do everything but to do something."

Henry David Thoreau



Slow Economy (continued from Page 1)

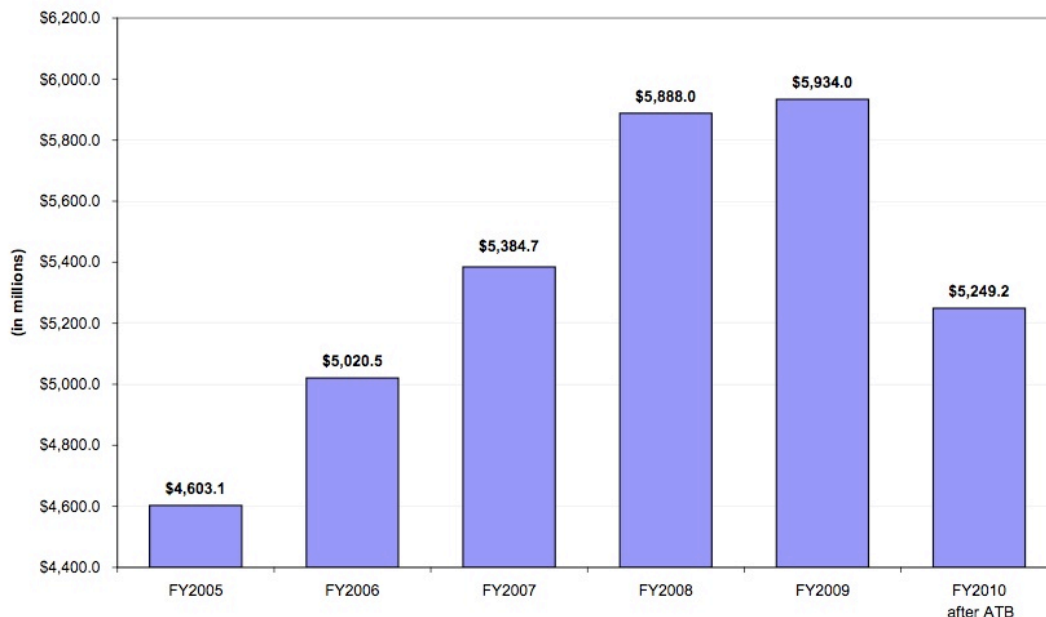
- **3,258 non-union state employees** will take seven days of unpaid days off work. All Department Directors and the Governor took a 10% salary cut. The Governor is working with state employee unions to reopen contract negotiations to find ways to avoid massive planned layoffs.
 - **The Department of the Blind (\$83,307 cut):** The Department will discontinue support for Newsline for the Blind, eliminate staff training, and end temporary support services. Because these funds matched federal dollars, the Department will also lose \$307,802 in federal funding.
 - **Iowa Vocational Rehabilitation (\$533,610 cut):** Iowa's Division of Vocational Rehabilitation will cut \$18,059 from the **Entrepreneurs with Disabilities Program** (resulting in additional loss of \$66,725 in federal funds) and reduce **basic vocational rehabilitation support** by \$515,551 (resulting in another loss of \$1,904,876 in federal funding). Vocational Rehabilitation plans to keep vacant positions open and reduce temporary staffing (increasing case backlog), and put Category 6 ("Others Eligible") referrals on waiting lists. Category 4 ("Significantly Disabled") referrals may also be placed on waiting lists later in the year. Vocational Rehabilitation may also need to reduce tuition reimbursement for clients to 40%, and eliminate summer school (impacting a total of 1,430 clients).
 - **Department of Education (\$265.2 million cut):** The Department will cut \$239.5 million in school aid, which could affect the ability of schools to meet their obligations under the **Individuals with Disabilities Education Act (IDEA) Part B** which makes sure children with disabilities have access to free and appropriate public education services. **Community college funding for deaf interpreters** is reduced by \$20,000. This service is required, so community colleges will need to find other ways to fund this program.
- Department of Human Services (\$139.5 million cut):** Because many of these cuts match federal funds, the state could lose as much as \$240 million more in federal matching funds. The Governor did reinstate about \$5 million in cuts (see programs with funding reinstated in the next section). Below are the cuts approved by the Governor:
- DHS will consider merging **service areas** in order to absorb 78 vacant positions. This may mean longer waits for service processing and slower turn-around times in abuse investigations.
 - **Woodward and Glenwood State Resource Centers** will defer facility improvements in order to cut \$2.95 million, but will be able to maintain services to current clients.
 - **Local mental health and disability services (county system)** will take the 10% cut, amounting to \$13.2 million total (\$7.8 million in mental health property tax relief and \$5.4 million in allowed growth). Counties say it will be tough, but the federal enhanced match (part of the federal economic stimulus package) should help absorb some of the shock in 2010. Some counties may have to establish waiting lists. Next year's budget (2011) could be much worse if these funds are not added back, and/or the federal stimulus is not extended.
 - Another \$1,579,011 is cut from the **MH/DD Community Services Fund**, which could result in waiting lists and more emergency room use.
 - The **Family Support Subsidy** waiting list is frozen for the rest of the year, and subsidies are reduced by 24.4% starting January 1 (from \$353.29/month to \$267.20/month). The number of active cases in the program would be reduced from 346 to 312 by the end of the year. **Children at Home contracts** are also cut by 10%, saving \$43,000.

CONTINUED ON PAGE 3

Slow Economy (continued from page 2)

- Provider rates** are reduced by 5% for all Medicaid providers except critical access hospitals, federally qualified health centers, drug product costs, local education agencies, area education agencies, ICF/MR, habilitation, medical transportation, patient management fees, money follows the person, and PACE. **Provider rates for “vulnerable” cost-based providers** are reduced by 2.5% (this requires federal approval), including rates for HCBS Waiver, Targeted Case Management, Community Mental Health Centers, and dental providers.
- Transportation reimbursement and home/vehicle modifications** under HCBS waivers are cut by \$196,000.
- Medicaid reimbursements for **non-emergency medical transportation** are reduced from 34 cents/mile to 30 cents/mile. Also caps public transportation mileage reimbursement at \$1.40/mile. This saves about \$550,000.
- Funding for the **Four Oaks autism program** in Linn County was eliminated (\$23,792) because the contract had not yet been signed, and the program had not yet begun.
- Medicaid will reimburse **Durable Medical Equipment** providers for rent up to 100% of the purchase price, instead of the current 150%. That is, Medicaid won't pay rent that is more than the cost of buying the equipment, which is consistent with Medicare policy. This saves about \$132,000.
- Department of Public Health (\$1 million cut):** The Governor reinstated about \$4.4 million in proposed cuts to public health programs, leaving about \$1 million in cuts. Of note, **mental health workforce recruitment and retention initiatives** at the University of Iowa and Cherokee Mental Health Institute are reduced by \$28,600.

General Fund Expenditures by Fiscal Year
(Includes Regents, Courts, Legislature)



Governor Restores \$16 million in Cuts

Governor Culver spent two weeks reviewing the proposed cuts made by state agencies, and listened to concerns raised by advocates. In the end, he decided to reject \$16 million in cuts. **The following are some of the budget cuts restored by the Governor:**

- The Governor restored funding (\$175,000) for **Day Care for Exceptional Children**, a Polk County day care facility serving medically fragile children with disabilities. The Department of Human Services had suggested eliminating funding for this program.
- 547 Iowans would not have received **substance abuse treatment** if the proposed \$1.3 million cut had been accepted. Another 4,300 meth users would not have received extended treatment. 2,021 youth would not benefit from **substance abuse prevention services** if the additional \$163,548 cut to prevention funding had been approved. A total of \$2.3 million in federal funding would have been lost.
- The Governor reinstated proposed cuts to the following **public health programs**: **children's mental health** (ABCDII - \$125,000), **children's health specialty clinics** (\$19,000), **muscular dystrophy** contract to University of Iowa (\$1,750), **PKU assistance** (\$56,000, which would have limited the amount of assistance available to 82 families), and **Epilepsy Education** (\$31,250).
- The proposed \$66,000 cut to local **childhood lead programs** would have meant 3,600 fewer children would not be tested for lead poisoning and 100 lead-poisoned children would not receive appropriate levels of follow-up. Lead poisoning is a preventable cause of intellectual and developmental disabilities in children. The Governor restored this funding.
- **Brain injury services** for 200 people would have been eliminated if this \$21,336 cut had been approved.
- If not for the Governor's action, funding for **audiological services to children** would have been completely eliminated, saving \$35,000 (eliminating reimbursement for 160 children purchasing hearing aides not covered by private health insurance plans).
- Medicaid proposed **adding mental health drugs to the Preferred Provider List** for new clients (existing users would not have been impacted). The Governor reinstated this cut because it could make it more difficult for people to get the mental health drugs they need.
- The Department of Human Services recommended adding **children's mental health funding** to the state's Behavioral Health Managed Care Contract (Magellan), saving \$500,000. The Governor decided not to make this change, so no cuts will be made to children's mental health funding.

"I, like many of you, immediately raised questions with some of the recommendations, especially in the area that affected children, vulnerable adults, and public safety," said Governor Culver when announcing his intention to add back \$16 million of the cuts. "I believe we cannot allow programs that are the most essential to the health and welfare of the neediest of Iowans to be eliminated. We have a responsibility to look out for those who can't take care of themselves."

You can read more about the Governor's budget cuts, department proposals, ongoing negotiations with state employee unions, and more at:
www.governor.iowa.gov/index.php/static/budget/

**SEE HOW IOWA'S BUDGET PROBLEMS
STACK UP AGAINST OTHER STATES ON
PAGE 6**

More Legislators Call It Quits

Four more lawmakers say they will not run again, and one will not be there for the 2010 legislative session.

A year from now, all 100 state representatives and half (25) of the State Senators will face re-election. Many have already decided to call it quits. While they have until March 19, 2010 to decide whether they want to run again, many are announcing early. Here is our list so far:

Rep. John Whitaker resigned from the Legislature in July after President Obama made him Iowa Director of the Farm Services Agency. **Rep. Curt Hanson (D-Fairfield)** was elected to replace Rep. Whitaker in District 90 (Van Buren, Jefferson & Wapello counties). He will serve in the 2010 legislative session, but will face re-election in November 2010. You can read more about Rep. Hanson at: www.curthanson.org.

Last month, **Rep. Dick Taylor**, a Democrat from Cedar Rapids, announced he is leaving the legislature immediately. Rep. Taylor represents District 33 (SE & SW Cedar Rapids). He had a difficult summer after his 46-year old son, a Linn County Sheriff's Deputy, died of a heart attack while on duty. A special election has been called for Tuesday, November 24. Kristin Running-Marquard (Democrat) and Joshua Thurston (Republican) are running for the seat. Check out who wins after Nov. 24 at: www.infonetiowa.com.

The following legislators will **not see re-election in 2010** (the upcoming legislative session will be their last):

- **Sen. Roger Stewart (D-Preston)** - Senate District 13 (Jackson, Clinton & Dubuque counties).
- **Rep. Mark Kuhn (D-Charles City)** - House District 14 (Floyd, Cerro Gordo, Howard & Mitchell counties) - he plans to run for Floyd County Supervisor.
- **Rep. Kent Sorenson (R-Indianola)** - House District 74 (Warren County) - he is trading in his House seat to run for Senate against Sen. Staci Appel.
- **Rep. Jodi Tymeson (R-Winterset)** - House District 73 (Madison, Warren & Dallas counties)

REDISTRICTING – ALREADY?

Next year, Iowa will begin preparing to redistrict. Redistricting is the process of making new legislative and congressional districts to reflect changes in population.

Iowa is reportedly the only state in the nation to have lost population, and we may lose a federal congressional seat after the 2010 Census. In the 2011 session, the Legislature will divide up the state into 100 new House and 50 new Senate districts. Legislators may be thrown into the same district, forcing a face-off or someone to quit. You may get a new district number, and legislator for the 2012 election. All bets are off in redistricting years - and 2012 will be the first year that legislators run in new districts.

Other States Face Worse Budgets: *How Does Iowa Stack Up?*

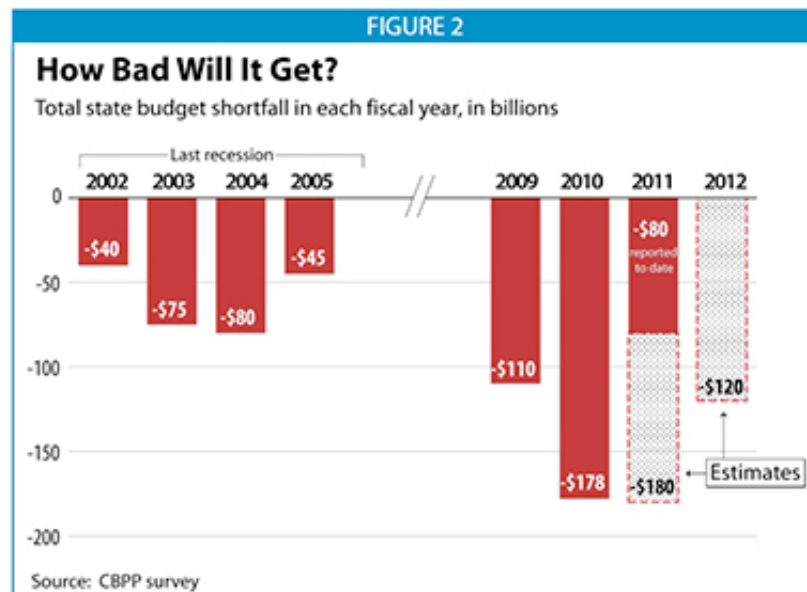
California is facing unprecedented budget problems, with a budget hole the size of nearly half its budget. Nine other states are following suit with huge drops in revenue and big budget gaps.

Iowa's lawmakers have had to slash nearly a third of the state's budget over the last two years, and it looks like they will need to cut even deeper in 2011. However, in Iowa's case, the grass is definitely not greener in other states. In fact, Iowa's budget situation is ranked as one of the top ten best in the nation (we're tied for #2). That should tell you a little bit about what other states are facing.

The Pew Center on the States released a report last week showing ten states what they call "fiscal peril." That is, their budget problems are so bad that they may not be able to meet even their most basic of obligations. These states, which include two of Iowa's neighbors, are doing extraordinary things to eliminate budget gaps. **These states were each given a score based on several factors indicating "fiscal peril" (30 being states in most trouble, 1 being states in the least amount of trouble).**

California (30) - California has a 49.3% budget gap (\$26 billion total). That means it cannot pay for half of its budgeted expenses! To put this in perspective, Iowa's entire budget is only \$5.7 billion. California has gone to extremes to close the budget deficit - they've cut in-home care for seniors (seniors in wheelchairs tried to blockade the Capitol in a massive protest against the cuts, and now the California courts have blocked the cut). Nearly 700,000 children will lose access to health coverage because of cuts to California's children's health insurance program. And California isn't done - they are still projecting a \$7.4 billion budget deficit despite these tough cuts.

Arizona (28) - Likewise, Arizona has a 41.1% budget gap. Arizona lawmakers are looking at closing two state university campuses, and may sell their state government administrative buildings (including their State Capitol). The State Capitol is a bargain at \$735



Source: Center for Budget & Policy Priorities

million - just lease it back to the state for 20 years and make \$20 million for the trouble. Who knows, you could be welcomed to the "Walmart Arizona State Capitol Building" or the "McDonald's Arizona Supreme Court Building."

Others States in serious trouble according to the Pew Center on the States:

Rhode Island (28) - 19.2% budget deficit

Michigan (27) - 12% budget deficit; 1 in every 5 Michigan residents is unemployed.

Oregon (26) - 14.5% budget deficit

Nevada (26) - 37.8% budget deficit

Florida's (25) - 22.8% budget deficit

New Jersey (23) - 29.9% gap deficit

Illinois (22) - whopping 47.3% gap

Wisconsin (22) - 23.2% gap in its budget

The national average on the Pew "fiscal peril" scoring system was 17. The lower the score - the better off you are and the smoother your recovery.

CONTINUED ON PAGE 7

Other State Budgets (continued from page 6)

The ten states with the best fiscal outlook according to the Pew report are (again, the lower the score on a scale of 1 to 30, the better the budget situation): Wyoming (6), Iowa (7), Nebraska (7), Montana (9), North Dakota (9), Texas (9), Utah (11), Pennsylvania (12), West Virginia (12), and New Mexico (12).

Want more on state budgets? You can also read the Center for Budget & Policy Priorities review of state budgets here: www.cbpp.org/cms/?fa=view&id=711. It found that 26 states are facing mid-year budget deficits in their 2010 budgets. Only two states didn't face revenue shortfalls when initially setting their 2010 budgets. 35 states say they will face a budget deficit in the 2011 budgets, forcing still more cuts. If you total all the budget shortfalls in all the states for 2010 and 2011, it amounts to an estimated \$350 billion.



Read the whole Pew Center on the States report here: downloads.pewcenteronthestates.org/BeyondCalifornia.pdf.

email your State Senator and State Representative now.

Has Iowa's Economy Turned the Corner?

National economists say that the country's economy hit the bottom in March. Iowa's economic experts say we are a bit behind the rest of the country, and think we bottomed out in September. The money our state collects from taxes may be starting to turn around, but it is likely to increase very slowly. This means Iowa lawmakers will need to continue its cuts and limit spending to keep the budget balanced.

The Joint Health and Human Services Budget Subcommittee is meeting monthly to discuss their part of the budget and look for ways to cut 10% more in fiscal year 2011. While a third of the state's budget has been slashed, lawmakers say that they will be forced to make the additional cuts if federal stimulus funds are not renewed. Members of this subcommittee were given several working documents to help them prioritize programs - you can find these documents online at: www.legis.state.ia.us/scripts/docmgr/docmgr_comdocs.dll/howtypeFC?id=true&type=ih&com=37.

- **If you are concerned about cuts to Medicaid, county and state mental health/disability services, and other programs funded by this budget, do not wait until session to talk to your legislators.** Call, write, or

- **If you want to do more, contact the members of the Health and Human Services Subcommittee directly.** The following legislators are on the subcommittee: Representatives Lisa Heddens (D-Ames), Phyllis Thede (D-Davenport), Dave Heaton (R-Mt. Pleasant), Linda Miller (R-Bettendorf), Henry Rayhons (R-Garner), Renee Schulte (R-Cedar Rapids), Paul Shomshor (D-Council Bluffs), Mark Smith (D-Marshalltown), and Beth Wessel-Kroeschell (D-Ames); and Senators Jack Hatch (D-Des Moines), Amanda Ragan (D-Mason City), David Johnson (R-Ocheyedan), David Hartsuch (R-Bettendorf), and Sen. Becky Schmitz (D-Fairfield).
- **If you are concerned about any funding cuts (transportation, workforce, vocational rehabilitation, education, etc) - contact your State Senator and State Representative now, before session starts.** While this subcommittee is the only one meeting right now, we fully expect others to follow suit and begin planning for next year's budget soon.

Mental Health & Disability Services Work Group Begins Recommendations

The members of the Adult Mental Health and Disability Services (MH/DS) System Work Group has been meeting every two weeks for the last three months to review options to find short term solutions to the county funding crisis, and long term strategies to address the deeper fairness and funding issues.

The Work Group reviewed reform options outlined in the "MH/DS Workgroup System Reform Options" worksheet (found online at: www.legis.state.ia.us/scripts/docmgr/docmgr_comdocs.dll/showtypeprint?id=true&type=ih&com=502). **The following options were chosen as 2010 priorities at the November 18 work group meeting:**

OPTIONS FOR CHANGING THE EXISTING COUNTY MH/MR/DD FUNDING FORMULA in order to help spread funding to the counties with the greatest needs.

1. **Disregard federal stimulus funds** received by county in the state funding formula. This will help counties that have a temporary influx of funds from losing state dollars.
2. **Allow unused FY 2009-2010 risk pool funding to be used to reduce waiting lists** for State Payment Program Services.
3. **Allow counties the option of returning all or a portion of allowed growth funding** that would otherwise cause the county to carry an excess ending balance.

NEAR-TERM SYSTEM CHANGE OPTIONS FOR 2010

4. **Shift from a county levy dollar cap** on MH/DS services to a rate cap. This helps the county funding keep up with the growth in the county.
5. **Develop a case rate approach for funding distribution** and other measures for distributing funding based upon persons' county of residence rather than legal settlement.
6. **Focus state investment** in community capacity building.
7. **Have the State assume a greater share of the cost of certain services**, including the costs of mental health commitments (courts instead of counties), match for state institutional placement (state pays all costs associated with MHIs and/or resource centers), and non-federal match for Medicaid services (this is all some counties do; others say this makes up about half of their budgets).

CONTINUED ON PAGE 9



MHI Review Team Finishes Work

*Recommendations on
closing one state
institutions are due
December 15*

A task force has now visited each of four state mental health institutes to evaluate the service and economic impact of each. The results of this study are important because the Legislature also directed the Department of Human Services to make a recommendation to close one of the four MHIs and to distribute services to the remaining three. This recommendation is due Dec. 15.

A recurring theme when the task force last met: MHIs need to do a better job at reaching out and sharing their expertise with local communities.

You can review the task force report at:
www.dhs.state.ia.us/docs/HF811_Closure_Proposal_Briefing.pdf

Watch the *infoNET* website for news on this recommendation:
www.infonetiowa.com.

MH/DS Work Group *(continued from page 8)*

8. **Regionalize certain community-based services** to improve the system and avoid the use of more expensive services.

PILOT PROJECTS & INCENTIVES GIVEN TO PILOTS

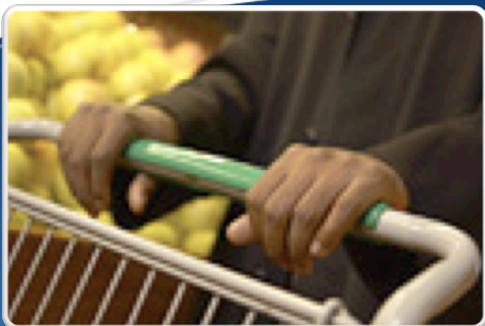
9. **The current multi-county MH/DS regional service model in Black Hawk, Butler, Cerro Gordo, Floyd, and Mitchell counties.** Among other authority, the service area was formed for purposes of allowed growth and community services funding, the participating counties were allowed to combine and average levy amounts and maintain the relative percentage of the funding, provided the minimum levy amounts were maintained. The pilot project's initial term ends June 30, 2010.
10. Authorize a pilot to develop and implement a statewide management plan for **MH DD adult services based on functional assessments** and distribute funding through caseload-based budgets administered by the counties or county regions.
11. **Hold Harmless.** If a pilot project realizes savings, exempt the amount saved for use in expanding or investment in other services.
12. **Set Aside.** Set aside a certain amount of allowed growth funding that may be used for award for any of the policy options or pilot projects.
13. **Federal and State Funding.** Ask the Mental Health Planning

Council, DHS, Magellan, and other bodies with some discretion over federal or state grant funding to invest such funding in the options or pilot projects identified.

14. **Special Authority.** Authorize counties to have limited use of transfer or supplemental levy authority to provide start-up investment of moneys in services that would realize cost savings by avoiding usage of higher cost services.

The Work Group decided to skip its two planned December meetings, and meet the first week of session instead to finalize recommendations. All information considered by this work group, including the "values and principles" that guided their decisions, can be found at:

www.legis.state.ia.us/scripts/docmgr/docmgr_comdocs.dll/showtypeinterim?id=true&type=ih&com=502.



AND THE WINNER IS... THE SENATE!

The Senate team beat out the House with \$1,690.94 worth of groceries; the House grabbed a total of \$900.04 worth of food. In all \$2,590.98 was donated to the Food Bank of Iowa.

Legislators Battle It Out in Supermarket Aisles

On Wednesday, November 18, while the MH/DS Interim Work Group was busy at work, the Legislature's leaders were lining up at the Jordan Creek Walmart in West Des Moines to participate in the first-ever legislative supermarket sweep to benefit the Food Bank of Iowa and their hometown food pantries.

House Majority Leader Kevin McCarthy and House Minority Leader Kraig Paulsen competed against Senate Majority Leader Mike Gronstal and Senate Minority Leader Paul McKinley to fill shopping carts with the most food from Walmart shelves in five minutes. All the food in the carts were donated to the Food Bank of Iowa. The teams also received a donation to their home food pantry equal to the value of the food in their carts.

Your US Representative is:
[US Representative]

Your State Representative is:
[Representative]

Your State Senator is:
[Senator]

[FirstName] [LastName] OR CURRENT RESIDENT
[ADDRESS]
[Address2]
[City], [State] [Zip]-[Zip4]

2009 ISSUE # 1 1

NOVEMBER 20, 2009

infoNET

infoNET is a free publication of Iowa's Developmental Disabilities Council and ID Action, and is written and produced by Amy Campbell & Craig Patterson of Campbell/Patterson Consulting LLP. Please contact us to change your address, receive *infoNET* by e-mail, add a friend to our list, or leave us a comment/suggestion.

We encourage you to share *infoNET* with others, and copy or distribute it as often as you like. If you use parts of *infoNET* in another publication, we ask that you use the following citation: *From infoNET, a publication of the Governor's Developmental Disabilities Council, www.infonetiowa.com.*



ID Action
PO Box 71369
Des Moines, Iowa 50325
866/432-2846
www.idaction.org;
www.infonetiowa.com