

---

## BUDGET UNIT BRIEF – FY 2027

Fiscal Services Division

July 1, 2026



---

Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

## Behavioral Health Fund — Standing

### Purpose and History

Iowa Code chapter [125](#) established a comprehensive substance use disorder program. Iowa Code section 125.1, which was repealed by 2024 Iowa Acts, chapter [1161](#) (Behavioral Health Service System Act), defined the policy of the State related to the comprehensive substance use disorder program as follows:

- That persons with a substance use disorder be afforded the opportunity to receive quality treatment and be directed into rehabilitation services which will help them resume a socially acceptable and productive role in society.
- To encourage substance use disorder education and prevention efforts and to ensure that such efforts are coordinated to provide a high quality of services without unnecessary duplication.
- To ensure that substance use disorder programs are being operated by individuals who are qualified in their field, whether through formal education or through employment or personal experience.

The program must include the following:

- Emergency treatment provided by a facility that is affiliated with or part of the medical service of a general hospital.
- Inpatient treatment.
- Residential treatment.
- Outpatient and follow-up treatment and rehabilitation.
- Prevention and education.
- Assessment.
- Halfway house treatment.

Prior to FY 2026, this appropriation was called the Substance Use Disorder Program standing appropriation.

### Funding — State General Fund

Iowa Code section [123.17](#)(5) provides a standing appropriation of \$3.0 million from a special account in the General Fund to the Iowa Department of Health and Human Services (HHS) to administer the comprehensive substance use disorder program.

From FY 2007 to FY 2024, the standing appropriation in the Iowa Code section was \$2.0 million. During that time, the standing appropriation was suspended annually in the HHS Appropriations Act as the requirements of the Iowa Code section were met by other appropriations in the Act. The standing appropriation was not suspended in the 2024 HHS Appropriations Act.

2024 Iowa Acts, chapter 1161, amended the Iowa Code section to instead appropriate \$3.0 million from a special revenue account in the General Fund to the Behavioral Health Fund. Beginning in FY 2026,

---

### More Information

Iowa HHS Substance Use Disorders:

[hhs.iowa.gov/programs/programs-and-services/substance-use-disorder](https://hhs.iowa.gov/programs/programs-and-services/substance-use-disorder)

LSA Staff Contact: Lindsey Ingraham (515.281.6764) [lindsey.ingraham@legis.iowa.gov](mailto:lindsey.ingraham@legis.iowa.gov)

---

moneys in the Behavioral Health Fund will be appropriated to the HHS to implement and administer services and programs related to mental health and addictive disorders. This includes the comprehensive substance use disorder program.

2025 Iowa Acts, chapter [169](#) (FY 2026 Health and Human Services Appropriations Act), amended 2024 Iowa Acts, chapter 1161, to make the standing appropriation for FY 2025 inapplicable and decreased the annual appropriation from the General Fund to the Behavioral Health Fund to \$1.0 million beginning in FY 2026.

**Related Statutes and Administrative Rules**

Iowa Code chapter [125](#)

Iowa Administrative Code [641—55](#) and [641—158](#)

**Budget Unit Number**

40008480001

1595712