

Senate Study Bill 1241 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
CHAIRPERSON KRAAYENBRINK)

A BILL FOR

1 An Act relating to state government and finances, including
2 by making, modifying, limiting, or reducing appropriations,
3 distributions, or transfers, authorizing expenditure of
4 unappropriated moneys in special funds, providing for properly
5 related matters including crystalline polymorph psilocybin
6 and medical residency and fellowship positions, making
7 corrections, and including effective date and retroactive
8 applicability provisions.
9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I
APPROPRIATIONS, DISTRIBUTIONS, TRANSFERS, AND EXPENDITURE
AUTHORITY

Section 1. LIMITATIONS OF STANDING APPROPRIATIONS — FY 2025-2026. Notwithstanding the standing appropriation in the following designated section for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the amount appropriated from the general fund of the state pursuant to that section for the following designated purpose shall not exceed the following amount:

For payment of claims for nonpublic school pupil transportation under section 285.2:
..... \$ 8,997,091

If total approved claims for reimbursement for nonpublic school pupil transportation exceed the amount appropriated in accordance with this section, the department of education shall prorate the amount of each approved claim.

Sec. 2. INSTRUCTIONAL SUPPORT STATE AID — FY 2025-2026. In lieu of the appropriation provided in section 257.20, subsection 2, the appropriation for the fiscal year beginning July 1, 2025, and ending June 30, 2026, for paying instructional support state aid under section 257.20 for the fiscal year is zero.

Sec. 3. SPECIAL FUNDS — SALARY ADJUSTMENTS — FY 2025-2026. For the fiscal year beginning July 1, 2025, and ending June 30, 2026, salary adjustments otherwise provided may be funded as determined by the department of management, subject to any applicable constitutional limitation, using unappropriated moneys remaining in the commerce revolving fund, the gaming enforcement revolving fund, the gaming regulatory revolving fund, the primary road fund, the road use tax fund, the fish and game protection fund, and the Iowa public employees' retirement fund, and in other departmental revolving, trust, or special funds for which the general assembly has not made an operating budget appropriation.

Sec. 4. IOWA ECONOMIC EMERGENCY FUND EXCESS — USE FOR

1 FOUNDATION AID. Of the excess moneys transferred to the general
2 fund of the state under section 8.55, subsection 2, paragraph
3 "b", for the fiscal year beginning July 1, 2024, \$21,881,303
4 shall be used in lieu of a like amount of other general fund
5 moneys to pay foundation aid under chapter 257, as described in
6 section 257.16, for the fiscal year beginning July 1, 2025. This
7 section is based on the application of assessment limitations
8 calculated under section 441.21 due to the enactment of 2023 Iowa
9 Acts, chapter 5.

10 Sec. 5. Section 257.35, Code 2025, is amended by adding the
11 following new subsection:

12 NEW SUBSECTION. 19A. Notwithstanding subsection 1, and in
13 addition to the reduction applicable pursuant to subsection 2,
14 the amounts specified for school districts and area education
15 agencies in subsection 1, paragraph "a", for the fiscal year
16 beginning July 1, 2025, and ending June 30, 2026, shall be
17 reduced by the department of management by twenty-five million
18 dollars. The reductions for each district or agency shall be
19 prorated based on the proportional reduction that the district or
20 agency receives under subsection 2.

21 DIVISION II

22 CORRECTIVE PROVISIONS

23 Sec. 6. Section 29D.4, subsection 2, paragraph b, as enacted
24 by 2025 Iowa Acts, Senate File 619, section 8, is amended to read
25 as follows:

26 b. Moneys in the fund are appropriated to the department to
27 provide loans to eligible entities pursuant to section ~~29D.9~~
28 29D.8, and for administration of the program as permitted under
29 the STORM Act. Moneys in the fund shall not be used to provide
30 a loan to a private entity for the acquisition of real property.
31 Moneys in the fund shall not be considered part of the general
32 fund of the state subject to appropriation for any other purpose
33 by the general assembly, and in determining a general fund
34 balance, shall not be included in the general fund of the state
35 subject to section 16.31, insofar as section 16.31 complies with

1 the STORM Act.

2 Sec. 7. Section 144E.3, Code 2025, as amended by 2025 Iowa
3 Acts, Senate File 233, section 2, if enacted, is amended to read
4 as follows:

5 **144E.3 Manufacturer and eligible facility rights.**

6 1. A manufacturer of an investigational drug, biological
7 product, or device or a manufacturer operating within,
8 and in compliance with all requirements applicable to, an
9 eligible facility may make available, and an eligible patient,
10 as applicable under section ~~144E.1~~ 144E.2, subsection 2,
11 paragraph "a" or "b", may request from a manufacturer of
12 an investigational drug, biological product, or device, or
13 a manufacturer operating within, and in compliance with
14 all requirements applicable to, an eligible facility, the
15 manufacturer's investigational drug, biological product, or
16 device, or the manufacturer's individualized investigational
17 treatment under this chapter. This chapter does not require
18 a manufacturer of an investigational drug, biological product,
19 or device, or of an individualized investigational treatment
20 to provide or otherwise make available the investigational
21 drug, biological product, or device, or the individualized
22 investigational treatment to an eligible patient.

23 2. An eligible facility, or a manufacturer described in
24 subsection 1, that is in compliance with all applicable
25 requirements, may do any of the following:

26 a. Provide an investigational drug, biological product,
27 or device, or an individualized investigational treatment
28 to an eligible patient, as applicable under section ~~144E.1~~
29 144E.2, subsection 2, paragraph "a" or "b", without receiving
30 compensation.

31 b. Require an eligible patient, as applicable under section
32 ~~144E.1~~ 144E.2, subsection 2, paragraph "a" or "b", to pay the
33 costs of, or the costs associated with, the manufacture of
34 the investigational drug, biological product, or device, or the
35 individualized investigational treatment.

1 Sec. 8. Section 237.10, subsection 1, paragraph d, if enacted
2 by 2025 Iowa Acts, House File 644, section 3, is amended to read
3 as follows:

4 d. (1) The department shall notify an individual licensee,
5 and the parents or guardians of a child, if the department
6 delegates the department's right to consent to emergency medical
7 care and routine medical care on behalf of the child under
8 section 232.2, subsection 12, paragraph "c", to the individual
9 licensee.

10 (2) The department shall notify the department of education,
11 an individual licensee, and the parents or guardians of a child
12 if the department delegates the department's right to consent to
13 participation in an individualized education program on behalf of
14 the child under section 232.2, subsection 12, paragraph "c", to
15 the individual licensee.

16 Sec. 9. Section 237.10, subsection 1, paragraph d, if enacted
17 by 2025 Iowa Acts, House File 644, section 7, is amended to read
18 as follows:

19 d. (1) The department shall notify an individual licensee or
20 an approved kinship caregiver, and the parents or guardians of
21 a child, if the department delegates the department's right to
22 consent to emergency medical care and routine medical care on
23 behalf of the child under section 232.2, subsection 12, paragraph
24 "c", to the individual licensee or approved kinship caregiver.

25 (2) The department shall notify the department of education,
26 an individual licensee or an approved kinship caregiver, and the
27 parents or guardians of a child, if the department delegates
28 the department's right to consent to participation in an
29 individualized education program on behalf of the child under
30 section 232.2, subsection 12, paragraph "c", to the individual
31 licensee or approved kinship caregiver.

32 Sec. 10. Section 256.9, subsection 69, as enacted by 2025
33 Iowa Acts, House File 782, section 1, is amended to read as
34 follows:

35 69. On or before May 1, 2025, develop and distribute to

1 school districts, accredited nonpublic schools, charter schools,
2 and innovation zone schools model policies that, if adopted,
3 would satisfy the a school district's, ~~charter school's, or~~
4 ~~innovation zone school's~~ responsibilities under section 279.87
5 relating to policies governing student use of personal electronic
6 devices.

7 Sec. 11. Section 280.36, subsection 1, as enacted by 2025
8 Iowa Acts, Senate File 583, section 4, is amended to read as
9 follows:

10 1. The board of directors of each school district and the
11 authorities in charge of each accredited nonpublic school may
12 establish a multidisciplinary school safety assessment team.
13 If established, the multidisciplinary school safety assessment
14 team shall coordinate resources and assess and intervene when a
15 student enrolled in the school district or accredited nonpublic
16 school exhibits behavior that may pose a threat to the safety
17 of the school district or accredited nonpublic school, employees
18 of the school district or accredited nonpublic school, or other
19 ~~student~~ students enrolled in the school district or accredited
20 nonpublic school.

21 Sec. 12. Section 299.1D, subsection 1, paragraph f, if
22 enacted by 2025 Iowa Acts, House File 870, section 2, is amended
23 to read as follows:

24 f. The school district or accredited nonpublic school
25 must not expend any moneys related to the course in
26 religious instruction, not including de minimis administrative
27 costs associated with processing notifications received under
28 ~~subsection 1~~ paragraph "a" and tracking the child's attendance to
29 ensure compliance with this section.

30 Sec. 13. Section 510B.8E, subsection 3, unnumbered paragraph
31 1, if enacted by 2025 Iowa Acts, Senate File 383, section 7, is
32 amended to read as follows:

33 The pharmacy benefits ~~manger~~ manager shall respond to an
34 appeal within seven business days after the date on which the
35 pharmacy benefits manager receives the appeal.

1 Sec. 14. Section 514F.8, subsection 1A, paragraph c,
2 subparagraph (8), if enacted by 2025 Iowa Acts, House File 303,
3 section 1, is amended to read as follows:

4 (8) The average and median time that elapsed between the
5 submission of a nonurgent prior authorization request and a
6 determination by the utilization review organization for the
7 ~~urgent~~ nonurgent prior authorization request, aggregated for all
8 health care services or items.

9 Sec. 15. Section 522F.4, subsection 2, as enacted by 2025
10 Iowa Acts, Senate File 619, section 59, is amended to read as
11 follows:

12 2. Any The fee for a criminal history check shall be the same
13 as any applicable fee for a criminal history check pursuant to
14 section 522B.5A.

15 Sec. 16. Section 522F.9, subsection 2, as enacted by 2025
16 Iowa Acts, Senate File 619, section 64, is amended to read as
17 follows:

18 2. Any The fee for a criminal history check shall be the same
19 as any applicable fee for a criminal history check pursuant to
20 section 522B.5A.

21 Sec. 17. CODE EDITOR DIRECTIVE. 2025 Iowa Acts, Senate File
22 619, section 29, amends section 515.137A, subsections 3, 4, and
23 5, Code 2025, by striking the subsections and inserting in lieu
24 thereof new subsections 3, 4, and 5, and, notwithstanding the
25 Acts section lead-in, adds new subsections 6, 7, 8, 9, and 10.
26 The Code editor is directed to codify 2025 Iowa Acts, Senate File
27 619, section 29, by striking section 515.137A, subsections 3, 4,
28 and 5, Code 2025, and inserting in lieu thereof new subsections
29 3, 4, and 5, and then by amending section 515.137A, Code 2025, by
30 adding new subsections 6, 7, 8, 9, and 10.

31 Sec. 18. EFFECTIVE DATE. The following, being deemed of
32 immediate importance, takes effect upon enactment:

33 The section of this division of this Act amending section
34 256.9, subsection 69, as enacted by 2025 Iowa Acts, House File
35 782, section 1.

1 residency at the university of Iowa hospitals and clinics.

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EXPLANATION

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The inclusion of this explanation does not constitute agreement with

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the explanation's substance by the members of the general assembly.

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APPROPRIATIONS, DISTRIBUTIONS, TRANSFERS, AND EXPENDITURE

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AUTHORITY. This bill limits or reduces the standing

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appropriations for FY 2025-2026 for payment of claims for

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nonpublic school pupil transportation, instructional support

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state aid, and state aid for area education agencies and school

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districts under Code section 257.35.

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The bill authorizes salary adjustments to be funded as

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determined by the department of management from unappropriated

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moneys in certain special funds.

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The bill provides that, of the moneys in excess of the maximum

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balance of the Iowa economic emergency fund transferred to the

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general fund of the state under current law for FY 2024-2025,

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an amount based on the application of assessment limitations

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calculated under Code section 441.21 due to the enactment of 2023

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Iowa Acts, chapter 5, must be used in lieu of a like amount

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of other general fund moneys to pay foundation aid under Code

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chapter 257 for FY 2025-2026.

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CORRECTIVE PROVISIONS. The bill makes technical corrections

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to, or as the result of, legislation enacted or considered during

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the 2025 legislative session. Certain provisions take effect or

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apply retroactively based on the underlying 2025 legislation.

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CRYSTALLINE POLYMORPH PSILOCYBIN. The bill removes the trade

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name specifications for crystalline polymorph psilocybin in 2025

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Iowa Acts, House File 383, which provides for the rescheduling of

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that substance upon recommendation by the United States food and

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drug administration.

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MEDICAL RESIDENCY AND FELLOWSHIP POSITIONS — RESIDENTS OF

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IOWA. The bill amends the definition of "resident of Iowa" in

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2025 Iowa Acts, House File 516.