

Senate File 626 - Reprinted

SENATE FILE 626
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 1216)

(As Amended and Passed by the Senate April 21, 2025)

A BILL FOR

1 An Act relating to federal moneys and regulations, including the
2 appropriation of federal moneys made available from federal
3 block grants and other nonstate sources, the allocation
4 of portions of federal block grants, the procedures if
5 federal moneys or federal block grants are more or less than
6 anticipated, and the authorization of certain city regulations
7 when required under federal law, and including effective date
8 and retroactive applicability provisions.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

APPROPRIATIONS OF FEDERAL MONEYS

Section 1. SUBSTANCE ABUSE APPROPRIATIONS.

1. a. There is appropriated from the fund created pursuant to section 8.41 to the department of health and human services for the following federal fiscal years beginning October 1, and ending September 30, the following amounts:

FFY 2025-2026:.....	\$ 14,116,120
FFY 2026-2027:.....	\$ 14,116,120

b. The appropriations made in this subsection are in the amounts anticipated to be received from the federal government for the designated federal fiscal years under 42 U.S.C. ch. 6A, subch. XVII, part B, subpart ii, which provides for the prevention and treatment of substance abuse block grant. The department shall expend the moneys appropriated in this subsection as provided in the federal law making the moneys available and in conformance with chapter 17A.

c. Of the moneys appropriated for each federal fiscal year in this subsection, an amount not exceeding 5 percent shall be used by the department for administrative expenses.

d. (1) For the state fiscal year beginning July 1, 2025, the department shall expend no less than an amount equal to the amount expended for treatment services in the state fiscal year beginning July 1, 2024, for pregnant women and women with dependent children.

(2) For the state fiscal year beginning July 1, 2026, the department shall expend no less than an amount equal to the amount expended for treatment services in the state fiscal year beginning July 1, 2025, for pregnant women and women with dependent children.

2. At least 20 percent of the moneys remaining from the appropriation made in subsection 1 for each federal fiscal year shall be allocated for prevention programs.

3. In implementing the federal prevention and treatment of substance abuse block grant under 42 U.S.C. ch. 6A, subch. XVII,

1 and any other applicable provisions of the federal Public Health
2 Service Act under 42 U.S.C. ch. 6A, the department shall apply
3 the provisions of Pub. L. No. 106-310, §3305, as codified in 42
4 U.S.C. §300x-65, relating to services under such federal law
5 being provided by religious and other nongovernmental
6 organizations.

7 Sec. 2. COMMUNITY MENTAL HEALTH SERVICES APPROPRIATIONS.

8 1. a. There is appropriated from the fund created pursuant
9 to section 8.41 to the department of health and human services
10 for the following federal fiscal years beginning October 1, and
11 ending September 30, the following amounts:

12 FFY 2025-2026:.....	\$ 7,754,083
13 FFY 2026-2027:.....	\$ 7,754,083

14 b. The appropriations made in this subsection are in the
15 amounts anticipated to be received from the federal government
16 for the designated federal fiscal years under 42 U.S.C. ch. 6A,
17 subch. XVII, part B, subpart i, which provides for the community
18 mental health services block grant. The department shall expend
19 the moneys appropriated in this subsection as provided in the
20 federal law making the moneys available and in conformance with
21 chapter 17A.

22 c. The department shall allocate not less than 95 percent of
23 the amount of the block grant each federal fiscal year for
24 eligible community mental health services for carrying out the
25 plan submitted to and approved by the federal substance abuse and
26 mental health services administration or required by the federal
27 substance abuse and mental health services administration for the
28 fiscal year involved.

29 d. For the federal fiscal year beginning October 1, 2025, and
30 ending September 30, 2026, of the moneys allocated to providers
31 under paragraph "c", 70 percent of the moneys allocated shall be
32 distributed by a behavioral health administrative services
33 organization or the department of health and human services to
34 the state's accredited community mental health centers designated
35 by the department of health and human services under section

1 225A.3, as enacted by 2024 Iowa Acts, chapter 1161, section 3.
 2 Community mental health centers that receive moneys distributed
 3 under this paragraph shall use the moneys for the purposes of
 4 training staff, providing services to adults with a serious
 5 mental illness, or providing services to children with a serious
 6 emotional disturbance, and shall bill treatment dollars related
 7 to such services to the department of health and human services
 8 through the department's claims system. The department of health
 9 and human services shall publish the amounts to be distributed to
 10 community mental health centers on the department's internet site
 11 on or before October 1, 2025, and distribute the moneys to the
 12 recipients on a quarterly basis. Recipients of the moneys shall
 13 submit quarterly reports to the department of health and human
 14 services containing data consistent with performance measures
 15 approved by the federal substance abuse and mental health
 16 services administration.

17 2. An amount not exceeding 5 percent of the moneys
 18 appropriated in subsection 1 for each federal fiscal year shall
 19 be used by the department of health and human services for
 20 administrative expenses. From the moneys set aside by this
 21 subsection for administrative expenses, the department shall pay
 22 to the auditor of state an amount sufficient to pay the cost of
 23 auditing the use and administration of the state's portion of the
 24 moneys appropriated in subsection 1. The auditor of state shall
 25 bill the department for the costs of the audits.

26 Sec. 3. MATERNAL AND CHILD HEALTH SERVICES APPROPRIATIONS.

27 1. a. There is appropriated from the fund created pursuant
 28 to section 8.41 to the department of health and human services
 29 for the following federal fiscal years beginning October 1, and
 30 ending September 30, the following amounts:

31 FFY 2025-2026:.....	\$ 6,775,530
32 FFY 2026-2027:.....	\$ 6,775,530

33 b. The appropriations made in this subsection are in the
 34 amounts anticipated to be received from the federal government
 35 for the designated federal fiscal years under 42 U.S.C. ch. 7,

1 subch. V, which provides for the maternal and child health
2 services block grant. The department shall expend the moneys
3 appropriated in this subsection as provided in the federal law
4 making the moneys available and in conformance with chapter 17A.

5 c. Moneys appropriated in this subsection shall not be used
6 by the university of Iowa hospitals and clinics for indirect
7 costs.

8 2. An amount not exceeding 10 percent of the moneys
9 appropriated in subsection 1 for each federal fiscal year shall
10 be used by the department of health and human services for
11 administrative expenses.

12 3. The department of health and human services, department of
13 education, and the university of Iowa's mobile and regional child
14 health specialty clinics shall continue to pursue to the maximum
15 extent feasible the coordination and integration of services to
16 women and children.

17 4. a. Sixty-three percent of the amount remaining after the
18 allocation made in subsection 2 for each federal fiscal year
19 shall be allocated to supplement appropriations for maternal and
20 child health programs within the department of health and human
21 services. Of these moneys, the following amounts shall be set
22 aside for the statewide perinatal care program for the following
23 federal fiscal years:

24 FFY 2025-2026:.....	\$	300,291
25 FFY 2026-2027:.....	\$	300,291

26 b. Thirty-seven percent of the amount remaining after the
27 allocation made in subsection 2 for each federal fiscal year
28 shall be allocated to the university of Iowa hospitals and
29 clinics under the control of the state board of regents for
30 mobile and regional child health specialty clinics. The
31 university of Iowa hospitals and clinics shall not receive an
32 allocation for indirect costs from the moneys for this program.
33 Priority shall be given to establishment and maintenance of a
34 statewide system of mobile and regional child health specialty
35 clinics.

1 5. The department of health and human services shall
2 administer the statewide maternal and child health program and
3 the disabled children's program by conducting mobile and regional
4 child health specialty clinics and conducting other activities to
5 improve the health of low-income women and children and to
6 promote the welfare of children with actual or potential
7 handicapping conditions and chronic illnesses in accordance with
8 the requirements of Tit. V of the federal Social Security Act.

9 Sec. 4. PREVENTIVE HEALTH AND HEALTH SERVICES
10 APPROPRIATIONS.

11 1. a. There is appropriated from the fund created pursuant
12 to section 8.41 to the department of health and human services
13 for the following federal fiscal years beginning October 1, and
14 ending September 30, the following amounts:

15 FFY 2025-2026:.....	\$ 1,955,591
16 FFY 2026-2027:.....	\$ 1,955,591

17 b. The appropriations made in this subsection are in the
18 amounts anticipated to be received from the federal government
19 for the designated federal fiscal years under 42 U.S.C. ch. 6A,
20 subch. XVII, part A, which provides for the preventive health and
21 health services block grant. The department shall expend the
22 moneys appropriated in this subsection as provided in the federal
23 law making the moneys available and in conformance with chapter
24 17A.

25 2. Of the moneys appropriated in subsection 1 for each
26 federal fiscal year, an amount not exceeding 10 percent shall be
27 used by the department for administrative expenses.

28 3. Of the moneys appropriated in subsection 1 for each
29 federal fiscal year, the specific amount of moneys stipulated by
30 the notice of the block grant award shall be allocated for
31 services to victims of sex offenses and for sex offense
32 prevention.

33 4. After deducting the moneys allocated in subsections 2 and
34 3, the remaining moneys appropriated in subsection 1 for each
35 federal fiscal year may be used by the department for healthy

1 people 2030 and Iowa's health improvement plan 2023-2027 program
2 objectives, preventive health advisory committee, and risk
3 reduction services, including nutrition programs, health
4 incentive programs, chronic disease services, emergency medical
5 services, monitoring of the fluoridation program and start-up
6 fluoridation grants, and acquired immune deficiency syndrome
7 services. The moneys specified in this subsection shall not be
8 used by the university of Iowa hospitals and clinics or by the
9 state hygienic laboratory for the funding of indirect costs.

10 Sec. 5. RESIDENTIAL SUBSTANCE ABUSE TREATMENT FOR STATE
11 PRISONERS FORMULA GRANT PROGRAM APPROPRIATIONS. There is
12 appropriated from the fund created pursuant to section 8.41 to
13 the office of drug control policy of the department of public
14 safety for the following federal fiscal years beginning October
15 1, and ending September 30, the following amounts:

16 FFY 2025-2026:.....	\$	422,329
17 FFY 2026-2027:.....	\$	307,388

18 The appropriations made in this section are the amounts
19 anticipated to be received from the federal government for the
20 designated federal fiscal years under 42 U.S.C. ch. 46, subch.
21 XII-G, which provides grants for substance abuse treatment
22 programs in state and local correctional facilities. The drug
23 policy director shall expend the moneys appropriated in this
24 section as provided in the federal law making the moneys
25 available and in conformance with chapter 17A.

26 Sec. 6. EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT
27 PROGRAM APPROPRIATIONS. There is appropriated from the fund
28 created pursuant to section 8.41 to the office of drug control
29 policy of the department of public safety for the following
30 federal fiscal years beginning October 1, and ending September
31 30, the following amounts:

32 FFY 2025-2026:.....	\$	1,964,093
33 FFY 2026-2027:.....	\$	2,178,973

34 The appropriations made in this section are in the amounts
35 anticipated to be received from the federal government for the

1 designated fiscal years under 42 U.S.C. ch. 46, subch. V, which
2 provides for the Edward Byrne memorial justice assistance grant
3 program. The drug policy director shall expend the moneys
4 appropriated in this section as provided in the federal law
5 making the moneys available and in conformance with chapter 17A.

6 Sec. 7. COMMUNITY SERVICES APPROPRIATIONS.

7 1. a. There is appropriated from the fund created pursuant
8 to section 8.41 to the department of health and human services
9 for the following federal fiscal years beginning October 1, and
10 ending September 30, the following amounts:

11 FFY 2025-2026:.....	\$ 8,300,123
12 FFY 2026-2027:.....	\$ 8,300,123

13 b. The appropriations made in this subsection are in the
14 amounts anticipated to be received from the federal government
15 for the designated federal fiscal years under 42 U.S.C. ch. 106,
16 which provides for the community services block grant. The
17 department of health and human services shall expend the moneys
18 appropriated in this subsection as provided in the federal law
19 making the moneys available and in conformance with chapter 17A.

20 c. Each federal fiscal year, the department of health and
21 human services shall allocate not less than 96 percent of the
22 amount of the block grants to eligible community action agencies
23 for programs benefiting low-income persons. Each eligible agency
24 shall receive a minimum allocation of not less than \$185,000.
25 The minimum allocation shall be achieved by redistributing
26 increased moneys from agencies experiencing a greater share of
27 available moneys. The moneys shall be distributed on the basis
28 of the poverty-level population in the area represented by the
29 community action areas compared to the size of the poverty-level
30 population in the state.

31 2. An amount not exceeding 4 percent of the moneys
32 appropriated in subsection 1 for each federal fiscal year shall
33 be used by the department of health and human services for
34 administrative expenses. From the moneys set aside by this
35 subsection for administrative expenses, the department of health

1 and human services shall pay to the auditor of state an amount
2 sufficient to pay the cost of auditing the use and administration
3 of the state's portion of the moneys appropriated in subsection
4 1. The auditor of state shall bill the department of health and
5 human services for the costs of the audits.

6 Sec. 8. COMMUNITY DEVELOPMENT APPROPRIATIONS.

7 1. a. There is appropriated from the fund created pursuant
8 to section 8.41 to the economic development authority for the
9 following federal fiscal years beginning October 1, and ending
10 September 30, the following amounts:

11 FFY 2025-2026:.....	\$ 26,500,000
12 FFY 2026-2027:.....	\$ 26,500,000

13 b. The appropriations made in this subsection are in the
14 amounts anticipated to be received from the federal government
15 for the designated federal fiscal years under 42 U.S.C. ch. 69,
16 which provides for community development block grants. The
17 economic development authority shall expend the moneys
18 appropriated in this subsection as provided in the federal law
19 making the moneys available and in conformance with chapter 17A.

20 2. a. An amount not exceeding \$1,160,000 for the federal
21 fiscal year beginning October 1, 2025, shall be used by the
22 economic development authority for administrative expenses for
23 the community development block grant. The total amount used for
24 administrative expenses includes \$630,000 for the federal fiscal
25 year beginning October 1, 2025, of moneys appropriated in
26 subsection 1 and a matching contribution from the state equal to
27 \$530,000 from the appropriation of state moneys for the community
28 development block grant and state appropriations for related
29 activities of the economic development authority. From the
30 moneys set aside for administrative expenses by this subsection,
31 the economic development authority shall pay to the auditor of
32 state an amount sufficient to pay the cost of auditing the use
33 and administration of the state's portion of the moneys
34 appropriated in subsection 1. The auditor of state shall bill
35 the authority for the costs of the audit.

1 b. An amount not exceeding \$1,160,000 for the federal fiscal
 2 year beginning October 1, 2026, shall be used by the economic
 3 development authority for administrative expenses for the
 4 community development block grant. The total amount used for
 5 administrative expenses includes \$630,000 for the federal fiscal
 6 year beginning October 1, 2026, of moneys appropriated in
 7 subsection 1 and a matching contribution from the state equal to
 8 \$530,000 from the appropriation of state moneys for the community
 9 development block grant and state appropriations for related
 10 activities of the economic development authority. From the
 11 moneys set aside for administrative expenses by this subsection,
 12 the economic development authority shall pay to the auditor of
 13 state an amount sufficient to pay the cost of auditing the use
 14 and administration of the state's portion of the moneys
 15 appropriated in subsection 1. The auditor of state shall bill
 16 the authority for the costs of the audit.

17 Sec. 9. SURFACE TRANSPORTATION BLOCK GRANT PROGRAM

18 APPROPRIATIONS. There is appropriated from the fund created
 19 pursuant to section 8.41 to the department of transportation for
 20 the following federal fiscal years beginning October 1, and
 21 ending September 30, the following amounts:

22 FFY 2025-2026:.....	\$192,600,000
23 FFY 2026-2027:.....	\$192,600,000

24 The appropriations made in this section are the amounts
 25 anticipated to be received from the federal government for the
 26 designated fiscal years under 23 U.S.C. ch. 1, §133, which
 27 provides funding allocated by the state transportation commission
 28 for state and local transportation projects. The department
 29 shall expend the moneys appropriated in this section as provided
 30 in the federal law making the moneys available and in conformance
 31 with chapter 17A.

32 Sec. 10. LOW-INCOME HOME ENERGY ASSISTANCE APPROPRIATIONS.

33 1. a. There is appropriated from the fund created pursuant
 34 to section 8.41 to the department of health and human services
 35 for the following federal fiscal years beginning October 1, and

1 ending September 30, the following amounts:

2 FFY 2025-2026:..... \$ 58,058,248

3 FFY 2026-2027:..... \$ 58,058,248

4 b. The appropriations made in this subsection are in the
5 amounts anticipated to be received from the federal government
6 for the designated federal fiscal years under 42 U.S.C. ch. 94,
7 subch. II, which provides for the low-income home energy
8 assistance block grants. The department of health and human
9 services shall expend the moneys appropriated in this subsection
10 as provided in the federal law making the moneys available and in
11 conformance with chapter 17A.

12 2. Up to 15 percent, or up to 25 percent if a waiver is
13 approved by the United States department of health and human
14 services, of the amount appropriated in this section that is
15 actually received for each federal fiscal year shall be used for
16 residential weatherization or other related home repairs for
17 low-income households. Of this allocation amount, not more than
18 10 percent may be used for administrative expenses.

19 3. After subtracting the allocation in subsection 2, no less
20 than 8.4 percent of the remaining moneys for each federal fiscal
21 year are allocated for administrative expenses of the low-income
22 home energy assistance program contractors, and up to 1.6 percent
23 of the remaining moneys are allocated each federal fiscal year
24 for the low-income home energy assistance program for
25 administrative expenses of the department of health and human
26 services. The costs of auditing the use and administration of
27 the portion of the appropriation in this section that is retained
28 by the state shall be paid from the amount allocated in this
29 subsection each federal fiscal year to the department of health
30 and human services. The auditor of state shall bill the
31 department of health and human services for the audit costs.

32 4. The remaining moneys of the appropriation made in this
33 section for each federal fiscal year following the allocations
34 made in subsections 2 and 3, shall be used to help eligible
35 households as defined in 42 U.S.C. ch. 94, subch. II, to meet

1 home energy costs.

2 5. Not more than 10 percent of the amount appropriated in
3 this section each federal fiscal year that is actually received
4 may be carried forward for use in the succeeding federal fiscal
5 year.

6 6. Expenditures for assessment and resolution of energy
7 problems shall be limited to not more than 5 percent of the
8 amount appropriated in this section for each federal fiscal year
9 that is actually received.

10 Sec. 11. SOCIAL SERVICES APPROPRIATIONS.

11 1. There is appropriated from the fund created pursuant to
12 section 8.41 to the department of health and human services for
13 the following federal fiscal years beginning October 1, and
14 ending September 30, the following amounts:

15 FFY 2025-2026:.....	\$ 15,264,832
16 FFY 2026-2027:.....	\$ 15,264,832

17 2. The appropriations made in this section are in the amounts
18 anticipated to be received from the federal government for the
19 designated federal fiscal years under 42 U.S.C. ch. 7, subch. XX,
20 which provides for the social services block grant. The
21 department of health and human services shall expend the moneys
22 appropriated in this section as provided in the federal law
23 making the moneys available and in conformance with chapter 17A.

24 Sec. 12. SOCIAL SERVICES BLOCK GRANT PLAN.

25 1. The department of health and human services during each
26 state fiscal year shall develop a plan for the use of federal
27 social services block grant moneys for the subsequent state
28 fiscal year.

29 2. The proposed plan shall include all programs and services
30 at the state level which the department proposes to fund with
31 federal social services block grant moneys, and shall identify
32 state and other moneys which the department proposes to use to
33 fund the state programs and services.

34 3. The proposed plan shall also include all local programs
35 and services which are eligible to be funded with federal social

1 services block grant moneys, the total amount of federal social
2 services block grant moneys available for the local programs and
3 services, and the manner of distribution of the federal social
4 services block grant moneys to the counties. The proposed plan
5 shall identify state and local moneys which will be used to fund
6 the local programs and services.

7 4. The proposed plan shall be submitted with the department's
8 budget requests to the governor and the general assembly.

9 Sec. 13. PROJECTS FOR ASSISTANCE IN TRANSITION FROM
10 HOMELESSNESS.

11 1. Upon receipt of the minimum formula grant from the
12 substance abuse and mental health services administration to
13 provide mental health services for the homeless, for the state
14 fiscal years beginning July 1, 2025, and July 1, 2026, the
15 department of health and human services shall assure that a
16 project which receives moneys under the formula grant shall do
17 all of the following:

18 a. Provide outreach and engagement to homeless individuals
19 and individuals at risk of homelessness and assesses those
20 individuals for serious mental illness.

21 b. Enroll those individuals with serious mental illness who
22 are willing to accept services through the project.

23 c. Provide case management to homeless persons.

24 d. Provide appropriate training to persons who provide
25 services to persons targeted by the grant.

26 e. Assure a local match share of 25 percent.

27 f. Refer homeless individuals and individuals at risk of
28 homelessness to primary health care, job training, educational
29 services, and relevant housing services.

30 2. A project may expend moneys for community mental health
31 services, diagnostic services, crisis intervention services,
32 habilitation and rehabilitation services, substance-related
33 disorder services, supportive and supervisory services to
34 homeless persons living in residential settings that are
35 not otherwise supported, and housing services including minor

1 renovation, expansion, and repair of housing, security deposits,
2 planning of housing, technical assistance in applying for
3 housing, improving the coordination of housing services, the
4 costs associated with matching eligible homeless individuals with
5 appropriate housing, and one-time rental payments to prevent
6 eviction.

7 Sec. 14. CHILD CARE AND DEVELOPMENT APPROPRIATIONS.

8 1. a. There is appropriated from the fund created pursuant
9 to section 8.41 to the department of health and human services
10 for the following federal fiscal years beginning October 1, and
11 ending September 30, the following amounts:

12 FFY 2025-2026:.....	\$109,630,285
13 FFY 2026-2027:.....	\$109,630,285

14 b. The appropriations made in this section are in the amounts
15 anticipated to be received from the federal government for the
16 designated federal fiscal years under 42 U.S.C. ch. 105, subch.
17 II-B, which provides for the child care and development block
18 grant. The department shall expend the moneys appropriated in
19 this section as provided in the federal law making the moneys
20 available and in conformance with chapter 17A.

21 2. Moneys appropriated in this section that remain
22 unencumbered or unobligated at the close of the fiscal year shall
23 revert to be available for appropriation for purposes of the
24 child care and development block grant in the succeeding fiscal
25 year.

26 Sec. 15. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES
27 APPROPRIATIONS.

28 1. a. There is appropriated from the fund created in section
29 8.41 to the department of health and human services for the
30 following federal fiscal years beginning October 1, and ending
31 September 30, the following amounts:

32 FFY 2025-2026:.....	\$130,980,383
33 FFY 2026-2027:.....	\$130,980,383

34 b. The appropriations made in this subsection are in the
35 amounts anticipated to be received from the federal government

1 for the designated federal fiscal years under the federal
2 Personal Responsibility and Work Opportunity Reconciliation Act
3 of 1996, Pub. L. No. 104-193, and successor legislation, which
4 provides for the temporary assistance for needy families block
5 grant. The department of health and human services shall expend
6 the moneys appropriated in this subsection in conformance with
7 chapter 17A, and as provided in the federal law making the moneys
8 available, to meet one of the four core purposes of the temporary
9 assistance for needy families block grant as described in 45
10 C.F.R. §260.20, including by modernizing applicable programs to
11 promote economic mobility and self-sufficiency, ensuring families
12 are able to overcome benefit cliffs, encouraging healthy
13 families, and streamlining service delivery to reduce duplication
14 of services.

15 2. Up to 15 percent of the moneys appropriated in subsection
16 1 for each federal fiscal year shall be used by the department of
17 health and human services for administrative expenses in
18 accordance with the federal Personal Responsibility and Work
19 Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and
20 successor legislation. The costs of auditing the use and
21 administration of the portion of the appropriation in this
22 section that is retained by the state shall be paid from the
23 amount allocated in this subsection each federal fiscal year to
24 the department of health and human services. The auditor of
25 state shall bill the department of health and human services for
26 the audit costs.

27 3. Notwithstanding section 8.33, moneys appropriated in this
28 section for the federal fiscal year beginning October 1, 2025,
29 and ending September 30, 2026, that remain unencumbered or
30 unobligated at the close of the fiscal year shall not revert but
31 shall remain available for expenditure for the purposes
32 designated until the close of the succeeding fiscal year.

33 Sec. 16. PROCEDURE FOR REDUCED FEDERAL MONEYS.

34 1. Unless otherwise necessary to meet federal requirements,
35 if the moneys received from the federal government for the

1 block grants specified in this Act are less than the amounts
2 appropriated, the moneys actually received shall be prorated
3 by the governor for the various programs, other than for
4 the services to victims of sex offenses and for sex offense
5 prevention under section 4, subsection 3, of this Act, for
6 which each block grant is available according to the percentages
7 that each program is to receive as specified in this Act.
8 However, if the governor determines that the moneys allocated
9 by the percentages will not be sufficient to accomplish the
10 purposes of a particular program, or if the appropriation is not
11 allocated by percentage, the governor may allocate the moneys in
12 a manner which will accomplish to the greatest extent possible
13 the purposes of the various programs for which the block grants
14 are available.

15 2. Before the governor implements the actions provided for in
16 subsection 1, the following procedures shall be taken:

17 a. The chairpersons and ranking members of the senate and
18 house standing committees on appropriations, the appropriate
19 chairpersons and ranking members of subcommittees of those
20 committees, and the director of the legislative services agency
21 shall be notified of the proposed action.

22 b. The notice shall include the proposed allocations, and
23 information on the reasons why particular percentages or amounts
24 of moneys are allocated to the individual programs, the
25 departments and programs affected, and other information deemed
26 useful. Chairpersons and ranking members notified shall be
27 allowed at least two weeks to review and comment on the proposed
28 action before the action is taken.

29 Sec. 17. PROCEDURE FOR INCREASED FEDERAL MONEYS.

30 1. Unless otherwise necessary to meet federal requirements,
31 if moneys received from the federal government in the form of
32 block grants exceed the amounts appropriated in sections 1, 2,
33 3, 4, and 8 of this Act, the excess shall be prorated to the
34 appropriate programs according to the percentages specified in
35 those sections, except additional moneys shall not be prorated

1 for administrative expenses.

2 2. If actual moneys received from the federal government from
3 block grants exceed the amount appropriated in section 10 of this
4 Act for the low-income home energy assistance program, not more
5 than 15 percent of the excess may be allocated to the low-income
6 residential weatherization program and not more than 10 percent
7 of the excess may be used for administrative costs.

8 3. If moneys received from the federal government from
9 community services block grants exceed the amount appropriated in
10 section 7 of this Act, 100 percent of the excess is allocated to
11 the community services block grant program.

12 Sec. 18. PROCEDURE FOR EXPENDITURE OF ADDITIONAL FEDERAL
13 MONEYS. If other federal grants, receipts, and moneys and other
14 nonstate grants, receipts, and moneys become available or are
15 awarded which are not available or awarded during the period
16 in which the general assembly is in session, but which require
17 expenditure by the applicable department or agency prior to March
18 15 of the fiscal years beginning July 1, 2025, and July 1, 2026,
19 these grants, receipts, and moneys are appropriated to the extent
20 necessary, provided that the fiscal committee of the legislative
21 council is notified within 30 days of receipt of the grants,
22 receipts, or moneys and the fiscal committee of the legislative
23 council has an opportunity to comment on the expenditure of the
24 grants, receipts, or moneys.

25 Sec. 19. OTHER GRANTS, RECEIPTS, AND MONEYS. Federal grants,
26 receipts, and moneys and other nonstate grants, receipts, and
27 moneys, available in whole or in part of the state fiscal years
28 beginning July 1, 2025, and July 1, 2026, are appropriated to
29 the following departments and agencies that are designated by and
30 for the purposes set forth in the grants, receipts, or conditions
31 accompanying the receipt of the moneys, unless otherwise provided
32 by law:

- 33 1. Department of administrative services.
- 34 2. Department of agriculture and land stewardship.
- 35 3. Office of auditor of state.

- 1 4. Department for the blind.
- 2 5. Department of corrections.
- 3 6. Economic development authority.
- 4 7. Department of education.
- 5 8. Iowa ethics and campaign disclosure board.
- 6 9. Iowa finance authority.
- 7 10. Offices of the governor and lieutenant governor.
- 8 11. Department of health and human services.
- 9 12. Department of homeland security and emergency management.
- 10 13. Department of inspections, appeals, and licensing.
- 11 14. Department of insurance and financial services.
- 12 15. Judicial branch.
- 13 16. Department of justice.
- 14 17. Iowa law enforcement academy.
- 15 18. Department of management.
- 16 19. Department of natural resources.
- 17 20. Board of parole.
- 18 21. Department of public defense.
- 19 22. Department of public safety.
- 20 23. State board of regents.
- 21 24. Department of revenue.
- 22 25. Office of secretary of state.
- 23 26. Iowa state fair authority.
- 24 27. Office for state-federal relations.
- 25 28. Iowa telecommunications and technology commission.
- 26 29. Office of treasurer of state.
- 27 30. Department of transportation.
- 28 31. Iowa utilities commission.
- 29 32. Department of veterans affairs.
- 30 33. Department of workforce development.

31 DIVISION II

32 CITY REGULATION OF DEVELOPERS, CONTRACTORS, AND SUBCONTRACTORS

33 Sec. 20. Section 364.3, subsection 20, as enacted by 2025
34 Iowa Acts, Senate File 603, is amended to read as follows:

35 20. A city shall not adopt or enforce an ordinance,

1 motion, resolution, or amendment that imposes restrictions,
2 qualifications, or requirements on developers, contractors, or
3 subcontractors related to a developer's or contractor's employee
4 compensation or training beyond what is expressly authorized by
5 state law. A city shall not make receipt of any incentives, or
6 the eligibility for such incentives, contingent upon compliance
7 with any such restrictions, qualifications, or requirements,
8 except as required under federal law.

9 Sec. 21. EFFECTIVE DATE. This division of this Act, being
10 deemed of immediate importance, takes effect upon enactment.

11 Sec. 22. RETROACTIVE APPLICABILITY. This division of this
12 Act applies retroactively to March 28, 2025.

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