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**HF 2686** – State Government Reorganization, Code Changes (LSB5333HZ.3)  
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Fiscal Note Version – Final Action

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[House File 2686](#) is composed of 14 divisions. The Bill relates to the organization, structure, and functions of State and local government.

**Divisions with No Fiscal Impact**

- Division I** — Removes the requirement for the Department of Natural Resources (DNR) to provide permanent housing for certain children from the State Training School.
- Division III** — Provides for changes to the Iowa Code for various functions of the Department of Transportation (DOT).
- Division IV** — Provides for changes to the Iowa Code for various functions of the Department of Education (DE).
- Division V** — Amends, repeals, and transfers various provisions relating to the Department of Corrections (DOC) and Judicial District Departments of Correctional Services.
- Division VI** — Provides for changes to the Iowa Code for various references and functions of the Iowa Department of Revenue (IDR) and Iowa Lottery Division of the IDR.
- Division VII** — Adds the Supplemental Nutrition Assistance Program (SNAP) to the list of programs administered by the Iowa Department of Workforce Development (IWD) and requires the IWD to jointly implement adult education and literacy programs with community colleges.
- Division VIII** — Removes the requirement that the Director of the Office of Drug Control Policy submit an annual report to the Governor and General Assembly, and updates various references in the Iowa Code.
- Division IX** — Allows the Iowa Economic Development Authority (IEDA) and the Iowa Finance Authority (IFA) to include any other report that they are required to submit in the annual reports they are required to submit in Iowa Code sections [15.107B](#) and [16.7](#), respectively.
- Division X** — Removes the requirement for the IEDA to establish and administer certain internship programs for Iowa students and requires the IWD to establish and administer a similar program.
- Division XI** — Amends various provisions relating to the duties and authority of the Department of Health and Human Services (HHS) and the Council on Health and Human Services.
- Division XIII** — Removes language requiring the Office for State-Federal Relations to be located in Washington, D.C., and instead provides that the office be attached to the Office of the Governor.
- Division XIV** — Provides changes for various duties and functions of the Department of Administrative Services (DAS) in regard to State historical sites.

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## Division II — Department of Inspections, Appeals, and Licensing

### Description and Background

**Division II** provides for changes to the Iowa Code for various functions of the Department of Inspections, Appeals, and Licensing (DIAL). **Division II** repeals the Contractor Registration Revolving Fund (CRRF), redirects fees that were paid into the CRRF into the Licensing and Regulation Fund (LRF), and transfers funds that remain in the CRRF to the LRF at the end of FY 2024. The Division also allows licensees to apply continuing education (CE) credits in excess of the requirements for a renewal period to the CE requirements for the next renewal period, not to exceed 50.0% of the CE requirements for a renewal period. The Division permits licensing boards to adopt administrative rules for the implementation and restriction of CE credits.

### Assumptions and Fiscal Impact

As of April 22, 2024, the balance of the CRRF is approximately \$4.5 million. Any funds that remain in the CRRF will be transferred to the LRF at the end of FY 2024.

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## Division XII — State Salaries, Appointed State Officers

### Description and Background

**Division XII** relates to the salaries of appointed State officials. 2023 Iowa Acts, [chapter 19](#) (State Government Reorganization Act), established salary ranges four through seven for various State officials. **Figure 1** includes the salary ranges and minimum and maximum salary amounts for each salary range, as set in 2023.

**Figure 1 — Salary Ranges Set in 2023**

<u>Salary Range</u>	<u>Minimum</u>	<u>Maximum</u>
4	\$ 63,690	\$ 97,460
5	73,250	112,070
6	84,240	128,890
7	100,840	154,300

**Division XII** instead provides for three salary ranges that are to be paid in a range set in accordance with the specified pay grade of the pay plans published by the Department of Administrative Services. **Figure 2** includes the salary ranges established under **Division XII** and the current minimum and maximum salary amounts for those pay grades.

**Figure 2 — New Salary Ranges Under Division XII**

<u>Salary Range</u>	<u>Pay Grade</u>	<u>Minimum</u>	<u>Maximum</u>
1	32	\$ 65,395	\$ 101,150
2	38	93,288	132,829
3	43	118,082	167,898

**Figure 3** includes the changes to the salary range for current positions established under 2023 Iowa Acts, chapter 19, compared to the salary ranges established in **Division XII**.

**Figure 3 — Changes to Salary Ranges Under Division XII**

Position Title	Salary Range Under Current Law	Salary Range Under HF 2686
Chairperson and Members of the Employment Appeal Board of the DIAL	4	1
Director of the Iowa Civil Rights Commission	4	2
Director of the Department for the Blind	4	1
Executive Director of the Ethics and Campaign Disclosure Board	4	1
Board of Parole Chairperson, Vice Chairperson, and Members	4	1
Executive Director of the Iowa Public Information Board	4	1
State Public Defender	5	3
Labor Commissioner (Workforce Development)	5	3
Workers' Compensation Commissioner (Workforce Development)	5	2
Director of the Iowa Law Enforcement Academy	5	2
Executive Director of the Public Employment Relations Board	5	*
Superintendent of Banking of the Department of Insurance and Financial Services	6	3
Superintendent of Credit Unions of the Department of Insurance and Financial Services	6	3
Consumer Advocate	6	2
Chairperson and Members of the Utilities Board	6	3
Administrator of the Public Broadcasting Division of the Department of Education	7	2
Executive Director of the Iowa Telecommunications and Technology Commission (ICN)	7	3
Executive Director of the State Board of Regents	7	3
State Court Administrator	7	3
Lottery Administrator of the Department of Revenue	7	3

\*The salary of the Executive Director of the Public Employment Relations Board is not set within a salary range under HF 2686. Instead, under the Bill, the Governor sets the salary of the Executive Director.

Unless the Bill specifies otherwise, **Division XII** allows the Governor to establish the salary for the various appointed State officials within their specified salary range.

**Division XII** takes effect June 21, 2024 (first pay period of FY 2025).

**Assumptions and Fiscal Impact**

There may be a fiscal impact for the agency if the salary of the appointed State officer is set above the current salary range maximum or below the current salary range minimum. However, any potential fiscal impact as a result of these changes cannot be determined at this time.

**Sources**

Department of Management  
Legislative Services Agency

/s/ Jennifer Acton

April 30, 2024

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.