NINETIETH GENERAL ASSEMBLY
2024 REGULAR SESSION
DAILY

SENATE CLIP SHEET

March 11, 2024

Clip Sheet Summary

Displays all amendments, fiscal notes, and conference committee reports for previous day.

Bill	Amendment	Action	Sponsor
SF 574	S-5057	Filed	RECEIVED FROM THE HOUSE

Fiscal Notes

SF 2114 — Railroad Maintenance Costs, Financial Responsibility (LSB1912SZ)

SF 2251 — Postpartum Coverage, Medicaid (LSB5156SV.2)

HF 2482 — 411 Retirement System, Cancer Presumption (LSB5786HV.1)

HF 2558 — Higher Education Omnibus (LSB5335HV.1)

HF 2586 — School Safety and Security (LSB6276HV.1)

HOUSE AMENDMENT TO

SENATE FILE 574

S-5057

Amend Senate File 574, as passed by the Senate, as follows:

1. Page 1, before line 1 by inserting:

DIVISION ___

MAJOR ECONOMIC GROWTH ATTRACTION PROGRAM

2. Page 1, line 1, by striking <2023> and inserting <2024>

3. Page 1, line 3, by striking <(1)>

4. By striking page 1, line 5, through page 2, line 7, and inserting <farming if all of the requirements of section 15.498 are met.>

5. Page 2, line 8, by striking <**15.281**> and inserting <**15.490**>

6. Page 2, line 11, by striking <**15.282**> and inserting <**15.491**>

7. Page 2, after line 20 by inserting:

<1A. *"Agricultural land"* means the same as defined in section 91.1.>

8. Page 3, line 14, by striking <15.283> and inserting <15.492>

9. Page 3, after line 14 by inserting:

<10A. *"Foreign adversary"* means a foreign government or foreign non-government person as determined in 15 C.F.R. §7.4, and that is listed in 15 C.F.R. §7.4(a) at any time from March 4, 2024, through the termination of the program.

10B. *"Foreign adversary entity"* means any of the following:

a. A foreign business subject to the jurisdiction of or organized under the laws of a foreign adversary.

b. A foreign business owned, directed, or controlled by a foreign adversary.>

10. Page 3, line 27, by striking <15.285> and inserting <15.494>

11. Page 4, line 6, by striking <15.285> and inserting <15.494>

12. Page 4, line 11, by striking <located on a certified site>

13. Page 4, line 31, by striking <**15.283**> and inserting

<**15.492**>

14. Page 5, line 1, before <certified> by inserting <site where the business has a controlling interest in or a>

15. Page 5, lines 1 and 2, by striking <acres that the authority has determined> and inserting <acres. The authority must determine a site>

16. Page 6, by striking lines 20 through 22 and inserting <may be eligible to qualify for the program.>

17. Page 6, line 27, by striking <tax incentives under>

18. Page 7, line 31, by striking <**15.284**> and inserting <**15.493**>

19. Page 8, by striking lines 14 and 15 and inserting <agricultural land holdings if all of the requirements of section 15.498 are met.>

20. Page 8, line 16, by striking <**15.285**> and inserting <**15.494**>

21. Page 9, line 23, by striking <15.286B> and inserting <15.497>

22. Page 9, line 27, by striking <15.283> and inserting <15.492>

23. Page 9, line 34, by striking <15.284> and inserting <15.493>

24. Page 10, line 7, by striking <**15.286**> and inserting <**15.495**>

25. Page 11, line 19, by striking <**15.286A**> and inserting <**15.496**>

26. Page 11, line 23, by striking <in a certified site>

27. Page 11, line 28, by striking <15.285> and inserting <15.494>

28. Page 13, line 25, by striking <**15.286B**> and inserting <**15.497**>

29. Page 13, line 27, by striking <subsection 2,>

30. Page 13, line 28, by striking <15.285> and inserting <15.494>

31. Page 13, line 31, by striking <15.285> and inserting

<15.494>

32. Page 14, lines 9 and 10, by striking <section 422.16, subsection 2,> and inserting <section 422.16>

33. Page 14, line 11, by striking <**15.287**> and inserting <**15.498**>

34. Page 14, by striking lines 13 through 16 and inserting:

<1. The board may authorize an exemption to restrictions on agricultural land holdings for a foreign business if all of the following requirements are satisfied:

a. The foreign business qualifies as an eligible business pursuant to section 15.492.

b. As part of the application of the foreign business under section 15.493, the foreign business provides documentation to the authority, as deemed necessary by the authority, to establish that the foreign business is not associated with a foreign adversary or foreign adversary entity.

c. The agricultural land for which the exemption is provided is a mega site or included in a mega site.

d. The foreign business is not actively engaged in farming.>

35. Page 14, line 20, by striking <15.285> and inserting <15.494>

36. Page 14, line 33, by striking <**15.288**> and inserting <**15.499**>

37. Page 15, line 11, by striking <**15.289**> and inserting <**15.500**>

38. Page 15, line 26, by striking <**15.290**> and inserting <**15.501**>

39. Page 15, lines 29 and 30, by striking <section 9I.3, subsection 3, paragraph *"f"*> and inserting <this part>

40. Page 15, line 31, by striking <2026> and inserting <2027>

41. Page 15, after line 31 by inserting:

<Sec. ___. EMERGENCY RULES. The authority shall adopt emergency rules under section 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph "b", to implement the provisions

of this division of this Act within sixty business days of the effective date of this division of this Act and shall submit such rules to the administrative rules coordinator and the administrative code editor pursuant to section 17A.5, subsection 1, within the same period. The rules shall be effective immediately upon filing unless a later date is specified in the rules. Any rules adopted in accordance with this section shall also be published as a notice of intended action as provided in section 17A.4.

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

DIVISION ___

CERTIFIED SITE AND HIGH-QUALITY JOBS PROGRAMS — APPROPRIATION

Sec. ___. 2023 Iowa Acts, chapter 110, section 15, subsection 1, paragraph a, subparagraph (1), is amended to read as follows:

(1) For the purposes of providing assistance as described in section 15.335B for the high quality jobs program:
.... $ 11,700,000

(a) From the moneys appropriated in this subparagraph, the economic development authority may use not more than $1,000,000 for purposes of providing infrastructure grants to main street communities under the main street Iowa program and may allocate not more than $300,000 for the purposes of supporting statewide worker education and quality preapprenticeship programs.

(b) Notwithstanding section 15.335B, subsection 2, from the moneys appropriated in this subparagraph, $300,000 is allocated to the economic development authority for certification costs associated with the authority's certified site program. Moneys allocated in this subparagraph division must be used to certify sites in counties with a population of less than 50,000 according to the 2020 federal decennial census and to certify at least two sites in each congressional district.

Sec. ___. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.>

42. Title page, by striking lines 1 through 3 and inserting <An Act relating to programs administered by the economic development authority by establishing the economic growth attraction program, modifying the certified site and high-quality jobs programs, making appropriations, providing penalties, and including effective date provisions.>

43. By renumbering, redesignating, and correcting internal references as necessary.

S-5057 FILED MARCH 7, 2024

Fiscal Note

Fiscal Services Division

SF 2114 – Railroad Maintenance Costs, Financial Responsibility (LSB1912SZ)
Staff Contact: Garry Martin (515.281.4611) garry.martin@legis.iowa.gov
Fiscal Note Version – New

Description

Senate File 2114 requires the owner of a railroad track or railroad corporation, as applicable, to bear financial responsibility for building and maintaining railroad crossings on private farms, in towns or cities, and across primary roads. Railroad track owners and railroad corporations are also required to bear financial responsibility for removing railroad tracks in cities, counties, and other jurisdictions that have authority to remove railway tracks. The Bill requires railway corporations that transfer a railroad right-of-way to a person who is not a railroad corporation to pay the costs associated with the related right-of-way improvements prior to the transfer, or on a schedule agreed to by the transferee.

Railroad corporations and railroad track owners are to bear the cost of the responsibilities detailed in the Bill without assistance from the Department of Transportation (DOT) or other governmental entity.

The Bill repeals the Highway Grade Crossing Safety Fund and the Highway Railroad Grade Crossing Surface Repair Fund. The FY 2024 ending balances of the funds will be transferred to the Road Use Tax Fund (RUTF) at the end of the year.

Background

Current law requires the owner of a railroad track to place certain warning devices, including close-clearance warning devices and signals and gate arms at railway and highway crossings at grade. Railroad corporations are required to construct and maintain private farm crossings, construct crossings that intersect highways at grade, remove unused crossings that intersect highways, and maintain certain improvements along the railroad track rights-of-way. A railroad corporation is eligible to agree with the DOT and the local government entity with jurisdiction over the relevant area about certain costs, and the DOT must assist with the project by paying a portion of the cost for the work, if moneys are available, from the Highway Railroad Grade Crossing Surface Repair Fund.

The annual off-the-top allocations from the RUTF to the Highway Grade Crossing Safety Fund is $700,000 per year and the Highway Railroad Grade Crossing Surface Repair Fund is $900,000 per year.

The RUTF is the primary source of funding for the construction, maintenance, and administration of Iowa's highways. Road Use Tax Fund revenue is collected by the State Treasurer and distributed to the DOT, counties, and cities by formula. All other distributions and appropriations are taken off the top, 47.5% is allocated to the DOT for primary roads, 24.5% to counties for secondary roads, 8.0% to counties for farm-to-market roads, and 20.0% to cities. In FY 2023, the RUTF received $1.988 billion in revenue.

Assumptions

At the end of FY 2023, the Highway Railroad Grade Crossing Surface Repair Fund had a balance of $3.5 million and the Highway Grade Crossing Safety Fund had a balance of $9,000. All remaining Fund balances will be transferred to the RUTF by the end of FY 2024.

Fiscal Impact

The elimination of off-the-top allocations from the RUTF to the Highway Grade Crossing Safety Fund and Highway Grade Crossing Repair Fund will make available an additional $1.6 million per year to be distributed by formula to the Primary Road Fund, Secondary Road Fund, Cities Street Construction Fund, and Farm-to-Market Road Fund.

Sources

Legislative Services Agency
Department of Transportation
Treasurer of State

/s/ Jennifer Acton

March 7, 2024

Doc ID 1445162

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.

---

www.legis.iowa.gov

LEGISLATIVE SERVICES AGENCY
Serving the Iowa Legislature

Fiscal Note
Fiscal Services Division

SF 2251 – Postpartum Coverage, Medicaid (LSB5156SV.2)
Staff Contact: Eric Richardson (515.281.6767) eric.richardson@legis.iowa.gov
Fiscal Note Version – Revised for new data (Assumptions and Fiscal Impact)

Description

Senate File 2251 extends postpartum Medicaid coverage for women. The Bill does the following:

- Extends postpartum Medicaid coverage from 60 days to 12 months after a pregnancy ends.
- Amends the income eligibility threshold for infants and pregnant women to 215.0% of the federal poverty level (FPL) for postpartum Medicaid coverage.
- Requires the Iowa Department of Health and Human Services (HHS) to submit a Medicaid State plan amendment to the Centers for Medicare and Medicaid Services (CMS) to provide continuous Medicaid eligibility to pregnant women until 12 months after a pregnancy ends, beginning January 1, 2025.
- Requires the HHS to submit a Children's Health Insurance Program (CHIP) State plan amendment to the CMS to update infant eligibility consistent with provisions of the Bill, beginning January 1, 2025.

The section of the Bill directing the HHS to submit a Medicaid State plan amendment to the CMS takes effect upon enactment. The eligibility measures in the Bill for infants and pregnant women take effect January 1, 2025.

Background

Iowa Code section 249A.3(1)(h) provides Medicaid coverage to women who meet eligibility requirements, except for income, for 60 days after a pregnancy ends. Currently in Iowa, children under one year of age and pregnant women are eligible for postpartum coverage with income eligibility requirements up to 375.0% of the FPL ($117,000 for a family of four in calendar year 2024). The American Rescue Plan Act of 2021 allowed states to submit a Medicaid State plan amendment, effective for five years, to provide postpartum Medicaid coverage for 12 months after a pregnancy ends. Subsequently, a provision in the Consolidated Appropriations Act of 2023 removed the five-year limitation period for the State plan amendment. As of January 2024, 44 states (including Washington, D.C.) have extended postpartum coverage to 12 months, with Alaska, Nevada, Utah, and Wisconsin having submitted State plan amendments to the CMS to implement a 12-month extension. Arkansas, Idaho, and Iowa have not formally submitted amendments to the CMS to increase postpartum coverage to 12 months.

Income eligibility for Medicaid for pregnant women and infants under one year of age is specified in 441 IAC 75.1(28) at a maximum of 375.0% of the FPL. The Healthy and Well Kids in Iowa (Hawki) program has an income eligibility limit of 302.0% of the FPL. Currently, pregnant women who lose Medicaid coverage after 60 days may be eligible to enroll in the Iowa Health and Wellness Program (IHAWP), which has an income limit of up to 133.0% of the FPL. 42 C.F.R. §435.116 details minimum and maximum federal income eligibility requirements for pregnant women who are eligible to receive Medicaid benefits.

Assumptions

- It is assumed that the State plan amendment will be approved by the CMS to begin on January 1, 2025.
- Pregnant women and infant members currently receiving postpartum coverage with an income level of 215.0% of the FPL or higher would remain continuously eligible for Medicaid after January 1, 2025. The earliest date a pregnant woman would be disenrolled is December 2025, while the latest date would be September 2026. Infant disenrollment would begin in January 2025 for infants that enrolled in Medicaid or saw renewed eligibility in January 2024, while disenrollment will not occur until December 2025 for infants that enrolled in Medicaid or saw renewed eligibility in December 2024.
- Postpartum coverage would remain without interruption for Medicaid members with an income level of 215.0% of the FPL or lower.
- According to the HHS, one-time information technology (IT) costs totaling $1.2 million are necessary due to enrollment changes in Medicaid and the IHAWP and would be expended in FY 2025. The State will pay for approximately 25.0% of these costs, or $297,000, out of the Family Investment Program General Fund appropriation.
  - IT costs include hiring contractors for a total cost of $107,000 for 438 total hours at $125 per hour to update the data warehouse, 29 total hours at $125 per hour for project management, 97 total hours at $125 per hour for a business analyst, and 288 total hours at $125 per hour for enterprise architecture.
  - IT costs also include $1.1 million to update the HHS's Eligibility Integrated Application Solution (ELIAS) system to determine Medicaid eligibility for pregnant women.
- An actuarial services contract may be necessary to determine the impact of enrollment changes on managed care organization (MCO) capitation rates and maternal and infant health care payments to the MCOs. The costs of this contract are anticipated to be absorbed within the existing Health Program Operations General Fund appropriation.
- There are currently 10,800 Medicaid members with postpartum coverage. The HHS reports that approximately 15.8%, or 1,700 members per month on average, would be ineligible for Medicaid coverage in future years under the provisions of the Bill, including approximately 1,300 women with income between 215.0% and 375.0% of the FPL and 400 infants in families with income between 302.0% and 375.0% of the FPL.
- A monthly average of approximately 1,100 infants in families with income between 215.0% and 302.0% of the FPL may have coverage shifted from Medicaid to Hawki if they are not covered by other insurance.
- A monthly average of approximately 2,300 pregnant women are anticipated to maintain Medicaid coverage beyond the current two months postpartum instead of transferring to the IHAWP, which has income eligibility up to 133.0% of the FPL. Beginning in FY 2025, the State is estimated to pay for 36.75% of expenses under Medicaid for pregnant women and 11.61% of expenses for the IHAWP, creating increased net State costs of $86 per month for these members.
- An estimated 2,700 women with an income level of 215.0% of the FPL or lower who otherwise would have lost Medicaid coverage after 60 days may be eligible for Medicaid coverage.
- Combined with program savings due to an estimated monthly average of 1,300 pregnant women who in future years would not be eligible for Medicaid coverage, the estimated fiscal impact related to pregnant women under Medicaid is an increase in total costs of $1.8 million in FY 2025 ($1.2 million increase in State costs), an increase in total costs of $7.1 million in FY 2026 ($5.4 million increase in State costs), and a decrease in total costs of $685,000 in FY 2027 ($2.7 million increase in State costs). Costs are anticipated to be funded from the Medical Assistance (Medicaid) General Fund appropriation.
- An additional monthly cost of $3.89 per infant and $6.60 per adult was added to account for dental costs paid outside of MCO capitation rates.

- A monthly average of approximately 400 infants in future years would no longer be eligible to receive Medicaid coverage due to the Bill, causing a decrease in total infant costs under Medicaid of $1.5 million in FY 2025 ($540,000 decrease in State costs), $9.0 million in FY 2026 ($3.3 million decrease in State costs), and $10.1 million in FY 2027 ($3.7 million decrease in State costs). State savings equal 36.75% of total savings beginning in FY 2025, and any savings are anticipated to be applied to the Medicaid General Fund appropriation.
- Approximately 1,100 infants' coverage may shift from Medicaid to Hawki due to the Bill, causing an increase in total costs of $801,000 in FY 2025 ($206,000 in State costs), $4.9 million in FY 2026 ($1.3 million in State costs), and $5.5 million in FY 2027 ($1.4 million in State costs). Costs are anticipated to be funded from the CHIP General Fund appropriation.
- According to the HHS, one-time MCO recovery moneys would be available for expenses outlined in the Bill.

Fiscal Impact

Senate File 2251 is estimated to increase State costs by approximately $1.1 million in FY 2025, $3.3 million in FY 2026, and $388,000 in FY 2027.

Figure 1 — Medicaid Postpartum Coverage Fiscal Impact

Expense Category	FY 2025		FY 2026		FY 2027	
	Total	State	Total	State	Total	State
Information Technology	$ 1,187,000	$ 297,000	$ 0	$ 0	$ 0	$ 0
Medicaid — Pregnant Women	1,821,000	1,182,000	7,051,000	5,375,000	-685,000	2,679,000
Medicaid — Infants	-1,470,000	-540,000	-9,032,000	-3,319,000	-10,083,000	-3,705,000
Hawki — Infants	801,000	206,000	4,923,000	1,266,000	5,496,000	1,414,000
Total Fiscal Impact	**$ 2,339,000**	**$ 1,145,000**	**$ 2,942,000**	**$ 3,322,000**	**$ -5,272,000**	**$ 388,000**

Beginning in FY 2028, annual State costs are expected to be $286,000.

Sources

Iowa Department of Health and Human Services
Centers for Medicare and Medicaid Services
Legislative Services Agency analysis

/s/ Jennifer Acton

March 7, 2024

Doc ID 1447836

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.

Fiscal Note

Fiscal Services Division

HF 2482 – 411 Retirement System, Cancer Presumption (LSB5786HV.1)
Staff Contact: Xavier Leonard (515.725.0509) xavier.leonard@legis.iowa.gov
Fiscal Note Version – As amended and passed by the House

Description

House File 2482 expands the definition of "cancer" in Iowa Code chapters 97A and 411 to include all types of cancer. "Cancer," as defined in the Bill, means a group of diseases involving abnormal cell growth with the potential to invade or spread to other parts of the body.

The Bill makes changes to the requirements for cities providing hospitalization and medical attention for members of the Municipal Fire and Police Retirement System of Iowa (MFPRSI).

Background — Municipal Fire and Police Retirement System of Iowa

Effective July 1, 1992, 87 local fire and police retirement systems in 49 cities were consolidated into a single statewide system, commonly referred to as either the 411 System or the MFPRSI. The MFPRSI is governed by a nine-member Board of Trustees and four legislative members as required by Iowa Code section 411.36. The voting members of the Board include two fire and two police representatives, four city representatives, and a private citizen.

Based on the July 1, 2023, actuarial valuation, the MFPRSI covers approximately 4,168 active members, 1,206 disabled members, 3,227 retired members and beneficiaries, and 465 vested, terminated members. The current funded ratio is 84.57%. The current actuarial accrued liability is $3.802 billion, the actuarial value of assets is $3.215 billion, and the unfunded actuarial liability is $586.8 million.

For FY 2025, MFPRSI's members' estimated contributions at the current rate of 9.40% total $35.2 million, and the cities' estimated contributions at 22.66% total $84.7 million. Total covered payroll is $374.8 million.

Background — Peace Officers' Retirement, Accident, and Disability System

Based on the July 1, 2023, actuarial valuation, the Peace Officers' Retirement, Accident, and Disability System (PORS) covers approximately 588 active members; 679 retired members, beneficiaries, and disabled members; 44 inactive vested members; and 10 inactive nonvested members. The current funded ratio is 77.92%. The current actuarial accrued liability is $935.2 million, the actuarial value of assets is $728.7 million, and the unfunded actuarial liability is $206.5 million.

For FY 2025, PORS members' estimated contributions at the current rate of 11.40% total $6.0 million, and the State's estimated contributions at 37.00% total $18.7 million. In addition to the employer contribution for the PORS, there is also an annual $5.0 million standing limited appropriation from the General Fund.

Figure 1 below shows the contribution rates for FY 2021 to FY 2025.

Figure 1 — Contribution Rates by System, FY 2021 – FY 2025

411 Retirement System Contribution Rates

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Employer Contribution Rate	25.31%	26.18%	23.90%	22.98%	22.66%
Employee Contribution Rate	9.40%	9.40%	9.40%	9.40%	9.40%
Total	34.71%	35.58%	33.30%	32.38%	32.06%

Peace Officer Retirement System Contribution Rates

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Employer Contribution Rate	37.00%	37.00%	37.00%	37.00%	37.00%
Employee Contribution Rate	11.40%	11.40%	11.40%	11.40%	11.40%
Total	48.40%	48.40%	48.40%	48.40%	48.40%

Per Iowa Code section 411.8, the MFPRSI member contribution rate will be increased for any statutory changes, if the increase cannot be absorbed within the current contribution rates, to a maximum of 11.35%. Costs would then be applied 60/40 between the employer and employee.

Cities are responsible for the payment of all medical costs related to MFPRSI claims under Iowa Code section 411.15. Cities cannot use workers' compensation to cover short-term indemnity or medical cost exposure. Iowa Code section 85.1(4) states that workers' compensation does not apply to "persons entitled to benefits pursuant to Iowa Code chapters 410 and 411."

Since adoption of the MFPRSI's current definition of "cancer" on July 1, 2009, there have been three ordinary disabilities and one ordinary death that would qualify as an accidental disability or accidental death under this Bill.

Iowa Code section 97A.8(1)(e)(8)(vi) states that cancer is presumed to have been contracted while on active duty as a result of that duty. Payment of medical costs related to PORS claims is derived from the PORS Fund. Therefore, medical costs related to the expanded definition of "cancer" provided would be covered by this Bill.

Assumptions

- Expanding the number of disabilities eligible for an accidental disability will reduce the funded ratio of the Fire and Police Retirement Fund by 0.01%, from 84.57% to 84.56%, and may reduce the funded ratio of the PORS Fund, but the degree to which the reduction will occur cannot be determined at this time.
- Based on the most recent MFPRSI actuarial valuation report as of July 1, 2023, no increase in costs can be absorbed within the existing contribution rates for FY 2025. The FY 2025 employee contribution rate would need to increase from 9.40% to 9.41%, an increase of 0.01%.
- All other actuarial assumptions going forward will be met.
- The MFPRSI does not expect to see an increase in administrative costs related to medical exams.
- Expanding the definition of "cancer" may result in additional medical and administrative costs and short-term wages being covered by city employers.
- It is not known how many ordinary disabilities or deaths will qualify as accidental disability or death for the PORS under this Bill.

- The PORS will require an actuarial study to determine the impact of the Bill on the members of the PORS and the PORS Fund.
- The Iowa Public Employees' Retirement System (IPERS) Public Protection and Sheriffs and Deputies membership groups may increase costs for the Iowa Public Employees' Retirement Fund or medical costs for the employers of the membership groups.

Fiscal Impact — Municipal Fire and Police Retirement System of Iowa

The unfunded actuarial accrued liability of the Municipal Fire and Police Retirement Fund is estimated to increase in FY 2025 by approximately $552,000, and the funded ratio would decrease from 84.57% to 84.56%.

The FY 2025 cost for increasing the members' contribution rate from 9.40% to 9.41% is approximately $37,000, or $9 per employee. In subsequent fiscal years, this cost may increase based on covered payroll.

Cities under the MFPRSI are required to provide hospital, nursing, and medical attention for members of the police and fire departments. The fiscal impact of HF 2482 on cities for additional medical costs and short-term wages cannot be determined at this time, but may be significant.

Fiscal Impact — Peace Officers' Retirement, Accident, and Disability System

House File 2482 may increase the unfunded actuarial accrued liability of the PORS Fund and may increase the members' contribution rate, but any fiscal impact cannot be estimated at this time.

Fiscal Impact — Iowa Public Employees' Retirement System

House File 2482 may increase the IPERS Protection Occupation and Sheriffs and Deputies membership groups' costs to the Iowa Public Employees' Retirement Fund or the cost for medical expenses for the groups' employers, but any increase is estimated to be minimal.

Sources

Municipal Fire and Police Retirement System of Iowa Actuarial Valuation Report
Municipal Fire and Police Retirement System of Iowa
Department of Public Safety
Peace Officers' Retirement, Accident, and Disability System Actuarial Valuation Report
League of Cities
Legislative Services Agency analysis

/s/ Jennifer Acton

March 6, 2024

Doc ID 1447511

Fiscal Note

Fiscal Services Division

HF 2558 – Higher Education Omnibus (LSB5335HV.1)
Staff Contact: Michael Peters (515.281.6934) michael.peters@legis.iowa.gov
Fiscal Note Version – As amended and passed by the House

Description

House File 2558 makes changes to the diversity, equity, and inclusion (DEI) policies, tuition, and administrator hiring at State universities; makes changes to the membership of the State Board of Regents; and instructs the State universities and community colleges to establish student-employer work and tuition programs. **Figure 3**, at the end of this ***Fiscal Note***, summarizes the fiscal impacts of the Bill.

Division I — Short Title

Description

Division I establishes the title of this Bill as the "Higher Education Reform Act of 2024."

Fiscal Impact

Division I is not estimated to have a fiscal impact.

Division II — Community Colleges

Description

Division II requires that the community colleges establish a program that would allow a student to work part-time for a registered employer while pursuing an associate's degree and establishes program requirements. This program is to be established on or before December 31, 2024.

In addition, the community colleges are also to adopt policies and procedures that require the community college to follow State law regardless of rules or directives of any accrediting agency and that grant the president of a college the ability to initiate tenure review.

Fiscal Impact

The fiscal impact of Division II cannot be determined. According to the community colleges, the process, involvement, and scope of creating a work-study program is unknown.

Division III — State Board of Regents

Description

Division III makes changes to the members of the Board. The Bill adds two ex officio, nonvoting members of the General Assembly to the current Board, expanding the Board to 11 total members. The President of the Board is nominated by the Board every even-numbered year and subject to confirmation by the Senate. Voting member terms are adjusted from six to four years, and the number of required yearly Board meetings decreased from six to four per year. The Bill makes conforming changes.

Fiscal Impact
Division III is not estimated to have a fiscal impact.

Division IV — Institutions of Higher Education Governed by the State Board of Regents

Description
Division IV makes changes to the process for the election of a president at an institution of higher learning under the Board requiring the use of a presidential selection committee to provide candidate recommendations and select a new president. The identities of candidates for president considered by the presidential selection committee are to be confidential and not subject to public disclosure, unless agreed to by all members of the presidential selection committee.

The Bill adopts the following provisions related to tuition:

- Requires an institution of higher education under the Board to adopt rules providing that the institution may not increase the total amount of resident tuition and mandatory fees associated with a baccalaureate program by more than 3.0% over the proceeding academic year without approval by the Legislative Council.
- Prohibits an increase in the amount of tuition and mandatory fees charged by an institution of higher education under the Board's control during the first four full academic years of participation in the undergraduate program by a student who began the program during the 2024-2025 academic year. The Bill prorates the tuition freeze length if the student had attained undergraduate credits prior to admission.

The Bill makes the following program changes:

- Requires that each institution under the control of the Board establish a program, prior to the beginning of the 2025-2026 academic year, that would allow a student to work part-time for a registered employer while pursuing a baccalaureate degree. This program would require the employer to pay for all of the student's tuition and mandatory fees for the semesters the student is enrolled in the program, in addition to an hourly wage not less than the federal or State minimum wage, in exchange for the student working at least one calendar year for an employer.
- Requires the Regents to accept the Classic Learning Test, developed by Classic Learning Initiatives, when considering admissions.
- Directs the institutions of higher education to develop a curriculum and materials related to an American history and civics course and to adopt policies requiring all undergraduate students admitted on or after the 2024-2025 academic year to complete a three-credit-hour course developed to this subject.
- Requires the institutions of higher education are also required to adopt policies and procedures that would grant the president of a college the ability to initiate tenure review, as well as policies that focus the college's strategic plan on degree programs that lead to employment in high-demand fields.
- Requires the Board to prohibit any institution of higher education under its control from allowing any Confucius Institute or any other education institute funded by the People's Republic of China from operating on any property owned by the institution.
- Requires institutions to adopt policies and procedures prohibiting any faculty senate committee from having governance authority over the institution.
- Requires that each institution governed by the Board, prior to the November 2024 Board meeting, develop a proposed baccalaureate degree program that requires no more than 90 semester hours of classroom work.

- Requires each institution of higher education under the Board, prior to the November 2024 Board meeting, to develop a proposal related to the establishment of a center, institute, or initiative that is dedicated to expanding opportunities for education and research concerning freedom of speech and civic education.

The Bill adopts the following requirements related to DEI:
- Requires the elimination of any DEI function that is not necessary for compliance with federal or State laws or accreditation. The institutions of higher education are to make the support services that were provided by such offices broadly available to all students and faculty.
- Requires that institutions of higher education review the services provided by offices that support diversity or multicultural affairs to ensure that services are available to all students and that conforming updates are made to promotional and informational materials. The Bill prohibits an employee, student, applicant, or campus visitor from being required to submit a DEI statement or be evaluated based on participation in a DEI initiative. The Bill also requires each institution to adopt a policy that prohibits the consideration of race and other protected class characteristics during the admissions process and to provide guidance for employees on the separation of personal political advocacy from the employee's regular duties and the business of the institution.

The Bill adopts the following reporting requirements:
- Each institution is required to submit a report on or before December 31, 2024, that includes a review of all DEI-related positions and job responsibilities.
- Prior to the November 2024 Board meeting, each institution is required to conduct a comprehensive study related to reducing institutional costs, maintaining close to current levels of tuition and mandatory fees, and maintaining noninstructional costs below 10.0% of the institution's annual budget.
- Prior to the November 2024 Board meeting, each institution is required to develop a proposal related to the establishment of a center or institute that is dedicated to expanding opportunities for education and research concerning freedom of speech and civic education.

Background

The Board reviews proposed tuition rate increases each June for the upcoming fall semester. The 2019-2020 and 2020-2021 academic years (AY) did not include any tuition or mandatory fee increases due to the ongoing COVID-19 pandemic. **Figure 1** shows the combined tuition and mandatory fees charged from AY 2020-2021 to AY 2023-2024.

Figure 1 — Undergraduate Tuition and Mandatory Fee Rates AY 2020-2024

	2020-2021	2021-2022	2022-2023	2023-2024
University of Iowa	$ 9,605.5	$ 9,942.0	$ 10,353.0	$ 10,964.0
Iowa State University	9,315.9	9,633.9	10,132.9	10,496.9
University of Northern Iowa	8,938.0	9,053.0	9,411.0	9,728.0
Average Tuition & Fees Cost	$ 9,286.5	$ 9,543.0	$ 9,965.6	$ 10,396.3
Average % Change	-	2.76%	4.43%	4.32%

Senate File 560 (2023 Education Appropriations Act), Division V, required the Board to conduct a study of the DEI efforts at each university and implemented a hiring freeze until June 30, 2024. The report was reviewed by the full Board during the November 15-16, 2023, meeting. The full report and recommendations can be found here, and a ***Fiscal Update Article*** completed by the Legislative Services Agency can be found here. The Board voted to adopt all

10 recommendations provided in the report and is in the process of implementing those recommendations through task forces created at each university. The report outlined all positions currently engaged in DEI-related activities along with their salary, benefits, and percent effort in DEI activities.

Assumptions

- Tuition revenue and State appropriations support the operating costs for the Regents institutions of higher education.
- The following assumptions were made in the calculation of the impact of the undergraduate tuition freeze as seen in **Figure 2**:
  - The calculations show the estimated revenue generated from a single freshman class in fall 2020 and add a new freshman class each year until fall 2023, when there would be four years of progressing students.
  - The calculations assume that all students pay the full tuition rate, which does not account for any tuition or other price discounts that may be available to students.
  - The calculations do not account for transfer students or high school students who may be admitted with earned college credit hours.
  - Dropout numbers and four-year degree completion numbers are not included in this calculation. Students who continue into a fifth year of an undergraduate program would have their tuition rates reset to the current year.
  - Future tuition increases are assumed to match the average rate increase of 3.6% per year in **Figure 1**.
  - Based on **Figure 2**, the average tuition and mandatory fees across all three universities could increase from $9,000 to $11,000.
- The Board estimates that each university would need to establish at least 75 company agreements required for the work-study program.
- Iowa State University estimates that organizing the work-study agreements would require 1.0 full-time equivalent (FTE) coordinator position estimated at $100,000 per year, and an additional $100,000 in legal support communications and miscellaneous expenses per year. This $200,000 estimate will be applied to all three Regents universities.
- Creating new courses requires research and development. Faculty creating new courses are generally compensated for one month (one ninth) of their annual salary. The average salary for a tenure track faculty member is estimated to be $90,000, so the cost for one faculty member to create a new course would be $10,000.
- There are no known Confucius Institutes or educational institutes funded by the People's Republic of China currently located on any property owned by an institution of higher education under the control of the Board.

Fiscal Impacts Related to Tuition

The fiscal impact of limiting tuition and mandatory fee increases to 3.0% cannot be determined.

Division IV also requires a new four-year tuition freeze for all new undergraduate resident students. Due to many variables, a fiscal impact going forward cannot be estimated. The Board's Fall 2022 Graduation and Retention Report shows a second-year student retention rate of 86.0%, a four-year graduation rate of 56.0%, and a six-year graduation rate of 71.0%. This report can be found here.

Figure 2 provides an example showing total revenues received by the three Regents universities compared to the impact of this provision during the same time period.

Figure 2 — Impact of Undergraduate Tuition Freeze on Revenue AY 2020-2023

Current Tuition and Fee Collection AY 2020-2023 (in Millions)

	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Total
University of Iowa	$ 25.0	$ 52.7	$ 83.7	$ 117.8	$ 279.2
Iowa State University	28.4	58.2	91.5	127.5	305.7
University of Northern Iowa	12.0	24.8	38.2	53.0	128.0
Total Revenue Collected	$ 65.4	$ 135.8	$ 213.4	$ 298.3	$ 712.8

Tuition and Fee Collection Under HF 2558 AY 2020-2023 (in Millions)

	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Total
University of Iowa	$ 25.0	$ 51.9	$ 80.6	$ 109.8	$ 267.3
Iowa State University	28.4	57.2	87.6	120.2	293.4
University of Northern Iowa	12.0	24.7	37.0	50.6	124.3
Total Revenue Collected	$ 65.4	$ 133.8	$ 205.2	$ 280.6	$ 685.0

Fiscal Impacts Related to New Program Requirements

- The creation and implementation of a work-study program as directed by the Bill would require 3.0 new FTE positions and a total estimated cost of $600,000 per year across all three universities.
- The creation of an American history or civics curriculum and materials is estimated to be $10,000 per university, or $30,000 total.
- The cost to create a 90-credit-hour baccalaureate program is unknown but significant. Additionally, the new program would be required to receive accreditation prior to being implemented.

Fiscal Impacts Related to DEI

The following fiscal impacts are related to DEI:

- The fiscal impact of the elimination of DEI positions is unknown. The Bill also expands the services provided by these DEI departments to all students, which may require additional FTE positions or resources.
- The cost of the requirement of a new annual DEI positions and job responsibilities report is assumed to be absorbed by current staff and funding.

Fiscal Impacts Related to Reporting Requirements

The comprehensive study on the reduction of costs may require the Board to work with an external company to conduct the study due to time constraints to complete prior to November 2024. Based on similar studies, the Board estimates this study would require two or more years to complete. The Board estimates a cost of between $250,000 and $500,000 across all three universities. If the report is completed by an outside consultant, the cost could be as high as $3.0 million due to the report's November 2024 deadline.

Division IV Total Fiscal Impact

- The total fiscal impact of implementing Division IV is 3.0 new FTE positions and a cost to the Board estimated between $850,000 and $3.6 million depending on how the comprehensive study on the reduction of costs is implemented.
- The impact of the elimination of DEI-related positions and the expansion of serviced students and faculty is unknown.

- The impact of the four-year tuition freeze for all new resident undergraduate students is unknown, but the freeze is expected to have a negative fiscal impact on the universities' revenues.
- The creation of an American history or civics curriculum and materials is estimated to be $10,000 per university, or $30,000 total.

Division V — Closure of Private Institutions of Higher Education

Description

Division V requires that accredited private institutions of higher education provide notice to the Department of Education immediately after the governing board of the institution votes to close the institution. The governing board is also required to provide a report within five days to the Department of Education with additional information on the closure.

Fiscal Impact

Division V is not estimated to have a fiscal impact.

Summary of HF 2558 Fiscal Impact

Figure 3 includes a summary of the fiscal impacts for each division of the Bill:

Figure 3 — Estimated Summary of Fiscal Impacts for HF 2558

Division	Fiscal Impact
I	No fiscal impact.
II	The fiscal impact cannot be determined.
III	No fiscal impact.
IV	• The total fiscal impact is 3.0 new FTE positions and a cost to the Board estimated between $850,000 and $3.6 million depending on how the comprehensive study on the reduction of costs is implemented. • The cost of creating a new American history and civics course is estimated to be $30,000. • The impact of the elimination of DEI-related positions and the expansion of serviced students and faculty is unknown. • The impact of the four-year tuition freeze for all new resident undergraduate students is unknown, but the freeze is expected to have a negative fiscal impact on the universities' revenues.
V	No fiscal impact.

Sources

State Board of Regents
Association of Community College Trustees
Legislative Services Agency calculations

/s/ Jennifer Acton

March 7, 2024

Doc ID 1447564

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.

Fiscal Note

Fiscal Services Division

HF 2586 – School Safety and Security (LSB6276HV.1)
Staff Contact: Jacob Ludwig (515.725.0155) jacob.ludwig@legis.iowa.gov
Fiscal Note Version – As amended and passed by the House

Description

House File 2586 creates new provisions related to school security. The Bill establishes the School Security Personnel Grant Program, to be administered by the Department of Education (DE). The Bill requires school districts with 8,000 or more students to employ a private school security officer (PSSO) or school resource officer (SRO) at each attendance center where students in grade 9, 10, 11, or 12 regularly attend classes. The Bill also authorizes school employees to be issued professional permits to carry firearms on school property. The Bill further requires PSSOs and school employees who are licensed to carry a firearm on school property under this Bill to participate in annual live scenario training and quarterly live firearms training provided by the Department of Public Safety (DPS).

Background

Currently, school districts are not required to employ a PSSO or SRO. School districts that employ an SRO typically have agreements to split costs with local cities and/or counties. The details of these agreements vary, but on average, districts pay 58.8% of the cost. Total costs for an SRO, prior to being split with local authorities, generally range from $95,000 to $115,000, including salary, benefits, and equipment.

Iowa Code section 724.4B allows school districts to authorize individuals to carry weapons on school district grounds. However, no school currently authorizes employees to carry firearms on campus. Current law does not require specific permits or training for a district to authorize an individual to carry weapons.

In Ohio, where a similar program has been implemented, 61 school systems have armed staff. The State of Ohio's population is slightly less than three times as large as Iowa's and has roughly double the number of school districts. The State of Ohio employs approximately 20 instructors to train individuals at the 61 school systems.

Assumptions

- There are 344 qualifying attendance centers across the State where students enrolled in grade 9, 10, 11, or 12 regularly attend class.
- Each school district will apply to the program and will spend $50,000 or more in matching funds for the employment of PSSOs or SROs at qualifying attendance centers.
- There are 11 school districts with 8,000 or more students that would be required to employ at least one PSSO or SRO at qualified attendance centers.
- The average cost to school districts for employing an SRO, after sharing costs with local cities or counties, is estimated at $63,000.
- The number of school districts currently employing SROs is unknown, and the number of districts that may apply under the grant program is unknown.
- The DPS will need to hire 2.0 new full-time equivalent (FTE) positions for Firearm Instructors to host the required live training sessions for PSSOs under this Bill. The projected cost of these positions is $150,000.

- Assuming the number of school districts that may use this program will be similar to Ohio, the DPS estimates that approximately 35 school districts may choose to authorize school employees to be issued professional permits.
- Based on the ratio of instructors to school districts in Ohio, the DPS will need to hire 6.0 new FTE positions to host the required live training sessions for school employees who have been authorized to receive professional permits under this Bill. This includes 5.0 FTE positions for Firearms Instructors, who will provide the required training, and 1.0 FTE position for Support Staff, who will provide administrative support for the program. The cost for these positions is estimated to be approximately $450,000.
- The DPS will need to develop a new record management system that is responsible for issuing permits and tracking training requirements. The cost for a record management system will depend on how the professional permit program is organized and operated.

Fiscal Impact

The fiscal impact to the State to fully fund the School Security Personnel Grant Program is estimated to require $17.2 million per year. However, the number of school districts that will apply for the matching grant is unknown. The Bill also creates the School Security Personnel Grant Program Fund administered by the DE. Any remaining funds will remain available for expenditure for the Grant Program and are permitted to carry forward for subsequent fiscal years.

The fiscal impact to the DPS is estimated to be $600,000 and 8.0 new FTE positions to support the training for PSSOs and school employees who have been authorized to receive professional permits. The DPS would also need to develop and implement a new record management system. The cost of this system will depend on how the professional permit program is implemented and cannot be determined at this time.

The fiscal impact to school districts with 8,000 or more students and qualified attendance centers is unknown due to a lack of information regarding which school districts currently employ SROs. There are 11 school districts with 8,000 or more students, among which there are 40 qualified attendance centers that will be required to employ at least one PSSO or SRO. The maximum estimated cost to comply with this requirement is approximately $2.5 million across all 11 eligible districts. Districts in full compliance will not see additional costs and may see savings if that district receives grants from the DE.

Figure 1 — Maximum School Security Compliance Cost for Districts with 8,000+ Students

Districts With 8,000+ Students	Qualifying Attendance Centers	Cost
Ankeny Comm School District	4	$ 252,000
Cedar Rapids Comm School District	5	315,000
Council Bluffs Comm School District	2	126,000
Davenport Comm School District	4	252,000
Des Moines Independent Comm School District	6	378,000
Dubuque Comm School District	2	126,000
Iowa City Comm School District	4	252,000
Sioux City Comm School District	3	189,000
Waterloo Comm School District	3	189,000
Waukee Comm School District	4	252,000
West Des Moines Comm School District	3	189,000
Maximum Compliance Cost to School Districts		$ 2,520,000

Sources

Iowa Association of School Boards
Department of Education
Department of Public Safety
Legislative Services Agency

/s/ Jennifer Acton

March 6, 2024

Doc ID 1447501

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.