

FISCAL UPDATE Article

Fiscal Services Division

November 15, 2024



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

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FY 2026 DEPARTMENT REQUESTS — ECONOMIC DEVELOPMENT APPROPRIATIONS SUBCOMMITTEE

Fiscal Year 2026 General Fund Department Requests. Departments are requesting a total of \$41.5 million from the General Fund for FY 2026. This is an increase of \$744,000 compared to estimated FY 2025.

General Fund Appropriation Totals						
	Actual FY 2024	Estimated FY 2025	Dept Request FY 2026	Dept Req v. Est. FY 2025	Percent Change	
Economic Development Authority	\$ 19,051,735	\$ 18,935,413	\$ 19,643,700	\$ 708,287	3.7%	
Iowa Finance Authority	1,373,000	1,423,000	1,423,000	0	0.0%	
Public Employment Relations Board	1,290,230	0	0	0	0.0%	
Department of Workforce Development	15,723,405	16,070,398	16,070,398	0	0.0%	
Board of Regents	4,358,316	4,358,316	4,394,321	36,005	0.8%	
Total Economic Development	\$ 41,796,686	\$ 40,787,127	\$ 41,531,419	\$ 744,292	1.8%	

Note: Division XXIII (Transition Provisions) of Senate File 2385 (State Government Boards and Commissions Act) eliminated the Public Employment Relations Board, and the duties and appropriations were transferred to the Employment Appeal Board, Department of Inspections, Appeals, and Licensing as of July 1, 2024.

Note: House File 2644 (Court Reporter Revolving Fund Act) appropriated \$100,000 to the Economic Development Authority for the Court Reporter Equipment Incentive Program for FY 2025.

Iowa Economic Development Authority (IEDA). The IEDA is requesting a net increase of \$708,000 from the General Fund compared to estimated FY 2025, including the following:

- An increase of \$578,000 and 4.0 full-time equivalent (FTE) positions to support the research and development program and other new incentive programs.
- An increase of \$130,000 for the Iowa Arts Council.
- The IEDA is requesting consolidating the appropriations for Community Cultural Grants, the Great Places Program, Cultural Trust Grants, and Operational Support Grants into the Iowa Arts Council line-item to streamline arts funding.

Board of Regents (BOR). The BOR is requesting an increase of \$36,000 (for a total appropriation of \$3.0 million) from the General Fund for the Iowa State University (ISU) Biosciences Innovation Ecosystem to provide \$1.0 million annually for each of the three bioscience platforms: bio-based products, vaccines and immunotherapeutics, and digital and precision agriculture.

FY 2026 Other Funds Department Requests. Departments are requesting a total of \$37.9 million from Other Funds for FY 2026. This is an increase of \$3.5 million compared to estimated FY 2025.

Other Funds Appropriation Totals						
	Actual	Estimated	Dept Request	Dept Req v.	Percent	
	FY 2024	FY 2025	FY 2026	Est. FY 2025	Change	
Economic Development Authority	\$ 12,766,675	\$ 14,416,675	\$ 14,416,675	\$ 0	0.0%	
Department of Workforce Development	12,499,409	10,849,409	10,849,409	0	0.0%	
Board of Regents	9,100,000	9,100,000	12,600,000	3,500,000	38.5%	
Total Economic Development	\$ 34,366,084	\$ 34,366,084	\$ 37,866,084	\$ 3,500,000	10.2%	

Note: The Department of Workforce Development is requesting \$2.2 million from the interest on the Unemployment Compensation Reserve Fund. Senate File 2411 (Work-Based Learning Act) repealed the Unemployment Compensation Reserve Fund effective July 1, 2024, and transferred the majority of remaining moneys in the Reserve Fund to the Unemployment Compensation Trust Fund. The U.S. Department of Labor has not yet approved the transfer from the Reserve Fund to the Unemployment Compensation Trust Fund.

Board of Regents. The BOR is requesting an increase of \$3.5 million from the Skilled Worker and Job Creation Fund (SWJCF) compared to estimated FY 2025, including the following:

- A new appropriation of \$3.0 million for University of Northern Iowa Workforce Development to offer students from contiguous states the same rate of tuition and mandatory fees that are charged to resident students.
- A new appropriation of \$250,000 and 1.6 FTE positions for the ISU Support Entrepreneurship Program to provide for student conferences and competitions, professional mentoring, student internships, seed funding for startups, and other entrepreneurship-related activities.
- A new appropriation of \$250,000 and 1.1 FTE positions for the University of Iowa John Pappajohn Entrepreneurial Center to provide seed funding to early-stage Iowa-based startups, fund student internships, expand consulting and mentoring programs, expand the Venture School Training Program to two new locations, and perform due diligence for new seed funding.

Additional Notes. Additional information can be found on the LSA website as follows:

- [Appropriations Tracking](#)
- [Department Webpages](#)
- [Budget Unit Briefs](#)
- **Fiscal Update Article** - [Notice of Funds Transfer to the Iowa Economic Development Authority \(July 2024\)](#)
- **Fiscal Update Article** - [Notice of Funds Transfer to the Iowa Economic Development Authority Update \(August 2024\)](#)

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