



Fiscal Note

Fiscal Services Division



[HF 2676](#) – Medical Licensing and Prescribing (LSB5336HV.2)

Staff Contacts: Xavier Leonard (515.725.0509) xavier.leonard@legis.iowa.gov
Lindsey Ingraham (515.281.6764) lindsey.ingraham@legis.iowa.gov
Louie Hoehle (515.281.6561) louie.hoehle@legis.iowa.gov
Serenity Lo (515.281.5661) serenity.lo@legis.iowa

Fiscal Note Version – As amended by Senate amendment [H-8335](#)

Description

[House File 2676](#) as amended by Senate amendment [H-8335](#) relates to health-related matters, including health-related professions, nutrition, and medication, and includes applicability provisions. Division II requires the Board of Medicine to adopt administrative rules to implement the provisions of the Division.

The Bill as amended is comprised of 10 divisions, 3 of which have or may have a fiscal impact and 7 of which do not.

The following divisions of the Bill as amended have no fiscal impact:

- Division I — Short Title “Iowa Make America Healthy Again Act”
- Division II — Continuing Education Requirements — Nutrition and Metabolic Health
- Division III — Medical School Graduation Requirement — Nutrition
- Division IV — Supplemental Nutrition Assistance Program — Summer Electronic Benefits Transfer for Children Program
- Division VI — Epinephrine Delivery Systems
- Division VII — Ivermectin — Over-the-Counter Availability
- Division IX — Presidential Physical Fitness Test

The following divisions of the Bill as amended have or may have a fiscal impact and are described in further detail below:

- Division V — School Foods and Beverages
- Division VIII — Student Instructional Technology Standards
- Division X — Psychology Interjurisdictional Compact

Division V — School Foods and Beverages

Description

Division V of the Bill as amended requires school districts, charter schools, and innovation zone schools to not serve food and beverages with identified ingredients as part of a school district’s breakfast or lunch program unless the food and beverages are received as part of a direct delivery from the Foods in Schools program of the United States Department of Agriculture (USDA). The Bill as amended prohibits an employee or contracted vendor of a school from providing food or beverages during the school day that contain identified ingredients and places limits on a school’s ability to sell food and beverages that contain identified ingredients.

This Division is applicable to school years beginning on or after July 1, 2027 (FY 2028).

Background

The USDA reimburses schools for each meal they serve, with higher reimbursements for reduced-price and free meals. Participating schools must offer free or reduced-price meals to eligible students, and meals must meet USDA nutrition standards. Decisions about specific food and beverages to serve and food preparation standards are made by local school food authorities. Meal reimbursement rates are adjusted annually, and additional funding is available for nutrition standards compliance, severe need schools, and State reimbursement. Meal reimbursement rates for the 2024-2025 school year are as follows:

- \$2.37, Breakfast — Free
- \$2.07, Breakfast — Reduced-Price
- \$0.39, Breakfast — Paid
- \$4.43, Lunch — Free
- \$4.03, Lunch — Reduced-Price
- \$0.42, Lunch — Paid

Total meal reimbursements in Iowa for the 2023-2024 school year were approximately \$40.3 million for breakfast and \$145.0 million for lunch. The Department of Education (DE) also receives an estimated \$23.0 million in federal funds that is used to purchase a portion of the food used by schools for school meals. The DE is required to spend the moneys on specific food items procured by the USDA. State-specific ingredient restrictions would not be considered under the federal procurement process. If specific food items identified by the USDA contain the prohibited ingredients, the school would be responsible for identifying and purchasing food items that do not include the prohibited ingredients.

The United States Department of Health and Human Services and the United States Food and Drug Administration recently announced measures to phase out several of the listed ingredients in this Division.

Assumptions

- School food service programs in Iowa are primarily federally funded under the Food and Nutrition Service of the USDA.
- The DE currently receives a General Fund appropriation for [School Food Service](#) in the amount of \$2.2 million annually to meet the federal funds maintenance of effort requirement.
- School meal menus are specific to each school district and may contain the ingredients prohibited by the Bill as amended.
- Schools maintain a food and nutrition fund supported with meal fees and federal funds. The total amount of federal funds received for school nutrition for FY 2025 is approximately \$245.1 million.
- For reduced-price meals, the meal fee charged by schools is typically the difference between the free reimbursement rate and the reduced-price reimbursement rate. For breakfast, this rate difference is \$0.30, and for lunch, the rate difference is \$0.40. Meals being provided for free are subject to the USDA reimbursement received, and additional funding is not provided through an additional charge by the school.
- An increase in the cost of school meals may be reflected in increased school meal fees for students not receiving free or reduced-price meals, or increased costs may be absorbed by the school district.

Fiscal Impact

While there is no anticipated fiscal impact for the State, school districts may have increased meal item costs to meet the requirements of the Bill as amended beginning July 1, 2027

(FY 2028). Because school districts are independent of each other, including school menus, food and beverage items, and supply resources, any increased costs would be specific to each individual school district and cannot be determined at this time.

Division VIII — Student Instructional Technology Standards

Description

Division VIII requires a 60-minute restriction on digital instruction per school day for students enrolled in kindergarten through grade 5 and allows parents to opt out of digital instruction participation. This Division also requires the board of directors of each school district to write, adopt, and post a technology policy applicable to students enrolled in kindergarten through grade 5, publishing a list on the district's website of the one-to-one digital device programs in use.

Background

In 2024, the DE published the [Iowa Comprehensive State Literacy Plan](#) (CSLP) for years 2024-2032, which outlines the approach and standards for improving literacy and proficiency for students from birth through grade 12. The CSLP focuses on reading, writing, and language development, utilizing technology to meet standards for various age ranges. Utilizing technology in writing instruction is a standard outlined in the plan for elementary through high school.

The DE has selected EPS Learning, a literacy framework provider, to provide an online literacy program called EPS Reading Assistant to Iowa schools at no cost, with up to 200,000 licenses. Utilized in this program are AI-driven reading tutors, such as reading assistant Amira, which provide individualized literacy instruction for students who need targeted intervention.

Assumptions

- The DE provides training for tutoring and individualized learning programs.
- The DE partners with EPS Learning to provide up to 200,000 licenses to provide digital resources for literacy.
- Nondigital materials will be needed to replace digital materials that would otherwise be used for education instruction.

Fiscal Impact

Division VIII of the Bill as amended will have administrative costs to the State that cannot be determined at this time. Costs associated with the development of non-computer-based tutoring and learning programs cannot be determined at this time. Procurement of nondigital materials, such as textbooks, that would otherwise be online may incur costs, but those costs cannot be determined at this time.

Division X — Psychology Interjurisdictional Compact

Description

Division X of the Bill as amended enacts and enters Iowa into an interstate compact to allow psychologists from other states to practice telepsychology with patients living in Iowa and to practice face-to-face psychology on a temporary basis in Iowa and to allow Iowa psychologists to practice telepsychology with patients in other states.

Background

Currently, if a psychologist from another state wants to practice telepsychology with patients living in Iowa, the psychologist needs to be licensed in Iowa. Additionally, if an Iowa psychologist wants to practice telepsychology with patients in other states, the Iowa psychologist needs to be licensed in each state in which the psychologist practices.

The Psychology Interjurisdictional Compact (Compact or PSYPACT) does not apply when a psychologist is licensed in both the home and receiving states.

The Compact became operational in 2019 and currently has 41 participating states plus the District of Columbia and the Northern Mariana Islands. In addition to Iowa, legislation to enact the Compact has been introduced in Alaska, Hawaii, Massachusetts, and New York.

Assumptions

- Implementation of the Compact occurs after the Administrative Licensing and Inspection Governance Network (ALIGN) project is completed.
- The Department of Management's (DOM's) Division of Information Technology (DoIT) will integrate the Department of Inspections, Appeals, and Licensing's (DIAL's) ALIGN system with the systems used by the Compact (PSYPACT and Coordinated Licensure Information System). The work will be completed by the DOM DoIT's project director and project manager at a \$140-per-hour rate and \$110-per-hour rate, respectively.
- Both of the Compact Commission's systems reside on Amazon Web Services, which provides cloud computing platforms and application programming interfaces (APIs).

Fiscal Impact

Division X of the Bill as amended is anticipated to increase information technology (IT) costs to the DOM DoIT by between \$148,000 and \$216,000. The one-time IT costs related to the implementation of the Compact are shown in **Figure 1** below.

Figure 1 — Estimated Psychology Interjurisdictional Compact-Related IT Costs

Component	Hours (Low-End)	Hours (High-End)	Rate	Cost (Low-End)	Cost (High-End)
User Experience Design and Content	80	120	\$ 140	\$ 11,000	\$ 17,000
Portal Development	200	300	140	28,000	42,000
Temporary Authorization to Practice Tracker Feature	160	240	140	22,000	34,000
API Integration	220	320	140	31,000	45,000
Security and Identity Access Management Setup	130	190	140	18,000	27,000
Quality Assurance and User Acceptance Testing	80	120	140	11,000	17,000
Project Management	240	320	110	26,000	35,000
Total	1,110	1,610		\$ 148,000	\$ 216,000

NOTE: Numbers may not sum due to rounding

