

Miscellaneous Acts – Fiscal Notes

[HF 68](#) – Education Savings Accounts Act (LSB1174HV)
Staff Contact: Ron Robinson (515.281.6256) ron.robinson@legis.iowa.gov
Fiscal Note Version – Final Action

Description

[House File 68](#) provides a new standing unlimited General Fund appropriation for an Education Savings Account (ESA) Fund under the control of the Department of Education (DE) beginning with FY 2024 and modifies school district categorical funding supplements.

The Fund is required to be used to establish individual accounts for participating pupils and to make qualified education savings account payments on behalf of parents and guardians.

Effective for FY 2024, the following pupils who attend a nonpublic school are eligible to receive an ESA payment:

- All kindergarten pupils.
- Pupils who were enrolled in a public school the previous year.
- Pupils who were enrolled in a nonpublic school the previous year with an annual household income at or below 300.0% of the federal poverty level (FPL) (\$83,250 for a family of four).

Year two (FY 2025) eligibility includes the following pupils:

- All kindergarten pupils.
- All pupils who were enrolled in a public school the previous year.
- Pupils who were enrolled in a nonpublic school the previous year with an annual household annual income at or below 400.0% of the FPL (\$111,000 for a family of four).

Year three (FY 2026) eligibility includes all K-12 pupils in Iowa who attend a nonpublic school.

The annual ESA amount per account is determined by the State cost per pupil (SCPP) for that fiscal year and changes each year based on the State percent of growth (SPG). Funds in an ESA must be used for defined qualified educational expenses. Enrollment and funding amounts are based on annual applications, which are due to the DE by June 30 each year, and verification of a pupil's plans to be enrolled in a nonpublic school.

Funds remaining in a pupil's account at the conclusion of a fiscal year will remain in the account for the payment of qualified educational expenses in future fiscal years if the pupil participates in the ESA Program until the pupil becomes ineligible or until the remaining amounts are transferred to the General Fund. Remaining amounts are required to be transferred to the General Fund when the pupil graduates from high school or reaches the age of 20, whichever occurs first.

The Director of the DE is granted the powers necessary to carry out the purposes, objectives, and provisions of the Act pertaining to the Fund. The powers granted to the Director include but are not limited to the following:

- Make and enter into contracts with a third-party entity (TPE) necessary for the administration of the Program.
- Procure insurance against any loss in connection with the assets of the Fund or require a surety bond.
- Contract with a qualified firm including but not limited to a TPE that administers the Fund to allocate funds from each pupil's account for the payment of qualified educational expenses by the pupil's parent or guardian.
- Adopt administrative rules for the administration of the Fund and accounts within the Fund.

Division II of the Act related to the Program takes effect upon enactment. The Act authorizes the Department of Education to adopt emergency administrative rules to implement the Program and the rules must be effective immediately upon filing unless a later date is specified in the rules.

Payments received by a taxpayer from an ESA are not taxable income for purposes of State individual income taxation. This provision of the Act applies retroactively to tax years beginning on or after January 1, 2023.

The DE is required to compile all assessment results reported by nonpublic schools to analyze student proficiency and academic progress among those pupils participating in the Program, including analysis of graduation rates, proficiency, and progress based on grade level, gender, race, and household income level. The results of the DE's analysis must be included in the Annual Condition of Education Report.

Funding is allocated from the following supplemental programs to the local public school for resident pupils in the public school district who receive ESAs:

- Teacher Salary Supplement District Cost
- Professional Development Supplement District Cost
- Early Intervention Supplement District Cost
- Teacher Leadership Supplement District Cost

Division III of the Act related to school district categorical funding takes effect upon enactment. Public school districts may use all or a portion of remaining funds from the following categorical funding at the end of any fiscal year, beginning with FY 2023, for teacher salary categorical supplement purposes under the salary system established under Iowa Code section [284.3A](#):

- Professional Development Categorical Supplement
- Teacher Leadership Categorical Supplement
- Gifted and Talented Program for Teacher Salary Categorical Supplement

Background

The Legislative Services Agency (LSA) has reviewed numerous reports and estimated fiscal impacts from other states. Each state has unique features for programs designed to provide support for students attending nonpublic schools. The LSA determined that programs from other states cannot be used to validate or create assumptions. Other states have determined that a fiscal impact could not be estimated.

Currently, 58 of Iowa's 99 counties have an accredited nonpublic school.

Public school funding is primarily based on enrollment weighting and the SPPP. Certified enrollment is established in October of each year. The General Assembly uses the October certified enrollment to establish funding for public schools during the following year's legislative session, usually in February, and the fiscal year budget is set for the next fiscal year. For example, the October 2022 certified enrollment is used during the 2023 Legislative Session to set the FY 2024 appropriations for public schools. Therefore, funding for FY 2024 for public schools will include pupils who are included in the October 2022 count who attend a nonpublic school and receive an ESA. For FY 2025, those pupils will not be included in the October count and the pupils' former public schools will no longer receive State Foundation Aid for those students.

Public school districts currently are allowed, as provided in Iowa Code section [298A.2](#), to use a flexibility account (also called a flex account). Flex account funds can be used as specified in Iowa Code section 298A.2(2)(c), including for any school district general fund purpose. A public school is allowed to transfer all or any portion of the unexpended and unobligated funds from any of the following sources to the flex account following a determination that the statutory requirements for such funds are met:

- Statewide Preschool Program under Iowa Code chapter [256C](#).
- Professional development funds received under Iowa Code section [257.10](#)(10).
- The Home School Assistance Program under Iowa Code section [299A.12](#).
- Teacher Leadership Supplement funds received under Iowa Code section [257.10](#)(12).

The Act permits public school districts to use all or a portion of remaining funds from specified categorical funding at the end of any fiscal year, beginning with FY 2023, for teacher salary categorical supplement purposes under the salary system established under Iowa Code section [284.3A](#). Listed below are the specified categorical supplements and balances based on preliminary FY 2022 data:

- Professional Development Categorical Supplement (\$31.9 million)
- Teacher Leadership Categorical Supplement (\$40.4 million)
- Gifted and Talented Program for Teacher Salary Categorical Supplement (\$27.1 million)

Assumptions

The following assumptions are for estimation and comparison purposes only and are not legislative recommendations:

- The SPG for State school aid funding is 3.00% for fiscal year and 0.00% thereafter.
- Area Education Agencies (AEAs) are reduced by \$22.1 million for FY 2024 in addition to the statutory reduction of \$7.5 million. No additional AEA reductions will be made after FY 2024.
- The implementation of [SF 565](#) (Department of Revenue Omnibus Act) will result in General Fund expenditures for school aid being reduced by an estimated \$16.0 million each year.
- The implementation of [SF 578](#) (FY 2024 Standing Appropriations Act), section 4, that will result in General Fund expenditures for school aid being reduced by an estimated \$20.2 million for FY 2024 and supplanted by a transfer from the Economic Emergency Fund is not factored into the calculations displayed.
- The Property Tax Replacement Payment (PTRP) will be renewed each year.
- Data is not available for the following:
 - The number of current public school pupils who will elect to participate in the Program.
 - The family incomes of the pupils who will elect to participate.
 - The local school districts in which the participants are currently enrolled.
 - How many participants will qualify for special services (e.g., special education).
 - The current and future capacity of the nonpublic schools to add pupils.
- Projected enrollment at 300.0% of the FPL for FY 2024 is based on 20.0% of the FY 2023 projected nonpublic certified enrollment for grades 1-12.
- Projected enrollment at 400.0% of the FPL for FY 2024 is based on 10.0% of the FY 2023 projected nonpublic certified enrollment for grades 1-12.
- The transfer rate for FY 2024 from public to nonpublic schools will be 1.0% of the FY 2023 projected public certified enrollment for grades K-12.
- The transfer rate for FY 2025, and each fiscal year thereafter, from public to nonpublic schools will be 0.02% of the FY 2023 projected public certified enrollment for grades K-12.
- The costs associated with the DE's administration of the Program and the cost of the TPE with which the DE will contract for the administration of the ESAs will not be known until after a request for proposals (RFP) has been issued.

Fiscal Impact

Based on the currently available information, [House File 68](#) may result in the following General Fund net increase in State public school aid and ESAs:

- FY 2024: \$107.4 million
- FY 2024: \$153.2 million
- FY 2025: \$300.2 million
- FY 2026: \$318.3 million

Figures 1-5 provide the detailed cost estimates and **Figure 6** is the net fiscal impact of the Act versus current law assumptions.

Figure 1 displays the estimated annual ESA Program enrollment by fiscal year, along with the assumptions used to create the estimates.

Figure 1 — Annual ESA Enrollment

Notes:	Enrollments	FY 2024	FY 2025	FY 2026	FY 2027
1	New Nonpublic Kindergarten	3,214	3,214	3,214	3,214
2	Nonpublic Poverty Level Eligible Year 1	6,013	0	0	0
3	Nonpublic Poverty Level Increase Year 2	0	2,684	0	0
4	Remaining Nonpublic Pupils	0	0	16,678	0
5	Public to Nonpublic Transfer 1.0%	4,841	0	0	0
6	New Public to Nonpublic	0	97	97	97
	New Pupils for Appropriation	14,068	5,995	19,989	3,311

Notes:

- 1 Projected Nonpublic Grade K Enrollment FY 2023.
- 2 Projected Enrollment at 300.0% FPL Based on 20.0% of FY 2023 Projected Nonpublic Certified Enrollment for Grades 1-12.
- 3 Projected Enrollment at 400.0% FPL Based on 10.0% of FY 2023 Projected Nonpublic Certified Enrollment for Grades 2-12.
- 4 Projected Nonpublic Certified Enrollment FY 2023 for Grades 3-12 Less Prior FPL ESAs.
- 5 Transfer Rate 1.0% Based on FY 2023 Projected Public Certified Enrollments for Grades K-12.
- 6 Transfer Rate 0.02% Based on FY 2023 Projected Public Certified Enrollments for Grades K-12.

Figure 2 displays the estimated annual number of ESAs funded by eligibility category and whether the account relates to a current public or nonpublic pupil.

Figure 2 — Annual ESAs Funded by Eligibility Category

Total ESAs Funded	FY 2024	FY 2025	FY 2026	FY 2027
New Nonpublic Kindergarten	3,214	3,214	3,214	3,214
Nonpublic Poverty Level Eligible	6,013	2,684	0	0
Remaining Nonpublic Pupils	0	0	16,678	0
ESAs for Current Nonpublic Schools	9,227	5,898	19,892	3,214
Public to Nonpublic Transfer	4,841	97	97	97
Prior Nonpublic Kindergarten	0	3,214	6,428	9,642
Prior Nonpublic Poverty Level Eligible	0	6,013	8,697	8,697
Prior Nonpublic Poverty Level Eligible Grads	0	0	0	-176
Prior Nonpublic Pupils	0	0	0	16,326
Nonpublic Pupil Graduates	0	0	-352	-374
Prior Public to Nonpublic Transfer	0	4,841	4,938	4,653
Prior Public to Nonpublic Transfer Graduates	0	0	-382	-392
Total ESAs in Formula	0	14,068	19,329	38,376
Total ESAs Funded	14,068	20,063	39,318	41,687
Public School Estimated Enrollment	486,476	480,894	479,152	475,207
Total Budgeted Enrollment	500,543	500,956	518,470	516,894

Figure 3 displays the estimated SCPP by fiscal year including estimates by fiscal year of the total funding required from the General Fund based on the assumptions made in calculating the State school aid formula, and the resulting General Fund appropriation change under the State school aid formula with and without ESAs.

Figure 3 — General Fund Formula State Aid

	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
State Percent of Growth (SPG) Assumption*	3.00%	0.00%	0.00%	0.00%
State Cost Per Pupil (SCPP)	\$ 7,635	\$ 7,635	\$ 7,635	\$ 7,635
State Aid from General Fund With ESAs	3,654,000,000	3,636,000,000	3,590,000,000	3,538,000,000
State Aid from General Fund Without ESAs	3,654,000,000	3,673,000,000	3,632,000,000	3,580,000,000
Difference	\$ 0	\$ -37,000,000	\$ -42,000,000	\$ -42,000,000

*The 0.00% SPG for fiscal years after FY 2024 are only assumptions for comparison purposes and not legislative recommendations.

Figure 4 displays the estimated General Fund cost by fiscal year to fund ESAs.

Figure 4 — General Fund ESA Appropriation Cost

	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Yearly Additional Cost for New ESAs	\$ 107,400,000	\$ 45,800,000	\$ 152,600,000	\$ 25,300,000
Formula Cost for ESAs	0	107,400,000	147,600,000	293,000,000
General Fund ESA Appropriation Cost	\$ 107,400,000	\$ 153,200,000	\$ 300,200,000	\$ 318,300,000

Figure 5 displays the estimated categorical State aid per pupil and the resulting amount retained by the public school for resident pupils who attend a nonpublic school.

Figure 5 — Categorical State Aid to Public Schools for Pupils Attending Nonpublic Schools

	FY 2024	FY 2025	FY 2026	FY 2027
Categorical State Aid Per Pupil	\$ 1,178	\$ 1,178	\$ 1,178	\$ 1,178
Categorical State Aid Retained by Public Schools for Nonpublic Pupils	5,700,000	16,600,000	23,600,000	46,300,000

House File 68 provides a new standing unlimited General Fund appropriation for an ESA Fund under the control of the DE. **Figure 6** displays the estimated net fiscal impact of HF 68.

Figure 6 — Net Fiscal Impact of the Act vs. Current Law Assumptions

	FY 2024	FY 2025	FY 2026	FY 2027
State Aid from General Fund with ESAs	\$ 3,654,000,000	\$ 3,636,000,000	\$ 3,590,000,000	\$ 3,538,000,000
Categorical State Aid Retained by Public Schools for Nonpublic Pupils	5,700,000	16,600,000	23,600,000	46,300,000
Amount Included in State Aid	-5,700,000	0	0	0
General Fund ESA Appropriation Cost	107,400,000	153,200,000	300,200,000	318,300,000
Total Estimated Cost	\$ 3,761,400,000	\$ 3,805,800,000	\$ 3,913,800,000	\$ 3,902,600,000
State Aid from General Fund Without ESAs	\$ 3,654,000,000	\$ 3,673,000,000	\$ 3,632,000,000	\$ 3,580,000,000
Net Change	\$ 107,400,000	\$ 132,800,000	\$ 281,800,000	\$ 322,600,000

The Act does not specify a source of funds to pay for the DE's administration of the Program or the cost of the TPE with which the DE will contract for the administration of the ESAs. A contract has been agreed to for the administer the Program. The Legislative Services Agency (LSA) has not been provided the details of the contract as of June 7, 2023.

Effective Date

Division II of this Act related to the Program took effect January 24, 2023. **Division III** of the Act related to school district categorical funding takes effect upon enactment. The Act authorizes the Department of Education to adopt emergency administrative rules to implement the Program and the rules must be effective immediately upon filing unless a later date is specified in the rules. The remainder of the Act is effective July 1, 2023.

Retroactive Applicability

This Act makes payments received by a taxpayer from an ESA not taxable as income for purposes of State individual income taxation and applies retroactively to tax years beginning on or after January 1, 2023.

Enactment Date

This Act was approved by the General Assembly on January 23, 2023, and signed by the Governor on January 24, 2023.

Sources

Department of Management
Department of Education
School Aid Data
National Conference of State Legislatures (NCSL)
LSA analysis and calculations

[HF 112](#) – Domestic Abuse Assault, Consideration of Prior Offenses (LSB1395HV.2)

Staff Contact: Isabel Waller (515.281.6561) isabel.waller@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 112](#) removes a look-back provision related to domestic abuse assault charges. The provision being removed provides that a conviction for, deferred judgement for, or plea of guilty to a violation of domestic abuse assault that occurred more than 12 years prior to the date of the violation charged may not be considered in determining that the violation charged is a second or subsequent offense.

Background

Under Iowa Code section [708.2A](#), on a first offense of domestic abuse assault, a person commits an offense ranging from a simple misdemeanor to a Class D felony. On a second offense of domestic abuse assault, a person commits an offense ranging from a serious misdemeanor to a Class D felony. On a third or subsequent offense of domestic abuse assault, a person commits a Class D felony.

A simple misdemeanor is punishable by confinement of up to 30 days and a fine of at least \$105 but not more than \$855. A serious misdemeanor is punishable by confinement of up to one year and a fine of at least \$430 but not more than \$2,560. An aggravated misdemeanor is punishable by confinement of up to two years and a fine of at least \$855 but not more than \$8,540. A Class D felony is punishable by confinement of up to five years and a fine of at least \$1,025 but not more than \$10,245.

Domestic abuse assault conviction data is not available in the Justice Data Warehouse prior to FY 2002.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of the Act to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.

Correctional Impact

House File 112 is expected increase the number of offenders admitted to prison on a second or subsequent domestic abuse assault offense, but the extent of this increase cannot be estimated. From FY 2002 to FY 2011, approximately 21,506 individuals in Iowa were convicted of a first-time domestic abuse assault offense under Iowa Code section 708.2A. Under the Act, a portion of these individuals who are charged with a new domestic abuse assault offense may be charged with a second or subsequent offense.

An increase in convictions for a second or subsequent offense rather than a first offense would likely increase the number of offenders admitted to prison and may increase LOS, as a second or subsequent offense is usually punishable by a higher penalty than a first offense. **Table 1** shows the number of prison admissions for domestic abuse assault offenses in FY 2022 and the estimated LOS for each offense class. Of the 177 prison admissions in FY 2022 for domestic abuse assault, 97 were convicted of a second or subsequent offense. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 20, 2023, for information related to the correctional system.

Table 1 — FY 2022 Prison Admissions Under Iowa Code Section 708.2A

Offense Class	Number of Admissions	Length of Stay (Months)
Class D Felony	87	19.7
Aggravated Misdemeanor	87	9.7
Serious Misdemeanor	3	5.5

Minority Impact

House File 112 would likely disproportionately impact African American individuals. Of the 21,506 individuals convicted of first-time domestic abuse assault offenses from FY 2002 to FY 2011 who may qualify under the Act for a second or subsequent offense for new charges, 66.9% are Caucasian, 21.7% are African American, and 11.4% are other races. Iowa’s population is 84.5% Caucasian, 3.6% African American, and 11.9% other races. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 20, 2023, for information related to minorities in the criminal justice system.

Fiscal Impact

House File 112 is estimated to increase the number of offenders admitted to prison on a second or subsequent domestic abuse assault offense. There were 177 individuals admitted to prison for a domestic abuse assault offense in FY 2022. The total marginal supervision cost that will be incurred by the Department of Corrections (DOC) for these 177 individuals is estimated to be approximately \$1.8 million. Under the Act, the supervision cost for an annual group of individuals admitted to prison for a domestic abuse assault offense in future fiscal years would likely be higher, but the extent of the increase in costs to the DOC is unknown. The DOC is funded by General Fund appropriations.

Effective Date

This Act is effective July 1, 2023.

Enactment Date

This Act was approved by the General Assembly on April 26, 2023, and signed by the Governor on May 11, 2023.

Sources

Department of Corrections

Department of Human Rights, Division of Criminal and Juvenile Justice Planning

Legislative Services Agency

[HF 135](#) – Regent Universities, Career Planning and Information (LSB1483HV.4)

Staff Contact: Michael Peters (515.281.6934) michael.peters@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 135](#) expands the reporting requirements for the State Board of Regents and the institutions of higher education. Information that the Board is required to develop and annually publish online include:

- The percentage of students who have completed a master's or doctorate degree after completing a baccalaureate degree program.
- Median annual income of students 1 year, 5 years, and 10 years after completing a baccalaureate degree program.
- Median student loan debt of students with loan debt.
- The ratio of debt to annual gross income of students with loan debt.
- The amount of student loan payment as a percentage of monthly gross income of students with loan debt.

The Act also requires first-year undergraduate students to provide written notice to the institution indicating the student has been provided with the link to the report.

Background

Iowa Code section [262.9](#) details the power and duties of the Board of Regents. There are no current requirements across the three Regents universities for students to participate in the various career planning services offered by each institution. The Board of Regents is both required to and voluntarily elects to publish a series of yearly reports that address in part or in full many of the reporting requirements in this Act as amended.

- The Board of Regents [Wages and Outcomes](#) webpage includes an interactive webpage that allows students to review median wages for a bachelor's degree by field.
- The [United States Census Bureau](#) reports postsecondary employment outcomes by fields of study for postgrad years 1 and 5.
- Average levels of debt with which students graduate by institution can be found in the [Annual Student Financial Aid Report](#).
- The full list of generated reports can be found on the [Board of Regents Reports](#) webpage.

Assumptions

- The Board stated that new reporting criteria will require additional staff hours for the Office of Student Financial Aid, the Academic Advising Center, the Career Center, and Information Technology Services (ITS) staff.
- The reporting link will be included with student orientation or with the issuance of a student identification card to minimize follow-up.
- The student requirement to acknowledge receipt of the reporting link may require additional ITS costs to create new or enhance current tracking software, or additional staffing costs to ensure compliance.

- The Board identified a need of up to 1.0 full-time equivalent (FTE) position at each university. A new FTE position is estimated to cost \$100,000 per year.
- There may be additional unknown impacts on campus academic advisors or Student Financial Aid staff due to holds placed on students' registration.

Fiscal Impact

House File 135 may increase information technology and staffing costs in multiple offices at all three universities. This may require up to \$100,000 per additional FTE position or up to \$300,000 total across all three universities.

Effective Date

This Act is effective July 1, 2023.

Enactment Date

This Act was approved by the General Assembly on May 1, 2023, and signed by the Governor on May 26, 2023.

Source

Board of Regents

[HF 143](#) – Ransomware Crimes (LSB1266HV.2)

Staff Contact: Isabel Waller (515.281.6561) isabel.waller@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 143](#) amends Iowa Code chapter [715](#) to include ransomware protections and provides penalties for ransomware crimes.

The Act adopts the definition of ransomware and other terms.

Under the Act, a person is prohibited from intentionally, willfully, and without authorization engaging in the following activities:

- Access, attempt to access, cause to be accessed, or exceed the person's authorized access to all or a part of a computer network, computer control language, computer, computer software, computer system, or computer database.
- Copy, attempt to copy, possess, or attempt to possess the contents of all or part of a computer database accessed as described above.

A person is prohibited from committing the acts listed above with the following intent:

- To cause the malfunction or interruption of the operation of all or any part of a computer, computer network, computer control language, computer software, computer system, computer service, or computer data.
- To alter, damage, or destroy all or any part of data or a computer program stored, maintained, or produced by a computer, computer network, computer software, computer system, computer service, or computer database.

A person is prohibited from intentionally, willfully, and without authorization engaging in the following activities:

- Possess, identify, or attempt to identify a valid computer access code.
- Publicize or distribute a valid computer access code to an unauthorized person.

A person is prohibited from committing an act prohibited by the Act with the intent to interrupt or impact the functioning of various entities, as listed in the Act.

The Act creates an exception for the use of ransomware for research purposes. However, a person is prohibited from knowingly possessing ransomware with the intent to introduce it into the computer, computer network, or computer system of another person without the authorization of the owner.

A violation of the provisions of the Act is punishable as follows:

- A violation that causes pecuniary losses involving less than \$10,000 to the victim is an aggravated misdemeanor.
- A violation that causes pecuniary losses involving at least \$10,000 but less than \$50,000 to the victim is a Class D felony.

- A violation that causes pecuniary losses involving at least \$50,000 to the victim is a Class C felony.

The Act also permits a person injured by a violation of the Act to bring a civil action.

The Act also establishes additional exceptions to the prohibitions in Iowa Code chapter 715 related to computer spyware and malware.

Background

An aggravated misdemeanor is punishable by confinement of up to two years and a fine of at least \$855 but not more than \$8,540. A Class D felony is punishable by confinement of up to five years and a fine of at least \$1,025 but not more than \$10,245. A Class C felony is punishable by confinement of up to 10 years and a fine of at least \$1,370 but not more than \$13,660.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of the Act to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.

Correctional Impact

House File 143 establishes new criminal offenses. As a result, the correctional impact is difficult for the Department of Corrections (DOC) and the Division of Criminal and Juvenile Justice Planning (CJJP) of the Department of Human Rights to estimate. However, the Act expands on the crimes in Iowa Code section [715.7](#), and charges and convictions currently under this section are rare. Because related crimes are rare, HF 143 is estimated to have a minimal correctional impact. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 20, 2023, for information related to the correctional system.

Minority Impact

House File 143 establishes new criminal offenses. As a result, the CJJP cannot use prior existing data to estimate the minority impact of the Act. However, as the correctional impact is estimated to be minimal, the minority impact of the Act would likely be minimal. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 20, 2023, for information related to minorities in the criminal justice system.

Fiscal Impact

House File 143 establishes new criminal offenses, and the fiscal impact cannot be estimated. However, as the correctional impact is estimated to be minimal, the fiscal impact of the Act would likely be minimal. **Table 1** shows the average State cost per offense for a Class C felony, a Class D felony, and an aggravated misdemeanor. Potential impacts to the State General Fund include operating costs incurred

by the Judicial Branch, the Indigent Defense Fund, and the DOC. Any costs would be incurred across multiple fiscal years for prison and parole supervision.

Table 1 — Average State Cost Per Offense	
Class C Felony	\$12,100 to \$25,100
Class D Felony	\$9,500 to \$17,400
Aggravated Misdemeanor	\$5,000 to \$9,600

Effective Date

The Act is effective July 1, 2023.

Enactment Date

The Act was approved by the General Assembly on April 17, 2023, and signed by the Governor on May 11, 2023.

Sources

Criminal and Juvenile Justice Planning Division, Department of Human Rights
Department of Corrections
Legislative Services Agency

[HF 161](#) – Medical Malpractice, Noneconomic Damages (LSB1101HV.2)
Staff Contact: Justus Thompson (515.725.2249) justus.thompson@legis.iowa.gov
Fiscal Note Version – Final Action

Description

[House File 161](#) relates to noneconomic damage awards against health care providers and is divided into two divisions.

Division I of the Act limits the noneconomic damages that a jury can award a plaintiff if there is a substantial or permanent loss or impairment of a bodily function, substantial disfigurement, loss of pregnancy, or death to \$1.0 million, or \$2.0 million if the civil action includes a hospital. The Act provides that damages for loss of dependent care due to the death of or severe injury to a spouse or parent who is the primary caregiver are considered economic damages. The Act also makes modifications to when punitive or exemplary damages are awarded.

The Act provides for an annual 2.1% increase to the \$250,000 cap under current law and to the \$1.0 million or \$2.0 million cap under the Act beginning on January 1, 2028. The Commissioner of Insurance is required to publish and update the amount of the limitations on damages on the Insurance Division's Internet site annually.

Division I of the Act takes effect upon enactment and applies to occurrences on or after that date.

Division II creates a Medical Error Task Force to review medical error rates of licensed physicians in this State. The Task Force must make recommendations to the General Assembly and the Director of the Department of Health and Human Services (HHS). The recommendations must identify options for reducing medical error rates, improvements in education and training to minimize medical errors, and whether applicable penalties for medical errors and physician licensure review measures are sufficient.

Background

Iowa Code section [147.136A](#)(b) defines “noneconomic damages” as damages arising from pain, suffering, inconvenience, physical impairment, mental anguish, emotional pain and suffering, loss of chance, loss of consortium, or any other nonpecuniary damages. Under current law, the total amount recoverable in any civil action for noneconomic damages for personal injury or death against a health care provider is limited to \$250,000 unless the jury determines that there is a substantial or permanent loss or impairment of a bodily function, substantial disfigurement, or death, which may result in a higher award. The limitation on damages under the current law does not apply if the defendant's actions constituted actual malice.

Iowa Code chapter [25](#) specifies that when a claim is filed against the State, the claim is referred to the State Appeal Board for consideration of payment. The State Appeal Board considers all monetary claims that involve property damage, personal injury, or wrongful death. The Board makes a recommendation regarding payment, denial, or dismissal for each claim.

A settlement or claim against the University of Iowa Hospitals and Clinics faculty for actions that occur within the scope of their employment is paid from two sources. Up to \$5.0 million per occurrence and \$9.0 million annual aggregate is paid from the University of Iowa Physicians or Iowa Medical Mutual Insurance Company. Anything above that limit is paid from the State General Fund through the State Appeal Board. For the liability of other University of Iowa Hospitals and Clinics employees acting within the scope of their employment, the claim or settlement is paid by the State of Iowa from the General Fund. In each case, the State of Iowa and University of Iowa agree on an appropriate allocation.

The University of Iowa Hospitals and Clinics includes the main adult care hospital, a specialized disabilities and development outpatient facility (serving pediatric and adult patients), and the University of Iowa Stead Family Children's Hospital. In addition, outpatient clinic facilities are located in the State's population centers such as Waterloo, Des Moines, and Cedar Rapids.

According to the Judicial Branch, the total number of filings for all case types over the last five years has averaged 666,000 per year. Medical malpractice filings are a small percentage of total case filings in the Iowa court system. Medical malpractice filings for calendar year (CY) 2017 through CY 2022 averaged 160 per year. Approximately 8.0% of medical malpractice case dispositions were by jury trial over that same time period.

According to the University of Iowa Hospitals and Clinics, in the last three fiscal years, the State of Iowa paid the following amounts in medical malpractice case resolutions. These totals include both economic damages and noneconomic damages.

- FY 2020: \$16.8 million
- FY 2021: \$12.6 million
- FY 2022: \$17.6 million

Assumptions

- The impact of the Act on the behavior of plaintiffs and defendants is unknown.
- Medical malpractice suit filings will continue to be a small percentage of total case filings in the Iowa court system. It is estimated that approximately 13 cases per year will be disposed by jury trial.
- A portion of the award for a successful claim brought against a member of the University of Iowa Hospitals and Clinics will continue to be paid by the University of Iowa Physicians or Iowa Medical Mutual Insurance Company, and the remainder will be paid by the State General Fund.
- The creation of a task force may result in increased workload and require the HHS to hire independent contractors.

Fiscal Impact

House File 161 may reduce future settlements paid by the State Appeal Board from the General Fund and by the University of Iowa Hospitals and Clinics. However, the extent of this decrease cannot be estimated. Any fiscal impact to the Judicial Branch cannot be estimated.

The fiscal impact to the HHS for the Medical Error Task Force is unknown. However, based on previous contractual arrangements for similar purposes, the HHS may incur costs totaling up to \$200,000.

Effective Date

Division I of the Act is effective February 16, 2023. **Division II** of the Act is effective July 1, 2023.

Enactment Date

The Act was approved by the General Assembly on February 8, 2023, and signed by the Governor on February 16, 2023.

Sources

Board of Regents

Judicial Branch

Department of Health and Human Services

[HF 176](#) – Continuous Sexual Abuse of a Child, Mandatory Minimum (LSB1392HV.2)

Staff Contact: Isabel Waller (515.281.6561) isabel.waller@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 176](#) applies a 70.0% mandatory minimum sentence to the criminal offense of continuous sexual abuse of a child.

Background

Under Iowa Code section [709.23](#), a person 18 years of age or older commits continuous sexual abuse of a child when the person engages in any combination of three or more acts of sexual abuse in violation of Iowa Code sections [709.3](#) or [709.4](#), with the same child, and at least 30 days have elapsed between the first and last acts of sexual abuse. A person who is convicted of continuous sexual abuse of a child is guilty of a Class B felony and is required to be confined for no more than 50 years.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of the Act to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.

Correctional Impact

House File 176 adds a mandatory minimum sentence to the existing Class B felony under Iowa Code section 709.23 and is estimated to have a correctional impact. Adding a mandatory minimum sentence would increase the length of stay (LOS) of individuals who are admitted to prison for continuous sexual abuse of a child. This may increase the prison population, but the extent of this increase cannot be estimated. In FY 2022, one individual was admitted to prison for continuous sexual abuse of a child. If a mandatory minimum sentence was applied, the estimated LOS in prison would increase from 9.7 years to 35 years. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 20, 2023, for information related to the correctional system.

Minority Impact

The minority impact of House File 176 cannot be estimated. The crime of continuous sexual abuse of a child was established in 2020 Iowa Acts, [HF 2554](#) (Continuous Sexual Abuse of a Child Act), and there were three convictions in FY 2022. All three individuals were Caucasian. However, due to the small number of convictions and the recent creation of the crime, it is difficult to estimate the minority impact. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 20, 2023, for information related to minorities in the criminal justice system.

Fiscal Impact

House File 176 is estimated to increase costs to the DOC by creating a mandatory minimum sentence, but the extent of the increase in costs is unknown. If one individual is admitted to prison for continuous sexual abuse of a child, the mandatory minimum sentence would increase costs to the DOC by approximately \$217,000 over that individual’s period of incarceration, as shown in **Table 1**.

Table 1 — Change in Cost to the DOC Under HF 176

	Prison Admissions	Cost Per Day	LOS (Days)	Total Cost
Current Law	1	\$23.42	3,520	\$82,438
HF 176	1	\$23.42	12,768	\$299,027

Effective Date

This Act is effective July 1, 2023.

Enactment Date

This Act was approved by the General Assembly on April 17, 2023, and signed by the Governor on April 28, 2023.

Sources

Department of Corrections
Department of Human Rights, Division of Criminal and Juvenile Justice Planning
Legislative Services Agency

[HF 202](#) – Explosive or Destructive Devices (LSB1234HV.1)

Staff Contact: Justus Thompson (515.725.2249) justus.thompson@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 202](#) relates to explosive materials including blasting agents, detonators, and destructive devices and provides penalties. The Act amends the definition of “blasting agent” and “explosive material” and defines the terms “destructive device” and “detonator.” The Act amends the following offenses to reflect those definitions:

- Provides that any person who uses fire, explosives, or destructive devices to recklessly endanger the property or safety of another commits a serious misdemeanor.
- Provides that a person who possesses any explosive material or destructive device with the intent to commit a public offense commits a Class C felony.
- Provides that a person who possesses any explosive material or destructive device commits an aggravated misdemeanor.
- Provides that a person who, with the intent to intimidate, annoy, or alarm another person, places a simulated explosive or simulated destructive device in a place that the person reasonably believes is likely to cause public alarm or inconvenience commits a serious misdemeanor.

The Act amends the definition of “offensive weapon” to include the definition of a destructive device as defined in this Act. Any unauthorized person who knowingly possesses an offensive weapon commits a Class D felony.

This Act establishes a Class C felony for when a person uses any explosive material or destructive device to commit any public offense or possesses an explosive material or destructive device during the commission of a felony.

This Act is effective upon enactment.

Background

Iowa Code chapter [101A](#) currently establishes the definitions of the terms “blasting agents” and “explosive materials.” Iowa Code chapter [712](#) establishes and penalizes the criminal offense of arson. Under Iowa Code section [712.5](#), any person who uses fire or any incendiary or explosive device or material to recklessly endanger the property or safety of another is guilty of a serious misdemeanor. Iowa Code section [712.6](#) creates offenses for possessing incendiary or explosive devices or a simulated explosive or incendiary device. Iowa Code chapter [724](#) creates laws related to weapons. Iowa Code section [724.1](#) establishes different types of offensive weapons, which range from a machine gun to a ballistic knife. Iowa Code section [724.3](#) establishes a Class D felony for a person who knowingly possesses an offensive weapon.

A serious misdemeanor is punishable by confinement for up to one year and a fine of at least \$430 but not more than \$2,560. An aggravated misdemeanor is punishable by confinement of up to two years and a fine of at least \$855 but not more than \$8,540. A Class D felony is punishable by confinement of up to five years and a fine of at least \$1,025 but not more than \$10,245. A Class C felony is punishable by confinement of up to 10 years and a fine of at least \$1,370 but not more than \$13,660.

In FY 2022, there were a total of 88 convictions under Iowa Code sections 712.5, 712.6, and 724.1. Over the last five fiscal years, no individuals have been admitted to prison under Iowa Code section 712.5. There were 10 individuals admitted to Community-Based Corrections (CBC) in FY 2022 under Iowa Code section 712.5.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and procedures.
- A lag effect of six months is assumed from the effective date of the Act to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.

Correctional Impact

House File 202 creates new definitions, modifies existing definitions, and creates a new penalty. As a result, the correctional impact cannot be estimated. In FY 2022, there were 75 convictions under Iowa Code sections 712.5 and 712.6. The Act may increase the number of convictions, but the extent of this increase cannot be estimated. Also, the correctional impact for the newly established crime cannot be determined, because it is unknown how many new convictions would result under the Act.

Table 1 shows estimates for sentencing to State prison, parole, probation, or CBC residential facilities; LOS under those supervisions; and supervision marginal costs per day for all convictions of Class C felonies, Class D felonies, aggravated misdemeanors, and serious misdemeanors. Marginal county jail costs are estimated to be \$50 per day. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 20, 2023, for information related to the correctional system.

Table 1 — Sentencing Estimates and Length of Stay (LOS)

Conviction Offense Class	Percent Ordered to State Prison	FY 22 Avg LOS in Prison in Months (All Releases)	FY 22 Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 22 Avg LOS on Probation in Months	FY 22 Avg Cost Per Day Probation	Percent Sentenced to CBC Residential Facility	FY 22 Marginal Cost Per Day CBC	Percent Ordered to County Jail	Marginal Cost Per Day Jail	FY 22 Avg LOS on Parole in Months	FY 22 Marginal Cost Per Day Parole
C Felony Persons	89.8%	50.1	\$23.42	27.6%	39.0	\$7.27	3.6%	\$20.67	43.2%	\$50.00	19.5	\$7.27
D Felony Persons	79.6%	19.7	\$23.42	59.0%	33.2	\$7.27	8.6%	\$20.67	26.3%	\$50.00	14.4	\$7.27
Agg Misd Persons	45.5%	9.7	\$23.42	64.9%	--	\$7.27	3.8%	\$20.67	55.6%	\$50.00	7.0	\$7.27
Serious Misd	1.9%	5.5	\$23.42	51.2%	13.7	\$7.27	0.9%	\$20.67	73.3%	\$50.00	0.5	\$7.27

Minority Impact

House File 202 establishes a new offense and expands the definitions of existing offenses. As a result, the Division of Criminal and Juvenile Justice Planning (CJJP) of the Department of Human Rights cannot use existing data to estimate the minority impact of the Act. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 20, 2023, for information related to minorities in the criminal justice system.

Fiscal Impact

The total fiscal impact cannot be determined due to a lack of existing conviction data. **Table 2** shows the average State cost per offense for a Class C felony, Class D felony, aggravated misdemeanor, and serious misdemeanor. The estimated impact to the State General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the Department of Corrections (DOC). The cost would be incurred across multiple fiscal years for prison and parole supervision.

Table 2 — Average State Cost Per Offense

Classification of Offense	Minimum	Maximum
Class C Felony	\$12,100	\$25,100
Class D Felony	\$9,500	\$17,400
Aggravated Misdemeanor	\$5,000	\$9,600
Serious Misdemeanor	\$400	\$5,600

Effective Date

This Act is effective March 22, 2023.

Enactment Date

This Act was approved by the General Assembly on March 6, 2023, and signed by the Governor on March 22, 2023.

Sources

Department of Corrections
Department of Human Rights, Criminal and Juvenile Justice Planning Division
Department of Public Safety

[HF 347](#) – Licensed Optometrists, Injections (LSB1887HV.2)

Staff Contact: Christopher Ubben (515.725.0134) chris.ubben@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 347](#) expands optometrists' scope of practice as defined in Iowa Code section [154.1](#) to include the administration of injectable anesthetics prior to the administration of other injections authorized in Iowa Code section 154.1(3)(b)(1).

Background

There are approximately 1,400 licensed optometrists in the State of Iowa. 2020 Iowa Acts, chapter [1109](#), expanded the scope of practice of optometrists to include the administration of injections for the following purposes:

- Subconjunctival injections for the medical treatment of the eye.
- Intralesional injections for the treatment of chalazia.
- Botulinum toxin to the muscles of facial expression innervated by the facial nerve.
- Injections to counteract an anaphylactic reaction.

The fiscal year (FY) 2023 General Fund appropriation for medical assistance was \$1,510.1 million. According to the December 2022 [Medicaid Forecast](#), the Medicaid surplus going into FY 2023 is projected to be approximately \$373.6 million.

Assumptions

- The Department of Health and Human Services estimates a 50.0% increase in provider reimbursement costs for this procedure due to increased utilization.
- Increased costs could be absorbed within current Medicaid program funding.

Fiscal Impact

The 50.0% increase in utilization for the administration of injectable anesthetics would increase costs by \$357,000 for both FY 2024 and FY 2025. The State share of these costs paid from Medicaid would be \$129,000 for FY 2024 and \$128,000 for FY 2025.

Effective Date

This Act is effective July 1, 2023.

Enactment Date

This Act was approved by the General Assembly on April 17, 2023, and signed by the Governor on April 28, 2023.

Sources

Department of Health and Human Services
Iowa Board of Optometry
Legislative Services Agency

[HF 358](#) – Eluding Law Enforcement, Penalties (LSB1401HV.2)

Staff Contact: Justus Thompson (515.725.2249) justus.thompson@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 358](#) relates to the criminal offense of eluding or attempting to elude a pursuing law enforcement vehicle. The Act enhances or amends the following penalties under Iowa Code section [321.279](#):

- Provides that a person who commits a second or subsequent eluding violation under Iowa Code section 321.279(1) is subject to an enhanced penalty regardless of the subsection of Iowa Code section 321.279 under which the person was previously convicted.
- Increases the penalty under Iowa Code section 321.279(2)(a) for the first offense of eluding a law enforcement officer while exceeding the speed limit by 25 miles per hour from an aggravated misdemeanor to a Class D felony.
- Increases the penalty under Iowa Code section 321.279(2)(b) for a second or subsequent violation of eluding a law enforcement officer while exceeding the speed limit by 25 miles per hour from a Class D felony to a Class C felony. The enhanced penalty applies regardless of the subsection of Iowa Code section 321.279 under which the person was previously convicted.
- The Act strikes Iowa Code section 321.279(3) and makes corresponding changes.
- The Act authorizes persons convicted of eluding to be issued a temporary restricted license.
- The Act changes peace officer jurisdiction and grants peace officers the authority to make an arrest anywhere in the State.

Background

Under current law, a driver of a motor vehicle commits a serious misdemeanor under Iowa Code section 321.279(1) by willfully failing to bring a motor vehicle to a stop or otherwise eluding or attempting to elude a law enforcement vehicle. A driver of a motor vehicle who commits a second or subsequent eluding violation under Iowa Code section 321.279(1) is subject to an enhanced penalty and, upon conviction, guilty of an aggravated misdemeanor if the second or subsequent violation is found under the same Iowa Code subsection as the prior violation.

Under Iowa Code section 321.279(2)(a), a driver of a motor vehicle commits an aggravated misdemeanor by willfully failing to bring a motor vehicle to a stop or otherwise eluding or attempting to elude a marked or unmarked official law enforcement vehicle and in doing so exceeds the speed limit by 25 miles per hour or more. The driver of a motor vehicle who commits a violation under this subsection and who has previously committed a violation under this subsection or Iowa Code section 321.279(3) is, upon conviction, guilty of a Class D felony.

Under Iowa Code section 321.279(3), a driver of a motor vehicle commits a Class D felony if the driver eludes or attempts to elude a marked or unmarked official law enforcement vehicle and exceeds the speed limit by 25 miles per hour or more, and if any of the following occurs:

- The driver is participating in a public offense, as defined in Iowa Code section [702.13](#), that is a felony.

- The driver is operating a motor vehicle while under the influence of alcohol or a drug or while having a blood alcohol concentration of .08 or more (OWI).
- The driver violates Iowa Code section [124.401](#) (manufacture, delivery, or possession of a counterfeit substance, simulated controlled substance, or imitation controlled substance).
- The offense results in bodily injury to a person other than the driver.

The driver of a motor vehicle who commits a second or subsequent violation under Iowa Code section 321.279(3) is, upon conviction, guilty of a Class C felony.

Under current law, persons convicted of eluding are not eligible to be issued a temporary restricted license.

In FY 2022, there were no individuals ordered to prison under Iowa Code section 321.279(2)(a) and two individuals admitted to prison under Iowa Code section 321.279(2)(b). In FY 2022, there were no individuals admitted to Community-Based Corrections (CBC) under Iowa Code section 321.279(2)(a) and five individuals admitted to CBC under Iowa Code section 321.279(2)(b).

A serious misdemeanor is punishable by confinement for up to one year and a fine of at least \$430 but not more than \$2,560. An aggravated misdemeanor is punishable by confinement for up to two years and a fine of at least \$855 but not more than \$8,540. A Class D felony is punishable by confinement for up to five years and a fine of at least \$1,025 but not more than \$10,245. A Class C felony is punishable by confinement for up to 10 years and a fine of at least \$1,370 but not more than \$13,660.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and procedures.
- A lag effect of six months is assumed from the effective date of this Act to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- The marginal cost per day in prison is \$23.42. The marginal cost per day on probation and parole is \$7.27.

Correctional Impact

The correctional impact cannot be determined in regard to the number of additional convictions as it is unknown how many new convictions would result under the Act. However, HF 358 is estimated to increase the average LOS of individuals admitted to prison and CBC.

Figure 1 — Change in LOS Under HF 358

Supervision Status	Annual Admissions	LOS (Months)
Current Penalties		
Prison	2	13.9
CBC	5	24.5
Penalties Under HF 358		
Prison	2	20.9
CBC	5	30.8

Figure 2 shows estimates for sentencing to State prison, parole, probation, or CBC residential facilities; LOS under those supervisions; and supervision marginal costs per day for all convictions of Class C felonies, Class D felonies, aggravated misdemeanors, and serious misdemeanors. Marginal county jail costs are estimated to be \$50 per day. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 20, 2023, for information related to the correctional system.

Figure 2 — Sentencing Estimates and LOS

Conviction Offense Class	Percent Ordered to State Prison	FY 22 Avg LOS in Prison in Months (All Releases)	FY 22 Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 22 Avg LOS on Probation in Months	FY 22 Avg Cost Per Day Probation	Percent Sentenced to CBC Residential Facility	FY 22 Marginal Cost Per Day CBC	Percent Ordered to County Jail	Marginal Cost Per Day Jail	FY 22 Avg LOS on Parole in Months	FY 22 Marginal Cost Per Day Parole
B Felony Persons	95.2%	115.8	\$23.42	4.8%	38.3	\$7.27	0.0%	\$20.67	45.2%	\$50.00	33.1	\$7.27
C Felony Persons	89.8%	50.1	\$23.42	27.6%	39.0	\$7.27	3.6%	\$20.67	43.2%	\$50.00	19.5	\$7.27
Agg Misd Persons	45.5%	9.7	\$23.42	64.9%	--	\$7.27	3.8%	\$20.67	55.6%	\$50.00	7.0	\$7.27
Serious Misd	1.9%	5.5	\$23.42	51.2%	13.7	\$7.27	0.9%	\$20.67	73.3%	\$50.00	0.5	\$7.27

Minority Impact

The minority impact cannot be determined. However, House File 358 may disproportionately impact African American individuals if trends remain constant. For all eluding convictions, 70.2% are Caucasian, 22.8% are African American, and 7.0% are other races. Iowa’s population is 84.5% Caucasian, 3.6% African American, and 11.9% other races. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 20, 2023, for information related to minorities in the criminal justice system.

Fiscal Impact

House File 358 is estimated to increase the average LOS of individuals admitted to prison and CBC. In FY 2022, there were 1,171 convictions for any first-time eluding offense and 101 convictions for any second or subsequent eluding offenses under Iowa Code section 321.279. Enhancement of these penalties is estimated to increase costs to the Department of Corrections (DOC) by \$17,000 annually.

Figure 3 represents the cost for only one year’s group of admissions, but the increased cost would recur for each year’s group of admissions.

Figure 3 — Change in Cost Under HF 358

Supervision Status and Offense Class	Annual Admissions	Cost Per Day	LOS (Days)	Total Cost
Current Penalties				
Prison (Class D Felony)	2	\$23.42	422.8	\$ 19,804
CBC (Class D Felony)	5	\$7.27	745.2	\$ 27,088
				\$ 46,892
Penalties Under HF 358				
Prison (Class C Felony)	2	\$23.42	635.7	\$ 29,776
CBC (Class C Felony)	5	\$7.27	936.83	\$ 34,054
				\$ 63,830

Figure 4 shows the average State cost per offense for a Class C felony, a Class D felony, an aggravated misdemeanor, and a serious misdemeanor. The estimated impact to the State General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the DOC. The cost would be incurred across multiple fiscal years for prison and parole supervision.

Figure 4 — Average State Cost Per Offense		
Classification of Offense	Minimum	Maximum
Class C Felony	\$12,100	\$25,100
Class D Felony	\$9,500	\$17,400
Aggravated Misdemeanor	\$5,000	\$9,600
Serious Misdemeanor	\$400	\$5,600

Effective Date

This Act is effective July 1, 2023.

Enactment Date

This Act was approved by the General Assembly on April 19, 2023, and signed by the Governor on April 28, 2023.

Sources

Criminal and Juvenile Justice Planning Division, Department of Human Rights
Department of Corrections
Department of Public Safety

[HF 398](#) – Adoptions, Representation, and Filing Requirements (LSB1255HV.2)

Staff Contact: Isabel Waller (515.281.6561) isabel.waller@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 398](#) provides the following:

- A local public defender office or designee must represent in a subsequent adoption proceeding any party, including a nonindigent party, who files a petition to adopt a child who was the subject of a termination of parental rights (TPR) proceeding in which the local public defender office was involved.
- In adoption proceedings to adopt a child who was the subject of a TPR proceeding in which the local public defender office was involved, a local public defender office or designee must serve as the guardian ad litem for the child.
- The Department of Health and Human Services (HHS) must provide a certified copy of a birth certificate or a verified birth record to the person adopting a child when the HHS is the guardian of the child.
- For an adoption hearing in which the person to be adopted is an adult, the adoption petitioner is required to provide a copy of the petition and its attachments and a notice of the adoption hearing to the person who is to be adopted and to any other person who is required to consent to the adoption.

Background

Under current law, a local public defender office represents in a subsequent adoption proceeding an indigent party who files an adoption petition to adopt a child who was the subject of a TPR proceeding in which the local public defender was involved. If a conflict of interest arises, the representation is required to be provided through referral of the indigent party to outside counsel with whom the State Public Defender has contracted.

Under current law, a local public defender office serves as the guardian ad litem for each child in all cases in which a local public defender office is the State Public Defender's designee. The local public defender is responsible for determining who will serve as guardian ad litem and for ensuring that the duties are fulfilled.

Assumptions

- All proceedings requiring a local public defender office to represent a party will be assigned to the Office of the State Public Defender contract attorneys.
- There are approximately 1,200 TPR proceedings each year.
- Approximately 50.0% of TPR proceedings will result in an adoption.
- The State Public Defender will provide representation in approximately 600 adoption proceedings each year to adopt a child who was the subject of a TPR proceeding.
- The State Public Defender will provide an attorney for the petitioners and another attorney as the guardian ad litem for the child.

- The total number of attorney hours per adoption proceeding will range between 5 and 10 hours.
- Each adoption proceeding will be billed by contract attorneys at an hourly rate of \$68.
- Under the Iowa State Adoption Assistance Program, the HHS reimburses adoptive parents of special needs children for up to \$500 per adoption case for attorney fees, adoption fees, and court costs.
- The Act could reduce expenses for the HHS due to not reimbursing legal fees for petitioners who choose the Office of the State Public Defender for legal representation instead of private legal representation.
- The average annual spending on legal fees within the Adoption Assistance appropriation is approximately \$500,000, of which \$250,000 is the State share.

Fiscal Impact

The annual estimated expense of HF 398 to the Office of the State Public Defender is between \$204,000 and \$408,000, as shown in **Table 1**. This includes the cost of attorneys both to represent the petitioner and to serve as the guardian ad litem for the child for all adoptions resulting from a TPR proceeding in which a local public defender office was involved. The fiscal impact will be to the Indigent Defense Fund, which is funded through the General Fund.

Table 1 — Estimated Annual Cost to the Indigent Defense Fund

Adoptions Requiring State Public Defender Representation	Number of Attorney Hours Per Case	Attorney Hourly Rate	Total Cost Per Year
600	5 to 10	\$68	\$204,000 to \$408,000

Additionally, this Act could reduce expenses to the HHS by up to \$500 per adoption case for special needs children in which the petitioner chooses to be represented by the Office of the State Public Defender rather than by private legal representation. The total cost reduction to the HHS is unknown.

Effective Date

This Act is effective July 1, 2023.

Enactment Date

This Act was approved by the General Assembly on May 2, 2023, and signed by the Governor on June 1, 2023.

Sources

Office of the State Public Defender
 Department of Health and Human Services

[HF 421](#) – Accredited Private Institutions, Tuition Grants (LSB1769HV.2)
Staff Contact: Michael Peters (515.281.6934) michael.peters@legis.iowa.gov
Fiscal Note Version – Final Action

Description

[House File 421](#) relates to the Iowa Tuition Grants (ITG) program administered by the College Student Aid Commission.

Division I is effective upon enactment and retroactive to December 1, 2022, the date Waldorf University converted to a nonprofit institution.

Division II removes Iowa Code language related to the for-profit ITG that is no longer relevant since Waldorf University's conversion to nonprofit status.

Background

Iowa Tuition Grants are awarded to Iowa residents enrolled at eligible private colleges and universities in Iowa. Priority is given to applicants demonstrating the greatest need, as reported on the Free Application for Federal Student Aid (FAFSA). Grants are separated by nonprofit and for-profit status and are available for up to four years of full-time undergraduate study. Part-time students may be eligible for adjusted amounts. The amount of the grant is based on the student's financial need remaining after other sources of financial aid are considered. The maximum grant amount is \$6,000 per year.

Waldorf University transitioned from a for-profit institution to a nonprofit institution in December 2022. In this process, approximately 112 Iowa resident students of the university lost eligibility to receive the previously allocated awards under the for-profit ITG. The university is currently filing a nonprofit application for the 2023-2024 academic year. If all nonprofit eligibility criteria are met, the College Student Aid Commission may waive the October 1, 2022, application deadline to ensure aid is available for the fall 2023 semester and beyond. The Act ensures that students who are Iowa residents currently attending Waldorf University will not become ineligible for the for-profit ITG for FY 2023 due to the conversion of the institution from a for-profit to a nonprofit institution.

The College Student Aid Commission is currently unable to distribute previously allocated awards to students at Waldorf University for the 2023 spring semester, which runs from January 11, 2023, through May 2, 2023. After the semester, affected students will lose eligibility for those awards and funds will revert to the Scholarship and Tuition Grant Reserve Fund. The Scholarship and Tuition Grant Reserve Fund is able to carry forward 2.0% of the total FY 2022 allocated funds totaling \$44,000 from the combined for-profit ITG and the Vocational-Technical Tuition Grant.

Waldorf University was successful in its request to waive the October 1, 2022, application deadline for the nonprofit ITG for the fall 2023 semester under Iowa Administrative Code [283 – 12.2\(2\)](#). No additional legislative action is required to maintain students' eligibility for the fall semester under this waiver.

Assumptions

- Approximately 112 students' for-profit ITG awards cannot be distributed due to Waldorf University's change to a nonprofit institution. The awards will be distributed with the enactment of the Act.
- The average award impacted by this change in status is \$1,517 per student.

Fiscal Impact

House File 421 would allow the distribution of previously appropriated funding for for-profit ITGs from the General Fund totaling \$170,000. If the Act is not enacted, between \$124,000 and \$170,000 would revert to the General Fund at the end of FY 2023. The remaining balance would carry forward to FY 2024.

Effective Date

Division II of this Act is effective May 11, 2023, and the remaining Divisions are effective July 1, 2023. The Act applies retroactively to December 1, 2022.

Enactment Date

This Act was approved by the General Assembly on April 25, 2023, and signed by the Governor on May 11, 2023.

Source

College Student Aid Commission

[HF 433](#) – Cocktails Mixed on Premises, Off-Premise Consumption (LSB1194HV.2)

Staff Contact: Xavier Leonard (515.725.0509) xavier.leonard@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 433](#) modifies the definition of a sealed container. The following containers are not considered a sealed container under the Act:

- A cup made of plastic intended for one-time use.
- A cup made of paper or foam.
- A cup with a hole that includes a tamper-evident seal.
- A vacuum or heat-sealed pouch.

The Act takes effect upon enactment.

Background

Currently, under Iowa Code section [123.49](#), a mixed drink or cocktail mixed on a licensed premises may be transported in a sealed container and is not deemed an open container as long as the seal has not been compromised. Iowa Code section 123.49 defines what is to be deemed a sealed container.

According to the Department of Transportation (DOT), new federal regulations make Iowa's open container law noncompliant with federal regulations beginning in FY 2024. If Iowa is no longer compliant, the State will be subject to a penalty of 2.5% of both National Highway Performance Program (NHPP) and Surface Transportation Block Grant (STBG) funding, resulting in a penalty of approximately \$14.2 million annually. The NHPP and STBG are two of many sources of funding allocated to the DOT and local jurisdictions to assist with road and bridge improvements.

Assumptions

- According to the DOT, noncompliance will result in an annual loss of \$14.2 million.
- Iowa will be in compliance with National Highway Traffic Safety Administration (NHTSA) regulations following the passage of this Act.

Fiscal Impact

House File 433 would put Iowa in compliance with federal requirements, and the DOT would retain \$14.2 million in federal road/bridge improvement funding annually.

Effective Date

This Act was effective on April 28, 2023.

Enactment Date

This Act was approved by the General Assembly on April 17, 2023, and signed by the Governor on April 28, 2023.

Source

Department of Transportation

[HF 471](#) – Health and Human Services Omnibus (LSB1183HV.2)

Staff Contact: Eric Richardson (515.281.6767) eric.richardson@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 471](#) relates to Mental Health and Disability Services (MHDS), judicial procedures, adoptions, and confinement of incompetent persons. **Figure 1** summarizes the fiscal impact of the various Act divisions and is at the end of this **Fiscal Note**.

Division I — State Mental Health Institutes — Specialization

Description and Background

Division I removes persons who solely have a substance abuse problem as a population eligible to receive treatment, training, care, habilitation, and support at a State mental health institute (MHI). The Division designates the MHI located in Independence for specialized treatment of behaviorally complex youth and designates the State MHI located in Cherokee for specialized treatment and security of adults ordered by a court into the custody of the State.

Iowa Code section [226.1](#) details the services provided by a State MHI, including treatment and care of persons with mental illness, facilities and services to the communities in the region being served by the MHI, and a unit for the civil commitment of sexually violent predators committed to the custody of the Director of the Department of Health and Human Services (HHS). Currently, the Independence MHI contains beds for 16 youths and 40 adults, while the Cherokee MHI contains beds for 12 youths and 24 adults.

Assumptions/Fiscal Impact (Division I)

The estimated fiscal impacts for **Division I** are outlined below:

- **FY 2024** — An increase of \$160,000 and 3.0 full-time equivalent (FTE) positions to the Independence MHI, including assigning up to 36 youth beds (an 8-bed increase for youth) and chronic adult beds to Independence, and an increase of \$340,000 and 13.0 FTE positions to the Cherokee MHI, including assigning all acute adult and forensic adult beds to Cherokee. The total number of beds in each facility is expected to remain the same.
 - **FY 2025** — An increase of \$300,000 for the Independence MHI, and an increase of \$922,000 for the Cherokee MHI, along with an annualization of all FTE positions.
-

Division II — Child in Need of Assistance — Safety Plans — Temporary Removal

Description and Background

Division II allows a child's guardian to enter into a safety plan and prohibits a safety plan from being construed as a child's removal from a guardian absent a court order.

To have a court hold a hearing to review a removal order within six months of the order, Division II references Iowa Code section [232.95\(2\)](#), which allows a court to, after a hearing to determine whether the child should be temporarily removed from a home, return the child to a person with legal custody of the child, remove a child from a home and place the child with a parent pending a final court order, and remove a child from a home and place custody of the child with the HHS.

Assumptions/Fiscal Impact (Division II)

Division II has little to no fiscal impact.

Division III — Mental Health and Disability Services Regions — Governance — Core Services — Report

Description and Background

This Act makes changes to the regional governance of MHDS governing boards, adds outpatient competency restoration (OCR) as a core service for both adult and children’s MHDS Regions, and changes requirements for reporting to the General Assembly to annually from quarterly.

OCR services were created to treat incompetent to stand trial (IST) defendants who do not require hospital-level care and who can be safely treated within the community, and not in an inpatient setting, such as a jail or an institution. Iowa Code sections [331.397](#) and [331.397A](#) outline regional core services and children’s behavioral core services that would be altered under this Act.

Assumptions/Fiscal Impact (Division III)

According to the HHS, the cost of adding OCR services is unknown but will be absorbed within current regional resources.

According to the [State of Washington](#), at approximately \$200 per day for 100 days (below U.S. norms of 111 days) for OCR program costs (prior to IST defendants being found restored or unrestorable), the cost of maintaining a defendant would be approximately \$20,000. However, federal reimbursement for numerous services eligible for Medicare and Medicaid would lower costs to the State for each IST defendant. Nevertheless, a [study](#) on Washington, D.C., OCR defendants found that OCR costs were approximately 68.2% less than costs for inpatient competency restoration services, and have the potential to reduce expenditures for the State Department of Corrections (DOC).

Division IV — Adoption Notices — Hearings

Description and Background

Division IV requires a petitioner in an adoption proceeding to provide notice by mail of an order setting an adoption hearing to a sibling of a person to be adopted at least 20 days prior to the adoption hearing if there is either an existing relationship between the siblings or a court finds that ongoing contact with the person to be adopted is in the best interests of each sibling. Division IV allows a copy of the order to be sent by ordinary mail. Division IV does not require a copy of the order to be sent to parents whose rights have been terminated or siblings under certain circumstances.

Iowa Code section [600.11\(2\)](#) referenced in **Division IV** currently requires petitioners to give a copy of a petition for adoption at least 20 days before an adoption hearing to certain stakeholders, including a guardian or person in a parent-child relationship with the person to be adopted, a potential adult adoptee, an investigator, any person required to consent under Iowa Code section [600.7](#), a person granted visitation rights with a child to be adopted, any person paying financial support for a child, and any siblings of the person to be adopted under certain circumstances.

Assumptions/Fiscal Impact (Division IV)

Division IV has little to no fiscal impact.

Division V — Confinement of Persons Found Incompetent to Stand Trial

Description and Background

Division V requires the MHDS region for the county of a defendant's residency to pay for the costs of mental health treatment the defendant receives as a condition of pretrial release. The Division also:

- Allows doctors or facility directors where the defendant is held to provide a written status report to a court regarding a defendant's mental disorder. This statement is required to notify the court if a defendant formerly deemed incompetent has either acquired the ability to appreciate the charges against them, or has no substantial probability of acquiring that ability.
- Requires a written status report prepared for an incompetent defendant to include the methods used to restore competency to the defendant, the defendant's current abilities related to competency, and whether it appears the defendant's competency can be restored within a reasonable amount of time.

Iowa Code chapter [225C](#) regarding the costs of mental health treatment for residents in a county is referenced in the Act and codifies the [Mental Health and Disability Services Commission](#), which is tasked as the State policy-making body for the provision of services to persons with mental illness. The Iowa [Mental Health Planning and Advisory Council](#) is established in [42 U.S.C. §300x-3](#).

2021 Iowa Acts, [Senate File 619](#) (Taxation and Other Provisions Act), changed the way MHDS is funded, from a system based on county property taxes to a 100.0% State-funded system. The previous MHDS system was a regional system managed by the counties, with State oversight. Counties financed a portion of the system with a county property tax levy that was capped at a per capita dollar amount for each of the 14 MHDS Regions. The State currently finances the majority of the services provided through the Medicaid Program. For a complete funding history of the MHDS system back to 1995, please see the related [Issue Review](#).

Per Capita State Appropriations. Senate File 619 created a new MHDS Regional Services Fund and established a General Fund standing appropriation to the HHS for distribution to the MHDS Regions based on performance-based contracts using the following per capita amounts:

- \$15.86 for FY 2022
- \$38.00 for FY 2023
- \$40.00 for FY 2024

- \$42.00 for FY 2025
- Beginning in FY 2026 and beyond, the previous year’s appropriation is multiplied by a growth factor indexed to sales tax growth for the preceding fiscal year, not to exceed 1.5%.

In FY 2023, \$121.2 million was appropriated to the HHS for distribution to the MHDS Regions.

Assumptions/Fiscal Impact (Division V)

According to the HHS and as identified in the fiscal impact for **Division III**, MHDS regional costs for covering OCR services are to be utilized for OCR services, and regional costs may increase within the existing State appropriation with a reduction in State costs to the DOC. However, the HHS expects a period of time to pass before services are fully available for the new program, as the Department will need to build out the proper services for IST defendants. Costs in FY 2024 and FY 2025 cannot be estimated due to lack of data.

Division VI — Conforming Code Changes

Description and Background

Division VI makes a conforming change to Iowa Code section [256.25](#) which deals with the Therapeutic Classroom Incentive Grant Program and Fund.

Assumptions/Fiscal Impact (Division VI)

Division VI has little to no fiscal impact.

Division VII — Code Transfers

Description and Background

Division VII transfers Iowa Code sections [331.388](#) through [331.400](#) (MHDS — Regional Service System — Children’s Behavioral Health System) to Iowa Code sections 225C.55 through 225C.69 and makes conforming changes.

Assumptions/Fiscal Impact (Division VII)

Division VII has little to no fiscal impact.

Overall Fiscal Impact — State General Fund Appropriations

Figure 1 provides a summary of the projected changes in General Fund revenue by Act provision.

Figure 1 — Summary of HF 471 Fiscal Impacts

Division	Summary	Fiscal Impacts	Source of Funding
I	State Mental Health Institutes — Specialization	Up to 16.0 FTE FY 2024 - \$500,000 FY 2025 - \$1.2 million	Cost to State General Fund
II	Child in Need of Assistance — Safety Plans	No fiscal impact	N/A
III	MHDS Regional Governance — Core Services	Average cost of \$20,000 per OCR patient and will be absorbed within current regional resources. State DOC costs may decrease.	Majority federal funds; some State MHDS appropriations; State General Fund
IV	Adoption Notices — Hearing	No fiscal impact	N/A
V	Confinement of Persons Found IST	MHDS regional costs may increase, but State DOC costs may decrease	Some State MHDS appropriations; State General Fund
VI	Conforming Code Changes	No fiscal impact	N/A
VII	Code Transfers	No fiscal impact	N/A

Effective Date

This Act is effective July 1, 2023.

Enactment Date

This Act was approved by the General Assembly on April 26, 2023, and signed by the Governor on June 1, 2023.

Sources

Department of Health and Human Services
Mental Health and Disability Services Commission
State of Washington Department of Social and Health Services
National Board of Medicine
Legislative Services Agency

[HF 475](#) – Real Estate Service Agreements, Enforceability and Recording (LSB1944HV.2)

Staff Contact: Eric Richardson (515.281.6767) eric.richardson@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 475](#) relates to unfair residential real estate service agreements. Provisions in the Act include:

- Defining a service agreement as unfair if a service covered by the agreement is not required to be completely performed within one year of the start of the agreement.
- Establishing that entering into an unfair service agreement with a consumer is an unlawful practice, which may carry a civil penalty not to exceed \$40,000 per violation.
- Prohibiting a person from causing to be recorded an unfair service agreement or a notice or memorandum of an unfair service agreement. The Act creates an aggravated misdemeanor, which is punishable by no more than two years in jail and a fine of at least \$855 but not more than \$8,540.
- Allowing a county recorder to refuse to record an unfair agreement.
- Allowing any person with an interest in residential real estate that is the subject of an unfair service agreement to apply to a district court for an order declaring the agreement unenforceable.

Background

An aggravated misdemeanor is punishable by a fine of at least \$855 but not more than \$8,540 and up to two years in prison. Iowa Code section [714.16](#), referred to in Section 2 of the Act, details consumer frauds and establishes various unlawful practices defined in connection with the lease, sale, or advertisement of any merchandise, whether or not a person was misled, deceived, or damaged.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends, prisoner length of stay (LOS), revocation rates, plea bargaining, and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of this Act to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.

Correctional Impact

House File 475 establishes a new criminal offense. As a result, the correctional impact cannot be estimated for this Act due to the lack of existing conviction data. **Figure 1** shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS under those supervisions; and supervision marginal costs per day for all convictions of aggravated

misdemeanors for nonviolent offenses. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 20, 2023, for information related to the correctional system.

Figure 1 — Sentencing Estimates and Length of Stay (LOS)

Conviction Offense Class	Percent Ordered to State Prison	FY 22 Avg LOS in Prison in Months (All Releases)	FY 22 Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 22 Avg LOS on Probation in Months	FY 22 Avg Cost Per Day Probation	Percent Sentenced to CBC Residential Facility	FY 22 Marginal Cost Per Day CBC	Percent Ordered to County Jail	Avg Length of Stay in County Jail	Marginal Cost Per Day Jail	FY 22 Avg LOS on Parole in Months	FY 22 Marginal Cost Per Day Parole
Aggravated Misdemeanor (Nonviolent Offense)	31.4%	7.5	\$23.42	45.6%	20.7	\$7.27	3.3%	\$20.67	72.2%	N/A	\$50.00	8.2	\$7.27

Minority Impact

House File 475 establishes a new offense. As a result, the Criminal and Juvenile Justice Planning Division (CJJP) of the Department of Human Rights cannot use prior existing data to estimate the minority impact of the Act. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 20, 2023, for information related to minorities in the criminal justice system.

Fiscal Impact

House File 475 establishes a new offense, and the fiscal impact cannot be estimated due to the lack of existing conviction data. The average State cost per offense for an aggravated misdemeanor ranges from \$5,000 to \$9,600. The estimated impact to the State General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the Department of Corrections. The cost would be incurred across multiple fiscal years for prison and parole supervision. Additional revenue due to the civil penalty established in the Act cannot be estimated.

Effective Date

The Act is effective July 1, 2023.

Enactment Date

This Act was approved by the General Assembly on April 19, 2023, and signed by the Governor on April 28, 2023.

Sources

Criminal and Juvenile Justice Planning Division, Department of Human Rights
 Department of Corrections
 Legislative Services Agency

[HF 570](#) – Assault on a Pregnant Person, Penalties (LSB1523HV.3)

Staff Contact: Isabel Waller (515.281.6561) isabel.waller@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 570](#) increases the penalty from an aggravated misdemeanor to a Class D felony for assault with the use or display of a dangerous weapon when the assault is committed against a pregnant person.

The Act also increases the penalty from an aggravated misdemeanor to a Class D felony for domestic abuse assault when it is committed against a pregnant person under the following circumstances:

- If the domestic abuse assault is committed with the intent to inflict a serious injury upon another, or if the person uses or displays a dangerous weapon in connection with the assault.
- If the domestic abuse assault is committed by knowingly impeding the normal breathing or circulation of the blood of another by applying pressure to the throat or neck of the other person or by obstructing the nose or mouth of the other person.

This Act provides that the penalty for a second offense of domestic abuse assault is a Class D felony if the first offense was a Class D felony and the second offense would otherwise be an aggravated misdemeanor.

Background

Under Iowa Code section [708.2](#), a person who commits an assault and uses or displays a dangerous weapon in connection with the assault is guilty of an aggravated misdemeanor.

Under Iowa Code section [708.2A](#), on a first offense of domestic abuse assault, the penalty is as follows:

- A serious misdemeanor if the domestic abuse assault causes bodily injury or mental illness.
- An aggravated misdemeanor if the domestic abuse assault is committed with the intent to inflict a serious injury upon another, or if the person uses or displays a dangerous weapon in connection with the assault.
- An aggravated misdemeanor if the domestic abuse assault is committed by knowingly impeding the normal breathing or circulation of the blood of another by applying pressure to the throat or neck of the other person or by obstructing the nose or mouth of the other person.
- A simple misdemeanor for all other circumstances.

Under Iowa Code section [708.2A](#), on a second offense of domestic abuse assault, the penalty is as follows:

- A serious misdemeanor if the first offense was a simple misdemeanor and the second offense would otherwise be a simple misdemeanor.

- An aggravated misdemeanor if the first offense was a simple or aggravated misdemeanor and the second offense would otherwise be a serious misdemeanor; or if the first offense was classified as a serious or aggravated misdemeanor and the second offense would otherwise be a simple or serious misdemeanor.

A Class D felony is punishable by confinement for up to five years and a fine of at least \$1,025 but not more than \$10,245. An aggravated misdemeanor is punishable by confinement for up to two years and a fine of at least \$855 but not more than \$8,540.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of the Act to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.

Correctional Impact

House File 570 modifies the penalties for existing offenses, and the correctional impact cannot be determined because the number of past convictions for assault and domestic abuse assault against a pregnant person is unknown. The Department of Corrections (DOC) reports that assaults and domestic abuse assaults against pregnant persons are likely already captured under current assault and domestic abuse assault crimes. However, since the Act enhances penalties for certain assaults and domestic abuse assaults when the offense is committed against a pregnant person, convicted individuals will likely have an increased LOS under the Act.

Table 1 shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for all convictions of Class D felonies and aggravated misdemeanors. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 20, 2023, for information related to the correctional system.

Table 1 — Sentencing Estimates and LOS

Conviction Offense Class	Percent Ordered to State Prison	FY 22 Avg LOS in Prison in Months (All Releases)	FY 22 Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 22 Avg LOS on Probation in Months	FY 22 Avg Cost Per Day Probation	Percent Sentenced to CBC Residential Facility	FY 22 Marginal Cost Per Day CBC	Percent Ordered to County Jail	Marginal Cost Per Day Jail	FY 22 Avg LOS on Parole in Months	FY 22 Marginal Cost Per Day Parole
D Felony (Persons)	79.6%	19.7	\$23.42	59.0%	33.2	\$7.27	8.6%	\$20.67	26.3%	\$50.00	14.4	\$7.27
Aggravated Misdemeanor (Persons)	45.5%	9.7	\$23.42	64.9%	–	\$7.27	3.8%	\$20.67	55.6%	\$50.00	7.0	\$7.27

Minority Impact

House File 570 modifies the penalties for existing offenses when the offenses are perpetrated against a pregnant person. As a result, the Division of Criminal and Juvenile Justice Planning of the Department of Human Rights cannot use prior existing data to estimate the minority impact. However, of the 11,467 convictions of assault and domestic abuse assault in FY 2022, 66.8% involved Caucasian individuals, 24.5% involved African American individuals, and 8.7% involved individuals of other races. Iowa's population is 84.5% Caucasian, 3.6% African American, and 11.9% other races. The Act may disproportionately impact African American individuals if the LOS is increased due to enhanced penalties. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 20, 2023, for information related to minorities in the criminal justice system.

Fiscal Impact

House File 570 modifies the penalties for existing offenses, and the fiscal impact cannot be determined because the number of past convictions for assault and domestic abuse assault against a pregnant person is unknown. **Table 2** shows the average State cost per offense for a Class D felony and aggravated misdemeanor. The estimated impact to the State General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the DOC. The costs would be incurred across multiple fiscal years for prison and parole supervision.

Table 2 — Average State Cost Per Offense

Offense Class	Average Cost
Class D Felony	\$9,500 to \$17,400
Aggravated Misdemeanor	\$5,000 to \$9,600

Effective Date

This Act is effective July 1, 2023.

Enactment Date

This Act was approved by the General Assembly on April 19, 2023, and signed by the Governor on April 28, 2023.

Sources

Department of Corrections
Department of Human Rights, Criminal and Juvenile Justice Planning Division
Legislative Services Agency

[HF 595](#) – Controlled Substances, Penalty Enhancements and Fentanyl Penalties (LSB1229HV.3)
Staff Contact: Justus Thompson (515.725.2249) justus.thompson@legis.iowa.gov
Fiscal Note Version – Final Action

Description

[House File 595](#) relates to controlled substances, including fentanyl, and the administration of opioid antagonists and provides penalties. The Act is organized by divisions.

Division I — Manufacture, Delivery, or Possession of a Controlled Substance

Description

Division I of the Act addresses the manufacture, delivery, or possession of controlled substances; the manufacture or conspiracy to manufacture a controlled substance in the presence of a minor; and the delivery or conspiracy to deliver a controlled substance to a minor and provides penalties.

Figure 1 shows expanded penalties under the Act, **Figure 2** shows the enhanced sentences under the Act, and **Figure 3** shows the controlled substances added to Iowa Code sections [124.401C](#) and [124.401D](#).

Figure 1 — Expanded Penalties

Description	Felony	Penalty
The manufacture, delivery, or possession of a fentanyl-related substance containing more than 50 grams.	Class B	Confinement for no more than 50 years and a fine of not more than \$1.0 million.
The manufacture, delivery, or possession of a fentanyl-related substance containing more than 5 grams but not more than 50 grams.	Class B	Confinement for no more than 25 years and a fine of not less than \$5,000 nor more than \$100,000.
The manufacture, delivery, or possession of a fentanyl-related substance containing 5 grams or less.	Class C	Confinement for no more than 10 years and a fine of not less than \$1,000 nor more than \$50,000.

Figure 2 — Enhanced Sentencing (Cont.)

Description	Penalty
An individual who causes the death of another person while participating in the manufacture, delivery, or possession of a controlled substance and who is not seeking medical assistance for a drug-related overdose.	Three times the term otherwise imposed by law, and no such judgment, sentence, or part thereof may be deferred or suspended.
An individual who causes serious bodily injury to another person while participating in the manufacture, delivery, or possession of a controlled substance and who is not seeking medical assistance for a drug-related overdose.	Two times the term otherwise imposed by law, and no such judgement, sentence, or part thereof may be deferred or suspended.
The delivery to a minor or possession with the intent to deliver to a minor a controlled substance, counterfeit substance, simulated controlled substance, or imitation controlled substance, including combining a controlled substance with a food or beverage product, marketing or packaging a controlled substance to appear similar to a food or beverage product, or modifying the flavor or color of a controlled substance to appear similar to a food or beverage product.	Two times the term otherwise imposed by law, and no such judgement, sentence, or part thereof may be deferred or suspended.

Figure 3 — Manufacture, Delivery, or Possession of a Controlled Substance in Relation to a Minor

Description	Penalty
Current law provides that a person who is 18 years of age or older who either directly or by extraction from natural substances, or independently by means of chemical processes, or both, unlawfully manufactures methamphetamine or its salts, isomers, or salts of its isomers in the presence of a minor will be sentenced up to an additional term of confinement of five years. The Act adds any controlled substance listed in Iowa Code section 124.401(1)(a, b, and c) to this crime.	The previous penalty of the felony was confinement for no more than 50 years and a fine of not more than \$1.0 million. The Act allows two times the term otherwise imposed by law, and no such judgement, sentence, or part thereof may be deferred or suspended. A second or subsequent violation is a Class A felony.
Current law states that it is unlawful for a person 18 years of age or older to act with, or enter into a common scheme or design with, or conspire with one or more persons to manufacture for delivery to a person under 18 years of age a material, compound, mixture, preparation, or substance that contains any detectable amount of amphetamine, its salts, its isomers, or salts of its isomers, or methamphetamine, its salts, its isomers, or salts of its isomers. The Act adds any controlled substances listed in Iowa Code section 124.401(1)(a, b, and c) to this crime.	The previous penalty of confinement for no more than 99 years is stricken, and the Act provides that a person in violation will be sentenced to two times the term otherwise imposed by law, and no such judgement, sentence, or part thereof may be deferred or suspended. A second or subsequent violation is a Class A felony.

Background

Fentanyl and fentanyl-related substances are categorized under Iowa Code section [124.204\(9\)](#) as a Schedule I substance.

Under Iowa Code section [124.401\(1\)\(a\)\(8\)](#), the manufacture, delivery, or possession of more than 10 kilograms of fentanyl or a fentanyl-related substance is a Class B felony and punishable by confinement for no more than 50 years and a fine of not more than \$1.0 million.

Under Iowa Code section 124.401(1)(b)(9), the manufacture, delivery, or possession of more than 5 kilograms of but not more than 10 kilograms of fentanyl or a fentanyl-related substance is a Class B felony and punishable by confinement for no more than 25 years and a fine of not less than \$5,000 nor more than \$100,000.

Under Iowa Code section 124.401(1)(c)(8), the manufacture, delivery, or possession of 5 kilograms or less of fentanyl or a fentanyl-related substance is a Class C felony and punishable by confinement for no more than 10 years and a fine of not less than \$1,000 nor more than \$50,000.

Fentanyl and all controlled substances listed in Iowa Code section 124.401(1)(a, b, and c) are being introduced into the following Iowa Code sections, which currently only apply to methamphetamines or amphetamines:

- Iowa Code section 124.401C, relating to manufacturing, currently only applies to methamphetamine, and the enhanced penalty is an additional term of confinement of five years.
- Iowa Code section [124.401D](#)(1)(a), relating to the conspiracy to manufacture for delivery to a minor, currently only applies to amphetamine or methamphetamine, and a first conviction for a violation under this section is punishable by confinement for up to 99 years under Iowa Code section [902.9](#)(1)(a).
- Iowa Code section 124.401D(2)(a), relating to the delivery to or possession with the intent to deliver to a minor, currently only applies to amphetamine or methamphetamine. A first conviction for a violation under this section is punishable by confinement for up to 99 years under Iowa Code section 902.9(1)(a).

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and procedures.
- A lag effect of six months is assumed from the effective date of this Act to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.

Correctional Impact

Because the Act expands current law and creates new penalties, the correctional impact of the Act cannot be estimated.

In FY 2022, there were 527 individuals admitted to prison and 1,550 admitted to Community-Based Corrections (CBC) for the manufacture/delivery of any controlled substances under Iowa Code section 124.401(1). In FY 2022, there were no individuals admitted to prison or to CBC for the manufacture/delivery involving a minor under Iowa Code section 124.401D.

Figure 4 shows estimates for sentencing to State prison, parole, probation, or CBC residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for all convictions of Class C felonies, Class D felonies, aggravated misdemeanors,

and serious misdemeanors. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 20, 2023, for information related to the correctional system.

Figure 4 — Sentencing Estimates and LOS

Conviction Offense Class	Percent Ordered to State Prison	FY 22 Avg LOS in Prison in Months (All Releases)	FY 22 Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 22 Avg LOS on Probation in Months	FY 22 Avg Cost Per Day Probation	Percent Sentenced to CBC Residential Facility	FY 22 Marginal Cost Per Day CBC	Percent Ordered to County Jail	Marginal Cost Per Day Jail	FY 22 Avg LOS on Parole in Months	FY 22 Marginal Cost Per Day Parole
B Felony Persons	95.2%	115.8	\$23.42	4.8%	38.3	\$7.27	0.0%	\$20.67	45.2%	\$50.00	33.1	\$7.27
C Felony Persons	89.8%	50.1	\$23.42	27.6%	39.0	\$7.27	3.6%	\$20.67	43.2%	\$50.00	19.5	\$7.27

Minority Impact

House File 595 expands current law and creates new penalties. As a result, the Division of Criminal and Juvenile Justice Planning (CJJP) of the Department of Human Rights cannot use prior existing data to estimate the minority impact of HF 595. However, of the 527 prison admissions for manufacture/delivery of controlled substances under Iowa Code section 124.401(1), 75.0% were Caucasian, 14.8% were African American, and 10.2% were other races. Of the 1,550 admitted to CBC under Iowa Code section 124.401(1), 71.0% were Caucasian, 19.1% were African American, and 9.9% were other races. Iowa’s population is 84.5% Caucasian, 3.6% African American, and 11.9% other races.

Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 20, 2023, for information related to minorities in the criminal justice system.

Fiscal Impact

House File 595 expands current law and creates new penalties. As a result, the fiscal impact cannot be determined due to a lack of existing data. **Figure 5** shows the average State cost per offense for a Class B felony and Class C felony. The estimated impact to the State General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the Department of Corrections (DOC). The cost would be incurred across multiple fiscal years for prison and parole supervision.

Figure 5 — Average State Cost Per Offense

Offense Class	Average Cost
Class B Felony	\$14,200 to \$46,300
Class C Felony	\$12,100 to \$25,100

Division II — Receipt, Provision, and Administration of Opioid Antagonists

Description

Division II of this Act expands existing authorization for the receipt, provision, and administration of opioid antagonists to secondary distributors and provides immunity for affected individuals.

This Act makes the following changes:

- A licensed health care provider may prescribe an opioid antagonist to a secondary distributor.
- Secondary distributors include the following list of qualified individuals: a law enforcement agency, an emergency medical services program, a fire department, a school district, a health care provider, a licensed behavioral health provider, a county health department, or the Department of Health and Human Services (HHS).
- A licensed pharmacist may dispense, furnish, or provide an opioid antagonist in the name of secondary distributors and provide liability protection for both parties.
- Both secondary distributors and the pharmacist who dispenses the opioid antagonist are added to the list of persons who are granted immunity arising from any injury resulting from using an opioid antagonist under Iowa Code section [147A.18](#).
- A secondary distributor may obtain a prescription for and maintain a supply of antagonists, with the responsibility of replacing the antagonist upon its use or expiration.
- A pharmacist or a secondary distributor who provides an opioid antagonist pursuant to a valid prescription, standing order, or collaborative agreement must provide written instruction, including emergency, crisis, and substance use referral contact information, to the recipient.
- A secondary distributor may possess and provide an opioid antagonist to a person in a position to assist.
- A community-based organization and first responder are added to the definition of “a person in a position to assist.”
- The Chief Medical Officer of the HHS may issue a standing order that does not identify individual patients at the time it is issued for the purpose of dispensing opioid antagonists to a person in a position to assist.
- A person in a position to assist may distribute an opioid antagonist to any individual pursuant to Iowa Code section [135.190](#).
- Pharmacists may order and administer other opioid antagonists for overdose reversals to patients ages 18 years and older instead of naloxone.

Background

Current law allows licensed health care professionals to prescribe an opioid antagonist to a person in a position to render aid to a person at risk of experiencing an opioid-related overdose. This may be a family member, friend, caregiver, employee of a substance abuse treatment facility, or another individual whom a health care professional deems appropriate.

A person in a position to assist and administer an opioid antagonist, when prescribed by a health care professional, who has acted reasonably and in good faith is not held liable for any injury arising from administering the opioid antagonist when under the belief that the individual is experiencing an opioid-related overdose.

Current law provides that a licensed pharmacist may, by standing order or through collaborative agreement, dispense, furnish, or otherwise provide an opioid antagonist in the name of a service program, law enforcement agency, or fire department.

Iowa Code section [155A.46](#) previously listed naloxone as the only approved opioid antagonist, but the Act broadens this language to include any opioid antagonists that are used for overdose reversals.

Through federal grants, the HHS purchased approximately 4,300 naloxone kits (rate of \$47.50 per kit) for a total of \$204,000 in FY 2022. The HHS has budgeted \$668,000 in FY 2024 and FY 2025 from federal grants to fund additional kits. These kits are provided to law enforcement agencies, fire departments, businesses, organizations, and schools to have on hand for administration purposes in the event of a suspected opioid overdose.

Assumptions

- The HHS will not be required to be a secondary distributor.
- The current budgeted amount of naloxone kits will not be exceeded and the HHS will not be required to purchase additional kits.

Fiscal Impact

Division II of this Act is estimated to have little to no fiscal impact.

Effective Date

This Act is effective July 1, 2023.

Enactment Date

This Act was approved by the General Assembly on April 17, 2023, and signed by the Governor on May 16, 2023.

Sources

Criminal and Juvenile Justice Planning Division, Department of Human Rights
Department of Corrections
Department of Public Safety
Department of Health and Human Services

[HF 604](#) – Education, Disruptive, Students and Teacher Complaints (LSB2259HV.1)

Staff Contact: Simon Sheaff (515.281.4611) simon.sheaff@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 604](#) makes a number of changes to how school districts handle discipline, professional development, and employee complaints.

The Act requires the Director of the Department of Education (DE) to develop and distribute a list of all professional development programs and other training programs in which employees of school districts are required to participate pursuant to federal or State law. If a school district or charter school requires an employee to take part in a particular professional development program, the Act requires the district or school to provide notice to the employee indicating the section of the Iowa Code, State Board of Education rules, or Board of Educational Examiners rules that require the employee's participation.

The Act requires the board of directors of a school district and the authorities in charge of a charter school to work in collaboration with teachers and administrative staff of the school district to create and adopt a policy that describes the discipline procedures for a student making a threat of violence or causing an incident of violence that results in injury, property damage, or assault. The policy is required to:

- Incorporate strategies designed to correct the student's behavior.
- Provide for parent or guardian conferences and counseling sessions when appropriate and with the approval of a student's parent or guardian.
- Be consistent with laws and regulations surrounding disability.
- Provide for escalating levels of discipline for each threat or incident of violence.
- Allow a school district to select the level of discipline appropriate for the severity of the threat or incident of violence.
- Allow a school district to suspend the student, permanently remove the student from a particular class, expel the student, or place the student in an alternative learning environment, including a therapeutic classroom.
- Require an Individualized Education Program (IEP) meeting if the student who caused the threat or incident of violence has an IEP.

The Act requires the DE to develop and distribute a model policy that meets the requirements above.

The Act requires school districts to publish a student handbook that includes basic information related to the expectations of students in the grade level or attendance center to which the student handbook applies, including information related to academics, attendance, discipline, health and safety, and daily schedules. School districts must distribute the handbook and require that the parent or guardian of each student in the school district acknowledge receipt of the handbook.

The Act requires any teacher employed by a school district to report any threat of violence or incident of violence that results in injury or property damage or an assault by a student enrolled in the school to the principal or lead administrator of the school. The principal or lead administrator is then required to notify the parent or guardian of the student responsible for the threat or incident, and the student to whom the threat of violence was made or the incident of violence occurred, within 24 hours. The reporting teacher may also notify the parent or guardian of either student of the threat or incident of violence.

Finally, the Act allows the State Ombudsman to investigate, upon complaint, any complaint received by a licensed school official related to violence in the classroom or on school property. The Ombudsman is required to maintain secrecy in respect to the identities of the complainants and to provide the results of the investigation to the Board of Educational Examiners and the DE. The Act also prohibits school districts and charter schools from taking any disciplinary action against any school employee or contractor who discloses information to any public official or law enforcement agency, including the Ombudsman.

Background

Under Iowa Code chapter [2C](#), the State Ombudsman may accept a complaint from any source regarding any administrative action of any agency, including school districts. The Act specifies that the Ombudsman may investigate violence in the classroom or on school property “upon complaint.” Iowa Code chapter 2C also allows the Ombudsman to investigate more than violations of the law, including any administrative action that might be:

- Contrary to law or regulation.
- Unreasonable, unfair, oppressive, or inconsistent with the general course of an agency’s functioning, even though in accordance with law.
- Based on a mistake of law or arbitrary in ascertainments of fact.
- Based on improper motivation or irrelevant consideration.
- Unaccompanied by an adequate statement of reasons.

According to the DE, there were 63,667 instances of students being removed from classrooms in the 2021-2022 school year. Of those, approximately 29,991 (47.1%) involved violence.

Assumptions

- An entry-level Assistant Ombudsman 1 can review approximately 400 cases per year.
- The salary and benefits for an entry-level Assistant Ombudsman 1 is approximately \$89,000 per year.
- It is not possible to estimate the number of cases of removal that will be reported to the Ombudsman. For the purposes of this estimate, between 1.0% and 4.0% of classroom removals may be reported to and require investigation by the Ombudsman.

Fiscal Impact

There is no fiscal impact to school districts from the provisions regarding professional development programs, school discipline, or student handbooks.

The estimated cost to the State of the provisions regarding the Ombudsman is between \$89,000 and \$267,000 per year to investigate between 300 and 1,200 cases. For every 1.3% of the total cases of removal for violence that are reported to the State Ombudsman, 1.0 additional full-time equivalent (FTE) position would be required at a cost of \$89,000 per year.

Effective Date

This Act is effective July 1, 2023.

Enactment Date

This Act was approved by the General Assembly on May 1, 2023 and signed by the Governor on May 26, 2023.

Sources

Office of Ombudsman
Department of Education
Iowa Association of School Boards

[HF 630](#) – Human Trafficking, Penalties (LSB2171HV.2)

Staff Contact: Isabel Waller (515.281.6561) isabel.waller@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 630](#) increases the penalties for human trafficking under Iowa Code section [710A.2](#).

The penalty is increased from a Class D felony to a Class B felony, and from a Class C felony to a Class A felony if the victim is under 18, for the following:

- Knowingly engaging in human trafficking.
- Knowingly engaging in human trafficking by physically restraining or threatening to physically restrain another person.
- Knowingly engaging in human trafficking by soliciting services or benefiting from the services of a victim.
- Knowingly engaging in human trafficking by abusing or threatening to abuse the law or legal process.
- Knowingly engaging in human trafficking by knowingly destroying, concealing, removing, confiscating, or possessing any actual or purported government identification of another person.
- Benefiting financially or receiving anything of value from knowingly participating in human trafficking.

The penalty is increased from a Class C felony, and a Class B felony if the victim is under 18, to a Class A felony for knowingly engaging in human trafficking by causing or threatening to cause serious physical injury to another person.

The penalty is increased from an aggravated misdemeanor to a Class D felony, and from a Class D felony to a Class B felony if the victim is under 18, for the following:

- Knowingly engaging in human trafficking by knowingly providing or facilitating the provision of a forged, altered, or fraudulent license purportedly issued for massage therapy or cosmetology, or a forged, altered, or fraudulent government identification, to another person to force, coerce, entice, assist, facilitate, or permit the other person to perform labor or services.
- Knowingly engaging in human trafficking by knowingly forcing, coercing, enticing, assisting, facilitating, or permitting another person in possession of a forged, altered, or fraudulent license purportedly issued for massage therapy or cosmetology, or a forged, altered, or fraudulent government identification, to produce such license or government identification upon request of a peace officer.

This Act provides that a person who is convicted of human trafficking is not eligible for a deferred judgment or a deferred or suspended sentence.

Background

Iowa Code section 710A.2 establishes the penalties for human trafficking, ranging from an aggravated misdemeanor to a Class B felony, depending on the age of the victim and the specifics of the offense. Iowa Code section [710A.2A](#) establishes the related offense of solicitation of commercial sexual activity, which is a Class D felony. Solicitation of commercial sexual activity involves enticing, coercing, or recruiting, or attempting to entice, coerce, or recruit, either a person who is under 18 years of age or a law enforcement officer or agent who is representing that the officer or agent is under 18 years of age, to engage in a commercial sexual activity.

A Class A felony is punishable by lifetime imprisonment without the possibility of parole. A Class B felony is punishable by confinement for up to 25 years. A Class C felony is punishable by confinement for up to 10 years and a fine of at least \$1,370 but not more than \$13,660. A Class D felony is punishable by confinement for up to five years and a fine of at least \$1,025 but not more than \$10,245. An aggravated misdemeanor is punishable by confinement for up to two years and a fine of at least \$855 but not more than \$8,540.

In FY 2022, there were no convictions or admissions to Department of Corrections (DOC) supervision for human trafficking under Iowa Code section 710A.2. For the related crime of solicitation of commercial sexual activity, there were two convictions and two individuals who were admitted to prison for this offense in FY 2022.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of the Act to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.

Correctional Impact

The correctional impact of HF 630 cannot be estimated due to the low number of convictions and admissions to DOC supervision for human trafficking. The DOC reports that in general, there are few charges, convictions, and admissions to DOC supervision for human trafficking. In FY 2022, there were no convictions or admissions to DOC supervision for human trafficking. For those who are admitted to DOC supervision for human trafficking, the Act would likely increase the LOS under DOC supervision.

Table 1 shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS under those supervisions; and supervision marginal costs per day for all convictions of Class B felonies, Class C felonies, Class D felonies, and aggravated misdemeanors. A Class A felony is punishable by lifetime imprisonment without the possibility of parole. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 20, 2023, for information related to the correctional system.

Table 1 — Sentencing Estimates and LOS

Conviction Offense Class	Percent Ordered to State Prison	FY 22 Avg LOS in Prison in Months (All Releases)	FY 22 Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 22 Avg LOS on Probation in Months	FY 22 Avg Cost Per Day Probation	Percent Sentenced to CBC Residential Facility	FY 22 Marginal Cost Per Day CBC	Percent Ordered to County Jail	Marginal Cost Per Day Jail	FY 22 Avg LOS on Parole in Months	FY 22 Marginal Cost Per Day Parole
B Felony (Persons)	95.2%	115.8	\$23.42	4.8%	38.3	\$7.27	0.0%	\$20.67	45.2%	\$50.00	33.1	\$7.27
C Felony (Persons)	89.8%	50.1	\$23.42	27.6%	39.0	\$7.27	3.6%	\$20.67	43.2%	\$50.00	19.5	\$7.27
D Felony (Persons)	79.6%	19.7	\$23.42	59.0%	33.2	\$7.27	8.6%	\$20.67	26.3%	\$50.00	14.4	\$7.27
Aggravated Misdemeanor (Persons)	45.5%	9.7	\$23.42	64.9%	--	\$7.27	3.8%	\$20.67	55.6%	\$50.00	7.0	\$7.27

Minority Impact

The minority impact of HF 630 cannot be estimated due to minimal existing conviction data. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 20, 2023, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact of HF 630 cannot be estimated due to the low number of convictions and admissions to DOC supervision for human trafficking. **Table 2** shows the average State cost per offense for a Class B felony, Class C felony, Class D felony, and aggravated misdemeanor. The estimated impact to the State General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the DOC. The cost would be incurred across multiple fiscal years for prison and parole supervision.

Table 2 — Average State Cost Per Offense

Offense Class	Average Cost
Class B Felony	\$14,200 to \$46,300
Class C Felony	\$12,100 to \$25,100
Class D Felony	\$9,500 to \$17,400
Aggravated Misdemeanor	\$5,000 to \$9,600

The State cost for a Class A felony must be calculated on an individual basis to determine prison costs. At a minimum, a Class A felony requires two indigent defense attorneys at a cost of approximately \$40,200 and includes court time and jury trial costs ranging from \$9,900 to \$14,100.

Effective Date

This Act is effective July 1, 2023.

Enactment Date

This Act was approved by the General Assembly on April 25, 2023, and signed by the Governor on May 16, 2023.

Sources

Department of Corrections
Department of Human Rights, Division of Criminal and Juvenile Justice Planning
Legislative Services Agency

[SF 84](#) – Sexual Exploitation of a Minor, Penalties (LSB1440XS.3)
Staff Contact: Isabel Waller (515.281.6561) isabel.waller@legis.iowa.gov
Fiscal Note Version – Final Action

Description

[Senate File 84](#) relates to the offense of sexual exploitation of a minor, undercover law enforcement officers or agents posing as minors, and the offense of stalking.

Division I — Sexual Exploitation of a Minor

Description

Division I expands the offenses of enticement of a minor under Iowa Code section [710.10](#), sexual exploitation of a minor under Iowa Code section [728.12](#)(1), and telephone dissemination of obscene material to minors under Iowa Code section [728.15](#) to include a law enforcement officer or agent posing as a minor.

Division I enhances the penalties for sexual exploitation of a minor under Iowa Code section 728.12 by one offense class and provides that a court is not permitted to defer judgment for this offense.

Division I creates a 50.0% to 70.0% mandatory minimum sentence for a person convicted of sexual exploitation of a minor under Iowa Code section 728.12(1). At the time of sentencing, the court will determine the mandatory minimum sentence based upon all pertinent information including the person's criminal record, a validated risk assessment, and the negative impact the offense has had on the victim or other persons.

Division I increases the time under supervision as part of the special sentence from 10 years to life for individuals convicted of sexual exploitation of a minor under Iowa Code section 728.12(2) or a second offense under Iowa Code section 728.12(3).

Division I requires the court to order restitution when the offender is convicted of certain categories of sexual exploitation of a minor and details the minimum amount.

Background

Iowa Code section 710.10 provides penalties for enticement of a minor, ranging from an aggravated misdemeanor to a Class C felony, depending on the circumstances of the offense.

Under Iowa Code section 728.12, the penalties for sexual exploitation of a minor range from an aggravated misdemeanor to a Class C felony, depending on the circumstances of the offense, as follows:

- Iowa Code section 728.12(1): A Class C felony for causing or attempting to cause a minor to engage in a prohibited sexual act or in the simulation of a prohibited sexual act, with the knowledge or intent that the act may be photographed, filmed, or otherwise preserved in a visual depiction.
- Iowa Code section 728.12(2): A Class D felony for knowingly promoting any material visually depicting a live performance of a minor engaging in a prohibited sexual act or in the simulation of a prohibited sexual act.
- Iowa Code section 728.12(3): An aggravated misdemeanor for a first offense of knowingly purchasing or possessing a visual depiction of a minor engaging in a prohibited sexual act or the simulation of a prohibited sexual act.
- Iowa Code section 728.12(3): A Class D felony for a second or subsequent offense of knowingly purchasing or possessing a visual depiction of a minor engaging in a prohibited sexual act or the simulation of a prohibited sexual act.

Iowa Code section 728.15 prohibits a person from knowingly disseminating obscene material by the use of telephones to a minor. The penalty is an aggravated misdemeanor for a first offense and a Class D felony for a second or subsequent offense.

According to Iowa Code chapter [903B](#), individuals convicted of sexual exploitation of a minor under Iowa Code section 728.12(1) are sentenced to supervision under the special sentence for life. All other individuals convicted of sexual exploitation of a minor are sentenced to supervision under the special sentence for 10 years. A special sentence is defined as a punishment in addition to the punishment for the underlying criminal offense and consists of committing the individual to the custody of the Department of Corrections (DOC). An individual serving a special sentence begins the sentence in the same manner as if the individual were on parole or part of a work release program. The special sentence is subject to revocation for up to two years for a first revocation and up to five years for a second or any subsequent revocation.

An aggravated misdemeanor is punishable by confinement for up to two years and a fine of at least \$855 but not more than \$8,540. A Class D felony is punishable by confinement for up to five years and a fine of at least \$1,025 but not more than \$10,245. A Class C felony is punishable by confinement for up to ten years and a fine of at least \$1,370 but not more than \$13,660. A Class B felony is punishable by confinement for no more than 25 years.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of the Act to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- The marginal cost per day in prison is \$23.42.
- Prison admissions include only individuals admitted to prison whose most serious offense is sexual exploitation of a minor.

Correctional Impact

Division I increases the penalties for sexual exploitation of a minor and is estimated to increase the LOS for individuals admitted to prison for this offense. In FY 2022, 14 individuals were admitted to prison for sexual exploitation of a minor. **Table 1** shows the estimated increase in LOS under Division I for those annually admitted to prison for this offense.

Table 1 — Increase in LOS Under Division I of SF 84

Code Section	Annual Admissions	Increase in LOS (Months)
728.12(1)	3	119.5
728.12(2)	2	39.4
728.12(3) 1st Offense	9	13.0
728.12(3) 2nd or Subsequent Offense	0	39.4

Division I is also estimated to increase the length of time for supervision under the special sentence for some individuals, as more individuals would be supervised under the special sentence for life.

Additionally, **Division I** expands the definition of existing offenses to include a law enforcement officer or agent posing as a minor. The correctional impact cannot be determined because the number of additional convictions that will result from this expansion is unknown. **Table 2** shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for all convictions of Class B felonies, Class C felonies, Class D felonies, and aggravated misdemeanors. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [**Cost Estimates Used for Correctional Impact Statements**](#), dated January 20, 2023, for information related to the correctional system.

Table 2 — Sentencing Estimates and LOS

Conviction Offense Class	Percent Ordered to State Prison	FY 22 Avg LOS in Prison in Months (All Releases)	FY 22 Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 22 Avg LOS on Probation in Months	FY 22 Avg Cost Per Day Probation	Percent Sentenced to CBC Residential Facility	FY 22 Marginal Cost Per Day CBC	Percent Ordered to County Jail	Marginal Cost Per Day Jail	FY 22 Avg LOS on Parole in Months	FY 22 Marginal Cost Per Day Parole
B Felony (Sex)	100.0%	184.5	\$23.42	8.0%	53.9	\$7.27	1.3%	\$20.67	42.7%	\$50.00	16.1	\$7.27
C Felony (Persons)	89.8%	50.1	\$23.42	27.6%	39.0	\$7.27	3.6%	\$20.67	43.2%	\$50.00	19.5	\$7.27
D Felony (Persons)	79.6%	19.7	\$23.42	59.0%	33.2	\$7.27	8.6%	\$20.67	26.3%	\$50.00	14.4	\$7.27
D Felony (Non-Persons)	83.9%	13.9	\$23.42	68.0%	33.5	\$7.27	13.3%	\$20.67	31.4%	\$50.00	15.5	\$7.27
Aggravated Misdemeanor (Persons)	45.5%	9.7	\$23.42	64.9%	—	\$7.27	3.8%	\$20.67	55.6%	\$50.00	7.0	\$7.27
Aggravated Misdemeanor (Non-Persons)	31.4%	7.5	\$23.42	45.6%	20.7	\$7.27	3.3%	\$20.67	72.2%	\$50.00	8.2	\$7.27
Note: Enticement of a minor is a persons offense. Sexual exploitation of a minor is a sex offense. Telephone dissemination of obscene material to minors is a non-persons offense.												

Minority Impact

Division I increases the penalties for sexual exploitation of a minor and may disproportionately impact African American individuals if trends remain constant. Of the 193 convictions of sexual exploitation of a minor in FY 2022, 89.5% of offenders were Caucasian, 7.7% were African American, and 2.8% were other races. Iowa’s population is 84.5% Caucasian, 3.6% African American, and 11.9% other races.

Division I also expands the definition of existing offenses to include a law enforcement officer or agent posing as a minor. The minority impact of this expansion cannot be estimated. However, of the 177 convictions for offenses under Iowa Code sections 710.10, 728.12, and 728.15 in FY 2022, 87.4% involved Caucasian individuals, 9.0% involved African American individuals, and 3.6% involved individuals of other races. Iowa’s population is 84.5% Caucasian, 3.6% African American, and 11.9% other races. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 20, 2023, for information related to minorities in the criminal justice system.

Fiscal Impact

Division I is estimated to increase costs to the DOC by approximately \$395,000 per group of individuals admitted to prison each year for sexual exploitation of a minor, as shown in **Table 3**. This cost is incurred across the entire LOS. **Table 3** represents the cost of all individuals admitted to prison for this offense in one year. This cost would recur for each yearly group of admissions.

Table 3 — Increase in Cost Under Division I of SF 84

Code Section	Penalty	Annual Admissions	Cost Per Day	LOS (Days)	Total Cost
Current Penalties					
728.12(1)	Class C Felony	3	\$23.42	1,976	\$138,834
728.12(2)	Class D Felony	2	\$23.42	778	36,442
728.12(3) 1st Offense	Aggravated Misdemeanor	9	\$23.42	383	80,729
728.12(3) 2nd Offense	Class D Felony	0	\$23.42	778	0
Total		<u>14</u>			<u>\$256,005</u>
Penalties Under SF 84					
728.12(1)	Class B Felony	3	\$23.42	5,609	\$394,088
728.12(2)	Class C Felony	2	\$23.42	1,976	92,556
728.12(3) 1st Offense	Class D Felony	9	\$23.42	778	163,987
728.12(3) 2nd Offense	Class C Felony	0	\$23.42	1,976	0
Total		<u>14</u>			<u>\$650,631</u>

Additionally, **Division I** may result in more admissions to prison for sexual exploitation of a minor due to the increased penalties. This would lead to additional costs to the DOC, but the extent of this increase in costs cannot be estimated. The fiscal impact to the DOC due to increasing the length of the special sentence for some individuals cannot be estimated.

Division I also expands the definition of existing offenses to include a law enforcement officer or agent posing as a minor. The fiscal impact cannot be determined because the number of additional convictions resulting from this expansion cannot be estimated. **Table 4** shows the average State cost per offense for a Class B felony, Class C felony, Class D felony, and aggravated misdemeanor. The estimated impact to the State General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the DOC. The costs would be incurred across multiple fiscal years for prison and parole supervision.

Table 4 — Average State Cost Per Offense

Offense Class	Average Cost
Class B Felony	\$14,200 to \$46,300
Class C Felony	\$12,100 to \$25,100
Class D Felony	\$9,500 to \$17,400
Aggravated Misdemeanor	\$5,000 to \$9,600

Division II — Stalking Utilizing a Technological Device

Description

Division II increases existing penalties for stalking under Iowa Code section [708.11](#) and establishes the penalty for stalking while utilizing a technological device as a Class C felony.

Division II increases the penalty for stalking from a Class D felony to a Class C felony under the following circumstances:

- When the person commits stalking while subject to restrictions contained in a criminal or civil protection order.
- When the person commits stalking while in possession of a dangerous weapon.
- When the person commits stalking by directing a course of conduct at a specific person who is under 18 years of age.

Under **Division II**, the penalty for stalking without any of the above circumstances is an aggravated misdemeanor for a first offense, a Class D felony for a second offense, and a Class C felony for a third or subsequent offense.

Background

Iowa Code section 708.11 contains the penalties for stalking. Stalking is a Class C felony for a third or subsequent offense. Stalking is a Class D felony under the following circumstances:

- When the person commits stalking while subject to restrictions contained in a criminal or civil protective order or injunction, under Iowa Code section 708.11(3)(b)(1).
- When the person commits stalking while in possession of a dangerous weapon, under Iowa Code section 708.11(3)(b)(2).
- When the person commits stalking by directing a course of conduct at a specific person who is under 18 years of age, under Iowa Code section 708.11(3)(b)(3).
- When the offense is a second offense, under Iowa Code section 708.11(3)(b)(4).

Stalking is an aggravated misdemeanor if the offense is a first offense and is not included under the circumstances that classify the offense as a Class D felony.

A Class C felony is punishable by confinement for up to 10 years and a fine of at least \$1,370 but not more than \$13,660. A Class D felony is punishable by confinement for up to five years and a fine of at least \$1,025 but not more than \$10,245. An aggravated misdemeanor is punishable by confinement for up to two years and a fine of at least \$855 but not more than \$8,540.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner LOS; revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of the Act to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- The marginal cost per day in prison is \$23.42. The marginal cost per day on probation and parole is \$7.27.
- Admissions include only individuals admitted to prison or CBC whose most serious offense is stalking.

Correctional Impact

In FY 2022, 17 individuals were admitted to prison and 22 individuals were admitted to CBC for stalking while subject to a protective order under Iowa Code section 708.11(3)(b)(1). No individuals were admitted to prison or CBC for stalking while in possession of a dangerous weapon under Iowa Code section 708.11(3)(b)(2) or stalking someone under 18 years of age under Iowa Code section 708.11(3)(b)(3).

As a result of increasing the penalty for these offenses, 20 individuals who would annually be admitted to CBC under current law may instead be admitted to prison. Additionally, the estimated LOS for individuals admitted to prison for stalking while subject to a protective order under Iowa Code section 708.11(3)(b)(1) would increase from 19.7 months to 50.1 months. Therefore, the prison population is estimated to increase under **Division II**.

Division II establishes the penalty for stalking while utilizing a technological device as a Class C felony. The correctional impact of this portion of Division II cannot be estimated due to a lack of existing conviction data. Refer to the LSA memo addressed to the General Assembly, [**Cost Estimates Used for Correctional Impact Statements**](#), dated January 20, 2023, for information related to the correctional system.

Minority Impact

Division II may disproportionately impact African American individuals if trends remain constant. Of the 39 individuals who entered DOC supervision for stalking while subject to a protective order under Iowa Code section 708.11(3)(b)(1) in FY 2022, 82.1% were Caucasian, 12.8% were African American, and 5.1% were other races. Iowa's population is 84.5% Caucasian, 3.6% African American, and 11.9%

other races. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 20, 2023, for information related to minorities in the criminal justice system.

Fiscal Impact

Division II is estimated to increase costs to the DOC by approximately \$976,000 per group of individuals who enter DOC supervision each year for stalking while subject to a protective order under Iowa Code section 708.11(3)(b)(1). This cost is incurred across the entire LOS. In FY 2022, 39 individuals entered DOC supervision for this offense. **Table 5** shows the estimated fiscal impact to the DOC if all 39 admissions entered as a Class C felony instead of a Class D felony.

Table 5 — Change in Cost Under Division II of SF 84

Supervision Status	Annual Admissions	Cost Per Day	LOS (Days)	Total Cost
Current Penalty — Class D Felony				
Prison	17	\$23.42	599	\$238,486
CBC	22	\$7.27	724	115,797
Total	<u>39</u>			<u>\$354,282</u>
Penalty Under SF 84 — Class C Felony				
Prison	37	\$23.42	1,523	\$1,319,740
CBC	2	\$7.27	724	10,527
Total	<u>39</u>			<u>\$1,330,267</u>

Establishing a Class C felony for stalking while utilizing a technological device may increase costs to the DOC, but the fiscal impact of this portion of **Division II** cannot be estimated.

Effective Date

The Act is effective July 1, 2023.

Enactment Date

The Act was approved by the General Assembly on April 24, 2023, and signed by the Governor on May 11, 2023.

Sources

Department of Corrections
 Department of Human Rights, Division of Criminal and Juvenile Justice Planning
 Legislative Services Agency

[SF 135](#) – Interior Designers (LSB1358SV.2)

Staff Contact: Xavier Leonard (515.725.0509) xavier.leonard@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[Senate File 135](#) relates to the practice of interior design in the State and makes the following changes: defines terms, makes conforming Iowa Code changes, provides exemptions for interior design regulations, requires registered interior designers to stamp and seal interior technical submissions they issue, provides penalties for misuse of the seal, and creates requirements for registered interior design. The Act restricts registered interior designers from engaging in duties or actions that would result in a conflict of interest.

A simple misdemeanor penalty is created under Iowa Code chapter [544C](#) for using a registered interior designer's seal without permission or fraudulently, or for impersonating a registered interior designer or attempting to obtain a registration by fraud.

Background

Currently, the Interior Design Examining Board and provisions regulating interior designers are established in Iowa Code chapter 544C.

A simple misdemeanor is punishable by confinement for up to 30 days and a fine of at least \$105 but not more than \$855.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of this Act to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.

Correctional Impact

Senate File 135 creates a new criminal offense. As a result, the correctional impact cannot be estimated for the Act due to a lack of existing conviction data. A conviction for a simple misdemeanor does not result in a prison sentence, but does carry the possibility of confinement for up to 30 days. Marginal county jail costs are estimated to be \$50 per day. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 20, 2023, for information related to the correctional system.

Minority Impact

Senate File 135 establishes a new offense. As a result, the Division of Criminal and Juvenile Justice Planning (CJJP) of the Department of Human Rights cannot use existing data to estimate the minority impact of the Act. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 20, 2023, for information related to minorities in the criminal justice system.

Fiscal Impact

Senate File 135 establishes a new criminal offense. The fiscal impact of this change cannot be estimated due to a lack of existing conviction data. The average State cost per offense for a simple misdemeanor ranges from \$35 to \$375.

Effective Date

This Act is effective July 1, 2023.

Enactment Date

This Act was approved by the General Assembly on April 3, 2023, and signed by the Governor on April 27, 2023.

Sources

Division of Criminal and Juvenile Justice Planning, Department of Human Rights
Legislative Services Agency

[SF 192](#) – Supplemental State Aid (LSB1327SV.2)

Staff Contact: Ron Robinson (515.281.6256) ron.robinson@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[Senate File 192](#) modifies and establishes provisions related to the funding of school districts, including establishing a State supplemental aid (SSA) amount based on a State percent of growth rate and the categorical State percent of growth rate for the budget year beginning July 1, 2023 (FY 2024), and provides for other changes to the school aid formula.

The Act has three provisions with a fiscal impact:

- Establishes a 3.00% State percent of growth rate to be applied to the State cost per pupil (SCPP) for FY 2024, for an SSA of \$222 per pupil.
- Establishes a 3.00% State percent of growth rate to be applied to each of the State categorical cost per pupil amounts for FY 2024.
- Provides additional property tax replacement funding based on the per pupil increase that results from the establishment of the State percent of growth in FY 2024. The Act requires the additional levy portion of the FY 2024 SCPP amount to be frozen at \$685 per pupil, regardless of the per pupil increase for FY 2024.

The Act takes effect upon enactment.

Background

State Cost Per Pupil. The school aid formula provides funding to school districts and Area Education Agencies (AEAs) through a mix of State aid and property taxes. In general, funding is generated on a per pupil basis, with the per pupil amounts providing an overall budget limitation (or spending authority). There are five SCPP funding levels that would be increased by a 3.00% State percent of growth for FY 2024 with the enactment of this Act.

Figure 1 provides the SSA amounts (also referred to as per pupil growth amounts) and SCPP amounts for FY 2024 based on a 3.00% growth rate. The SSA amounts will be applied to all corresponding district and AEA cost per pupil amounts.

Figure 1 — SF 192

FY 2024 State Cost Per Pupil Calculations

	FY 2023 State Cost Per Pupil	FY 2024 State Percent of Growth	FY 2024 Supplemental State Aid	FY 2024 State Cost Per Pupil
Regular Program	\$ 7,413	3.00%	\$ 222	\$ 7,635
Special Education Program	7,413	3.00%	222	7,635
AEA Special Education Services	323.87	3.00%	9.72	333.59
AEA Media Services	60.38	3.00%	1.81	62.19
AEA Education Services	66.63	3.00%	2.00	68.63

In addition to the State percent of growth and SSA amounts for FY 2024, enrollments, weightings, and taxable valuations within each school district have an impact on total school aid funding, including the amount of State aid and local property tax required to generate the total funding.

State Categorical Supplements. The State categorical supplements are funded entirely through State aid and generate funds for each school district and AEA through the school aid formula on a per pupil basis. The FY 2024 SCPP funding levels for the teacher salary supplement (district and AEA), professional development supplement (district and AEA), early intervention supplement (district only), and Teacher Leadership and Compensation (TLC) supplement (district only) will be increased by a 3.00% State percent of growth for FY 2024.

Figure 2 provides the per pupil growth amounts and SCPP amounts for FY 2024 based on the Act.

Figure 2 — SF 192

FY 2024 State Categorical Cost Per Pupil Calculations

	FY 2023 State Cost Per Pupil	FY 2024 State Percent of Growth	FY 2024 Supplemental State Aid	FY 2024 State Cost Per Pupil
Teacher Salary – Districts	\$ 635.61	3.00%	\$ 19.07	\$ 654.68
Professional Development – Districts	71.99	3.00%	2.16	74.15
Early Intervention – Districts	78.41	3.00%	2.35	80.76
Teacher Leadership and Compensation – Districts	357.80	3.00%	10.73	368.53
Teacher Salary – AEAs	33.26	3.00%	1.00	34.26
Professional Development – AEAs	3.88	3.00%	0.12	4.00

Additionally, there is a budget guarantee provision for each of the State categorical supplements, which provides each district and AEA with a minimum of the previous fiscal year’s level of funding (net of the previous year’s budget guarantee amount). This provision for the State categorical supplements is funded entirely through State aid.

Property Tax Replacement Payment (PTRP). 2013 Iowa Acts, chapter [121](#) (Education Reform), included the creation of the PTRP provision to replace local property tax amounts with State aid. The provision froze the additional levy portion of the SCPP at \$750; based on the State percent of growth enacted during the intervening fiscal years, this provision created \$15 per pupil in property tax relief in FY 2014 and up to \$175 per pupil in FY 2023. The continual growth is a result of the requirement that the per pupil property tax relief of previous fiscal years carry forward into future fiscal years. The Act will cause the additional levy portion of the SCPP to be \$685 in FY 2024. The per pupil property tax relief amount will be based on the State percent of growth enacted for FY 2024. **Figure 3** provides details regarding the SCPP funding levels as provided by a 3.00% growth rate for FY 2024 in the Act.

Figure 3 — SF 192

FY 2024 Property Tax Replacement Payment Calculation

	FY 2023	Increase Due to Supplemental State Aid Rate	FY 2024
Regular Program	\$ 7,413	\$ 222	\$ 7,635
Unadjusted Additional Levy	860	26	886
PTRP Portion	175	26	201
Fixed Additional Levy Portion	685	0	685

Transportation Equity Program. Iowa Code section [257.16C](#) establishes the Transportation Equity Program. The Program was created to provide additional funding to school districts for public school transportation costs that exceed a statewide adjusted average cost per pupil. Unless otherwise provided, the appropriation increases at the categorical State percent of growth. Transportation equity payments may buy down transportation costs to the statewide average cost per pupil for providing transportation to public schools. If funding permits, school districts with transportation costs per pupil below the statewide average will receive transportation base funding payments on a per capita basis.

Assumptions

- Estimates are based on October 2022 certified enrollments and supplementary weightings for FY 2023, which were approved by the School Budget Review Committee (SBRC) in December 2022.
- A statewide taxable valuation growth rate of 3.57% for FY 2024 was agreed upon by the Legislative Services Agency (LSA) and the Department of Management. Based on this assumed rate, the statewide total for the uniform levy is estimated to account for an increase of \$38.2 million (3.57%) toward the school foundation property tax change in FY 2024. The estimated increase in the uniform levy amount is not affected by the establishment of the State percent of growth rate. Property tax adjustment aid amounts are based on the statewide taxable valuation growth factor applied to each school district's FY 2024 taxable valuation amount.
- Total State aid includes funding from the State General Fund and other funds appropriated or deposited in the Property Tax Equity and Relief (PTER) Fund, which is used to provide additional property tax relief through the school aid formula.
- Establishing an FY 2024 State percent of growth will also affect the amount of funding generated for the Statewide Voluntary Preschool Program. Funding for the Program is provided by State General Fund dollars and is included in the overall State aid total.
- Districts eligible for the 101.00% budget adjustment will approve the use of that provision.
- Other legislation may have an impact on the amount of State aid and property tax generated through the school aid formula.
- The General Fund appropriation to the Transportation Equity Fund will increase by approximately \$0.9 million. Starting in FY 2024, the appropriation may grow at the same rate as the categorical SCPP rate in subsequent years.

Fiscal Impact

Figure 4 provides the estimated fiscal impact of the Act. These provisions include:

- A \$7.5 million reduction¹ in State aid to the AEAs (current statute), and an additional \$22.1 million reduction in State aid to the AEAs as specified in [SF 578](#) (FY 2024 Standing Appropriations Act) for a total reduction of \$29.6 million in State aid to the AEAs.
- \$114.8 million in PTRP funding, an increase of \$15.3 million (15.43%) compared to FY 2023.
- \$592.7 million for the State categorical supplements for school districts and AEAs, an increase of \$18.0 million (3.13%) compared to FY 2023. This includes:
 - \$336.1 million for the teacher salary supplement at the district and AEA levels.
 - \$38.1 million for the professional development supplement at the district and AEA levels.
 - \$39.1 million for the early intervention supplement.
 - \$179.4 million for the TLC supplement.
- \$90.2 million for preschool formula funding, an increase of \$1.9 million (2.21%) compared to FY 2023. The preschool formula funding is included in the State aid amount but is not included in the combined district cost total.
- \$5.4 million in budget adjustment funding for 71 qualifying districts, a decrease of \$3.4 million (38.73%) compared to FY 2023. The budget guarantee adjustment is calculated at the school district level so that school districts receive 101.00% of their previous year's funding. The budget guarantee adjustment is funded entirely through property taxes.
- The total property tax funds generated through the school aid formula are estimated to be \$1,696.7 million, an increase of \$28.2 million (1.69%) compared to FY 2023.
- The total State aid from the General Fund (reflecting the total school aid funding level for school districts and AEAs generated through the school aid formula) is estimated to be \$3,690.7 million, an increase of \$122.0 million (3.42%) compared to FY 2023. Any legislative action affecting FY 2024 school aid provisions will have an impact on school aid amounts. Additionally, any variations in the assumptions noted may result in changes in the FY 2024 estimates provided in **Figure 4**.

¹ Since FY 2018, the General Assembly has further reduced funding to AEAs by an additional amount per year. Historically, the additional reductions have been included in the annual Standing Appropriations Act.

The total General Fund appropriation in **Figure 4** provides the additional fiscal impact of SF 192. This also includes the FY 2024 General Fund appropriation of \$30.3 million to the Transportation Equity Fund, which is not included in the total State aid estimate. In order to display comparable FY 2024 funding to the prior fiscal year, **Figure 4** does not reflect the impact of the implementation of SF 578 (FY 2024 Standing Appropriations Act), section 4, that will result in General Fund expenditures for school aid being reduced by an estimated \$20.2 million for FY 2024 and supplanted by a transfer from the Economic Emergency Fund. **Figure 4** also does not reflect the impact of the implementation of [SF 565](#) (Department of Revenue Omnibus Act), **Division XVI**, that clarifies specified business property tax payments are considered property tax within the State school aid formula resulting in a decrease of an estimated \$16.0 million to the State aid from the General Fund displayed in **Figure 4**.

Table 4 — SF 192 – for a printable version, click [here](#)

Legislative Services Agency: FY 2024 School Aid Estimates (Statewide Dollars in Millions) — ROLLBACK CHANGE				
State Percent of Growth	3.00%	Statutory AEA Reduction	\$	7,500,000
State Supplemental Aid	\$ 222	Additional AEA Reduction		22,057,131
State Cost Per Pupil	\$ 7,635	Total AEA Reduction	\$	29,557,131
Program Funding:	FY 2023	Est. FY 2024	Est. Change	% Change
Regular Program District Cost	\$ 3,605.1	\$ 3,719.3	\$ 114.3	3.17%
Regular Program Budget Adjustment	8.9	5.4	-3.4	-38.73%
Supplementary Weighting (District)	111.1	120.6	9.4	8.47%
Special Education Instruction (District)	501.0	525.0	24.0	4.80%
Teacher Salary Supplement (District)	308.3	317.9	9.6	3.12%
Professional Development Supplement (District)	34.9	36.0	1.1	3.10%
Early Intervention Supplement (District)	37.9	39.1	1.2	3.08%
Teacher Leadership Supplement (District)	174.0	179.4	5.5	3.14%
AEA Special Ed Support District Cost	179.2	185.3	6.0	3.37%
AEA Special Ed Support Adjustment	1.0	0.6	-0.4	-39.29%
AEA Media Services	31.4	32.3	1.0	3.17%
AEA Ed Services	34.6	35.7	1.1	3.16%
AEA Sharing	0.2	0.0	-0.2	-100.00%
AEA Teacher Salary Supplement	17.6	18.2	0.6	3.43%
AEA Professional Development Supplement	2.1	2.1	0.1	3.51%
AEA Statewide State Aid Reduction	-24.6	-29.6	-5.0	20.36%
Dropout and Dropout Prevention	139.9	139.9	0.0	0.00%
Combined District Cost	\$ 5,161.8	\$ 5,327.5	\$ 165.6	3.21%
Statewide Voluntary Preschool Program	\$ 88.3	\$ 90.2	\$ 1.9	2.21%
State Aid:	FY 2023	Est. FY 2024	Est. Change	% Change
Regular Program	\$ 2,118.7	\$ 2,175.5	\$ 56.8	2.68%
Supplementary Weighting	98.1	106.4	8.3	8.46%
Special Education Weighting	442.2	463.4	21.2	4.80%
Property Tax Adjustment Aid (1992)	6.9	6.6	-0.2	-3.57%
Property Tax Replacement Payment (PTRP)	99.4	114.8	15.3	15.43%
Adjusted Additional Property Tax - General Fund	24.0	24.0	0.0	0.00%
Statewide Voluntary Preschool Program	88.3	90.2	1.9	2.21%
State Aid from General Fund	\$ 3,568.6	\$ 3,690.7	\$ 122.0	3.42%
*Excess from SAVE Fund	23.4	24.7	1.2	5.28%
Foundation Base Supplement (FBS)	2.8	5.7	2.9	100.99%
Total State Aid (Includes Non-General Fund)	\$ 3,592.0	\$ 3,721.0	\$ 129.0	3.59%
Local Property Tax:	FY 2023	Est. FY 2024	Est. Change	% Change
Uniform Levy Amount	\$ 1,069.5	\$ 1,107.7	\$ 38.2	3.57%
Additional Levy	598.9	588.9	-10.0	-1.66%
Total Levy to Fund Combined District Cost	\$ 1,668.4	\$ 1,696.7	\$ 28.2	1.69%
Comm/Ind - Uniform Levy Adjustments	-6.1	0.0	6.1	-100.00%
Comm/Ind - Additional Levy Adjustments	-4.4	0.0	4.4	-100.00%
Miscellaneous Information:	FY 2023	Est. FY 2024	Est. Change	% Change
Budget Enrollment	485,630	486,476	845	0.17%
State Cost Per Pupil	\$ 7,413	\$ 7,635	\$ 222	2.99%
Number of Districts with Budget Adjustment	81	71	-10	-12.35%
Percentage of Districts with Budget Adjustment	24.77%	21.85%		
Statewide Categoricals Total	\$ 574.7	\$ 592.7	\$ 18.0	3.13%
Property Tax Relief Payment Per Pupil	175	201	26	14.86%
Foundation Base Supplement Per Pupil	5	10	5	100.00%
Statewide AEA Funding	241.5	244.7	3.2	1.33%
Transportation Equity Fund	29.5	30.3	0.9	3.00%

Notes:
 Totals may not sum due to data duplication and exclusion. For example, other funds are provided by State Aid but not included in the State Aid section because they are represented in the Program Funding section listed above. The Transportation Equity Program is not included in State Aid totals. The provision for minimum State aid requires that the State provide at least \$300 per student.

Area Education Agencies (AEA)

*Secure an Advanced Vision for Education (SAVE) Fund

Sources: Department of Management (School Aid File), LSA analysis and calculations

Effective Date

This Act is effective February 7, 2023.

Enactment Date

This Act was approved by the General Assembly on February 7, 2023, and signed by the Governor on February 7, 2023.

Sources

Department of Education, Certified Enrollment and Enrollment Projections File

Department of Management, School Aid File

Department of Revenue

LSA analysis and calculations

[SF 315](#) – Raw Milk (LSB1190SV.1)

Staff Contact: Austin Brinks (515.725.2200) austin.brinks@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[Senate File 315](#) creates Iowa Code chapter 195 related to the production, processing, and distribution of raw milk. This Act allows raw milk dairies acting in compliance with the requirements provided in this Act to sell raw milk and products derived from raw milk to consumers. Products sold in this manner cannot be sold for resale and are not subject to regulation by the Iowa Department of Agriculture and Land Stewardship or the Iowa Department of Inspections and Appeals. A person who violates any provision of this Act commits a simple misdemeanor.

Background

Raw milk is milk that has not been pasteurized or graded. The sale of raw milk is not currently permitted in Iowa. Under Iowa Code section [192.103](#), only Grade “A” pasteurized milk and milk products can be sold to the final consumer.

A simple misdemeanor is punishable by confinement for up to 30 days and a fine of between \$105 and \$855.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of this Act to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.

Correctional Impact

Senate File 315 establishes a new offense. As a result, the correctional impact cannot be estimated due to a lack of existing data. A conviction for a simple misdemeanor does not result in a prison sentence, but does carry the possibility of confinement in jail for up to 30 days. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 20, 2023, for information related to the correctional system.

Minority Impact

Senate File 315 creates a new offense. As a result, the minority impact cannot be determined due to lack of conviction data. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 20, 2023, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact related to the creation of a new criminal offense cannot be estimated due to a lack of existing data. The average State cost per offense for one simple misdemeanor conviction ranges from \$35 to \$375.

Effective Date

This Act is effective July 1, 2023.

Enactment Date

This Act was approved by the General Assembly on April 17, 2023, and signed by the Governor on May 11, 2023.

Sources

Division of Criminal and Juvenile Justice Planning, Department of Human Rights
Legislative Services Agency

[SF 494](#) – Medicaid, Supplemental Nutrition Assistance Program (SNAP), Eligibility Verification (LSB1320SV.3)

Staff Contact: Eric Richardson (515.281.6767) eric.richardson@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[Senate File 494](#) makes various changes related to public assistance programs under the Department of Health and Human Services (HHS). Changes by section include the following:

- **Section 1** creates various definitions, including defining “public assistance” as the Supplemental Nutrition Assistance Program (SNAP), the Medicaid Program, the Family Investment Program (FIP), and the Children’s Health Insurance Program (CHIP); “asset” as liquid assets and other personal property excluding one vehicle and the fair market value in excess of \$10,000 of an additional vehicle; and “asset test” as including the value of all assets of all members of the applicant’s household up to \$15,000.
- **Section 2** establishes the gross countable monthly income threshold for SNAP in Iowa at 160.0% of the federal poverty level (FPL) for the household.
- **Section 3** requires that prior to the HHS awarding public assistance benefits, the applicant shall complete, through a variety of available methods, a computerized identity authentication process to confirm the identity of the applicant through a knowledge-based questionnaire consisting of financial and personal questions. The questionnaire will contain questions tailored to assist persons without a bank account or those who have poor access to financial and banking services or who do not have an established credit history. The Act allows the HHS to adopt administrative rules to administer **Section 3**.
- **Section 4** requires the HHS to receive and review State and federal information from various entities concerning all individuals in the applicant’s household and their assets for the purposes of determining eligibility for receipt of SNAP benefits.
- **Section 5** requires the HHS, by July 1, 2025, to modify or create a computerized system, or contract with a third-party entity, to provide for identity verification and authentication, asset verification, and dual enrollment prevention for real-time eligibility verification in each public assistance program. The HHS is required to seek federal approval if necessary to implement **Section 5**.
- **Section 6** requires all initial applications and ongoing recipient eligibility for public assistance to be processed through a system that reviews federal sources, including the Internal Revenue Service (IRS), Social Security Administration (SSA), U.S. Department of Health and Human Services, U.S. Department of Homeland Security, and the Federal Bureau of Investigation (FBI); State sources, including the HHS and Iowa Workforce Development (IWD); and other sources of information. Before initial eligibility for public assistance is determined, the HHS is required to review physical asset ownership and to review information related to identity fraud, defaults, or arrest warrants.
- **Section 7** requires the HHS to respond to discrepancies in an applicant’s or recipient’s information affecting eligibility for public assistance.
- **Section 8** requires the HHS to provide written notice to an applicant or recipient to explain any issues identified during an application review. The applicant or recipient must be provided 10 days to respond to the written notice. The HHS must reevaluate any finding if the applicant or recipient disagrees with the HHS. If the applicant or recipient of public assistance fails to respond in a timely manner, the HHS is required to provide notice before an application is denied or public assistance is terminated.

- **Section 9** allows the HHS to refer cases of suspected fraud to the Department of Inspections and Appeals (DIA) for review.
- **Section 10** requires the HHS to adopt administrative rules to administer the Act, and to submit an annual report to the Governor and the General Assembly beginning January 15, 2025, through January 15, 2030, to assess the impact of the Act.
- **Section 11** requires applicants for or recipients of Medicaid to cooperate with Child Support Services as a condition of eligibility and requires the HHS to adopt administrative rules to administer **Section 11**.
- **Section 12** requires the HHS to request federal approval, including for any State plan amendments or waivers necessary to administer the Act. Any provisions of the Act requiring federal approval must be implemented once approval is received. **Section 12** allows provisions in the Act to be suspended if they are incongruent with federal law or regulations and jeopardize federal funding or services. **Section 12** also requires the HHS to implement provisions in the Act incrementally, beginning July 1, 2023, and ending July 1, 2025. The HHS is required to implement provisions that do not require federal approval by July 1, 2025. The HHS is allowed to contract with multiple third-party vendors to administer the Act.

Background

SNAP is administered federally through [7 C.F.R. §271-285](#) and in Iowa through [441 IAC 65](#). SNAP benefits must be utilized by eligible recipients, per federal [guidelines](#), on a specific set of foods, including fruits and vegetables, meat, dairy products, breads and cereals, snack foods, and seeds and plants. Asset tests for receipt of SNAP benefits are specified in [7 U.S.C. §2014\(g\)\(1\)](#) and include members of the applicant's household. In FY 2023, allowable federal asset limits are \$2,750 (including bank accounts), or \$4,250 if at least one member of the household is age 60 or older or disabled. Certain resources are not counted when determining eligibility, including homes. Allowable assets for review by State agencies include boats, vacation homes, savings accounts, and the value of vehicles used for household transportation purposes. Federal regulations ([7 C.F.R. §273.11\(o\)](#)) provide a State option to disqualify custodial parents from participation in SNAP unless the individual cooperates with a State agency. There is currently no State statute related to asset tests for SNAP.

In FY 2022, the average number of Iowans receiving SNAP benefits was 287,000, while the average amount of monthly benefits issued was \$60.4 million. SNAP funding for benefits is received from the federal government; however, 50.0% of administrative costs are paid by the State. According to the U.S. Department of Agriculture, in FY 2020 the State paid \$22.4 million for SNAP administrative expenses to match federal funding. Federal income thresholds for SNAP are specified at 130.0% of the FPL, with states able to exceed the floor. The current Iowa Code contains no provision regarding the income threshold for SNAP recipients, although the HHS has [administered](#) the program at 160.0% of the FPL, which is the level specified in the Act. **Figure 1** shows FPL thresholds by family size for 2023.

Figure 1 — 2023 Federal Poverty Level Thresholds

Family Size	100.0%	130.0%	160.0%
1	\$ 14,580	\$ 18,954	\$ 23,328
2	19,720	25,636	31,552
3	24,860	32,318	39,776
4	30,000	39,000	48,000
5	35,140	45,682	56,224
6	40,280	52,364	64,448
7	45,420	59,046	72,672
8	50,560	65,728	80,896

State Medicaid statute is codified in Iowa Code chapter [249A](#), while the Iowa Health and Wellness Plan (IHAWP) is established in Iowa Code chapter [249N](#). There is currently no State statute for asset tests to Medicaid or the IHAWP. Federal asset verification for Medicaid is codified in [42 U.S.C. §1396a](#) for aged, blind, and disabled individuals, and [42 U.S.C. §1396w](#) requires states to have submitted an asset verification plan to the Centers for Medicare and Medicaid Services (CMS). There is no asset test for children, based on federal statute.

The DIA currently employs 19.0 Investigator 3 FTE positions to investigate referrals from the HHS. These positions are funded through a combination of federal and State moneys, the General Fund, and the DIA’s memorandums of understanding (MOU) contract with the HHS.

Assumptions

All staff increases are phased in beginning in FY 2024 and completed by the end of FY 2025, assuming a total of 37.7 full-time equivalent (FTE) positions in FY 2024, 169.2 FTE positions in FY 2025, and 219.0 FTE positions in FY 2026 and subsequent fiscal years. In addition, the federal match rate varies by program and activity from 0.0% to 100.0% federal match. Total cost and State share are depicted in **Figure 2**.

HHS Staff

There will be three years of FTE position cost integration beginning in FY 2024 as the HHS begins to implement the program, with all staff costs being annualized by FY 2026.

New staff due to **Sections 3, 4, 6, and 11** will result in new computer and software costs of \$3,000 per FTE position and \$2,000 for ongoing software costs per FTE position.

Section 4 requiring the HHS to check and review new data sources, including usage of the National Directory of New Hires database for the 135,000 households participating in SNAP, will take 28 minutes per household for 4 new data sources, and will require the following:

- 39.0 Income Maintenance Worker 2 FTE positions at \$61,000 per position.
- 5.0 Support Staff FTE positions at \$45,000 per position.
- 3.0 Income Maintenance Supervisor FTE positions at \$75,000 per position.

Section 6 requiring the HHS to check and review new data sources, including reviewing tax information and fleeing felon information for 135,000 SNAP households and 216,000 Medicaid households annually at 14 minutes per review, will require:

- 51.0 Income Maintenance Worker 2 FTE positions at \$61,000 per position.
- 7.0 Support Staff FTE positions at \$45,000 per position.
- 3.0 Income Maintenance Supervisor FTE positions at \$75,000 per position.

Section 11 requiring cooperation with Child Support Services will create approximately 37,000 new cases for the HHS and will require:

- 86.0 Support Recovery Officer FTE positions at \$61,000 per position.
- 7.0 Support Recovery Supervisor FTE positions at \$77,000 per position.
- 7.0 Assistant Attorneys General FTE positions at \$121,000 per position.
- 7.0 Clerk Specialist FTE positions at \$50,000 per position.
- 2.0 Management Analyst FTE positions at \$77,000 per position.

Provisions in **Sections 3, 4, and 6** that allow a vendor contract and administration of MOUs will require 1.0 Management Analyst 3 FTE position at \$77,000 for management.

Miscellaneous

The provisions in **Sections 4 and 6** that require the IWD to share information with the HHS will create the need for 1.0 additional FTE position at the Labor Market Research Economist 3 classification within the IWD at \$72,000. The position will be staffed in January 2024, reducing FY 2024 salary and benefit expenditures by 50.0%, with full-time annualization beginning in FY 2025. The IWD also charges fees to State agencies for access to unemployment insurance information and will collect \$350 per fiscal year from the HHS beginning in FY 2024, resulting in a net zero State cost.

Requirements in **Sections 4 and 6** to access IRS data will require all Income Maintenance Worker 2 FTE positions to receive FBI background checks. The cost of a background check is \$61 per employee. It is estimated that the HHS will hire 49.0 new Income Maintenance Worker 2 FTE positions annually. Every five years, the HHS will need to complete a new background check for each employee.

Section 11 requiring cooperation with Child Support Services will require court action to establish child support orders for approximately 73.0% (27,000) of the new cases. Child Support Services must serve each nonrequesting parent in an establishment action with a notice,

which will cost an average of \$14 per notice for certified mail. Approximately 45.0% of parents will not accept or pick up the certified mail, requiring the use of a process server or sheriff at an average cost of \$79 per case. The average cost to serve the requesting parent by regular mail is \$1.

Information Technology (IT) Costs

The IT changes in **Sections 2, 3, 4, 6, and 11** will require various one-time IT systems costs to update interfaces, link with required data sources and systems, and build a dashboard and reporting requirements. These one-time costs are estimated to be \$5.5 million, of which \$2.4 million are costs to the State, and will be completed over three years beginning in FY 2024. Ongoing maintenance is a part of the current HHS IT contract.

Program Impacts

Beginning in FY 2026, it is assumed that 1.0% of individuals receiving benefits will have their benefits canceled due to discrepancies. This includes approximately 8,000 Medicaid recipients, 600 CHIP recipients, 100 FIP recipients, and 2,800 SNAP recipients.

In FY 2027, there will be a third-party contract to help administer **Sections 3, 4, 5, and 6** with an estimated cost of \$7.0 million, of which approximately \$3.3 million are State funds. The price of the vendor contract will be a \$500,000 base contract amount plus a 10.0% contingency payment based on total savings.

Fiscal Impact

Senate File 494 is estimated to increase State General Fund costs by \$1.6 million in FY 2024 and \$5.9 million in FY 2025, and decrease State costs by \$200,000 in FY 2026. Beginning in FY 2027 and subsequent fiscal years, the Act is estimated to decrease State costs by \$8.2 million annually. Details of the estimated HHS and IWD staff costs, increases in IT and miscellaneous costs, and savings are listed in **Figure 2** for FY 2024 through FY 2027.

Figure 2 — SF 494 Fiscal Impact vs. Current Law

	FY 2024			FY 2025			FY 2026			FY 2027		
	FTEs	Total Cost	State Share	FTEs	Total Cost	State Share	FTEs	Cost/Savings	State Share	FTEs	Cost/Savings	State Share
HHS Staff Costs							Total			Total		
HHS Staff Increase	37.2	\$ 1,305,000	\$ 456,000	168.2	\$10,710,000	\$4,151,000	218.0	\$ 13,719,000	\$ 5,453,000	218.0	\$ 13,719,000	\$ 5,453,000
Support Costs		890,000	303,000		2,034,000	843,000		1,679,000	629,000		1,680,000	629,000
Total HHS Staff Costs		\$ 2,195,000	\$ 759,000		\$12,744,000	\$4,994,000		\$ 15,398,000	\$ 6,082,000		\$ 15,399,000	\$ 6,082,000
IWD Staff Costs							Total			Total		
IWD Staff Increase	0.5	\$ 36,000	\$ 36,000	1.0	\$ 72,000	\$ 72,000	1.0	\$ 72,000	\$ 72,000	1.0	\$ 72,000	\$ 72,000
Total IWD Staff Costs		\$ 36,000	\$ 36,000		\$ 72,000	\$ 72,000		\$ 72,000	\$ 72,000		\$ 72,000	\$ 72,000
HHS Information Technology							Total			Total		
IT Systems Costs		\$ 1,846,000	\$ 807,000		\$ 1,846,000	\$ 807,000		\$ 1,846,000	\$ 807,000		\$ 0	\$ 0
Total HHS IT Costs		\$ 1,846,000	\$ 807,000		\$ 1,846,000	\$ 807,000		\$ 1,846,000	\$ 807,000		\$ 0	\$ 0
HHS Program Savings												
Medicaid		\$ 0	\$ 0		\$ 0	\$ 0		-\$28,629,000	-\$8,514,000		-\$57,258,000	-\$17,028,000
Children's Health Insurance Program		0	0		0	0		-874,000	-219,000		-1,748,000	-439,000
Food Assistance Program		0	0		0	0		-95,000	-95,000		-189,000	-189,000
SNAP		0	0		0	0		-2,700,000	0		-5,400,000	0
Third-Party Contract		0	0		0	0		3,480,000	1,668,000		6,960,000	3,337,000
HHS Total Program Savings		\$ 0	\$ 0		\$ 0	\$ 0		-\$28,818,000	-\$7,160,000		-\$57,635,000	-\$14,319,000
SF 494 Total Cost/Savings		\$ 4,077,000	\$ 1,602,000		\$14,662,000	\$5,873,000		-\$11,502,000	\$ -199,000		-\$42,164,000	\$ -8,165,000

The HHS currently refers cases of suspected fraud, along with any supporting information, to the DIA for investigation. In FY 2022, the Economic Fraud Control Bureau responded to 4,696 referrals, and investigations from those referrals resulted in \$3.3 million in savings to the State. **Section 9** of the Act may increase the number of referrals from the HHS to the DIA, but the number of new referrals cannot be estimated, and it is assumed that any additional referrals can be absorbed by current staff.

Effective Date

This Act is effective July 1, 2023.

Enactment Date

This Act was approved by the General Assembly on April 13, 2023, and signed by the Governor on June 1, 2023.

Sources

U.S. Department of Agriculture

Department of Health and Human Services

Iowa Workforce Development

Centers for Medicare and Medicaid Services

Department of Inspections, Appeals, and Licensing

LSA analysis

[SF 513](#) – Motor Vehicle Enforcement Bureau, Department of Public Safety (LSB1473SV.3)

Staff Contacts: Justus Thompson (515.725.2249) justus.thompson@legis.iowa.gov

Maria Wagenhofer (515.281.5270) maria.wagenhofer@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[Senate File 513](#) provides for the transition of certain Motor Vehicle Enforcement (MVE) employees, including civilian employees and peace officers, from the Department of Transportation (DOT) to the Department of Public Safety (DPS) effective July 1, 2023. Transferred MVE peace officers will become peace officers in the Iowa State Patrol (ISP). The ISP will assume responsibility for the supervision of highways and conducting enforcement activities regarding the operating of commercial motor vehicles (CMVs) and vehicles transporting loads, including but not limited to the enforcement of motor vehicle laws relating to the operating authority, registration, size, weight, and load of motor vehicles and trailers. Under the Act, the DOT is authorized to retain certain employees with limited authority as peace officers. The limited authority of these employees includes the ability to investigate motor vehicle fraud and abuse. Under the Act, employees designated by the DOT as peace officers are authorized to use force in emergent circumstances and in defense of life or property.

Under SF 513, transferred DOT MVE peace officers with 10 or more years of membership in the Iowa Public Employees' Retirement System (IPERS) will retain IPERS Protection Occupation membership. Transferred DOT MVE peace officers with fewer than 10 years of membership in IPERS will become members of the Peace Officers' Retirement System (PORS). The Act requires a lump sum transfer from IPERS to PORS for the transferred employees and directs the DPS to engage an actuary to determine the remaining actuarial cost. The transfer shall not be deemed a termination of a member's plan, and an affected member is not entitled to a distribution of the moneys as a result of the member's transfer. Additionally, all transferred DOT MVE peace officers retain all rights to longevity pay.

This Act directs the DPS and the DOT, in consultation with the Department of Administrative Services (DAS), to identify and transfer affected positions. The Act provides that any transferred DOT peace officer employees covered by a collective bargaining agreement must be placed in an existing DPS peace officer classification within the State Police Officers Council (SPOC) Bargaining Unit without loss of seniority or loss of accrued pay. Any transferred peace officer is entitled to all benefits of the new classification, including longevity pay that is calculated based on years of service in a peace officer position.

Under current law, revenue from commercial motor vehicle citations issued by DPS personnel is deposited into the State General Fund, and revenue from commercial motor vehicle citations issued by DOT personnel is deposited into the Road Use Tax Fund (RUTF). The Act directs all revenue from commercial vehicle violation citations by DPS personnel to be deposited into the RUTF.

This Act requires the DPS to adopt, in consultation with the DOT, administrative rules regulating how a person may operate a CMV on highways; rules concerning the hours of service for drivers of vehicles operated for hire and designed to transport seven or more persons;

and rules necessary to govern and control the operation, maintenance, and inspections of vehicles operating under motor carrier authority. The Act requires the DPS to adopt, in consultation with the Department of Natural Resources (DNR) and the DOT, administrative rules relating to the enforcement of transportation of hazardous materials. The Act requires the adopted rules to be consistent with federal law.

The DOT is required to ensure the DPS is aware of current DOT administrative rules related to the administration and enforcement of commercial motor vehicle violations. All administrative rules currently adopted by the DOT are required to remain in full force and effect until they are transferred to the DPS. The DOT is also required to provide all documentation and data required for the Motor Carrier Safety Assistance Program (MCSAP) to the DPS for compliance with federal law.

The DPS is required to submit a report annually by December 1 to the General Assembly that includes details on activities conducted by the ISP regarding the movement and operation of commercial motor vehicles and vehicles transporting loads. The DPS is also required to submit a report to the General Assembly by December 1, 2023, regarding the transfer of peace officers from the DOT to the DPS. This report must include actual and anticipated expenditures by the DPS and DOT to complete the transition, moneys transferred between Asset Forfeiture Funds and retirement systems, and any equipment costs incurred by either department.

Senate File 513 also transfers the moneys in the DOT's Asset Forfeiture Fund to the DPS Asset Forfeiture Fund for costs associated with the transition.

Background

DOT MVE

MVE is currently housed within the DOT and receives funding from the RUTF and the Primary Road Fund (PRF). Approximately 96.0% of the MVE budget is funded by the RUTF, and 4.0% is funded by the PRF. Within the DOT budget, the MVE is appropriated funding within the Transportation Operations budget line item and does not receive a separate appropriation.

In federal fiscal year 2022, the MVE had 98.0 sworn peace officer positions and 2.0 civilian staff positions.

Figure 1 includes the structure of MVE personnel and associated minimum and maximum salaries based on the DAS [Interactive Class and Pay Plan](#).

Figure 1 — DOT MVE Personnel Salary Costs

<u>Class Title</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>
Motor Vehicle Officer	\$57,366	\$85,176
Motor Vehicle Sergeant	62,046	93,766
Motor Vehicle Investigator	62,046	93,766
Motor Vehicle Captain (S)	73,570	113,152
Motor Vehicle Commander (S)	77,168	118,310
(S) = Supervisory		

DOT MVE officers and sergeants are covered under the American Federation of State, County, and Municipal Employees (AFSCME) Public Safety collective bargaining unit, and all DOT MVE peace officers are under the IPERS Protection Occupation retirement classification. For IPERS Protection Occupation retirement contribution, the employee share is 6.21% and the employer share is 9.31%. There are also two civilian employees within the MVE who are covered under regular IPERS.

MVE peace officers are sworn law enforcement officers and complete the 16-week Iowa Law Enforcement Academy (ILEA) Basic Training. Iowa Code section [80B.11B\(2\)\(a\)](#) requires the DOT to pay the full cost for candidates to attend the ILEA Basic Training. MVE officers are also trained and certified to conduct level one through level three inspections on commercial vehicles and buses in the MCSAP.

Current responsibilities of MVE peace officers within the DOT include enforcing size and weight regulations and enforcing the State and federal motor carrier and hazardous materials safety regulations. According to the DOT's 2022 [Nature and Scope of Enforcement Activities by Peace Officers Report](#), Iowa is eligible for approximately \$42.8 million in federal highway funding for maintaining and implementing Iowa's size and weight plan for the federal-aid systems. The DOT also receives federal MCSAP funding. The MCSAP is a federal grant program relating to improving highway safety by reducing the number and severity of crashes and hazardous materials incidents involving commercial motor vehicles. The MCSAP authorizes MVE and ISP officers to conduct the Commercial Vehicle Inspection Program. Currently, the DOT is the lead agency and administers the grant funds, with the ISP as a subrecipient.

The DOT has 11 weigh stations across the State. The DOT receives an annual appropriation of \$400,000 from the RUTF to maintain weigh scales and driver's license stations across Iowa. The DOT has a Materials and Equipment Revolving Fund established under Iowa Code section [307.47](#) that is used for materials, supplies, equipment, and vehicle purchases.

Pursuant to Iowa Code section [602.8108\(8\)](#), revenue from commercial motor vehicle citations issued by DOT personnel is deposited into the RUTF. Revenue from commercial motor vehicle citations issued by DPS personnel is deposited into the General Fund. Between FY 2013 and FY 2021, an average of \$2.4 million in DOT commercial vehicle revenue was deposited each fiscal year into the RUTF.

DPS — State Patrol

The ISP is currently a division within the DPS. Between FY 1982 and FY 1995, the ISP was funded directly from the RUTF. From FY 1996 to FY 1999, the ISP was funded from motor vehicle use tax receipts and in part from General Fund appropriations. Since FY 2000, the ISP has been funded from the General Fund. According to Iowa Code section [312.9](#), “moneys credited to the RUTF shall not be appropriated for the payment of salaries, support, or maintenance of any personnel in the department of public safety.”

The ISP General Fund appropriation comprises approximately 60.0% of the total DPS General Fund appropriations. In addition, the ISP may, at the discretion of the Commissioner of the DPS, receive funding from either State or federal asset forfeiture funds based on the availability of moneys in either account. The ISP also receives federal moneys through programs such as the MCSAP and the National Highway Traffic Safety Administration’s traffic safety programs.

In FY 2022, the ISP had 399.0 sworn peace officer positions and 41.0 civilian staff positions, with 47.0 vacancies. Troopers patrol and conduct traffic enforcement on Iowa’s highways and interstate systems, provide police services for special events, provide support services to other law enforcement agencies and government entities, and assist local agencies during large-scale events or natural disasters. For FY 2023, the estimated cost of an additional State trooper, including salary, benefits, travel, fuel, equipment, and a vehicle, is \$198,000. The ongoing cost of maintaining a trooper is \$111,000.

Figure 2 includes the structure of the ISP personnel and associated minimum and maximum salaries based on the DAS [Interactive Class and Pay Plan](#).

Figure 2 — DPS ISP Personnel Salary Costs

<u>Class Title</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>
Peace Officer Candidate	\$45,635	\$67,101
Peace Officer Candidate Senior	55,952	85,176
Trooper I	47,757	71,698
Trooper II	58,365	87,755
Trooper III	59,571	89,502
Trooper Pilot	60,778	91,333
Trooper Pilot Senior	61,984	93,142
Sergeant (S)	66,768	102,794
Lieutenant (S)	73,570	113,152
Captain (S)	86,528	123,115
Major (S)	95,014	135,262
Colonel (S)	109,408	155,464

(S) = Supervisory

DPS ISP officers are covered under the SPOC Bargaining Unit, and all DPS ISP peace officers are under PORS. For PORS, the employee share is 11.4% and the employer share is 37.0%.

According to the [DPS's website](#), DPS peace officers must attend a 20-week DPS Basic Training Academy. During the 20-week academy, all training materials, meals, and lodging are furnished at no cost to the recruits. Recruits receive a salary during academy training. The DPS pays for academy costs through the ISP's General Fund appropriation. Upon graduation from the DPS Basic Training Academy, each officer will complete at least 70 working days of field training for Iowa State Patrol Trooper 2 positions, who work from various district offices around the State; 30 working days of field training for Iowa State Patrol Trooper 1 positions, who work from Post 16 (Capitol Complex in Des Moines); or up to 12 months of field training for DPS special agent positions, who work statewide.

Assumptions

The Act directs the DOT and the DPS to identify and transfer affected positions and provides requirements for the transferred positions. The exact transition details are unknown at this time.

Salaries

- One hundred DOT full-time equivalent (FTE) positions within the DOT MVE will be transferred to the DPS ISP. This includes 98.0 peace officer positions and two civilian staff positions. The DPS estimates it will need 6.0 additional FTE support staff positions. Therefore, it is assumed there will be a decrease of 100.0 FTE positions in the DOT and an increase of 106.0 FTE positions in the DPS.
- Following the reclassification of MVE personnel into the DPS rank structure and pay plans, there will be an ongoing additional cost to the DPS beyond what is currently budgeted for salaries for the MVE personnel within the DOT budget, due to differences in rank and salaries.

Benefits

- For the purposes of this **Fiscal Note**, it is assumed that transferred nonsupervisory DOT employees will be covered under the SPOC, which will result in additional ongoing costs to the DPS.
- Transferred DOT MVE peace officers with fewer than 10 years of membership in IPERS will become members of PORS. The Act requires a lump sum transfer payment from IPERS to PORS for the transferred employees and directs the DPS to engage an actuary to determine the remaining actuarial cost. Due to the differences in employer contributions, there will be an increased cost to the DPS as a result of the transition.

Administration and Indirect Costs

- There will be additional ongoing training costs to the DPS.
- The DPS will incur annual costs associated with vehicle fuel, maintenance, and depreciation costs that are currently funded to the DOT through the RUTF.
- When the DPS administers citations to commercial motor vehicles currently, the citation revenue is deposited into the State General Fund. The Act directs all commercial motor vehicle citation revenue to be deposited into the RUTF. It is assumed there would be a loss of funding to the State General Fund as a result of this change.

One-Time Costs

There may be additional one-time costs to the DPS as a result of the transition, including costs associated with the following:

- Trooper and vehicle outfitting.
- Depreciation costs for the DOT Revolving Equipment Fund and the DPS Equipment Fund if MVE equipment, including vehicles, is moved to the DPS in the transfer.
- Initial DPS training costs for transferred MVE officers.
- The remaining unfunded actuarial costs to PORS following the transition.

Fiscal Impact

Figure 3 includes the estimated annual ongoing costs for transferring MVE from the DOT to the DPS. The decrease to the DOT represents an estimated reduction to appropriations made in the DOT budget from the PRF and RUTF. The DPS currently receives funding from the General Fund for annual costs associated with the ISP, and it is assumed that additional annual funding to the DPS as a result of the transition would be provided from the General Fund. The DPS is prohibited from receiving funding from the RUTF for any transition costs, as specified in Iowa Code section [312.9](#).

Figure 3 — Estimated Annual Fiscal Impact to the DOT and DPS Budgets Under SF 513

	<u>DOT</u>	<u>DPS</u>
Salaries and Benefits	\$ -11,900,000	\$ 13,955,000
Administration and Indirect Costs	-1,400,000	1,530,000
Total Annual Estimated Costs	\$ -13,300,000	\$ 15,485,000

Note: The costs outlined in Figure 3 do not offset one another. The DOT receives funding from the RUTF and the PRF, and the DPS receives funding from the General Fund. Moneys credited to the RUTF cannot be appropriated for the payment of salaries, support, or maintenance of any personnel in the DPS, pursuant to Iowa Code section 312.9.

Additionally, there could be approximately \$17.9 million in one-time costs associated with the transition. This includes the following:

- \$10.4 million for vehicles and equipment, including depreciation costs to the DOT Equipment Revolving Fund and DPS Equipment Fund.
- \$4.6 million for trooper and vehicle outfitting.
- \$146,000 for training costs.
- \$2.8 million in estimated unfunded actuarial costs to PORS.

As of March 2023, there is \$782,000 in the DOT's Asset Forfeiture Fund. Under SF 513, this amount would be transferred to the DPS's Asset Forfeiture Fund. Under the Act, all revenue from commercial motor vehicle citations is deposited into the RUTF. Currently, revenue from commercial motor vehicle citations issued by the DPS is deposited into the General Fund. This change would result in an annual increase of \$250,000 to the RUTF and a decrease of \$250,000 to the General Fund.

The DOT currently receives federal MCSAP funding as the State lead agency responsible for administering the Commercial Vehicle Safety Plan within the State. Estimated FY 2023 funding from the MCSAP to the State is approximately \$7.0 million. Under the Act, the DPS would administer the MCSAP following the transition.

Further, there may be additional considerations for costs associated with the transition related to the maintenance and ownership of the current DOT weigh stations and any existing infrastructure. The DOT currently owns State weigh stations. The weigh stations are maintained through an annual appropriation of \$400,000 from the RUTF, and additional infrastructure upkeep is programmed through the Five-Year Highway Plan by the Transportation Commission. Infrastructure costs required for the DPS to store additional vehicles and equipment and any associated costs are unknown.

Effective Date

This Act is generally effective on July 1, 2023, with portions of the Act being effective May 16, 2023. Section 23 regarding the elimination of the repeal of the MVE officers' designation as peace officers to enforce all laws of the State and Section 26 regarding transition provisions are effective on May 16, 2023.

Enactment Date

This Act was approved by the General Assembly on May 1, 2023, and signed by the Governor on May 16, 2023.

Sources

Department of Management
Integrated Information for Iowa (I/3)
Legislative Services Agency
Federal Motor Carrier Safety Administration
Department of Public Safety [website](#)

[SF 514](#) – State Government Alignment (LSB2111SV.3)

Staff Contacts: Austin Brinks (515.725.2200) austin.brinks@legis.iowa.gov

Maria Wagenhofer (515.281.5270) maria.wagenhofer@legis.iowa.gov

Ron Robinson (515.281.6256) ron.robinson@legis.iowa.gov

Fiscal Note Version – Final Action

[Senate File 514](#) relates to the organization, structure, and functions of State government. **Division IV** (Department of Justice), **Division VI** (Economic Development Authority Partner State Program), and **Division XIII** (Department for the Blind) take effect upon enactment. **Division XVIII** (Salaries of Appointed State Officers) takes effect June 23, 2023.

Note: The following information was provided to the Legislative Services Agency (LSA) by State agencies as of March 14, 2023.

Division I — Department of Health and Human Services

Description and Background

Division I relates to the merging of the Department of Human Services (DHS), the Department of Public Health (DPH), the Department on Aging (IDA), the Department of Human Rights (DHR), Early Childhood Iowa (ECI), and the Iowa Commission on Volunteer Service (ICVS) into the consolidated Department of Health and Human Services (HHS). Division I makes the following changes:

- Eliminates the positions of the Director of the DPH, IDA, and DHR.
- Eliminates references to the subunit structure and the heads of the subunits of the HHS and the other agencies incorporated into the HHS within the Department and makes the Director of the HHS responsible for these agencies and their divisions, including:
 - Center for Rural Health and Primary Care.
 - Center for Congenital and Inherited Disorders.
 - Oral Health and Delivery Systems Bureau and the State Public Health Dental Director.
 - Division of Tobacco Use Prevention and Control and its Administrator.
 - Division for Records and Statistics.
 - Bureau of Professional Licensure.
 - Division of Acute Disease Prevention and Emergency Response.
 - Division of Mental Health and Disability Services (MHDS) and its Administrator.
 - Administrator of State Mental Health Institutes (MHIs) and State Resource Centers (SRCs).
 - Division related to income and service programs and its Administrator.
 - Administrator of the Child Support Recovery Unit (CSRU).
 - Division of Adult, Children, and Family Services and its Administrator.
 - Division of Community Advocacy and Services.

- Division of Community Action Agencies and its Administrator.
- Division of Criminal and Juvenile Justice Planning and its Administrator.
- Eliminates certain representation from the HHS on all boards, commissions, committees, and other entities incorporated into the HHS.
- Changes current Iowa Code references to food stamps to refer to the Supplemental Nutrition Assistance Program (SNAP).
- Designates a record check evaluation system to refer to the process used by the HHS to perform child and dependent adult abuse record checks and to evaluate criminal history and abuse records.
- Eliminates the State Board of Health and incorporates its functions into the Council on Health and Human Services. Expands the Council by two members, with at least one of them being a physician.
- Moves the Child Abuse Prevention Program Advisory Committee from Iowa Code chapter [217](#) to Iowa Code chapter [235A](#).
- Eliminates the University of Iowa as the home of the State Hygienic Laboratory.
- Moves the following duties to the HHS:
 - Iowa Child Death Review Team from the Office of the State Medical Examiner.
 - Iowa Domestic Abuse Death Review Team from an independent agency, and changes its membership.
 - Responsibility for regulation of consumable hemp from the Department of Inspections and Appeals (DIA).
 - Child Advocacy Board from the DIA.
- Repeals numerous Iowa Code provisions, including Iowa Code section [222.6](#), relating to resource center districts.
- Strikes the July 1, 2023, repeal date established by 2022 Iowa Acts, chapter [1098](#) (Juvenile Justice and Child and Family Welfare Act) regarding the formula for aid paid by the State, rules adopted by the Director of the HHS, standards for annual approval of the homes, and the establishment and purpose of the Juvenile Detention Home Fund. The striking of the repeal date allows these sections to continue indefinitely as currently enacted.
- Allows the HHS to employ or retain attorneys to provide legal counsel, in adherence with Iowa Code section [13.7](#).

2022 Iowa Acts, [House File 2578](#) (FY 2023 Health and Human Services Appropriations Act), created the HHS and a transition process to move the DPH and its divisions and employees into the former DHS to form the HHS. The process was effective July 1, 2022, and is to be finalized by the end of FY 2023 and completed by July 1, 2023 (FY 2024).

Assumptions and Fiscal Impact

According to the HHS, **Division I** will eliminate 110.0 currently unfilled full-time equivalent (FTE) positions (out of 5,609.7 total FTE positions) due to the alignment across the DHS, DPH, IDA, and DHR. This will reduce overall department expenditures by approximately \$6.4 million annually beginning in FY 2024, including \$4.4 million annually from federal funds and \$2.0 million annually from the State General Fund.

Division I eliminates annual fees paid by the DPH to the Auditor of State beginning in FY 2024. In FY 2022, the DPH paid the Auditor of State approximately \$96,000; however, auditing costs to the HHS are likely to increase by a similar amount with the elimination of the DPH. Overall, auditing services for all entities transferring into the HHS under **Division I** are likely to remain similar to existing services, keeping costs relatively stable.

Overall, **Division I** reduces the number of annual and quarterly reports mandated to be filed by the HHS with the Legislature, including eliminating the DPH and DHR annual reports, which is likely to reduce workloads for existing employees.

Division I eliminates the State Board of Health, which is expected to reduce expenditures and Department workload by a minimal amount beginning in FY 2024. Board costs in FY 2022 totaled \$1,700.

Division I allows the HHS to employ or retain attorneys to provide legal counsel, which may lead to new annual costs. However, these costs cannot be estimated at this time, as the HHS has made no decision on employing attorneys. The HHS would utilize savings resulting from **Division I** to fund any attorneys, if necessary.

Sources

Legislative Services Agency

Department of Health and Human Services

Staff Contacts

Christopher Ubben (515.725.0134) chris.ubben@legis.iowa.gov

Eric Richardson (515.281.6767) eric.richardson@legis.iowa.gov

Division II — Department of Administrative Services

Description and Background

Division II transfers the Library Services duties and responsibilities of the Department of Education (DE) to the DAS. The State Librarian is transferred to the DAS and will be appointed by the Director of the DAS. The State Commission of Libraries currently appoints the State Librarian. This Commission is also transferred to the DAS. The State Archivist and duties related to State records and archives are transferred to the DAS. The Director of the Department of Cultural Affairs (DCA) is removed as a member of the State Records Commission.

Division II transfers most of the duties of the Historical Division of the DCA and the Administrator of the Historical Division to the DAS and the Director of the DAS. The Historic Preservation Officer, as well as related duties concerning historic properties and historic preservation activities, are not transferred to the DAS. **Division II** establishes the Director of the DAS as the ex officio member of the Iowa Historical Records Advisory Board, instead of the Administrator of the Historical Division of the DCA. **Division II** transfers the Iowa Heritage Fund and the Historical Resource Development Program to the DAS. **Division II** requires the DAS to undertake responsibilities under Iowa Code chapter [305B](#), concerning museum property, which are currently undertaken by the DCA. Finally, **Division II** assigns control of the Battle Flag Restoration Fund from the DCA to the DAS.

Assumptions and Fiscal Impact

The DAS has stated that **Division II** has no fiscal impact to the State.

Sources

Department of Administrative Services
Legislative Services Agency

Staff Contact

Xavier Leonard (515.725.0509) xavier.leonard@legis.iowa.gov

Division III — Department of Inspections, Appeals, and Licensing

Description and Background

Division III makes the following changes:

- Renames the Department of Inspections and Appeals (DIA) to the Department of Inspections, Appeals, and Licensing (DIAL).
- Modifies the organizational structure of the DIAL to include duties related to licensing and laws related to employee safety, labor standards, and workers' compensation.
- Eliminates the Investigations Division and Health Facilities Division of the DIAL and adds a Labor Services and Workers' Compensation Division.
- Transfers the duties of the Labor Services Division, the Labor Commissioner, the Workers' Compensation Division, and the current Commissioner of the Iowa Department of Workforce Development to the DIAL and the Director of the DIAL. **Division III** provides that the Labor Commissioner and the Workers' Compensation Commissioner will serve at the pleasure of the Governor.
- Transfers the licensing and regulation duties of certain fire control-related and building code-related activities from the Department of Public Safety (DPS) and the State Fire Marshal to the DIAL and the Director of the DIAL.
- Establishes that the Director of the DIAL will also be the State Building Code Commissioner and transfers the applicable responsibilities from the Commissioner of Public Safety.
- Transfers the licensing and regulation duties of certain health-related professions from the Department of Public Health (DPH) to the DIAL.
- Eliminates the Professional Licensing and Regulation Bureau from the Department of Commerce. The duties of the Bureau and other responsibilities under the Department of Commerce will transfer to the DIAL.
- Transfers allocation of certain School Infrastructure Fund moneys to the DIAL's authority. Currently, under Iowa Code section [12.83](#), up to \$50,000 of moneys deposited each fiscal year in the School Infrastructure Fund is allocated to the DPS for the use of the State Fire Marshal. The State Fire Marshal uses these funds to retain an architect or architectural firm to evaluate structures for which School Infrastructure Program grant applications are made, to consult with school district representatives, to review construction drawings and blueprints, and to perform related duties to ensure the best possible use of moneys received by a school district under the School Infrastructure Program. The State Fire Marshal is required to provide for the review of plans, drawings, and blueprints in a timely manner. This Act shifts these responsibilities to the DIAL.

- Transfers the responsibilities and associated funds of the DPS and State Fire Marshal under Iowa Code chapters [103](#) and [105](#) regarding electricians, electrical contractors, plumbers, mechanical professionals, and contractors to the DIAL and the Director of the DIAL.
- Transfers the duty to appoint and supervise a full-time Executive Director for the Board of Medicine, the Board of Nursing, the Dental Board, and the Board of Pharmacy from the DPH to the DIAL and the Director of the DIAL.
- Transfers responsibilities, associated funds, and duties concerning professional engineers and land surveyors, real estate brokers and salespersons, real estate appraisals and appraisers, real estate appraisal management companies, licensed architects, landscape architects, and registered interior designers from the Department of Commerce to the DIAL and the Director of the DIAL.
- Moves the Iowa Civil Rights Commission under the DIAL so that it is no longer a stand-alone agency.
- Establishes that administrative law judges examining unemployment security, the Iowa Civil Rights Commission, the Department of Education, special education, and the Board of Educational Examiners are to be employed by the Division of Administrative Hearings of the DIAL.

Assumptions and Fiscal Impact

According to the DIAL, **Division III** will eliminate 20.0 full-time equivalent (FTE) positions due to the alignment across the DIAL. This change will reduce the DIAL's overall expenditures by approximately \$1.4 million from other funds, which include federal funds and professional licensing fees and \$162,000 from the State General Fund. The overall reduction in Department expenditures is approximately \$1.6 million.

Source

Department of Inspections and Appeals

Staff Contact

Xavier Leonard (515.725.0509) xavier.leonard@legis.iowa.gov

Division IV — Department of Justice

Description and Background

Division IV makes changes regarding the provision of legal services to State governmental entities by the Attorney General, as follows:

- Removes provisions allowing the Attorney General to appoint assistant attorneys general to perform and supervise the legal work of the Department of Revenue (IDR) and the Division of Child and Family Services of the Department of Human Services (DHS).
- Removes a requirement for the Department of Public Safety (DPS) to employ an assistant attorney general.
- Removes a provision related to an assistant attorney general serving as general counsel for the Department of Transportation (DOT) and directs the Attorney General to provide legal services for the DOT.
- Allows the Attorney General to charge State governmental entities for the cost of performing legal services and to require State governmental entities to provide office space for an assistant attorney general or other staff providing legal services exclusively for that entity.

- Changes the circumstances under which an entity of the State may employ private legal counsel.

Division IV changes certain provisions for the appointment and removal of the Consumer Advocate by the Attorney General, removes the requirement that the Consumer Advocate be an attorney, and transfers employment responsibility for the Consumer Advocate Division from the Consumer Advocate to the Attorney General.

Division IV removes a provision making certain employees of the Consumer Advocate Division of the Department of Justice subject to the merit system. Division IV also exempts all employees of the Department of Justice from collective bargaining. Under current law, nonsupervisory employees of the Consumer Advocate Division who are employed primarily to perform technical analysis of nonlegal issues are not exempt.

Division IV provides that the Attorney General may prosecute a criminal proceeding on behalf of the State even if a county attorney does not request the Attorney General to act as a county attorney. **Division IV** also grants the Attorney General exclusive jurisdiction to prosecute election-related crimes. Under current law, county attorneys can also prosecute election-related crimes.

Division IV modifies reporting requirements related to money settlement awards and court money awards that were awarded to the State.

Division IV changes the title of the First Assistant Attorney General to Chief Deputy Attorney General. **Division IV** also eliminates the position of Special Assistant Attorney General for Claims and transfers the duties of the position to the Attorney General.

Division IV takes effect upon enactment.

Assumptions and Fiscal Impact

The Department of Justice reports that **Division IV** will have no fiscal impact.

Source

Department of Justice

Staff Contacts

Isabel Waller (515.281.6561) isabel.waller@legis.iowa.gov

Justus Thompson (515.725.2249) justus.thompson@legis.iowa.gov

Division V — Economic Development Authority

Description and Background

Division V eliminates the Department of Cultural Affairs (DCA) and transfers responsibilities of the DCA to the Iowa Economic Development Authority (IEDA). The IEDA is responsible for ensuring that the economic development policies of the State are effectively and efficiently carried out. **Division V** expands these responsibilities by including the management of the State's interests in the arts, history, and other cultural matters.

Below is a list of programs, funds, and responsibilities that **Division V** transfers from the DCA to the IEDA:

- The Iowa Cultural Trust and the Iowa Cultural Trust Fund.
- Administration of a \$520,000 standing appropriation that is split equally between operational support grants and the Community Cultural Grants Program established under Iowa Code section [303.3](#).
- Fee-based art programs.
- Statewide art programs.
- The Film Office.
- Surveys of existing art and cultural programs and activities.
- Cultural Grant Programs.
- Regional conferences and a statewide caucus on arts and cultural enhancement.
- The [Cultural and Entertainment District Certification Program](#).
- The Iowa Great Places Program and the Iowa Great Places Program Fund.
- The Culture, History, and Arts Team Program.
- Historical Preservation Districts.
- The Iowa Arts Council.
- The Historic Property Rehabilitation Tax Exemption under Iowa Code section [427.16](#).
- The powers previously held by the Arts Division Administrator under Iowa Code section [303.88](#).
- Archeological site surveys relating to rural electric cooperatives and municipal utilities with historic properties.

Division V eliminates the DCA Director position as well as the Administrative Division of the DCA. The Director of the IEDA will also be the Director of the Iowa Finance Authority (IFA) and will serve at the pleasure of the Governor, subject to confirmation by the Senate.

Division V requires the State Historic Preservation Officer to conduct historical preservation activities pursuant to federal and State requirements. Proposals for areas of historical significance are submitted to the State Historic Preservation Officer rather than the Historical Division.

Assumptions and Fiscal Impact

The IEDA estimates that Division V would result in the elimination of 7.0 vacant, funded FTE positions and would decrease costs to the IEDA by approximately \$496,000. Of this amount, \$300,000 is from the General Fund and the remaining \$196,000 is from other funding sources.

Source

Iowa Economic Development Authority

Staff Contacts

Evan Johnson (515.281.6301) evan.johnson@legis.iowa.gov

Molly Kilker (515.725.1286) molly.kilker@legis.iowa.gov

Division VI — Economic Development Authority Partner State Program

Description and Background

Division VI formalizes the establishment of the Partner State Program administered by the Iowa Economic Development Authority (IEDA). The purpose of the Program is to establish and maintain relationships between the State and foreign countries and political subdivisions to facilitate mutually beneficial activities.

Division VI also creates the Partner State Program Fund, which consists of moneys appropriated to the Fund or other moneys obtained by the IEDA for placement in the Fund. Moneys remaining in the Fund at the close of a fiscal year do not revert to the General Fund. The Partner State Program, currently [Iowa Sister States](#), is funded through donations and allocations from the IEDA Economic Development appropriation. The mission of Iowa Sister States is to build sustainable international partnerships that connect Iowans to the world community. Current Sister States include the following:

- Cherkasy Oblast, Ukraine
- Hebei Province, China
- Kosovo
- Taiwan
- Veneto Region, Italy
- Yamanashi Prefecture, Japan
- Yucatán, Mexico

Division VI is effective upon enactment and applies to the above listed agreements entered into before the effective date of **Division VI**.

Assumptions and Fiscal Impact

Division VI is estimated to have no fiscal impact to the State.

Source

Iowa Economic Development Authority

Staff Contacts

Evan Johnson (515.281.6301) evan.johnson@legis.iowa.gov

Molly Kilker (515.725.1286) molly.kilker@legis.iowa.gov

Division VII — Public Employment Relations Board

Description and Background

Division VII makes the following changes:

- Modifies the method of compensation for Public Employment Relations Board (PERB) board members from a salary to a per diem payment and from full-time employment to part-time employment.
- Removes from the PERB's responsibility the preparation of legal briefs and presentation of oral arguments in court for cases affecting the PERB.
- Removes the requirement that PERB board members be selected with consideration of their knowledge, ability, and experience in labor management relations.
- Creates the PERB Executive Director position, which is appointed by the Governor and confirmed by the Senate. The Executive Director's salary is set by the Governor within the applicable salary range established by the General Assembly.
- Requires the PERB to meet at least quarterly and at the call of the chairperson.
- Allows the PERB to delegate its powers and duties to the Executive Director or other PERB employees.
- Provides that judicial review of agency action by the PERB is not subject to administrative rules.
- Removes language specifying that appeals for bargaining unit determination orders are subject to administrative rule.
- Provides that, in a petition for judicial review of a PERB decision in a contested case, the opposing party is named the respondent instead of the PERB.

The PERB is composed of three board member positions, one of which is currently vacant. The board members are placed in salary range 4 (\$63,690 to \$97,460). No more than two board members may be of the same political affiliation, and no board member may engage in political activity while holding office. The PERB's mission is to promote harmonious and cooperative relationships between government and its employees without disruption of public services, via the expert and timely services of a neutral agency.

Assumptions and Fiscal Impact

- Per diem applies to days when the PERB is meeting and not to preparation for hearings.
- The Executive Director position is in salary range 5 (\$73,250 to \$112,070).
- Per diem will be paid to three board members.

According to the PERB, **Division VII** is estimated to decrease total costs by \$120,000. This is the result of an increase in costs of \$157,000 for an Executive Director as well as a cost reduction of \$277,000 from moving PERB board members from full-time to part-time employment.

Source

Public Employment Relations Board

Staff Contacts

Evan Johnson (515.281.6301) evan.johnson@legis.iowa.gov

Molly Kilker (515.725.1286) molly.kilker@legis.iowa.gov

Division VIII — Department of Homeland Security and Emergency Management

Background and Description

Division VIII requires the Department of Homeland Security and Emergency Management (HSEMD) to administer the Disaster Aid Individual Assistance Grant Fund and the Disaster Case Management Grant Fund. The name of the Disaster Case Management Grant Fund is changed to the Disaster Case Advocacy Grant Fund. **Division VIII** also provides that the Director of the HSEMD will be subject to confirmation by the Senate and is to serve at the pleasure of the Governor.

Under current law, the Department of Human Services administers the Disaster Aid Individual Assistance Grant Fund and the Disaster Case Management Grant Fund. The grant funds are used to establish the Disaster Case Management Program and the Iowa Disaster Aid Individual Assistance Grant Program.

Assumptions and Fiscal Impact

Due to increased workload, the HSEMD will require 1.0 additional FTE position to administer the Disaster Case Management Program and the Iowa Disaster Aid Individual Assistance Grant Program as they move from the Department of Human Services to the HSEMD. The HSEMD estimates this transfer will cost \$150,000 per year and require 1.0 additional FTE position. The HSEMD is funded through the General Fund.

Source

Department of Homeland Security and Emergency Management

Staff Contacts

Isabel Waller (515.281.6561) isabel.waller@legis.iowa.gov

Justus Thompson (515.725.2249) justus.thompson@legis.iowa.gov

Division IX — Department of Veterans Affairs

Description and Background

Division IX makes definitional changes wherein “Director” and “Executive Director” become “Commandant” and certain duties assigned to the Commandant of the Commission of Veterans Affairs are now assigned to the Department of Veterans Affairs. The Division consolidates the powers and duties of the Executive Director of the Department of Veterans Affairs with the powers and duties of the Commandant of the Iowa Veterans Home into the Commandant of the Department of Veterans Affairs. The Division further consolidates and redistributes responsibilities of the newly established Commandant of Veterans Affairs with the Commission of Veterans Affairs. This consolidation of powers and responsibilities eliminates 3.0 currently vacant, funded FTE positions.

Assumptions and Fiscal Impact

Division IX eliminates 3.0 currently vacant, funded FTE positions and would decrease General Fund costs by approximately \$193,000.

Sources

Legislative Services Agency
Department of Veteran’s Affairs

Staff Contact

Christopher Ubben (515.725.0134) chris.ubben@legis.iowa.gov

Division X — Office of Drug Control Policy

Description and Background

Division X transfers the Governor’s Office of Drug Control Policy to the Department of Public Safety (DPS). Under **Division X**, administrative support services are required to be provided to the Governor’s Office of Drug Control Policy by the DPS; the Director of the Governor’s Office of Drug Control Policy will be appointed by the Commissioner of the DPS; and the salary of the Director of the Governor’s Office of Drug Control Policy is no longer fixed by the Governor.

Currently, the Governor’s Office of Drug Control Policy is an independent office. The Director of the Governor’s Office of Drug Control Policy is appointed by the Governor, is confirmed by the Senate, and serves at the pleasure of the Governor. Additionally, the salary of the Director of the Governor’s Office of Drug Control Policy is currently set by the Governor.

Assumptions and Fiscal Impact

Division X is estimated to have no fiscal impact to the State.

Source

Governor’s Office of Drug Control Policy

Staff Contact

Xavier Leonard (515.725.0509) xavier.leonard@legis.iowa.gov

Division XI — Department of Workforce Development

Description and Background

Division XI moves the following programs, along with associated funds and standing appropriations, to the Iowa Department of Workforce Development (IWD):

- The Statewide Work-Based Learning Intermediary Network Program from the Department of Education.
- The Industrial New Jobs Training ([260E](#)) Program from the Iowa Economic Development Authority (IEDA).
- The Iowa Jobs Training ([260F](#)) Program from the IEDA.
- The Workforce Development Fund Program from the IEDA.
- The Accelerated Career Education ([260G](#)) Program from the IEDA.
- The Older American Community Service Employment Program from the Department on Aging.
- Vocational Rehabilitation Services from the Department of Education.
- The Apprenticeship Training Program from the IEDA.
- The Future Ready Iowa Registered Apprenticeship Development Program from the IEDA.
- The Future Ready Iowa Expanded Registered Apprenticeship Opportunities Program from the IEDA.
- Employment Agencies from the Labor Services Division of the IWD.
- Adult Education and Literacy Programs from the Department of Education.

Division XI also makes the following changes:

- Allows the IWD to use moneys for the Pathways for Academic Career and Employment Program to support a regional industry sector partnership.
- Removes language allowing funds in the Workforce Development Fund to be used for administration costs.
- Removes the Labor Services Division and the Division of Workers' Compensation from the IWD.
- Requires reports and records previously submitted to the Division of Labor Services under Iowa Code section [91.12](#) to be submitted to the IWD.

Assumptions and Fiscal Impact

According to the IWD, **Division XI** is estimated to decrease costs by approximately \$4.2 million per year and will eliminate 63.0 funded FTE positions and 4.0 unfunded FTE positions. The IWD has not identified whether these positions are filled or unfilled. The decreased costs are broken out as follows:

- \$2.9 million and 39.0 FTE positions from the IWD.
- \$1.2 million and 25.0 FTE positions from Vocational Rehabilitation Services.

- \$72,000 and 3.0 FTE positions from the 260E, 260F, and 260G Programs as well as the Science, Technology, Engineering, and Math (STEM) Internship Program.

Source

Iowa Workforce Development

Staff Contacts

Evan Johnson (515.281.6301) evan.johnson@legis.iowa.gov

Molly Kilker (515.725.1286) molly.kilker@legis.iowa.gov

Division XII — Department of Revenue

Description and Background

Division XII transfers the Iowa Lottery Authority and the duties of the Alcoholic Beverages Division (ABD) of the Department of Commerce to the Department of Revenue (IDR). The Division also defines terms.

Currently, the Iowa Lottery Authority is an independent entity created in Iowa Code chapter [99G](#). **Division XII** transfers the authority for operating the Iowa Lottery to the IDR and the Director of the IDR and creates an Iowa Lottery Division of the IDR. The position of Chief Executive Officer (CEO) of the Iowa Lottery is replaced by a Lottery Administrator, who will report directly to the Director of the IDR and will serve at the pleasure of the Governor, subject to confirmation by the Senate.

Division XII modifies the duties of both the Lottery Administrator and the Lottery Board, including transferring the approval of the Lottery budget from the Lottery Board to the Director of the IDR. Duties of the Lottery Board regarding administration of the Lottery and the adoption of administrative rules are transferred to the IDR.

Under **Division XII**, the compensation of the Lottery Administrator is set by the Governor. The power of the Lottery CEO and Board to determine the number and duties of FTE positions of the Lottery Authority is removed. Additionally, **Division XII** removes abilities of the Lottery Authority relating to acquiring real property, entering into contracts, purchasing meals for meeting attendees, and other powers generally exercised by private businesses.

Finally, **Division XII** requires the Iowa Lottery Division to use the services of the Department of Administrative Services during competitive bidding procurement contracts.

In addition to transferring the ABD to the IDR, **Division XII** transfers the Alcoholic Beverages Commission's duties, namely to advise, review, and affirm, reverse, or amend actions of the ABD Administrator, to apply to the IDR and the IDR Director. **Division XII** eliminates the position and transfers the duties of the Administrator of the ABD to the Director of the IDR or the Director's designee.

Assumptions and Fiscal Impact

It is assumed that all existing FTE positions in the ABD and the Iowa Lottery Authority will be transferred to the IDR. The ABD, the Iowa Lottery Authority, and the IDR have stated that **Division XII** is expected to have no fiscal impact to the State of Iowa.

Sources

Alcoholic Beverages Division, Department of Commerce
Department of Revenue
Iowa Lottery Authority
Legislative Services Agency

Staff Contact

Xavier Leonard (515.725.0509) xavier.leonard@legis.iowa.gov

Division XIII — Department for the Blind

Description and Background

The Iowa Department for the Blind provides services to Iowans who are blind or visually impaired through the Department's three major service areas: vocational rehabilitation (VR), independent living, and the Library for the Blind and Print Disabled. The Department's Director is currently selected by the three members of the Commission for the Blind, who are appointed by the Governor.

Division XIII removes the appointment function of the Commission and grants the power to appoint the Director to the Governor, subject to confirmation by the Senate. The Director will serve at the pleasure of the Governor. **Division XIII** specifies that the Governor will appoint a Director of the Department for the Blind on or before July 1, 2023, to be effective July 1, 2023.

Division XIII takes effect upon enactment.

Assumptions and Fiscal Impact

Division XIII has no fiscal impact to the State of Iowa.

Source

Department for the Blind

Staff Contacts

Michael Peters (515.281.6934) michael.peters@legis.iowa.gov
Simon Sheaff (515.281.4611) simon.sheaff@legis.iowa.gov

Division XIV — Department of Education

Description and Background

Division XIV transfers a number of agencies and responsibilities to the Department of Education (DE).

Division XIV transfers the Iowa School for the Deaf (ISD) from the Board of Regents to the DE. This Act also removes the Iowa Braille and Sight Saving School (IBSSS) and replaces it with Iowa Educational Services for the Blind and Visually Impaired (IESBVI). The IBSSS has not operated as a traditional school for several years and instead collaborates with the Department for the Blind, the DE, and Area Education Agencies (AEAs) to provide educational programs for blind and visually impaired Iowans. The IESBVI would continue to administer these programs.

Division XIV moves the Science, Technology, Engineering, and Mathematics Collaborative Initiative (STEM Initiative), currently administered by the University of Northern Iowa (UNI), to a new division in the DE known as the Innovation Division — Science, Technology, Engineering, and Mathematics Collaborative. The STEM Initiative provides students working in STEM fields with internships that are intended to lead to a permanent position with Iowa employers. **Division XIV** creates the office of the Innovation Division Administrator, who oversees the activities of the Division.

Division XIV also creates a new Higher Education Division within the DE and creates the position of Higher Education Division Administrator. **Division XIV** tasks the Higher Education Division and the Administrator with overseeing:

- The Community Colleges and Post-Secondary Readiness Bureau, which **Division XIV** establishes as a new Bureau within the DE. A Bureau Chief position, which is already funded in the DE, is established for the Community Colleges and Post-Secondary Readiness Bureau and is charged with overseeing the career and technical education (CTE) activities of the DE. CTE programming in Iowa is primarily funded under the federal [Strengthening Career and Technical Education for the 21st Century Act](#). The CTE Administration State appropriation serves as a match to draw federal funds. The Perkins Grant includes an administrative allowance that, along with this appropriation, is used by the DE for staffing and other administrative costs.
- The College Student Aid Commission (CSAC), which **Division XIV** establishes as a bureau of the Higher Education Division rather than a standalone agency, is responsible for overseeing State programs that provide scholarships, grants, and loan forgiveness to students pursuing higher education; help high school students prepare for higher education; and ensure that postsecondary institutions in Iowa that have students qualifying for State financial aid meet established standards.
- The Board of Educational Examiners (BOEE), which **Division XIV** establishes as a bureau of the Higher Education Division rather than a standalone agency, establishes standards for educational practitioners and is charged with the overall responsibility of regulating the licensure standards for teachers, administrators, paraeducators, and coaches. The BOEE also investigates ethics complaints and monitors compliance of licensees with orders issued by the BOEE.
- The Community Colleges Bureau, which **Division XIV** changes from a division of the DE to a bureau of the Higher Education Division. A Bureau Chief position, which is already funded in the DE, is established for the Community Colleges Bureau. Each community

college is overseen by a publicly elected board of trustees. The DE's Division of Community Colleges currently accredits and provides statewide oversight of the colleges.

Assumptions and Fiscal Impact

- The appropriations for the CSAC, the STEM Initiative, the Division of Community Colleges, CTE Administration, the IBSSS, and the ISD will move from their current alignment to the new alignment.
- The current chief administrative positions for the CSAC, the Division of Community Colleges, the BOEE, and the ISD will be fully replaced by the new bureau chief offices created. The current chief administrative position of the CTE Bureau will be replaced by the chief administrative position of the Community Colleges and Post-Secondary Readiness Bureau. The salaries of these positions will remain unchanged.
- The current chief administrative position for the Division of Community Colleges and Workforce Preparation will assume the duties of the chief administrative position for the Division of Higher Education.

Division XIV has no fiscal impact to the State of Iowa.

Sources

Board of Regents
College Student Aid Commission
Department of Education
Department for the Blind

Staff Contacts

Michael Peters (515.281.6934) michael.peters@legis.iowa.gov
Simon Sheaff (515.281.4611) simon.sheaff@legis.iowa.gov

Division XV — Commerce

Description and Background

Division XV renames the Department of Commerce to the Department of Insurance and Financial Services, which includes the Iowa Division of Banking (IDOB), the Iowa Division of Credit Unions (IDCU), and the Iowa Insurance Division (IID). The Alcoholic Beverages Division is transferred from the Department of Commerce to the Department of Revenue, as outlined in **Division XII** of this Act.

In addition, **Division XV** makes the following changes:

- Provides that the Office of the Consumer Advocate is administratively supported by the Iowa Utilities Board.
- Renames the Department of Commerce Revolving Fund to the Commerce Revolving Fund.
- Establishes the Utilities Division of the Department of Commerce as a separate agency while establishing that it will continue to participate in the Commerce Revolving Fund.

- Makes the Insurance Commissioner the Director of the Department of Insurance and Financial Services (DIFS).
- Establishes that the Superintendent of Banking and the Superintendent of Credit Unions will report to the Insurance Commissioner and will serve at the pleasure of the Governor.
- Establishes that the Governor will set the salary for the Insurance Commissioner, the Superintendent of Banking, and the Superintendent of Credit Unions. The salaries of each Superintendent will be within salary range 6, while the salary of the Commissioner will not be included in a salary range, as outlined in **Division XVIII**.

Assumptions and Fiscal Impact

Division XV is estimated to have no fiscal impact to the State of Iowa.

Sources

Department of Commerce
Legislative Services Agency

Staff Contact

Xavier Leonard (515.725.0509) xavier.leonard@legis.iowa.gov

Division XVI — Department of Corrections

Description and Background

Division XVI moves Community-Based Corrections (CBC) under the control of the Department of Corrections (DOC). **Division XVI** also makes the following changes:

- Transfers CBC programs under the direction of the DOC.
- Provides that the Director of the DOC appoints the director for each CBC district departments.
- Establishes that all employees of the CBC district departments are employees of the DOC.
- Changes each CBC's board of directors from a policymaking board to an advisory-only board.
- Modifies the membership of the CBC district advisory boards.
- Transfers certain duties from the district advisory boards to the district directors.

CBC is an alternative to incarcerating individuals convicted of criminal offenses. This includes individuals on pretrial release, probation, or parole who reside in the community under the supervision of a CBC district department and participate in treatment programs.

Approximately 80.0% of offenders in the State corrections system are supervised by the CBC district departments, while approximately 20.0% are incarcerated in the State prison system.

Under Iowa Code chapter [905](#), there are eight CBC district departments. Each is a separate agency under the direction of a board of directors and is administered by a director employed by the board. The CBC staff members are considered State employees only for the purposes of collective bargaining and tort liability, and they are considered employees of the district department for administrative purposes.

Currently, each CBC board sets policy and oversees program operations. The DOC Central Office has regulatory responsibilities for CBC programs, including statewide planning, budget oversight, establishment of program guidelines, and development of performance measures.

The CBC district departments are funded through the General Fund and local fees. The General Assembly appropriates funding to the DOC and allocates funds to each CBC district department. The local fees consist primarily of rent paid by clients in the residential facilities and supervision fees paid by clients.

Assumptions and Fiscal Impact

- The CBC district departments receive approximately 80.0% of funding through the General Fund and 20.0% through local fees. Under **Division XVI**, this local fee revenue will be received by the State rather than the CBC district departments, but the local fee revenue will be used for the same purpose.
- **Division XVI** does not change the funding mechanism for the CBC district departments.
- There will be no change in salaries for CBC employees who will become DOC employees under **Division XVI**. Additionally, Iowa Public Employees' Retirement System (IPERS) status will remain the same for these employees.

The DOC reports that **Division XVI** will have no fiscal impact related to personnel. The DOC reports that there may be annual operational cost reductions due to applying consistent supervision practices in the CBC district departments; however, this cannot currently be determined due to lack of data.

Source

Department of Corrections

Staff Contacts

Isabel Waller (515.281.6561) isabel.waller@legis.iowa.gov

Justus Thompson (515.725.2249) justus.thompson@legis.iowa.gov

Division XVII — Board of Parole

Description and Background

Division XVII relates to the Board of Parole (BOP). It provides that all five members of the BOP are full-time, salaried members and removes the three alternate BOP member positions.

Under Iowa Code chapter [904A](#), the BOP consists of five regular members. The chairperson and vice chairperson are full-time, salaried members. The other three members are part-time and paid per diem. Additionally, there are three alternate members who substitute for Board members who are disqualified or become unavailable for any other reason for hearings.

Assumptions

- The three regular part-time members and the three alternate members of the Board receive a per diem of \$331.68 for each day worked.
- The salary range of the three regular part-time Board members who will become full-time is approximately \$64,000 to \$97,000.
- The Board will no longer pay a per diem for the three alternate Board members.
- Moving the three regular part-time Board members to full-time, salaried positions with benefits will increase BOP costs.

Fiscal Impact

The changes to the structure of the BOP are estimated to increase costs by approximately \$200,000 annually. This increase comprises a reduction in costs for removing the per diem for alternate Board members and an increase in costs by paying the three regular Board members a full-time salary and benefits instead of a per diem. The BOP is funded through the General Fund.

Sources

Board of Parole
Department of Corrections

Staff Contacts

Isabel Waller (515.281.6561) isabel.waller@legis.iowa.gov
Justus Thompson (515.725.2249) justus.thompson@legis.iowa.gov

Division XVIII — Salaries of Appointed State Officers

Description and Background

Division XVIII relates to the salaries of appointed State officials. 2008 Iowa Acts, chapter [1191](#) (FY 2009 Standing Appropriations Act), established salary ranges 2 through 7 for State officials. **Table 1** below includes the minimum and maximum salary amounts for each salary range, as established in [HF 2700](#) (FY 2009 Standing Appropriations Act).

Table 1 — Salary Ranges Set in 2008

<u>Salary Range</u>	<u>Minimum</u>	<u>Maximum</u>
2	\$ 48,160	\$ 73,700
3	55,380	84,750
4	63,690	97,460
5	73,250	112,070
6	84,240	128,890
7	100,840	154,300

Division XVIII eliminates salary ranges 2 and 3. The State positions currently within ranges 2 and 3 no longer exist in their current form under this Act. **Division XVIII** maintains ranges 4 through 7, and the salary amount of those ranges remain the same. However, not all State officials are placed in the same salary range as they were placed in HF 2700, and some State officials are no longer assigned a salary range.

The salary ranges remain in effect until the General Assembly modifies the salary ranges. A State official remains in the specified salary range until the General Assembly specifies otherwise.

Table 2 includes the changes to the salary range for current positions established under 2008 Iowa Acts, chapter 1191, compared to the salary ranges established in **Division XVIII**.

Table 2 — Changes to Salary Ranges Under Division XVIII

Current Position Title	Salary Range Under 2008 Iowa Acts, chapter 1191, as amended	Salary Range Under Division XVIII
Administrator of the Arts Division of the Department of Cultural Affairs	2	Not Included
Chairperson and two members of the Employment Appeal Board of the Department of Inspections and Appeals	3	4
Administrator of the Division of Criminal and Juvenile Justice Planning of the Department of Human Rights	3	Not Included
Administrator of the Division of Community Action Agencies of the Department of Human Rights	3	Not Included
Director of the Department of Human Rights	4	Not Included
Director of the Iowa State Civil Rights Commission	4	4
Director of the Department for the Blind	4	4
Executive Director of the Ethics and Campaign Disclosure Board	4	4
Members of the Public Employment Relations Board	4	Not Included
Board of Parole Chairperson, Vice Chairperson, and members	4	4
Executive Director of the Iowa Public Information Board	4	4
Director of the Department of Homeland Security and Emergency Management	5	Not Included
State Public Defender	5	5
Drug Policy Coordinator	5	Not Included
Labor Commissioner (Workforce Development)	5	5
Workers' Compensation Commissioner (Workforce Development)	5	5
Director of the Department of Cultural Affairs	5	Not Included
Director of the Iowa Department on Aging	5	Not Included
Director of the Iowa Law Enforcement Academy	5	5
Executive Director of the College Student Aid Commission	5	Not Included
Executive Director of the Department of Veterans Affairs	5	Not Included
Administrator of the Historical Division of the Department of Cultural Affairs	5	Not Included
Superintendent of Banking (Department of Commerce)	6	6
Superintendent of Credit Unions (Department of Commerce)	6	6
Administrator of the Alcoholic Beverages Division (Department of Commerce)	6	Not Included
Director of the Department of Inspections and Appeals	6	Not Included
Commandant of the Veterans Home	6	Not Included
Commissioner of the Department of Public Safety	6	Not Included
Commissioner of Insurance (Department of Commerce)	6	Not Included
Executive Director of the Iowa Finance Authority	6	Not Included
Director of the Department of Natural Resources	6	Not Included
Consumer Advocate	6	6
Chairperson and members of the Utilities Board (Department of Commerce)	6	6
Executive Director of Iowa PBS	7	7
Director of the Department of Corrections	7	Not Included
Director of the Department of Education	7	Not Included
Director of the Department of Human Services	7	Not Included
Director of the Economic Development Authority	7	Not Included
Executive Director of the Iowa Telecommunications and Technology Commission (ICN)	7	7
Executive Director of the State Board of Regents	7	7
Director of the Department of Transportation	7	Not Included
Director of the Department of Workforce Development	7	Not Included
Director of the Department of Revenue	7	Not Included
Director of the Department of Public Health	7	Not Included
State Court Administrator	7	7
Director of the Department of Management	7	Not Included
Director of the Department of Administrative Services	7	Not Included
Executive Director of the Public Employment Relations Board (<i>new under Bill</i>)	Not Included	5
Administrator of the Iowa Lottery Division of the Department of Revenue (<i>new under Bill</i>)	Not Included	7

Unless this Act specifies otherwise, **Division XVIII** allows the Governor to establish the salary for the various appointed State officials.

Division XVIII takes effect June 23, 2023 (first pay period of FY 2024).

Assumptions and Fiscal Impact

For agencies with directors that are no longer included within a salary range, there may be a fiscal impact for the agency if the salary of the director is set above the current salary range maximum or below the current salary range minimum. There may also be a fiscal impact if there are changes to salaries for positions realigned under another agency that were previously set within a salary range. However, any potential fiscal impact as a result of these changes cannot be determined at this time.

Source

Legislative Services Agency

Staff Contact

Maria Wagenhofer (515.281.5270) maria.wagenhofer@legis.iowa.gov

Division XIX — Boards and Commissions

Description and Background

Division XIX establishes a Boards and Commissions Review Committee to study the efficiency and effectiveness of each board, council, commission, committee, or other similar entity of the State that has been established by the Iowa Code. The Committee will include the following six voting members:

- One staff member of the Governor's Office who has been appointed by the Governor.
- The Administrative Rules Coordinator or a designee.
- The Director of the Department of Management (DOM) or a designee.
- The Director of the Department of Inspections, Appeals, and Licensing (DIAL) or a designee.
- One assistant attorney general who has been recommended by the Attorney General and appointed by the Governor.
- One member of the public who has been appointed by the Governor.

The Committee will also include the following four nonvoting members:

- One State representative appointed by the Speaker of the House.
- One State representative appointed by the Minority Leader of the House.
- One State senator appointed by the Majority Leader of the Senate.
- One State senator appointed by the Minority Leader of the Senate.

Division XIX requires the Committee to submit a report to the Governor and General Assembly on its findings no later than September 30, 2023, and the Division is repealed January 1, 2024.

Assumptions and Fiscal Impact

Division XIX has no fiscal impact to the State of Iowa.

Source

Legislative Services Agency

Staff Contact

Austin Brinks (515.725.2200) austin.brinks@legis.iowa.gov

Division XX — Miscellaneous Provisions

Description and Background

Division XX includes a provision relating to irreconcilable amendments as well as transition provisions. The Division provides that if an amendment in **Division I** of this Act (Department of Health and Human Services) is irreconcilable to an amendment that is made in the remainder of this Act, the amendment in the remainder of this Act prevails. In addition, **Division XX** provides transition provisions for administrative rules, legal obligations, personnel, funds, litigation, boards and commissions, and signs and insignia.

Assumptions and Fiscal Impact

Division XX has no fiscal impact to the State of Iowa.

Source

Legislative Services Agency

Staff Contact

Austin Brinks (515.725.2200) austin.brinks@legis.iowa.gov

Appendix A

Table 3 shows a summary of fiscal impacts for each division.

Table 3 — Summary of Fiscal Impacts of SF 514

Division	Estimated Identified Net Impact				
	FTE	General Fund	Federal Funds	Other	Total
I - HHS					
FTE Reduction	-110.0	\$ -2,000,000	\$ -4,400,000	\$ 0	\$ -6,400,000
Elimination of State Auditor Fees	0.0	\$ -96,000	\$ 0	\$ 0	\$ -96,000
Elimination of State Board of Health	0.0	-1,700	0	0	-1,700
Estimated Total	<u>-110.0</u>	<u>\$ -2,097,700</u>	<u>\$ -4,400,000</u>	<u>\$ 0</u>	<u>\$ -6,497,700</u>
III - DIA					
FTE Reduction	-20.0	-162,000	-1,400,000	0	-1,562,000
V - IEDA/DCA					
FTE Reduction	-7.0	-300,000	0	-196,000	-496,000
VII - Public Employment Relations Board					
Executive Director	-2.0	-120,000			-120,000
XI - Workforce Development					
FTE Reduction	-67.0	-4,200,000			-4,200,000
XIV - Education					
FTE Increase	1.0	144,000			144,000
XVII - Board of Parole					
Restructuring	3.0	200,000			200,000
Totals	<u>-202.0</u>	<u>\$ -6,535,700</u>	<u>\$ -5,800,000</u>	<u>\$ -196,000</u>	<u>\$ -12,531,700</u>

Effective Date

Division IV, VI, and XIII of this Act took effect March 15, 2023. **Division XVIII** of this Act is effective June 23, and the remaining Divisions are effective on July 1, 2023.

Enactment Date

This Act was approved by the General Assembly on March 15, 2023, and signed by the Governor on April 04, 2023.

[SF 542](#) – Youth Employment (LSB1838SV.4)

Staff Contact: Evan Johnson (515.281.6301) evan.johnson@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[Senate File 542](#) relates to youth employment and makes the following changes:

- Removes language providing for child labor permits and migrant labor permits.
- Prohibits individuals 13 years of age or younger from working in any work activity.
- Removes language that allows migrant laborers who are 14 or 15 years of age to work during summer school hours.
- Allows minors to participate in certain work activities that are currently prohibited.
- Modifies the hours of the day that minors may work.
- Allows the Director of the Iowa Department of Workforce Development (IWD) to issue waivers of youth employment restrictions in certain circumstances.
- Provides that the Director of the IWD or the Director of the Department of Education may grant exceptions from any provision of Iowa Code section [92.7](#) or [92.8](#) for individuals 16 to 17 years of age who are participating in work-based learning or a school- or employer-administered, work-related program if certain conditions are met.
- Creates exceptions to Iowa Code section 92.8 for students in approved work-based learning programs, registered apprenticeships, career and technical education programs, or student learner programs if certain conditions are met.
- Prevents a person determined to be a sexually violent predator pursuant to Iowa Code section [229A.7](#), a person required to register as a sex offender under Iowa Code chapter [692A](#), or a person determined to be a sexually violent predator or required to register as a sex offender pursuant to similar laws of another state from employing a person under 18 years of age.
- Removes certain violations relating to child labor under Iowa Code section [92.19](#).
- Removes the serious misdemeanor penalty for an individual in charge of any migratory worker or of any child who engages in a street occupation in violation of Iowa Code chapter [92](#).
- Grants the Director of the IWD the right to waive or reduce a civil penalty related to the violation of child labor laws based on the evidence the Director obtains. The Act also requires the Director of the IWD to provide a 15-day grace period before imposing a civil penalty.
- Modifies employer liability related to secondary students in work-based learning programs.
- Allows individuals 16 or 17 years of age to sell or serve alcoholic beverages for consumption on the premises where sold under certain circumstances. The individual may not work in a bar.
- Prohibits persons under the age of 18 from work activities in establishments where nude or topless dancing is performed.
- Requests the Legislative Council to establish an interim study committee to examine policy and make recommendations related to licensed driving by individuals between 14 and 18 years of age.

Background

Under current law, those between the ages of 10 and 13 may work in street occupations or migratory labor occupations under Iowa Code section [92.1](#). Civil penalties assessed by the Labor Commissioner under Iowa Code chapter 92 may not exceed \$10,000.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of the Act to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.

Correctional Impact

The correctional impact of SF 542 cannot be estimated due to lack of data. The Act modifies serious misdemeanors related to child labor under Iowa Code chapter 92. The Act also modifies a simple misdemeanor related to the serving or sale of alcohol by a minor under Iowa Code section [123.49\(2\)\(f\)](#). In FY 2022, there were no convictions under Iowa Code chapter 92 and no convictions under Iowa Code section [123.49\(2\)\(f\)](#).

A serious misdemeanor is punishable by confinement for no more than one year and a fine of between \$430 and \$2,560. A simple misdemeanor is punishable by confinement for no more than 30 days and a fine of between \$105 and \$855.

Figure 1 below shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS under those supervisions; and supervision marginal costs per day for all convictions of serious misdemeanors. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 20, 2023, for information related to the correctional system. A conviction of a simple misdemeanor does not result in a prison sentence but does carry the possibility of confinement in jail for up to 30 days.

Figure 1 — Sentencing Estimates and LOS

Conviction Offense Class	Percent Ordered to State Prison	FY 22 Avg LOS in Prison in Months (All Releases)	FY 22 Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 22 Avg LOS on Probation in Months	FY 22 Avg Cost Per Day Probation	Percent Sentenced to CBC Residential Facility	FY 22 Marginal Cost Per Day CBC	Percent Ordered to County Jail	Marginal Cost Per Day Jail	FY 22 Avg LOS on Parole in Months	FY 22 Marginal Cost Per Day Parole
Serious Misd	1.9%	5.5	\$23.42	51.2%	13.7	\$7.27	0.9%	\$20.67	73.3%	\$50.00	0.5	\$7.27

Minority Impact

The minority impact of SF 542 cannot be estimated due to lack of data. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 20, 2023, for information related to minorities in the criminal justice system.

Fiscal Impact

Senate File 542 is estimated to have little to no fiscal impact to the State.

Effective Date

This Act is effective July 1, 2023.

Enactment Date

This Act was approved by the General Assembly on May 3, 2023, and signed by the Governor on May 26, 2023.

Sources

Department of Human Rights, Criminal and Juvenile Justice Planning Division
LSA calculations
Iowa Department of Workforce Development