

Miscellaneous Acts – Fiscal Notes

Description

[House File 2337](#) provides that a person who falsely represents oneself as possessing an academic degree or academic credentials for the purpose of obtaining employment or other personal gain is guilty of a fraudulent practice in the fifth degree. Additionally, this Act provides that a person who knowingly and with intent falsely represents oneself as possessing a professional or occupational license regulated under Iowa Code chapter [272C](#) is guilty of a fraudulent practice in the third degree.

A fraudulent practice in the fifth degree is a simple misdemeanor. A fraudulent practice in the third degree is an aggravated misdemeanor.

Background

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.
- County jail data is unavailable. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Conviction data reflects the total number of convictions in adult court, which may include multiple convictions per individual. Not all convictions lead to incarceration, and there may be a delay between conviction and prison admission, which can contribute to differences in totals.
- A six-month delay is assumed from the effective date of this Act to the date the first offender will enter the correctional system.
- Offender-based convictions are a count of individuals convicted of the same offense. Each offender is counted only once per Iowa Code section, regardless of the number of individual convictions.
- Admissions are a count of individuals newly admitted to the Department of Corrections (DOC) for supervision during a selected time period, based on the most serious offense committed.

Correctional Impact

The correctional impact of this Act cannot be determined because the number of new convictions cannot be estimated. **Figure 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 an aggravated misdemeanor.

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

Conviction Offense Class	Percent Ordered to State Prison	FY 2025 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 2025 Field Avg LOS on Probation	Avg Cost Per Day Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2025 Field Avg LOS on Parole	Marginal Cost Per Day Parole
Aggravated Misdemeanor Non-Persons	31.1%	9.3	\$23.07	37.1%	28.4	\$8.00	\$16.35	\$50.00	11.2	\$8.00

Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 12, 2026, for information related to the correctional system.

Minority Impact

The minority impact cannot be determined since it is not known how many new convictions would result from the changes under this Act. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated January 12, 2026, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact of this Act cannot be determined because the number of new convictions cannot be estimated. The average State cost per aggravated misdemeanor is between \$8,300 and \$12,200. The estimated impact to the 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.

Effective Date

This Act is effective on July 1, 2026.

Enactment Date

This Act was approved by the General Assembly on April 1, 2026, and signed by the Governor on April 16, 2026.

Sources

Department of Corrections

Division of Data, Planning, and Improvement (DPI), Department of Management (DOM)

Description

[House File 2348](#) provides that a person is guilty of animal torture if the person intentionally, willfully, and maliciously mutilates, burns, poisons, drowns, starves, or causes intensive or prolonged pain or death to a companion animal, or causes, directs, or provides anything of value to another person to do the same. A person who commits animal torture under this Act is guilty of a Class D felony.

House File 2348 increases the penalty for acts specified under this Act from a Class D felony to a Class C felony if the individual has previously been convicted of any of the following crimes:

- Animal abuse (Iowa Code section [717B.2](#))
- Animal neglect punishable as a serious misdemeanor or aggravated misdemeanor (Iowa Code section [717B.3](#))
- Animal torture under this Act or injury to or interference with a police service dog (Iowa Code section [717B.9](#))
- Bestiality (Iowa Code section [717C.1](#))
- An act involving a prohibited animal contest (Iowa Code section [717D.2](#))

Background

Under current law, a person is guilty of animal torture if they intentionally or knowingly inflict on an animal severe and prolonged or repeated physical pain that causes the animal's serious injury or death, which is an aggravated misdemeanor for a first offense and a Class D felony if previously convicted.

In FY 2025 there were no convictions or individuals admitted to prison, probation, or parole on a most serious offense under Iowa Code section [717B.3A](#)(1), [717B.3A](#)(4), or [717B.3A](#)(5).

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 practices.
- County jail data is unavailable. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Conviction data reflects the total number of convictions in adult court, which may include multiple convictions per individual. Not all convictions lead to incarceration, and there may be a delay between conviction and prison admission, which can contribute to differences in totals.
- A six-month delay is assumed from the effective date of this Act to the date the first offender will enter the correctional system.

- Offender-based convictions are a count of individuals convicted of the same offense. Each offender is counted only once per Iowa Code section, regardless of the number of individual convictions.
- Admissions are a count of individuals newly admitted to the Department of Corrections (DOC) for supervision during a selected time period, based on the most serious offense committed.

Correctional Impact

The correctional impact of this Act cannot be determined because the number of new convictions cannot be estimated, but is anticipated to be minimal. **Figure 1** shows sentencing estimates 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 a Class D felony and Class C felony. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 12, 2026, for information related to the correctional system.

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

Conviction Offense Class	Percent Ordered to State Prison	FY 2025 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 2025 Field Avg LOS on Probation	Avg Cost Per Day Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2025 Field Avg LOS on Parole	Marginal Cost Per Day Parole
D Felony Non-Persons	84.2%	12.5	\$23.07	69.4%	41.4	\$8.00	\$16.35	\$50.00	15.5	\$8.00
C Felony Non-Persons	84.0%	16.8	\$23.07	66.4%	51.4	\$8.00	\$16.35	\$50.00	24.3	\$8.00

Minority Impact

The minority impact cannot be determined since it is not known how many additional convictions would result from the changes under this Act as amended. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated January 12, 2026, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact of this Act is estimated to be minimal. **Figure 2** shows the average State cost per offense for a Class C felony and Class D felony. The estimated impact to the General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the DOC.

Figure 2 — Average State Cost Per Offense

Offense Class	Average Cost
Class D Felony	\$13,000 to \$18,100
Class C Felony	\$15,000 to \$25,200

Effective Date

This Act is effective on July 1, 2026.

Enactment Date

This Act was approved by the General Assembly on April 30, 2026, and signed by the Governor on May 11, 2026.

Sources

Department of Corrections

Division of Data, Planning, and Improvement (DPI), Department of Management (DOM)

Description

[House File 2356](#) changes the State Public Defender (SPD) pilot project, Child Welfare Legal Representation, to a permanent program to be known as the Project to Preserve Families (PPF). This Act allows the SPD to administer and maintain the PPF throughout the State. The SPD may adopt administrative rules to administer the PPF.

Background

2020 Iowa Acts, chapter [1040](#) (State Public Defender Pilot Project — Child Welfare Legal Representation Act), established a pilot project under Iowa Code section [13B.13](#) to implement models of legal representation to assist families involved in the child welfare system by implementing and studying ways to achieve positive outcomes for families, reduce trauma to young children, and deliver financial benefits to families and their communities. The pilot project was originally implemented in up to six counties in Iowa. However, 2023 Iowa Acts, chapter [10](#) (Child Welfare Legal Representation — State Public Defender Pilot Project Extension and Expansion Act), expanded it to 16 counties. The pilot project ended on June 30, 2025.

The pilot project has received a total of 403 referrals since 2020. Of the 403 referrals, 19 or 4.7% of the total referrals became child in need of assistance (CINA) cases.

Assumptions

- The average cost of a CINA case is \$7,800 when representation is provided to indigent clients. This cost is paid from the Indigent Defense Fund.
- In FY 2025, the cost of the average pilot project referral was approximately \$2,500. This cost is paid from the Juvenile Justice Improvement Fund, which is funded with federal Title IV-E dollars.
- When the PPF is fully implemented, it will receive approximately 200 referrals annually across the State.
- It is assumed that 19 referrals, or 4.7%, will become CINA cases annually.
- The SPD currently assigns 1.0 full-time equivalent (FTE) position to the pilot project. It is assumed 1.0 FTE position will be assigned to the PPF program.
- The annual cost of referrals under the PPF program is estimated to be \$471,000.
- The Juvenile Justice Improvement Fund will continue to receive Title IV-E funds.

Fiscal Impact

House File 2356 is estimated to result in approximate cost savings of \$1.5 million annually to the Indigent Defense Fund once the PPF is fully implemented across the State. However, that estimate is compared to current law for FY 2027, in which the pilot program would be expired. The pilot program has been in operation since 2020, and therefore a portion of the cost savings under this Act may be a status quo savings compared to previous fiscal years. It is

unknown when the full cost savings will be realized. The cost to the Juvenile Justice Fund is estimated to be \$471,000 annually, which is funded by federal moneys through Title IV-E reimbursement.

Effective Date

This Act is effective on July 1, 2026.

Enactment Date

This Act was approved by the General Assembly on March 23, 2026, and signed by the Governor on April 9, 2026.

Source

Office of the State Public Defender

Description

[House File 2360](#) relates to child endangerment. This Act adds a new definition of “child” to mean any person under 18 years of age and removes references to “minors” under the age of 18 with a mental or physical disability. Under this Act, any person under age 18 is considered a child regardless of their mental or physical abilities under Iowa Code section [726.6](#) for child endangerment.

Background

Under current law, a person who is the parent, guardian, or person having custody or control over a child or a minor under the age of 18 with a mental or physical disability, or a person who is a member of the household in which a child or such a minor resides, commits child endangerment when the person performs any of the actions described in Iowa Code section 726.6.

Penalties under Iowa Code section 726.6 range from an aggravated misdemeanor to a Class B felony. 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. A Class B felony is punishable by confinement for up to 25 years and a fine of at least \$5,000 but not more than \$100,000.

In FY 2025, there were 1,202 convictions involving 891 individuals under Iowa Code section 726.6. In FY 2025, there were 55 people admitted to prison, 503 admitted to probation, and 14 admitted to parole.

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.
- County jail data is unavailable. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Conviction data reflects the total number of convictions in adult court, which may include multiple convictions per individual. Not all convictions lead to incarceration, and there may be a delay between conviction and prison admission, which can contribute to differences in totals.
- A six-month delay is assumed from the effective date of this Act to the date the first offender will enter the correctional system.
- Offender-based convictions are a count of individuals convicted of the same offense. Each offender is counted only once per Iowa Code section, regardless of the number of individual convictions.
- Admissions are a count of individuals newly admitted to the Department of Corrections (DOC) for supervision during a selected time period, based on the most serious offense committed.

Correctional Impact

The correctional impact of this Act cannot be determined because the number of additional convictions cannot be estimated. **Figure 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 an aggravated misdemeanor, Class D felony, Class C felony, and Class B felony.

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

Conviction Offense Class	Percent Ordered to State Prison	FY 2025 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 2025 Field Avg LOS on Probation	Avg Cost Per Day Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2025 Field Avg LOS on Parole	Marginal Cost Per Day Parole
Aggravated Misdemeanor Persons	45.4%	9.8	\$23.07	62.1%	27.6	\$8.00	\$16.35	\$50.00	9.4	\$8.00
D Felony Persons	79.7%	18.1	\$23.07	57.6%	40.0	\$8.00	\$16.35	\$50.00	16.8	\$8.00
C Felony Persons	89.1%	39.1	\$23.07	30.1%	42.8	\$8.00	\$16.35	\$50.00	27.2	\$8.00
B Felony Persons	96.6%	104.7	\$23.07	9.2%	20.9	\$8.00	\$16.35	\$50.00	26.8	\$8.00

Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 12, 2026, for information related to the correctional system.

Minority Impact

The minority impact cannot be determined since it is not known how many additional convictions would result from the changes under this Act. However, this Act may disproportionately impact Black individuals if trends remain constant. Of the 891 individuals convicted under Iowa Code section 726.6 in FY 2025, 72.3% of offenders were White, 18.2% were Black, and 9.5% were other races. Iowa's population is 83.2% White, 4.2% Black, and 12.6% other races. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated January 12, 2026, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact of this Act cannot be determined because the number of additional convictions cannot be estimated. **Figure 2** shows the average State cost per relevant offense. The estimated impact to the 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.

Figure 2 — Average State Cost Per Offense

Offense Class	Average Cost
Aggravated Misdemeanor	\$8,300 to \$12,200
Class D Felony	\$13,000 to \$18,100
Class C Felony	\$15,000 to \$25,200
Class B Felony	\$18,400 to \$39,600

Effective Date

This Act is effective on July 1, 2026.

Enactment Date

This Act was approved by the General Assembly on April 6, 2026, and signed by the Governor on May 6, 2026.

Sources

Department of Corrections

Division of Data, Planning, and Improvement (DPI), Department of Management (DOM)

Description

[House File 2493](#) expands Statewide Voluntary Preschool Program (SWVPP) eligibility to include pupils who reach five years of age on or after March 15 but on or before September 15 of the calendar year in which they would be eligible to attend kindergarten.

This Act applies to school budget years beginning on or after July 1, 2027 (FY 2028).

Background

The SWVPP was established in 2007 Iowa Acts, chapter [148](#) (Preschool Access for Four-Year-Olds Act). This Act established that a child who is a resident of the State of Iowa and is four years of age by September 15 of a school year would be eligible to enroll in the preschool program and would receive State funding. Any child younger or older in the preschool program would not be counted for State funding.

A school district with an approved SWVPP is funded in part by preschool foundation aid payments. The preschool foundation aid payment is calculated by multiplying the regular program State cost per pupil (SCPP) by the school district's preschool budget enrollment.

In academic year 2023-2024, 323 districts statewide participated in the SWVPP with 238 community partners of which 24,311 pupils were funded, and program funding totaled \$91.0 million.

In academic year 2024-2025, 324 districts statewide participated in the SWVPP with 238 community partners of which 24,083 students were funded, and the program funding totaled approximately \$91.4 million.

Assumptions

- The FY 2028 SCPP will be \$8,148, which is based on the FY 2027 SCPP, assuming a 0.0% State percentage of growth.
- The FY 2028 State school aid for SWVPP will be \$4,074, assuming a 0.0% State percentage of growth.
- Based on the fall 2024 certified enrollment, approximately 233 new pupils could be eligible under this Act.

Fiscal Impact

The fiscal impact for HF 2493 for each new pupil participating in the SWVPP will be an additional cost to the General Fund of \$4,074. In FY 2028, if 233 new pupils were enrolled in the SWVPP, the estimated maximum cost would be \$949,000 paid through the school aid formula.

Effective Date

This Act is effective on July 1, 2026, and applies to school budget years beginning on or after July 1, 2027.

Enactment Date

This Act was approved by the General Assembly on May 2, 2026, and signed by the Governor on June 2, 2026.

Sources

Iowa Department of Education Students Report, Iowa data collection

Iowa Association of School Boards

Legislative Services Agency calculations

Description

[House File 2514](#) establishes that a child of a parent, guardian, or custodian who is employed at a child care facility or child care home is eligible for the State child care assistance (CCA) program and requires the Department of Health and Human Services (HHS) to submit a report to the General Assembly regarding CCA for the child care workforce by December 1 of each year.

Background

The HHS established a CCA pilot program in FY 2024, which allowed individuals with children employed in the child care workforce to apply for the CCA program without regard to income limits. To be eligible for the CCA pilot program, the employed individual must work at least 32 hours per week in a direct care position at a licensed child care center, be registered as a child development home provider, or be a nonregistered child care home accepting CCA assistance. The family must also meet all other CCA eligibility criteria, excluding household income. The CCA pilot program is currently set to expire on July 1, 2026.

As of February 9, 2026, 2,105 families have participated in the CCA pilot program. The average participating family's income is 302.0% of the federal poverty level (FPL). In FY 2025, expenditures for the CCA pilot program totaled \$9.7 million.

Assumptions

- The average number of children per month enrolled in the CCA program with a parent, guardian, or custodian employed at a child care facility or child care home will be 1,659.
- Based on the HHS's most recent CCA projections, the average monthly cost per child is estimated to be \$589.72 for FY 2027 and \$607.41 for FY 2028.
- The State will pay for 60.0% of all costs associated with implementing this Act, while federal funds will provide for 40.0% of the costs.

Fiscal Impact

The total cost of HF 2514 is estimated to be \$11.7 million for FY 2027, of which the State cost is \$7.0 million and the federal cost is \$4.7 million. The total cost for FY 2028 is estimated to be \$12.1 million, of which the State cost is \$7.3 million and the federal cost is \$4.8 million.

Effective Date

This Act is effective July 1, 2026.

Enactment Date

This Act was approved by the General Assembly on March 30, 2026, and signed by the Governor on April 9, 2026.

Source

Department of Health and Human Services

Description

[House File 2515](#) relates to sexual exploitation of a minor and deferred and suspended sentences. This Act prohibits the court from deferring or suspending the sentence for individuals convicted of sexual exploitation of a minor under Iowa Code section [728.12](#).

Background

Penalties under Iowa Code section 728.12 range from a Class D felony to a Class B felony. 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. A Class B felony is punishable by confinement for up to 25 years and a fine of at least \$5,000 but not more than \$100,000.

In FY 2025, there were 228 convictions under Iowa Code section 728.12 involving 96 offenders. Of those convicted, 12 received a deferred sentence. The offense classes of the 12 deferred sentences are as follows:

- Felony C = 4
- Felony D = 5
- Aggravated Misdemeanor = 3

In the same year, there were 33 individuals admitted to prison, 44 admitted to probation, and 5 admitted to parole. The offense classes of the 44 probation admissions are as follows:

- Felony B = 3
- Felony C = 5
- Felony D = 33
- Aggravated Misdemeanor = 3

Enacted during the 2023 Legislative Session, 2023 Iowa Acts, chapter [74](#) (Sexual Exploitation of a Minor, Penalties Act), increased the penalties under Iowa Code section 728.12, with the lowest offense class under the current law increased to a Class C felony.

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 delay 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 because county jail data is unavailable. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Convictions: This data represents the total number of convictions in adult court. Cases that include multiple charges may also involve multiple convictions, and each of those individual convictions should appear in this data.
- Offender-based convictions: This data consists of a count of individuals (based on first name, last name, and date of birth) convicted of a specific offense in adult court. Each person is counted only once per Iowa Code section, regardless of the total number of charges received.
- Prison admits: This data consists of a count of new admissions to Iowa's correctional facilities during the selected time period. This data is based on the most serious offense committed.
- Expanded enforcement of Iowa Code section 728.12 will result in an increased number of trials.
- Probation admits under current law will go to prison under this Act.
- Future convictions and sentences will be based on current law offense classes.
- **Figure 1** displays the FY 2025 probation cohort supervision costs of \$408,000 under current law.

Figure 1 — Cost Under FY 2025 Law

Total Probation Admissions	Probation LOS Days	Probation Marginal Cost Per Day	Total Cost
Class B = 3	636	\$8.00	\$15,000
Class C = 5	1303	8.00	52,000
Class D = 33	1216	8.00	321,000
AGMS = 3	840	8.00	20,000
Total			\$408,000

Correctional Impact

The correctional impact of HF 2515 is unknown due to a lack of existing correctional data. **Figure 2** shows sentencing estimates 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 a Class B felony, Class C felony, and Class D felony. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 12, 2026, for information related to the correctional system.

Figure 2 — Sentencing Estimates and Length of Stay (LOS) in Months

Conviction Offense Class	Percent Ordered to State Prison	FY 2025 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 2025 Field Avg LOS on Probation	Avg Cost Per Day Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2025 Field Avg LOS on Parole	Marginal Cost Per Day Parole
D Felony Sex	91.2%	20.8	\$23.07	54.4%	30.8	\$8.00	\$16.35	\$50.00	5.0	\$8.00
C Felony Sex	92.9%	53.2	\$23.07	24.6%	52.5	\$8.00	\$16.35	\$50.00	15.7	\$8.00
B Felony Sex	100.0%	159.3	\$23.07	14.8%	N/A	\$8.00	\$16.35	\$50.00	19.7	\$8.00

Minority Impact

The minority impact of HF 2515 is unknown, but is anticipated to be minimal. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated January 12, 2026, for information related to minorities in the criminal justice system.

Fiscal Impact

The total fiscal impact of HF 2515 to the Department of Corrections (DOC) is \$1.0 million. This includes approximately \$619,000 per year in additional spending, beyond the current \$408,000 for probation costs, due to an increase in an estimated prison population of approximately 56 individuals who would, under current law, be admitted to probation or receive deferred sentences. **Figure 3** shows the new total cost under this Act.

Figure 3 — Cost Under House File 2515

Total Prison Admissions	Prison LOS Days	Prison Marginal Cost Per Day	Total Cost
Class B = 3	3,187	\$23.07	\$221,000
Class C = 9	1,190	23.07	247,000
Class D = 44	551	23.07	559,000
Total			\$1,027,000

Effective Date

This Act is effective on July 1, 2026.

Enactment Date

This Act was approved by the General Assembly on March 24, 2026, and signed by the Governor on April 9, 2026.

Sources

Department of Corrections
Division of Data, Planning, and Improvement (DPI), Department of Management (DOM)
State Public Defender

Description

[House File 2542](#) requires a person convicted of a third qualifying felony to be sentenced as a habitual offender and to serve a minimum sentence of confinement of seven years under Iowa Code section [902.8](#) (Minimum Sentence — Habitual Offender). Under this Act, earned time accrued pursuant to Iowa Code chapter [903A](#) cannot reduce the minimum sentence of confinement of seven years.

This Act increases the maximum sentence of a habitual offender under Iowa Code section [902.9](#) (Maximum Sentence for Felons) from 15 to 20 years.

This Act prohibits a deferred or suspended sentence for habitual offenders under Iowa Code section 902.8.

Background

Under current law, a habitual offender is any person convicted of a Class C or Class D felony who has twice before been convicted of any felony in a court of this or any other state or of the United States. A person sentenced as a habitual offender is not eligible for parole until the person has served the minimum sentence of confinement of three years. Additionally, the minimum sentence of a habitual offender under Iowa Code section 902.8 is three years and the maximum sentence of a habitual offender under Iowa Code section 902.9 is 15 years.

Under Iowa Code section [907.3](#) (Deferred Judgment, Deferred Sentence, or Suspended Sentence), the court may defer the sentence and assign the defendant to the judicial district department of correctional services (also known as the Community-Based Corrections District, or CBC District). The court may assign the defendant to supervision or services under Iowa Code section [901B.1](#) at the level of sanctions that the District department determines to be appropriate.

Figure 1 shows the average State cost per relevant offense. The estimated impact to the General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the Department of Corrections (DOC). The costs would be incurred across multiple fiscal years for prison and parole supervision.

Figure 1 — Average State Cost Per Offense

Offense Class	Average Cost
Class D Felony	\$13,000 to \$18,100
Class C Felony	\$15,000 to \$25,200

Correctional Data

- In FY 2025, there were 608 individuals who could meet the habitual offender conviction threshold with three or more convictions. Of the 608 individuals, 121 (20.0%) were sentenced as habitual offenders under Iowa Code section 902.8 and admitted to prison in FY 2025.
- The FY 2025 average length of stay (LOS) for a habitual offender under Iowa Code section 902.8 was 22.2 months (61.7% of the 36-month mandatory minimum sentence).
- In FY 2025, 146 new probation admissions were sentenced as habitual offenders under Iowa Code section 902.8.
- The average LOS for probation admissions for a felony conviction is approximately 43.2 months (1,314 days).
- From FY 2020 to FY 2025, 5,265 individuals met criteria for sentencing enhancement under Iowa Code section 902.8.

According to the DOC, as of April 16, 2026, the DOC's nine institutions are operating at a population of 8,871 individuals, which is 26.9% (6,990 individuals) over capacity. The current prison security level and approximate capacity for each facility is as follows:

- Anamosa State Penitentiary: medium, 908
- Clarinda Correctional Facility: medium, 750
- Fort Dodge Correctional Facility: medium, 1,162
- Iowa Correctional Institution for Women: medium, 654
- Iowa Medical and Classification Center: medium/minimum, 585
- Iowa State Penitentiary: maximum, 612
- Mount Pleasant Correctional Facility: minimum, 776, and minimum live-out, 164
- Newton Correctional Facility: medium, 762, and minimum, 252
- North Central Correctional Facility: minimum, 245

As of April 17, 2026, the DOC has 235.0 vacant full-time equivalent (FTE) prison positions statewide across all classifications, including 121.6 correctional officer FTE position vacancies.

New Prison Construction

On September 23, 2025, South Dakota enacted [SB 2](#), which appropriated \$650.0 million to the South Dakota Department of Corrections (SDDOC) for the construction of a new prison facility. The cost includes the construction of a men's correctional facility located on 176 acres of land in Sioux Falls, South Dakota, approximately 10 miles from the Iowa border. The prison is estimated to be 546,000 square feet, approximately 40 square feet per inmate, with a housing capacity of approximately 1,500 beds, including 1,200 beds built to house medium/maximum-security inmates and 300 beds built to house medium-security inmates (dorms). The prison has an estimated lifespan of 100 years. In FY 2025, the SDDOC was 35.0% over capacity with a population of 3,750 and stated capacity of 2,775.

Prison Infrastructure Fund

In 2008, the General Assembly authorized the Treasurer of the State to issue bonds for prison construction projects, specifically for the Iowa State Penitentiary at Fort Madison (2008 Iowa Acts, chapter [1179](#)). This Act created a Prison Bonding Fund to receive net proceeds of \$130.7 million from the bond issuance. Debt service on bonds issued for the Iowa State Penitentiary are paid with judicial branch revenue deposited into the Iowa Prison Infrastructure Fund under Iowa Code section [602.8108A](#). In FY 2026, the debt service payment totaled \$13.8 million. These bonds are expected to be paid off at the end of FY 2027.

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.
- County jail data is unavailable. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Conviction data reflects the total number of convictions in adult court, which may include multiple convictions per individual. Not all convictions lead to incarceration, and there may be a delay between conviction and prison admission, which can contribute to differences in totals.
- A six-month delay is assumed from the effective date of this Act to the date the first offender will enter the correctional system.
- Offender-based convictions are a count of individuals convicted of the same offense. Each offender is counted only once per Iowa Code section, regardless of the number of individual convictions.
- Admissions are a count of individuals newly admitted to the DOC for supervision during a selected time period, based on the most serious offense committed.
- 20.0% of all individuals convicted of three or more offenses will be sentenced as habitual offenders.
- Under current law, the average LOS of a prison admission under Iowa Code section 902.8 is 22.2 months (675 days). Under this Act, the average LOS of a prison admission under Iowa Code section 902.8 will be a minimum of 100.0% (2,555 days) of the seven-year sentence. As a result, the average LOS of a prison admission will increase by a minimum of 29.6 months (1,880 days).
- The increased LOS for a habitual offender under Iowa Code section 902.9 is unknown.
- Current probation admissions sentenced as habitual offenders will be sentenced to prison under this Act. Under current law, the average LOS of a prison admission under Iowa Code section 902.8 is 43.2 months (1,314 days). The average LOS for these individuals will increase by approximately 1,241 days under this Act.
- The marginal cost per day for prison admissions is \$23.07.
- The marginal cost per day for probation admissions is \$8.00.
- According to the DOC, new maximum/medium-security prison(s) will need to be built and existing prison and facility housing will need to be expanded.
- Recidivism patterns remain constant.

Correctional Impact

According to the DOC and the Department of Management's Division of Data, Planning, and Improvement, the total prison population is projected to increase by approximately 4,363 individuals by FY 2030, representing an estimated 49.2% increase from the current population. The correctional impact of this Act was estimated by applying the effects of this Act to a status quo prison population baseline. Refer to the Legislative Services Agency (LSA) memo

addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 12, 2026, for information related to the correctional system.

Minority Impact

House File 2542 enhances penalties related to habitual offenders and may disproportionately impact Black individuals if trends remain constant. Of the individuals eligible for the sentencing enhancement for FY 2025, 68.7% were White, 22.2% were Black, and 9.1% were other races. Iowa's population is 83.2% White, 4.2% Black, and 12.6% other races. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated January 12, 2026, for information related to minorities in the criminal justice system.

Fiscal Impact

The cost increase per individual is approximately \$43,000 for prison admissions based on the increased LOS. In FY 2025, there was a total of 121 new prison admissions with an average LOS of 675 days. Under this Act, the new LOS would be approximately 2,555 days. The cost increase under this Act for the FY 2025 cohort admitted to prison would be approximately \$5.2 million over the entire LOS.

In FY 2025, 146 new probation admissions were sentenced as habitual offenders under Iowa Code section 902.8 with an average LOS of 1,314 days. The cost increase per individual is approximately \$48,000 for individuals who were previously admitted to probation but would be admitted to prison under this Act. The total cost increase under this Act for the FY 2025 probation cohort would be approximately \$7.1 million over the entire LOS.

The total combined cost increase under this Act is approximately \$12.3 million over the entire LOS per admitted annual cohort.

Increased Prison Population

Due to the estimated increase to the prison population, additional housing will be necessary. To accommodate population growth, the DOC estimates the following additional housing requirements to existing prison infrastructure and new construction within the next five to seven years.

One-Time Construction Costs

To accommodate the projected increase of 4,363 additional individuals by FY 2030, the DOC estimates one-time capital costs for the following projects:

- 200 beds by restoration of the Clinical Care Unit (CCU) at Iowa State Penitentiary at an estimated cost of \$4.7 million.
- 500-bed housing unit added at Newton Correctional Facility (new construction) at an estimated cost of \$132.4 million. The DOC estimates that approximately five years will be needed to complete construction for this project.
- 256-bed housing unit added at Iowa State Penitentiary (new construction) at an estimated cost of \$65.2 million. The DOC estimates that approximately five years will be needed to complete construction for this project.
- Three new medium-security prisons with 1,162 beds each (3,486 beds total) (new construction) at an estimated cost of \$1.769 billion. The DOC estimates that construction will take five to seven years.

The total estimated one-time construction costs under this Act are approximately \$1.972 billion.

For the new construction projects, the totals also include land acquisition and specialized consultancy fees. If required, prison construction will take multiple years to complete, which may create unexpected costs for county jails. According to the DOC, expanding existing housing units may take up to five years to complete, and new prison construction would require approximately five to seven years once funding is secured.

Ongoing Operational Costs

According to the DOC, the total estimated ongoing operating costs under this Act are approximately \$115.6 million annually. This includes staffing costs to operate new housing units and facilities on a 24-hour basis, including security, medical, administrative, and facility support roles, as well as operational and maintenance costs:

- \$8.1 million — CCU at Iowa State Penitentiary.
- \$6.3 million — Newton Correctional Facility.
- \$5.8 million — Iowa State Penitentiary.
- \$95.4 million — three new medium-security prisons.

According to the DOC, the total number of FTE positions to staff the expanded facilities is approximately 962.0 FTE positions which includes the following:

- 93.0 FTEs — CCU at Iowa State Penitentiary.
- 28.0 FTEs — Newton Correctional Facility.
- 49.0 FTEs — Iowa State Penitentiary.
- 792.0 FTEs — three new medium-security prisons.

Effective Date

This Act is effective on July 1, 2026.

Enactment Date

This Act was approved by the General Assembly on May 2, 2026, and signed by the Governor on June 2, 2026.

Sources

Department of Corrections

Division of Data, Planning, and Improvement (DPI), Department of Management (DOM)

[HF 2562](#) – Temporary Health Care Placement Decision Makers (LSB5341HV.3)

Staff Contact: Louie Hoehle (515.281.6561) louie.hoehle@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 2562](#) relates to care facility placement for certain adults.

The Act is comprised of the following two divisions:

- Division I — Care Facility Placement
- Division II — Persons Authorized to Consent — Contingent on Enactment of Legislation

Division I — Care Facility Placement

Description

Division I of the Act does the following:

- Allows a physician to certify in a patient's record that the patient is not able to consent, that an authorized representative for the patient has not been located by the physician, and that it is in the patient's best interests to be discharged from the patient's current care facility and transferred or admitted to a care facility recommended by the physician.
- Allows an authorized person to make decisions regarding the patient's care facility placement following physician certification.
- Requires the patient's physician to forward a copy of the certification to the Department of Health and Human Services' (HHS's) Division of Aging and Disability Services.
- Requires a care facility or the patient's physician to forward a copy of a petition for court order to the HHS's Division of Aging and Disability Services at least 10 days prior to submitting the petition.
- Requires a court to forward a copy of the court order to the HHS's Division of Aging and Disability Services upon granting a petition.
- Requires a receiving care facility to notify the HHS's Division of Aging and Disability Services upon completion of the patient's placement at the facility.
- Authorizes the HHS to adopt administrative rules to administer the Act.

Background and Assumptions

- University of Iowa Health Care (UIHC) provides services to 10 to 12 patients per month who cannot consent to discharge.
- The average unnecessary bed days per patient is 2.6 days.
- The average net daily rate per patient is \$1,663.

Fiscal Impact

According to the Board of Regents, House File 2562 may reduce revenues for UIHC by between \$519,000 and \$623,000 annually.

Division II — Persons Authorized to Consent — Contingent on Enactment of Legislation

Description

Division II of the Act modifies the definition of “person authorized to consent” provided in Division I of the Act.

Division II of the Act was contingent upon the enactment of 2026 Iowa Acts, [House File 2305](#) (Medical Power of Attorney, Hospice Care Act), or successor legislation, amending Iowa Code section [144A.7](#)(1)(b). House File 2305 was approved by the General Assembly on April 21, 2026, and signed by the Governor on May 2, 2026.

Fiscal Impact

Division II of the Act is anticipated to have no fiscal impact.

Effective Date

This Act is effective on July 1, 2026.

Enactment Date

This Act was approved by the General Assembly on April 22, 2026, and signed by the Governor on May 15, 2026.

Sources

Board of Regents

University of Iowa Hospitals and Clinics

Description

[House File 2601](#) requires the treasurer of a political committee expressly advocating the passage or defeat of a ballot issue that receives a contribution from a donor to obtain an affirmation that the donor is not a foreign national and has not knowingly or willfully accepted funds in excess of \$100,000 in aggregate from one or more foreign nationals within the four years immediately preceding the date the contribution is made.

This Act also requires a political committee expressly advocating for the passage or defeat of a ballot issue to include with its required reports to the Iowa Ethics and Campaign Disclosure Board (IECDB) an affirmation that the political committee has not knowingly or willfully received, solicited, or accepted contributions from a foreign national or from a donor that has knowingly or willfully accepted funds in excess of \$100,000 in aggregate from one or more foreign nationals within the four years immediately preceding the date the contribution is made.

This Act prohibits a foreign national from directing, dictating, controlling, or directly or indirectly participating in the decision-making process regarding activities to influence a ballot issue. A foreign national is also prohibited from soliciting, directly or indirectly, the making of a contribution or expenditure by another person to influence a ballot issue.

Any person who knowingly or willfully violates the provisions of this Act is guilty of a serious misdemeanor and is subject to a civil penalty of \$10,000 or three times the amount of the contribution or expenditure, whichever is greater. The civil penalty is to be collected by the IECDB and deposited into the General Fund.

Background

A serious misdemeanor is punishable by confinement for no more than one year and a fine of at least \$430 but no more than \$2,560.

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.
- County jail data is unavailable. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Conviction data reflects the total number of convictions in adult court, which may include multiple convictions per individual. Not all convictions lead to incarceration, and there may be a delay between conviction and prison admission, which can contribute to differences in totals.
- A six-month delay is assumed from the effective date of this Act to the date the first offender will enter the correctional system.
- Offender-based convictions are a count of individuals convicted of the same offense. Each offender is counted only once per Iowa Code section, regardless of the number of individual convictions.

- Admissions are a count of individuals newly admitted to the Department of Corrections (DOC) for supervision during a selected time period, based on the most serious offense committed.
- All reports filed pursuant to this Act will be filed using the IECDB's Web Reporting System (WRS).
- One-time programming costs to update the WRS will cost approximately \$10,000 to \$15,000.

Correctional Impact

House File 2601 creates a new offense within Iowa Code chapter [68A](#). The correctional impact of this Act cannot be determined because the number of new convictions cannot be estimated. **Figure 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 a serious misdemeanor.

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

Conviction Offense Class	Percent Ordered to State Prison	FY 2025 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 2025 Field Avg LOS on Probation	Avg Cost Per Day Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2025 Field Avg LOS on Parole	Marginal Cost Per Day Parole
Serious Misdemeanor	2.3%	7.3	\$23.07	44.8%	21.0	\$8.00	\$16.35	\$50.00	N/A	\$8.00

Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 12, 2026, for information related to the correctional system.

Minority Impact

House File 2601 creates a new offense within Iowa Code chapter 68A. The minority impact of this Act cannot be determined because the number of new convictions cannot be estimated. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated January 12, 2026, for information related to minorities in the criminal justice system.

Fiscal Impact

House File 2601 creates a new offense within Iowa Code chapter 68A, and the number of convictions is unknown. The average State cost per serious misdemeanor is between \$350 and \$6,200. The estimated impact to the 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.

House File 2601 will also require one-time programming costs to the IECDB between \$10,000 and \$15,000 to update the WRS to include affirmation statements pursuant to this Act.

Effective Date

This Act is effective on July 1, 2026.

Enactment Date

This Act was approved by the General Assembly on April 21, 2026, and signed by the Governor on June 2, 2026.

Sources

Division of Data, Planning, and Improvement (DPI), Department of Management (DOM)
Department of Corrections
Iowa Ethics and Campaign Disclosure Board

Description

[House File 2602](#) requires the licensure of massage therapy establishments beginning January 1, 2027. The Act provides requirements for a massage establishment to become licensed, including that the owner of the establishment must submit to a national criminal history check, the payment of the license fee determined in Iowa Code section [147.80](#), and recordkeeping. The Act requires a licensee under investigation by a peace officer to provide a copy of the establishment license. A licensee who fails to provide a copy of the establishment license is guilty of a serious misdemeanor. The Act also imposes civil fines of \$1,000 for each offense, with a maximum penalty of \$10,000 for continued violations for a person who operates a massage therapy establishment without a license.

The [Board of Massage Therapy](#) is required to adopt administrative rules implementing the Act. The Department of Inspections, Appeals, and Licensing (DIAL) may adopt administrative rules implementing the Act.

Background

Currently, massage therapists are required to be licensed in the State; however, massage therapy establishments are not required to obtain licensure.

Under current law, practicing as a massage therapist without a license or employing an individual as a massage therapist who is not licensed may result in civil fines up to \$1,000 per offense, with a maximum penalty of \$10,000 for continued violations.

The DIAL is currently implementing a new Administrative Licensing and Inspection Governance Network (ALIGN) system that will handle the Department's licensing, permitting, inspection, and case management needs.

A serious misdemeanor is punishable by confinement for no more than one year and a fine of at least \$430 but not to exceed \$2,560.

Assumptions

- There are currently 700 massage therapy establishments in the State, all of which will apply for licensure in FY 2027. Each subsequent year, 35 additional massage therapy establishments will apply for licensure.
- According to DIAL, massage therapy establishment licensure will last three years before renewal is required.
- According to DIAL, the creation of a new license type in the ALIGN system will require a one-time cost of \$60,000.
- According to DIAL, both the initial licensing fee and the renewal fee will be \$400.

- According to DIAL, 0.5 Clerk Specialist full-time equivalent (FTE) position will be needed to process licenses in FY 2027, and 0.1 Clerk Specialist FTE position will be needed in subsequent years at an annual cost of \$55,000 per FTE position.
- According to DIAL, 2.0 Compliance Officer 1 FTE positions will be needed to investigate and inspect massage therapy establishments at an annual cost of \$82,000 per FTE position.
- License fees will be deposited into the Licensing and Regulation Fund (LRF).
- 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.
- County jail data is unavailable. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Conviction data reflects the total number of convictions in adult court, which may include multiple convictions per individual. Not all convictions lead to incarceration, and there may be a delay between conviction and prison admission, which can contribute to differences in totals.
- A six-month delay is assumed from the effective date of the Act to the date the first offender will enter the correctional system.
- Offender-based convictions are a count of individuals convicted of the same offense. Each offender is counted only once per Iowa Code section, regardless of the number of individual convictions.
- Admissions are a count of individuals newly admitted to the Department of Corrections (DOC) for supervision during a selected time period, based on the most serious offense committed.

Correctional Impact

House File 2602 creates a new offense. The correctional impact cannot be determined because the number of new convictions under the Act is unknown. **Figure 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 a serious misdemeanor.

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

Conviction Offense Class	Percent Ordered to State Prison	FY 2025 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 2025 Field Avg LOS on Probation	Avg Cost Per Day Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2025 Field Avg LOS on Parole	Marginal Cost Per Day Parole
Serious Misdemeanor	2.3%	7.3	\$23.07	44.8%	21.0	\$8.00	\$16.35	\$50.00	N/A	\$8.00

Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 12, 2026, for information related to the correctional system.

Minority Impact

House File 2602 creates a new offense regarding the failure to provide proof of licensure for a massage therapy establishment, and, as a result, existing data cannot be used to estimate the minority impact of the Act. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated January 12, 2026, for information related to minorities in the criminal justice system.

Fiscal Impact

House File 2602 is estimated to require 2.5 additional FTE positions and increase costs to the DIAL by approximately \$253,000 in FY 2027 and require 2.1 additional FTE positions and increase costs by \$171,000 in subsequent fiscal years. These costs are displayed in **Figure 2**. The Act is also estimated to increase revenues to the DIAL and the LRF by approximately \$280,000 in FY 2027 and varying amounts in subsequent fiscal years. **Figure 3** below shows estimated costs and revenues to the DIAL and the LRF by fiscal year.

Figure 2 — Estimated Costs to the Department of Inspections, Appeals, and Licensing

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
ALIGN Database Changes	\$ 60,000	\$ 0	\$ 0	\$ 0	\$ 0
Clerk Specialist	28,000	6,000	6,000	6,000	6,000
Compliance Officers	165,000	165,000	165,000	165,000	165,000
Total	\$ 253,000	\$ 171,000	\$ 171,000	\$ 171,000	\$ 171,000

Totals may not sum due to rounding.

Figure 3 — Estimated Increased Revenues to the Licensing and Regulation Fund

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Initial Applications	\$ 280,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000
Application Renewals	0	0	0	280,000	14,000
Total	\$ 280,000	\$ 14,000	\$ 14,000	\$ 294,000	\$ 28,000

House File 2602 creates a new offense within Iowa Code chapter [152C](#). The fiscal impact cannot be determined because the number of new convictions under the Act is unknown. The average State cost per serious misdemeanor is between \$350 and \$6,200. This 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.

Effective Date

This Act is effective on July 1, 2026.

Enactment Date

This Act was approved by the General Assembly on May 2, 2026, and signed by the Governor on June 2, 2026.

Sources

Department of Inspections, Appeals, and Licensing
Department of Management, Division of Information Technology
Department of Management, Division of Data, Planning, and Improvement
Department of Corrections

HF 2635 – Health Insurance and Managed Care, Payment Practices (LSB5772HV.2)

Staff Contacts: Xavier Leonard (515.725.0509509) xavier.leonard@legis.iowa.gov

Louie Hoehle (515.281.6561) louie.hoehle@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 2635](#) relates to health carriers standards of conduct; utilization review organizations (UROs), artificial intelligence (AI), audits, and prior authorizations; certificate of need processes; and includes applicability provisions. The Act has four divisions, three of which have a fiscal impact and one of which does not.

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

- Division I — Health Insurance Trade Practices
- Division II — Prior Authorizations
- Division III — Prior Authorizations — Medical Assistance Program

Division IV — Certificates of Need has no fiscal impact.

Division I — Health Insurance Trade Practices

Description

Division I of the Act:

- Prohibits a URO from using an AI-based algorithm or system as the sole basis for the decision to deny, delay, or downgrade a prior authorization request based on medical necessity.
- Requires UROs that conduct audits of health care provider claims to meet notification and determination timeline requirements.
- Requires adverse audit determination appeals by health care providers and the final determination on appealed claims by UROs to meet timeline requirements.
- Requires UROs that violate new Iowa Code section 514F.8C(2) to approve and promptly pay the corresponding health care provider claim, with interest.
- Provides applicability requirements.
- Restricts health carriers from taking certain punitive actions against a provider based on the provider's referral to, or affiliation with, an out-of-network provider.
- Authorizes the Commissioner of Insurance to adopt administrative rules to administer this Division.

Background

Prior authorization is defined in Iowa Code section [514F.8](#) as a determination by a URO that a specific health care service proposed by a health care provider for a covered person is medically necessary or medically appropriate. The determination must be made prior to the provision of the health care service to the covered person. If applicable, a covered person or a health care provider must notify the URO prior to receiving or providing a specific health care service.

Figure 1 shows insurance claim spend by plan. The State of Iowa costs (2025) were provided by Wellmark, and the Board of Regents (BOR) universities' costs (2024) were provided by the BOR.

Figure 1 — Insurance Spend by Plan	
Insurance Plan	Annual Spend
State University of Iowa	\$ 360,800,000
Iowa State University	138,500,000
University of Northern Iowa	27,100,000
University Total	\$ 526,400,000
State of Iowa	395,700,000
Total	\$ 922,100,000

Division I is estimated to affect approximately 25.6% of the population (829,000 people). This includes individual coverage, fully insured small and large employer groups, self-insured public employees, and the State of Iowa plan.

Of the individuals not covered by the mandate, approximately 42.9% are covered by government-sponsored health insurance; 26.7% are covered by employer coverage, which is governed by the federal [Employee Retirement Income Security Act of 1974 \(ERISA\)](#); and the remaining 4.8% are uninsured. Additional details are presented in **Figure 2**.

Figure 2 — Population Covered by Insurance Plans Regulated by Iowa Law

Type of Coverage	Iowa Population	Percent of Population
Total Population 2024	3,241,488	100.0%
Included in Mandate		
Individual Coverage	143,597	4.4%
Fully Insured Small Employer Group	129,342	4.0%
Fully Insured Large Employer Group	286,029	8.8%
Self-Insured Public Employees*	215,000	6.6%
State of Iowa Plan	55,000	1.7%
Total	828,968	25.6%
Not Included in Mandate		
Employer (self-insured + other types not listed)	864,752	26.7%
Uninsured	156,600	4.8%
Other Public (Military, Tricare, Veterans Affairs)	24,100	0.7%
Medicare	685,671	21.2%
Medicaid + Children's Health Insurance Plan	681,397	21.0%
Total	2,412,520	74.4%

*Represents total population 2020.

Sources: Iowa Insurance Division and Wellmark

Assumptions

- It is unknown how administrative costs will be impacted, but the impact may be significant.
- According to Wellmark, restricting a health carrier's ability to impose punitive financial incentives on health care providers may increase costs to the State of Iowa plan and the BOR universities' plans. It is unknown how this may impact the University of Iowa Health Care (UIHC) as a provider.

Fiscal Impact

Division I of the Act may increase costs to the State of Iowa and the BOR universities' health plans incurred in responding to audits of clean claims; any potential fiscal impact is unknown but may be significant.

Division II — Prior Authorizations

Description

Division II of the Act relates to prior authorization requirements and does the following:

- Requires health care providers, beginning July 1, 2027, to submit requests for prior authorization to a health carrier electronically and to comply with federal interoperability regulations.
- Provides the following requirements for a URO to deny or downgrade a request for prior authorization:
 - The decision must be made by a qualified reviewer or a clinical peer, who must attest to the reviewer's or peer's qualifications, excluding any personal identifiable information.
 - The health care provider must be given a statement signed by the qualified reviewer or clinical peer who made the decision, and the statement must include the specific reasons for the denial or downgrade.
 - The URO's appeal process must be disclosed to the health care provider and the covered person.
- Requires a URO to conduct a consultation with a qualified reviewer or clinical peer within seven business days, if requested by a health care provider.
- Restricts a qualified reviewer or clinical peer who was involved in an original denial or downgrade from conducting the pursuing appeal.
- Prohibits prior authorization and additional utilization review requirements by a health carrier for the following:
 - Cancer-related screenings that are recommended by the covered person's health care professional and meet other requirements of the Act.
 - Diagnosis and treatment of an emergency medical condition that develops or becomes evident while the covered person is receiving inpatient care and meets other requirements of the Act, including that the condition is reasonably determined by a health care professional to be life-threatening without immediate treatment.
- Authorizes the Commissioner of Insurance to adopt administrative rules to administer this Division.
- Establishes applicability.
- Establishes enforcement mechanisms permitting the Commissioner of Insurance to suspend a URO's authority to conduct utilization review upon finding a pattern or practice of noncompliance with the sections of Iowa Code specified in the Act. Includes remedies authorized in Iowa Code chapters [505](#) and [507B](#).

Background

Civil penalties collected pursuant to Iowa Code chapters 505 and 507B are currently deposited into the General Fund (60.0%) and the Commerce Revolving Fund (CMRF) (40.0%).

Division II is estimated to affect approximately 25.6% of the population (829,000 people). Additional details are presented in **Figure 2**.

Assumptions

- Requiring a qualified reviewer or a clinical peer to make denial or downgrade determinations may increase administrative costs for health carriers.

- According to Wellmark, some of these specialized positions may not currently be on staff, and there may be significant costs to hire or contract this work to individuals with the same qualifications and experience as the health care professional or physician requesting prior authorization. Potential costs are unknown but may be significant.
- According to Wellmark, any reduction in prior authorization utilization is accompanied by a sentinel effect, which increases utilization and costs to a health insurance plan.
- Additional consultation pursuant to the Act may increase administrative costs by an unknown amount, which may be significant.
- According to Wellmark, prohibiting prior authorization and additional utilization requirements for cancer-related screenings and for the diagnosis and treatment of emergency medical conditions, as restricted by the Act, is not expected to have a significant impact on costs to the State of Iowa plan. It is unknown whether there will be any impact on costs to the other State-funded plans.
- According to the BOR, any increase in the utilization of services may increase revenues or decrease costs to the UIHC as a provider, but any such impact cannot be quantified at this time.

Fiscal Impact

Division II of the Act may increase administrative costs to the State of Iowa and the BOR universities' health plans by requiring denial and downgrade determinations for prior authorization requests to be performed by qualified reviewers and clinical peers. Administrative costs for each of the plans may also be increased in the appeal and consultation process outlined in Division II. Additionally, Division II may increase costs to the BOR universities' health plans by prohibiting prior authorization and additional utilization requirements for specific screenings, diagnoses, and treatments that meet the requirements of the Act. Finally, Division II may increase revenues to the UIHC as a provider if increased utilization of services occurs. Any potential fiscal impact is unknown but may be significant.

Division III — Prior Authorizations — Medical Assistance Program

Description

Division III of the Act relates to prior authorization requirements and does the following:

- Prohibits the Department of Health and Human Services (HHS) and managed care organizations (MCOs) from requiring prior authorization or additional utilization review requirements for Medicaid and Healthy and Well Kids in Iowa (Hawki) recipients for the following:
 - Cancer-related screenings that are recommended by the recipient's health care provider and meet other requirements of the Act.
 - Diagnosis and treatment of an emergency medical condition that develops or becomes evident while the recipient is receiving inpatient care and meets other requirements of the Act, including that the condition is reasonably determined by a provider to be life-threatening without immediate treatment.
- Requires health care providers, beginning July 1, 2027, to submit requests for prior authorization to an MCO electronically and to comply with federal interoperability regulations.
- Division III of the Act is applicable to all contracts between the HHS and an MCO that are delivered, issued for delivery, continued, extended, or renewed beginning January 1, 2027, and to requests for prior authorization made beginning January 1, 2027.
- Authorizes the HHS to adopt administrative rules to administer this Division.

Background

Division III applies to Medicaid and Hawki and is estimated to affect approximately 21.0% of the population (681,000 people). Additional details are presented in **Figure 2**.

Assumptions and Fiscal Impact

Division III of the Act may increase costs for Medicaid reimbursements by prohibiting prior authorization and additional utilization requirements for specific screenings, diagnoses, and treatments that meet the requirements of the Act. Any potential fiscal impact is indeterminable.

Fiscal Impact Summary

Any potential fiscal impact of HF 2635 to the State is unknown, but may be significant. The Act may increase revenues to the UIHC.

Divisions I and II of House File 2635 may increase costs to the State of Iowa and the BOR universities' plans.

Division III may increase costs to the HHS.

Division IV is estimated to have no fiscal impact.

Effective Date

This Act is effective on July 1, 2026.

Enactment Date

This Act was approved by the General Assembly on March 5, 2026, and signed by the Governor on May 13, 2026.

Sources

Board of Regents

Department of Administrative Services

Department of Health and Human Services

Department of Insurance and Financial Services, Iowa Insurance Division

Wellmark

Legislative Services Agency analysis

Description

[House File 2670](#) modifies provisions related to summative testing in schools and the educational program provided to students enrolled in kindergarten through grade 12.

This Act adds or requires the following:

- Adds social studies to Iowa's core academic indicators for students in grades 8 and 10.
- Requires the addition of a summative social studies assessment to the Iowa Statewide Assessment of Student Progress (ISASP), administered to students in grades 8 and 11, to align with Iowa standards in both rigor and content.
- Moves the administration of the summative science assessment from grade 10 to grade 11.
- Requires the administration of a summative social studies assessment in grades 8 and 11.
- Requires instruction related to physical education and nutrition in the health curriculum for students in grades one through eight.
- Allows for the two additional units of mathematics for students in grades 9 through 12 to include instruction related to agriculture.
- Requires the one unit of health to include instruction related to physical fitness, food and nutrition, and personal health for grades 9 through 12.
- Requires guidance counselors to work collaboratively with parents or guardians.
- Requires the State Board of Education (BOE) to take certain action in instances of noncompliance with relevant State and federal requirements.

This Act removes requirements related to the following:

- Adopting administrative rules related to protocols for identifying adverse childhood experiences.
- Distributing standards for equity coordinators to school districts.
- Including a multicultural and gender-fair approach in educational standards.
- Including experiences to develop healthy social and emotional habits and age-appropriate research-based human growth and development in kindergarten programs.
- Including emotional and social health instruction within health education for grades 9 through 12.
- Consideration of standards and best practices from certain national organizations.

This Act requires school districts to pay costs required by this Act from State Foundation School Aid per Iowa Code section [25B.2](#) (State mandates).

Provisions related to educational standards of the kindergarten program and health curricula in grades one through eight apply to charter schools and innovation zone schools.

Provisions related to the administration of the social studies summative assessment apply to school years beginning on or after July 1, 2027.

Background

The Iowa core academic indicators are a set of common expectations for students in public school districts that are analyzed in the Iowa School Performance Profiles. The profiles provide a comprehensive view of how schools are performing and serving students. The indicators include proficiency in English language arts, mathematics, and science; student academic growth; chronic absenteeism; attendance growth; and postsecondary readiness.

The federal [Every Student Succeeds Act \(ESSA\)](#) requires that states annually assess all students on achievement of grade-level, State-adopted standards in mathematics, reading, and science. The ISASP is a summative accountability assessment for all Iowa students and meets the ESSA requirements. Assessments for English language arts and mathematics are administered in grades 3 through 11. Assessments for science are administered in grades 5, 8, and 10. There is currently no summative assessment for social studies.

Iowa Code section [256.11](#) (Educational Standards) outlines the requirements for educational programs for students in public and accredited nonpublic schools.

Assumptions

- Iowa Testing Programs (ITP) within the University of Iowa's College of Education will create, review, and distribute the ISASP summative assessments for social studies.
- Developing the social studies assessment will require test design and finalization of specifications, item development and review, final form assembly, first administration of the assessment, and completion of a standard-setting process to be incorporated into the existing ISASP reporting mechanism.
- The Board of Regents estimated an initial one-time cost of \$181,000 to develop a social studies assessment.
- The assessment will cost school districts an additional \$5.25 per student to administer, score, and report the results of the assessment.
- Class sizes of the students required to take the new social studies assessment are estimated to total 80,000 annually in both grades 8 and 11.
- Additional curriculum changes under this Act are not anticipated to have a fiscal impact.

Fiscal Impact

House File 2670 has a total estimated cost of \$601,000 in FY 2027. This includes a one-time cost of \$181,000 to the Board of Regents to develop the social studies ISASP assessment and an annual ongoing cost for the test across school districts of approximately \$420,000, depending on the class size.

This Act requires school districts to pay costs required by this Act from State Foundation School Aid per Iowa Code section [25B.2\(3\)](#).

Effective Date

This Act is effective July 1, 2026. Provisions related to the administration of the social studies summative assessment apply to school years beginning on or after July 1, 2027.

Enactment Date

This Act was approved by the General Assembly on April 21, 2026, and signed by the Governor on June 2, 2026.

Sources

Iowa Testing Programs
Board of Regents
Department of Education

[HF 2676](#) – Medical Licensing and Prescribing (LSB5336HV.5)

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

Fiscal Note Version – Final Action

Description

[House File 2676](#) relates to health-related matters, including health-related professions, nutrition, medication, and education, and includes effective date and applicability provisions. **Division II** requires the Board of Medicine to adopt administrative rules to implement the provisions of the Division. **Division IX** takes effect upon the issuance of final guidance for the administration of the presidential physical fitness test by the federal government.

The Act is comprised of 11 divisions, three of which have or may have a fiscal impact and eight of which do not.

The following divisions of the Act have no fiscal impact:

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

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

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

Division V — School Foods and Beverages

Description

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

school from providing food or beverages during the school day that contain identified ingredients and places limits on a school's ability to sell food and beverages that contain identified ingredients.

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

Background

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

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

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

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

Assumptions

- School food service programs in Iowa are primarily federally funded under the Food and Nutrition Service of the USDA.
- The DE currently receives a General Fund appropriation for [School Food Service](#) in the amount of \$2.2 million annually to meet the federal funds maintenance of effort requirement.
- School meal menus are specific to each school district and may contain the ingredients prohibited by the Act.
- Schools maintain a food and nutrition fund supported with meal fees and federal funds. The total amount of federal funds received for school nutrition for FY 2025 is approximately \$245.1 million.

- For reduced-price meals, the meal fee charged by schools is typically the difference between the free reimbursement rate and the reduced-price reimbursement rate. For breakfast, this rate difference is \$0.30, and for lunch, the rate difference is \$0.40. Meals being provided for free are subject to the USDA reimbursement received, and additional funding is not provided through an additional charge by the school.
- An increase in the cost of school meals may be reflected in increased school meal fees for students not receiving free or reduced-price meals, or increased costs may be absorbed by the school district.

Fiscal Impact

While there is no anticipated fiscal impact for the State, school districts may have increased meal item costs to meet the requirements of the Act beginning July 1, 2027 (FY 2028). Because school districts are independent of each other, including school menus, food and beverage items, and supply resources, any increased costs would be specific to each individual school district and cannot be determined at this time.

Division VIII — Student Instructional Technology Standards

Description

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

This Division directs the DE, in collaboration with the Department of Health and Human Services (HHS) to convene and provide administrative support to a working group that will examine research related to the impact of school-provided technology on the cognitive function and academic performance of students in grades 6 through 12. The working group will consist of educators, mental health professionals, and parents of school-age children. The working group will submit a report with recommendations and findings to the General Assembly by December 31, 2026.

Background

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

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

Assumptions

- The DE provides training for tutoring and individualized learning programs.
- The DE partners with EPS Learning to provide up to 200,000 licenses to provide digital resources for literacy.
- Nondigital materials will be needed to replace digital materials that would otherwise be used for education instruction.
- Expenses incurred by a member of the working group will be the responsibility of the individual member or respective entity represented by the member.

Fiscal Impact

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

Costs incurred by a member of the working group will be the responsibility of the individual member or the respective entity they represent.

Division XI — Psychology Interjurisdictional Compact

Description

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

Background

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

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

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

Assumptions

- Implementation of the Compact occurs after the Administrative Licensing and Inspection Governance Network (ALIGN) project is completed.

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

Fiscal Impact

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

Figure 1 — Estimated Psychology Interjurisdictional Compact-Related IT Costs

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

NOTE: Numbers may not sum due to rounding

Fiscal Impact Summary

The fiscal impacts of **Division V** and **Division VIII** cannot be determined.

Division XI is estimated to increase expenditures between \$148,000 and \$216,000 in FY 2027.

Effective Date

This Act is effective on July 1, 2026. **Division V** of this Act is applicable to school years beginning on or after July 1, 2027. **Division IX** of this Act takes effect upon the issuance of final guidance for the administration of the presidential physical fitness test by the federal government.

Enactment Date

This Act was approved by the General Assembly on April 27, 2026, and signed by the Governor on May 20, 2026.

Sources

Department of Health and Human Services
Department of Inspections, Appeals, and Licensing
Department of Management, Division of Information Technology
Department of Education
United States Department of Agriculture
Urban Education Network

Description

[House File 2706](#) relates to judicial officers, including magistrate appointments, senior magistrates, and judicial officer compensation. This Act has three divisions.

Division I — Magistrate Appointment in Judicial Election Districts

Description

Division I transitions magistrate appointments from a county-based system to a judicial election district-based system and makes conforming changes to the Iowa Code. This Division does the following:

- Replaces the statutory requirement of 206 magistrates in Iowa Code section [602.6401](#) with a case-related workload formula established by the Iowa Supreme Court.
- Eliminates the requirement that each county has at least one resident magistrate.
- Modifies the composition and duties of magistrate appointing commissions in Iowa Code sections [602.6501](#), [602.6502](#), [602.6503](#), and [602.6504](#). Judicial election district magistrate appointing commissions would replace county commissions, reducing the 99 county appointing commissions to 14 judicial election district appointing commissions.
- Requires the judicial election district magistrate appointing commission to prioritize applicants who served or are serving as magistrates for the term immediately preceding August 1, 2027. If the number of vacancies equals or exceeds the number of prioritized applicants, all prioritized applicants shall be appointed. If the vacancies are fewer than prioritized applicants, only prioritized applicants shall be appointed. This requirement is repealed July 31, 2031.
- Allows temporary reassignment of magistrates across counties. This authority is repealed August 1, 2027.
- Repeals Iowa Code section [602.6402](#) permitting the appointment of additional magistrates in certain counties.

Under this Act, judicial election district magistrate appointing commissions would be comprised of a district court judge who is designated by the chief judge of the judicial district; one appointee from each county in the judicial election district appointed by the board of supervisors; and attorney members, equal to one less than the number of county appointees, selected by attorneys residing in, or counties contiguous to, the election district.

Authorization to temporarily reassign magistrates across counties is effective upon enactment, while all other provisions in Division I are effective November 1, 2026.

Background

Under Iowa Code section 602.6401, each county must have at least one resident magistrate for a total of up to 206 magistrates across the State. Magistrates are appointed by county-based appointing commissions comprised of the following members: a district court judge who is designated by the chief judge of the judicial district, up to three nonlawyer members appointed by the board of supervisors, and up to two lawyers elected by the attorneys in the county.

Assumptions

- Statutory requirements were in place prior to the availability of court resources like electronic search warrants and electronic court proceedings.
- Judicial election districts will replace county-level operations without requiring an increase in commission activity statewide.
- Commission members continue to be reimbursed by their resident county for actual and necessary expenses.
- Magistrates are currently paid approximately \$66,000 in annual salary and benefits.
- The estimated annual information technology (IT) operational cost per magistrate is approximately \$4,600, which includes the cost of a laptop, software, hardware, security, and IT support.
- There is an estimated 1.5% rate of vacancy for magistrate positions.
- There are currently 138 magistrates. The Judicial Branch estimates that, after full implementation of the workload-based magistrate allocation formula, the range will be between 81 and 90 active magistrates serving the districts.

Fiscal Impact

Division I is estimated to decrease annual costs between \$2.0 million and \$2.8 million beginning in FY 2028 by reducing magistrate positions. There may be a minimal fiscal impact on counties as each commission will cover a larger geographic area, and travel reimbursement costs may increase for commission members.

Division II — Senior Magistrates

Description

Division II establishes a senior magistrate program, allowing certain retired magistrates to serve on a limited basis. Under the Division, a magistrate who retires on or after the effective date of the legislation and meets age and service requirements may apply to become a senior magistrate. Appointments are made at the discretion of the Iowa Supreme Court. The Division amends 2025 Iowa Acts, chapter [158](#) (FY 2026 Judicial Branch Appropriations Act), to add the annual salary rate of each senior magistrate of \$4,234.

Once appointed to a two-year term, with the possibility of reappointment, a senior magistrate serves part-time, up to five weeks per year, performing judicial duties as assigned. A senior magistrate may serve until reaching the mandatory retirement age. A senior magistrate may continue to practice law. Senior magistrates will be paid at the rate set by the General Assembly, are eligible for expense reimbursement, and may participate in the State-provided health insurance system at the rate of actively serving magistrates.

Background

Currently, the Iowa Code allows for senior judges but does not provide for senior magistrates.

Assumptions

- Only a portion of retired magistrates eligible for appointments will become senior magistrates.

- The number of senior magistrates that will be hired is unknown.

Fiscal Impact

The cost of Division II is unknown and depends on the number of senior magistrates receiving compensation, expense reimbursement, and health insurance coverage. Total costs will be based on the number of senior magistrates, but compensation costs will be significantly lower than an active magistrate salary.

Division III — Judicial Officer Salaries

Description

Division III increases judicial officer salaries by 5.0%, excluding magistrates, based on salary rates for judicial officers for the fiscal year beginning July 1, 2026. The Division also increases the salary rate for magistrates to 40.0% of the salary of a district associate judge based on salary rates for judicial officers for the fiscal year beginning July 1, 2026.

Division III takes effect on June 18, 2027 (FY 2028).

Background

Judicial salaries are determined by the General Assembly under Iowa Code section [602.1501](#) and funded annually by a General Fund appropriation. In FY 2026, the Judicial Branch received an additional \$1.7 million for operations that included a 2.5% increase in salary for all judges and magistrates. The FY 2026 current salary for a magistrate is \$46,621, with approximately \$19,000 in benefits, for a total cost of approximately \$66,000 annually. The estimated FY 2026 salary for a district associate judge is \$151,000.

Assumptions

- Salary increases are based on the most recent salaries established in the FY 2026 Judicial Branch Appropriations Act.
- The number of filled positions used to estimate future costs is based on currently filled positions.
- The estimated annual salary and benefits for FY 2028 for one magistrate is \$83,000.

Fiscal Impact

Division III of this Act is estimated to cost approximately \$2.5 million in FY 2028, based on the current salary rates for judicial officers in FY 2026. The actual cost will be impacted by salary levels in effect in FY 2027 and the potential change in magistrate allocations within the districts.

Effective Date

Most provisions in **Division I** of this Act are effective November 1, 2026, however, the authorization of the chief judge of the judicial district to assign magistrates across counties is effective April 30, 2026. **Division II** of this Act is effective July 1, 2026. **Division III** of this Act is effective June 18, 2027.

Enactment Date

This Act was approved by the General Assembly on April 7, 2026, and signed by the Governor on April 30, 2026.

Sources

Judicial Branch

Legislative Services Agency calculations

[HF 2754](#) – Private Schools and Charter Schools (LSB5427HZ.2)

Staff Contacts: Lora Vargason (515.725.1286) lora.vargason@legis.iowa.gov

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

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

Fiscal Note Version – Final Action

Description

[House File 2754](#) makes changes regarding charter schools, nonpublic schools, community-based providers for preschool, and education savings accounts (ESAs). This Act also includes provisions related to school finance, Area Education Agencies (AEAs), School Tuition Organizations (STOs), open enrollment, and private instruction. This Act requires the Department of Education (DE) to lead a task force to review required training programs and requirements for license renewal for teachers.

Division I — Charter Schools

Description

Division I consolidates current charter school Iowa Code chapters and eliminates Iowa Code language related to innovation zone schools. Division I also removes COVID-19 language related to the purpose of a charter school, designates a charter school as a local education agency (LEA) for the purposes of receiving federal funds, and changes charter school contract terms.

Division I allows the University of Northern Iowa (UNI) to approve a charter school application, approve a charter school contract, provide charter school technical assistance, and provide charter school oversight. This Act also provides for the State Board of Education in consultation with UNI to have administrative rulemaking authority.

This Act includes applicability provisions related to multiple sections of Division I.

Background

2021 Iowa Acts, chapter [112](#) (Charter School Programs Act), modified charter school programs and established the State Board of Education as the only authorizer of charter schools. As [reported](#) in March 2026, there are currently 18 authorized charter schools in the State. The State Board of Education follows a charter school application timeline beginning in August and concluding with a potential State Board of Education contract approval in February. The State Board of Education receives administrative support and technical assistance from DE staff to support applicants through the initial application process, review applications and contracts, organize public forums, complete applicant interviews, complete due diligence, draft contracts, conduct charter school reporting, and conduct charter school oversight.

There is a [General Fund standing unlimited appropriation](#) to the DE to be paid to charter schools for student enrollment. Administrative support provided by the DE for charter schools is funded by the [Department of Education Administration appropriation](#) and federal funds. The DE does not currently collect authorization fees from charter school applicants.

The [UNI](#) has multiple academic programs and maintains an emphasis on teacher training. Ball State University in Indiana has an established [Office of Charter Schools](#) and serves as an authorizer of charter schools. According to its website, the Indiana Office of Charter Schools has a [staff](#) of six people providing support, development, and compliance. According to the [Ball State University Office of Charter Schools report](#), Ball State University receives an administrative fee of 3.0% of basic tuition support each organizer receives during the state fiscal year. For the 2023-2024 academic year, the amount received by Ball State University was \$2.8 million paid by 19 schools.

Fiscal Impact

Any increase in UNI administration costs and potential need for additional full-time equivalent (FTE) positions to fulfill the oversight requirements in this Act is unknown at this time, as the number of new charter school applications and charter school support that UNI will be responsible for is unknown.

Division II — Funding and Area Education Agency Services

Description

Division II requires the teacher salary supplement (TSS) State cost per pupil to be paid to the charter school where the pupil is enrolled.

Background

As reported in the December 2025 DE [Iowa Charter Schools Legislative Report](#), 16 charter schools are currently authorized to operate in Iowa under Iowa Code chapters [256E](#) and [256F](#). Of these 16 charters, 10 are operational in the 2025-2026 school year.

Based on the fall 2025 charter school enrollment, there are 1,382 students attending charter schools, and those students attending are from 107 resident districts. School districts with the highest number of resident students attending a charter school rather than their resident district are detailed below:

- Des Moines — 564 students
- Cedar Rapids — 394 students
- Davenport — 77 students
- Saydel — 20 students
- Ankeny — 18 students

Assumptions

- There is no additional administrative burden to the Department of Management (DOM) for changes made in this Act.
- The FY 2026 State cost per pupil for the TSS is \$684.47. This amount is for a full-time student. If a student were to attend less than full-time, this amount will be prorated based on the amount of seat time of the student at the charter school.
- Provided by the Iowa Coalition for Charter Schools, the projected enrollment for FY 2026 for charter schools using the Founding Group Model is 1,382 pupils and for FY 2027 is 1,945 pupils. A pupil attending a charter school using the school district model will continue to be counted as a pupil of the public school district, and school aid funding will not be affected.

- For FY 2027, the TSS will be paid to the charter schools for FY 2027 enrollment and to the public school districts for FY 2026 enrollment due to the current mechanics of payment of school aid.
- The AEAs are on a pay-for-service model, and there will be no fiscal impact on operations.

Fiscal Impact

Division II is expected to have no fiscal impact to the DOM for administrative purposes.

Division II is expected to increase the TSS payment to charter schools for FY 2027 by \$1.3 million. This payment could vary based on the actual enrollment of charter school students and whether students attend the charter school on a full-time basis. School districts will be reimbursed for additional costs related to offering driver education courses to charter school students.

Division III — Extracurricular Activities

Description

Division III requires school districts to allow certain charter school students to participate in extracurricular athletic contests or any extracurricular activity with the following criteria:

- The student must be a resident of the district or a contiguous district.
- The athletic contest is not offered by the charter school in either of the two most recent years.
- The student is ineligible if the charter school has entered into a sharing interscholastic activities agreement with another school.
- If the school district has established a fee for the cost of a student's participation, that same fee would apply to the charter school student.
- The student must meet the school district's code of conduct.

Assumption

Additional costs to school districts for charter school student participation will be covered by student activity fees.

Fiscal Impact

Division III is expected to have no fiscal impact to the State or to school districts.

Division IV — Driver Education

Description

Division IV requires a charter school to offer or make available to all students an approved course in driver education. This Division also requires the resident district of a charter school student to offer or make available an approved course in driver education. The charter school is responsible for paying all of the school district's costs associated with providing the approved driver education course.

Background

The Iowa Department of Transportation (DOT) provides oversight for driver education, including the different [options](#) available to students.

Assumption

School districts will have additional costs for charter school student participation in driver education courses, which will be covered by the charter school.

Fiscal Impact

Division IV is expected to have no fiscal impact to the State or to school districts.

Division V — Iowa Public Employees' Retirement System

Description

Division V allows charter school employees to participate in the Iowa Public Employees' Retirement System (IPERS) if certain requirements are met by the charter school.

Background

IPERS covers charter schools under current law if federal Internal Revenue Service requirements to participate are met. Based on the June 30, 2025, actuarial valuation, the IPERS regular membership group covers approximately 176,460 active members and 132,131 retired members. The current funded ratio is 91.56%. The current actuarial accrued liability is \$45.527 billion, the actuarial value of assets is \$41.683 billion, and the unfunded actuarial accrued liability (UAAL) is \$3.843 billion.

For FY 2027, the IPERS regular membership group's estimated contribution rate is 15.73%, split 60.0% for the employer and 40.0% for the members.

Fiscal Impact

Division V is expected to have no fiscal impact to the State.

Division VI — Charter School Facilities Revolving Loan Program

Description

Division VI establishes a Charter School Facilities Revolving Loan Program Fund (RLF) within the Iowa Finance Authority (IFA) to assist charter schools in acquiring suitable school facilities. Division VI requires the IFA to allocate Fund resources to assist charter schools with financing the purchase, acquisition, development, reconstruction, remodeling, or replacement of school buildings. Any interest payments, recaptures of awards, and other repayments to charter school facilities will be deposited into the RLF. Allows the RLF to retain any interest earned on the fund balance. Exempts the RLF from reversion requirements and allows appropriations to remain available for an additional fiscal year.

Background

The General Assembly created the IFA in 1975 as a public instrumentality and agency to undertake programs that help working-class Iowans attain and maintain safe, decent, and affordable housing. The General Assembly charged the IFA with encouraging the investment of private capital and stimulating the construction and rehabilitation of adequate housing using public financing.

The DE was recently awarded a [\\$43.0 million multiyear federal grant](#) to support charter schools across the State. In 2024, the DE awarded [\\$4.0 million in charter school start-up and expansion grants](#).

Assumptions

- The proposed RLF would receive funding, and the IFA would charge fees or be reimbursed for costs to administer the new RLF.
- There is no General Fund appropriation in this Act, and funds for the RLF will be provided by federal grants.

Fiscal Impact

The IFA may collect additional fees to cover administrative expenses due to Division VI; however, these fees are expected to be minimal. Under Division VI of this Act, future federal grants related to charter school construction will be deposited in the new Fund under the IFA rather than the DE.

Division VII — Education Savings Accounts

Description

Division VII creates a second period for a parent or guardian to request an ESA between October 15 and November 15 of each year. The amount of the student's ESA payment is required to be deposited into the student's individual account following approval of the application.

Background

The [Education Savings Accounts — Standing](#) annual General Fund appropriation provided to the DE was established with the enactment of 2023 Iowa Acts, chapter [1](#) (Education Savings Accounts Act).

Fiscal Impact

Division VII is expected to increase costs for ESAs, but the increase cannot be estimated. Administrative costs for the DOM and the DE are unknown.

Division VIII — Independent Accreditation

Description

Division VIII allows the DE to provide accreditation to a nonpublic school if an approved independent accrediting agency disaccredits the nonpublic school. Division VIII limits the DE's authority over nonpublic schools as detailed in this Act.

Fiscal Impact

Division VIII is expected to have no fiscal impact to the DE.

Division IX — Schedule of Teacher Trainings and Licensure Renewal Requirements

Description

Division IX requires the DE to lead a task force to review required training programs and requirements for license renewal for teachers and requires the task force to submit findings to the General Assembly by December 31, 2026.

Background

2025 Iowa Acts, chapter [112](#) (Seizure Training Requirements, Schools Act), required the DE to convene and provide administrative support to a health care-related training for the school personnel work group. The work group was required to review and develop a plan to ensure Iowa educators have the health care training necessary to perform their duties and responsibilities. The work group released the [Health Care-Related Training for School Personnel Work Group report](#) in December 2025.

Fiscal Impact

Division IX is expected to have no fiscal impact to the DE.

Division X — Statewide Preschool Program

Description

Division X allows a community-based provider to enter into a [28E](#) agreement with a school district to be a local provider of a preschool program. The school district cannot limit the number of eligible students who may receive instruction from a community-based provider as part of the approved local program. This Act also limits DE authority over community-based providers. This Act establishes a payment schedule for the community-based provider to receive State preschool foundation aid. Preschool foundation aid received by a community-based provider that remains unexpended and unobligated at the end of the fiscal year will be used to build the provider's capacity for the next fiscal year. The State Board of Education is permitted to adopt emergency administrative rules to implement the provisions of this Division. These rules will be effective immediately upon filing unless a later date is specified in the rules.

Background

The Statewide Voluntary Preschool Program (SWVPP), established in Iowa Code chapter [256C](#), provides funding to school districts for eligible preschool-age children and programs. Under current law, only school districts that meet certain requirements established by the State Board of Education may participate in the SWVPP. School districts are currently allowed to contract with community-based providers for SWVPP services. State funding provided for the SWVPP is provided to school districts based on the number of eligible students enrolled in the preschool program. If the school district contracts with a community-based provider, any State funding passes from the school district to the community-based provider.

Over the last three years, the following number of school district and community-based partnerships have been in place:

- 2023-2024 academic year — 323 school district programs with 238 community partner locations.
- 2024-2025 academic year — 324 school district programs with 231 community partner locations.
- 2025-2026 academic year — 325 school district programs with 228 community partner locations.

The DE currently dedicates 3.0 FTE positions to provide State oversight and technical assistance, including professional development, coaching services, and program monitoring. Professional development is also provided through the AEAs as a fee-for-service option.

Assumptions

- Community-based providers will adhere to the same programmatic requirements and administrative tasks as those currently assumed by school districts, including annual program assurances, State data reporting, assessment requirements, and meeting preschool program standards as established by the State Board of Education.
- Licensing requirements for SWVPP personnel will be maintained.
- With a potential increase in community-based providers, the DE may require additional FTE positions to support State oversight and technical assistance services.
- The current State school aid for SWVPP is \$4,074 per pupil.
- Each new community-based provider will be supporting classrooms with a maximum of 20 pupils at a State school aid cost of \$81,000.
- The cost to the DE for salary and benefits for an Education Program Consultant is \$160,000 per FTE position and for a Data Analyst is \$149,000 per FTE position.

Fiscal Impact

The fiscal impact for Division X cannot be determined because it is unknown whether there will be an increase in SWVPP participation due to additional pupils participating in preschool programs provided by community-based providers. For each additional pupil participating in the SWVPP, there will be an additional cost to the General Fund of \$4,074 based on the current State cost per pupil. In addition, the DE may incur additional administrative costs due to the increase of oversight and providing technical assistance to community-based providers.

Division XI — School Tuition Organizations — Preschool Startup Costs

Description

Division XI allows an STO to provide funding to a preschool for its first-year operational costs related to preschool services. The allowance is limited to an operation starting in 2025 that is located in a county with a population greater than 150,000 but less than 180,000 according to the 2020 federal decennial census.

Background

An STO is a charitable organization that raises tuition grant funding for eligible Iowa students who enroll in accredited nonpublic, Iowa-based elementary or secondary schools. Iowa taxpayers who donate to an STO are eligible for a [tax credit](#).

Fiscal Impact

Division XI is expected to have no fiscal impact to the State.

Division XII — Miscellaneous Provisions

Description

Division XII allows a charter school student to have access to concurrent enrollment classes provided through the school district where the charter school is located. If the charter school is offering educational instruction primarily over the internet, the student is allowed to have access to concurrent enrollment classes provided through the student's resident district. Division XII requires a school district to document the reason and provide information related to the DE on any open enrollment denial request.

Background

[Senior Year Plus](#) serves as an umbrella for a variety of programs designed to provide high school students with access to courses that generate college credit. These programs are primarily offered through the community college concurrent enrollment program. The [Iowa Community College Annual Joint Enrollment Report for academic year 2022-2023](#) provided the following enrollments by academic year:

- Academic year 2018-2019 — 50,587 students
- Academic year 2019-2020 — 51,800 students
- Academic year 2020-2021 — 47,262 students
- Academic year 2021-2022 — 50,082 students
- Academic year 2022-2023 — 52,814 students

Supplementary weighting paid through the school aid formula provides additional weighting based on Iowa Code section [257.11\(3\)](#). Supplementary weighting is calculated based on the modality of the class—meaning how the class is offered—and the type of class designation, such as a liberal arts and science (A&S) course or a career and technical education (CTE) course.

Fiscal Impact

Division XII may increase enrollment for charter school students in concurrent enrollment courses and therefore increase the supplementary weighting for concurrent enrollment paid through the school aid formula, but the amount cannot be determined.

Division XIII — Private Instruction

Description

Division XIII changes the reporting requirement for a student under competent private instruction (CPI). Division XIII allows for independent private instruction (IPI) settings to enroll more than four unrelated students and charge tuition, fees, or other remuneration for instruction. It also allows students in all grade levels to receive instruction and allows students who are not related to the primary instructor to receive instruction.

Division XIII allows the parent, guardian, legal custodian, or instructor of students under CPI and IPI to issue a diploma, final transcript, or other written documentation reflecting academic achievements and the completion of a program of secondary education. This Act requires that issuance be accepted in the same manner as a high school diploma, final transcript, or other written documentation. The Division applies to diplomas, final transcripts, or other written documentation issued before, on, or after the effective date of this Act. The parent, guardian, or legal custodian may also verify information as detailed in this Act.

Background

Families may choose to educate students at home instead of enrolling them in a public or nonpublic school. This mode of education is often referred to as [homeschooling](#) and is offered in two formats in the State:

- Competent private instruction provided or supervised by a licensed practitioner or supervised by a parent, guardian, or custodian without a current Iowa teaching license.
- Independent private instruction.

Fiscal Impact

Division XIII is expected to have no fiscal impact to the State.

Division XIV — Immediate Effective Date

Description

Division XIV specifies that this Act takes effect May 12, 2026.

Fiscal Impact Summary

Division I is expected to have an unknown fiscal impact to the UNI due to an increase in administration costs and the potential need for additional FTE positions to fulfill the oversight requirements in this Act.

Division II is expected to increase the TSS payment to charter schools for FY 2027 by \$1.3 million, which will increase the standing General Fund appropriation for charter schools by \$1.3 million. This payment could vary based on the actual enrollment of charter school students and whether students attend the charter school on a full-time basis.

School districts will be reimbursed for additional costs related to offering driver education courses to charter school students in **Division IV**.

Any impact to the IFA due to **Division VI** is assumed to be minimal based on the collection of fees to cover administrative expenses incurred.

Division VII is expected to have an unknown fiscal impact to the DOM or the DE due to increased administrative costs for a second ESA period. Division VII is expected to increase costs for ESAs, but the increase cannot be estimated.

The fiscal impact for **Division X** cannot be determined because it is unknown whether there will be an increase in SWVPP participation due to additional pupils participating in preschool programs provided by community-based providers. For each additional pupil participating in the SWVPP, there will be an additional cost to the General Fund of \$4,074 based on the current State cost per pupil. In addition, the DE may incur additional administrative costs due to the increase of oversight and providing technical assistance to community-based providers.

The fiscal impact for **Division XII** cannot be determined because the increase in concurrent enrollment and the type and modality of courses that will be taken are unknown.

Effective Date

This Act is effective on May 12, 2026. **Division I, Sections 44 and 48**, of this Act related to charter school contracts applies to charter school contracts that are executed or renewed pursuant to May 12, 2026, the effective date of this Act. **Division II, Sections 62 and 63**, of this Act related to the teacher salary supplement and AEA services are applicable for school budget years beginning on or after July 1, 2026. **Division XIII, Section 98**, of this Act related to private instruction diplomas, final transcripts, and other written documentation is applicable May 12, 2026.

Enactment Date

This Act was approved by the General Assembly on April 27, 2026, and signed by the Governor on May 12, 2026.

Sources

Ball State University
Department of Education
Department of Management
Iowa Coalition of Public Charter Schools
Iowa Finance Authority
Iowa Public Employees' Retirement System

Description

[Senate File 378](#) increases the default speed limit to 60 miles per hour (mph) for all vehicular traffic, unless otherwise provided, and authorizes the agency that exercises jurisdiction over a highway for which the speed limit is increased to attach nonpermanent overlays or stickers approved by the Department of Transportation (DOT) to existing speed limit signs to display the new speed limit until the sign is permanently replaced.

This Act increases the upper speed limit range for applicable violations under Iowa Code sections [321.210](#) (Suspension), [321.210C](#) (Probation Period), and [516B.3](#) (Minor Traffic Violations Not Considered in Establishing Rates) to include highways with a speed limit of 60 mph.

Background

Under current law, the default speed limit for all vehicular traffic is 55 mph, unless otherwise provided. Construction and maintenance of the primary road system, under the DOT, are funded by the Primary Road Fund (PRF). Construction and maintenance of secondary roads are funded by counties. This funding is provided for through a variety of federal, State, and local revenue.

Under current law, the DOT is prohibited from considering the first two excessive speed violations (within a 12-month period) of 10 mph or less on a highway with a speed limit between 34 mph and 56 mph for purposes of suspending a driver's license (Iowa Code section 321.210) or while a person is operating a motor vehicle during a probationary period (Iowa Code section 321.210C).

Assumptions

- The DOT will temporarily replace speed limit signs with an overlaying material before fully replacing speed limit signs. The timeline to permanently replace each sign is unknown.
- Under the jurisdiction of the State, there are an estimated 1,794 55-mph speed limit signs across the State that will cost an estimated \$75 to overlay and an estimated \$171 to replace under the jurisdiction of the DOT.
- The DOT will use existing FTE positions for both the overlay applications and permanent sign replacements.
- Counties will not use overlays but instead will change out signs.
- Counties will use existing FTE positions to replace the signs.
- Under the jurisdiction of counties, there are an estimated 3,465 55-mph speed limit signs across the State that will cost an estimated \$111 each to replace. County signs are generally smaller than the signs used on state highways.

Fiscal Impact

Senate File 378 is estimated to have a one-time cost of \$825,000 which will occur across two fiscal years, as shown in **Figure 1**. Of this amount, \$518,000 will occur in FY 2027. Any costs incurred by the DOT will be paid from the PRF. Any costs for county sign replacement

will be paid by individual counties from the Secondary Road Fund. In FY 2028, the cost to the DOT to permanently replace signs is \$307,000, paid from the Primary Road Fund.

Figure 1 — Implementation Costs of SF 378

Expenditure	FY 2027	FY 2028
DOT Temporary Overlay	\$ 135,000	\$ 0
DOT Sign Replacement	0	307,000
County Sign Replacement	383,000	0
Total Cost	\$ 518,000	\$ 307,000

Effective Date

This Act is effective July 1, 2026.

Enactment Date

This Act was approved by the General Assembly on April 22, 2026, and signed by the Governor on June 1, 2026.

Sources

Department of Transportation
Iowa County Engineers Association
Legislative Service Agency

Description

[Senate File 579](#) modifies provisions related to local civil rights agencies or commissions operating under Iowa Code chapter [216](#). This Act provides that a city or local government shall not enact an ordinance or other law that is broader than, or that establishes categories of unfair or discriminatory practices different from, those provided under Iowa Code chapter 216. This Act permits cities of any population to maintain an independent local civil rights agency or commission. Current law requires cities with a population of 29,000 or greater to maintain a local civil rights commission.

This Act requires a local civil rights agency or commission to notify the Iowa Office of Civil Rights (IOCR) when a complaint is filed and after notice has been provided to all parties. A local civil rights agency or commission must also inform a person filing a complaint that the person may file the complaint with the IOCR in lieu of filing with the local agency or commission. This Act further requires that, if a complaint has been pending with a local civil rights commission or agency for at least 12 months as of this Act's effective date, the commission or agency must notify all parties of their right to transfer the complaint directly to the IOCR. The commission or agency must also notify the IOCR of those pending cases.

This Act takes effect upon enactment.

Background

Iowa currently has 25 local civil rights commissions pursuant to Iowa Code section [216.19](#). Local commissions may investigate complaints alleging violations of the [Iowa Civil Rights Act of 1965](#) and may cross-file complaints with the IOCR.

The IOCR receives approximately 50.0% of its funding from the federal government and 50.0% from the State General Fund. The IOCR maintains federal workshare agreements with the Equal Employment Opportunity Commission (EEOC) for most employment cases and with the Department of Housing and Urban Development (HUD) for most housing cases. Federal reimbursement is not received for investigations involving education, public accommodation, or credit.

For FY 2026, the IOCR was appropriated \$1.4 million in the annual Administration and Regulation Appropriations Act.

Assumptions

- Of the 25 existing local commissions, 10 currently conduct investigations.
- The number of complaints referred to the IOCR for investigation is expected to increase. Because the requirement for certain cities to maintain a civil rights commission would change from mandatory to permissive, some cities may choose to eliminate their commissions. If this occurs, all pending and future complaints from those jurisdictions would be transferred to the IOCR.

- The IOCR's workload is expected to increase as respondent-requested transfers at 12 months, and complaints pending longer than 12 months at the time of enactment, are transferred to the IOCR. This increase will require additional processes to complete existing investigations and to investigate transferred cases.
- The number of aged cases is unknown; therefore, the potential increase in investigative timelines cannot be determined. However, the IOCR indicates that timelines could increase by as much as 12 months.
- It is unknown how many transferred cases would qualify for federal reimbursement under existing workshare agreements. It is unknown whether federal workshare funding levels will increase, decrease, or remain stable.
- Cases transferred that are pending longer than 12 months from local commissions will not qualify for reimbursement under federal workshare agreements; therefore, additional general funds will be needed to process these complaints.
- The IOCR estimates that an additional 5.0 full-time equivalent (FTE) positions will be required to investigate and administratively process additional complaints. Cost estimates for these positions are based on starting salaries and benefits and include the following job classes:
 - 2.0 Attorney 1 FTE positions at an estimated cost of \$170,000.
 - 2.0 Civil Rights Specialist FTE positions at an estimated cost of \$148,000.
 - 1.0 Administrative Assistant 2 FTE position at an estimated cost of \$69,000.

Fiscal Impact

Senate File 579 is estimated to result in a minimum cost of approximately \$387,000 annually to the IOCR for 5.0 FTE positions. It is unknown what portion of this cost would be funded by the General Fund or through federal funding.

Effective Date

This Act is effective March 10, 2026.

Enactment Date

This Act was approved by the General Assembly on March 9, 2026, and signed by the Governor on March 10, 2026.

Source

Iowa Office of Civil Rights

Description

[Senate File 2114](#) amends the crime of intimidation with a dangerous weapon by removing language that refers to the shooting, throwing, launching, or discharging of a dangerous weapon within an assembly of people, and thereby placing the occupants or people in reasonable apprehension of serious injury, from Iowa Code section [708.6](#) and adds language for the shooting, throwing, launching, or discharging of a dangerous weapon at another person.

Background

Penalties under Iowa Code section 708.6 range from a Class D felony to a Class C felony depending on the circumstances. 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.

In FY 2025, there were 98 convictions under Iowa Code section 708.6. Of those convictions, 89 offenders were involved. During the same time period, 59 individuals were admitted to prison, 43 individuals were admitted to probation, and 27 individuals were admitted to parole under an Iowa Code section 708.6 offense.

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.
- County jail data is unavailable. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Conviction data reflects the total number of convictions in adult court, which may include multiple convictions per individual. Not all convictions lead to incarceration, and there may be a delay between conviction and prison admission, which can contribute to differences in totals.
- A six-month delay is assumed from the effective date of this Act to the date the first offender will enter the correctional system.
- Offender-based convictions are a count of individuals convicted of the same offense. Each offender is counted only once per Iowa Code section, regardless of the number of individual convictions.
- Admissions are a count of individuals newly admitted to the Department of Corrections (DOC) for supervision during a selected time period, based on the most serious offense committed.

Correctional Impact

The correctional impact of this Act cannot be determined because the number of new convictions cannot be estimated. **Figure 1** shows sentencing estimates 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 a Class C felony and Class D felony. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 12, 2026, for information related to the correctional system.

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

Conviction Offense Class	Percent Ordered to State Prison	FY 2025 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 2025 Field Avg LOS on Probation	Avg Cost Per Day Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2025 Field Avg LOS on Parole	Marginal Cost Per Day Parole
D Felony Persons	79.7%	18.1	\$23.07	57.6%	40.0	\$8.00	\$16.35	\$50.00	16.8	\$8.00
C Felony Persons	89.1%	39.1	\$23.07	30.1%	42.8	\$8.00	\$16.35	\$50.00	27.2	\$8.00

Minority Impact

The minority impact cannot be determined since it is not known how many additional convictions would result from the changes under this Act. However, this Act may disproportionately impact Black individuals if trends remain constant. Of the 89 individuals convicted under Iowa Code section 708.6 in FY 2025, 31.5% of offenders were White, 60.3% were Black, and 8.2% were other races. Iowa’s population is 83.2% White, 4.2% Black, and 12.6% other races. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated January 12, 2026, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact of this Act cannot be determined because the number of new convictions cannot be estimated. **Figure 2** shows the average State cost per offense for a Class C felony and Class D felony. The estimated impact to the 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.

Figure 2 — Average State Cost Per Offense

Offense Class	Average Cost
Class D Felony	\$13,000 to \$18,100
Class C Felony	\$15,000 to \$25,200

Effective Date

This Act is effective on July 1, 2026.

Enactment Date

This Act was approved by the General Assembly on March 23, 2026, and signed by the Governor on April 9, 2026.

Sources

Department of Corrections
Division of Data, Planning, and Improvement (DPI), Department of Management (DOM)

[SF 2168](#) – Reemployment Case Management and Unemployment Insurance Processing (LSB5501SV.5)

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

Fiscal Note Version – Final Action

Description

[Senate File 2168](#) relates to workforce programs. This Act has 11 divisions.

The following divisions of this Act have minimal fiscal impacts:

- Division I — Iowa Registered Apprenticeship Act
- Division II — Iowa Plumber, Mechanical Professional, and Contractor Licensing Act — Apprenticeships
- Division IV — Career Training Physical Expansion Program
- Division V — Apprenticeship Training in School Districts
- Division VI — High-Demand Jobs and Scholarship Eligibility
- Division VII — Career and Technical Secondary Authorizations
- Division IX — Summer Youth Intern Pilot Program — Repeal
- Division X — Membership of Workforce Development Board

The following divisions of this Act have a fiscal impact and are described in further detail below:

- Division III — Iowa Apprenticeship Act
- Division VIII — Reemployment Case Management Program
- Division XI — Unemployment Compensation Reserve Fund — Transfer to Unemployment Trust Fund

Division III — Iowa Apprenticeship Act

Description

Division III of this Act adds intermediary sponsors as an entity eligible to provide apprenticeship training under Iowa Code chapter [84E](#). An apprenticeship sponsor whose apprentices receive contact hours from a lead apprenticeship sponsor is not eligible for financial assistance.

The Division increases a standing appropriation from the Workforce Development Fund (WDF) Account to the Apprenticeship Training Program Fund from \$3.0 million to \$4.5 million beginning in FY 2027. The Division also increases the maximum transfer of [260E](#) withholding payments to the WDF Account from \$7.8 million to \$9.3 million.

Background

Under the 260E Program, a participating business partners with a community college, which sells bonds to finance the cost of training for new employee positions. The business diverts 1.5% of gross payroll from the State withholding taxes generated by the new positions to the community college to retire the bonds.

After the training obligation of a business under the 260E Program has been paid off, an amount equal to the withholding payments is credited to the WDF Account for 10 years, up to a maximum of \$7.8 million annually. Moneys in the WDF Account are appropriated to Iowa Workforce Development (IWD) to be used for apprenticeship training and job training.

Assumptions

Participation in the 260E Program will not change during the projection period.

Fiscal Impact

Division III of this Act increases the annual standing appropriation from the WDF Account to the Apprenticeship Training Program Fund from \$3.0 million to \$4.5 million. The Division also increases the maximum transfer from the 260E withholding payments to the WDF Account from \$7.8 million to \$9.3 million.

Division VIII — Reemployment Case Management Program

Description

Division VIII of this Act codifies the Reemployment Case Management (RCM) Program and requires an individual to participate in the RCM Program in order to receive unemployment insurance benefits. The RCM Program provides individualized reemployment services to unemployment insurance claimants who are no longer attached to work. The Division requires IWD to adopt administrative rules regarding participation in the RCM Program.

Background

The RCM Program was created in January 2022 and has been operated using federal COVID-19 funds that must be expended by December 31, 2026. In FY 2025, approximately 19.0 full-time equivalent (FTE) positions were used to operate the RCM Program.

Assumptions

- Federal funds will be used to operate the RCM Program through December 31, 2026. State funding will not be used for the RCM Program during the first half of FY 2027.
- A funding source for operations beyond December 31, 2026, is not identified in this Act.
- Use of the unemployment insurance system and the RCM Program will not change during the projection period.
- The RCM Program created in this Act will be significantly similar to the RCM Program currently operated by IWD.
- The existing 19.0 FTE positions will continue to be used to operate the RCM Program beyond FY 2025.

Fiscal Impact

Division VIII of this Act is estimated to increase expenses to IWD by approximately \$1.0 million in FY 2027 and by \$2.0 million in each subsequent fiscal year.

Division XI — Unemployment Compensation Reserve Fund — Transfer to Unemployment Trust Fund

Description

Division XI of this Act amends 2024 Iowa Acts, chapter [1162](#) (Work-Based Learning Act), by transferring any remaining unencumbered or unobligated moneys in the [Unemployment Compensation Reserve Fund \(Reserve Fund\)](#) to the [Unemployment Compensation Trust Fund \(Trust Fund\)](#) on July 1, 2026. Interest earned on moneys in the Reserve Fund will be transferred to the [Special Employment Security Contingency Fund](#) on July 1, 2026.

Background

The balance of the Reserve Fund is \$166.4 million as of March 6, 2026. 2024 Iowa Acts, chapter 1162, originally transferred moneys in the Reserve Fund to the following destinations:

- \$30.0 million to the Workforce Opportunity Fund.
- Any interest earned to the Special Employment Security Contingency Fund.
- Any remaining unencumbered or unobligated moneys to the Trust Fund.

Assumptions

- The balance of the Reserve Fund will not change between March 6, 2026, and July 1, 2026.
- The Reserve Fund balance is unencumbered or unobligated.
- The total interest earned that will be transferred includes interest earned in prior fiscal years.

Fiscal Impact

Division XI of this Act is estimated to transfer \$149.9 million to the Trust Fund and \$16.5 million to the Special Employment Security Contingency Fund from the Reserve Fund on July 1, 2026.

Effective Date

Division IX of this Act, which repeals the Summer Youth Intern Pilot Program, is effective June 30, 2026. The remainder of this Act is effective July 1, 2026.

Enactment Date

This Act was approved by the General Assembly on May 1, 2026, and signed by the Governor on June 2, 2026.

Sources

Iowa Workforce Development
State Accounting System
Legislative Services Agency analysis

Description

[Senate File 2201](#) relates to public school funding by establishing the State percent of growth and the categorical State percent of growth for the budget year beginning July 1, 2026 (FY 2027), modifying provisions relating to property tax replacement payments (PTRPs) and transportation equity payments, modifying provisions relating to the regular program State cost per pupil (SCPP) and funding for shared operational functions, establishing a school district funding supplement, making appropriations, and including effective date provisions.

Division I — State and Categorical Percents of Growth and Property Tax Replacement Payments

Division I has three provisions with a fiscal impact. These provisions make the following changes:

- Establish a 2.0% State percent of growth rate to be applied to the SCPP for FY 2027 for a total State supplemental aid (SSA) increase of \$160 per pupil.
- Establish a 2.0% State percent of growth rate to be applied to each of the State categorical cost per pupil amounts for FY 2027.
- Provide additional property tax replacement funding based on the per pupil increase that results from the establishment of the State percent of growth in FY 2027. This Act freezes the additional levy portion of the FY 2027 SCPP at \$685 per pupil, regardless of the per pupil increase for FY 2027.

This Act specifies that current law requirements to enact allowable growth within 30 days of the transmission of the Governor's budget submission, which is required by February 12 during the regular legislative session, do not apply to this Act.

Division I takes effect upon enactment.

Division II — Transportation Equity Aid Funding

Division II establishes an annual \$1.0 million cap per school district for payments from the transportation equity appropriation. This cap will apply beginning in FY 2027.

Division II takes effect upon enactment.

Division III — School District Budget Adjustment — FY 2026-2027

Division III modifies the FY 2027 budget adjustment guarantee provision to fully fund the budget adjustment guarantee from the General Fund in FY 2027.

Division III takes effect upon enactment.

Division IV — Education Support Personnel Salary Supplement — FY 2026-2027

Division IV appropriates \$7.0 million to supplement education support personnel compensation and requires school districts that receive the [Education Support Personnel Salary Supplement](#) for FY 2027 to submit specified information to the Department of Education (DE). This Act provides the calculation and method of payment for the Supplement.

Division V — School District Enrollment and Budgeting

Division V changes the timing of payments to local education agencies from a current system of 10 monthly payments to a quarterly payment system. This Act requires the DE to provide the certified enrollment to the Department of Management (DOM) within 30 days after certification and provides for discrepancy resolution. This Act allows a local education agency to utilize an audit adjustment for one fiscal year, rather than the current practice, and provides a process for resolving enrollment disputes or inaccuracies.

This Act modifies the methodology used to determine a school district's annual basic enrollment from a single October enrollment count to a count based on the average of a district's actual enrollment for the base year and the district's adjusted enrollment for the base year. The adjusted enrollment is required to be determined annually on January 15, or the third Monday in January if January 15 falls on a Saturday or Sunday. This second enrollment count will be certified as the district's adjusted enrollment and submitted to the DE by February 15 of each year. The DE is required to promptly forward the adjusted enrollment to the DOM. This revised basic enrollment count will be used to calculate State aid and property taxes related to State aid.

The new adjusted enrollment methodology will apply to school budget years beginning in FY 2028.

Background

State Cost Per Pupil

The school aid formula funds 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). Five SCPP funding levels would be increased by a 2.0% State percent of growth for FY 2027 upon enactment of this Act.

Figure 1 provides the SSA amounts (also referred to as per pupil growth amounts) and SCPP for FY 2027 based on a 2.0% growth rate. The SSA amounts will be applied to all corresponding district and AEA cost per pupil amounts.

Figure 1 — FY 2027 State Cost Per Pupil Calculations

	FY 2026 State Cost Per Pupil	FY 2027 State Percent of Growth	FY 2027 Supplemental State Aid	FY 2027 State Cost Per Pupil
Regular Program	\$ 7,988	2.00%	\$ 160	\$ 8,148
Special Education Program	7,988	2.00%	160	8,148
AEA Special Education Services	333.59	2.00%	6.67	340.26
AEA Media Services	62.19	2.00%	1.24	63.43
AEA Education Services	68.63	2.00%	1.37	70.00

In addition to the State percent of growth and SSA amounts for FY 2027, 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. This Act increases the FY 2027 SCPP funding levels for the teacher salary supplement (district and AEA), professional development supplement (district only), early intervention supplement (district only), and Teacher Leadership and Compensation (TLC) supplement (district only) by a 2.0% State percent of growth. The State categorical supplements that provide each district and AEA with a minimum of the previous fiscal year's level of funding are funded entirely through State aid. **Figure 2** provides the per pupil growth and SCPP for categorical supplements for FY 2027 based on this Act.

Figure 2 — FY 2027 State Categorical Cost Per Pupil Calculations

	FY 2026 State Cost Per Pupil	FY 2027 State Percent of Growth	FY 2027 Supplemental State Aid	FY 2027 State Cost Per Pupil
Teacher Salary – Districts	\$ 684.47	2.00%	\$ 13.69	\$ 698.16
Professional Development – Districts	77.52	2.00%	1.55	79.07
Early Intervention – Districts	84.44	2.00%	1.69	86.13
Teacher Leadership and Compensation – Districts	385.29	2.00%	7.71	393.00
Teacher Salary – AEAs	35.82	2.00%	0.72	36.54
Professional Development – AEAs	4.18			

Property Tax Replacement Payment (PTRP)

2013 Iowa Acts, chapter [121](#) (Education Reform Act), created the PTRP provision to replace local property taxes collected by school districts with State aid. The PTRP provision froze the additional levy portion of the SCPP at \$750. Based on the State percent of growth enacted during the intervening fiscal years, the PTRP provision created \$15 per pupil in property tax relief in FY 2014, which grew to \$175 per pupil in FY 2023. The continual growth in PTRP is because the per pupil property tax relief of previous fiscal years is required to be carried forward into future fiscal years. This Act would freeze the additional levy portion of the SCPP at \$685 for FY 2027. The per pupil property tax relief amount will be based on the State percent of growth enacted for FY 2027. **Figure 3** provides details regarding the SCPP funding levels as provided by a 2.0% growth rate for FY 2027 in this Act.

Figure 3 — FY 2027 Property Tax Replacement Payment Calculations

	FY 2026 State Cost Per Pupil	Increase Due to Supplemental State Aid Rate	FY 2027 State Cost Per Pupil
Regular Program	\$ 7,988	\$ 160	\$ 8,148
Unadjusted Additional Levy	927	18	945
PTRP Portion	242	18	260
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 per pupil transportation costs above the statewide average will receive transportation base funding payments on a per capita basis. This Act provides for a growth of 2.0%, the same as the categorical State percent of growth.

Assumptions

- The FY 2027 SCPP is \$8,148, with \$7,203 funded from the State General Fund, \$260 funded from PTRPs funded from the State General Fund, and \$685 funded from local property tax. The amount by which the district cost per pupil (DCPP) exceeds the SCPP is funded from local property tax.
- Estimates are based on October 2025 certified enrollments and supplementary weightings for estimated FY 2026, which were approved by the School Budget Review Committee (SBRC) in December 2025.
- The estimated increase in the uniform levy collected 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 2027 taxable valuation amount.
- Total State aid includes funding from the State General Fund and other funds appropriated to or deposited into 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 2027 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.
- This **Fiscal Note** is based upon current law. Any additional legislation that may change State aid and school aid-related property tax is not accounted for in this **Fiscal Note**.

- The General Fund appropriation to the Transportation Equity Fund will increase by approximately \$700,000. The appropriation may grow at the same rate as the State categorical cost per pupil rate in subsequent years. The cap on transportation equity payments to school districts will not affect the overall appropriation but will affect individual allocations to school districts.
- Students that graduate early or that are not enrolled by the January count date would not be included in the second count, therefore potentially reducing the average enrollment for a school district.

Fiscal Impact

Figure 4 provides the estimated fiscal impact of Senate File 2201, including the following provisions:

- A \$7.5 million reduction¹ in State aid to the AEAs (current statute).
- A \$146.0 million in PTRP funding, an increase of \$8.7 million (6.31%) compared to estimated FY 2026.
- \$760.1 million for the State categorical supplements for school districts and AEAs, an increase of \$22.0 million (2.98%) compared to estimated FY 2026. This includes the following:
 - \$472.7 million for the teacher salary supplement at the district and AEA levels.
 - \$40.6 million for the professional development supplement at the district level.
 - \$44.2 million for the early intervention supplement.
 - \$202.6 million for the TLC supplement.
- \$92.6 million for preschool formula funding, an increase of \$1.3 million compared to estimated FY 2026. The preschool formula funding is included in the State aid total but is not included in the combined district cost total.
- The total property tax funds generated through the school aid formula are estimated to be \$1,248.7 million, an increase of \$50.8 million (4.24%) compared to estimated FY 2026. An additional \$42.2 million in budget adjustment guarantee funding for 199 qualifying districts would be provided by the General Fund in place of property taxes. This is an increase of \$17.9 million compared to the estimated FY 2026 budget adjustment guarantee. In previous fiscal years, the budget adjustment guarantee was fully funded by property taxes. For FY 2026, the budget adjustment guarantee was available for 157 school districts and totaled \$24.3 million. The budget adjustment guarantee is calculated at the school district level so that eligible school districts receive 101.00% of their previous year's regular budgeted funding. Since FY 2000, the budget adjustment guarantee has been funded entirely through property taxes.
- The total State aid from the General Fund is estimated to be \$3,981.7 million, a total increase of \$98.9 million (2.55%), with \$42.2 million in funding for the budget adjustment guarantee. **Figure 4** also includes the FY 2027 General Fund appropriation of \$33.3 million to the Transportation Equity Fund, which is not included in the total State aid estimate. Although there will be no change to the total General Fund appropriation, the proposed \$1.0 million cap will impact the transportation equity allocation to individual school districts.
- In FY 2027, the DE will deduct a calculated amount from State aid disbursed to school districts for students enrolled in charter schools during FY 2026 who were included in the fall 2025 certified enrollment count of their resident district.
- Division IV appropriates \$7.0 million to the DE to supplement education support personnel compensation.

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. For FY 2027, HF 2800 (FY 2027 Standing Appropriations Act) reduced funding to AEAs for a total of \$32.5 million.

- Any increase or decrease in enrollment generated from the adjusted enrollment may increase or decrease appropriations from the General Fund for total State aid. There may also be additional administrative costs to the DE, the DOM, and school districts to complete the second enrollment count. Impacts related to the change in payments from monthly to quarterly cannot be determined.

Any legislative action affecting FY 2027 school aid provisions may have an impact on school aid amounts. Additionally, any variations in the assumptions noted may result in changes in the FY 2027 estimates provided in **Figure 4**.

Figure 4 — SF 2201

Legislative Services Agency: FY 2027 School Aid Estimates (Statewide Dollars in Millions)

2.00%	Set a State Percent of Growth	State Supplemental Aid (SSA)	\$	160	
\$	0	Set additional dollars to SCPP separate from the SSA	Additional Dollars	\$	0
Yes	Select if the PTPP is renewed ("No" is current law)	Total Change	\$	160	
\$	0	Select AEA reduction in addition to current law(\$7,500,000)	FY 2027 State Cost Per Pupil (SCPP)	\$	8,148
\$	0	Transfer from Economic Emergency Fund FY 2027	Total AEA Reduction	\$	7,500,000

Program Funding:	FY 2026	Est FY 2027	Est. Change	% Change
Regular Program District Cost	\$ 3,844.0	\$ 3,861.0	\$ 17.1	0.44%
Regular Program Budget Adjustment Guarantee	24.3	42.2	17.9	73.65%
Supplementary Weighting (District)	142.1	151.2	9.0	6.37%
Special Education Instruction (District)	552.7	567.4	14.7	2.65%
Teacher Salary Supplement (District)	440.7	453.6	12.9	2.93%
Professional Development Supplement (District)	39.4	40.6	1.3	3.31%
Early Intervention Supplement (District)	42.8	44.2	1.4	3.17%
Teacher Leadership Supplement (District)	198.3	202.6	6.3	3.20%
AEA Special Ed Support District Cost	191.6	193.2	1.4	0.71%
AEA Special Ed Support Adjustment	1.2	1.8	0.6	50.00%
AEA Media Services	33.8	34.2	0.3	1.04%
AEA Ed Services	37.4	37.7	0.4	1.04%
AEA Sharing	0.2	0.2	0.0	1.98%
AEA Teacher Salary Supplement	18.9	19.1	0.2	0.92%
AEA Professional Development Supplement	0.0	0.0	0.0	
AEA Statewide State Aid Reduction	-32.5	-7.5	25.0	-76.92%
Dropout and Dropout Prevention	153.9	153.9	0.0	0.00%
Combined District Cost	\$ 5,686.5	\$ 5,795.4	\$ 108.9	1.91%
Statewide Voluntary Preschool Program	\$ 91.3	\$ 92.6	\$ 1.3	1.37%

State Aid:	FY 2026	Est FY 2027	Est. Change	% Change
Regular Program	\$ 2,177.2	\$ 2,141.5	\$ -35.7	-1.64%
Supplementary Weighting	125.5	133.5	8.0	6.38%
Special Education Weighting	488.0	501.0	13.0	2.66%
Property Tax Adjustment Aid (1992)	6.2	5.9	-0.3	-5.02%
Property Tax Replacement Payment (PTRP)	137.3	146.0	8.7	6.31%
Adjusted Additional Property Tax - General Fund	24.0	24.0	0.0	0.00%
Statewide Voluntary Preschool Program	91.3	92.6	1.3	1.37%
Minimum State Aid	1.2	2.1	0.8	66.42%
School District Budget Adjustment Guarantee	0.0	42.2	42.2	
State Aid from General Fund	\$ 3,882.8	\$ 3,961.7	\$ 78.9	2.55%
Transfer from Economic Emergency Fund	\$ 21.9	\$ 0.0	\$ -21.9	-100.00%
Charter School Adjustment	5.7	12.3	6.6	114.17%
*Adjusted Additional Property Tax - SAVE Fund	31.8	35.3	3.5	11.07%
Foundation Base Supplement (FBS)	10.2	14.0	3.8	37.39%

Local Property Tax:	FY 2026	Est FY 2027	Est. Change	% Change
Uniform Levy Amount	\$ 1,197.9	\$ 1,248.7	\$ 50.8	4.24%
Additional Levy	601.0	616.6	15.7	2.61%
Total Levy to Fund Combined District Cost	\$ 1,798.8	\$ 1,865.3	\$ 66.5	3.70%
Comm/Ind - Uniform Levy Adjustments	18.7	19.2	0.5	2.59%
Comm/Ind - Additional Levy Adjustments	10.1	0.0	-10.1	

Miscellaneous Information:	FY 2026	Est FY 2027	Est. Change	% Change
Budget Enrollment	480,685	473,329	-7,356	-1.53%
Number of Districts with Budget Adjustment Guarantee	157	199	42	26.75%
Percentage of Districts with Budget Adjustment Guarantee	48.31%	61.23%		
Statewide Categoricals Total	\$ 738.1	\$ 760.1	\$ 22.0	2.98%
Property Tax Relief Payment Per Pupil	242	260	18	7.44%
Foundation Base Supplement Per Pupil	18	25	7	38.89%
Statewide AEA Funding	250.7	278.6	27.9	11.12%
Transportation Equity Program	32.7	33.3	0.7	2.00%

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.

Area Education Agency (AEA)

*Secure an Advanced Vision for Education (SAVE) Fund

The provision for Minimum State Aid requires that the State provide at least \$300 per student.

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

Effective Date

Divisions I, II, and III of this Act take effect on February 26, 2026. The remainder of this Act takes effect on July 1, 2026. **Division V, Sections 11 through 13**, of this Act apply to enrollment determinations occurring on or after July 1, 2026, to be used for school budget years beginning on or after July 1, 2027.

Enactment Date

This Act was approved by the General Assembly on February 23, 2026, and signed by the Governor on February 26, 2026.

Sources

Department of Education, Certified Enrollment and Enrollment Projections File
Department of Management, School Aid File
Department of Revenue
Iowa Association of School Boards
Rural School Advocates of Iowa
School Administrators of Iowa
Urban Education Network
LSA analysis and calculations

[SF 2218](#) – Educational Practitioner Licensing, Lawful Presence Verification (LSB5046SV.3)

Staff Contacts: Serenity Lo (515.281.5661) serenity.lo@legis.iowa.gov

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

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

Joey Lovan (515.242.5925) joey.lovan@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[Senate File 2218](#) is comprised of six divisions and relates to verification of lawful presence and legal authorization matters, including education-related professions, providing false social security numbers, State employment and licensure, voter registration, and pretrial detention, and includes penalties and applicability provisions.

Division I — Education-Related Provisions

Description

Division I of this Act requires all initial applicants for licensure and all applicants for licensure renewal to provide evidence of their legal authorization to work in the United States to the Board of Educational Examiners (BOEE). After initial licensure, the applicant is required to provide evidence of legal work authorization every five years.

This Division also specifies the documents that may be accepted by the BOEE as proof of identification and employment eligibility. The BOEE has the exclusive authority to adopt administrative rules to implement this requirement.

Background

Under Iowa Code section [256.146](#), the BOEE requires that a background check be conducted by the Division of Criminal Investigation (DCI). This includes national criminal history background checks, sex offender registry information, child abuse registry information, and dependent adult abuse information. Current law does not require evidence of legal authorization to work in the United States.

The BOEE uses Fieldprint to complete the federal portion of required background checks for new applicants. The applicant pays a fee as part of the initial and renewal process, and a background check is conducted with each renewal. Additional resources, such as Iowa Courts Online, the child abuse registry, and the sex offender registry, are used in the process.

Currently, all license applications and renewals are only accepted online, and no paper submissions are accepted. Application and renewal processing can take a minimum of four to six weeks.

Assumptions

- The BOEE has processes that can be readily modified to incorporate the provisions of this Act.
- The DCI currently conducts fingerprint-based background investigations for initial applicants.

- The DCI's current process and involvement will not be affected by the additional requirements in this Act.

Fiscal Impact

No fiscal impact is anticipated for the BOEE or DCI. Any additional costs to implement the requirements of this Division will be absorbed by existing staff within the BOEE.

Costs associated with providing evidence of legal authorization to work in the United States, as well as additional fees, will be the responsibility of the applicant.

Division II — Providing False Social Security Numbers — Penalties

Description

Division II of this Act relates to providing a false social security number to an employer or prospective employer or to a potential employee.

The Division prohibits an employer from hiring or continuing to employ an employee whom the employer knows has provided the employer with a false social security number on any documentation for employment.

An employer violating this Act is subject to a \$10,000 civil penalty to be collected by Iowa Workforce Development (IWD). For a fourth or subsequent violation, in addition to the civil penalty, an employer must cease operations at the location where the violation occurred until any individual who holds a majority ownership interest in the employer, and all managerial staff at the location, participate in training developed by IWD regarding compliance with this Act.

Under this Act, it is a fraudulent practice for a person, for the purpose of retaining or obtaining employment, or any other thing of value, to falsely provide an employer or prospective employer with a social security number that does not belong to the person. It is a fraudulent practice for an employer to knowingly provide a potential employee with a fraudulent social security number for the purpose of hiring the potential employee.

Penalties for fraudulent practices range from a simple misdemeanor to a Class C felony depending upon the amount of moneys or value of property or services involved.

Background

A simple misdemeanor is punishable by confinement for up to 30 days or a fine of at least \$105 but not more than \$855. 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 practices.
- County jail data is unavailable. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Conviction data reflects the total number of convictions in adult court, which may include multiple convictions per individual. Not all convictions lead to incarceration, and there may be a delay between conviction and prison admission, which can contribute to differences in totals.
- A six-month delay is assumed from the effective date of this Act to the date the first offender will enter the correctional system.
- Offender-based convictions are a count of individuals convicted of the same offense. Each offender is counted only once per Iowa Code section, regardless of the number of individual convictions.
- Admissions are a count of individuals newly admitted to the Department of Corrections (DOC) for supervision during a selected time period, based on the most serious offense committed.
- Implementation and workload will require 3.0 additional full-time equivalent (FTE) positions. According to the IWD, the required job classes and costs of these positions will be as follows:
 - 1.0 Attorney FTE position with estimated base salary and benefits ranging from \$107,000 to \$124,000.
 - 2.0 Investigator 2 FTE positions with estimated total base salary and benefits for both positions ranging from \$163,000 to \$197,000.
- The IWD would incur ongoing indirect costs between \$41,000 and \$48,000.

Correctional Impact

Division II of this Act creates a new criminal offense, and the correctional impact cannot be estimated due to a lack of existing conviction data. **Figure 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 a serious misdemeanor, aggravated misdemeanor, Class D felony, and Class C felony.

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

Conviction Offense Class	Percent Ordered to State Prison	FY 2025 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 2025 Field Avg LOS on Probation	Avg Cost Per Day Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2025 Field Avg LOS on Parole	Marginal Cost Per Day Parole
Serious Misdemeanor	2.3%	7.3	\$23.07	44.8%	21.0	\$8.00	\$16.35	\$50.00	N/A	\$8.00
Aggravated Misdemeanor Non-Persons	31.1%	9.3	\$23.07	37.1%	28.4	\$8.00	\$16.35	\$50.00	11.2	\$8.00
D Felony Non-Persons	84.2%	12.5	\$23.07	69.4%	41.4	\$8.00	\$16.35	\$50.00	15.5	\$8.00
C Felony Non-Persons	84.0%	16.8	\$23.07	66.4%	51.4	\$8.00	\$16.35	\$50.00	24.3	\$8.00

Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 12, 2026, for information related to the correctional system.

Minority Impact

Division II of this Act creates a new criminal offense. As a result, the Department of Management (DOM) Division of Data, Planning, and Improvement (DPI) cannot use existing data to estimate the minority impact of this Act. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated January 12, 2026, for information related to minorities in the criminal justice system.

Fiscal Impact

The cost to IWD to add 3.0 FTE positions is approximately \$311,000 to \$369,000 annually.

The fiscal impact on the justice system cannot be determined because the number of convictions cannot be estimated. **Figure 2** shows the average State cost per relevant offense. The estimated impact to the 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.

Figure 2 — Average State Cost Per Offense

Offense Class	Average Cost
Serious Misdemeanor	\$350 to \$6,200
Aggravated Misdemeanor	\$8,300 to \$12,200
Class D Felony	\$13,000 to \$18,100
Class C Felony	\$15,000 to \$25,200

Division III — Immigration Status — Employment and Licensure

Description

Division III of this Act requires each house of the General Assembly; the Legislative Services Agency; the Ombudsman's Office; each head of a department or independent agency of the State; each Board of Regents (BOR) institution; public, nonpublic, and charter schools; counties; and cities to use the E-Verify system of the U.S. Citizenship and Immigration Services (USCIS) to confirm the employment eligibility of newly hired employees. The Division also requires the results of the E-Verify system check to be transmitted to the United States Immigration and Customs Enforcement (ICE) and other appropriate federal immigration agencies if the check shows that the subject of the check does not have legal status to be present in the United States, after the completion of any appeals.

Division III creates within the Department of Inspections, Appeals, and Licensing (DIAL) a Systematic Alien Verification for Entitlements (SAVE) program clearinghouse to process requests to verify the USCIS status of applicants for licensure and renewal of licensure and requires professional licensing boards to verify citizenship and immigration status. The Division also requires the results of the E-Verify system check to be transmitted to the United States ICE and other appropriate federal immigration agencies if the check shows that the

subject of the check does not have legal status to be present in the United States, after the completion of any appeals. The Division includes requirements for individuals challenging the results of E-Verify and SAVE system checks. The DIAL is directed to adopt administrative rules to implement provisions of this Division. Division III takes effect July 1, 2026.

Background

The SAVE online service is maintained by the U.S. Department of Homeland Security (DHS) and administered by the USCIS. The DIAL is currently required to access information maintained by the USCIS of the DHS when determining eligibility for professional license applicants as mandated by [Executive Order 15 \(EO15\)](#), signed on October 8, 2025.

The SAVE system is an online service for registered federal, State, territorial, tribal, and local government agencies to verify the immigration and citizenship status of applicants seeking benefits or licenses and is administered by the USCIS of the DHS. A user agency is charged a monthly service charge of \$25 for each month in which the user agency submits at least one SAVE case. As of April 1, 2025, nonfederal user agencies are not charged a fee for each case run through SAVE.

The DIAL is currently undergoing a project to modernize, standardize, and simplify its licensing operations. The Administrative Licensing and Inspections Governance Network (ALIGN) system will consolidate existing systems into one unified licensing, permitting, inspection, and case management system.

According to the DIAL, costs associated with Division III of this Act have already been incurred in FY 2026 as a result of EO15 and include the following:

- 1.0 FTE position for an Executive Officer 2 to serve as the project sponsor for the SAVE clearinghouse at an annual cost of approximately \$92,000 beginning in FY 2027. It is estimated that approximately one-third of this cost, or \$31,000, will begin in FY 2026.
- \$40,000 in FY 2026 to modify current licensing database systems.
- \$60,000 in FY 2026 to make changes to the ALIGN system.
- \$20,000 in annual expenses for continued support from the DOM Division of Information Technology (DoIT).

State agencies and the BOR are required by EO15 to use E-Verify to confirm the employment eligibility of newly hired employees. The Executive Order also requires State agencies to use the SAVE clearinghouse.

Assumption

Additional costs to other State agencies for the implementation of the E-Verify and SAVE systems are unknown but are not estimated to be significant.

Fiscal Impact

The estimated annual costs to the DIAL, beginning in FY 2027, are \$20,000 for DOM DoIT support and \$92,000 and 1.0 FTE position for a SAVE Program Sponsor, for a total annual cost of \$112,000 and 1.0 FTE position.

Division IV — Voter Registration — Unauthorized Aliens

Description

Division IV of this Act disqualifies persons who are unauthorized aliens from registering to vote and voting. Division IV of this Act requires a person submitting a voter registration form to swear an oath that the person is qualified to register to vote and that the person has not submitted false information in the voter registration forms. A person falsely swearing this oath is guilty of election misconduct in the first degree, which is a Class D felony.

Division IV requires the State registrar of voters to attempt to verify all registered voters' United States citizenship using the SAVE system of the USCIS and to provide notice to each county commissioner of registration of the results of the citizenship verification for each registrant in the county. The Division includes requirements for the county commissioner and the registrant pertaining to notice, registration status, and proof of citizenship. The Division additionally requires the State Registrar of Voters to verify the citizenship status of newly registered voters monthly and to verify the citizenship status of all registered voters annually. The Registrar of Voters is directed to adopt administrative rules to implement provisions of this Division.

Division IV of this Act expands the scope of election misconduct in the first degree and provides that indictment or information for election misconduct in the first degree must be found within five years after the commission of the offense.

Background

Under current law, the indictment or discovery of information for election misconduct in the first degree must occur within three years after the commission of the offense. 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. In FY 2025, there were two convictions of election misconduct in the first degree.

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.
- County jail data is unavailable. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Conviction data reflects the total number of convictions in adult court, which may include multiple convictions per individual. Not all convictions lead to incarceration, and there may be a delay between conviction and prison admission, which can contribute to differences in totals.
- A six-month delay is assumed from the effective date of this Act to the date the first offender will enter the correctional system.
- Offender-based convictions are a count of individuals convicted of the same offense. Each offender is counted only once per Iowa Code section, regardless of the number of individual convictions.
- Admissions are a count of individuals newly admitted to the DOC for supervision during a selected time period, based on the most serious offense committed.

- Counties report there may be an increase in costs associated with tracking and notifying registrants whose records have been designated as unconfirmed, but it cannot be estimated as it is unknown how many registrants will need to be notified.

Correctional Impact

The correctional impact of Division IV of this Act cannot be determined because the number of new convictions cannot be estimated. **Figure 3** 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 a Class D felony.

Figure 3 — Sentencing Estimates and Length of Stay (LOS) in Months

Conviction Offense Class	Percent Ordered to State Prison	FY 2025 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 2025 Field Avg LOS on Probation	Avg Cost Per Day Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2025 Field Avg LOS on Parole	Marginal Cost Per Day Parole
D Felony Non-Persons	84.2%	12.5	\$23.07	69.4%	41.4	\$8.00	\$16.35	\$50.00	15.5	\$8.00

Refer to the LSA memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 12, 2026, for information related to the correctional system.

Minority Impact

The minority impact cannot be determined since it is not known how many new convictions would result from the changes under Division IV of this Act. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated January 12, 2026, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact of Division IV of this Act cannot be determined because the number of new convictions cannot be estimated. The average State cost for a Class D felony is between \$13,000 and \$18,100. The estimated impact to the 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.

This Division of this Act is expected to increase costs associated with tracking and notifying unconfirmed registrants, but estimates cannot be determined.

Division V — Pretrial Detention

Description

Division V of this Act provides that a charge for a forcible felony creates a rebuttable presumption that the person is dangerous and that there is not sufficient surety or condition of release that will reasonably ensure the personal safety of another person or persons. If a court determines that there is probable cause to believe that the defendant committed a forcible felony, then the defendant must be held without

bail. Division V of this Act provides that it will be presumed that there are not sufficient sureties or conditions of release that will secure the appearance at trial of an unauthorized alien for an indictable offense. This presumption can be rebutted by demonstrating that adequate conditions of release will secure the appearance of the defendant at trial.

Fiscal Impact

The fiscal impact of Division V of this Act is unknown.

Division VI — Severability

Description

Division VI includes severability clauses stating that if any portions of this Act are held invalid or are enjoined by a federal court, the invalidity or the injunction does not affect the provisions or applications of this Act that can be given effect without the invalid provisions or applications.

This Act states that each division of this Act is to be construed as independent legislation, and that the invalidity of any one division is not to affect the validity of any other division. This Act also states that courts are to construe any invalidity as narrowly as possible to preserve maximum effect for the remaining provisions.

The requirements of this Act are to be suspended during times in which the federal government does not provide the State or its political subdivisions with access to the E-Verify or the SAVE systems, ceases to fund the E-Verify or the SAVE systems, or terminates any authorization that permits the State to access the federal verification systems.

Fiscal Impact

Division VI is anticipated to have no fiscal impact on the State.

Fiscal Impact Summary

Division I and **Division VI** of SF 2218 are anticipated to have no fiscal impact on the State.

Division II of SF 2218 is expected to require 3.0 additional FTE positions with costs of approximately \$311,000 to \$369,000 annually. The fiscal impact on the justice system cannot be determined because the number of convictions cannot be determined.

Division III of SF 2218 is estimated to increase expenditures by \$112,000 annually.

The fiscal impact of **Division IV** and **Division V** cannot be determined.

Effective Date

This Act is effective July 1, 2026.

Enactment Date

This Act was approved by the General Assembly on April 29, 2026, and signed by the Governor on June 2, 2026.

Sources

Board of Educational Examiners, Department of Education

Department of Corrections

Department of Inspections, Appeals, and Licensing

Division of Data, Planning, and Improvement (DPI), Department of Management (DOM)

Division of Criminal Investigation, Department of Public Safety

Iowa Workforce Development

Iowa State Association of Counties

Legislative Services Agency analysis

Description

[Senate File 2220](#) modifies provisions related to the Iowa Statewide Assessment of Student Progress (ISASP) and programs for gifted and talented students and requires school districts to establish advance mathematics pathways and implement procedures for subject acceleration and whole-grade acceleration. This Act does the following:

- Changes the grade assessment for science to the last quarter of grades 5, 8, and 11.
- Requires school districts to establish systematic and uniform procedures for screening, referring, identifying, and serving gifted and talented children, based on evidence from multiple data sources as described in this Act.
- Prohibits any one criterion from being used to deny gifted and talented services to an otherwise qualified student.
- Once gifted and talented students are identified, requires school districts to provide education service options for them in the area in which they are gifted and talented. The progress of those students is required to be reviewed at least annually, and services must satisfy requirements outlined in this Act.
- Requires each school district to develop an advanced mathematics pathway that is designed to increase the number of students who complete higher-level mathematics courses in grades 9 through 12 and enable students to be prepared for and enroll in Algebra I as early as middle school but no later than the end of grade 9. School districts are required to automatically enroll a student in an advanced mathematics pathway if certain conditions are met.
- Requires each school district to establish and implement procedures for subject acceleration and whole-grade acceleration. Any student enrolled in grades 4 through 12 who meets all of the requirements outlined in this Act, including but not limited to advanced performance level achievement on the ISASP in mathematics or English language arts and demonstrating academic preparedness, shall be automatically enrolled in the next most rigorous level of advanced courses of programs offered by the school district in the next school year.
- Requires each school district to allow any student who is enrolled in an accelerated course to take the statewide summative assessment that corresponds to the content and level of the course.
- Requires school districts to pay costs required by this Act from State Foundation School Aid per Iowa Code section [25B.2](#) (state mandates).

Provisions related to the advanced mathematics pathway, grade acceleration, and automatic enrollment in advanced courses apply to school years beginning on or after July 1, 2027.

Background

The federal [Every Student Succeeds Act \(ESSA\)](#) requires that states annually assess all students on achievement of grade-level, state-adopted standards in mathematics, reading, and science. The ISASP is a summative accountability assessment for all Iowa students that meets the ESSA requirements. Assessments for English language arts and mathematics are administered in grades 3 through 11. Assessments for science are administered in grades 5, 8, and 10.

In the academic year 2024-2025, 35,513 out of 324,350 (10.9%) of public school students in grades 3 through 11 scored Advanced in English language arts and 47,776 out of 324,703 (14.7%) scored Advanced in mathematics.

Iowa Code section [257.44](#) defines “gifted and talented children” as those who are identified as possessing outstanding abilities and who are capable of high performance. This includes children with demonstrated achievement or potential in one or more of the following:

- General intellectual ability.
- Creative thinking.
- Leadership ability.
- Visual and performing arts ability.
- Specific ability aptitude.

Iowa Code section [257.42](#) requires school boards to annually submit program plans for gifted and talented students, as well as budget costs, to the Department of Education (DE). Iowa Code section [257.46](#) funds gifted and talented children’s programs for school districts. The programs are funded annually on a basis of one-fourth or more from the district cost of the school district. The remaining amount is funded by supplemental State aid increases.

Iowa Administrative Code 281—[98.20](#) outlines categorical funding included in the school district cost per pupil calculated each year by the supplemental State aid percentage. It accounts for no more than 75.0% of the school district’s total gifted and talented program budget. The school district is also required to provide a local match from the district’s regular program district cost, which must be a minimum of 25.0% of the total gifted and talented program budget. This categorical funding may be used for the salary and benefits of full-time equivalent (FTE) teachers, as well as resources, materials, software, supplies, equipment, and purchased services for gifted and talented students.

Unexpended funds carry forward for use in the next academic year. There is no supplementary weighting for students in advanced mathematics pathways, subject acceleration, or whole-grade acceleration.

For academic year 2025-2026, 41,190 students were reported as gifted and talented, representing 8.8% of total enrollment.

The DE [reports on teacher vacancies by endorsement](#). For the 2026-2027 academic year, 28 mathematics teacher positions and 7 gifted education teacher positions were reported as unfilled.

Talented and gifted (TAG) funding is embedded with the school aid formula and accounted for within the General Fund. Based on FY 2025 data, the statewide [TAG budget](#) totaled approximately \$47.1 million, consisting of \$35.3 million (75.0%) generated through the TAG finance formula and \$11.8 million (25.0%) in required local match. Districts reported approximately \$24.8 million in TAG carryforward authority from FY 2024, although 106 of 325 districts (32.6%) reported no carryforward balance.

Assumptions

School districts will be required to create and maintain plans for gifted and talented programming. Costs associated with modifying district gifted and talented plans are anticipated to be minimal.

Iowa school districts collectively have ending surplus balances for gifted and talented programming, including \$23.2 million in estimated FY 2025 and \$24.8 million in FY 2024. Two hundred nineteen districts had a balance in FY 2025, and 168 school districts had a balance in FY 2019 through FY 2025.

The DE is currently required to employ a gifted and talented program consultant. The position provides implementation support to school districts and administers associated work with the DE.

Fiscal Impact

Senate File 2220 is anticipated to have no fiscal impact on the DE. School districts may incur costs related to the expenses of gifted and talented programs related to providing advanced pathways for an unknown number of students. These costs may include hiring teacher positions, providing online options through concurrent enrollment, and potential transportation costs if a student is offered advanced classes in a different school building. School districts may expend funds from existing balances in their gifted and talented categorical budgets to offset those costs. The balances cannot be used for the advanced pathways provision in this Act and for students who have not been identified as gifted and talented.

This Act requires school districts to pay costs required by this Act from State Foundation School Aid per Iowa Code section 25B.2(3).

Effective Date

This Act is effective July 1, 2026. Provisions related to the advanced mathematics pathway, grade acceleration, and automatic enrollment in advanced courses are effective July 1, 2027.

Enactment Date

This Act was approved by the General Assembly on April 16, 2026, and signed by the Governor on June 2, 2026.

Sources

Iowa Department of Education
Iowa Department of Management
Iowa Association of School Boards
Legislative Services Agency calculations

Description

[Senate File 2231](#) requires the Director of the Department of Education (DE) to distribute to superintendents and principals the most recent version of the United States Department of Education’s [guidance](#) related to constitutionally protected prayer and religious expression in public elementary and secondary schools. Each superintendent and principal will distribute this guidance as detailed in this Act. The DE is required to provide a link on its site to this most recent guidance. The DE will develop and distribute to public schools and community-based providers participating in the Statewide Voluntary Preschool Program (SWVPP) a professional development (PD) training program and a model policy regarding constitutionally protected prayer and religious expression in elementary and secondary schools.

This Act requires school districts to enter into [28E](#) agreements with community-based providers to allow a community-based provider to provide high-quality instruction as part of the approved local preschool program.

This Act also removes exclusions of sectarian books and expenses that relate to the teaching of religion from the definitions of “textbooks” and “tuition” for the Tuition and Textbook Tax Credit (TTC), and removes exclusions of certain religious services, materials, or activities from the definition of early childhood development expenses for the Early Childhood Development (ECD) Tax Credit.

The removal of exclusions for the TTC and the ECD Tax Credit apply retroactively for tax years beginning on or after January 1, 2026.

This Act also provides for free speech protections and enforcement mechanisms including civil action and civil penalties.

Background

The SWVPP, established in Iowa Code chapter [256C](#), provides funding to school districts for eligible preschool-age children and programs. Under current law, only school districts that meet certain requirements established by the State Board of Education can participate in the SWVPP. School districts are currently allowed to contract with community-based providers for SWVPP services. State funding provided for the SWVPP is provided to school districts based on the number of eligible students enrolled in the preschool program. If the school district contracts with a community-based provider, any State funding passes from the school district to the community-based provider.

Over the last three years, the following number of school district and community-based partnerships have been in place:

- 2023-2024 academic year: 323 school district programs with 238 community partner locations.
- 2024-2025 academic year: 324 school district programs with 231 community partner locations.
- 2025-2026 academic year: 325 school district programs with 228 community partner locations.

The DE currently dedicates 3.0 full-time equivalent (FTE) positions to provide State oversight and technical assistance, including PD, coaching services, and program monitoring. Professional development is also provided through the Area Education Agencies (AEAs) as a fee-for-service option.

The TTC was created in 1987 Iowa Acts, chapter [233](#) (Appropriations and Programs Relating to Various Public Agencies Act), and is summarized in a [Fiscal Topic, Tax Credit: Tuition and Textbook Tax Credit](#). In 2021 Iowa Acts, chapter [139](#) (Education Programs, Tax Credits, and Information Act), the expense cap was increased from \$1,000 to \$2,000 with a 25.0% credit (\$500) against eligible education expenses.

According to the December 2025 [Contingent Liabilities Report](#) from the Iowa Department of Revenue (IDR), claims for the TTC totaled \$23.8 million in FY 2025.

The ECD Tax Credit was created in 2005 Iowa Acts, chapter [148](#) (Early Care, Child Care, Education, Health, and Human Services Assistance Act), and is summarized in the [Fiscal Topic, Tax Credit: Early Childhood Development Tax Credit](#). In 2021 Iowa Acts, chapter [177](#) (State and Local Revenue and Finance Act), the income eligibility limit was increased from \$45,000 to \$90,000, with a tax credit limit of 25.0% (\$250) against a maximum of \$1,000 in eligible expenses.

According to the December 2025 Contingent Liabilities Report from the IDR, claims for the ECD Tax Credit totaled \$1.4 million in FY 2025.

Assumptions

The following assumptions are made regarding requiring school districts to enter into 28E agreements with community-based providers:

- Community-based providers will adhere to the same programmatic requirements and administrative tasks as those currently assumed by school districts, including annual program assurances, State data reporting, assessment requirements, and meeting preschool program standards as established by the State Board of Education.
- Licensing requirements for SWVPP personnel will be maintained.
- With a potential increase in community-based providers, the DE may require additional FTE positions to support State oversight and technical assistance services.
- The current State school aid for SWVPP is \$4,074 per pupil.
- Each new community-based provider would be supporting classrooms with a maximum of 20.0 pupils at a State school aid cost of \$81,480.
- The DE FTE salary and benefit cost for an Education Program Consultant is \$160,000 and for a Data Analyst is \$149,000.

The following assumptions are made regarding the TTC exclusions:

- Tax year (TY) 2026 impacts will primarily affect individual income tax revenue to the General Fund beginning in FY 2027, although a small amount of TY 2026 claims will materialize in FY 2026.

- According to TY 2024 data, approximately 13,000 households with dependents who attend private religious schools would have the ability to access the TTC under the \$2,000 expenditure limit.
- The price of a textbook for K-12 students is \$90.
- This Act affects both resident and nonresident individual income taxpayers.
- The [income surtax for schools](#) is a local option tax that is based on a taxpayer's Iowa income tax liability. Law changes that lower Iowa income tax liability also lower the amount of income surtax owed by any taxpayer subject to the surtax. For this projection, the surtax is assumed to equal 3.3% of State individual income tax liability.

The following assumptions are made regarding the ECD Tax Credit exclusions:

- Tax Year 2026 impacts will affect individual income tax revenue to the General Fund beginning in FY 2027.
- Approximately 400 households annually that have not reached the maximum \$250 tax credit would be eligible to claim the credit.
- The average tax credit increase per household is \$145, per the IDR.
- Approximately 15.0% of children from three to five years old are in faith-based child care that may purchase religious materials that are eligible expenses used to calculate the tax credit.
- This Act affects both resident and nonresident individual income tax payers.
- The tax credit is refundable and would have no impact on the income surtax for schools.

Fiscal Impact

The fiscal impact of the section of the Act requiring school districts to enter into 28E agreements with community-based providers is undetermined because it is unknown whether there will be an increase in SWVPP due to additional pupils participating in preschool programs provided by community-based providers. For each additional pupil participating in the SWVPP, there will be an additional cost to the General Fund of \$4,074 based on the current State cost per pupil. In addition, the DE may incur additional administrative costs due to the increase of oversight and providing technical assistance to community-based providers.

The section of this Act affecting the TTC is estimated to decrease income surtax for schools by approximately \$13,000 annually beginning in FY 2027, and decrease General Fund revenue in the following amounts:

- FY 2026 = \$2,000
- FY 2027 = \$397,000
- FY 2028 = \$395,000
- FY 2029 = \$395,000
- FY 2030 = \$391,000
- FY 2031 = \$385,000

The section of this Act affecting the ECD Tax Credit is estimated to decrease General Fund revenue in the following amounts:

- FY 2027 = \$60,000
- FY 2028 = \$59,000

- FY 2029 = \$59,000
- FY 2030 = \$59,000
- FY 2031 = \$58,000

The provisions of this Act related to distributing guidance, providing PD, and distributing a model policy are expected to have no fiscal impact to the DE.

Effective Date

This Act is effective on July 1, 2026. **Sections 12 and 13** of this Act related to the TTC and ECD applies retroactively to tax years beginning on or after January 1, 2026.

Enactment Date

This Act was approved by the General Assembly on April 20, 2026, and signed by the Governor on May 19, 2026.

Sources

Department of Education
Iowa Department of Revenue
Bipartisan Policy Center
Legislative Services Agency analysis

[SF 2280](#) – Crimes Against Judicial Officers and Professional Permits to Carry (LSB5545SV.2)

Staff Contact: Nathan Moore (515.725.0155) nathan.moore@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[Senate File 2280](#) relates to the safety of persons in certain professions involved with the judicial system. This Act has four divisions.

Division I — Professional Permit to Carry Weapons

Description

Division I expands eligibility for a professional permit to carry weapons to include a member of the General Assembly, judicial officers, the Attorney General, deputy attorneys general, and assistant attorneys general. The Division grants authorization to go armed anywhere in the State at all times, including on school grounds. The Division adds that an application for a permit by the Attorney General, a deputy attorney general, or an assistant attorney general shall be delivered to the sheriff for the county in which the applicant resides. Such permits remain valid for the duration of the holder's period of employment unless otherwise canceled and must be surrendered upon termination of employment.

The Division requires that weapons carried inside a courtroom by a permit holder be concealed, except for peace officers or correctional officers performing their official duties. Further, the Supreme Court is allowed through rulemaking to impose additional training or other requirements on judicial officers possessing permits issued under Iowa Code section [724.6](#).

Fiscal Impact

Division I of this Act is estimated to have minimal fiscal impact.

Division II — Threats Against Members of the General Assembly or Judicial Officers — Immediate Family Members

Description

Division II establishes a new criminal offense for threatening a member of the General Assembly, a judicial officer, or an immediate family member of a member of the General Assembly or judicial officer. The Division prohibits a person from threatening a member of the General Assembly, a judicial officer, or an immediate family member of such officials with the intent to place an individual in fear of serious injury, prevent or interrupt the official's ability to carry out official duties, or retaliate against an official for the performance of official duties during the official's term of service. The penalty for this offense is a Class C felony.

Background

Under Iowa Code sections [708.3A](#)(1) and 708.3A(2), convictions of similar conduct involving protected classes of persons results in a Class C felony. The penalty for a person convicted of a Class C felony under Iowa Code section [902.9](#) is confinement for up to 10 years and a

fine of at least \$1,370 but not more than \$13,660. In FY 2025, there were 29 convictions under Iowa Code sections 708.3A(1) and 708.3A(2), which result in a Class C felony.

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.
- County jail data is unavailable. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Conviction data reflects the total number of convictions in adult court, which may include multiple convictions per individual. Not all convictions lead to incarceration, and there may be a delay between conviction and prison admission, which can contribute to differences in totals.
- A six-month delay is assumed from the effective date of this Act to the date the first offender will enter the correctional system.
- Offender-based convictions are a count of individuals convicted of the same offense. Each offender is counted only once per Iowa Code section, regardless of the number of individual convictions.
- Admissions are a count of individuals newly admitted to the Department of Corrections (DOC) for supervision during a selected time period, based on the most serious offense committed.

Correctional Impact

Division II creates a new offense. The correctional impact cannot be determined because the number of new convictions under this Act is unknown. **Figure 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 a Class C felony.

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

Conviction Offense Class	Percent Ordered to State Prison	FY 2025 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 2025 Field Avg LOS on Probation	Avg Cost Per Day Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2025 Field Avg LOS on Parole	Marginal Cost Per Day Parole
C Felony Persons	89.1%	39.1	\$23.07	30.1%	42.8	\$8.00	\$16.35	\$50.00	27.2	\$8.00

Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 12, 2026, for information related to the correctional system.

Minority Impact

Division II creates a new offense for threatening a member of the General Assembly, a judicial officer, or an immediate family member of such officials, and, as a result, existing data cannot be used to estimate the minority impact of this Act. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated January 12, 2026, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact for Division II cannot be determined because the number of new convictions is unknown. The average State cost per Class C felony is between \$15,000 and \$25,200. This 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.

Division III — Malicious Sharing of Personal Information

Description

Division III creates a new criminal offense of malicious sharing of personal information of a member of the General Assembly, a judicial officer, or an immediate family member of such officials. Personal information is defined as a personal physical address, personal phone number, or physical location. The Division prohibits a person from sharing personal information with the intent to cause harm, place the individual in fear of serious harm, or prevent or interrupt the official's ability to carry out official duties. The penalty for this offense is a serious misdemeanor.

Background

A serious misdemeanor is punishable by confinement of no more than one year and a fine of at least \$430 but not to exceed \$2,560.

Assumptions

- Admissions are a count of individuals newly admitted to the DOC for supervision during a selected time period, based on the offense of malicious sharing of personal information of a judicial officer or an immediate family member of a judicial officer.
- 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.
- County jail data is unavailable. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Conviction data reflects the total number of convictions in adult court, which may include multiple convictions per individual. Not all convictions lead to incarceration, and there may be a delay between conviction and prison admission, which can contribute to differences in totals.
- A six-month delay is assumed from the effective date of this Act to the date the first offender will enter the correctional system.
- Offender-based convictions are a count of individuals convicted of the same offense. Each offender is counted only once per Iowa Code section, regardless of the number of individual convictions.
- Admissions are a count of individuals newly admitted to the DOC for supervision during a selected time period, based on the most serious offense committed.

Correctional Impact

Division III creates a new offense. The correctional impact cannot be determined because the number of new convictions under this Act is unknown. **Figure 2** 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 a serious misdemeanor.

Figure 2 — Sentencing Estimates and LOS in Months

Conviction Offense Class	Percent Ordered to State Prison	FY 2025 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 2025 Field Avg LOS on Probation	Avg Cost Per Day Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2025 Field Avg LOS on Parole	Marginal Cost Per Day Parole
Serious Misdemeanor	2.3%	7.3	\$23.07	44.8%	21.0	\$8.00	\$16.35	\$50.00	N/A	\$8.00

Refer to the LSA memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 12, 2026, for information related to the correctional system.

Minority Impact

Division III creates a new offense of malicious sharing of personal information of a member of the General Assembly, a judicial officer, or an immediate family member of such officials, and, as a result, existing data cannot be used to estimate the minority impact of this Act. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated January 12, 2026, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact for Division III cannot be determined because the number of new convictions is unknown. The average State cost per serious misdemeanor is between \$350 and \$6,200. This 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.

Division IV — Threats Including to Public Officials

Description

Division IV adds the communication of a true threat including an intent to cause bodily injury to a public official, if the official learns of the threat within a year of the communication, to the definition of harassment.

Background

Under current law, a person commits harassment when, with the intent of intimidating, annoying, or alarming another person, the person does certain prohibited acts, such as threatening bodily injury, communicating in a harassing way, or reporting false information to the police. Iowa Code section [708.7](#) categorizes harassment into three degrees. The first degree is punishable as an aggravated misdemeanor, the second is punishable as a serious misdemeanor, and the third is punishable as a simple misdemeanor. The harassment statute covers threats to bodily injury as a crime in the second degree and threats of forcible felony as a crime in the first degree, but this Division specifically directs that threats against public officials are harassment.

A simple misdemeanor is punishable by confinement for no more than 30 days and a fine of at least \$105 but not to exceed \$855. A serious misdemeanor is punishable by confinement for no more than one year and a fine of at least \$430 but not to exceed \$2,560. An aggravated misdemeanor is punishable by confinement for no more than two years and a fine of at least \$855 but not to exceed \$8,540.

In FY 2025, there were 2,065 convictions under Iowa Code chapter [708](#) for harassment, of which 274 were for harassment in the second degree and 767 were for harassment in the first degree.

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.
- County jail data is unavailable. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Conviction data reflects the total number of convictions in adult court, which may include multiple convictions per individual. Not all convictions lead to incarceration, and there may be a delay between conviction and prison admission, which can contribute to differences in totals.
- A six-month delay is assumed from the effective date of this Act to the date the first offender will enter the correctional system.
- Offender-based convictions are a count of individuals convicted of the same offense. Each offender is counted only once per Iowa Code section, regardless of the number of individual convictions.
- Admissions are a count of individuals newly admitted to the DOC for supervision during a selected time period, based on the most serious offense committed.

Correctional Impact

Division IV expands the crime of harassment. A correctional impact cannot be determined because the number of new convictions is unknown. **Figure 3** 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 a serious misdemeanor and an aggravated misdemeanor.

Figure 3 — Sentencing Estimates and LOS in Months

Conviction Offense Class	Percent Ordered to State Prison	FY 2025 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 2025 Field Avg LOS on Probation	Avg Cost Per Day Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2025 Field Avg LOS on Parole	Marginal Cost Per Day Parole
Serious Misdemeanor	2.3%	7.3	\$23.07	44.8%	21.0	\$8.00	\$16.35	\$50.00	N/A	\$8.00
Aggravated Misdemeanor Persons	45.4%	9.8	\$23.07	62.1%	27.6	\$8.00	\$16.35	\$50.00	9.4	\$8.00

Refer to the LSA memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 12, 2026, for information related to the correctional system.

Minority Impact

Division IV expands the crime of harassment, and, as a result, existing data cannot be used to estimate the minority impact. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated January 12, 2026, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact for Division IV cannot be determined because the number of new convictions is unknown. **Figure 4** shows the average State cost per relevant offense. This 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.

Figure 4 — Average State Cost Per Offense

Offense Class	Average Cost
Simple Misdemeanor	\$30 to \$420
Serious Misdemeanor	\$350 to \$6,200
Aggravated Misdemeanor	\$8,300 to \$12,200

Effective Date

This Act is effective July 1, 2026.

Enactment Date

This Act was approved by the General Assembly on April 8, 2026, and signed by the Governor on May 6, 2026.

Sources

Department of Corrections

Division of Data, Planning, and Improvement (DPI), Department of Management (DOM)

Description

[Senate File 2320](#) requires a student who is taking a community college concurrent enrollment course to take that course in person rather than online if both options are available. This requirement does not apply if the superintendent of the school district or the superintendent's designee authorizes the student to enroll in the online version of the class.

Background

[Senior Year Plus](#) serves as an umbrella for a variety of programs designed to provide high school students with access to courses that generate college credit. These programs are primarily offered through the community college concurrent enrollment program. The [Iowa Community College Annual Joint Enrollment Report for academic year 2022-23](#) provided the following enrollments by academic year:

- Academic year 2018-2019 — 50,587 students
- Academic year 2019-2020 — 51,800 students
- Academic year 2020-2021 — 47,262 students
- Academic year 2021-2022 — 50,082 students
- Academic year 2022-2023 — 52,814 students

Supplementary weighting paid through the school aid formula provides additional weighting based on Iowa Code section [257.11](#)(3). Supplementary weighting is calculated based on the modality of the class, meaning how the class is offered, and the type of class designation such as a liberal arts and sciences (A&S) course or a career and technical education (CTE) course.

Assumptions

- An estimated 56,401 students will be enrolled in concurrent enrollment classes.
- 30.0% percent of the courses taken are currently taken online.
- 70.0% percent of the courses will be in A&S.
- 30.0% percent of the courses will be in CTE.
- 10.0% percent of the online courses are taken for an “Offer and Teach” class, which does not receive supplementary weighting.
- 50.0% percent of the courses currently taken online will continue to be taken online.
- The following amounts are used for concurrent enrollment supplementary weightings:
 - \$249.63 for an eight-period-day A&S course.
 - \$147.78 for an online A&S course.
 - \$349.48 for an eight-period-day CTE course.
 - \$313.13 for an online CTE course.

Fiscal Impact

Senate File 2320 is estimated to increase supplementary weighting paid through the school aid formula by \$626,000 for FY 2027. There is no anticipated fiscal impact on the Department of Education.

Effective Date

This Bill will not become effective.

Enactment Date

This Bill was approved by the General Assembly on April 14, 2026, and vetoed by the Governor on June 2, 2026.

Sources

Iowa Department of Education

Legislative Services Agency calculations and analysis

[SF 2422](#) – Public Assistance, Verification and Eligibility (LSB6779SV.4)
Staff Contact: Louie Hoehle (515.281.6561) louie.hoehle@legis.iowa.gov
Fiscal Note Version – Final Action

Description

[Senate File 2422](#) modifies various public assistance programs under the Department of Health and Human Services (HHS).

This Act is comprised of eight divisions, four of which have a fiscal impact and four of which do not.

The following divisions of this Act have no fiscal impact:

- **Division II** — Supplemental Nutrition Assistance Program and Medicaid — Eligibility and Error Rate Reporting
- **Division III** — Supplemental Nutrition Assistance Program — Waivers
- **Division VI** — Medicaid — Hospital Directed Payment Program
- **Division VIII** — Effective Date

The following divisions of this Act have a fiscal impact and are described in further detail below:

- **Division I** — Public Assistance Programs — Verification
- **Division IV** — Medicaid and Iowa Health and Wellness Plan — Retroactive Eligibility
- **Division V** — Medicaid — Medicaid Managed Care Organization Health Care Tax Fund; Expenditure Neutrality; and Exceptions to Policy
- **Division VII** — Program Administration — Electronic Benefits Funds Payment

The Act takes effect upon enactment.

Division I — Public Assistance Programs — Verification

Description

Division I of this Act requires the HHS to use the Systematic Alien Verification for Entitlements (SAVE) online service maintained by the U.S. Department of Homeland Security (DHS) to verify immigration and citizenship information when determining eligibility for public assistance programs.

Division XII of 2026 Iowa Acts, [House File 2800](#) (FY 2027 Standing Appropriations Act), modified this Act by providing that Division I takes effect on the date the HHS implements the Supplemental Nutrition Assistance Program (SNAP) and cash assistance eligibility system known as the eligibility determination for essential needs (EDEN) system. House File 2800 requires the HHS to notify the Iowa Code editor of the date of implementation on or before that date.

Background

The HHS is currently required to access information maintained by the U.S. Citizenship and Immigration Services (USCIS) of the DHS when determining eligibility for public assistance programs.

The [SAVE](#) system is an online service for registered federal, State, territorial, tribal, and local government agencies to verify the immigration and citizenship status of applicants seeking benefits or licenses and is administered by the USCIS of the DHS. A user agency is charged a monthly service charge of \$25 for each month in which the user agency submits at least one SAVE case. As of April 1, 2025, nonfederal user agencies are not charged a fee for each case run through SAVE.

Assumptions

- The HHS may require one-time information technology (IT) costs of \$3.0 million for the HHS's eligibility system to verify citizenship through the SAVE system.
- The State will pay 25.34% of IT costs, while the federal government will pay 74.66%.

Fiscal Impact

Division I of this Act is estimated to cost \$3.0 million in FY 2027, of which the State share is \$760,000 and the federal share is \$2.2 million.

Division IV — Medicaid and Iowa Health and Wellness Plan — Retroactive Eligibility

Description

Division IV of this Act relates to Medicaid retroactive eligibility and does the following:

- Requires the HHS to adopt administrative rules and submit a Medicaid waiver to the Centers for Medicare and Medicaid Services (CMS) to allow for two months of retroactive eligibility for pregnant women, children, and residents of certain nursing facilities who apply for Medicaid.
- Prohibits the HHS from adopting administrative rules or submitting a request for a waiver or State plan amendment to the CMS to provide retroactive eligibility to any other adult applying for Medicaid or the Iowa Health and Wellness Plan (IHAWP).

Background

Federal law currently allows states to provide up to three months of retroactive eligibility for Medicaid. The [One Big Beautiful Bill Act \(OBBBA\)](#) reduces the retroactive eligibility period from three months to two months for traditional Medicaid and from three months to one month for Medicaid expansion, which, in Iowa, is IHAWP. The OBBBA changes are scheduled to take effect January 1, 2027.

Retroactive eligibility in Iowa is currently available to pregnant women, infants, and residents of certain nursing facilities. Traditional Medicaid members may receive up to three months of retroactive eligibility. Iowa does not provide retroactive eligibility to IHAWP members.

Assumptions

- The State will receive federal approval for the retroactive coverage changes.

- The retroactive coverage changes will become effective January 1, 2027, and will apply to half of FY 2027 and all of FY 2028 and FY 2029.
- Approximately 3,100 individuals may lose one month of retroactive coverage annually.
- The average annual cost per member for retroactive coverage is approximately \$596.
- The reduced costs will be applied 36.67% to State costs and 63.33% to federal costs.
- The HHS will require one-time information technology (IT) costs of \$225,000 for the HHS's eligibility system to implement the retroactive coverage changes.
- The Department of Management Division of IT (DOM DoIT) will require one-time IT costs of \$63,000.
- The State will pay 25.34% of IT costs, while the federal government will pay 74.66%.

Fiscal Impact

Division IV of this Act may reduce net costs by \$628,000 in FY 2027, of which \$265,000 is for State costs and \$364,000 is for federal costs. The total estimated reduction for FY 2028 is \$1.8 million, of which \$672,000 is for State costs and \$1.2 million is for federal costs.

Division V — Medicaid — Medicaid Managed Care Organization Health Care Tax Fund; Expenditure Neutrality; and Exceptions to Policy

Description

Division V of this Act relates to Medicaid waivers, state plan amendments (SPAs) and exceptions to policy and does the following:

- Prohibits the HHS from implementing a change to a Medicaid waiver or SPA approved by the CMS, or submitting a new request, if the change or new request is not expenditure-neutral or if the change or new request expands coverage under Medicaid unless expressly approved by the General Assembly through legislation prior to the implementation of the change or submission of the new request.
- Provides that the cost neutrality requirements do not apply when the HHS implements a federally approved change to, or submits a new request for, a Medicaid waiver or SPA that meets any of the following requirements:
 - The change or new request was submitted for federal approval prior to January 1, 2026, regardless of whether federal approval has been received by the HHS by January 1, 2026.
 - The change or new request is required by federal law or regulation or is necessary to comply with federal law or regulation.
 - The change or new request is necessary to comply with a settlement agreement, consent decree, or other resolution of a State violation of Medicaid. A change or new request initiated in this manner is required to be reported to the General Assembly, with an estimate of the fiscal impact, within 30 days of the date of the settlement agreement, consent decree, or other resolution of a State violation of Medicaid.
 - The change or new request involves the development or implementation of actuarially sound capitation rates consistent with [42 C.F.R. §438.4](#).
- Allows the HHS to adopt administrative rules to administer expenditure neutrality provisions in Division V.
- Requires the HHS to make information on exceptions to policy publicly available.

Background

[Section 1115 waivers](#) allow states to temporarily modify their Medicaid programs and evaluate specific policy approaches.

[State plan amendments](#) are the process in which states can make permanent changes to their Medicaid programs.

Assumptions

- The Medicaid waiver cost neutrality analysis will require 6.0 new FTE positions, which will cost the following annual amounts for salary and benefits:
 - 1.0 Compliance Officer 2 FTE position at \$125,000.
 - 2.0 Management Analyst 3 FTE positions at \$114,000 each.
 - 2.0 Budget Analyst 3 FTE positions at \$114,000 each.
 - 1.0 Budget Analyst 4 FTE position at \$125,000.
- Each FTE position will require support costs of \$4,000 in the first year of employment and \$2,000 for subsequent years.
- The State and the federal government will each pay 50.0% of costs for the cost neutrality FTE positions.
- The HHS will require increased annual actuarial services for the Medicaid waiver cost neutrality analysis.
- The State and the federal government will each pay 50.0% of costs for actuarial services.

Fiscal Impact

Division V of this Act is estimated to require 6.0 additional FTE positions and cost approximately \$1.2 million in FY 2027 and FY 2028. The State cost is estimated to be approximately \$615,000 in FY 2027 and \$608,000 in FY 2028.

Division VII — Program Administration — Electronic Benefits Funds Payment

Description

Division VII requires the HHS, in coordination with the DOM DoIT, to seek the capacity to allow premium payments by program participants to be made by electronic benefits transfer for all programs administered by the HHS that require premium payments. Requires the HHS to allow premium payments made by participants of the Medicaid for Employed People with Disabilities (MEPD) program to be made by electronic benefits transfer.

Background

The [MEPD program](#) is a Medicaid coverage group that allows persons with disabilities to work and continue to have access to medical assistance. Currently, to be eligible for MEPD, members must earn a net family income of less than 250.0% of the federal poverty level (FPL). Members must also have resources of less than \$12,000 for an individual and \$24,000 for a married couple, with resources held in a retirement account, a medical savings account, or an assistive technology account being disregarded. Enrollees must pay a monthly premium for coverage if their income is above 150.0% of the FPL. The monthly premium amount for an enrollee at 250.0% of the FPL is \$113. Medicare premiums and prescription services are also covered by MEPD.

Assumptions

- The online premium payment system will require implementation costs.
- The State and the federal government will each pay 50.0% of costs for the online premium payment system.
- The DOM DoIT will require one-time IT costs.
- The State will pay 25.0% of the DOM DoIT IT costs, while the federal government will pay 75.0%.

Fiscal Impact

Division VII of this Act is estimated to cost \$466,000 in FY 2027, of which \$231,000 is for State costs and \$364,000 is for federal costs. The total estimated reduction for FY 2028 is \$20,000, of which \$10,000 is for State costs and \$10,000 is for federal costs.

Fiscal Impact Summary

In addition to the costs specified for each division of this Act, there are estimated costs associated with multiple divisions of the Act in FY 2027, including the following:

- Waiver technical assistance costs.
- Additional IT costs.
- Implementation costs for the eligibility system.

The total anticipated costs for SF 2422 in FY 2027 are estimated to be \$6.4 million and 6.0 FTE positions, of which the State cost is \$1.9 million and the federal cost is \$4.5 million. For FY 2028, SF 2422 is estimated to require 6.0 FTE positions and save \$597,000, of which the State savings is \$54,000 and the federal savings is \$543,000. **Figure 1** shows the breakout of costs in FY 2027. **Figure 2** shows the breakout of costs in FY 2028. The figures include cost reductions from retroactive eligibility changes, offsetting costs.

Figure 1 — Senate File 2422 Estimated Costs for FY 2027

Division	Category	State	Federal	Total
I	Eligibility System	\$ 760,000	\$ 2,240,000	\$ 3,000,000
IV	Retroactive Coverage Changes	-338,000	-579,000	-916,000
IV	Eligibility System	57,000	168,000	225,000
IV	DOM DoIT IT	16,000	47,000	63,000
V	Cost Neutrality FTE Positions	353,000	353,000	705,000
V	FTE Position Support Costs	12,000	12,000	24,000
V	Cost Neutrality Actuarial Services	250,000	250,000	500,000
VII	Premium Payment System	229,000	229,000	457,000
VII	DOM DoIT IT	2,000	6,000	8,000
Full Act	Waiver Tech. Assistance	50,000	50,000	100,000
Full Act	IT Costs	239,000	781,000	1,020,000
Full Act	Eligibility System	304,000	896,000	1,200,000
Total		\$ 1,934,000	\$ 4,452,000	\$ 6,386,000

Totals may not sum due to rounding.

Figure 2 — Senate File 2422 Estimated Costs for FY 2028

Division	Category	State	Federal	Total
IV	Retroactive Coverage Changes	\$ -672,000	\$ -1,161,000	\$ -1,833,000
V	Cost Neutrality FTE Positions	353,000	353,000	705,000
V	FTE Position Support Costs	5,000	5,000	11,000
V	Cost Neutrality Actuarial Services	250,000	250,000	500,000
VII	Premium Payment System	10,000	10,000	20,000
Total		\$ -54,000	\$ -543,000	\$ -597,000

Totals may not sum due to rounding.

Effective Date

Section 12 of the Act, which modifies Iowa Code section [249A.13](#) (Medicaid Managed Care Organizations Premiums Fund), is effective on January 1, 2027. The remainder of the Act is effective on June 2, 2026.

Enactment Date

This Act was approved by the General Assembly on April 30, 2026, and signed by the Governor on June 2, 2026

Sources

Department of Health and Human Services

Department of Management Division of Information Technology

Legislative Services Agency analysis

Description

[Senate File 2426](#) requires the Department of Transportation (DOT) to examine the English language proficiency of each person who applies for issuance or renewal of a commercial driver’s license or commercial learner’s permit and to deny the issuance or renewal of a license if an applicant fails to demonstrate proficiency sufficient to meet the requirements of 49 C.F.R. [§383.133](#)(b)(2). The DOT must administer the examination in a computer-based format, and an applicant will be allowed to retake the examination.

This Act prohibits a person who is not proficient in the English language from operating a commercial motor vehicle (CMV). A person who violates this provision commits a serious misdemeanor punishable by a \$1,000 fine and imprisonment not to exceed one year.

However, in lieu of a criminal penalty, a peace officer must issue an out-of-service order to a person unable to demonstrate proficiency in the English language sufficient to meet the requirements of 49 C.F.R. [§391.11](#)(b)(2) if the person holds an unexpired commercial driver’s license or commercial learner’s permit that was issued by the DOT after completing an English language proficiency exam.

This Act prohibits a commercial motor carrier from employing the services of a commercial driver, including an independent contractor, who is not proficient in the English language. A carrier that violates this provision commits a simple misdemeanor punishable by a \$10,000 scheduled fine.

A peace officer is required to issue an out-of-service order to a commercial motor carrier if an investigation, a safety audit, or normal business activity reveals that a carrier is allowing or has allowed within the previous 12 months a person who is not English proficient to operate a CMV or has been issued an out-of-service order by another state or the Federal Motor Carrier Safety Administration for allowing a person who is not English proficient to operate a CMV. An out-of-service order issued by a peace officer applies only in this state and prohibits a commercial motor carrier from operating a CMV owned, leased, or otherwise controlled by the carrier until the violation has been corrected or the fine has been paid.

The DOT and the Department of Public Safety (DPS) are each prohibited from complying with a provision of this Act if compliance would cause the denial of federal funds or services or would otherwise violate federal law. The DOT is not required to examine the English language proficiency of CDL and CLP applicants until March 1, 2027, or the date the DOT director submits a statement to the Iowa Administrative Code Editor that the applicable phase of the DOT’s new record system is implemented, whichever is earlier. This Act authorizes the DOT to adopt administrative rules to administer this Act.

Background

Under Iowa Code section [321.188](#), the DOT administers CDL and CLP examinations in compliance with the procedures set forth in 49 C.F.R. [§383.73](#) before issuing or renewing a CDL or CLP. Currently the DOT offers the CDL knowledge tests in Spanish, which is allowed by 49 C.F.R. [§383.133](#)(b)(3). The DOT performs the CDL skills test in English only, as required by 49 C.F.R. [§383.133](#)(c)(5).

Under 49 C.F.R. [§383.133](#)(b)(2), a person is qualified to drive a motor vehicle if he or she can read and speak the English language sufficiently to converse with the general public, to understand highway traffic signs and signals in the English language, to respond to official inquiries, and to make entries on reports and records.

A serious misdemeanor is punishable by confinement for no more than one year and a fine of at least \$430 but not more than \$2,500. Moneys collected from fines and fees from commercial vehicle violation citations are deposited into the Road Use Tax Fund (RUTF) per Iowa Code section [602.8108](#)(8).

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.
- County jail data is unavailable. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Conviction data reflects the total number of convictions in adult court, which may include multiple convictions per individual. Not all convictions lead to incarceration, and there may be a delay between conviction and prison admission, which can contribute to differences in totals.
- Admissions are a count of individuals newly admitted to the Department of Corrections (DOC) for supervision during a selected time period, based on the most serious offense committed.
- The DOT will have a one-time information technology (IT) cost of \$74,000 for developing and implementing a computer-based test for commercial drivers.
- Between June 2025 and May 2026, there have been 309 out-of-service orders issued by the DPS related to English language proficiency. It is unknown how many annual out-of-service orders will be issued moving forward.

Correctional Impact

Senate File 2426 creates a new offense classified as a serious misdemeanor. The correctional impact of this Act cannot be determined because the number of new convictions cannot be estimated. **Figure 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 a serious misdemeanor.

Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 12, 2026, for information related to the correctional system

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

Conviction Offense Class	Percent Ordered to State Prison	FY 2025 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 2025 Field Avg LOS on Probation	Avg Cost Per Day Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2025 Field Avg LOS on Parole	Marginal Cost Per Day Parole
Serious Misdemeanor	2.3%	7.3	\$23.07	44.8%	21.0	\$8.00	\$16.35	\$50.00	N/A	\$8.00

Minority Impact

The minority impact cannot be determined since the number of new convictions under this Act is unknown. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated January 12, 2026, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact of the correctional impact cannot be determined because the number of new convictions under this Act cannot be estimated. The average State cost per serious misdemeanor is between \$350 and \$6,200. The estimated impact to the 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.

Any fines issued for an out-of-service order will be deposited into the RUTF; however, total fine revenue cannot be determined at this time.

The DOT may incur a one-time IT cost of approximately \$74,000 to develop and implement a computer-based test for commercial drivers. However, the DOT has indicated this cost will be funded within existing budget resources.

Effective Date

This Act is effective July 1, 2026. **Section 2** of this Act applies on or after March 1, 2027, or the date the DOT submits to the Iowa Administrative Code Editor for publication in the Iowa Administrative Bulletin, a statement by the Director of the DOT that the new records system has been implemented, whichever is earlier. The DOT will also forward a copy of the statement to the Iowa Code Editor.

Enactment Date

This Act was approved by the General Assembly on April 15, 2026, and signed by the Governor on May 2, 2026.

Sources

Department of Transportation

Department of Public Safety

Division of Data, Planning, and Improvement (DPI), Department of Management (DOM)

[SF 2428](#) – Removal of Disruptive Students from Classrooms (LSB5879SV.4)

Staff Contacts: Serenity Lo (515.281.5661) serenity.lo@legis.iowa.gov

Lora Vargason (515.725.1286) lora.vargason@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[Senate File 2428](#) requires the Department of Education (DE) to develop and administer a pilot program for a rural district and an urban district to establish attendance centers to be used to provide educational services to eligible students, with exceptions for an eligible student's participation. This Act provides conditions that must be met for participation. The rural school district and urban school district will be required to submit an annual report to the DE by June 1 of each year, and the DE is required to compile and submit these reports to the General Assembly by June 30 of each year. The pilot program is repealed July 1, 2031.

This Act also requires school districts and charter schools to initiate a disciplinary process when a student causes a violent or nonviolent disruption, with definitions. The process will include removal from the classroom, review of actions, and conditions for readmittance into the classroom or conditions for sustainment of removal. If the principal of a school determines disciplinary action should be taken against a student removed from the classroom, action must be taken and notice given to the parent or guardian of said student. Such action may include suspension or placement into an alternative learning environment, such as a therapeutic classroom. This Act gives teachers decision-making authority regarding whether a student may be readmitted to the classroom after removal. Trauma support for teachers, students, and other school employees affected by violent and nonviolent disruptions shall be offered, as well as paid leave for teachers and school employees for physical recovery.

This Act requires the Director of the DE to develop and distribute both model policies regarding disciplinary action to school districts and charter schools and the requirements for a least restrictive environment, pursuant to the federal [Individuals with Disabilities Education Act \(IDEA\)](#). The board of directors of each school district and charter school is then required to adopt and publish policies for different grade levels regarding student discipline that meet requirements outlined in this Act and under the IDEA. The board of directors must also ensure that conditions regarding each student's individual education program (IEP) plan are met.

Each school district employee responsible for the implementation of a student's IEP plan, as listed in this Act, must read all changes to the accommodations and modifications in the IEP plan. After reading the most recent changes, the regular education teacher shall provide written notice to the special education teacher who is part of the IEP team indicating they have read it.

An oversight review committee must also be established by the school district, consisting of two teachers at the attendance center and one administrative employee, mental health professional, or behavioral interventionist. The oversight review committee may issue recommendations related to the student removed from the classroom.

This Act requires school districts to pay costs required by this Act from State Foundation School Aid per Iowa Code section [25B.2\(3\)](#) (State Mandates).

Background

The pilot program established by this Act may be similar to the Therapeutic Classroom Incentive Grant program but is associated with a different funding source and is not administered as a competitive grant program. There are currently 13 urban school districts and 1 rural school district that would meet the definitions of “urban school district” and “rural school district,” respectively, in this Act.

The Therapeutic Classroom Incentive Grant program currently receives a \$2.4 million appropriation annually in the Education Appropriations Act with additional claims-based pupil funding provided through a standing appropriation for Therapeutic Classroom Services. The DE oversees the current Therapeutic Classroom Incentive Grant program and released a 2025 Therapeutic Classroom Report detailing the history of the annually awarded grants.

Iowa Code section [256.9](#) requires the Director of the DE to develop and distribute to school districts and charter schools model policies outlining the school districts’ and the charter schools’ responsibilities relating to the discipline of a student for making a threat of violence or causing an incident of violence that results in injury, property damage, or assault.

Iowa Code section [279.65A](#) outlines requirements for policies regarding the discipline of students who make threats of violence or cause incidents of violence. Current law does not include incidences of nonviolent disruptions, as defined in this Act.

The average daily cost to a school district for a substitute teacher ranges from \$120 to \$160 per day, depending on the district and length of assignment.

Assumptions

- The DE and board of directors for school districts and charter schools will be required to adopt and publish policies regarding the disciplinary process for students causing violent and nonviolent disruptions. Costs associated with implementing these policies are anticipated to be minimal.
- School districts and charter schools may need to provide an alternative learning environment for students who are removed from the classroom for violent or nonviolent disruptions.
- Substitute teachers may be needed to fill in for teachers attending oversight review meetings or taking a leave of absence after an incident with a disruptive student.
- One rural school district, which will be the only rural school district to meet the requirements of this Act, will participate in the pilot program.
- One of 13 urban school districts will be chosen to participate in the pilot program.
- The DE will have minimal additional administrative costs to meet the requirements of this Act.

Fiscal Impact

Senate File 2428 will require annual expenditures of \$165,000 by a rural district and between \$1.0 million and \$4.4 million by an urban district to implement the pilot program. This Act directs the DE to fully fund the pilot program using moneys appropriated by the General Assembly for the program unless participating school districts have the funds for their participation in the program.

This Act is anticipated to have no fiscal impact on the DE for the implementation of policies regarding disruptive students. School districts and charter schools may incur costs related to providing alternative learning environments for students removed from the classroom. If an oversight review meeting takes place during the school day or if a teacher were to take time off due to an incident with a disruptive student, schools may be required to employ a substitute teacher. For meetings taking place beyond contract hours, teachers may also receive prorated pay. This Act requires school districts to pay costs required by this Act from State Foundation School Aid per Iowa Code section 25B.2(3).

Effective Date

This Act is effective July 1, 2026.

Enactment Date

This Act was approved by the General Assembly on April 29, 2026, and signed by the Governor on June 1, 2026.

Sources

Department of Education
Urban Education Network
Iowa Association of School Boards

Description

[Senate File 2453](#) requires that starting July 1, 2027, each institution under the control of the State Board of Regents (BOR) shall invest at least 1.0% of its total foundation-managed endowment assets, calculated based on the average quarterly market value of assets for the most recent fiscal year, into an innovation fund that supports the commercialization of institution technologies, spinouts, or research-derived innovations. A foundation-managed endowment may implement this investment requirement through direct commitments, reallocation of existing assets, or rolling commitments of capital. This requirement exempts any assets that are subject to donor restrictions or intent that expressly prohibit such an investment. The Economic Development Authority is required to maintain a public list of all innovation funds eligible for investment under the Bill.

The Bill allows a foundation board to grant a one-year waiver from these requirements if adequate innovation fund capacity is unavailable or market conditions would materially impair prudent investment. An institution may be granted more than one waiver under this exemption.

Each institution is required to submit annual reports to the BOR, which will compile the reports for submission to the General Assembly by December 1 of each year. The Bill takes effect December 31, 2026.

Background

Educational institutions fundraise from alumni and other donors and use the donations for investment. Institutions use investment earnings to fund scholarships and other academic initiatives while maintaining the principal in the endowment. Endowment funds are also subject to donor-imposed restrictions and must adhere to fiduciary standards defined in the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Endowments are managed in accordance with asset allocation decisions approved by the board of the educational institution. Colleges and universities often affiliate with private entities to administer their endowments and the endowments' earnings. The current foundation endowment assets as reported by the BOR are as follows:

- State University of Iowa (SUI): \$1,800.0 million
- Iowa State University (ISU): \$1,880.0 million
- University of Northern Iowa (UNI): \$239.0 million

Additional information on each of the universities' endowment programs can be found here:

- [SUI](#)
- [ISU](#)
- [UNI](#)

Innovation funds, as defined in Iowa Code section [15E.52](#), are State-certified investment vehicles designed to support early-stage, high-growth companies and the commercialization of research within Iowa. As of June 30, 2025, five innovation funds have been certified by the Iowa Economic Development Authority Board. In FY 2025, these funds received approximately \$7.5 million in total investments.

Assumptions

- The Bill assumes that 1.0% of the current foundation-managed endowment assets (\$39.2 million) will need to be reinvested. It is unknown if the current asset allocation already fulfills a part or the entirety of the requirement or what proportion of assets are exempt under the donor restriction or prohibition standard.
- It is unknown if any new asset allocation will receive a similar return on investment as the current investment vehicle.
- Any potential costs related to the reallocation of investments are unknown.

Fiscal Impact

The fiscal impact of SF 2453 is unknown. There may be some costs associated with the reallocation of assets or varying returns on investments, but the potential impact cannot be estimated with the information available.

Effective Date

This Bill will not become effective.

Enactment Date

This Bill was approved by the General Assembly on May 3, 2026, and vetoed by the Governor on June 2, 2026.

Source

Board of Regents