

House File 2772 - Introduced

HOUSE FILE 2772

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 773)

A BILL FOR

1 An Act relating to and making appropriations for the economic
2 development of the state, including to the economic
3 development authority, Iowa finance authority, department
4 of workforce development, and state board of regents and
5 certain regents institutions, and codifying the housing
6 renewal program.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

FY 2026-2027 APPROPRIATIONS

Section 1. GOALS AND ACCOUNTABILITY — ECONOMIC DEVELOPMENT.

1. For the fiscal year beginning July 1, 2026, the goals for the economic development authority shall be to expand and stimulate the state economy, increase the wealth of Iowans, and increase the population of the state.

2. To achieve the goals in subsection 1, the economic development authority shall do all of the following for the fiscal year beginning July 1, 2026:

a. Concentrate its efforts on programs and activities that result in commercially viable products and services.

b. Adopt practices and services consistent with free market, private sector philosophies.

c. Ensure economic growth and development throughout the state.

d. Work with businesses and communities to continually improve the economic development climate along with the economic well-being and quality of life for Iowans.

e. Coordinate with other state agencies to ensure that they are attentive to the needs of an entrepreneurial culture.

f. Establish a strong and aggressive marketing image to showcase Iowa's workforce, existing industry, and potential. The authority shall prioritize recruitment of new businesses, business expansion, and retention of existing Iowa businesses. In addition, the authority shall emphasize entrepreneurial development through helping entrepreneurs secure capital, and developing networks and a business climate conducive to entrepreneurs and small businesses.

g. Encourage the development of communities and quality of life to foster economic growth.

h. Prepare communities for future growth and development through development, expansion, and modernization of infrastructure.

1 i. Develop public-private partnerships with Iowa businesses
2 in the tourism industry, Iowa tour groups, Iowa tourism
3 organizations, and political subdivisions in this state to
4 assist in the development of advertising efforts.

5 Sec. 2. ECONOMIC DEVELOPMENT AUTHORITY.

6 1. APPROPRIATION

7 a. There is appropriated from the general fund of the state
8 to the economic development authority for the fiscal year
9 beginning July 1, 2026, and ending June 30, 2027, the following
10 amount, or so much thereof as is necessary, to be used for the
11 purposes designated in this subsection, and for not more than
12 the following full-time equivalent positions:

13	\$ 12,903,510
14	FTEs 102.60

15 b. (1) For salaries, support, miscellaneous purposes,
16 programs, marketing, administration, business development,
17 community development, small business development, and any
18 divisions the authority may organize.

19 (2) For business development operations and programs,
20 international trade, export assistance, workforce recruitment,
21 and the partner state program.

22 (3) For transfer to a fund created pursuant to section
23 15.313 for purposes of financing strategic infrastructure
24 projects.

25 (4) For community economic development programs, tourism
26 operations, community assistance, and the community development
27 block grant.

28 (5) For achieving the goals and accountability, and
29 fulfilling the requirements and duties required under this Act.

30 (6) The full-time equivalent positions authorized under
31 this subsection are funded, in whole or in part, by the moneys
32 appropriated under this subsection or by other moneys received
33 by the authority, including certain federal moneys.

34 c. Notwithstanding [section 8.33](#), moneys appropriated in
35 this subsection that remain unencumbered or unobligated at the

1 close of the fiscal year shall not revert but shall remain
2 available for expenditure for the purposes designated in this
3 subsection until the close of the succeeding fiscal year.

4 2. FINANCIAL ASSISTANCE RESTRICTIONS

5 a. A business creating jobs through moneys appropriated in
6 subsection 1 shall be subject to contract provisions requiring
7 new and retained jobs to be filled by individuals who are
8 citizens of the United States who reside within the United
9 States, or individuals authorized to work in the United States
10 pursuant to federal law, including legal resident aliens
11 residing in the United States.

12 b. Any vendor who receives moneys appropriated in
13 subsection 1 shall adhere to such contract provisions and
14 provide periodic assurances as the state shall require that the
15 jobs are filled solely by citizens of the United States who
16 reside within the United States, or individuals authorized to
17 work in the United States pursuant to federal law, including
18 legal resident aliens residing in the United States.

19 c. A business that receives financial assistance from
20 the authority from moneys appropriated in subsection 1 shall
21 only employ individuals legally authorized to work in this
22 state. In addition to all other applicable penalties provided
23 by current law, all or a portion of the assistance received
24 by a business which is found to knowingly employ individuals
25 not legally authorized to work in this state is subject to
26 recapture by the authority.

27 3. USES OF APPROPRIATIONS

28 a. From the moneys appropriated in subsection 1, the
29 authority may provide financial assistance in the form of a
30 grant to a community economic development entity for conducting
31 a local workforce recruitment effort designed to recruit
32 citizens who are former residents of the state, and former
33 students at colleges and universities in the state, to meet the
34 needs of local employers.

35 b. From the moneys appropriated in subsection 1, the

1 authority may provide financial assistance to early stage
2 industry companies being established by women entrepreneurs.

3 c. From the moneys appropriated in subsection 1, the
4 authority may provide financial assistance in the form of
5 grants, loans, or forgivable loans for advanced research and
6 commercialization projects involving value-added agriculture,
7 advanced technology, or biotechnology.

8 d. The authority shall not use any moneys appropriated in
9 subsection 1 for purposes of providing financial assistance
10 for any program or project that involves the installation of
11 geothermal systems for melting snow and ice from streets or
12 sidewalks.

13 4. WORLD FOOD PRIZE

14 In lieu of the standing appropriation in [section 15.368](#),
15 there is appropriated from the general fund of the state to the
16 economic development authority for the fiscal year beginning
17 July 1, 2026, and ending June 30, 2027, the following amount to
18 be used for support of the world food prize:

19 \$ 500,000

20 5. COUNCILS OF GOVERNMENTS — ASSISTANCE

21 There is appropriated from the general fund of the state
22 to the economic development authority for the fiscal year
23 beginning July 1, 2026, and ending June 30, 2027, the following
24 amount to be used for the purposes of providing financial
25 assistance to Iowa’s councils of governments:

26 \$ 350,000

27 6. TOURISM OFFICE

28 a. There is appropriated from the general fund of the state
29 to the economic development authority for the fiscal year
30 beginning July 1, 2026, and ending June 30, 2027, the following
31 amount, or so much thereof as is necessary, to be used for the
32 tourism office for the advertisement, promotion, placement,
33 and implementation of the economic development authority’s
34 strategic plan for tourism and travel:

35 \$ 1,050,000

1 b. Notwithstanding section 8.33, moneys appropriated in
2 this subsection that remain unencumbered or unobligated at the
3 close of the fiscal year shall not revert but shall remain
4 available for expenditure for the purposes designated until the
5 close of the succeeding fiscal year.

6 c. The economic development authority shall submit an
7 annual report on or before January 15 to the general assembly
8 regarding the tourism office's activities funded with moneys
9 appropriated under this subsection. The report must be
10 provided in an electronic format and must include metrics
11 and criteria that allow the general assembly to quantify and
12 evaluate the effectiveness and economic impact of the tourism
13 office's activities related to the advertisement, promotion,
14 placement, and implementation of the economic development
15 authority's strategic plan for tourism and travel.

16 7. CULTURAL AFFAIRS ACTIVITIES

17 a. There is appropriated from the general fund of the state
18 to the economic development authority for the fiscal year
19 beginning July 1, 2026, and ending June 30, 2027, the following
20 amount, or so much thereof as is necessary, to be used for
21 support of the Iowa arts council:

22 \$ 1,601,800

23 b. Of the moneys appropriated in paragraph "a", the economic
24 development authority shall allocate \$321,800 for deposit in
25 the arts and culture enhancement fund established in section
26 15.436.

27 c. Notwithstanding section 8.33, moneys appropriated in
28 this subsection that remain unencumbered or unobligated at the
29 close of the fiscal year shall not revert but shall remain
30 available for expenditure for the purposes designated until the
31 close of the succeeding fiscal year.

32 Sec. 3. LIMITATIONS OF STANDING APPROPRIATIONS — FY
33 2026-2027. Notwithstanding the standing appropriations in the
34 following designated sections for the fiscal year beginning
35 July 1, 2026, and ending June 30, 2027, the amount appropriated

1 from the general fund of the state pursuant to the following
2 sections for the following purposes shall not exceed the
3 following amounts:

4 1. For the arts and culture enhancement fund under section
5 99F.11, subsection 4, paragraph "d", subparagraph (1):
6 \$ 448,403

7 2. For the purposes of tourism marketing under section
8 99F.11, subsection 4, paragraph "d", subparagraph (2):
9 \$ 1,443,700

10 Sec. 4. FINANCIAL ASSISTANCE REPORTING — ECONOMIC

11 DEVELOPMENT AUTHORITY. The economic development authority
12 shall submit an annual report to the general assembly no later
13 than November 1, 2026, that details the amount of every direct
14 loan, forgivable loan, tax credit, tax exemption, tax refund,
15 grant, or any other financial assistance awarded to a person
16 during the prior fiscal year by the authority under an economic
17 development program administered by the authority. The report
18 must identify the county where the project associated with each
19 such award is located.

20 Sec. 5. INSURANCE ECONOMIC DEVELOPMENT. From the moneys
21 collected by the insurance division of the department of
22 insurance and financial services in excess of the anticipated
23 gross revenues under [section 505.7, subsection 3](#), during
24 the fiscal year beginning July 1, 2026, \$100,000 shall be
25 transferred to the economic development authority for insurance
26 economic development and international insurance economic
27 development.

28 Sec. 6. IOWA FINANCE AUTHORITY.

29 1. There is appropriated from the general fund of the state
30 to the Iowa finance authority for the fiscal year beginning
31 July 1, 2026, and ending June 30, 2027, the following amounts,
32 or so much thereof as is necessary, to be used for the purposes
33 designated:

34 a. Rent subsidy program

35 (1) To provide reimbursement for rent expenses to eligible

1 persons under the home and community-based services rent
2 subsidy program established in section 16.55:

3 \$ 873,000

4 (2) Of the moneys appropriated in this paragraph, not more
5 than \$35,000 may be used for administrative costs.

6 b. Housing renewal program

7 To provide housing renewal moneys to the nonprofit Iowa
8 affiliate to award grants to eligible communities for the
9 housing renewal program created in section 16.52, as enacted in
10 Division II of this Act:

11 \$ 550,000

12 2. Notwithstanding section 8.33, moneys appropriated in
13 this section that remain unencumbered or unobligated at the
14 close of the fiscal year shall not revert but shall remain
15 available for expenditure for the purposes designated until the
16 close of the succeeding fiscal year.

17 Sec. 7. IOWA FINANCE AUTHORITY AUDIT. The auditor of state
18 is requested to review the audit of the Iowa finance authority
19 performed by the auditor hired by the authority.

20 Sec. 8. DEPARTMENT OF WORKFORCE DEVELOPMENT. There
21 is appropriated from the general fund of the state to the
22 department of workforce development for the fiscal year
23 beginning July 1, 2026, and ending June 30, 2027, the following
24 amounts, or so much thereof as is necessary, to be used for the
25 purposes designated:

26 1. WORKFORCE DEVELOPMENT OPERATIONS

27 a. For the operation of field offices and the workforce
28 development board, and for not more than the following
29 full-time equivalent positions:

30 \$ 6,902,636

31 FTEs 157.09

32 b. Of the moneys appropriated in paragraph "a", the
33 department shall allocate \$150,000 to the state library for
34 the purpose of licensing an online resource which prepares
35 individuals to succeed in the workplace through programs which

1 improve job skills and vocational test-taking abilities.

2 2. OFFENDER REENTRY PROGRAM

3 a. For the development and administration of an offender
4 reentry program to provide offenders with employment skills,
5 and for not more than the following full-time equivalent
6 positions:

7	\$	387,158
8	FTEs	4.00

9 b. The department of workforce development shall partner
10 with the department of corrections to provide staff within
11 the correctional facilities resources to improve offenders'
12 abilities to find and retain productive employment.

13 3. STATE ACCOUNTING SYSTEM

14 For the payment of services provided by the department of
15 administrative services related to the state accounting system:

16	\$	228,822
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17 4. WORKPLACE INJURY AND SAFETY SURVEYS

18 For the operation of workplace safety surveys and workplace
19 data collection and analysis, including salaries, support,
20 maintenance, and miscellaneous purposes, and for not more than
21 the following full-time equivalent positions:

22	\$	125,555
23	FTEs	1.90

24 5. VOCATIONAL REHABILITATION SERVICES DIVISION

25 a. For salaries, support, maintenance, and miscellaneous
26 purposes, and for not more than the following full-time
27 equivalent positions:

28	\$	6,226,739
29	FTEs	233.00

30 For purposes of optimizing the job placement of individuals
31 with disabilities, the division shall make its best efforts
32 to work with community rehabilitation program providers for
33 job placement and retention services for individuals with
34 significant disabilities and most significant disabilities. By
35 January 15, 2027, the division shall submit a written report to

1 the general assembly regarding the division's outreach efforts
2 with community rehabilitation program providers.

3 b. For the entrepreneurs with disabilities program
4 described in [section 84H.4](#):

5 \$ 138,506

6 6. ADULT EDUCATION AND LITERACY PROGRAMS

7 For distribution as grants to community colleges for
8 the purpose of adult basic education programs for students
9 requiring instruction in English as a second language:

10 \$ 500,000

11 In issuing grants under this subsection, the department of
12 workforce development shall use the same application process
13 and criteria as are used for purposes of awarding grants to
14 community colleges for the purpose of adult basic education
15 programs for students requiring instruction in English as a
16 second language using moneys that are appropriated to the
17 department from the Iowa skilled worker and job creation fund
18 created in [section 8.57J](#).

19 7. REGISTERED APPRENTICESHIP PROGRAMS

20 For the funding of the registered apprenticeship programs
21 under [chapter 84F](#) to encourage small to midsize businesses to
22 start or grow registered apprenticeships:

23 \$ 760,000

24 8. REVERSION

25 Notwithstanding [section 8.33](#), moneys appropriated in this
26 section that remain unencumbered or unobligated at the close of
27 the fiscal year shall not revert but shall remain available for
28 expenditure for the purposes designated until the close of the
29 succeeding fiscal year.

30 Sec. 9. DEPARTMENT OF WORKFORCE DEVELOPMENT — SPECIAL
31 EMPLOYMENT SECURITY CONTINGENCY FUND.

32 1. There is appropriated from the special employment
33 security contingency fund created in [section 96.13](#) to the
34 department of workforce development for the fiscal year
35 beginning July 1, 2026, and ending June 30, 2027, the following

1 amount, or so much thereof as is necessary, to be used for
2 field offices:

3 \$ 4,616,084

4 2. Any remaining additional penalty and interest revenue
5 collected by the department of workforce development is
6 appropriated to the department for the fiscal year beginning
7 July 1, 2026, and ending June 30, 2027, to accomplish the
8 mission of the department.

9 Sec. 10. IOWA SKILLED WORKER AND JOB CREATION FUND.

10 1. There is appropriated from the Iowa skilled worker and
11 job creation fund created in [section 8.57J](#) to the following
12 departments, agencies, and institutions for the fiscal year
13 beginning July 1, 2026, and ending June 30, 2027, the following
14 amounts, or so much thereof as is necessary, to be used for the
15 purposes designated:

16 a. ECONOMIC DEVELOPMENT AUTHORITY

17 (1) For providing financial assistance to eligible
18 businesses for the business incentives for growth program
19 pursuant to chapter 15, subchapter II, part 33:

20 \$ 11,700,000

21 (a) Of the moneys appropriated in this subparagraph (1),
22 not more than \$1,000,000 may be used for purposes of providing
23 infrastructure grants to main street communities under the main
24 street Iowa program.

25 (b) As a condition of receiving moneys appropriated in this
26 subparagraph (1), an entity shall testify upon the request of
27 the joint appropriations subcommittee on economic development
28 regarding the expenditure of such moneys.

29 (2) For support of the manufacturing 4.0 technology
30 investment program established in [section 15.371](#):

31 \$ 2,350,000

32 (3) For the empower rural Iowa program:

33 \$ 700,000

34 b. STATE BOARD OF REGENTS AND REGENTS INSTITUTIONS

35 (1) STATE BOARD OF REGENTS

1 For capacity building infrastructure in areas related
2 to technology commercialization, marketing and business
3 development efforts in areas related to technology
4 commercialization, entrepreneurship, and business growth,
5 and infrastructure projects and programs needed to assist in
6 implementation of activities under **chapter 262B**:

7 \$ 3,000,000

8 (a) Of the moneys appropriated pursuant to this
9 subparagraph (1), 35 percent shall be allocated for Iowa state
10 university of science and technology, 35 percent shall be
11 allocated for the state university of Iowa, and 30 percent
12 shall be allocated for the university of northern Iowa.

13 (b) The institutions shall provide a one-to-one match
14 of additional moneys for the activities funded with moneys
15 appropriated under this subparagraph (1).

16 (c) The state board of regents shall submit a report by
17 January 15, 2027, to the governor and the general assembly
18 regarding the activities, projects, and programs funded with
19 moneys appropriated under this subparagraph (1). The report
20 must be provided in an electronic format and must include a
21 list of metrics and criteria mutually agreed to in advance by
22 the board of regents and the economic development authority.
23 The metrics and criteria must allow the governor's office and
24 the general assembly to quantify and evaluate the progress
25 of the board of regents institutions with regard to their
26 activities, projects, and programs in the areas of technology
27 commercialization, entrepreneurship, regional development, and
28 market research.

29 (2) IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY

30 For small business development centers, the research park,
31 and the center for industrial research and service, and for not
32 more than the following full-time equivalent positions:

33 \$ 2,424,302

34 FTEs 50.94

35 (a) Of the moneys appropriated in this subparagraph (2),

1 Iowa state university of science and technology shall allocate
2 at least \$735,728 for purposes of funding small business
3 development centers. Iowa state university of science and
4 technology may allocate the appropriated moneys to the various
5 small business development centers in any manner necessary to
6 achieve the purposes of this subparagraph (2).

7 (b) Iowa state university of science and technology shall
8 do all of the following:

9 (i) Direct expenditures for research toward projects that
10 will provide economic stimulus for Iowa.

11 (ii) Emphasize providing services to Iowa-based companies.

12 (c) It is the intent of the general assembly that the
13 center for industrial research and service industrial incentive
14 program focus on Iowa industrial sectors and seek contributions
15 and in-kind donations from businesses, industrial foundations,
16 and trade associations, and that moneys for the program shall
17 be allocated only for projects which are matched by private
18 sector moneys for directed contract research or for nondirected
19 research. The match required of small businesses as defined
20 in [section 15.102](#) for directed contract research or for
21 nondirected research shall be \$1 for each \$3 of state funds.
22 The match required for other businesses for directed contract
23 research or for nondirected research shall be \$1 for each \$1 of
24 state funds. The match required of industrial foundations or
25 trade associations shall be \$1 for each \$1 of state funds.

26 (d) Iowa state university of science and technology shall
27 report annually to the general assembly the total amount of
28 private contributions, the proportion of contributions from
29 small businesses and other businesses, and the proportion for
30 directed contract research and nondirected research of benefit
31 to Iowa businesses and industrial sectors.

32 (3) STATE UNIVERSITY OF IOWA

33 (a) For the state university of Iowa research park and for
34 university of Iowa pharmaceuticals located at the research
35 park, including salaries, support, maintenance, equipment, and

1 miscellaneous purposes, and for not more than the following
2 full-time equivalent positions:

3 \$ 209,279
4 FTEs 6.00

5 The state university of Iowa shall do all of the following:

6 (i) Direct expenditures for research toward projects that
7 will provide economic stimulus for Iowa.

8 (ii) Emphasize providing services to Iowa-based companies.

9 (b) For the purpose of implementing the entrepreneurship
10 and economic growth initiative, and for not more than the
11 following full-time equivalent positions:

12 \$ 2,000,000
13 FTEs 8.00

14 (4) UNIVERSITY OF NORTHERN IOWA

15 (a) For the metal casting and foundry 4.0 centers,
16 advance Iowa, family business center, and the institute for
17 decision making, including salaries, support, maintenance, and
18 miscellaneous purposes, and for not more than the following
19 full-time equivalent positions:

20 \$ 1,466,419
21 FTEs 13.00

22 The university of northern Iowa shall do all of the
23 following:

24 (i) Direct expenditures for research toward projects that
25 will provide economic stimulus for Iowa.

26 (ii) Emphasize providing services to Iowa-based companies.

27 (b) For the purpose of providing in-state undergraduate
28 tuition and undergraduate mandatory fees to individuals
29 who reside in a state contiguous to Iowa, who enroll in an
30 undergraduate program offered by the university of northern
31 Iowa, and who are classified as residents of this state for
32 purposes of undergraduate tuition and undergraduate mandatory
33 fees:

34 \$ 1,000,000

35 (c) For the purpose of expanding the nursing program:

1 \$ 600,000

2 (5) DUTY TO TESTIFY

3 As a condition of receiving moneys appropriated in this
4 lettered paragraph "b", an entity shall testify upon the
5 request of the joint appropriations subcommittee on economic
6 development regarding the expenditure of such moneys.

7 c. DEPARTMENT OF WORKFORCE DEVELOPMENT

8 (1) For staffing costs related to completing workforce
9 preparation outcome reporting in conjunction with the
10 department of education:

11 \$ 125,000

12 (2) For distribution to community colleges for the purposes
13 of implementing adult education and literacy programs pursuant
14 to [section 84A.19](#):

15 \$ 4,500,000

16 (a) From the moneys appropriated in this numbered
17 subparagraph, \$3,125,000 shall be allocated pursuant to the
18 formula established in [section 260C.18C](#).

19 (b) From the moneys appropriated in this numbered
20 subparagraph, not more than \$150,000 shall be used by the
21 department of workforce development for implementation of adult
22 education and literacy programs pursuant to [section 84A.19](#).

23 (c) From the moneys appropriated in this numbered
24 subparagraph, not more than \$1,015,000 shall be distributed
25 as grants to community colleges for the purpose of adult
26 basic education programs for students requiring instruction
27 in English as a second language. The department of workforce
28 development shall establish an application process and criteria
29 to award grants pursuant to this subparagraph division to
30 community colleges. The criteria must be based on need for
31 instruction in English as a second language in the region
32 served by each community college as determined by factors
33 including data from the latest federal decennial census and
34 outreach efforts to determine regional needs.

35 (d) From the moneys appropriated in this numbered

1 subparagraph, \$210,000 shall be transferred to the department
2 of health and human services for purposes of administering
3 a program to provide access to international resources to
4 Iowans and new Iowans to provide economic and leadership
5 development resulting in Iowa being a more welcoming place
6 to live, work, and raise a family. The program must provide
7 supplemental support services for international refugees to
8 improve learning, English literacy, life skills, cultural
9 competencies, and integration in a county with a population
10 over 350,000 as determined by the 2020 federal decennial
11 census. The department of health and human services shall
12 utilize a request-for-proposals process to identify the entity
13 best qualified to implement the program.

14 2. Notwithstanding [section 8.33](#), moneys appropriated in
15 this section that remain unencumbered or unobligated at the
16 close of the fiscal year shall not revert but shall remain
17 available for expenditure for the purposes designated until the
18 close of the succeeding fiscal year.

19 Sec. 11. GENERAL FUND — CERTAIN REGENTS INSTITUTIONS.

20 1. There is appropriated from the general fund of the state
21 to the following institutions for the fiscal year beginning
22 July 1, 2026, and ending June 30, 2027, the following amounts,
23 or so much thereof as is necessary, to be used for the purposes
24 designated:

- 25 a. IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY
- 26 In cooperation with the economic development authority, for
- 27 support of a biosciences innovation ecosystem, to strengthen
- 28 Iowa’s leadership positions in the area of bio-based chemicals,
- 29 digital agriculture, vaccines, and medical devices, including
- 30 salaries, support, maintenance, and miscellaneous purposes, and
- 31 for not more than the following full-time equivalent positions:
- 32 \$ 2,963,995
- 33 FTEs 14.81

34 b. STATE UNIVERSITY OF IOWA

35 In cooperation with the economic development authority, for

1 support of a biosciences innovation ecosystem, to strengthen
 2 Iowa's leadership positions in the area of bio-based chemicals,
 3 digital agriculture, vaccines, and medical devices, including
 4 salaries, support, maintenance, and miscellaneous purposes, and
 5 for not more than the following full-time equivalent positions:
 6 \$ 1,000,000
 7 FTEs 4.35

8 c. UNIVERSITY OF NORTHERN IOWA

9 For equipment and technology to expand the university's
 10 additive manufacturing capabilities related to investment
 11 castings technology and industry support, including salaries,
 12 support, maintenance, and miscellaneous purposes, and for not
 13 more than the following full-time equivalent positions:
 14 \$ 394,321
 15 FTEs 2.73

16 The university of northern Iowa shall make a good-faith
 17 effort to coordinate with private entities to seek moneys to
 18 supplement this appropriation to support the expansion of the
 19 university's additive manufacturing capabilities.

20 2. Notwithstanding [section 8.33](#), moneys appropriated in
 21 subsection 1, paragraphs "a" and "b", that remain unencumbered
 22 or unobligated at the close of the fiscal year shall not revert
 23 but shall remain available for expenditure for the purposes
 24 designated until the close of the succeeding fiscal year.

25 DIVISION II

26 HOUSING RENEWAL PROGRAM

27 Sec. 12. NEW SECTION. 16.52 Housing renewal program.

28 1. For purposes of this section, unless the context
 29 otherwise requires:

30 a. "Eligible participant" includes cities, counties,
 31 consortiums of local governments, and organizations exempt from
 32 taxation pursuant to section 501(c)(3) of the Internal Revenue
 33 Code.

34 b. "Nonprofit Iowa affiliate" means a nonprofit Iowa
 35 affiliate of a nonprofit international organization whose

1 primary activity is the promotion of the construction,
2 remodeling, or rehabilitation of one-family or two-family
3 dwellings for use by low-income families.

4 2. a. A housing renewal program fund is created in the
5 state treasury under the control of the authority. The fund
6 shall consist of moneys appropriated to or deposited in the
7 fund. Moneys in the fund are appropriated to the authority to
8 administer the housing renewal program.

9 b. Notwithstanding section 8.33, moneys appropriated to
10 the housing renewal program fund that remain uncumbered or
11 unobligated at the close of a fiscal year shall not revert
12 but shall remain available for expenditure for the purposes
13 designated until the close of the succeeding fiscal year.

14 c. Notwithstanding section 12C.7, subsection 2, interest or
15 earnings on moneys in the housing renewal program fund shall be
16 credited to the fund. Payment of interest, income generated
17 from the sale of an ownership unit pursuant to subsection 6,
18 recaptures of financial assistance awards, and other repayments
19 under the housing renewal program shall be retained by the
20 nonprofit Iowa affiliate for the purpose of awarding financial
21 assistance under the housing renewal program to eligible
22 participants.

23 3. a. The authority shall provide moneys from the housing
24 renewal program fund to a nonprofit Iowa affiliate that shall
25 use the moneys to award financial assistance under the housing
26 renewal program to eligible participants.

27 b. Eligible participants shall use financial assistance
28 awarded under the housing renewal program only for purposes of
29 the acquisition, rehabilitation, and resale of ownership units;
30 the acquisition and demolition of blighted structures; and the
31 redevelopment of ownership units.

32 4. Twenty-five percent of moneys appropriated to the
33 housing renewal program fund shall be allocated to financial
34 assistance awards for eligible participants located in the
35 eighty-eight least populated counties in the state.

1 5. a. The nonprofit Iowa affiliate shall determine the
2 criteria used to evaluate eligible participants and to award
3 financial assistance to eligible participants selected by the
4 nonprofit Iowa affiliate.

5 b. The nonprofit Iowa affiliate shall not award an eligible
6 participant more than one hundred thousand dollars per
7 ownership unit. The nonprofit Iowa affiliate may use up to
8 five percent of the financial assistance awarded to an eligible
9 participant for administrative expenses related to the housing
10 renewal program.

11 c. (1) An eligible participant shall have a maximum of
12 thirty-six months from the date a contract is executed between
13 the nonprofit Iowa affiliate and the eligible participant
14 for the eligible participant to complete the eligible
15 participant's project. The eligible participant's project
16 shall be considered complete when all financial assistance
17 awarded to the eligible participant has been expended, and all
18 ownership units that are covered by the contract are finished
19 and available for sale.

20 (2) Unless the nonprofit Iowa affiliate authorizes
21 additional time for good cause shown, if an eligible
22 participant has no project activity within twelve months
23 from the date a contract is executed between the nonprofit
24 Iowa affiliate and the eligible participant, the financial
25 assistance award shall be returned to the nonprofit Iowa
26 affiliate to be used to award financial assistance under the
27 housing renewal program to eligible participants.

28 d. An eligible participant shall sell each completed
29 ownership unit to a homebuyer whose household income is
30 equal to or less than the one hundred twenty percent area
31 median income and who must occupy the ownership unit as the
32 homebuyer's primary residence. The deed to the ownership unit
33 must contain a restrictive resale requirement that prohibits
34 the homebuyer or a subsequent owner from selling the ownership
35 unit to a person with a household income above the one hundred

1 twenty percent area median income for five calendar years from
2 the date the eligible participant sold the ownership unit to
3 the first homebuyer whose household income is equal to or less
4 than the one hundred twenty percent area median income.

5 6. The nonprofit Iowa affiliate shall use income generated
6 from the sale of an ownership unit only for the purpose of
7 awarding financial assistance to eligible participants under
8 the housing renewal program.

9 7. The authority shall not use more than five percent of
10 moneys appropriated to the housing renewal program fund for
11 administration and oversight of the housing renewal program.

12 8. The authority, in coordination with the nonprofit
13 Iowa affiliate, shall submit an annual report to the general
14 assembly on or before December 31 describing the community,
15 economic, and financial impact of the housing renewal program.

16 EXPLANATION

17 The inclusion of this explanation does not constitute agreement with
18 the explanation's substance by the members of the general assembly.

19 This bill relates to and makes appropriations for the
20 economic development of the state, and codifies the housing
21 renewal program.

22 DIVISION I — FY 2026-2027 APPROPRIATIONS. The bill
23 appropriates moneys for FY 2026-2027 from the general fund of
24 the state to the economic development authority (IEDA), Iowa
25 finance authority (IFA), department of workforce development
26 (IWD), Iowa state university of science and technology (ISU),
27 state university of Iowa, and university of northern Iowa.

28 For FY 2026-2027, the bill limits standing appropriations
29 for the world food prize, the arts and culture enhancement
30 fund, and tourism marketing.

31 The bill transfers certain moneys collected by the insurance
32 division in excess of the anticipated gross revenues under Code
33 section 505.7 to IEDA.

34 The bill appropriates moneys for FY 2026-2027 from the
35 special employment security contingency fund to IWD. The bill

1 also appropriates moneys for FY 2026-2027 from the Iowa skilled
2 worker and job creation fund to IEDA, IWD, and the state board
3 of regents and institutions under the control of the board.

4 The auditor of state is requested to review the audit of IFA
5 performed by the auditor hired by IFA.

6 The bill requires IEDA, the vocational rehabilitation
7 services division of IWD, the state board of regents, and ISU
8 to submit various reports to the general assembly.

9 DIVISION II — HOUSING RENEWAL PROGRAM. The bill codifies
10 the housing renewal program (program) created pursuant to 2022
11 Iowa Acts, chapter 1148, section 20, as amended by 2023 Iowa
12 Acts, chapter 110, section 18, and 2025 Iowa Acts, chapter
13 155, section 14. Under the bill, payments of interest, income
14 generated from the sale of ownership units, recaptures of
15 financial assistance (assistance) awards, and other repayments
16 shall be retained by, or returned to, the nonprofit Iowa
17 affiliate for the purpose of awarding assistance under the
18 program to eligible participants, rather than be deposited in
19 the program fund as is the case under current law. “Nonprofit
20 Iowa affiliate” is defined in the bill.