

# House Study Bill 773 - Introduced

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
CHAIRPERSON MOHR)

## 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 Iowa finance authority.  
6 The fund shall consist of moneys appropriated to or deposited  
7 in the fund. Moneys in the fund are appropriated to the Iowa  
8 finance authority to 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 deposited in the  
20 fund.

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

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

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

34 5. a. The nonprofit Iowa affiliate shall determine the  
35 criteria used to evaluate eligible participants and to award

1 financial assistance to eligible participants selected by the  
2 nonprofit Iowa affiliate.

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

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

18 (2) Unless the nonprofit Iowa affiliate authorizes  
19 additional time for good cause shown, if an eligible  
20 participant has no project activity within twelve months  
21 from the date a contract is executed between the nonprofit  
22 Iowa affiliate and the eligible participant, the financial  
23 assistance award shall be returned to the Iowa finance  
24 authority for deposit in the housing renewal program fund.

25 *d.* An eligible participant shall sell each completed  
26 ownership unit to a homebuyer whose income is under the one  
27 hundred twenty percent area median income and who must occupy  
28 the ownership unit as the homebuyer's primary residence. The  
29 deed to the ownership unit must contain a restrictive resale  
30 requirement that prohibits the homebuyer or a subsequent owner  
31 from selling the ownership unit to a person with an income  
32 above the one hundred twenty percent area median income for  
33 five calendar years from the date the eligible participant sold  
34 the ownership unit to the first homebuyer whose income is under  
35 the one hundred twenty percent area median income.

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

5 7. The Iowa finance authority shall not use more than five  
6 percent of moneys appropriated to the housing renewal program  
7 fund for administration and oversight of the housing renewal  
8 program.

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

14 EXPLANATION

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

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

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

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

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

32 The bill appropriates moneys for FY 2026-2027 from the  
33 special employment security contingency fund to IWD. The bill  
34 also appropriates moneys for FY 2026-2027 from the Iowa skilled  
35 worker and job creation fund to IEDA, IWD, and the state board

1 of regents and institutions under the control of the board.

2 The auditor of state is requested to review the audit of IFA  
3 performed by the auditor hired by IFA.

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

7 DIVISION II — HOUSING RENEWAL PROGRAM. The bill codifies  
8 the housing renewal program created pursuant to 2022 Iowa Acts,  
9 chapter 1148, section 20, as amended by 2023 Iowa Acts, chapter  
10 110, section 18, and 2025 Iowa Acts, chapter 155, section 14.