

House File 1028 - Reprinted

HOUSE FILE 1028
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 756)
(SUCCESSOR TO HSB 72)

(As Amended and Passed by the House April 24, 2025)

A BILL FOR

- 1 An Act relating to matters under the purview of the department of
- 2 management, making appropriations, and including applicability
- 3 provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 2.42, Code 2025, is amended by adding the
2 following new subsection:

3 NEW SUBSECTION. 17. To review and disapprove
4 interdepartmental transfers described in section 8.39, subsection
5 4, paragraph "c", as the council may determine.

6 Sec. 2. Section 8.39, subsections 2 and 4, Code 2025, are
7 amended to read as follows:

8 2. If the appropriation of a department, institution, or
9 agency is insufficient to properly meet the legitimate expenses
10 of the department, institution, or agency, the director of the
11 department of management, with the approval of the governor, may
12 make an interdepartmental transfer from any other department,
13 institution, or agency of the state having an appropriation in
14 excess of its needs, of sufficient ~~funds~~ moneys to meet that
15 deficiency. Such transfer shall be to an appropriation made
16 from the same funding source and within the same fiscal year.
17 The amount of a transfer made from an appropriation under this
18 subsection shall be limited to not more than one-tenth of one
19 percent of the total of all appropriations made from the funding
20 source of the transferred appropriation for the fiscal year in
21 which the transfer is made. An interdepartmental transfer to
22 an appropriation which is not an entitlement appropriation is
23 not authorized when the general assembly is in regular session
24 and, in addition, the sum of interdepartmental transfers in a
25 fiscal year to an appropriation which is not an entitlement
26 appropriation shall not exceed fifty percent of the amount of
27 the appropriation as enacted by the general assembly. For ~~the~~
28 purposes of this subsection, ~~an entitlement appropriation is:~~

29 a. "Appropriation in excess of its needs" means that the
30 amount appropriated by the general assembly for a purpose is
31 determined by the department, institution, or agency receiving
32 the appropriation to be more than the amount necessary to carry
33 out that purpose. An appropriation for an unspecified dollar
34 amount, whether the appropriation is limited to be sufficient
35 to carry out a particular purpose or is unlimited, shall not

1 be considered an appropriation in excess of a department's,
2 institution's, or agency's needs.

3 b. "Entitlement appropriation" means a line item
4 appropriation to the state public defender for indigent defense
5 or to the department of health and human services for foster
6 care, state supplementary assistance, medical assistance, or for
7 the family investment program.

8 4. a. Prior to any transfer of funds moneys pursuant to
9 subsection 1 or 2 of this section, or a transfer of an allocation
10 from a subunit of a department which statutorily has independent
11 budgeting authority, the director of the department of management
12 shall notify the chairpersons of the standing committees on
13 appropriations of the senate and the house of representatives
14 and the chairpersons of subcommittees of such committees of the
15 proposed transfer. The notice from the director shall include
16 information concerning the amount of the proposed transfer,
17 the departments, institutions, or agencies affected by the
18 proposed transfer, and the reasons for the proposed transfer.
19 Chairpersons

20 b. Unless a transfer is governed under paragraph "c",
21 chairpersons notified shall be given at least two weeks to review
22 and comment on the proposed transfer before the transfer of funds
23 is made.

24 c. (1) This paragraph applies to any transfer made for a
25 fiscal year under subsection 2 between July 1 of that fiscal
26 year and the subsequent first day of the regular session of the
27 general assembly occurring in that fiscal year.

28 (2) The director shall submit the notice required by this
29 subsection to the chairpersons at least three weeks before the
30 proposed transfer is made.

31 (3) In addition to the information otherwise required, the
32 notice required by this subsection and submitted under this
33 paragraph must also include all of the following:

34 (a) Information demonstrating that the appropriation from
35 which the transfer will be made is in excess of the entity's

1 needs taking into account the date on which the transfer will
2 occur within the fiscal year, and the reason the excess was not
3 anticipated.

4 (b) Information demonstrating that the appropriation to which
5 the transfer will be made is insufficient to properly meet the
6 legitimate expenses of the entity taking into account the date
7 on which the transfer will occur within the fiscal year, and the
8 reason the deficiency was not anticipated.

9 (c) Information demonstrating that sufficient state moneys
10 are available in the single funding source involved in the
11 transfer, and citations to the law under which all entities
12 affected by the transfer were appropriated moneys from that
13 funding source for the applicable fiscal year.

14 (4) Prior to the date the proposed transfer will be made,
15 the legislative council may meet to consider the transfer. At
16 the meeting, the legislative council may vote to disapprove the
17 transfer. If the legislative council disapproves the transfer,
18 the transfer shall not occur.

19 Sec. 3. Section 8.57C, subsections 2, 3, and 4, Code 2025,
20 are amended to read as follows:

21 2. Moneys in the fund in a fiscal year shall be
22 used as appropriated by the general assembly for the
23 acquisition of computer hardware and software, software
24 development, telecommunications equipment, and maintenance and
25 lease agreements associated with technology components and for
26 the purchase of equipment intended to provide an uninterruptible
27 power supply are appropriated to the department of management
28 to provide a stable funding source for implementation costs of
29 state information technology projects that enhance the state's
30 technology infrastructure, improve government services, and
31 promote innovation and economic development, including but not
32 limited to new information technology projects and infrastructure
33 replacement efforts of a department or establishment.

34 a. The department shall prioritize proposed projects based on
35 all of the following considerations:

1 (1) Whether the project aligns with the state's strategic
2 priorities.

3 (2) Whether the project promotes or introduces new technology
4 or significantly improves an existing system.

5 (3) Whether the project is feasible and whether the
6 department or establishment has established readiness for the
7 project to proceed, including a clear assessment of timelines,
8 budgets, and measurable outcomes.

9 (4) Whether the project includes a clear change management
10 strategy to support user adoption and aligns with lean enterprise
11 principles to maximize value, minimize waste, and ensure
12 continuous improvement.

13 (5) Whether the project provides a positive return on
14 investment, considering both financial returns and nonfinancial
15 benefits such as improved public safety, education, or health
16 care.

17 (6) Whether the project results in infrastructure that is
18 scalable across the state enterprise.

19 (7) Whether the department or establishment has identified
20 how the completed project will be sustained beyond the initial
21 funding period.

22 (8) Whether the project improves access to governmental
23 services, particularly in rural communities.

24 (9) Whether the project involves an infrastructure project
25 as opposed to maintenance or standard upgrades of existing
26 technology.

27 b. The department shall provide a prioritized list of
28 proposed projects for funding to the governor, who shall use the
29 list in developing a budgetary recommendation for the general
30 assembly pursuant to section 8.21.

31 3. a. There is appropriated from the general fund of the
32 state to the technology reinvestment fund for the fiscal year
33 beginning July 1, 2025, and for each subsequent fiscal year
34 thereafter, the sum of seventeen million five hundred thousand
35 dollars.

1 ~~b. There is appropriated from the rebuild Iowa infrastructure~~
2 ~~fund for the fiscal year beginning July 1, 2023, and ending~~
3 ~~June 30, 2024, the sum of eighteen million three hundred~~
4 ~~ninety thousand two hundred ninety dollars to the technology~~
5 ~~reinvestment fund, notwithstanding section 8.57, subsection 3,~~
6 ~~paragraph "c".~~

7 ~~e. There is appropriated from the rebuild Iowa infrastructure~~
8 ~~fund for the fiscal year beginning July 1, 2024, and ending June~~
9 ~~30, 2025, the sum of twenty-one million one hundred thirty-one~~
10 ~~thousand eight hundred seventy-three dollars to the technology~~
11 ~~reinvestment fund, notwithstanding section 8.57, subsection 3,~~
12 ~~paragraph "c".~~

13 b. Notwithstanding section 8.33, moneys in the fund that
14 remain unencumbered or unobligated at the close of a fiscal
15 year shall not revert but shall remain available for expenditure
16 for the purposes designated. Notwithstanding section 12C.7,
17 subsection 2, interest or earnings on moneys in the fund shall
18 be credited to the fund.

19 ~~4. Annually, on On or before January 15 of each year, a~~
20 ~~state agency that received an appropriation from this fund the~~
21 ~~department of management shall report to the legislative services~~
22 ~~agency and the department of management general assembly the~~
23 ~~status of all projects funded under this section that have been~~
24 ~~completed since the previous report was submitted or that are in~~
25 ~~progress. The report shall must include a description of the~~
26 ~~project, the progress of work completed, the total estimated cost~~
27 ~~of the project, a list of all revenue sources being used to fund~~
28 ~~the project, the amount of funds moneys expended, the amount of~~
29 ~~funds moneys obligated, and the date the project was completed or~~
30 ~~an estimated completion date of the project, where applicable.~~

31 Sec. 4. Section 8.78, Code 2025, is amended to read as
32 follows:

33 **8.78 Background checks.**

34 An applicant for employment with the department, or an
35 applicant for employment with a supported entity for a position

1 as information technology staff, may be subject to a background
2 investigation by the department. The background investigation
3 may include, without limitation, a work history, financial
4 review, request for criminal history data, and national criminal
5 history check through the federal bureau of investigation.
6 In addition, a contractor, vendor, employee, or any other
7 individual performing work for the department, or an individual
8 on the information technology staff of a supported entity, may
9 be subject to a national criminal history check through the
10 federal bureau of investigation at least once every ~~ten~~ five
11 years, including, without limitation, any time the department or
12 supported entity has reason to believe an individual has been
13 convicted of a crime. The department may request the national
14 criminal history check and, if requested, shall provide the
15 individual's fingerprints to the department of public safety for
16 submission through the state criminal history repository to the
17 federal bureau of investigation. The individual shall authorize
18 release of the results of the national criminal history check
19 to the department and the applicable supported entity. The
20 department shall pay the actual cost of the fingerprinting and
21 national criminal history check, if any, unless otherwise agreed
22 as part of a contract between the department or supported entity
23 and a vendor or contractor performing work for the department
24 or supported entity. The results of a criminal history check
25 conducted pursuant to this section shall not be considered a
26 public record under chapter 22.

27 Sec. 5. NEW SECTION. **8.94 Contracts — prohibited terms.**

28 Provisions included in a contract entered into pursuant to
29 this subchapter that impose terms or conditions prohibited by
30 this section are void as contrary to public policy. Such a
31 contract shall be interpreted and enforced as if the contract did
32 not include the prohibited terms or conditions. Prohibited terms
33 and conditions include all of the following:

34 1. A provision requiring the department or a supported entity
35 to defend, indemnify, hold harmless another person, or otherwise

1 assume the debt or liability of another person in violation of
2 Article VII, section 1, of the Constitution of the State of Iowa.

3 2. A provision that seeks to impose a term that is unknown
4 to the department or supported entity at the time of signing the
5 contract or that can be unilaterally changed by an entity other
6 than the department or a supported entity.

7 3. A provision that violates chapter 13 by not allowing
8 the department or a supported entity to participate in its own
9 defense through representation by the attorney general.

10 4. A provision that grants to a person other than the
11 attorney general the authority to convey to a court or litigant
12 the state's consent to any settlement of a suit involving the
13 contract when such settlement could impose liability on the
14 state.

15 5. A provision that specifies that the contract is governed
16 by the laws of a foreign state or nation.

17 6. A provision that claims blanket confidentiality of the
18 contract's terms.

19 7. A provision that claims that payment terms, including but
20 not limited to cost proposals or other pricing information, of
21 the contract are confidential.

22 8. A provision that authorizes or requires a venue for
23 litigation other than an appropriate state or federal court
24 sitting in Iowa.

25 9. A provision that requires the department or a supported
26 entity to pay attorney fees, court costs, or other litigation
27 expenses in the event of a contractual dispute.

28 10. A provision that imposes on the department or a supported
29 entity binding arbitration or any other binding extrajudicial
30 dispute resolution process in which the final resolution is not
31 determined by the state.

32 11. A provision that waives the department's or a supported
33 entity's right to a jury trial.

34 12. A provision that obligates the department or a supported
35 entity to pay late payment charges not consistent with section

1 8A.514, interest greater than allowed under section 8A.514 or
2 other applicable law, or any cancellation charges, as such
3 charges constitute pledges of the state's credit.

4 13. A provision that obligates the department or a supported
5 entity to pay a tax.

6 14. A provision that imposes a prior notice obligation on the
7 department or a supported entity as a condition for the automatic
8 renewal of a software license. The department or a supported
9 entity may provide notice of its intent to terminate a software
10 license at any time before the renewal date established in the
11 contract.

12 15. A provision that obligates the department or a supported
13 entity to accept risk of loss before the receipt of items or
14 goods.

15 16. A provision that obligates the department or a supported
16 entity to have commercial insurance.

17 17. A provision that obligates the department or a supported
18 entity to grant to a nongovernmental entity full or partial
19 ownership of intellectual property developed pursuant to the
20 contract when the intellectual property is developed in whole or
21 in part using federal funding.

22 18. A provision that limits the time in which the department
23 or a supported entity may bring a legal claim under the contract
24 to a period shorter than that provided in Iowa law.

25 19. A boilerplate provision included in transactional
26 documents received by the department or a supported entity that
27 seeks to alter the terms of the contract or to impose new terms
28 in the contract.

29 Sec. 6. NEW SECTION. **8.95 Contracts — required terms.**

30 All of the following provisions shall be deemed to be included
31 in a contract entered into by the department or a supported
32 entity under this subchapter:

33 1. *Governing law.* The contract shall be governed by the laws
34 of the state of Iowa, without giving effect to any conflicts of
35 law principles of Iowa law that may require the application of

1 another jurisdiction's law.

2 2. *Venue.* Any litigation commenced in connection with the
3 contract shall be brought and maintained in an appropriate state
4 or federal court sitting in Iowa.

5 Sec. 7. NEW SECTION. **8.96 Contracts — limitation of**
6 **liability — prohibited terms.**

7 Notwithstanding section 8A.311, subsection 22, and rules
8 adopted pursuant to that subsection, the director may include
9 a contractual limitation of vendor liability in information
10 technology goods and services contracts. A contractual
11 limitation of vendor liability must take into consideration
12 the public interest and the mitigation of risks associated
13 with the use of information technology goods or services.
14 Any portion of a contractual limitation of vendor liability
15 that includes a repudiation of all liability for cybersecurity
16 incidents or a limitation on the vendor's liability for
17 intentional torts, criminal acts, fraudulent conduct, intentional
18 or willful misconduct, gross negligence, death, bodily injury,
19 damage to real or personal property, intellectual property
20 violations, liquidated damages, compliance with applicable
21 laws, violations of confidential information obligations,
22 or contractual obligations of the vendor pertaining to
23 indemnification shall be void as a matter of law as contrary
24 to public policy. A contractual limit of vendor liability that
25 does not apply equally to the contracted parties or that limits
26 a vendor's liability to less than the contract value inclusive of
27 all possible extensions is void as a matter of law as contrary to
28 public policy.

29 Sec. 8. NEW SECTION. **8.97 Confidentiality of communications**
30 **with chief information security officer.**

31 In the interest of facilitating communication between the
32 chief information security officer and other entities concerning
33 security incidents and security breaches, all such communications
34 and any documents generated based in whole or in part on such
35 communications are confidential. Notwithstanding chapter 22 or

1 any other provision of law to the contrary, the department
2 shall not release such communications pursuant to state open
3 records laws, and such communications shall not be received
4 into evidence, subject to discovery, or otherwise used in a
5 trial, hearing, or other proceeding in or before any court,
6 regulatory body, or other authority of the state or a political
7 subdivision of the state, unless the communications are subject
8 to a protective order that prohibits further disclosure of
9 such communications and requires any court filings of such
10 communications to be made under seal. It is the intent of the
11 general assembly that these prohibitions and restrictions also
12 apply to federal courts, regulatory bodies, and other authorities
13 and for purposes of federal open records laws, to the extent
14 allowed by federal law and court rules. The chief information
15 security officer shall not release such communications other than
16 for any of the following purposes:

17 1. Identifying a cybersecurity threat, including the source
18 of the cybersecurity threat, or a security vulnerability, and
19 then only to government officials for purposes of addressing the
20 threat.

21 2. Responding to, or otherwise preventing or mitigating,
22 a specific threat of death, serious bodily harm, or serious
23 economic harm.

24 3. Responding to, investigating, prosecuting, or otherwise
25 preventing or mitigating a serious threat to a minor, including
26 sexual exploitation and threats to physical safety.

27 4. Preventing, investigating, disrupting, or prosecuting an
28 offense under state or federal law.

29 5. Providing a confidential cybersecurity briefing to the
30 governor or a member of the general assembly.

31 Sec. 9. NEW SECTION. **8.98 Criminal justice information.**

32 1. The department is authorized to maintain an integrated
33 information system that enables automated data sharing among the
34 executive branch, judicial branch, and local agencies.

35 2. The department is designated as the Iowa statistical

1 analysis center for the purpose of coordinating with data
2 resource agencies to provide data and analytical information
3 to federal, state, and local governments. Notwithstanding any
4 other provision of state law to the contrary, unless prohibited
5 by federal law or regulation, the department shall be granted
6 access, for purposes of research and evaluation, to all of the
7 data listed in this subsection, except that intelligence data and
8 peace officer investigative reports maintained by the department
9 of public safety shall not be considered data for the purposes
10 of this section. The department of management and any record,
11 data, or information obtained by the department under this
12 subsection is subject to the federal and state confidentiality
13 laws and rules, including as described in chapter 22, applicable
14 to the original record, data, or information, and to the original
15 custodian of the record, data, or information. Authorized access
16 under this subsection includes but is not limited to all of the
17 following:

- 18 a. Juvenile court records and all other information
19 maintained under sections 232.147 through 232.151.
- 20 b. Child abuse information under sections 235A.15 through
21 235A.19.
- 22 c. Dependent adult abuse records maintained under chapter
23 235B.
- 24 d. Criminal history data maintained under chapter 692.
- 25 e. Sex offender registry information maintained under chapter
26 692A.
- 27 f. Presentence investigation reports maintained under section
28 901.4.
- 29 g. Corrections records maintained under sections 904.601 and
30 904.602.
- 31 h. Community-based correctional program records maintained
32 under chapter 904.
- 33 i. Parole records maintained under chapter 906.
- 34 j. Deferred judgment, deferred or suspended sentence, and
35 probation records maintained under chapter 907.

1 k. Violation of parole or probation records maintained under
2 chapter 908.

3 l. Fine and victim restitution records maintained under
4 chapters 909 and 910.

5 m. Child welfare records maintained under chapter 235.

6 3. The department is authorized to provide data analysis and
7 reporting on issues that may affect the state's correctional
8 population and various subgroups of the population. This
9 reporting may include the review of filed, public legislative
10 bills, joint resolutions, and amendments, and compiling criminal
11 justice data for completion of correctional impact statements
12 under section 2.56, racial impact statements, and an annual
13 prison population forecast.

14 4. The department is authorized to maintain a multiagency
15 information system to track the progress of juveniles and adults
16 who have been charged with a criminal offense in the court system
17 through various state and local agencies and programs. This
18 system must utilize existing databases, including the Iowa court
19 information system, the Iowa corrections offender network, the
20 child welfare information system of the department of health
21 and human services, the federally mandated national adoption
22 and foster care information system, and other state and local
23 databases pertaining to juveniles and to adults who have been
24 charged with a criminal offense in the court system, to the
25 extent practicable.

26 5. The multiagency information system is authorized to count
27 and track decision points for juveniles in the juvenile justice
28 system and minors in the child welfare system, evaluate the
29 experiences of the juveniles and minors, and evaluate the success
30 of the services provided. The system is also authorized to
31 count and track decision points for adults who have been charged
32 with a criminal offense in the court system, including but not
33 limited to dismissed charges, convictions, deferred judgments,
34 and sentence information.

35 6. If the department has insufficient moneys or resources to

1 implement this section, the department is authorized to determine
2 which portion of this section may be implemented, if any, and the
3 remainder of this section shall not apply.

4 Sec. 10. NEW SECTION. **8.99 Confidentiality of data.**

5 1. For purposes of chapter 22, the department shall not be
6 deemed to be the lawful custodian of records the department
7 maintains for another department or establishment under this
8 subchapter, to the extent the records in question are held by the
9 department as an automated data processing unit of government or
10 held by the department solely for storage for another department
11 or establishment. Such records include but are not limited to
12 all of the following:

13 a. Electronic messaging system data.

14 b. Mainframe data.

15 c. Storage solutions or other electronic information, such as
16 on-premises server data storage and cloud data storage.

17 2. If the department receives a request pursuant to chapter
18 22 for records over which the department has determined it
19 is not the lawful custodian, the department shall deny the
20 request and inform the requester to seek the information from
21 the lawful custodian as provided in chapter 22. The department's
22 determination that it is not the lawful custodian of records is
23 presumed valid. The presumption may be rebutted by clear and
24 convincing evidence to the contrary.

25 3. The department shall provide assistance to the lawful
26 custodian of records held by the department so that the lawful
27 custodian can comply with the production obligations of chapter
28 22.

29 4. If the department receives a subpoena in an
30 administrative, civil, or criminal case for records for which
31 the department is not the lawful custodian, the department shall
32 notify the lawful custodian and the attorney general's office and
33 cooperate in any efforts to resist the subpoena.

34 Sec. 11. Section 216A.131A, Code 2025, is amended to read as
35 follows:

1 **216A.131A Criminal and juvenile justice planning.**

2 The department shall fulfill the responsibilities of this
3 subchapter, including the duties specified in sections 216A.133,
4 216A.135, ~~216A.136~~, ~~216A.137~~, ~~216A.138~~, and 216A.140.

5 Sec. 12. Section 216A.133, subsection 1, paragraphs d, e, f,
6 l, and t, Code 2025, are amended by striking the paragraphs.

7 Sec. 13. Section 216A.133, subsection 1, paragraph q,
8 subparagraphs (1) and (6), Code 2025, are amended by striking the
9 subparagraphs.

10 Sec. 14. Section 216A.133, subsection 1, paragraph s, Code
11 2025, is amended to read as follows:

12 s. Provide expertise and advice to the legislative services
13 agency, the department of management, the department of
14 corrections, the judicial branch, and others charged with
15 formulating fiscal, correctional, or minority impact statements.

16 Sec. 15. Section 216A.135, subsection 2, paragraph e, Code
17 2025, is amended by striking the paragraph.

18 Sec. 16. Section 232.147, subsection 2, paragraph i, Code
19 2025, is amended to read as follows:

20 i. The statistical analysis center for the purposes stated in
21 section ~~216A.136~~ 8.98.

22 Sec. 17. Section 232.147, subsection 3, paragraph n, Code
23 2025, is amended to read as follows:

24 n. The statistical analysis center for the purposes stated in
25 section ~~216A.136~~ 8.98.

26 Sec. 18. Section 232.147, subsection 4, paragraph i, Code
27 2025, is amended to read as follows:

28 i. The statistical analysis center for the purposes stated in
29 section ~~216A.136~~ 8.98.

30 Sec. 19. Section 232.149, subsection 5, paragraph f, Code
31 2025, is amended to read as follows:

32 f. The statistical analysis center for the purposes stated in
33 section ~~216A.136~~ 8.98.

34 Sec. 20. Section 232.149A, subsection 3, paragraph m, Code
35 2025, is amended to read as follows:

1 m. The statistical analysis center for the purposes stated in
2 section ~~216A.136~~ 8.98.

3 Sec. 21. REPEAL. Sections 216A.136, 216A.137, and 216A.138,
4 Code 2025, are repealed.

5 Sec. 22. APPLICABILITY. The following apply to contracts
6 entered into or renewed on or after the effective date of this
7 Act:

- 8 1. The section of this Act enacting section 8.94.
- 9 2. The section of this Act enacting section 8.95.
- 10 3. The section of this Act enacting section 8.96.

unofficial