

**NINETY-FIRST GENERAL ASSEMBLY
2026 REGULAR SESSION
DAILY
SENATE CLIP SHEET**

March 24, 2026

Clip Sheet Summary

Displays all amendments, fiscal notes, and conference committee reports for previous day.

Bill	Amendment	Action	Sponsor
SF 2304	S-5124	Filed	SCOTT WEBSTER
HF 2694	S-5123	Filed	COMMITTEE ON STATE GOVERNMENT, et al

Fiscal Notes

[SF 2115](#) — [Sexual Exploitation of a Minor, Prohibition on Suspending Sentences](#) (LSB5938SV)

[SF 2286](#) — [Public Funds, Regulation of Joint Investments and Deposits of Securities](#) (LSB5867SV)

[SF 2370](#) — [State Public Defender, Child Welfare Legal Representation](#) (LSB5356SV)

[HF 2515](#) — [Sexual Exploitation of a Minor, Prohibition on Suspending Sentences](#) (LSB5938HV)

S-5124

1 Amend Senate File 2304 as follows:

2 1. By striking everything after the enacting clause and
3 inserting:

4 <Section 1. NEW SECTION. 476.59 **System enhancement**
5 **infrastructure.**

6 1. It is the intent of the general assembly to authorize
7 alternative ratemaking mechanisms to develop and sustain
8 adequate water and wastewater treatment facilities within the
9 state to ensure resilient water supply and sanitation services
10 for Iowa consumers. The commission shall not be bound by
11 traditional ratemaking principles or traditional cost recovery
12 mechanisms with respect to system enhancement infrastructure.

13 2. For purposes of this section:

14 a. *"Blanket-type work project order"* means an agreement
15 between an eligible utility and a supplier to deliver goods or
16 services at a set price on a recurring basis over a specified
17 time period.

18 b. *"Eligible utility"* means an investor-owned public
19 utility providing water or wastewater service subject to rate
20 regulation by the commission pursuant to section 476.1.

21 c. *"Plan"* means a multiyear plan to implement system
22 enhancement improvements.

23 d. *"Pretax return"* means the revenues necessary to
24 accomplish all of the following:

25 (1) Producing net operating income equal to the utility's
26 weighted cost of capital approved in the utility's most recent
27 rate case and the actual embedded cost of debt at the time the
28 filing is made multiplied by investments in system enhancement
29 improvements.

30 (2) Paying state and federal income taxes applicable to
31 income under subparagraph (1).

32 e. *"Requirement"* means any decision or regulation imposed on
33 an eligible utility by a local government unit, a state, or the
34 federal government in connection with any of the following:

35 (1) The federal Water Pollution Control Act, 33 U.S.C. §1251

1 et seq.

2 (2) The federal Safe Drinking Water Act, 42 U.S.C. §300f et
3 seq.

4 (3) Any other law, order, or regulation administered by
5 the United States environmental protection agency, the United
6 States army corps of engineers, the United States department of
7 transportation, the Iowa department of transportation, or the
8 Iowa department of natural resources.

9 (4) Regulations imposed by a local government unit.

10 *f.* "System enhancement charge" means a charge assessed by an
11 eligible utility to recover system enhancement costs.

12 *g.* (1) "System enhancement costs" means the following
13 costs associated with any of the following system enhancement
14 improvements:

15 (a) Depreciation expenses, including any such expenses
16 incurred prior to the approval of a plan containing the
17 applicable system enhancement improvement.

18 (b) Restoration costs incurred to restore property to its
19 preconstruction condition other than those already capitalized
20 and included in depreciation expenses.

21 (c) Property taxes to be paid by the utility based upon the
22 first assessment date following placement in service.

23 (d) Pretax return.

24 (2) "System enhancement costs" does not include fines
25 or penalties assessed against or imposed on a utility for
26 violating laws, regulations, or consent decrees.

27 *h.* (1) "System enhancement improvement" means a water or
28 wastewater utility plant project incurred pursuant to a plan
29 that does any of the following:

30 (a) Installs new utility infrastructure required by
31 federal, state, or local requirements pertaining to resilience,
32 health, safety, or environmental protection.

33 (b) Relocates utility infrastructure necessary to
34 accommodate public improvement projects required by a federal,
35 state, or local jurisdiction to the extent the relocation costs

1 are not otherwise reimbursed through the public improvement
2 project.

3 (c) Is nonrevenue producing and is required to maintain
4 resilience, public health, safety, or environmental protection.

5 (2) "*System enhancement improvement*" does not include a
6 water or wastewater utility plant included in the eligible
7 utility's rate base in its most recent general rate case.

8 3. a. Before an eligible utility may seek recovery of its
9 system enhancement costs through a system enhancement charge
10 under this section, it must first obtain approval from the
11 commission of a plan including the proposed system enhancement
12 improvements. The eligible utility must file with the
13 commission an application and supporting evidence for the plan.
14 An eligible utility may only file one plan every twelve months
15 for water and wastewater system enhancement improvements. The
16 commission shall dismiss an application to approve a plan if
17 the commission has not issued a final order in a general rate
18 case proceeding under section 476.6 involving the eligible
19 utility for the same type of utility service within the past
20 five years.

21 b. Evidence supporting an application to approve a plan
22 shall include all of the following:

23 (1) Projected annual capital expenditures including a
24 contingency identified by major categories of expenditures of
25 system enhancement improvements included in the plan.

26 (2) A description of the age, condition, or other similar
27 and reasonably available information about the existing
28 infrastructure and any deficiencies in resilience, public
29 health, safety, or environmental protection, if applicable.

30 (3) The applicable requirements, including any consent
31 decrees and conditions, including but not limited to completion
32 deadlines, related to the requirements.

33 (4) A narrative describing how the system enhancement
34 improvements enable compliance with the requirements.

35 (5) Alternative plans for compliance considered by the

1 eligible utility.

2 (6) An engineering evaluation and report identifying the
3 system enhancement improvements included in the plan, with
4 descriptions of project objectives, detailed cost estimates,
5 and the estimated in-service dates for each system enhancement
6 improvement.

7 (7) Any blanket-type work order and its associated costs
8 proposed to implement the improvements.

9 (8) Proposed rate schedules establishing a system
10 enhancement charge.

11 (9) The estimated rate impact of the proposed system
12 enhancement charge.

13 (10) A financial impact analysis demonstrating that the
14 total projected costs of the improvements included in the plan
15 will not result in aggregate system enhancement charge revenues
16 exceeding the ten percent limit established under subsection
17 4, paragraph "c".

18 c. An application for approval of a plan shall be a
19 contested case. The commission shall issue its final order on
20 the application not more than eight months after the filing
21 of the application. However, upon good cause shown, the
22 commission may extend the time for issuing the order. When
23 reviewing the plan and corresponding system enhancement charge,
24 the commission shall make reasonable efforts to ensure the
25 utility is in compliance with the requirements as supported by
26 evidence in the application and the proceeding. The commission
27 may also consider the following criteria:

28 (1) The plan consists of projects that are system
29 enhancement improvements, except any removed pursuant to
30 paragraph "d".

31 (2) The plan includes cost estimates that enable a
32 reasonable assessment of the costs of the plan.

33 (3) The plan will result in rates that are just and
34 reasonable.

35 d. The commission shall not disapprove the plan on the basis

1 that one or more system enhancement improvements within the
2 plan do not satisfy paragraph "e". The commission may approve
3 the plan subject to the removal of the system enhancement
4 improvements found not to satisfy paragraph "e".

5 e. An eligible utility that operates both a water and
6 wastewater utility shall establish separate plans for water and
7 wastewater system enhancement improvements and such plans shall
8 be presented to the commission through different applications.

9 f. (1) The commission shall not approve a system
10 enhancement plan, or an update to an existing plan, if the
11 commission finds that the projected annualized revenue required
12 to recover the costs of the improvements included in the plan
13 would exceed ten percent of the utility's revenue requirement
14 as authorized in its most recent general rate case.

15 (2) In making the determination under subparagraph (1), the
16 commission shall consider the cumulative impact of all existing
17 and proposed system enhancement improvements for both water and
18 wastewater service.

19 4. a. An eligible utility with one or more plans
20 approved under subsection 3 shall file with the commission an
21 application annually setting forth rate schedules establishing
22 a system enhancement charge, which may thereafter be
23 automatically adjusted and include a reconciliation of revenues
24 collected under previous system enhancement charges. A revenue
25 reconciliation filing shall be filed on an annual basis no
26 later than ninety days following the expiration of the charge.
27 Revenues collected from a system enhancement charge for water
28 service shall not be used to offset costs associated with a
29 wastewater enhancement plan, and the commission shall ensure no
30 cross-subsidization occurs between the two distinct services.
31 The commission shall review the filing to ensure compliance
32 with previously approved filings.

33 b. The system enhancement charge shall do all of the
34 following:

35 (1) Be calculated as a monthly fixed charge based upon meter

1 size.

2 (2) Not include recovery of any system enhancement costs
3 recovered by the eligible utility through contributions in aid
4 of construction.

5 (3) Recover eighty percent of the revenue requirement
6 necessary to recover system enhancement costs incurred prior
7 to the date of the application and not previously recovered
8 through a system enhancement charge.

9 (4) Reflect system enhancement costs for system enhancement
10 improvements placed in service prior to the date the
11 application is filed.

12 (5) Include the pretax return associated with the accrued
13 asset value reflected on the eligible utility's books
14 and records as of the date of the application for system
15 enhancement improvements.

16 *c.* (1) The aggregate total annualized revenue produced
17 by all system enhancement charges, including those for water
18 and wastewater service, shall not exceed ten percent of the
19 utility's total revenue requirement authorized in its most
20 recent general rate case.

21 (2) Costs incurred in excess of the limit established in
22 subparagraph (1) that are not otherwise exempt under paragraph
23 "b" shall be deferred for consideration in the utility's next
24 general rate case.

25 *d.* The application filed to implement the system enhancement
26 charge shall include all of the following:

27 (1) A breakdown of costs for each system enhancement
28 improvement that clearly identifies the status of completion of
29 such project.

30 (2) The actual costs incurred, the projected construction
31 timeline for projects, and the in-service or estimated
32 in-service dates or aggregate information capturing system
33 enhancement improvements constructed pursuant to blanket-type
34 work project orders and the actual annual costs of the
35 replacement programs performed pursuant to blanket-type work

1 project orders.

2 e. The commission shall not authorize an adjustment to the
3 system enhancement charge to incorporate system enhancement
4 costs incurred since the date of prior application filed under
5 this subsection if the commission has not issued a final order
6 in a general rate case proceeding under section 476.6 involving
7 the eligible utility within the past five years.

8 f. An eligible utility that recovers system enhancement
9 costs under this subsection shall defer the remaining twenty
10 percent of revenue requirement necessary to recover the system
11 enhancement costs approved under this subsection and shall
12 recover the deferral as part of its next general rate case that
13 the eligible utility files with the commission.

14 5. System enhancement costs may be deferred by an eligible
15 utility for recovery through the utility's next approved system
16 enhancement charge.

17 6. An application to implement or change a system
18 enhancement charge may include changes or updates to any
19 information provided in the plan, provided that the eligible
20 utility has a reasonable expectation that the changes or
21 updates will occur during the time the plan is effective.
22 The commission shall review such changes in accordance with
23 subsection 3, paragraph "c". Project changes may include
24 but shall not be limited to additions, replacements, or
25 deferral projects that otherwise qualify as system enhancement
26 improvements.

27 7. Notice of an eligible utility's applications under
28 section 476.6, subsection 2, must be published.

29 8. In its next general rate case, the eligible utility with
30 a plan approved pursuant to subsection 3 may include the system
31 enhancement improvements to its rate base in its application.
32 An eligible utility's system enhancement charge approved under
33 this section shall reset to zero upon approval of new base
34 rates.

35 9. The commission shall adopt rules under chapter 17A

1 establishing procedures to implement this section.

2 Sec. 2. Section 476.84, subsection 2, paragraph b, Code
3 2026, is amended to read as follows:

4 b. If a water, sanitary sewer, or storm water utility that
5 is the subject of an acquisition meets the requirements of
6 paragraph "a", then the acquiring public utility may apply to
7 the commission, prior to the completion of the acquisition, for
8 advance approval of a proposed initial tariff for providing
9 service to customers of the acquired utility. If a water,
10 sanitary sewer, or storm water utility that is the subject of
11 an acquisition does not meet the requirements of paragraph "a",
12 the commission shall consider reasonable and customary closing
13 costs, the costs of the appraisals, and regulatory and legal
14 expenses incurred in connection with the acquisition in the
15 public utility's next rate case.>

16 2. Title page, lines 1 and 2, by striking <establishing
17 procedures for system enhancement of infrastructure, including
18 for> and inserting <relating to certain public utilities,
19 including the>

20 3. Title page, line 5, after <utilities> by inserting <and
21 cost considerations for acquisitions of water, sanitary sewer,
22 or storm water utilities>

By SCOTT WEBSTER

[S-5124](#) FILED MARCH 23, 2026

HOUSE FILE 2694

S-5123

1 Amend House File 2694, as amended, passed, and reprinted by
2 the House, as follows:

3 1. Page 1, before line 1 by inserting:

4 <Section 1. NEW SECTION. 2.12C Continuing appropriations.

5 1. *Annual appropriations not enacted.*

6 a. (1) This section applies to any fiscal year for
7 which one or more line item appropriations, standing limited
8 appropriations, or standing unlimited appropriations otherwise
9 limited by law for the immediately preceding fiscal year have
10 not been enacted in an identical provision for the fiscal year
11 to which this section applies on or before July 1 of the fiscal
12 year.

13 (2) If, on or after July 1 of the fiscal year, a line item
14 appropriation, standing limited appropriation, or standing
15 unlimited appropriation otherwise limited by law for the
16 immediately preceding fiscal year is enacted in an identical
17 provision for the fiscal year to which this section applies,
18 this section shall cease to apply for purposes of that
19 appropriation. The amount of moneys already expended under
20 subsection 3 for the appropriation shall supplant a like amount
21 under the appropriation enacted for the fiscal year.

22 (3) For purposes of this paragraph, an appropriation
23 for the immediately preceding fiscal year is identical to an
24 appropriation enacted for the fiscal year to which this section
25 applies if there are no differences between the two provisions
26 other than reference to the fiscal year, references to the
27 legislation's subunit hierarchy, or differences in amounts
28 for the appropriation, allocations, or full-time equivalent
29 positions.

30 b. For purposes of this subsection, "enacted" means the bill
31 or joint resolution that includes the appropriation has been
32 passed by the general assembly, presented to the governor, and
33 one of the following occurs under Article III, section 16, of
34 the Constitution of the State of Iowa:

35 (1) The governor signs the bill or joint resolution without

1 disapproving the appropriations item.

2 (2) The bill or joint resolution becomes law as described
3 in section 3.5.

4 (3) The bill or joint resolution becomes law
5 notwithstanding the governor's objections by a majority of two
6 thirds of the members of each chamber of the general assembly.

7 2. *Prior fiscal year appropriations determined.*

8 a. For all line item appropriations, standing limited
9 appropriations, and standing unlimited appropriations otherwise
10 limited by law, including appropriations from federal and
11 nonstate funds, the department of management, in consultation
12 with the legislative services agency, shall determine the
13 amount of such line item appropriations, standing limited
14 appropriations, and standing unlimited appropriations otherwise
15 limited by law, including appropriations from federal and
16 nonstate funds, made for the immediately preceding fiscal year
17 by taking into consideration all of the following:

18 (1) All Acts appropriating moneys for that immediately
19 preceding fiscal year.

20 (2) All interdepartmental and intradepartmental transfers
21 made pursuant to section 8.39 and other provisions of law for
22 that immediately preceding fiscal year.

23 (3) Other relevant provisions of law.

24 b. The department of management, in consultation with the
25 legislative services agency, shall also identify the entities
26 to which such appropriations were made, or the entities'
27 successors.

28 3. *Continuing appropriation.* There is appropriated from the
29 appropriate state fund or account to the entities identified
30 pursuant to subsection 2, for the fiscal year to which this
31 section applies, amounts, or so much thereof as is necessary,
32 equal to the amounts of all line item appropriations, standing
33 limited appropriations, and standing unlimited appropriations
34 otherwise limited by law, including federal and nonstate funds,
35 made for the immediately preceding fiscal year, as determined

1 pursuant to subsection 2.

2 4. *Duplicative standing appropriations supplanted.* The
3 amounts appropriated under subsection 3 shall supplant any
4 duplicative standing appropriation for the fiscal year to which
5 this section applies.

6 5. *Miscellaneous provisions applicable.* Powers, duties,
7 limitations, or requirements, including reporting requirements,
8 set forth for appropriations applicable to the immediately
9 preceding fiscal year are applicable for the fiscal year to
10 which this section applies for appropriations under subsection
11 3, and any specified date contained therein shall apply one
12 year later than specified.

13 6. *Allocation amounts.* For any line item appropriation,
14 standing limited appropriation, or standing unlimited
15 appropriation otherwise limited by law identified pursuant to
16 subsection 2, which is subject to an allocation amount for the
17 immediately preceding fiscal year, the amount appropriated
18 under subsection 3 based on the appropriation shall be subject
19 to the same allocation amount for the fiscal year to which this
20 section applies.

21 7. *Nonreversion.* For any line item appropriation, standing
22 limited appropriation, or standing unlimited appropriation
23 otherwise limited by law identified pursuant to subsection 2
24 that is subject to a specified nonreversion provision, whether
25 for a limited or unlimited period, the amount appropriated
26 under subsection 3 based on the appropriation shall be subject
27 to the same specified nonreversion provision, and in the case
28 of a specified nonreversion provision for a limited period,
29 the period shall be considered to be one fiscal year longer
30 than specified for the appropriation identified pursuant to
31 subsection 2.

32 8. *Full-time equivalent positions.* The amounts appropriated
33 under subsection 3 to an entity identified pursuant to
34 subsection 2 may be used by the entity for a number of
35 full-time equivalent positions for the fiscal year to which

1 this section applies, equal to the number of full-time
2 equivalent positions authorized for the entity for the
3 immediately preceding fiscal year.

4 9. *Exclusions.*

5 a. This section does not apply to appropriations identified
6 under subsection 2 that the department of management, in
7 consultation with the legislative services agency, determines
8 to be one-time appropriations. For purposes of this paragraph,
9 "one-time appropriation" may include but is not limited to an
10 appropriation from the rebuild Iowa infrastructure fund created
11 in section 8.57 or the technology reinvestment fund created in
12 section 8.57C, or a similar appropriation from any state fund
13 or account for an infrastructure project, technology project,
14 or temporary or pilot project or program.

15 b. This section does not apply to appropriations for
16 which the general assembly has indicated by law the general
17 assembly's explicit intent that the appropriation not be
18 subject to subsection 3, including but not limited to by
19 passing an appropriation bill applicable for the fiscal year to
20 which this section applies that is substantially similar to an
21 Act appropriating moneys for the immediately preceding fiscal
22 year but that does not include the appropriation.

23 c. This section does not apply to an appropriation
24 identified under subsection 2 if the general assembly passed
25 and presented to the governor an identical provision, as
26 described in subsection 1, paragraph "a", subparagraph (3),
27 applicable for the fiscal year to which this section applies
28 but the item was disapproved by the governor under Article III,
29 section 16, of the Constitution of the State of Iowa.

30 10. *Adjustment for expenditure limitation.* If appropriations
31 made from the general fund of the state pursuant to subsection
32 3 would not comply with the general fund expenditure
33 limitation under section 8.54, the department of management,
34 in consultation with the legislative services agency, shall
35 reduce appropriations made from the general fund of the

S-5123 (Continued)

1 state pursuant to subsection 3, each by the same percentage,
2 such that appropriations made from the general fund of the
3 state pursuant to subsection 3 comply with the general fund
4 expenditure limitation under section 8.54.>

5 2. Title page, by striking lines 1 and 2 and inserting <An
6 Act relating to state government, including the regulation of
7 certain places and activities by the governor and continuing
8 appropriations in fiscal years for which annual appropriations
9 have not been enacted.>

10 3. By renumbering as necessary.

By COMMITTEE ON STATE GOVERNMENT
KEN ROZENBOOM, CHAIRPERSON

S-5123 FILED MARCH 23, 2026



Fiscal Note

Fiscal Services Division



[SF 2115](#) – Sexual Exploitation of a Minor, Prohibition on Suspending Sentences (LSB5938SV)
Staff Contact: Justus Thompson (515.725.2249) justus.thompson@legis.iowa.gov
Fiscal Note Version – New

Description

[Senate File 2115](#) relates to sexual exploitation of a minor and deferred and suspended sentences. The Bill prohibits the court from deferring or suspending the sentence for individuals convicted of sexual exploitation of a minor under Iowa Code section [728.12](#) if the minor was under 12 or prepubescent at the time of the offense.

Background

Penalties under Iowa Code section 728.12 range from a Class D felony to a Class C felony. A Class D felony is punishable by confinement for up to five years and a fine of at least \$1,025 but not more than \$10,245. A Class C felony is punishable by confinement for up to 10 years and a fine of at least \$1,370 but not more than \$13,660.

In FY 2025, there were 228 convictions under Iowa Code section 728.12 involving 96 offenders. Of those convicted, 11 received a deferred sentence.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A delay of six months is assumed from the effective date of the Bill to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated because county jail data is unavailable. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Convictions: This data represents the total number of convictions in adult court. Cases that include multiple charges may also involve multiple convictions, and each of those individual convictions should appear in this data.
- Offender-based convictions: A count of individuals (based on first name, last name, and date of birth) convicted of a specific offense in adult court. Each person is counted only once per Iowa Code section, regardless of the total number of charges received.
- Prison admits: A count of new admissions to Iowa's correctional facilities during the selected time period. This data is based on the most serious offense committed.
- Enforcement of Iowa Code section 728.12 will result in an increased number of trials.
- For the offenders who received a deferred sentence in FY 2025, the ages of the victims are unknown.

Correctional Impact

The correctional impact of the Bill cannot be determined due to lack of relevant historical data. **Figure 1** shows sentencing estimates to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for a Class C felony and Class D felony. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates](#)

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

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

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

Minority Impact

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

Fiscal Impact

The fiscal impact of the Bill cannot be determined due to lack of historical data; however, the extent of the increase in costs to the Department of Corrections (DOC) and State Public Defender (SPD) is unknown. **Figure 2** shows the average State cost per offense for a Class D felony and Class C felony. The estimated impact to the General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the DOC. The costs would be incurred across multiple fiscal years for prison and parole supervision.

Figure 2 — Average State Cost Per Offense

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

Sources

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

/s/Jennifer Acton

March 23, 2026

Doc ID 15968256825

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.



Fiscal Note

Fiscal Services Division



[SF 2286](#) – Public Funds, Regulation of Joint Investments and Deposits of Securities (LSB5867SV)
Staff Contact: Xavier Leonard (515.725.0509) xavier.leonard@legis.iowa.gov
Fiscal Note Version – New

Description

[Senate File 2286](#) relates to the investment of public funds and does the following:

- Permits the uninsured portion of any public funds invested through a depository to be invested in insured deposits or certificates of deposit that are placed in or issued by a credit union, if certain requirements are met.
- Limits the percentage of a political subdivision’s public funds that may be invested in a joint investment trust to 25.0%, calculated as an average of all the political subdivision’s public funds over the previous two fiscal years.
- Restricts the payments that a joint investment trust may make to only pay for direct investment management, administrative, custodial, or other bona fide operational services to the trust.
- Requires the governing body of a political subdivision to execute a written acknowledgment before depositing or investing public funds with a joint investment trust organized under Iowa Code chapter [28E](#).
- Provides that a violation of new Iowa Code section 12B.10D is a breach of fiduciary duty and may result in criminal and civil remedies.
- Removes corporate central credit unions organized under Iowa Code section [533.213](#) from the list of entities with which a credit union receiving public funds may deposit securities, and allows a credit union that receives public funds to deposit the securities with a securities broker-dealer registered as a member of the financial industry regulatory authority pursuant to a bailment agreement or a pledge custody agreement.

Background

Political subdivisions, such as counties, cities, and school districts, collect funds on an intermittent basis and then invest those funds to generate additional revenue. Public subdivisions have the ability, but are not required, to join their investments together in a “pooled investment trust.” Two trusts used by political subdivisions in the State are the [Iowa Schools Joint Investment Trust \(ISJIT\)](#) and the [Iowa Public Agency Investment Trust \(IPAIT\)](#).

The IPAIT and the ISJIT invest most funds in one of the following four categories: U.S. government agency obligations, U.S. Treasury Notes, deposit accounts, and repurchase agreements. Each of these investments provides return on the investment, with varying levels of liquidity. The repurchase agreements may include overnight trusts, where at the end of the day, a trust sells funds to a financial institution and the financial institution agrees to sell the funds plus interest back to the trust at the beginning of the next day. This allows the trust, and therefore the political subdivision, to earn interest from the funds while leaving the funds liquid for expenditure as needed. The ISJIT and IPAIT have daily interest rates and allow political subdivisions to withdraw deposits on any given day.

According to the Iowa Association of School Boards (IASB), the ending cash and investment balances for school districts and area education agencies (AEAs) were \$5.754 billion in FY 2024 and \$5.755 billion in FY 2025.

The ISJIT and IPAIT charge operating fees and other expenses for the management of the moneys for the political subdivisions. According to the [ISJIT 2025 Annual Financial Report](#) and the [IPAIT 2025 Annual Comprehensive Financial Report](#), these fees totaled approximately \$3.9 million for the ISJIT and approximately \$3.3 million for the IPAIT in FY 2025. The FY 2025 ending balance was approximately \$1.383 billion for the ISJIT and approximately \$1.080 billion for the IPAIT. Deposits change significantly throughout the year based on the needs of political subdivisions.

According to the Urban Education Network (UEN), multiple school districts reported initiating a request for proposal (RFP) with local financial institutions and the ISJIT at the same time.

Assumptions

- Future interest rates and investment incomes cannot be determined.
- Future investment trust balances cannot be determined.
- Fee liabilities are at least partially dependent on investment trust balances and, therefore, cannot be determined.
- Current and future fee structures charged by investment trusts and by local financial institutions are unknown.
- It is unknown whether financial institutions in Iowa would accept additional deposits that would not be permitted to be deposited with investment trusts under the Bill.
- It is unknown if there are additional administrative costs to political subdivisions as a result of the Bill.
- It is unknown what proportion of investment income received by political subdivisions is attributable to investment trusts.
- It is unknown how the allowable average of a political subdivision's public funds deposited in an investment trust will be calculated.
- It is unknown if the investment income for a political subdivision will change as a result of the entity that the funds are deposited with.

Fiscal Impact

Senate File 2286 may impact how political subdivisions invest public funds, which may impact investment returns, fees, and administrative costs paid by political subdivisions; however, any potential fiscal impact cannot be determined, but may be significant.

Sources

Iowa Division of Banking

Iowa Division of Credit Unions

Iowa Insurance Division

Iowa League of Cities

Urban Education Network

Iowa Association of School Boards

Iowa Public Agency Investment Trust, [2025 Annual Comprehensive Financial Report](#)

Iowa Schools Joint Investment Trust, [2025 Annual Financial Report](#)

Legislative Services Agency analysis

/s/ Jennifer Acton

March 20, 2026

Doc ID 1600996600996

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.



Fiscal Note

Fiscal Services Division



[SF 2370](#) – State Public Defender, Child Welfare Legal Representation (LSB5356SV)
Staff Contact: Justus Thompson (515.725.2249) justus.thompson@legis.iowa.gov
Fiscal Note Version – New

Description

[Senate File 2370](#) changes the State Public Defender (SPD) child welfare legal representation pilot project to a permanent program to be known as the Project to Preserve Families (PPF). The Bill allows the SPD to administer and maintain the PPF throughout the State. The SPD may adopt administrative rules to administer the PPF.

Background

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

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

Assumptions

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

Fiscal Impact

Senate File 2370 is estimated to result in approximate cost savings of \$1.5 million annually to the Indigent Defense Fund. The cost to the Juvenile Justice Improvement Fund is estimated to be \$471,000 annually, which is funded by federal moneys through Title IV-E reimbursement.

Source

Office of the State Public Defender

/s/ Jennifer Acton

March 20, 2026

Doc ID 1603367

The Fiscal Note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this Fiscal Note is available from the Fiscal Services Division of the Legislative Services Agency upon request.



Fiscal Note

Fiscal Services Division



[HF 2515](#) – Sexual Exploitation of a Minor, Prohibition on Suspending Sentences (LSB5938HV.1)

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

Fiscal Note Version – As amended and passed by the House

Description

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

Background

Penalties under Iowa Code section 728.12 range from a Class D felony up to a Class B felony. A Class D felony is punishable by confinement for up to five years and a fine of at least \$1,025 but not more than \$10,245. A Class C felony is punishable by confinement for up to 10 years and a fine of at least \$1,370 but not more than \$13,660. A Class B felony is punishable by confinement for up to 25 years and a fine of at least \$5,000 but not more than \$100,000.

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

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

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

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

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

Assumptions

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

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

Figure 1 — Cost Under FY 2025 Law

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

Correctional Impact

The correctional impact of HF 2515 is anticipated to be minimal. **Figure 2** shows sentencing estimates to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for a Class B felony, Class C felony, and Class D felony. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 12, 2026, for information related to the correctional system.

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

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

Minority Impact

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

Fiscal Impact

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

Figure 3 — Cost Under House File 2515

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

Sources

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

/s/ Jennifer Acton

March 23, 2026

Doc ID 1602479

The Fiscal Note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this Fiscal Note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
