

CHAPTER 1163

APPROPRIATIONS — INFRASTRUCTURE AND CAPITAL PROJECTS

S.F. 2484

AN ACT relating to and making appropriations from the rebuild Iowa infrastructure fund, technology reinvestment fund, and renewable fuel infrastructure fund, providing for related matters including financial assistance eligibility for regional sports authority districts, department of health and human services information technology systems, the railway tracks overpass and underpass fund, and eligibility for entities to receive financial assistance from both the Iowa major events and tourism fund and the sports tourism infrastructure program, and including effective date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

**DIVISION I
REBUILD IOWA INFRASTRUCTURE FUND**

Section 1. REBUILD IOWA INFRASTRUCTURE FUND — APPROPRIATIONS. There is appropriated from the rebuild Iowa infrastructure fund created in section 8.57 to the following state entities for the following fiscal years, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF ADMINISTRATIVE SERVICES

a. For maintenance projects at the Terrace Hill facility:

FY 2026-2027:

..... \$ 1,000,000

b. For major maintenance projects:

FY 2026-2027:

..... \$ 180,000

The department of administrative services shall use the moneys appropriated in this paragraph to repair, improve, and replace, as applicable, sidewalks at the Iowa veterans home.

2. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

a. (1) For deposit in the water quality initiative fund created in section 466B.45 for purposes of supporting the water quality initiative administered by the division of soil conservation and water quality as provided in section 466B.42, including salaries, support, maintenance, and miscellaneous purposes, notwithstanding section 8.57, subsection 3, paragraph “c”:

FY 2026-2027:

..... \$ 8,200,000

(2) (a) The moneys appropriated in this lettered paragraph shall be used to support demonstration projects in subwatersheds as designated by the department that are part of high-priority watersheds identified by the water resources coordinating council.

(b) The moneys appropriated in this lettered paragraph shall be used to support demonstration projects in watersheds generally, including regional watersheds, as designated by the division, and high-priority watersheds identified by the water resources coordinating council.

(3) In supporting projects in watersheds and subwatersheds as provided in subparagraph (2), all of the following apply:

(a) The demonstration projects must utilize water quality practices as described in the latest revision of the document entitled “Iowa Nutrient Reduction Strategy” initially presented in November 2012 by the department of agriculture and land stewardship, the department of natural resources, and Iowa state university of science and technology.

(b) The division shall implement demonstration projects as provided in subparagraph division (a) by providing for participation by persons who hold a legal interest in agricultural land used in farming. To every extent practicable, the division shall provide for collaborative participation by such persons who hold a legal interest in agricultural land located within the same subwatershed.

(c) The division shall implement demonstration projects on a cost-share basis as determined by the division. Except for edge-of-field practices, the state’s share of the amount shall not exceed 50 percent of the estimated cost of establishing the practice as determined by the division or 50 percent of the actual cost of establishing the practice, whichever is less.

(d) The demonstration projects shall be used to educate other persons about the feasibility and value of establishing similar water quality practices. The division shall promote field day events for purposes of allowing interested persons to establish water quality practices on such persons’ agricultural land.

(e) The division shall conduct water quality evaluations within supported subwatersheds. Within a reasonable period after accumulating information from such evaluations, the division shall create an aggregated database of water quality practices. Any information identifying a person holding a legal interest in agricultural land or specific agricultural land shall be a confidential record.

(4) The moneys appropriated in this lettered paragraph shall be used to support education and outreach in a manner that encourages persons who hold a legal interest in agricultural land used for farming to implement water quality practices, including the establishment of such practices in watersheds generally, and not limited to subwatersheds or high-priority watersheds.

(5) The moneys appropriated in this lettered paragraph may be used to contract with persons to coordinate the implementation of efforts provided in this lettered paragraph.

(6) The moneys appropriated in this lettered paragraph may be used by the department to support urban soil and water conservation efforts, which may include but are not limited to management practices related to bioretention, landscaping, the use of permeable or pervious pavement, and soil quality restoration. The moneys shall be allocated on a cost-share basis as provided in chapter 161A.

(7) Notwithstanding any other provision of law to the contrary, the department may use moneys appropriated in this lettered paragraph to carry out the provisions of this lettered paragraph on a cost-share basis in combination with other moneys available to the department from a state or federal source.

(8) Not more than 10 percent of the moneys appropriated in this lettered paragraph may be used for costs of administration and implementation of the water quality initiative administered by the division.

b. (1) For updating the maximum return to nitrogen modeling system for fertilizer management, notwithstanding section 8.57, subsection 3, paragraph “c”:

FY 2026-2027: \$ 1,000,000

(2) Any information received, collected, or held for purposes of this lettered paragraph is a confidential record exempt from public release if the information identifies a person who holds a legal interest in agricultural land or who has previously held a legal interest in agricultural land, a person who is involved or who was previously involved in managing the agricultural land or producing crops or livestock on the agricultural land, or the identifiable location of the agricultural land.

3. DEPARTMENT FOR THE BLIND

For building repairs for the building located at 524 Fourth Street, Des Moines, Iowa:

FY 2026-2027: \$ 250,000

4. ECONOMIC DEVELOPMENT AUTHORITY

a. For deposit in the community attraction and tourism fund created in section 15F.204, notwithstanding section 8.57, subsection 3, paragraph “c”:

FY 2026-2027: \$ 10,000,000

b. For deposit in the destination Iowa fund created in section 15.281, notwithstanding section 8.57, subsection 3, paragraph “c”:

FY 2026-2027: \$ 10,000,000

c. For deposit in the strategic infrastructure program fund described in section 15.313,

notwithstanding section 8.57, subsection 3, paragraph “c”:

FY 2026-2027: \$ 10,000,000

d. For a grant to a nonprofit organization located in a city with a population between 2,000 and 3,000 according to the 2020 federal decennial census, for infrastructure costs of a presidential library:

FY 2026-2027: \$ 1,000,000

e. For distribution to entities and regional sports authority districts certified by the authority pursuant to section 15E.321, notwithstanding section 8.57, subsection 3, paragraph “c”:

FY 2026-2027: \$ 1,000,000

f. For providing financial assistance to a city or nonprofit organization hosting the national junior olympics, notwithstanding section 8.57, subsection 3, paragraph “c”:

FY 2026-2027: \$ 250,000

g. For a grant to an organization with a sports entertainment venue in a city with a population between 15,550 and 15,800 according to the 2020 federal decennial census, to be used for facility enhancement:

FY 2026-2027: \$ 7,000,000

5. DEPARTMENT OF EDUCATION

For costs associated with repairing the roof of the Giangreco building:

FY 2026-2027: \$ 4,430,000

FY 2027-2028: \$ 3,605,000

6. DEPARTMENT OF HEALTH AND HUMAN SERVICES

For costs associated with the construction of a specialized facility to expand capacity at a brain injury rehabilitation facility located in a city with a population between 5,525 and 5,575:

FY 2026-2027: \$ 4,000,000

7. IOWA LAW ENFORCEMENT ACADEMY

For construction of a firearms range at Camp Dodge:

FY 2026-2027: \$ 3,700,000

8. IOWA STATE FAIR AUTHORITY

For projects including infrastructure upgrades and other improvements at the state fairgrounds:

FY 2026-2027: \$ 1,000,000

9. DEPARTMENT OF NATURAL RESOURCES

a. For implementation of lake projects that have established watershed improvement initiatives and community support in accordance with the department’s annual lake restoration plan and report, notwithstanding section 8.57, subsection 3, paragraph “c”:

FY 2026-2027: \$ 9,600,000

b. For state park infrastructure improvements:

FY 2026-2027: \$ 5,000,000

c. For water trails and low head dam safety grants, including grants for projects relating to eligible water bodies, as defined in section 456A.33C, notwithstanding section 8.57, subsection 3, paragraph “c”:

FY 2026-2027: \$ 1,500,000

d. For providing funding assistance to eligible communities, as described in section 455E.11, subsection 2, paragraph “a”, subparagraph (1), subparagraph division (d), to address abandoned buildings by promoting waste abatement, diversion, selective dismantlement of building components, and recycling, notwithstanding section 8.57, subsection 3, paragraph “c”:

FY 2026-2027: \$ 1,000,000

10. DEPARTMENT OF PUBLIC DEFENSE

a. For major maintenance projects at national guard armories and facilities:

FY 2026-2027: \$ 2,100,000

b. For improvement projects for Iowa national guard installations and readiness centers to support operations and training requirements:

FY 2026-2027: \$ 2,100,000

c. For construction improvement projects at the Camp Dodge facility:

FY 2026-2027: \$ 550,000

d. For repairing, improving, and replacing, as applicable, the runway in Sioux City used by the 185th air refueling wing:

FY 2026-2027: \$ 10,000,000

e. The department of public defense shall report to the general assembly by December 15, 2026, regarding the projects the department has funded or intends to fund from moneys appropriated to the department pursuant to paragraphs “a”, “b”, and “c”.

11. DEPARTMENT OF PUBLIC SAFETY

For payments and other costs due under a financing agreement entered into by the treasurer of state for building the statewide interoperable communications system pursuant to section 29C.23, subsection 2, notwithstanding section 8.57, subsection 3, paragraph “c”:

FY 2026-2027: \$ 2,846,011

12. BOARD OF REGENTS

a. For allocation by the state board of regents to the state university of Iowa, Iowa state university of science and technology, and the university of northern Iowa to reimburse the institutions for deficiencies in the operating funds resulting from the pledging of tuition, student fees and charges, and institutional income to finance the cost of providing academic and administrative buildings and facilities and utility services at the institutions:

FY 2026-2027: \$ 25,000,000

b. For renovation and construction of the public policy center at the commons at the university of northern Iowa:

FY 2026-2027: \$ 6,000,000

13. DEPARTMENT OF TRANSPORTATION

a. For acquiring, constructing, and improving recreational trails within the state:

FY 2026-2027: \$ 2,500,000

b. For deposit in the railroad revolving loan and grant fund created in section 327H.20A, notwithstanding section 8.57, subsection 3, paragraph “c”:

FY 2026-2027: \$ 2,000,000

c. For vertical infrastructure improvements at commercial service airports within the state:

FY 2026-2027: \$ 2,500,000

d. For vertical infrastructure improvements at general aviation airports within the state:

FY 2026-2027:	\$ 1,500,000
e. For matching the funding requirements necessary to receive federal grants awarded to improve public transit by replacing vehicles and constructing or expanding vehicle facilities, notwithstanding section 8.57, subsection 3, paragraph “c”:	
FY 2026-2027:	\$ 1,600,000
f. For deposit in the railway tracks overpass and underpass fund created in section 307.19, as enacted in this Act:	
FY 2026-2027:	\$ 5,000,000
FY 2027-2028:	\$ 5,000,000
FY 2028-2029:	\$ 5,000,000
FY 2029-2030:	\$ 5,000,000
FY 2030-2031:	\$ 5,000,000

14. TREASURER OF STATE

For distribution in accordance with chapter 174 to qualified fairs that belong to the association of Iowa fairs for county fair vertical infrastructure improvements:

FY 2026-2027:	\$ 1,060,000
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Sec. 2. REVERSION. For purposes of section 8.33, unless specifically provided otherwise, unencumbered or unobligated moneys from an appropriation made in this division of this Act shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that ends two years after the end of the fiscal year for which the appropriation is made. However, if the project or projects for which such appropriation was made are completed in an earlier fiscal year, unencumbered or unobligated moneys shall revert at the close of that same fiscal year.

Sec. 3. Section 2.12B, subsection 2, Code 2026, is amended to read as follows:

2. There is appropriated from the rebuild Iowa infrastructure fund for deposit in the state capitol maintenance fund, for the fiscal year beginning July 1, ~~2018~~ 2026, and for each fiscal year thereafter, the sum of ~~five~~ seven hundred ~~fifty~~ thousand dollars.

DIVISION II
TECHNOLOGY REINVESTMENT FUND

Sec. 4. TECHNOLOGY REINVESTMENT FUND — APPROPRIATIONS. There is appropriated from the technology reinvestment fund created in section 8.57C to the following state entities for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF CORRECTIONS

a. For technology projects and upgrades:

	\$ 697,425
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b. Of the moneys appropriated to the department of corrections under paragraph “a”, the department shall allocate not more than the following amounts for the following purposes:

(1) For body cameras at corrections institutions:

	\$ 74,925
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(2) For personal data assistant devices at the Iowa correctional institution for women:

	\$ 34,363
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(3) For camera system upgrades at the Iowa state penitentiary in Fort Madison:

	\$ 500,000
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(4) For building automation at the Newton correctional facility:	\$ 88,137
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2. DEPARTMENT OF EDUCATION	
a. (1) For the continued development and implementation of an educational data warehouse that will be utilized by teachers, parents, school district administrators, area education agency staff, department of education staff, and policymakers:	
.....	\$ 600,000
(2) Of the moneys appropriated in this lettered paragraph, the department may use a portion for an e-transcript data system capable of tracking students throughout the students' education via interconnectivity with multiple schools.	
b. For maintenance and lease costs associated with connections for part III of the Iowa communications network:	
.....	\$ 2,727,000
3. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
a. For costs associated with the design, development, and implementation of a new eligibility determination system:	
.....	\$ 10,000,000
b. For costs associated with integrating data sources into a new eligibility determination system:	
.....	\$ 1,633,361
c. For costs associated with implementing Medicaid work requirements, new eligibility redetermination requirements, and required information technology changes pursuant to federal Pub. L. No. 119-21, commonly referred to as the One Big Beautiful Bill Act:	
.....	\$ 3,473,690
d. For technology costs associated with the state poison control center:	
.....	\$ 42,080
4. DEPARTMENT OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT	
For the continuing implementation of a statewide mass notification and emergency messaging system:	
.....	\$ 400,000
5. DEPARTMENT OF MANAGEMENT	
a. For the continued development and implementation of a searchable database that can be placed on the internet for budget and financial information:	
.....	\$ 45,000
b. For the continued development and implementation of the comprehensive electronic grant management system:	
.....	\$ 70,000
c. For the upgrade of the local government budget and property tax system:	
.....	\$ 120,000
d. For the annual licensing of a searchable database that is placed on the internet for budget and financial information:	
.....	\$ 358,429
e. For the security office of the chief information officer, including for statewide endpoint detection and response, cybersecurity incident investigation response, and miscellaneous purposes:	
.....	\$ 2,947,658
f. For the cost of equipment and computer software for the continued development and implementation of the Iowa integrated justice system:	
.....	\$ 1,400,000
g. For costs associated with the justice enterprise data warehouse:	
.....	\$ 282,664
h. For costs associated with the modernization of the mobile architecture and communications handling program and the traffic and criminal software program:	
.....	\$ 2,000,000
6. DEPARTMENT OF PUBLIC SAFETY	
For costs associated with a new digital evidence management system:	
.....	\$ 300,000

7. TREASURER OF STATE

- a. For the ongoing costs associated with software used for investment tracking:
 \$ 192,000
- b. For the ongoing costs associated with software used for banking reconciliations:
 \$ 228,000

Sec. 5. REVERSION. For purposes of section 8.33, unless specifically provided otherwise, unencumbered or unobligated moneys from an appropriation made in this division of this Act shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that ends two years after the end of the fiscal year for which the appropriation is made. However, if the project or projects for which such appropriation was made are completed in an earlier fiscal year, unencumbered or unobligated moneys shall revert at the close of that same fiscal year.

Sec. 6. CONTINGENT APPROPRIATION FROM REBUILD IOWA INFRASTRUCTURE FUND TO TECHNOLOGY REINVESTMENT FUND. There is appropriated from the rebuild Iowa infrastructure fund created in section 8.57 to the department of management for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amount for deposit in the technology reinvestment fund created in section 8.57C, if 2026 Iowa Acts, House File 1028, is enacted:

..... \$ 26,314,315

Sec. 7. Section 8.57C, subsection 3, Code 2026, is amended to read as follows:

3. a. There is appropriated from the general fund of the state to the technology reinvestment fund for the fiscal year beginning July 1, ~~2026~~ 2027, and for each fiscal year thereafter, the sum of seventeen million five hundred thousand dollars.

b. There is appropriated from the rebuild Iowa infrastructure fund for the fiscal year beginning July 1, ~~2025~~ 2026, and ending June 30, ~~2026~~ 2027, the sum of ~~eighteen million two hundred sixty-nine thousand two hundred seventeen~~ twenty-six million three hundred fourteen thousand three hundred fifteen dollars to the technology reinvestment fund, notwithstanding section 8.57, subsection 3, paragraph “c”.

DIVISION III
 CHANGES TO PRIOR APPROPRIATIONS

Sec. 8. 2023 Iowa Acts, chapter 118, section 2, is amended to read as follows:

SEC. 2. REVERSION.

1. For purposes of section 8.33, unless specifically provided in subsection 2 or otherwise, unencumbered or unobligated moneys from an appropriation made in this division of this Act shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that ends two years after the end of the fiscal year for which the appropriation is made. However, if the project or projects for which such appropriation was made are completed in an earlier fiscal year, unencumbered or unobligated moneys shall revert at the close of that same fiscal year.

2. For purposes of section 8.33, unencumbered or unobligated moneys from an appropriation made in section 1, subsection 12, paragraph “f”, of this 2023 Iowa Act shall not revert but shall remain available for expenditure for the purposes designated until December 31, 2026.

Sec. 9. 2024 Iowa Acts, chapter 1155, section 1, subsection 1, paragraph b, subparagraph (1), as amended by 2025 Iowa Acts, chapter 167, section 14, is amended to read as follows:

(1) Of the amount appropriated in this paragraph, the department of administrative services shall allocate and use the moneys necessary to improve and repair the steps on the west side of the exterior of the capitol building and for projects on the east side of the exterior of the capitol building, as directed by the legislative branch, ~~by the close of the fiscal year that begins July 1, 2025~~ October 31, 2026.

Sec. 10. 2024 Iowa Acts, chapter 1155, section 2, is amended to read as follows:

SEC. 2. REVERSION.

1. For purposes of section 8.33, unless specifically provided in subsection 2 or otherwise, unencumbered or unobligated moneys from an appropriation made in this division of this Act shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that ends two years after the end of the fiscal year for which the appropriation is made. However, if the project or projects for which such appropriation was made are completed in an earlier fiscal year, unencumbered or unobligated moneys shall revert at the close of that same fiscal year.

2. For purposes of section 8.33, unencumbered or unobligated moneys from an appropriation made for the fiscal year beginning July 1, 2024, in section 1, subsection 5, paragraph “e”, of this 2024 Iowa Act shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that ends three years after the end of the fiscal year for which the appropriation was made, or until the project for which the appropriation was made is completed, whichever is earlier.

Sec. 11. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION IV
RENEWABLE FUEL INFRASTRUCTURE FUND

Sec. 12. STANDING APPROPRIATION — FY 2026-2027. In lieu of the appropriation provided in section 159A.17, the appropriation for the fiscal year beginning July 1, 2026, and ending June 30, 2027, from the general fund of the state to the renewable fuel infrastructure fund created in section 159A.16 for the fiscal year is zero.

DIVISION V
REGIONAL SPORTS AUTHORITY DISTRICTS — FINANCIAL ASSISTANCE
ELIGIBILITY

Sec. 13. Section 15E.321, Code 2026, is amended to read as follows:

15E.321 Regional sports authority districts.

1. As used in this section, ~~“district”~~:

a. “District” means a regional sports authority district certified under this section.

b. “Entity” means an Iowa nonprofit organization established to promote economic development and tourism in an area within the state.

~~2. a. A convention and visitors bureau. An entity may apply to the authority for certification of a regional sports authority district which may include more than one city and more than one convention and visitors bureau within the district and for financial assistance. The authority shall not certify more than ten such districts.~~

b. If more than ten applications are received in any certification year, the authority shall certify the districts on a competitive basis. In evaluating the applications an application for certification and financial assistance, the authority shall consider the economic impact to the activities proposed in the application provide to the state of the activities proposed in the application, the geographic diversity of the districts applying, the number of unique and innovative activities proposed to be supported by the district, and any other factors the authority deems relevant.

3. Each district shall actively promote youth sports, high school athletic activities, the special olympics, and other ~~nonprofessional physical~~ sporting events in the local area.

4. Each district may apply for and receive financial assistance under the sports tourism program established by the authority pursuant to section 15F.401.

~~5. Each district shall be governed by a seven-member board consisting of seven members appointed by the convention and visitors bureau filing the application pursuant to subsection 2. At least three members of the board shall consist of city council members of any cities located in the district. Each board shall be responsible for administering programs designed to promote the activities enumerated in subsection 3. A district that received financial assistance from the authority for an activity described in an application~~

submitted pursuant to subsection 2 shall submit a comprehensive report to the authority on or before July 31 regarding activities that took place between January 1 and June 30, and on or before January 31 for activities that took place between July 1 and December 31 of the previous year. The comprehensive report must detail the return on investment, number of first-time visitors to the state, and total number of hotel rooms occupied as a result of the activity. The authority may request additional information if the authority deems it necessary to evaluate an activity.

*DIVISION VI

HEALTH AND HUMAN SERVICES — INFORMATION TECHNOLOGY

Sec. 14. DEPARTMENT OF HEALTH AND HUMAN SERVICES — LIMITATION ON OBLIGATION OF MONEYS — INFORMATION TECHNOLOGY MODERNIZATION STUDY COMMITTEE.

1. Limitation on obligation of moneys.

a. Except as provided in paragraph “b”, and notwithstanding any other provision of law to the contrary, for the fiscal year beginning July 1, 2026, the department of health and human services shall not enter into, amend, or extend a contract, purchase order, interagency agreement, or other financial obligation that will cost more than five million dollars, individually or collectively, or commit the state to multiyear financial obligations. This limitation applies to major information technology system replacement, redevelopment, or modernization, including but not limited to eligibility, benefits administration, child welfare, child support, child care, and Medicaid administration systems.

b. Paragraph “a” does not apply to information technology changes that are necessary solely to comply with federal Pub. L. No. 119-21, commonly referred to as the One Big Beautiful Bill Act, or state or federal law enacted to implement a provision of Pub. L. No. 119-21, if such law expressly requires near-term implementation and the changes do not materially advance broader system modernization or system replacement efforts beyond what is minimally required to comply with the applicable law.

2. Study committee.

a. The department of health and human services, in consultation with the legislative services agency and the department of management, shall establish an information technology modernization study committee on or before August 1, 2026, and the study committee shall conduct a comprehensive review of the department of health and human services’ information technology systems, data architecture, and modernization strategy.

b. The study committee must include but is not limited to all of the following members:

(1) One or more persons familiar with the information technology division and program division of the department of health and human services, appointed by the director of health and human services.

(2) One or more persons from the legislative services agency, appointed by the director of the legislative services agency.

(3) One or more persons from the division of information technology of the department of management, appointed by the director of the department of management.

c. The study committee must include all of the following ex officio members:

(1) Two members of the senate, one appointed by the majority leader of the senate and one appointed by the minority leader of the senate.

(2) Two members of the house of representatives, one appointed by the speaker of the house of representatives and one appointed by the minority leader of the house of representatives.

d. The committee may invite other persons to participate in committee meetings, including but not limited to persons from private sector firms, academic experts, and subject matter experts with demonstrated experience in large-scale system integration, data governance, fraud detection, and artificial intelligence-enabled platforms.

*Item veto; see message at end of the Act

e. The study committee shall examine all major information technology systems currently used by the department of health and human services, including legacy systems and recently implemented platforms, and shall do all of the following:

- (1) Identify redundancies, fragmentations, and interoperability gaps among systems.
- (2) Assess the department's current ability to integrate data across programs and databases to detect errors, waste, fraud, and abuse.
- (3) Evaluate options for developing or procuring a unified integrated architecture system capable of securely linking program databases and supporting advanced analytics and automation.

(4) Consider existing vendors supporting the department's current systems and alternative solutions offered by firms and experts specializing in modern, artificial intelligence-first, or cloud-native system design.

(5) Identify governance, procurement, and oversight structures necessary to ensure cost control, transparency, and long-term sustainability.

f. The study committee shall prioritize identifying a long-term solution that integrates department of health and human services databases across programs and enables timely detection of eligibility errors, improper payments, and fraudulent activity while reducing duplicative administrative processes.

g. The department of health and human services shall submit a report to the general assembly and the governor on or before January 1, 2027. The report must include the study committee's findings, recommended statutory or budgetary changes, estimated costs and timelines, and options for phased implementation.

3. Repeal. This section is repealed July 1, 2027.*

DIVISION VII RAILWAY TRACKS OVERPASS AND UNDERPASS FUND

Sec. 15. **NEW SECTION. 307.19 Railway tracks overpass and underpass fund.**

1. A railway tracks overpass and underpass fund is created in the state treasury under the control of the department. The fund shall consist of all moneys appropriated to the fund.

2. Moneys in the fund are appropriated to the department to distribute in the form of grants to cities and counties to assist with the construction of highway overpasses and underpasses across railway tracks.

3. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund. Notwithstanding section 8.33, moneys in the fund shall not revert at the close of a fiscal year.

DIVISION VIII ECONOMIC DEVELOPMENT — FINANCIAL ASSISTANCE

Sec. 16. Section 15G.104, subsection 2, Code 2026, is amended to read as follows:

2. ~~a.~~ Moneys in the fund are appropriated to the authority for purposes of providing financial assistance under the program. The authority shall not use more than five percent of the moneys in the fund at the beginning of each fiscal year for purposes of administrative costs, technical assistance, and other program support.

~~b. An entity that is awarded financial assistance pursuant to this chapter is not eligible to receive financial assistance under the sports tourism infrastructure program pursuant to chapter 15F, subchapter IV.~~

Approved June 2, 2026, with exception noted.

KIM REYNOLDS, Governor

*Item veto; see message at end of the Act

Dear Mr. Secretary:

I hereby transmit Senate File 2484, an Act relating to making appropriations from the Rebuild Iowa Infrastructure Fund, Technology Reinvestment Fund, and Renewable Fuel Infrastructure Fund, providing for related matters including financial assistance eligibility for Regional Sports Authority districts, Department of Health and Human Services information technology systems, the Railway Tracks Overpass and Underpass Fund, and eligibility for entities to receive financial assistance from both the Iowa Major Events and Tourism Fund and the Sports Tourism Infrastructure Program and including effective date provisions.

Senate File 2484 is approved this date with the following exception:

Division VI would prohibit the Department of Health and Human Services (HHS) from entering into, amending, or extending contracts, purchase orders, agreements, or other financial obligations exceeding \$5,000,000 — individually or collectively — for major information technology systems.

I share the legislature's commitment to responsible stewardship of taxpayer dollars, and I strongly support strategic, cost-effective IT modernization. In fact, I have directed the Department of Management and HHS to immediately conduct a thorough review of HHS spending as it relates to information technology modernization efforts and submit a report of their findings to the general assembly as soon as possible and no later than December 1, 2026.

However, the limiting provisions found within Division VI go too far. As written, it would effectively halt all major IT modernization efforts across HHS — producing widespread project delays that are neither fiscally responsible nor operationally acceptable. The harm goes far deeper than missed deadlines or deferred launches. In practical terms, this provision strips HHS of its routine ability to manage contracts already underway. Virtually every major HHS IT system will require some form of contract action during SFY2027 — an amendment, extension, task order, or similar action — simply to keep existing systems running.

Perhaps most urgently, Division VI's broad restrictions would jeopardize continued operation of major systems that are required by law to remain functional — including Medicaid claims processing, child support enforcement, and SNAP benefits issuance. Operational disruptions to these systems would not only impact Iowans directly, but would trigger independent federal compliance failures, some carrying substantial legal and financial penalties.

For the above reasons, I respectfully disapprove that part of Senate File 2484 as specified above, in accordance with Article III, Section 16, of the Constitution of the State of Iowa. The remainder of Senate File 2484 is approved as of this date.

Sincerely,
KIM REYNOLDS, *Governor*