

Appropriations Committee – All-Bill Summary 2021

STAFF CONTACT: Sue Foecke

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SF 284—Workday Supplemental

SF 284 appropriates \$21 million for FY21 from the General Fund to the Office of Chief Information Officer to implement a new state central personnel, accounting and budget system (Workday).

[Senate 2/9: 32-17 (Yes: Republicans, Bisignano; Excused: Nunn); House 2/18: 58-38; Gov signed 2/23]

SF 592—FY22 Transportation Budget

SF 592 is the FY22 Department of Transportation (DOT) budget. There are two new appropriations, both from the Primary Road Fund (PRF), that total \$10 million. This includes \$5.3 million for major maintenance and \$4.7 million for routine maintenance and preservation at DOT facilities. Major Maintenance funds will be used to enhance and extend the life of DOT facilities. It will include adding new features, such as brine buildings and mechanic bays across the state. Routine maintenance and preservation will allow more flexibility in DOT spending decisions.

Annual maintenance-related appropriations typically funded as separate line-items that are now in the “Facility Routine Maintenance” include:

- Utility improvements
- Garage roofing projects
- Heating, ventilation and air conditioning (HVAC) improvements
- Field facility deferred maintenance
- Americans with Disabilities Act (ADA) improvements.

Motor Vehicle Enforcement (MVE) Field Facilities: \$400,000 – new appropriation from the Road Use Tax Fund (RUTF) designed to maintain the various enforcement field facilities.

Increases

- Highway Division: \$4.1 million increase to replace existing medium- and heavy-duty trucks and to fund nine new FTE positions. The FTE positions will perform project development and field construction inspection. The

increase will also fund a more consistent replacement of snow plow blades. An increase in salt usage has resulted in the DOT needing more funds to cover the cost of salt. Three years ago, the DOT began transitioning medium- and heavy-duty trucks to a 12-year replacement cycle from a 15-year cycle. The DOT had recommended this transition to a shorter lifespan as repairs and parts, some of which are becoming obsolete, are costlier on older vehicles. There is a decrease of \$2.3 million for Inventory and Equipment from the PRF as a result of funds being shifted to the Highway appropriation.

- Motor Vehicle Division Field Facility Maintenance: \$400,000, an increase of \$100,000. Many of these facilities are used often and are front-facing. The additional funds will be used for increased maintenance.
- Rest Area Facility Maintenance: \$400,000, an increase of \$150,000. Funds will help better maintain rest areas, which are widely used by the public and often highly visible from the highway.

Decreases

- State Road Maps: Decrease of \$242,000. Maps are now printed every other year, rather than annually. Design and printing costs were allocated in FY21 for the new Iowa Transportation 2021-2022 maps.
- DOT Workers' Compensation: Decrease of \$762,186 (RUTF \$30,487/PRF \$731,699) in payments to the Department of Administrative Services due to fewer workers' compensation claims. Workers' Compensation covers all approved medical expenses for the treatment of employee injuries and lost wages if the employee is incapacitated for more than three days. Premiums are based on a five-year rolling average of claims experience for the DOT.
- Statewide Communication System: Decrease of \$123,476. Lease payments are being shifted from RUTF/PRF to RIIF as additional public safety organizations use the system.
- Inventory and Equipment: Decrease of \$2.3 million as a result of funds being shifted to the Highway Division appropriation. The FY22 budget reflects a decrease of \$11,287,000 for a one-time capital expenditure for repairs at the Ames Administration Building allocated in FY21.

[Senate 4/28: 48-0 (Excused: Nunn, Schultz); House 5/6: 90-0; Gov signed 6/8]

[SF 615](#)—FY22 Standings

[SF 615](#) is the FY22 standings appropriations bill. Standing appropriations, with the changes in this bill, equal \$3.98 billion. This is a \$31.5 million reduction from the standing appropriations in Iowa Code. However, it is a \$43.8 million increase over FY21 appropriations.

Division I: Limitations of Standing Appropriations

The bill limits certain standing appropriations:

- **Nonpublic School Pupil Transportation:** \$8.9 million is appropriated. This is a \$1.9 million decrease to the standing appropriation. This is a \$800,000 increase from the FY21 appropriation.
- **Instructional Support State Aid:** \$0. This is a \$14.8 million decrease to the standing appropriation. This is no change from the FY21 appropriation.
- **State Aid for Area Education Agencies (AEA):** A \$15 million reduction in the standing appropriation. This is no change from FY21 appropriation.

Standing appropriations are listed in Iowa Code. If you do not see the standing appropriation listed in the bill, the appropriation line item is funded at statutory level.

A few notable Standing appropriation items are:

- School State Aid: \$3.4 billion. This is a \$21.5 million increase (with the AEA cut) over FY21. The minimal school funding increase was enacted by [SF 269](#).
- The Legislative Branch is funded at the standing unlimited amount of \$37 million. This is a \$1 million increase over FY21.
- The Technology Reinvestment Fund is funded at the statutory level of \$17.5 million from the General Fund. This fund was not funded out of the General Fund in FY21.

- The Homestead Tax Credit, Elderly & Disabled Tax Credit, Ag Land Tax Exemption and Military Service Tax Exemption are fully funded.
- The Commercial and Industrial Property Tax Replacement (\$152 million) and the Business Property Tax Credit (\$125 million) are fully funded.

Division II: Miscellaneous Appropriations

- **Workday Supplemental:** \$23.3 million to the OCIO for Workday (software system for financial management and human resource management for state government). This appropriation should cover implementation costs of the contract. Annual subscription costs will not need an appropriation, these costs will be paid by Department of Administrative Services fees.
- **State Public Defender:** FY22 appropriation of \$200,000 to the State Public Defender. This is to cover the cost from the [HF 743](#) (passed the Senate 44-0) for representation of certain indigent parties in adoption proceeding.

Division III: Corrective Provisions - Includes Legislative Services Agency corrective provisions on bills passed by the Legislature.

Division IV: Child Care Assistance - Amends [HF 302](#), which locked in child care assistance rates to those in effect on July 1, 2021. The standings bill strikes that locked in rate and allows the child care rates to be adjusted.

Division V: Amusement Ride Attendants - Amends [HF 558](#), which allows 16 and 17 years to operate amusement rides effective July 1, 2021. The standings bill makes [HF 558](#) effective upon enactment and retroactive to April 30, 2021.

Division VI: Funeral Director Reimbursement - Amends [SF 307](#) relating to the transportation of dead bodies. This allows a funeral director to be reimbursed for the cost of transporting a deceased body to and from an autopsy by also allowing them to be reimbursed for “other associated fees.”

Division VII: Gambling

- **Casino Minimum Wage:** Iowa law states that it is the intent of the Legislature that employees (at casinos) be paid at least 25% above the federal minimum wage. This division locks in the federal minimum wage to what was in effect as of December 31, 2020 (\$7.25 per hour).
- **Regulator Fee Fix:** [HF 861](#) (Justice budget) inadvertently struck a provision that allowed the Department of Public Safety to collect certain casino regulatory fees. Standings fixes that and allows the DPS to continue collecting the regulatory fees.

Division IX: Emergency Medical Services District (Rural EMS)

Allows a county or city to levy an additional annual tax if the initial tax is not sufficient to provide the authorized services and if the additional tax is approved at an election.

The current initial tax is \$1 per \$1,000 tax levy. This cap can be exceeded by holding an election in which a majority of those voting approve the additional tax. The additional annual tax begins with the fiscal year following the election in which it was approved. Prior to the vote, local emergency medical services agencies must create an advisory council to help determine the amount of the funding specified on the ballot for the election.

Discontinuance of the authority to impose an additional tax will be by petition and election. It requires a petition of 25% of the resident eligible electors. If a majority of those voting favor a discontinuance of additional tax, it will no longer be imposed beginning in the fiscal year following the election.

Division X: Optional Taxes for Emergency Medical Services

A resolution declaring emergency medical services to be an essential service must be considered and voted on at two meetings prior to the meeting where the resolution is finally approved.

A county must coordinate with local emergency medical services agencies to establish a county emergency medical services system advisory council to help assess service needs. The council must recommend funding, and must annually assess and review emergency medical services needs.

The bill amends Iowa Code Chapter 422D, which allowed counties upon a majority vote of the people to generate additional taxes for emergency medical services. Under 422D, a county could use a local income surtax, property tax or combination of both to fund EMS. There was a cap of 1% on the local income surcharge, but no cap on the property tax that could be levied. The bill changes the percentage of the vote from majority to 60% (the initial tax vote requires 60% in favor). The bill sets the cap on the property tax levy at \$0.76 per 1,000.

Iowa's 11 most populous counties, as determined by the latest certified federal census or latest applicable population estimate (by U.S. Census Bureau), can use the optional taxes for EMS for up to 10 years (an increase from five years). Other counties can use the optional taxes for EMS for up to 15 years (an increase from five years).

Division XI: Emergency Medical Service Training Programs - Allows an ambulance service or non-transport service to apply to the Department of Public Health to provide emergency medical care services training leading to certification as an emergency medical care provider. Ambulance service and non-transport service join Iowa colleges and Iowa hospitals as eligible applicants. This division is effective upon enactment.

Division XII: Local Option Sales Tax Revenue (EMS) - Allows Local Option Sales Tax (LOST) revenue for EMS services and expenses.

[Senate 5/19: 46-0 (Excused: Hogg, Johnson, Nunn, Williams); House 5/19: 55-31; Gov signed 6/9]

HF 428 – Public Defense Omnibus (by Public Safety)

HF 428 is a Public Defense departmental bill. It allows properties to be leased to use for armory purposes for up to 30 years, rather than the current 20 years. It amends the Iowa Code of Military Justice so that military commanders [Grade Colonel/06] can hold service members accountable if they commit offenses while off duty when there is a nexus between military service and the offense (e.g., sexual harassment, sexual assault involving two service members). It allows the Adjutant General to include in the annual report on certain offenses, the number of sexual abuse cases reported to the U.S. Department of Defense that are not otherwise required to be reported. It also enhances the popular education benefits available that help the Guard recruit and retain members.

The bill:

- Requires the Adjutant General to submit an annual report to the Governor and the Legislature by December 31 listing the science, technology, engineering and math-related career fields the Iowa National Guard plans to focus on in providing educational incentives using funds available for that fiscal year.
- Creates a new Code section 261.86A that establishes two recruitment and incentive programs to recruit or retain individuals who have completed or are pursuing training in science, technology, engineering and math-related military occupational specialties or Air Force specialty codes. The Adjutant General may expend appropriated funds that remain unencumbered or unobligated at the close of a fiscal year in the following fiscal year for recruitment and retention programs.
- Allows the Adjutant General to expend unencumbered or unobligated funds in the Iowa National Guard Service Scholarship programs [Code 261.86, subsection 6] to recruit or retain individuals by offering either a student loan repayment program or a master's degree scholarship award program that complies with the federal Edith Nourse Rogers STEM scholarship program.
- Establishes a National Guard student loan repayment program to be administered by the College Student Aid Commission, and sets requirements for applicants and for loan-repayment awards.

- Sets requirements for the master's degree scholarship program.
[Senate 4/7: 44-0 (Excused: Brown, Carlin, Dawson, Hogg, Nunn, Schultz); House 2/17: 96-0; Gov signed 4/30]

HF 707—Court Interpreter Fees

HF 707 would authorize state court administration to pay all oral language court interpreters from the Judicial Branch Revolving Fund established to pay jury, witness and court interpreter fees, rather than four sources depending on the case type and economic status of the person requiring an interpreter. The move to one source for payment will streamline this process.

Funding appropriated to the Indigent Defense Fund in FY21 will be used by the State Public Defender to pay costs and fees of interpreters and translators prior to the effective date of the bill, which is July 1, 2021. The bill is estimated to increase funding and costs to the Jury and Witness Revolving Fund by approximately \$500,000 beginning in FY22. The bill transfer those costs from the Indigent Defense Fund to the Revolving Fund. As a result, the Indigent Defense Fund would experience a savings of approximately the same amount.

[Senate 4/13: 45-0 (Excused: Hogg, Lofgren, Nunn, Petersen, Rozenboom); House 3/9: 93-0; Gov signed 4/30]

HF 708—Public Safety Equipment Fund

HF 708 creates a Public Safety Equipment Fund. Moneys in the fund consist of appropriations or deposits into the new fund. Money in the fund will not revert. DPS is authorized to designate moneys in the fund for the future purchase, maintenance and replacement of equipment. DPS will submit a report to the joint appropriations subcommittee on Justice System and to Legislative Services Agency on or before December 31 of each year listing all expenditures in the previous fiscal a year, the carry over amount and how the department used it in the current fiscal year, as well as how much DPS intends to carry over to the next fiscal year and its planned uses. The report will list the sources of moneys deposited in the fund over previous fiscal year. The bill takes effect July 1, 2021.

[Senate 5/18: 44-0 (Excused: Goodwin, Hogg, Johnson, Nunn, Schultz, Williams); House 5/18: 90-1; Gov signed 6/17]

HF 722 - Teach Iowa Scholar Fund

HF 722 allows all available funds in the Teacher Shortage Forgivable Loan Repayment Fund and the Teacher Shortage Loan Forgiveness Repayment Fund to be transferred to the Teach Iowa Scholar Fund. The Iowa College Student Aid Commission estimates that approximately \$146,000 is available to transfer to the Teach Iowa Scholar Fund, along with a limited number of additional repayments that are received each month. Approximately \$191,000 will be transferred to the Teach Iowa Scholar Fund in FY22.

[Senate 5/5: 48-0 (Excused: Hogg, Nunn); House 3/9: 93-0; Gov signed 5/20]

HF 838—Insurance Division Omnibus

HF 838 is based on recommendations by the Iowa Insurance Division (IID). The bill:

- Imposes a monetary penalty on and provides for license suspension or revocation of a person who violates any order of the Insurance Commissioner, rather than limiting the penalty and suspension or revocation to those violating cease and desist orders.
- Allows the Insurance Commissioner to deposit revenue from penalties collected due to insurers' failure to file a timely own risk and solvency assessment summary report into the Department of Commerce Revolving Fund and into the Insurance Division Regulatory Fund. Currently, these penalties are transferred to the General Fund.
- Clarifies that the licenses for advisory organizations are for three years and sets the fee at \$100.
- Adds a new late fee of \$5 (not to exceed \$500) for each day after April 15 that a pre-need seller or pre-need sales agent fails to file their annual report, and establishes a late fee of \$5 for each day after April 30 that a perpetual care cemetery fails to file its annual pre-need sales report.
- Eliminates the \$500,000 cap for funds that may be retained in IID's Regulatory Fund.
- Eliminates the \$50,000 cap for funds that may be retained in IID's Enforcement Fund.
- Increases the examination fee that is deposited into the Enforcement Fund from \$5 to \$10.
- Lowers the application fee for a motor vehicle service contract form and renewal application from \$50 to \$35.

The bill gives the Commissioner broad authority to develop a “state innovation waiver” under the Affordable Care Act that would be submitted to the federal government, and to implement changes approved by the federal government through emergency rule-making. The Legislative Council will establish a 15-member study committee to identify and analyze health insurance mandates, and submit its finding and recommendations to the Legislature by December 31. Note: [SF 346](#) was referred to Senate Ways and Means, and the House companion was referred to House Appropriations. [5/19: 35-11 (No: Bolkom, Boulton, Celsi, Dotzler, Giddens, Hogg, Jochum, Petersen, Quirmbach, J. Smith, Trone Garriott; Excused: Johnson, Nunn, Sinclair, Williams)]

[HF 839](#) – Financial exploitation of older adults

[HF 839](#), an Iowa Insurance Division (IID) recommendation, addresses the financial exploitation of adults 65 or older, and dependent adults 18 or older who are unable to protect their own interests, or unable to perform or obtain services necessary to meet essential needs. It is based on model law from the North American Securities Administrators Association. The new Code sections deal with confidentiality of records, government and third-party disclosures and immunity, and training requirements brokers-dealers and investment advisers must provide to their employees on identifying and reporting financial exploitation. The IID must submit an annual report to the Governor and the Legislature that includes the number of notifications related to the potential financial exploitation, the amount of time IID employees spent investigating the notifications, and the number of founded cases of financial exploitation. Supporters include the Older Iowans Legislature, Principal Financial, Area Agencies on Aging, Hope Haven, Mosaic, Iowa Attorney General, Iowa CareGivers, Iowa Health Care Association, Iowa State Bar Association, and Wells Fargo.

The Administration and Regulation Appropriation bill includes funding for one FTE (complaint analyst level) to investigate complaints.

[Senate 4/21: 46-0 (Excused: Mathis, Nunn, Schultz, Whiting); House 4/27: 93-0; Gov signed 5/20]

[HF 848](#) – Broadband service areas

[HF 848](#) makes changes to Iowa’s broadband grant program administered by the Office of Chief Information Officer (OCIO). The bill sets up a framework for awarding grants but does not allocate funds. The goal is to expand broadband across the state, improve speeds and encourage rapid deployment by providers. The emphasis is on connecting Iowans who do not have a communications service provider that offers broadband internet access in their communities.

Highlights of the bill include:

- Expanding the use of money in the Empower Rural Iowa Broadband Grant Fund to include the Fiberoptic Network Conduit Installation Program. This program to install fiberoptic network conduit where it doesn’t exist. The bill ups the amount that may be used to administer and operate the Grant Program and the Fiberoptic Network Conduit Installation Program from 1% to 2.5% of money in the Fund at the start of the Fiscal Year.
- Eliminating certain public review provisions relating to the application process for grants.
- Requiring OCIO to devote one FTE position to evaluate applications for grants, and offer technical assistance to providers applying for federal and other public or private funds.
- Modifying the definition of “targeted service area” (TSA) with a three-tiered system: Tier 1-Maximum download speed of less than 25 megabits per second and a maximum upload speed of less than three megabits per second; Tier 2-Minimum download speed of greater than or equal to 25 megabits per second but less than 50 megabits per second; and Tier 3-Minimum download speed of greater than or equal to 50 megabits per second but less than 80 megabits per second.
- Redefining “underserved area” to mean any portion of a TSA in which no communications service provider facilitates broadband service meeting the Tier 1 download and upload speeds.
- Requiring that service providers awarded grants provide a minimum download speed of 100 megabits per second and a minimum upload speed of 100 megabits per second in targeted service areas, with exceptions in Tier 1 (areas where projects must be capable of 100/20 to receive a 50% match).

- OCIO is not required to make renewed determinations of whether a communications service provider facilitates broadband service at or above the Tier 1, Tier 2 or Tier 3 download and upload speeds more than once a year, as determined by broadband availability maps.
- OCIO will award grants not to exceed 50% of the total project cost to those that facilitate broadband service providing minimum download speeds of 100 megabits per second and minimum upload speeds of 20 megabits per second in a targeted service area in which no communications service provider offers or facilitates broadband service that provides download and upload speeds less than or equal to the Tier 1 speeds. At least 20% of the total grants must be awarded to projects in targeted service areas where no communications service provider offers speeds less than or equal to the Tier 1 speeds. Grant amounts are 75% of total costs for projects in a TSA where no provider offers or facilitates broadband service with download and upload speeds less than or equal to Tier 1; 50% for projects in a TSA where no provider offers or facilitates broadband service that provides download and upload speeds less than or equal to Tier 2; 35% for projects in a TSA where no provider offers or facilitates broadband service that provides download and upload speeds less than or equal to Tier 3.
- Setting criteria for the OCIO to consider when reviewing an application for a grant. OCIO must give the greatest weight to factors (1), (2), (3) and (6):
 - (1) The relative need for broadband infrastructure in the area and the existing broadband service speeds, including whether the project serves a rural area.
 - (2) The applicant's total proposed budget for the project, including (a) amount or percentage of local or federal matching funds and any funding obligations shared between public and private entities, and (b) percentage of funding provided directly from the applicant, including whether the applicant requested an amount less than the maximum the office could award and if so, the percentage of the project cost that the applicant is requesting.
 - (3) The relative download and upload speeds of proposed projects for all applicants.
 - (4) The specific product attributes resulting from the proposed project, including technologies that provide higher qualities of service, such as service levels, latency and other service attributes as determined by the office.
 - (5) The percentage of the homes, farms, schools and businesses in the targeted service area that will be provided access to broadband service.
 - (6) The proportion of proposed projects that will result in the installation of infrastructure in a TSA within which the only broadband service available provides the Tier 1 download and upload speeds.
 - (7) Other factors the office deems relevant.
- Eliminating the prohibition on awarding grants from the Empower Rural Iowa Broadband Grant Fund on or after July 1, 2025.
- Money in the Fund that has been awarded but not paid to a provider remains available to OCIO to administer the award.
- Requiring the OCIO to adopt rules relating to the Broadband Grant Program process, management and measurements.
- Authorizing the OCIO to adopt emergency rules.
- Requiring the OCIO to adopt rules establishing procedures to allow applicants an opportunity to challenge awards granted by OCIO.
- Effective upon enactment.

[Senate 4/6: 47-0 (Excused: Hogg, Nunn, Schultz); House 3/29: 94-0; Gov signed 4/28]

HF 857—Butchery Innovation and Revitalization Fund and Program

HF 857 creates a Butchery Innovation and Revitalization Fund and Program to award financial assistance (grants, low-interest loans and forgivable loans) to eligible businesses for expanding or refurbishing a small-scale meat processing business, licensed custom locker or mobile slaughter unit. Iowa Economic Development Authority (IEDA) will consult with Department of Agriculture (IDALS) to administer the program and to adopt administrative rules. IEDA can use up to 5% of the moneys in the fund for administration, marketing, technical assistance and other program support.

The bill provides eligibility criteria, including that the business employ fewer than 50 individuals. Applications will be scored and awarded based on a priority list that includes creation of new jobs, opportunities for local small-scale farmers to market processed meat under private labels, and greater flexibility or convenience for local small-scale farmers to have animals processed.

There is no appropriation in the bill. The Economic Development Budget, [HF 871](#), appropriates \$750,000 to the program. The bill creates an Artisanal Butchery Task Force within the IDALS explore the feasibility of an artisanal butchery program at a community college or state university. Task force members will be appointed by the Iowa Secretary of Agriculture from groups specified in the bill. IDALS will provide staff and administrative support. The task force will submit its findings and recommendations to the Legislature by December 31.

[Senate 5/19: 48-0 (Excused: Nunn, Williams); House 5/19: 48-0; Gov signed 6/9]

[HF 860](#)—FY22 Agriculture and DNR Budget

[HF 860](#) is the FY22 budget for the Department of Agriculture and the Department of Natural Resources.

FY21 Appropriation	\$43.2 million
FY22 Appropriation	\$48.8 million
Difference	\$5.6 million
Percent increase*	13%

- IDALS will receive an increase of \$182,515 over FY21 in their general operations line item, roughly a 1% increase.
- DNR will receive an increase of \$135,000 over FY21 in their general operations line item, roughly a 1.1% increase.
- DNR will receive \$1 million from the General Fund for state park operations. This is above what the department would use from their general operations budget and what is included in Environment First Fund.
- Foreign Animal Disease prevention will receive \$750,000, which is an increase of \$250,000 over FY21.
- The new Value-Added Agriculture grant program will receive \$250,000.

The bill includes \$250,000 for the Southern Iowa Development and Conservation Authority.

The bill provides \$400,000 from the General Fund to the Loess Hills Development and Conservation Authority, with an additional \$140,000 coming through a special carve-out in the cost-share program. This is a change from FY21, when \$50,000 came from the General Fund and \$490,000 was from the cost-share program. This change in funding sources does not provide any additional funds to the Hungry Canyons program or the Loess Hills Alliance, but open up an additional \$350,000 under the cost-share program for district initiatives.

The bill creates a new \$5 million standing appropriation from the General Fund for the Renewable Fuels Infrastructure grant program. This funding is **not** conditional on the passage of legislation setting standards for the sale of renewable fuels by retailers. This is an increase of \$2 million over FY21 and change the funding source from RIIF to the General Fund.

The bill:

- Requires a study of visitor parking availability at state parks
- Extends the REAP program by three years through 2026
- Extends the \$15 million allocation from RIIF to the Water Quality Infrastructure Fund by 10 years to 2039. This was established by [SF 512](#) in 2018.
- Requires longer-term budget planning and reporting by the state geologist

Bottom-line budget concerns

The budget provides minimal increases to department operating budgets, and final funding for foreign animal disease and value-added agriculture grant programs are less than the Governor's requests for those programs.

Funding for DNR is particularly worrying. State parks have had a significant increase in use since the onset of the pandemic as lowans look for safe recreation opportunities close to home. The derecho had a major impact on the state’s tree canopy, particularly in communities that were in the path of the storm.

Water quality issues continue to be a long-term problem for the state. The Governor has shelved her “Invest in Iowa” plan, which would have provided funding for IWILL through the voter-approved Natural Resources and Outdoor Recreation trust fund. Without that, the majority of water-quality funding will continue to come through the Environment First Fund and the Infrastructure budget, as well as programs established by [SF 512](#) in 2019, which are funded by a portion of the excise tax on water service and are under the control of IDALS and the Iowa Finance Authority (IFA). Those programs receive significant funding but not much of that funding has been distributed to water-quality projects around the state.

[Senate 5/17: 28-17 (Yes: Republicans, Kinney; Excused: Goodwin, Johnson, Nunn, Schultz, Williams); House 5/18: 54-36; Gov signed 6/2]

[HF 861](#)—FY22 Justice Budget

[HF 861](#) is the Justice System appropriations bill. The Justice System includes the Attorney General’s Office, Civil Rights Commission, Department of Corrections (including Community Based Corrections), Criminal and Juvenile Justice Planning, State Public Defender, Indigent Defense Fund (administered by the State Public Defender), Iowa Law Enforcement Academy, Board of Parole, Department of Public Defense, Department of Public Safety, and Homeland Security and Emergency Management. **The bill appropriates \$620,314,992 for FY22, an increase of \$35,238,809 over FY21.**

Division I - Appropriations:

- **Attorney General - \$354,970 “general office” increase.** This will allow for the hire of two additional FTEs.
 - No increase for Victim Assistance Grants
 - No increase for Legal Aid
- **Department of Corrections - increase of \$20,474,540.** Approximately half of that increase, \$10,079,991, is for “department wide duties,” which allows the Department to distribute the money as it sees appropriate. The remainder is distributed among the institutions and the CBCs. The appropriation to the DOC includes non-reversion language.

Prison or CBC District	Increase Over FY 21
Ft. Madison	\$840,572
Anamosa	\$3,000,000
Oakdale	\$1,078,643
Newton	\$572,261
Mt. Pleasant	\$777,385
Rockwell City	\$217,345
Clarinda	\$514,796
Mitchellville	\$496,114
Fort Dodge	\$578,194
CBC District 1	\$334,604
CBC District 2	\$257,041
CBC District 3	\$194,849
CBC District 4	\$126,326
CBC District 5	\$506,207
CBC District 6	\$361,990
CBC District 7	\$199,746
CBC District 8	\$214,125

CBC Statewide	\$663,219
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- **Department of Public Safety** - \$10,558,711 increase. Those increases include:

Division	Increase over FY 21
Administration	\$972,771
Division of Criminal Investigation (DCI)	\$4,053,288 (\$1.1 Million of this is for seven special agent II's)
Narcotics Enforcement	\$288,371
Fire Marshal	\$217,640
State Patrol	\$2,890,316
Office to Combat Human Trafficking	\$47,325
Public Safety Equipment Fund (This is a new fund)	\$2,500,000

- State Public Defender increase of \$2,338,738. This is intended for hiring at least an additional 10 FTEs (attorneys) to place in rural courthouses for representation of indigent defendants. There is an increase of \$199,926 to the Indigent Defense Fund, which is administered by the State Public Defender.
- Iowa Law Enforcement Academy increase of \$101,835. This will allow for hiring an additional law enforcement officer and to cover costs to implement [HF 2647](#), the Criminal Justice Reform Act.
- Homeland Security and Emergency Management increase of \$548,366 (\$400,000 of that is for a Levee Systems Efficiency Study).
- Department of Public Defense increase of \$488,461. This increase provides funding for various deferred maintenance projects and helps refill unfunded FTE positions.
- Civil Rights Commission increase of \$65,819.
- Criminal and Juvenile Justice Planning (CJJP) increase of \$61,969.
 - There is also \$140,000 appropriated to Criminal and Juvenile Justice Planning to funnel through a grant to a city with a higher than average juvenile crime rate. This language was initially put in the Justice System Budget two years ago and the intention (by the Republicans) was that this grant was to go to Davenport. But for the last two years, the grant has gone to Des Moines. So, the language in this bill has been changed, apparently in an effort to ensure that the grant goes to Davenport.
- Board of Parole increase of \$45,474.

MISCELLANEOUS:

Attorney General and the Second Injury Fund: This Division increases the amount that may be provided to the Attorney General as reimbursement from the Second Injury Fund for representing the State Treasurer in proceedings arising under the Second Injury Compensation Act.

Significant Language in the Bill and FTE Changes:

- Adds an additional two FTEs to the Victim Assistance Division of the Attorney General's Office for implementing the Sexual Assault Forensic Exam bill. These FTEs will be paid for with federal grant funding.
- Adds language relating to special agent II's (gaming enforcement officers). Seven licensees with the lowest adjusted gross receipts will only be required to pay for two special agent II's for their facility. Previously, every gaming facility had to pay for three FTE agents. The remaining seven special agents will be paid for out of the Department of Public Safety general fund appropriation.
- Creates a new Bureau of Cyber-Crime within the Division of Criminal Investigation of the Department of Public Safety. The bureau will investigate crimes with a nexus to the internet or computer technology, including child exploitation and cyber intrusion. This will add seven additional FTEs.
- Creates a Department of Corrections Survivor Benefits Fund using lottery revenues. The Department will distribute moneys credited to the fund in the form of grants to nonprofit organizations that provide resources to assist surviving families of employees of the Department of Corrections killed in the line of duty to help pay costs

of accident or health care coverage. The governing body of the state will permit continuation of existing health insurance coverage for the surviving spouse and each surviving child of an employee of the Department of Corrections who dies and who is reasonably expected to be an “eligible employee”.

- Increases the hourly rates by \$3 per hour for Indigent Defense Fund contract attorneys who do criminal cases. Class “A” felonies - \$76 per hour; Class B felonies - \$71 per hour; all other types of cases - \$66 per hour.
- Increases the amount of the appropriation from the Consumer Education and Litigation Fund by \$500,000 and two FTE positions in the Attorney General Administrative Services Division.

[Senate 5/18: 47-0 (Excused: Hogg, Nunn, Williams); House 5/17: 53-36; Gov signed 6/8]

HF 862—Rebuild Iowa Infrastructure Fund (RIIF) Budget

HF 862 makes appropriations to state departments and agencies from the Rebuild Iowa infrastructure Fund (RIIF) and the Technology Reinvestment Fund (TRF), the Sports Wagering Receipts Fund and the Autism Support Fund. The legislation also fully funds standing appropriations of \$42 million to the Environment First Fund and \$3 million to the State Housing Trust Fund.

DAS

Statehouse Corner Domes projects: \$5,250,000; FY23 - \$5,250,000

Capitol Complex Security Cameras: \$250,000

IDALS

Water Quality Initiative Fund: \$5,200,000

Dept. for the Blind

Boiler replacement: \$139,100

Corrections

Clarinda Treatment: Remodel, expand kitchen and visitation areas: \$5,242,619; FY23 - \$4,000,000

Cultural Affairs

Great Places: \$1,000,000

Strengthen Communities Grants (YMCAs): \$250,000

Harold “Pie” Keller memorial statue Poweshiek County: \$15,000

Iowa Economic Development Authority

CAT Grants: \$5,000,000

Vacant Buildings Demolition Fund, FY22 adjustment: less \$250,000; FY23 - \$1,000,000

Vacant Buildings Renovation Fund, FY22 adjustment: less \$250,000; FY23 - \$1,000,000

Both Funds have previously enacted FY22 appropriations of \$1,000,000 each

State Wagering Tax Fund: to IEDA/Sports Tourism Program, FY22: \$1,500,000

Adds “professional sporting events” (any sporting events for which competing athletes are paid) to definition of entities eligible to apply. Policy language to Sports Tourism (proposed by IEDA/IFA):

- If an applicant applies for more than one project in a fiscal year, IEDA can request additional financial information to substantiate the need for additional projects.
- Limits projects to spanning two fiscal years and eliminates the ability to apply for a renewal of financial assistance. Previously, projects could span multiple years and apply for a renewal of financial assistance.
- Caps financial assistance awarded for any one project to not more than 50% of total project cost.
- Caps financial assistance awarded to any one applicant to \$500,000 in any fiscal year.
- Allows IEDA to use up to 5% of funds in the beginning of the fiscal year for administrative costs, technical assistance and program costs.

Homeland Security and Emergency Management - School safety, flood mitigation, emergency services programs, FY22 - \$2,500,000; FY23 - \$2,000,000 (no specific language for RAVE)

Human Services

Eldora State Training School: Convert open dorm space to individual rooms - \$6,500,000

ChildServe Behavioral Analysis treatment facilities, FY22 - \$750,000*

*Autism Support Fund, Department of Human Services transfer of \$750,000 to RIFF

Judicial

County courthouses furniture and equipment purchases: \$2,522,990

Polk County Courthouse: Funds appropriated in FY17 remain available until the end of FY22.

Natural Resources

Lake Restoration - \$9,600,000

State Parks - \$2,000,000

Water trails, low head dam safety grants - \$1,000,000

Community Forestry Grant Program - \$250,000 grants to local organizations' tree-planting projects to replace trees lost to the derecho

Fort Atkinson State Preserve *to get Federal matching funds awarded* - \$100,000

On-stream impoundment restoration fund - \$500,000

Recreational lakes, waterbodies owned by the public or organizations; DNR must determine if proposed project improves water quality (e.g., Lake Delhi)

Buchanan County Infrastructure improvements, Fontana Park/Hazleton - \$150,000

Public Defense

Major Maintenance, armories - \$1,000,000

Improvement projects, Readiness Centers, installations - \$1,000,000

Camp Dodge improvements - \$250,000

Construction of West Des Moines Readiness Center - \$1,800,000; FY23 and FY24 - \$1,850,000 each year

Public Safety

Statewide Communications System (Interop) lease-purchase payments - \$4,114,482

New: DPS Public Safety Equipment Fund - \$2,500,000 (*Fund created in [HF 708](#)*)

Regents

Tuition Replacement - \$28,100,000

Student Innovation Center at ISU: Reallocates \$2,000,000 from FY22 to FY23

Transportation

Recreational Trails - \$1,500,000

Public Transit - \$1,500,000

Railroad Revolving Loan Fund - \$1,000,000

Commercial Airports - \$1,900,000 (Burlington, Cedar Rapids, Des Moines, Dubuque, Fort Dodge, Mason City, Sioux City, Waterloo)

General Aviation - \$1,000,000 (public-use airports)

Treasurer

County Fairs infrastructure projects, distributed equally to all county fairs - \$1,060,000

Technology Reinvestment Fund (TRF)

Appropriates \$17,700,000 from the General Fund to the TRF.

Corrections

Data, video storage area network replacement - \$210,000

Education

ICN maintenance, lease - \$2,727,000

Statewide Education Data Warehouse - \$600,000

Iowa Public Broadcasting Service (IPBS) equipment replacement, tower maintenance - \$1,998,600

Homeland Security

"Alert Iowa" statewide messaging system - \$400,000

Human Rights

Criminal Justice Information System (CJIS) development, implementation - \$1,400,000

Justice Data Warehouse maintenance, hosting - \$187,980

Human Services

State Poison Control Center - \$34,000

Iowa Ethics and Campaign Disclosure Board

Candidate electronic reporting system upgrades - \$500,000

Inspections and Appeals

Foster Care Registry - \$350,000

Judicial Branch

Upgrade county courthouse phone systems to VoIP - \$433,100

Management

Transparency project – searchable budget, financial information - \$45,000

Local Government Budget & Property Tax system upgrades - \$120,000

Electronic Grant Management single-portal system development, implementation - \$70,000

Socrata Software License for data.iowa.gov - \$371,292

Public Defense

Upgrade computer, core server hardware; purchase laptops - \$100,000

Public Safety

Criminal History Recording System replacement - \$600,000

Human Trafficking Prevention program/DPS training for hotels, motels - \$98,000

Oracle Database Replacement - \$280,000

HQ Data Center uninterrupted power supply protection, replacement - \$74,000

Revenue

Tax Administration System web-based modernization - \$4,070,460

FY22 v. FY21 Difference \$75 million (includes the \$21 million for Workday supplemental)
FY22 Senate FTEs 1,157 (Enacted FY21: FTEs: 1,156)

General Fund Highlights

- **Broadband (OCIO):** \$100 million over three years. (Governor: \$150 million/year for three years)
- There is no appropriation for **Workday** in FY22 in this budget. (It's in the RIF budget.)
- **DAS/Utilities:** An increase of \$1,456,271 FY22 for a total of \$5.3 million. This increase is needed as utility rates continue to rise. Any money that is not spent in FY20 will carry forward for utility costs in FY23.
- **Public Information Board:** \$15,000 increase for office expenses
- **Campaign & Disclosure:** \$52,000 increase to cover personnel and web reporting updates. Requires the Board to revert moneys back to the General Fund at the end of the fiscal year in an amount equal to what the Board receives for information technology-related expenses through the IOWAccess Revolving Fund, but not to exceed \$12,600.
- **Terrace Hill Operations:** An increase of \$43,000 from FY21 for maintenance and care.
- **Secretary of State:** \$250,000 increase to restore to FY20 level due to cuts from FY21.
- **DIA:** Nursing home inspections are not at the level Senate Democrats had for elder safety.
- **CASA:** GOP level does not cover all 99 counties like Senate Democrats had for child protection.

New Language:

- **Insurance Division:** \$75,000 for FTE to investigate financial exploitation (Commerce Revolving Fund)
- **Racing and Gaming Commission:** \$200,000 from the gaming regulatory fund for socioeconomic study on the impact of gambling in Iowa. This happens every 10 years.
- **Racing and Gaming Commission:** Strikes language requiring the Racing and Gaming Commission Regulation to use their appropriation for website construction and maintenance.
- **DIA:** Coordinate with the Investigations Division of the Department of Inspections and Appeals to **provide a report** to the Legislature by December 1, 2021, regarding the Division's investigatory efforts related to fraud in public assistance programs
- **Language originally in [SF 417](#) (from Senate State Government and referred back to State Government)**
 - Eliminate \$2 fee for a copy of the US Census results by anyone.
 - Eliminate \$3 for a certificate with the seal attached.
 - Eliminate \$25 per day prior to issuing a transient merchant's license.
[Senate 4/28: 47-0 (Excused: Hogg, Nunn, Schultz); House 4/21: 55-37; Gov signed 5/24]

[HF 868](#) – Education Appropriations

[HF 868](#) is the FY22 budgets of the Department of Blind, College Student Aid Commission, the Department of Education and the Board of Regents. It appropriates \$972.4 million, which is an \$26.4 million increase over last year.

Department for the Blind: \$529,000 increase. This includes \$201,000 to cover the State match to draw down federal funding for a 4Plus Program to serve high school graduates that still have Individualized Education Program (IEP) goals or transition needs, and \$78,000 to add one Independent Living Team teacher.

College Student Aid Commission: \$11.8 million increase, total of \$85.7 million and 16% increase. The largest part of this increase is a \$10 million increase for the Future Ready Last Dollar Scholarship.

- **Health Care Professional Recruitment (Doctors): Increase of \$100,000, a 25% increase.** This program was only for Des Moines University. This year, [HF 196](#) expanded eligibility to all medical students in Iowa.
- **Health Care Loan Repayment Program (Nurses): \$0 increase.** Targets qualified student loans of registered nurses, advanced registered nurse practitioners, physician assistants, and nurse educators who practice full-time in a service commitment area or teach in Iowa.
- **Rural Primary Care Loan Repayment Program: Increase of \$300,000,** a 21% increase. Originally targeted to physicians, but expanded into other health-related professions.
- **All Iowa Opportunity Scholarship:** Status quo funding of \$3 million. Language includes private college eligibility.

- **Policy Changes:** Adds surviving step children to the All Iowa Opportunity Scholarship and adds the children and stepchildren of Department of Corrections employees to the priority list.
- **Future Ready Last Dollar Scholarship:** Increase of \$10 million, a 77% increase. The program provides financial aid to students attending community colleges. It's focused on credentials/associate degrees that lead to high-demand jobs. Eligibility is for recent high school graduates or adult learners age 20 or older.
 - **Transfers:** Transfers \$54,000 from the Future Ready Iowa Skilled Workforce Grant Fund and \$700,000 from the Future Ready Iowa Grant Fund to the Future Ready Last-Dollar Scholarship Fund.
 - **Iowa Tuition Grant:** Increase of \$1.2 million, a 2.5% increase. Priority is given to applicants demonstrating the greatest need, with the average award being almost \$5,000.
- **Policy Change:** Increases the barber and cosmetology award cap from \$80,000 to \$100,000.

Community Colleges: \$6.5 million increase, for a total of \$215 million (a 3.1% increase).

Board of Regents: \$0 increase. Regents requested an increase of \$18 million for FY22, which would have limited tuition increases to 3%. Last year, the Republicans *cut* the Regents by \$8 million. Higher Education Institutions do receive federal COVID relief money but half of that goes directly to student relief checks.

- No tuition freeze, but prohibits the Regents from reducing the universities' FY22 police department budgets.
- Specialty schools get a 2.4% increase, matching SSA.
- Specifies a \$150,000 increase for ISU Extension is to host the National Association of County Agricultural Agents 2023 national meeting.
- **Interim Request:** Requests the Legislative Council to establish an interim study committee to look at the Board of Regents' administrative costs, staffing allocations and levels, and graduation and student retention rates for each academic program at each Regent institution.

Department of Education: An increase of \$7.1 million, for a total of \$314 million funding. Key increases are highlighted below. All other lines are status quo from last year's appropriation.

- **Early Childhood Iowa (ECI):** Increase of \$544,000. **ECI Policy Changes:** Requires the ECI State Board approval for expenditures for professional development and training activities. Eliminates the requirement of using funding estimates when identifying available funding and changes the allowed use for administration from 3 to 5%.
- **Nonpublic Textbooks:** Increase of \$200,000 (30% increase). Provides funding for textbooks for students attending accredited nonpublic schools. **Policy Change:** The bill increases funding to \$30 per student (up from \$25).
- **IJAG:** \$2 million increase (75% increase). The iJAG Program had a nine-year average annual appropriation of \$472,000. Most recently, it received \$2.7 million.
- **Children's Mental Health (AEAs/teacher training):** Increase of \$1 million, \$3.2 million total appropriation. Goes to train teacher and educators to detect potential mental health issues in students and determine follow-up. **Policy Change:** Creates a one-year grief and loss rural pilot project and provides \$83,936 to "an existing statewide not-for-profit health care organization that provide grief counseling" to serve up to 375 children who lost a parent in up to seven rural school districts.
- **Iowa Reading Research Center (IRRC): Policy Change:** Allocates \$250,000 from the Iowa Reading Research Program to establish and continue oversight of the advanced dyslexia specialist endorsement and requires a report on expenditures for FY22.
- **Therapeutic Classrooms:** New \$2.6 million. The bill matches the Governor's level increase for classroom training, funds the Therapeutic Classroom Incentive Fund and Transportation Fund.

Vocational Rehabilitation Division: \$300,000 increase. Vocational-Rehab gets a state-federal match of 21% to 79%. The \$300,000 increase will generate \$1.1 million new federal funds. This money will be used for vocational-rehabilitation services to juveniles with disabilities within the Iowa correctional system.

Iowa PBS: \$100,000 increase to restore, catalogue and digitize video archives.

Skilled Worker and Job Creation Fund (SWJCF) is funded with gaming revenue. It includes most community college job training and tuition assistance. Status quo funding for FY22 is \$40.3 million.

Policy and Statute Changes:

- **Pre-School Fix:** Creates a grant program that requires SBRC approval to access funds. School districts may apply to the SBRC for a modified supplemental amount if the district has more preschool students in 2021-2022 than they did in 2020-2021. Any district with an ending balance in their PreK fund of 25% of total budget or more, “may” be considered for additional funding. If a district has less than 25% of their PreK budget in reserves, they “must” be approved for additional funding. The money is supposed to come from the Governor’s federal Covid funds.
- **Task Force on Teacher Recruitment:** Requires the DE and iJAG to convene a task force on growing a diverse teacher base in Iowa. The bill specifies the membership of the task force and its duties and requires a report of its findings and recommendations by December 15.
- **Operational Sharing Expanding Positions:** Allows mental health professionals who hold a statement of professional recognition issued by the BOEE to participate in operational sharing.
- **Forgives the day of school** that Independence School District was closed to host the funeral for Sergeant Jim Smith.

New Accreditation and Penalty Code Sections:

- Requires the DE to add to its website general guidance for parents and community members who have concerns about school districts or their governing boards.

Phase I monitoring – NEW language lists out specific requirements and suggestions, as opposed to current Code which is more general and doesn’t require an on-site visit. NEW Phase I monitoring may include the following:

- A review of district finances and school board policies by DE staff or a neutral third party.
- DE must provide a public report annually of findings of noncompliance and required corrective actions for each accredited school and school district.
- DE must provide a written report annually to the State Board of any monitoring review resulting in multiple or substantial findings of noncompliance that remain uncorrected for more than 30 days.

Phase II monitoring must take place when either the annual monitoring or the biennial on-site visit of phase I (currently this is every 5 years) indicates a school is deficient with accreditation standards.

Enforcement:

- DE must coordinate its enforcement of Ch. 216 with the Iowa state civil rights commission to reduce duplication of efforts. Note: This is new language and unclear what this will mean in practice.
- If, after having an opportunity to correct, a school district is found to be in noncompliance with federal education laws or [HF 744](#) (free speech), or [HF 802](#) (prohibition on certain diversity training and education), the director must recommend that the state board may do one of the following:
 - a) Impose conditions on funding, including directing the use of school district funds.
 - b) Withhold payment of state or federal funds to a school district, in whole or in part, until noncompliance is corrected. Initial withholding of state funds is at the discretion of the director for 60 calendar days, after which it is subject to approval of the State Board every 60 calendar days. Withholding of federal funds is subject to the governing federal statute or regulation.

Petition for public hearing: If 10% of voters who voted in the last school board election or 500 eligible electors, whichever is less, sign a petition, the school board must add that agenda item and public comment to the next school board meeting. If the proposal relates to curriculum, the school district may halt use of the curriculum until the school board holds the public hearing and decides on the proposal.

Discipline and personal conduct standards: A school district must include in the student handbook the same info

required on the DE website for parents and community members who have concerns about school districts or their governing boards.

Training for equity coordinators:

- The DE director must develop and distribute to school districts “standards of practice” for equity coordinators. To provide “consistency in training,” the director must develop and distribute a training program on free speech to be used by school districts annually.
- A school board must provide training on free speech under the First Amendment to the U.S. Constitution to any equity coordinator employed by the school district annually.

BOEE: Must establish, collect and assess fees from a school administrator for the administrative costs of processing complaints and conducting hearings if the administrator is sanctioned by BOEE. The fees established for the administrative costs of processing complaints and conducting hearings may include a fee for personal service by a sheriff, a fee for legal notice when placed in a newspaper, a court reporter fee and any other fees. The fees collected must be retained by BOEE

[Senate 5/18: 28-17, party-line (Excused: Goodwin, Hogg, Johnson, Nunn, Williams); House 5/18: 54-35; Gov signed 6/8]

HF 871—FY22 Economic Development Budget

HF 871 is the Republican FY22 Economic Development budget. It provides funding for the Department of Cultural Affairs, Iowa Economic Development Authority, Iowa Finance Authority, Iowa Workforce Development, Public Employment Relations Board, and economic development activities at the Regents institutions. The bill provides approximately \$48 million from the General Fund and \$28 million from other funds.

The bill authorizes 556.68 FTEs, which is a 2.39 increase in FTEs over FY21.

FY22 General Fund Appropriation	\$48 million
FY21 General Fund Appropriation	<u>\$41.5 million</u>
Difference	\$6.4 million
Percent change	15.45% increase

Items of interest in the bill:

General Fund

- **General Fund status quo** for the Department of Cultural Affairs, Iowa Finance Authority and the Public Employment Relations Board.
- **Iowa Economic Development Authority:** \$1 million increase from FY21.
 - Future Ready Apprenticeships Program: \$240,000 *decrease* from FY21.
 - NEW--Regional Sports Authority: \$500,000, NEW General Fund line item. In FY21, this program was funded out of RIIF.
 - NEW--Butchery Innovation and Revitalization: \$750,000, NEW General Fund line item. The purpose of financial assistance to meat processing businesses, licensed custom lockers and mobile slaughter units. See HF 857 regarding the Butchery Innovation and Revitalization Program Bill.
- **Iowa Workforce Development:** Increase appropriation to the **Future Ready Iowa Employer Innovation Fund (including the Child Care Challenge Fund) of \$3 million over FY21**
 - \$4.2 million is appropriated to the Employer Innovation Fund (increase of \$3 million over FY21). According to the Code, IWD, after consulting with the IWD Board, will decide how much will be transferred to the Child Care Challenge Fund. Child Care Challenge grants will encourage and enable businesses, nonprofits and consortiums to establish local child care facilities and increase the availability of quality, affordable child care for working lowans.
- **Board of Regents: \$2.4 million increase** from FY21
 - **UNI**—Additive Manufacturing: status quo
 - **ISU**—Biosciences Innovation Ecosystem: \$1.8 million increase (total = \$2.6 million)

- **University of Iowa**—Biosciences Innovation Ecosystem: \$603,339 increase (total = \$874,494)

Other Funds

Other funds appropriated in this bill consist of the Skilled Worker Job Creation Fund, Special Contingency Fund (i.e., Penalty and Interest), Unemployment Reserve Interest, Workforce Development Account (withholding dollars), and Beer and Liquor Control Fund.

Skilled Worker and Job Creation Fund - Iowa Economic Development Authority

- **Empower Rural Iowa:** The budget shows an **elimination/reduction** of \$300,000 and \$100,000 to the **Empower Rural Iowa Innovation Grants** and **Empower Rural Iowa Housing Needs Assessment**. Then it shows a **new line item** called **Empower Rural Iowa Program funded at \$700,000**. The Rural Innovation Grants and the Rural Housing Needs Assessment will roll under this larger program.
- **STEM BEST: A new appropriation** for the Future Ready Iowa **STEM BEST** (Businesses Engaging Students and Teachers) Program. The STEM Advisory Council has awarded 75 STEM BEST Program grants since 2014 to grow community collaborations involving school and business partnerships. The program seeks to bridge cultures between businesses and schools through education programs in the fields of manufacturing, information technology, bioscience, finance and more, while focusing on business applications. **The new appropriation is \$700,000.**
- **NEW Tourism: \$1 million transfer from the Department of Commerce Beer and Liquor Control Fund to the Iowa Economic Development Authority.**
 - This is a Code change and the transfer of \$1 million to IEDA will happen annually.
 - Requires IEDA to issue a single request for proposal to select an Iowa entity to leverage public and private partnerships to market and promote the state as a travel destination.
- **NEW 260F Job Training Funds: \$1.75 million**
 - Increases the standing limited appropriation from the Workforce Development Account to the Job Training Fund by \$1.75 million compared to FY21.

College Student Aid Commission

Elimination of \$1 million to the Future Ready Iowa Grant Program at the College Student Aid Commission. The Fund was established to help those who left college to re-enroll in a four-year institution for a bachelor's degree in a high-demand field. This line item had a carryover of \$300,000 into FY21 (total available for FY21=\$1.3 million). Currently, only \$100,000 has been awarded in FY21.

Significant Policy included in this bill

- **Butchery Innovation and Revitalization Program:** Specifies that appropriations to the Butchery Innovation and Revitalization Program are effective July 1, 2021.
- **Broadband Access, Certifications:** Creates the Broadband Forward Certification and Telecommuter Forward Certification Programs within the IEDA. The bill clarifies who the Office of the Chief Information Officer (OCIO) is to consult and coordinate with to provide for installation of fiberoptic network cable. Establishes definitions for the Broadband Forward Certification Program and Telecommuter Forward Certification Program. Establishes the Broadband Forward Certification Program and Telecommuter Forward Certification Program within the IEDA. Directs IEDA to develop criteria for evaluating applications for both the Broadband Forward Certification Program and the Telecommuter Forward Certification Program.
- **Unemployment Work Search Requirements Waiver/Short-Term Temporary Layoff:** Allows Iowa Workforce Development (IWD) to establish by rule a process to waive or alter work-search requirements for an unemployment claim if an individual has a reasonable expectation that they will be returning to work and is attached to a regular job or industry or a member in good standing of a union eligible for referral for employment. The individual must be attached to a regular job on a "short-term temporary layoff." If work is not available at the conclusion of the layoff due to short-term circumstances beyond the employers' control, the employer may request an extension of the waiver or alteration for up to two weeks. The bill defines "short-term temporary layoff" as a layoff period of 16 weeks or less due to seasonal weather conditions that impact the

ability to perform work related to highway contraction, repair or maintenance with a specific return-to-work date verified by the employer. This change is effective upon enactment.

- **Board of Review—Member Removal:** Allows the director of Revenue to remove members of Boards of Review (these local boards oversee assessors) when they are not in compliance with the law, an administrative rule, director’s orders or an order of any court. Previously, the DOR director had the power to issue orders to these Boards but no way to enforce the orders. Board of Review members who are subject to removal can request a hearing prior to the removal. An order removing a member is subject to judicial review in accordance with Chapter 17A. The director of Revenue will adopt rules to implement this section.
- **National Electrical Code:** Mandates the state electrical examining board use the 2020 national electrical code, which was effective May 1, 2021, until there is another edition of the nation electrical code or there are subsequent amendments issued and adopted to the 2020 version of the national electrical code.

[Senate 5/18: 44-0, (Excused: Goodwin, Hogg, Johnson, Nunn, Schultz, Williams); House 5/18: 54-36; Gov signed 6/8]

HF 891—FY22 Human Services Budget

HF 891 provides funding for the Department of Human Services (DHS), including Medicaid; Department of Public Health (IDPH); and Veteran’s Affairs, including the Veteran’s Home. It appropriated \$2,047,813,669, an **increase of \$59,370,842 over FY21.**

No supplemental appropriation was necessary for Medicaid due to the enhanced FMAP rate provided during the Public Health Emergency.

General Fund	Est. FY21	Gov FY22	Senate Repub FY22	House Repub FY22	FY22 FINAL	Diff FINAL 22 vs FY21
Aging	\$12,314,203	\$12,314,203	\$12,453,903	\$12,314,203	12,453,903	139,700
IDPH	\$53,995,021	\$55,576,402	\$56,826,402	\$55,136,402	\$56,136,402	2,141,381
VA	\$4,219,763	\$4,219,763	\$11,351,315	\$11,651,285	11,351,315	0
DHS	\$1,910,782,288	\$1,964,262,731	\$1,944,862,731	\$1,968,691,189	\$1,967,872,049	57,089,761
TOTAL	\$1,988,442,827	\$2,043,504,651	\$2,025,494,351	\$2,047,793,079	\$2,047,813,669	59,370,842

Increases

Department on Aging

- Department on Aging and the Office of Long-Term Care Ombudsman receive no increases and are funded at the FY21 level.
- An increase of \$137,900 is provided to the Retired Senior Volunteer Program (RSVP) through the Iowa Commission on Volunteer Services at the Economic Development Authority.

Department of Public Health

- \$35,000 increase for PKU food.
- \$425,000 to create two Centers of Excellence programs to encourage innovation and collaboration among regional health care providers.
- \$1 million (for a total of \$1.6 million) to Iowa Prescription Drug Corporation for one-time funding to support program expansion and implementation of an automated multi-dose packaging system using unused and donated drugs.
- \$200,000 (for a total of \$600,000) to the Rural Psychiatric Residency Program.
- \$381,381 for three additional FTEs at the State Medical Examiner’s Office: one physician, one investigator and one support staff.

Veteran's Affairs - Veteran's Affairs, including the Home Ownership Assistance Program, Veteran's County Grants and the Iowa Veteran's Home, received no increases for FY22 and remain at the FY21 funding level.

Department of Human Services

- \$1 million increase to FaDSS (Family Development and Self Sufficiency Program)
- \$1,075,072 for Child Support Recovery Unit for administrative cost increases and replacing federal incentive funds
- \$358,659 for Children's Health Insurance to fully fund the program at the March forecast estimate
- \$1,367,580 for the Boys State Training School in Eldora for a Youth Services Worker Recruitment and Retention program (\$670,203); carryforward replacement (326,679); administration (290,520); and salary costs (80,178)
- \$1,211,629 for Cherokee Mental Health Institute to replace carryforward (\$1,046,132); administrative increases (\$102,093); and salary costs (\$63,404)
- \$450,735 for Independence Mental Health Institute to replace carryforward (\$367,740); administrative increases (61,218); and salary costs (41,210)
- \$1,324,577 increase for Woodward Resource Center and a \$1,897,994 decrease for Glenwood Resource Center that includes increases for administration, salary and replacing funds, as well as a shift of patients from Glenwood to Woodward
- \$1,573,162 for the Civil Commitment Unit for Sexual Offenders (CCUSO) to replace carryforward (\$1,718,762); annualize salaries (\$77,698)
- \$4,996,269 for Field Operations to replace carryforward (\$2,245,801); replace one-time revenue for new FTEs in FY21 (\$1,301,137); 53 new FTEs over two years (\$765,685); salary costs (\$382,899); and administrative increases (\$300,747)
- \$769,656 for General Administration
- \$800,000 for Nursing Home Infrastructure (transfers this expense to General Fund from RIIF)
- \$53,039,410 for MHDS Regions [*not in this bill—see [SF 619](#)*]

Medicaid

- \$19,080,860 increase for nursing facilities
- \$11,002,240 for Home and Community Based Services provider rate increases; approximately a 5.25% increase
- \$3.9 million for Psychiatric Medical Institute for Children (PMIC) provider rate increases, a 27% increase.
- \$100,000 for air ambulance provider rate increase. Medicaid rates are much lower than Medicare and Commercial.
- \$2 million increase for Home Health rates
- \$7,134,214 increase for Home Based Habilitation rates
- \$1,031,530 to reduce the Children's Mental Health Waiver waiting list

Policy Included in Budget Bill

- Telehealth parity (in tax bill, [SF 619](#))
- Child Care Assistance Graduated Eligibility Phase Out (in [HF 302](#))
- Psychiatric bed tracking study (passed as [SF 524](#))
- Applicants for the Center of Excellence Program will be required to complete a five-year sustainability plan prior to being awarded any funds
- DHS must comply with CMS guidance related to receiving the 6.2% enhanced FMAP and return to normal eligibility and enrollment operations as soon as possible
- Use of HCBS technical assistance and training funds is broadened so funds can be used to include all waivers and children.

- DHS is instructed to increase child care provider rates as required by federal guidelines with available funding. The rates will move to the 50th percentile of the most recent survey and adjustments to the Quality Rating System will be made. Child Care Assistance provider rate increases; no money is included for this as DHS has enough money to do the increase and the increase is federally required.
 - Carryforward language for DHS general administration and Field Operations.
 - Public Health Emergency Provisions - Federal COVID 19 regulations take precedence (over any state policy)
 - DHS must provide home and property coverage for foster parents to cover damages by foster children.
 - Polk County can transfer funds from any other fund for mental health services.
 - This year's nursing facility rebasing will not be typical calculations due to decreased occupancy during the pandemic but will go back to normal in the next round.
 - DHS must convene a workgroup to study and make recommendations on the case-mix reimbursement methodology and process for nursing facilities.
 - The pharmacy dispensing fee is increased to \$10.38. The Governor did not item veto section 31 of [HF 891](#), but she did issue a directive that will prevent part of the section from being implemented. The section relates to pharmacy dispensing fee reimbursements. Her directive allows the increase from \$10.07 to \$10.38 across the board for fee-for-service and managed care to go into effect, but it does NOT allow the MCOs to negotiate a lower rate with the national pharmacy chains.
 - DHS must amend MCO contracts to allow for a fee-for-service dispensing fee of \$10.07 per prescription or a dispensing fee mutually agreed to by the MCO and national pharmacies. If this section is not implemented, the increase to \$10.38 will not happen.
 - DHS must review and report on laws and rules related to the telehealth provision of services for Medicaid kids to determine necessary changes to maintain consistency with the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) program. Report due October 1.
 - Extends the Hospital Health Care Access Assessment to the end of FY23.
 - Expands requirements for payment of court-ordered services by the MCOs for children. DHS and the Court Administrator must determine allocations among Judicial Districts and DHS service areas by June 15.
 - Supervision requirements for some social workers.
 - Medical Residency Liability Costs
 - Revisions to IPOST (Physician Orders Scope of Treatment)
 - Three new FTEs for Medicaid
- [Senate 5/17: 43-1 (No: Hogg; Excused: Celsi, Goodwin, Johnson, Nunn, Schultz, Williams); House 5/17: 54-35; Gov signed 6/16]*

[HF 895](#)—Federal Block Grant

[HF 895](#) authorizes the receipt and expenditure of the federal block grant funds totaling \$368.1 million for Federal Fiscal Years (FFY) 2022 and \$368.1 million FFY23. The federal fiscal year begins on October 1. The federal fund levels listed in the bill are based on estimates.

Procedures for reductions or increases of federal funds: The bill specifies how funds will be allocated should the federal funds received be less or more than what is anticipated. If Iowa receives less money (other than the funding for the service to victims of sex offenses and for rape prevention), the Governor must prorate the allocated funds after notifying the Legislature (specifically, chairs and ranking members on Appropriations and appropriate subcommittees) and Legislative Services Agency. The notification must include the allocation plan and the reasoning behind the plan. The chairpersons and ranking members have at least two weeks to review and comment on the proposed action before it is taken. If federal funds are awarded or become available after the Legislature adjourns, they are appropriated to the appropriate department for expenditure, provided the Legislative Council is notified within 30 days of receipt of funds

and given an opportunity to review funding and provide comment. The bill also allows for the receipt and expenditure of categorical grants to various state departments.

Programs appropriated: Appropriations include funds for the Substance Abuse Block Grant, Community Health Services, Maternal and Child Health Services, Preventive Health and Health Services, Stop Violence Against Women Grant Program, Residential Substance Treatment for State Prisoners Formula Grant Program, Edward Byrne Memorial Justice Assistance Grant Program, Community Services, Community Development, Surface Transportation Block Grant Program, Low-Income Home Energy Assistance, Social Services (DHS field operations, child and family services, local administrative costs, volunteers) and Child Care and Development.

The bill is similar to the federal block grant bill from 2019. Most differences involve appropriation amounts and new language for certain grants related to Iowa Economic Development Authority (IEDA). Specifically, money is appropriated to IEDA for the Community Development Block from the Disaster Relief Act of 2019. These funds are for FFY18-FFY19. The funds for this grant were not finalized until a later date, thus requiring this language in the federal block grant bill. The bill also includes an appropriation for the Community Development Block grant from the Coronavirus Aid, Relief and Economic Security Act (CARES) for FFY19-FFY20.

Coronavirus Fiscal Recovery Fund: The bill creates an Iowa Coronavirus Fiscal Recovery Fund in Iowa Code. This Fund consists of funds received as part of the American Rescue Plan Act (ARPA) of 2021. The estimated amount of funds that will be deposited into this fund is \$1.4 billion. Moneys in the Fund are appropriated to the Office of the Governor and will be used, expended, granted or transferred as determined by the Governor for any of following purposes:

- a. To respond to the public health emergency and its negative economic impacts, including assistance to households, small businesses, nonprofits or impacted industries.
- b. To respond to workers performing essential work during the public health emergency by providing premium pay or grants.
- c. For provisions of government services to the extent revenue was reduced due to the public health emergency compared to revenues collected in FY19.
- d. To make necessary investments in water, sewer or broadband infrastructure.

Coronavirus Capital Projects Fund: The bill creates an Iowa Coronavirus Capital Projects Fund in Iowa Code. This fund consists of funds received as part of the ARPA. Moneys in the Fund are appropriated to the Office of the Governor and will be used, expended, granted or transferred as determined by the Governor. The bill specifies moneys are to carry out critical capital projects directly enabling work, education and health monitoring, in response to the COVID-19 public health emergency.

Coronavirus Relief Fund Reporting: The bill specifies that whenever the Department of Management is required to report to the U.S. Treasury on the funds related to the coronavirus relief, those reports will be submitted to the Legislative Services Agency as well.

[Senate 5/19: 48-0 (Excused: Nunn, Williams); House 5/7: 86-1; Gov signed 6/8]