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To: Iowa Academy of Family Physicians
From: David Adelman, Matt Hinch, Sara Allen & Frank Chiodo - Cornerstone Government Affairs
Date: May 2021
Re: 2021 Legislative Session

This memorandum will highlight key legislative victories and changes from the 2021 Iowa legislative session.

Introduction

After a long election season, new and old members of both chambers came to the Capitol to get to work. The House Republicans increased their majority by six seats for a total of 59 members. Several of their pickups came from suburban areas and urban areas. Speaker Pat Grassley (R-New Hartford) and Majority Leader Matt Windschitl (R-Missouri Valley) were both reelected to their leadership positions. Numbers in the Senate stayed the same at 32 Republicans, 18 Democrats. The biggest changes in the Senate came in leadership after former Senate President Charles Schneider did not seek reelection. Jake Chapman (R-Adel) was elected new Senate President while Jack Whitver (R-Ankeny) was reelected Majority Leader. Senate Democrats elected Zach Wahls (D-Coralville) to be their leader this session after Janet Petersen (D – Des Moines) stepped down.

This session was unique as the State was reopening after the COVID pandemic. There were many changes to the way business was conducted, including virtual committee and subcommittee meetings in the Senate, as well as virtual “option” committee and subcommittee meetings in the House. Although various COVID protocols were in place, the pace of session was normal, with the legislature following its normal 110-day session. Although Republicans have controlled both chambers, as well as the governor’s office since 2016; several priority bills proved difficult to pass the finish line. However, the last two weeks of session proved productive, as a significant tax bill as well as budget bills were agreed to by the majority parties as the session ended. The legislature did run long, going past their per-diem number of days, and adjourned May 20th.

Beginning of Session Priorities

In January, Governor Reynolds laid out her plans for the session in her annual Condition of the State in January. Normally, the Condition of the State is done in the morning during the first week of session, but this year the Governor addressed the state in a primetime 6pm speech. In connection with that speech the Governor released her budget priorities. She had several priorities which included:



- Expanding broadband across the state by allocating \$450 million to increase broadband access to every household in the state by 2025.
- Increasing funding for mental health by \$15 million this year and another \$15 million the next year.
- Eliminating the triggers put in place during 2019 tax reform
- Appropriating \$3 million to fund public-private partnerships in developing childcare facilities, as well as using \$25 million in childcare development block grants to promote child care startups
- Beginning a review of Iowa’s licensing boards and commissions “to make sure they are serving their purpose
- Using \$1 million for Iowa hospitals and clinics to begin a “center of excellence” program that connects rural physicians with specialists
- Biofuels legislation that would encourage increased sales of biofuels throughout the state
- Back the blue legislation that would make changes to Iowa law that supports law enforcement
- Tax reform

Leadership from both chambers gave remarks on the first day of session laying out what they hoped to accomplish during the session. Topics that Republican leadership hoped to tackle included tax reform, childcare access, education reform, and responsible budgeting to help Iowa continue to recover from COVID. Both chambers encouraged their fellow Iowans that the state’s economy is healthy and credited it to the sound, fiscally conservative budgets they had both passed prior to the COVID pandemic. Democrat leaders focused on combatting COVID-19 and helping Iowans recover.

Overview of the 2021 Legislative Session

Over a thousand bills were introduced and funneled down through the normal funnel deadline process. Although many bills made it across the finish line, most bills did not. Throughout the session both the House and Senate passed their varying priority bills which focused on their versions of tax reform, child care, mental health funding, emergency medical services, telehealth payment parity,

During the last weeks of the session a massive tax deal was cut which eliminates the income tax triggers that were put in place during the 2017 income tax reform bill, eliminates the MHDS levy, and phases out the backfill dollars (more on this later).

Education reform was brought up early as a priority for Republicans but in varying formats. The Senate passed an education omnibus bill that touched on education savings accounts, charter school reform, and open enrollment caps. The House did not take up the bill as whole, instead broke it down into separate bills for each issue. The charter school ([HF 813](#)) piece passed the House 55-40 and the Senate 30-18.

The legislature also addressed broadband by passing standards as well as funding the program to the tune of \$100M. The legislature also funded several other priorities to attract workforce, eliminate the childcare cliff effect and support health care providers in the state.

Additionally, the legislature passed, and the governor, signed into law a “no mask” in schools’ provision that was included in the Education omnibus bill, on the last night of session. This essentially made mask wearing a family choice for children in K-12 schools, rather than a school district choice. The language also provided that a city or county could not mandate mask wearing. Businesses are still able to choose whether they would like to implement a mask requirement.

State of Iowa Budget

Budget Overview

Compared to last year’s budget due to COVID, the budget process was normal. In March, the Revenue Estimating Committee (REC) met and increased ongoing revenue amounts, touting strong economic factors like decreasing unemployment numbers and strong agriculture for reasons to increase revenue thresholds. The committee estimated in December that the state revenue for FY21 would be at about \$7.97 billion. The REC increased its FY21 estimate to \$8.079 billion and estimated FY22 revenues to be about \$8.385 billion, a 3.8% increase over FY21. These estimates were not enough to meet the triggers put in place in a 2018 tax bill. The two conditions that need to be met to implement these tax changes are revenue exceeding \$8.314 billion dollars and a 4% growth from one fiscal to the next.

This year, the House started the following budgets: Agriculture & Natural Resources, Education, Justice Systems & Judicial Branch, Rebuild Iowa Infrastructure Fund, and Federal Block Grants. The Senate started Administration & Regulation, Economic Development, Health & Human Services, Transportation and Standing Appropriation bill. Both chambers introduced their bills with their own internal targets, not agreed upon “global” targets. Once agreed upon targets were agreed to by both chambers, the legislature was quick to pass their budgets and complete their work. The agreed upon FY22 budget deal spends \$8.118 billion. This number is approximately \$290.6M more than FY 21. Individual budget targets were as follows:

Administration & Regulation	\$149,639,168
Ag & Natural Resources	\$48,808,895
Economic Development	\$47,998,126
Education	\$972,357,588
Health & Human Services	\$2,100,853,079
Justice Systems	\$813,755,244
State Aid to Schools & other standing appropriations	\$3,985,038,720
GENERAL FUND TOTAL	\$8,118,450,920

Budget Line Items of Interest

Unless otherwise noted, specific budget items of interest will be “status quo”. Meaning they will receive the exact same appropriation as FY 21 (no growth, no cuts). Specific budget appropriations of interest include:



Health and Human Services Appropriation Bill – [HF 891](#)

- Centers of Excellence - \$425k. This was a governor priority with a request of \$1M. The Center of Excellence program would fund a grant proposal to demonstrate regional collaboration in assessing targeted medical needs of local residents. The project would facilitate collaboration between rural hospitals and health systems to leverage resources and develop a business model for long-term sustainability
- Psychiatric Residency Program – increase of \$200k.
- Medical Residency State Matching Grant Program – increase of \$100k (total \$2.1M)
- Nursing Facility increase - \$19.08M. There was also language included in the bill that pushes out rebasing until the next rebasing cycle. Additionally, nursing facilities will have their 85% occupancy factor moved to 70%.
- Home and Community Based Provider Rate Increase - \$11M. This will increase HCBS provider rates by 5.25% This applies to all seven Medicaid waivers.
- Psychiatric Medical Institute for Children (PMIC) Provider Rate Increase - \$3.9M.
- Air ambulance increase – by \$100k
- Home Health rate increase - \$2M
- Home-based habilitation rate increase - \$7.13
- Children’s Mental Health Waiver Waitlist – a buy down of the waitlist, valued at \$1.03M.
- Nursing facility infrastructure improvement projects - \$800k.
- An increase in funding to the Iowa Rural Primary Loan Repayment program – total is now \$1,724,502 ([SF 596](#) – Education Appropriations). This represents a \$300k increase.
- Increase of \$100k for the Health Care Professional Recruitment Program to fund additional rewards. Applicants for the Health Care Professional Recruitment must complete four years of service in an eligible Iowa community. Preference is given to Iowa residents serving in communities with a population of 10,000 or less that are located in a federally designated Health Professional Shortage Area or a Governor’s Designated Rural Health Clinic County. After graduates have served four years, the College Student Aid Commission can award up to \$50,000 to reduce an applicant’s student loan debt. The State funding must be matched dollar for dollar by the local community or hospital. ([SF 596](#) – Education Appropriations).
- In the HHS budget bill, [HF 891](#), there was language included in the bill that expands the medical residency training program in IC 135.176 to include medical residency liability costs as an expense for which matching grants may be awarded for a period beginning July 1, 2021 until June 30, 2016.

Bills of Interest

Telehealth

Throughout the session, the House continually pushed for telehealth payment parity for not only behavioral health but physical health. [House File 294](#) was the bill that the House passed 95-1. The bill failed to move in the Senate as the Senate was clear they had not desire to move the bill as they believe it increases the overall cost of healthcare. Throughout the session, the House continued to amend this language on to other policy bills and put the language in their HHS budget.



At the end of session, this topic was part of final negotiations and was included in a tax omnibus bill ([SF 619](#)) that included for full telehealth payment parity for mental health services. The bill defined telehealth as “the delivery of health care services through the use of real-time interactive audio and video, or other real-time interactive electronic media, regardless of where the health care professional and the covered person are each located. Telehealth does not include the delivery of health care services delivered solely through an audio-only telephone, electronic mail message, or facsimile transmission”. The bill requires health carriers to reimbursement a health care professional and a facility for health care services provided via telehealth for a mental health condition, illness, injury or disease provided to a covered person. Health care professional was defined to mean “a physician or other health care practitioner licensed, accredited, registered or certified to perform specified health care services consistent with state law”. Health care services means services for the diagnosis, prevention, treatment, cure, or relief of a health condition, illness, injury or disease (and includes dental services).

Emergency Medical Services

Several bills that were introduced and considered by the House and Senate. The bills that were introduced were as follows:

- [HF 2602](#). A bill for an act relating to county emergency medical services by modifying provisions relating to optional taxes for emergency medical services.(Formerly HF 2434, HSB 631.)
- [HF 658](#). A bill for an act increasing certain penalties for speeding in a motor vehicle, providing for the use of the additional moneys, and including applicability provisions. (Formerly HSB 191.)
- [SF 2283](#). A bill for an act relating to authorized training programs for certain emergency medical care providers and including effective date provisions. (Formerly SSB 3139.)
- [HF 2224](#). A bill for an act appropriating certain tax receipts concerning internet fantasy sports contests and sports wagering to the emergency medical services fund.(Formerly HSB 508.)

No agreement was made on the bills above; however, at the end of the session, an agreement came together on emergency medical services. This agreement was included in the “standings” bill ([SF 615](#)). The agreement did the following: The bill allows counties or emergency services districts to deem emergency medical services (EMS) as an “essential service”. The county board of supervisors has to put it up for a vote and the county would have to vote to deem EMS an essential service by 60% (more than a majority). If the measure passes, the services can be funded through property tax levies or local option income tax. The tax is capped at 75 cents per one thousand dollars of assessed value on all taxable property within the county. A 15 year sunset was included in the bill (10 years for the 11 most populated counties in the state); requiring the measure to be revisited by the county in the future.

The tax bill increased the amount of an individual income tax credit for EMS professionals. Iowa currently offers an annual \$100 nonrefundable individual income tax credit for qualified volunteer firefighters, emergency medical services personnel, and reserve peace officers. The bill increases the maximum tax credit to \$250. The change is retroactive to January 1, 2021.

Mental Health

The tax bill changed the way that mental health services that are not Medicaid services, are paid for. The current MHDS system is a regional system managed by the counties, with State oversight. Counties finance a portion of the system with a county property tax levy that is capped at a per capita dollar amount for each of the 14 MHDS Regions, totaling \$116.8 million for FY 2021. The State finances the majority of the services provided through the Medicaid Program. The levy will be phased out over a two year period. The Bill creates a new Mental Health and Disability Services Regional Services

Fund and establishes a General Fund standing appropriation to the Department of Human Services (DHS) for distribution to the MHDS Regions performance-based contracts and the following per capita amounts:

- \$15.86 for FY2022
- \$38.00 for FY2023
- \$40.00 for FY2024
- \$42.00 for FY2025
- Beginning in FY2026 and beyond, the previous year's appropriation is multiplied by a growth factor indexed to sales tax growth for the preceding fiscal year, not to exceed 1.5%.

The bill amends provisions related to county fund balances by requiring all county fund balances to be pooled by the MHDS Region. Regional fund balances are limited to 40.0% of the preceding fiscal year's actual expenditures beginning in FY2022. In FY2023, fund balances are limited to 20.0%, and in FY2024 and beyond, fund balances are limited to 5.0%.

The bill creates a new MHDS Regional Incentive Fund to provide additional funding to the MHDS Regions and specifies the criteria in which an MHDS Region may apply for funding. The bill allows for the transfer of both funds and in-kind services from Broadlawns Hospital to Polk County MHDS for fiscal years 2021 through 2024.

This change is paid for by the property tax "backfill". The bill provides that beginning with the FY2023 payment, the General Fund standing appropriation for commercial and industrial property tax replacement for cities and counties will be phased out in four or seven years, depending on how the tax base of the city or county grew relative to the rest of the State since FY2014. Cities and counties where the tax base grew at a faster rate than the statewide average from FY2014 through FY2021 will have the backfill phased out over a four-year period from FY2023 to FY2026, while those that grew at a rate less than the statewide average will have the backfill phased out over a seven-year period from FY2023 to FY2029. School district backfill payments will be eliminated after FY2022. Taxing authorities that are not schools, cities, or counties will have their backfill payment phased out over seven years.

Broadband

COVID showed the state where access to reliable internet was a problem. The Governor laid out her proposal for expanding broadband access to all parts of the state in her Condition of the State and budget proposal at the beginning of session. She called for an additional \$450 million split up over 3 years. She also wanted to make the requirements for companies to qualify for the grants to be a minimum of 100 megabits per second upload and download speeds. [HF 848](#) laid the foundation for expanding the grant program but changed the Governor's requested requirements to a requirement of 100 megabit download speed and 20 megabit per second upload speed. The bill modifies the definition of "targeted service area" to replace the download and upload speed threshold identified by the Federal Communications Commission in the Federal Telecommunications Act of 1996 with a three-tiered system. Other significant policy changes were the re-defining an underserved area to mean any portion of a targeted service area in which no communications service provider facilitates broadband service meeting the Tier 1 download and upload speeds. Requires that service providers awarded grants under the Program provide a minimum download speed of 100 megabits per second and a minimum upload speed of 100 megabits per second in targeted service areas. Authorizes the OCIO to award grants not exceeding 50.0% of the total project costs to service providers 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. She signed this bill, which just applies to the policy part of the broadband, during the last paid week of session.

Regarding the funding of the program, the House and Senate appropriated \$100M via the Administration & Regulation budget ([HF 867](#)). The \$100M will go into the Empower Rural Iowa Grand fund and will allow companies to apply for grants to build out broadband infrastructure across the state. that included the funding part of broadband expansion. Although this is less than the Governor's request, this is a massive appropriation targeted towards building out broadband to rural Iowans.

Tax Bill

After several months of back and forth between the House and Senate regarding what was acceptable for tax reform, a deal was struck the last week of session and is contained in [SF 619](#). The bill has several provisions which will be outlined here (summaries from the [LSA fiscal note](#)).

- **2017 Tax Triggers.** The bill eliminates the income tax system tax triggers which were passed in 2017. This essentially allows the income tax relief to go into effective January 1, 2023. This effectively moves up the implementation date by one year. The Department model estimates the TY 2023 change will reduce State individual income tax liability by the following amounts: TY 2023 = \$297.6 million, TY 2024 = \$43.7 million, TY 2025 and after = \$8.0 million per tax year
- **Early Childhood and Child and Dependent Care Tax Credits.** The bill increases the maximum net income amount used in determining eligibility for the Early Childhood Development (ECD) and Child and Dependent Care (CDC) Tax Credits. The maximum is increased from \$45,000 to \$90,000. The change is retroactive to tax years beginning on or after January 1, 2021.
- **COVID-19 Exemptions.**
 - **Corporate and Individual income tax exemption.** The bill exempts the proceeds of grants received by a taxpayer from COVID-19 assistance programs administered by the Economic Development Authority (EDA), the Iowa Finance Authority (IFA), and the Department of Agriculture and Land Stewardship (DALs) from the State corporate and individual income tax. The income exclusion provided in the Bill is repealed on January 1, 2024, and does not apply to tax years beginning on or after that date. The exemption is expected to apply to 14 grant programs administered by the EDA and/or IFA and five grant programs administered by the DALs. The Department of Revenue estimates that \$307.8 million in COVID-19 assistance grants has been distributed through these grant programs.
 - **Paycheck Protection Program Taxation.** Existing Iowa law provides an income tax exemption and associated expense deduction for forgiven federal PPP loans for tax years beginning on or after January 1, 2020 (TY 2020). This change extends the same benefit to taxpayers whose tax year is not the calendar year and who received PPP income in TY 2019.
- **Inheritance Tax.**
 - Under current law, an inheritance received by a lineal ascendant or descendant of the deceased is exempt from the Iowa inheritance tax no matter the value of the estate or the amount inherited. Tax rates from 5.0% to 15.0% may apply to inheritances that are not otherwise exempt under Iowa Code chapter 450. The Bill phases out the inheritance tax rate in five stages by reducing the effective tax rate by 20.0% per year over four years and then eliminating the tax on January 1, 2025 (for deaths occurring on or after that date).
- **Real Estate Transfer Tax to Housing Trust Fund.** This provision raises the Housing Trust Fund maximum to \$7M per fiscal year, from \$3M per fiscal year.



- **Telehealth Payment Parity.** This provision requires Iowa health carriers to reimburse health care professionals or facilities for health care services for mental health conditions, illnesses, injuries, or diseases provided to a covered person by telehealth on the same basis and at the same rate as the health carrier would apply to the same mental health care services provided to a covered person by the health care professional or facility in person. This requirement would become effective upon enactment, and is retroactive to January 1, 2021.
- **Economic Development Authority Annual Tax Credit Limits.** The bill reduces the maximum amounts of annual tax credits that the Economic Development Authority (EDA) may issue in a year for the High Quality Jobs Program (new cap of \$70M, current cap \$107M) and the Renewable Chemical Production Tax Credit Program (new cap \$5M, current cap was \$10M). The Renewable Chemical Production Tax Credit Program was first available in FY2017. Since inception, the Program has awarded a total of \$3.3M in tax credits, with FY 2020 being the highest award year at \$1.3 million. The bill lowers the cap for this Program to no more than \$5.0 million in tax credits per year, but it is assumed that the new cap will not reduce the amount of credits awarded. The changes are effective upon enactment and apply to annual tax credit limits for FY 2022 and after.
- **Manufacturing 4.0.** This was a governor's priority. The bill creates a Manufacturing 4.0 Technology Investment Program to be administered by the IEDA. Manufacturing 4.0 technology investments are defined as projects intended to lead to the adoption and integration of smart technologies into existing manufacturing operations. The purpose of the new financial assistance program is to mitigate the risk to manufacturers that might occur through significant technology investments. A fund is created for the Program, and the fund may be administered by the EDA as a revolving fund. The Bill allows the new fund to receive appropriations, but no appropriation is provided in the Bill. Financial assistance to a qualified manufacturing business is limited to no more than \$75,000. Eligible manufacturing businesses must: manufacture goods at a facility in Iowa, be classified as a manufacturer, have existed as a business for at least three years prior to the application for financial assistance, derive a minimum of 51.0% of the manufacturer's overall revenue from the sale of manufactured goods, employ a minimum of three and a maximum of 75 full-time employees, have an assessment of the proposed investment completed by the Center for Industrial Research at Iowa State University, provide matching financial support.
- **Alternative Energy Revolving Loan Fund.** The Bill ends funding for the Alternate Energy Revolving Loan Fund and transfers the ending balance in that Fund as well as any future loan repayments to a new Energy Infrastructure Revolving Loan Program. This change is effective beginning FY 2022. The Alternate Energy Revolving Loan Fund is created in Iowa Code section 476.46, and the Fund is administered by the Iowa Energy Center (Iowa Code section 15.120).
- **Workforce Housing Tax Credits.** The Bill increases the maximum amount of tax credits allowed under the Workforce Housing Tax Incentives Program and also increases the set-aside amount reserved for small cities. Currently, the Program is limited to \$25.0 million per year, and the small city set-aside is \$10.0million. The Bill increases the tax credit maximum to \$40.0 million for FY 2022, and \$35.0million for FY 2023 and after. The small city set-aside is increased to \$12.0 million for FY 2022, and \$17.5million for FY 2023 and after.
- **Redevelopment Tax Credit.** The Redevelopment Tax Credit (brownfields and grayfields) Program expires under current law at the end of FY 2021. The Bill extends the Program 10 years, to June 30, 2031, and establishes an annual aggregate maximum credit level of \$15.0 million, beginning FY 2022. The bill also allows the amount of Redevelopment Tax Credits that were revoked or were otherwise never awarded



over the previous five years to be added to the annual maximum credit cap for the Program in a future year. The changes are effective upon enactment.

- **Downtown Loan Guarantee Program.** The bill creates a new Downtown Loan Guarantee Program to be administered by the EDA in partnership with the IFA. The Program may guarantee qualified loans up to 50.0% of the amount of the loan, subject to a maximum guarantee of \$250,000. A loan may be guaranteed for up to 10 years, including extensions. To qualify, the guaranteed loan must meet specified conditions, including but not limited to: The loan finances an eligible Downtown Resource Center Community Catalyst Building Remediation Grant project, or a Main Street Iowa Challenge Grant within a designated district, the loan finances a rehabilitation project, the project includes a housing component, the loan is used for construction and/or permanent financing of the project, a federally-insured financial institution issued the loan, and the project meets Downtown Resource Center and Main Street Iowa design review.
- **Bonus Depreciation and Interest Deduction.** Division XVII of the Bill couples Iowa tax law with federal bonus depreciation for qualified equipment and other capital assets purchased on or after January 1, 2021. The change does not allow bonus depreciation for State tax purposes for purchases made prior to January 1, 2021. Division XVIII decouples Iowa tax law with the federal interest limitation. The result of Divisions XVII and XVIII combined will be to allow business taxpayers to begin to benefit from bonus depreciation (starting January 1, 2021), while not being subject to the federal interest deduction limitation.
- **Promotional Play/Gambling Tax.** The bill amends the definition of adjusted gross receipts (AGR) to include all promotional play receipts on gambling games from the beginning of FY 2022 to the end of FY 2026. During this time period, the Bill imposes a new graduated tax rate on promotional play receipts by multiplying an adjusted percentage by the State wagering tax applicable to the licensed gaming entity, with a complete phaseout of the tax on promotional play receipts by July 1, 2026 (FY 2027).
- **Volunteer Firefighter, EMS and Reserve Peace Officer Tax Credits.** Increases the income tax credit from \$100 to \$250. Change is retroactive to January 1, 2021.
- **Individual Income Tax Checkoffs.** The Bill extends the availability of the four current checkoffs through the end of tax year 2024. The four tax checkoffs are the State Fair Foundation, The Veterans Trust Fund and Volunteer Firefighter Preparedness Fund, The Fish and Game Protection Fund and the Child Abuse Prevention Program Fund.
- **MHDS Funding.** Changes the way the MDHS regions are funded. Takes away the MHDS county levy and funds it with state general fund appropriations. The MHDS property tax levy is eliminated over a two-year period, with all county levies reduced to no more than \$21.14 per capita for FY2022 and reduced to \$0 beginning in FY2023. It also phases out the backfill dollars counties have received. The Bill provides that beginning with the FY2023 payment, the General Fund standing appropriation for commercial and industrial property tax replacement for cities and counties will be phased out in four or seven years, depending on how the tax base of the city or county grew relative to the rest of the State since FY2014. Cities and counties where the tax base grew at a faster rate than the statewide average from FY2014 through FY2021 will have the backfill phased out over a four-year period from FY2023 to FY2026, while those that grew at a rate less than the statewide average will have the backfill phased out over a seven-year period from FY2023 to FY2029. School district backfill payments will be eliminated after FY2022. Taxing authorities that are not schools, cities, or counties will have their backfill payment phased out over seven years.
- **Elderly Property Tax Credit.** The Bill expands the existing Homestead Property Tax Credit for Elderly and Disabled to create a homestead adjustment property tax credit to offset increases in property tax levies of homesteads owned by persons who are at least 70 years of age and whose annual household income is



not more than 250.0% of federal poverty guidelines published by the U.S. Department of Health and Human Services. The Bill would apply to claims filed on or after January 1, 2022, for assessment years beginning on or after January 1, 2021.

Anti Vaccination bills

Iowa saw a significant uptick in anti-vaccination activity at the statehouse this year due to a more formalized coalition of anti-vaccination supporters (Informed Choice Iowa). Several anti-vaccination bills were introduced and considered at the Capitol this session. Throughout the session it became clear that there is a growing sect within both the House and Senate republicans that are sympathetic to these bills. This will continue to be a fight for future legislative sessions. However, in the end the provider community prevailed with none of the bills moving to the governor for her signature.

Although there were no outright vaccination “bans” included in the bills, several of the bills dealt with additions to education reporting from the IDPH, or information to be included in a child’s death certificate, that would potentially raise vaccination effectiveness concerns amongst parents as a result. These bills all died and did not see floor debate. See ([HF 217](#), [HF 247](#), [HF 329](#), [HF 330](#), [HF 631](#), [SF 125](#), [SF 193](#)). The Physician community, provider community and public health advocates banded together in opposition to all of these bills due to concerns they eroded the integrity of Iowa’s vaccination programs and rates.

Vaccine Passport Ban

In the final days of the session, the House and Senate did pass a ban on “vaccine passports” as they relate to COVID-19. The bill, [HF 889](#), prohibits businesses or governmental entities (the definition of business does not include hospitals, nursing homes and others health care facilities) from requiring a customer, patron, client, patient or other person who is invited onto the premises, to furnish proof of their COVID-19 vaccination status. The bill defines “Business” as “a retailer required to obtain a sales tax permit pursuant to Chapter 423, a nonprofit or not-for-profit organization, or an establishment which is open to the public at large or where entrance is limited by a cover charge or membership requirement, but does not include a health care facility as defined in IC section 686D.2.).

Child Care Bills

The House moved several child care bills throughout the session in an attempt to increase access to child care services as well as help reduce the cliff effect. The House and Senate agreed on a compromise at the end of session, which was contained in [HF 302](#). The bill addresses child care cliff effect by helping Iowans accept increased wages by decreasing financial assistance as they receive higher wages. Currently there is a disincentive to make more money because you lose child care benefits. The bill creates a graduated eligibility phaseout for child care assistance.

In the standings bill, [SF 615](#), the legislature included the state child care reimbursement rate and removed a fixed date rate, which will allow child care rates to be increased biennially.

Iowa Primary Care Loan Repayment Program – Policy Change

[SF 129](#) is a bill that makes changes to the Iowa Primary Care Loan Repayment program. The bill adds obstetrics and gynecology to the types of specialty providers allowed to participate, allows for part time providers to participate (70% of a 40 hour week), and defines service commitment area to include a city within a designated

federal mental health shortage area and is located within 20 miles (driving actual roads) from a city with less than 26,000 people.

Expanding Health Care Recruitment Programs

HF 196 is a bill that expands the health care professional recruitment program to include health professionals who graduate from and are recruited by “eligible institutions” to practice in an eligible rural community in this state that matches state funds for educational loan repayment for the health care professional. Currently, only health care professionals who graduate from Des Moines University were eligible. The bill expands the types of institutions to include regents university or accredited private institutions.

Pharmacy Scope bill

[SF 296](#): This bill has been signed by the governor and deals with pharmacist’s scope of practice. The bill was amended to allow pharmacists to administer the COVID 19 vaccine to patients 18 and older, as well as do point of care testing for patients 6 and over for influenza, strep and COVID-19.

Bills that Died

Several bills died throughout the course of the session that we were monitoring or against. Those bills and their descriptions can be found below.

Midwifery Licensure. [HSB 123](#), a bill that deals with midwifery licensure, had a subcommittee scheduled and heard but did not advance in full committee. The bill is a perennial issue that is brought before the legislature and would allow “lay midwives” to be licensed by the state. There is significant public safety concerns with the allowance of this type of practice. Provider groups have stayed solid in their commitment to oppose this type of licensure bill in Iowa.

Surgical Smoke. [HF 783](#) passed the House 94-2. This bill would require hospitals and surgical centers to implement smoke evacuation systems for procedures that produce surgical smoke. It required hospitals and outpatient surgical centers to implement these systems by December 31, 2022 but gave critical access hospitals an additional year to come into compliance. This bill also provided an exemption petition if the centers or hospitals could not be in compliance because of economic hardship, limitations outside their control, or other exceptional circumstances. The bill died in the Senate.

Hospital and Nursing Facility Visitation during COVID. [SF 507](#) was a bill introduced by Senator Jake Chapman which attempted to regulate patient visitation during emergency pandemics. This topic continued to come up at the Capitol as the pandemic continued during the Iowa General Assembly. In the end, this particular bill did not make it across the finish line.

Regulation of Pharmacy Benefit managers. [HF 729](#) was a bill that attempted to regulate pharmacy benefit managers (PBMs). The bill would have required PBMs to allow in state pharmacies to be a part of their network, a bill prohibits a PBM from charging pharmacies various fees, as well as other various components. The bill did not have support in the Senate and died in the House.

Non-Economic Damage Cap. The House and Senate both introduced bills this year to but a “hard cap” on noneconomic damages ([SF 557](#) and [HF 592](#)). Iowa currently has a “soft cap” which allows most plaintiffs to work



around the cap and be awarded multi-million dollar verdicts specific to noneconomic damages. Difficulties with the Iowa House passing the bill persisted this year, with a sect of house republicans being “no’s” on the bill. Due to these issues, the bill did not move this year.

The house attempted to move [HF 763](#), which would allow hospitals with resident physician programs to apply to IDPH for reimbursement for their costs of the liability insurance premiums attributable to resident physicians. This bill did not move.

Ambulatory Surgical Center bills. Three bills were introduced by State Rep. Holly Brink (R – Oskaloosa) that attempted to make changes to regulations surrounding ambulatory surgical centers (ASCs). The bills did not move but below is a summary of what they sought to change. We believe these bills will continue to be introduced by Rep. Brink who has a personal interest in these bills.

[HF 735](#) (Senate companion, SF 274) would require an ASC to have emergency protocols and procedures in place in the event that a patient needs emergency care including on site emergency equipment and supplies, prearranged ambulance services, transfer agreements between the ASC and at least one local hospital. This bill passed the House 95-0 but failed to clear deadlines in the Senate.

[HF 116](#) would require the provider to disclose facts to the patient like who owns the ASC, whether the services are appropriate, types of anesthesia generally used to the patient before the referral takes place.

[HF 117](#) deals with licensures of ASCs. Only certified centers that accept Medicaid/Medicare/commercial. Plastic surgeons who run a cash business don’t have to be certified. Provides for penalties and decertification of ASCs if necessary. Neither of the last two bills had a subcommittee meeting in the House and none of the Senate companion bills did either.

Certificate of Need. This year we only saw one certificate of need bill introduced by Senator Brad Zaun. [SF 4](#) was a total elimination of the certificate of need program in Iowa. The bill did not have a subcommittee scheduled but the Senate Human Resources chair, Jeff Edler, has expressed his interest in moving something in the next legislative session that would increase thresholds that are contained in current Iowa Code re: the CON program.

Redistricting and the 2020 Census

Every 10 years, the US Census Bureau counts the people in the country and uses that data to determine legislative seats at both the federal and state level. Along with everything else that got delayed or sidetracked during 2020, the Census took longer than normal to be completed. In Iowa, normally the state Legislative Services Agency (LSA) receives the data from the Census Bureau in February and the legislature approves the maps drawn by the nonpartisan LSA around April. The Iowa Constitutions mandates that if the legislature does not approve new maps by September 15, the Iowa Supreme Court steps in and draws maps by December. This year, the Census Bureau told states not to expect data until after the September 15 deadline which caused concern for what the redistricting process would look like. Several other states were in the same position as Iowa and sued the Census Bureau to try to speed up the process. Now Iowa will receive its Census data in an older format this summer and LSA will reformat the data to work with the program they use to draw the maps. Below is more information on the census process and the importance of this to Iowa.

2020 Census Overview

The decennial Census is a count of every resident in the United States, regardless of citizenship, by the nonpartisan U.S. Census Bureau. It is mandated by Article 1, Section 2, of the Constitution and takes place every 10 years.

Besides providing a wealth of demographic information, the decennial Census is used for **apportionment** and **dispensing federal funds**.

Participation is critical to obtain an accurate count. The Census Bureau estimated that 16.7% of people in Iowa did not self-respond to the 2010 Census.



Key Dates:

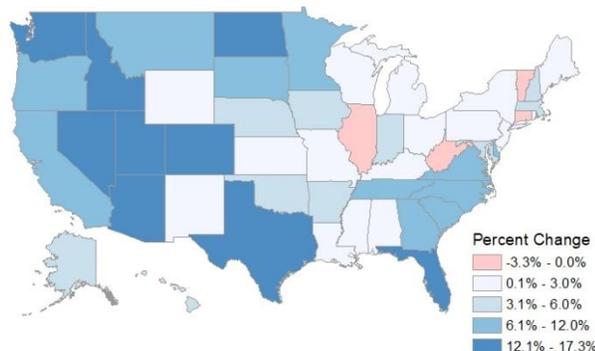
- March 12-20** Households will begin receiving official Census Bureau mail with detailed information on how to respond to the 2020 Census online, by phone, or by mail.
- March 30-April 1** The Bureau makes a focused effort to count people who are experiencing homelessness.
- April 1** Census Day is observed nationwide. By this date, every home will receive an invitation to participate in the 2020 Census. Residence is determined by where individuals live as of April 1, 2020.
- April-July** Census takers visit group living arrangements such as students living on campus, individuals in nursing or correctional facilities, etc. Beginning in May, Census takers visit homes that have not responded to the 2020 Census.
- December** The Census Bureau will deliver apportionment counts to the President and Congress as required by law.
- Early 2021** The Census Bureau will begin releasing the Public Law 94-171 Redistricting Data to the states, which includes small-area Census data necessary for legislative redistricting. This law requires the data to be delivered no later than one year from Census Day.

Apportionment

The data collected by the decennial census is used for apportionment, the determination of the number of seats each state has in the U.S. House of Representatives based on population. Iowa lost a congressional seat in 2010 due to reapportionment but is projected to retain four seats in 2020, regardless of the recent possibility of Puerto Rico gaining statehood.

For more projections, see Esri's story map on apportionment: arcg.is/1WC19X

Change in Population 2010 to 2019



Funding

Every year it is estimated that over a trillion dollars in federal funding go to hospitals, fire departments, schools, roads, and other resources based on Census data, through 316 federal spending programs. Medicaid and Medicare, Supplemental Nutrition Assistance Program (SNAP), highway construction, and Title I Grants to schools are among the largest programs.

\$1.504 trillion

Estimated federal funding in FY 2017 dispersed to all states based on population

316

Federal spending programs rely on Census data to distribute funds

\$13.710 billion

Estimated federal funds dispersed to Iowa based on population

\$4,358

Per Iowa resident in FY 2017

For more information on the distribution of federal funds:

gwipp.gwu.edu/counting-dollars-2020-role-decennial-census-geographic-distribution-federal-funds

Complete Count Committees (CCC)

Complete Count Committees (CCC) are formed by state, local, and tribal governments and work together to encourage response to the 2020 Census in their communities. Governor Kim Reynolds formed the Iowa Complete Count Committee in October 2019 to increase awareness among Iowans. Local Complete Count Committees exist in 165 Iowa cities. View contact information here: census.gov/2020ccc

Sources: U.S. Census Bureau; State Data Center; George Washington University, Counting for Dollars 2020: The Role of the Decennial Census in the Geographic Distribution of Federal Funds
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