



January 22, 2021

Week in Review

In this Issue:

Week in Review.....	P. 1
Tax Triggers.....	P. 1
HHS Committee.....	P. 2
Education Reform.....	P. 2
Bills on the Move.....	P. 3
In the News.....	P. 3
Next Week Schedule.....	P. 4
Key 2021 Dates.....	P. 4

The second week of the 89th General Assembly was full of activity centered around subcommittee and committee work. Hundreds of bills have been filed and are making their way through the legislative process. Although the Capitol feels much different this year, with less public people physically in the building, legislators were busy with committee work being held virtually and in person. Several budget subcommittees met this week hearing from the Legislative Services Agency providing an overview of the Governor’s recommended funded levels. This activity will continue throughout the session.

This week was a short with no session on Monday in observance of MLK day. However, despite being a short week, many Republican priorities started moving this week. An attempt to add gun protections to the Iowa Constitution passed out of House subcommittee this week. This language has been passed out of both chambers twice before, but a clerical error in the Secretary of State’s office forced legislators to consider it a third time before the issue can be placed on the ballot for public approval in 2022. Read more [here](#).

A Judiciary subcommittee considered adding language that states Iowa does not recognize a right to an abortion. This language passed out the full Senate last year but failed to make it out of the House. On Wednesday, the bill passed out of the Judiciary and now heads to the full House for debate and possibly passage. Read more [here](#).

On Thursday, the House debated its chamber’s rules in what was a two-hour debate. Democrats attempted amendments that failed, citing transparency concerns. The rules are now in place and will be followed by the chamber throughout the session.

Contact Information

David Adelman
515-491-1015 (m)
dadelman@cgagroup.com

Matt Hinch
202-365-9449 (m)
mhinch@cgagroup.com

Frank Chiodo
515-778-5245 (m)
fchiod@cgagroup.com

Sara Allen
515-778-9516 (m)
sallen@cgagroup.com

Governor Calls for Repealing Tax Triggers

In her Condition of the State last week, Governor Kim Reynolds stated that she wanted to see the implementation tax cuts sped up to provide relief to Iowans. She called for removing the “triggers” put in place in the law passed in 2018. These trigger-dependent changes include lowering the top individual income tax rate to 6.5%, cutting the tax brackets down to four, and ending the ability to deduct federal income tax. The triggers were a mechanism put in place to ensure the state’s budget is healthy.

The triggers are activated if the general fund is at \$8,314,600,000 and revenue growth is at least 4% higher than the previous year. Both triggers must happen for the changes to take effect January 1, 2023. If these do not happen, the cuts are delayed until the next January when the thresholds are reviewed. At present, Iowa has an estimated revenue of \$8.266 billion and a growth rate of 3.7% from FY21 to FY22, both of which are short of the triggers delaying the tax cuts for at least another year. Read more about the triggers [here](#).

Health and Human Services Budget Subcommittee

The House Health and Human Services budget subcommittee met on Wednesday morning. Representatives Joel Fry (R-Osceola) and John Forbes (D-Urbandale) made opening comments on their hopes for the session and allowed the other members to introduce themselves. The meeting focused on reviewing the Governor’s proposed budget with a presentation by LSA. Below are highlights of the presentation:

- Normal FMAP (Federal Medical Assistance Percentages) changes resulted in \$32M in savings to the Medicaid budget for FY 21, and \$19M in FY 22.
- \$1 million for creation of Centers of Excellence to increase accessibility to medical specialties in rural areas.
- MCO (Managed Care Organization) Capitation rate increase for FY 21 was \$6.2M and for FY 22 is \$14.5M.
- Medicaid had a surplus of \$185M for FY20 which was in large part due to the CARES Act dollars the state received through the 6.2% increase in FMAP—which attributed to \$134.7M of the \$185M surplus.
- A \$200,000 increase for psychiatric residency positions.
- HCBS provider rate increase of \$8M.
- Approximately \$400,000 to create 3 new FTEs in the State Medical Examiner’s office. Two of these 3 new positions have already started going through the hiring process.
- \$10 million increase for rebasing nursing facilities in FY22 with an addition \$10 million for FY23.
- \$15 million increase to the state’s mental health regions in FY22 and an additional \$15 million in FY23. LSA is getting information on how this would be distributed to the regions.
- Plans to increase field FTEs by 53 positions to help with caseloads across the state.

The budget overview provided by LSA can be found [here](#).

Governor’s Education Reform

Earlier this session, in her Condition of the State, Governor Reynolds called for an overhaul of the State’s education system, starting with an option for parents to send their children school 100% in person. She called for a bill from the Legislature to remedy this issue “immediately” which the Senate as started. On Wednesday, [SSB 1064](#) was introduced and if passed could take effect in two weeks. The bill allows school districts to request a waiver if COVID cases spike. The Governor introduced another bill that calls for more comprehensive reform including various school choice options like creating more charter schools and allowing students to enroll in different districts that currently do not allow open enrollments. The links below provide more information on the Governor’s proposals.

- [Iowa Legislature Moving on Gov Reynolds School Plan](#)
- [Gov. Reynolds proposes school choice-charter schools, private school scholarships, ability to transfer out of districts](#)
- [Bill would remove transfer limits in five Iowa school districts](#)



Bills on the Move

Below are bills of interest. Please reach out with any questions or concerns.

- [**SF 92**](#) *Telehealth Reimbursements* (Zaun) Requires telehealth service, including those by phone, reimbursement to be the same as in-person. Similar to HF 89 by Fry.
- [**HSB 50**](#) *Insulin* Requires payers to cap the total out of pocket costs for insulin at \$100 per script per month.

In the News

Below are articles of interest from the week. Please reach out to us with any questions or concerns.

- [Bill Northey, heading back to Iowa, reflects on U.S.D.A. tenure](#)
- [More in-person learning could be mandated for Iowa schools by middle of February](#)
- [Inheritance tax repeal advanced](#)
- [Hinson named to US House Appropriations Committee](#)
- [Sales of hunting and fishing licenses increase across the board](#)
- [US jobless claims decline to a still-high 900,000](#)



CORNERSTONE

— AN EMPLOYEE-OWNED COMPANY —

2021 Legislative Update

Next Week Capitol Schedules

House of Representatives Schedule for *Week 3, January 25 - 29, 2021*
Prepared in the Office of House Speaker Pat Grassley

Monday, January 25	Tuesday, January 26	Wednesday, January 27	Thursday, January 28	Friday, January 29
11:00 Subcommittee Block Reserve Subcommittee space with the clerk's office	7:30 Subcommittee Block Reserve Subcommittee space with the clerk's office 8:30 SESSION 9:00 Budget Subs Admin/Reg - Rm. 19 Ag- Rm 15 Eco Devo- Rm 103 Education - Rm. 102 10:30 Budget Subs HHS- Rm 103 Tran/Infra/Caps - Rm. 102	7:30 Subcommittee Block Reserve Subcommittee space with the clerk's office 8:30 SESSION 9:00 Budget Subs Admin/Reg - Rm. 19 Justice Systems - Rm 103 Tran/Infra/Caps - Rm. 102 11:30 Subcommittee Block Reserve Subcommittee space with the clerk's office	7:30 Subcommittee Block Reserve Subcommittee space with the clerk's office 8:30 SESSION 9:30 State Government Law Library Public Safety RM 103, Sup. Ct. Chamber 10:30 InfoTech Law Library Veterans Affairs RM 103, Sup. Ct. Chamber 11:30 Human Resources Law Library	
Noon	Noon	Noon	Noon	Noon
1:00 SESSION 1:30 Ways and Means Law Library Appropriations RM 103, Sup. Ct. Chamber 2:30 Judiciary Law Library Natural Resources RM 102, Sup. Ct. Consult Labor RM 103, Sup. Ct. Chamber 3:30 Education Law Library Commerce RM 103, Sup. Ct. Chamber 4:30 Subcommittee Block Reserve Subcommittee space with the clerk's office	12:00 Subcommittee Block Reserve Subcommittee space with the clerk's office 1:30 Transportation Law Library InfoTech RM 19 Environmental Protection RM 102, Sup. Ct. Consult Veterans Affairs RM 103, Sup. Ct. Chamber 2:30 State Government Law Library Economic Growth RM 102, Sup. Ct. Consult Public Safety RM 103, Sup. Ct. Chamber 3:30 Human Resources Law Library Local Government RM 102, Sup. Ct. Consult Agriculture RM 103, Sup. Ct. Chamber 4:30 Subcommittee Block Reserve Subcommittee space with the clerk's office	2:00 Education Law Library Commerce RM 103, Sup. Ct. Chamber 3:00 Judiciary Law Library 4:00 International Relations RM 103, Sup. Ct. Chamber Government Oversight Law Library	12:30 Subcommittee Block Reserve Subcommittee space with the clerk's office 1:30 Education Law Library 2:30 Appropriations Law Library	



IOWA SENATE - Schedule for Week 3, January 25-29, 2021

Subject to Change

Monday, January 25	Tuesday, January 26	Wednesday, January 27	Thursday, January 28	Friday, January 29
	9:00 SESSION 10:30 Human Resources Senate Chamber 11:30 Ways and Means Senate Chamber	9:00 SESSION 9:30 Veterans Affairs Senate Chamber 10:30 Appropriations Senate Chamber	9:00 SESSION	
Noon	Noon	Noon	Noon	Noon
1:00 SESSION 2:00 Labor and Business Relations Senate Chamber 3:00 Education Senate Chamber	1:00 Local Government Senate Chamber 2:00 Commerce Senate Chamber 3:00 Judiciary Senate Chamber	1:00 Agriculture Senate Chamber 2:00 Transportation Senate Chamber 3:00 Natural Resources and Environment Senate Chamber 4:00 State Government Senate Chamber		

Key Dates for 2021 Session

The new Iowa Legislative Session Timetable has been published. Here is the [link](#) and included below is important dates as we approach the 2021 Iowa legislative session.

January 11	First Day of Legislative Session
January 12	Governor's Budget Released Governor gives her Condition of the State Address to Joint Session
February 12	Final day for individual Senator/Representative Bill Requests
March 5	First Funnel. All Senate and House bills must be out of one full committee
April 2	Second Legislative Funnel. Corresponding chamber must vote bills out of a full committee to remain "alive"
April 12	Amendments need not be filed on the day preceding floor debate
April 30	110 th Day of the session. Per diem expenses for legislators end.



CORNERSTONE

— AN EMPLOYEE-OWNED COMPANY —

2021 Legislative Update



Katelyn O'Hare | Frank Chiodo | David Adelman | Matt Paul | Matt Hinch | Jimmy Centers | Sara Allen