

May 2026

2026 End of Session Report

Iowa Academy of Family Physicians



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212 EAST 3RD STREET, FLOOR 2, DES MOINES, IA 50309

OVERVIEW OF SESSION

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Introduction

Sunday, May 3, marked the final day of the second session of the 91st Iowa General Assembly. This year, legislators worked 12 calendar days past the 100th day of session, when per diem pay ended. The Legislature went into overtime primarily to allow leadership to reach an agreement on property tax reform, one of this session's biggest priorities. With a property tax compromise close to being reached, leadership kept members in town through the weekend with the goal of Adjourning Sine. Ultimately, session culminated in a marathon 34 hour day for legislators, who worked through the night on Saturday and reached final adjournment around 7:00PM on Sunday.

The Cornerstone team appreciates the opportunity to represent your interests this year at the Capitol. We greatly value your trust in us and look forward to continuing our partnership. This report outlines key highlights from the legislative session, including priority issues, the FY 2027 budget, and the bills we tracked on your behalf. Please don't hesitate to contact any member of our team with questions about the information included below.

Background

This session, Republicans continued to hold a majority in both the House and the Senate. This was the tenth consecutive year of a Republican trifecta, with GOP control of both chambers and the governorship. This year, the Senate consisted of 33 Republicans and 17 Democrats, after an interim special election broke the existing Republican supermajority. The House consisted of 67 Republicans and 33 Democrats.

Due to multiple long-time leaders stepping down from their roles during the interim, Senate and House leadership looked different this year than the past several years. In the Senate, Amy Sinclair continued as Senate President and Janice Wiener continued as Minority Leader, but Mike Klimesh took over as Majority Leader after former Leader Jack Whitver stepped down from the role he had held since 2018. In the House, Pat Grassley continued to lead the House Republicans as Speaker, but there were new Majority and Minority leaders. Rep. Bobby Kaufmann took over as Majority Leader from Matt Windschitl, who had served as Leader since 2019. Rep. Brian Meyer served as Minority Leader, taking over from Jennifer Konfrst who had served in the role since 2021.

Major Initiatives

On the first day of session, House and Senate leadership gave opening remarks and set forth their priorities for the year. Speaker Grassley and Majority Leader Kaufmann both emphasized that property tax reform and eminent domain were the major components of the House Republican agenda. Additional priorities for their caucus included being "tough on crime" and increasing legislative salaries. For Senate Republicans, Majority Leader Klimesh communicated property tax reform, an eminent domain solution, and the economy as priorities for his caucus. On the Democratic side, House Minority Leader Meyer and Senate Minority Leader Wiener announced priorities related to public education, affordability, the economy, and the state budget.

Governor Reynolds delivered the annual Condition of the State message on the first Tuesday of the legislative session to a joint session of the House and Senate. This was her ninth and final time making this address, as she is not running for reelection in November. She outlined her policy proposals for this session, which related property taxes, charter schools, public safety, government efficiency, Iowa farms, veterans benefits, and healthcare.

Much of the work this session was devoted to the priorities outlined by leadership during the first week of session. Below is more information on major bills legislators prioritized this session and where they stand after Sine Die. The Governor has 30 days to sign or veto bills sent to her by the Legislature in the final days of the legislative session.

Property Taxes

Property tax reform was one of the Legislature's biggest issues during the 2025 session, but after releasing multiple evolving proposals throughout session, legislators ultimately could not come to a consensus on the best solution to this complicated issue. Over the interim, the urgency continued to build, as legislators felt the pressure to find a solution for their constituents ahead of the November 2026 elections. In the first few weeks of session, the Governor, Senate, and House all released different proposals, though work on the proposals stalled until late in session. In early April, Senate Republicans released an updated proposal, and later in the month, House Republicans did the same. However, the House and Senate continued to differ significantly in their plans, and this issue proved to be the primary one that pushed the Legislative Session into overtime.

Finally, on the last day of session, three hours before adjourning, House and Senate leadership announced they had reached a deal on property taxes. Once the deal was released, they moved to quickly get it amended onto [SF 2472](#) and passed in both chambers. It passed with bipartisan support in the Senate but faced more pushback from Democrats in the House, who believed the bill would not do enough to reduce property taxes and had concerns about the increased assessment on rental property. Governor Reynolds signed the bill into law on May 18th. The final bill creates a soft cap revenue limitation for property taxes, along with a number of other measures meant to make homeownership more affordable, increase transparency of local government budgets, and prevent property taxes from increasing rapidly. The bill makes the following notable changes:

- Sets an annual 2% growth cap for only the general fund levy for county and city property taxes. The cap excludes growth due to new construction, improvements, and boundary adjustments.
- Sets an annual 3% growth cap for regional transit authorities and an annual 4% growth cap for county hospitals.
- Makes changes to urban renewal law, including creating a 23-year limit for future tax increment financing (TIF) projects. Creates a 60% limit for division of revenue in existing perpetual TIF projects after 20 years. Removes the school levy from a TIF district unless the school district volunteers to include it in the agreement.
- Creates a FirstHome Iowa program administered by the Treasurer of State. Under the program, individuals can receive a state income tax deduction of up to \$5,500 for money contributed to a FirstHome Iowa account.
- Changes the homestead property tax credit to an exemption. The exemption is 10%, with a minimum of \$5,500 and maximum of \$20,000.
- Extends the end date of the Secure an Advanced Vision for Education (SAVE) program an additional 20 years, from 2051 to 2071, and increases the percentage that goes to property tax relief.
- Raises the cap on the maximum property tax or equivalent rent eligible for credit or reimbursement for low-income elderly and disabled Iowans.

- Provides that local governments can keep reserve funds of no more than 35% of their general fund budget.
- Requires local governments to provide “truth in taxation” statements to property owners prior to levying property taxes for that year.
- Mult-residential property and non-owner occupied homes have a new classification and will be assessed 6% higher than the residential classification through a phased in approach.
- Establishes a “Payments in Lieu of Property Taxes” task force.

Here is a [full summary](#) of the final legislation

Eminent Domain

For the last several years, the use of eminent domain as a possibility to acquire private property to build pipelines has been an issue that has drawn a lot of attention, and views on the topic do not necessarily fall along party lines. Last year, the final adjournment of session was delayed due to disagreements on this issue. In the compromise deal between leadership to reach final adjournment, the Legislature ultimately passed an eminent domain and pipeline omnibus bill, despite most Senate Republicans voting against the bill. However, the Governor vetoed the bill and, in her statement, explained, “[HF 639](#) isn’t just about eminent domain. It goes much further—and in doing so, sets a troubling precedent that threatens Iowa’s energy reliability, economy, and reputation as a place where businesses can invest with confidence.”

Historically, passing legislation limiting eminent domain for pipelines has been a bigger priority for the House than the Senate, and this year was no different. The House took quick action on their proposal, [HF 2104](#), which would have prohibited the use of eminent domain for pipelines transporting carbon oxide. They moved it through committee the first week of session, when we don’t usually see any committee work, and approved it on the floor the next week. The vote was not along party lines, as twenty Democrats and eight Republicans voted against the bill. Floor debate on the bill highlighted the many components of this complicated issue. Legislators discussed long term consequences for private property rights, the benefits of carbon pipelines for farmers, high quality construction jobs, constitutional issues, and if the solution was comprehensive enough.

Senate Republicans proposed two separate bills. The primary bill, [SF 2067](#), sought to solve the eminent domain issue by creating a voluntary easement corridor and requiring pipeline companies to make all efforts to create routes using only voluntary easements. The second bill, [SF 2069](#), would have imposed a tax on liquefied carbon dioxide transported by a pipeline company, with resulting revenue directed towards the Taxpayer Relief Fund.

The Senate amended the House’s bill in committee early in session to reflect their own proposal. However, after this flurry of action at the beginning of session, months passed without any further action. It was thought that a deal between the House and Senate on eminent domain legislation may be part of the larger final adjournment deal. However, in the end, legislators could not come to a consensus on what action to take, and they ultimately adjourned without passing legislation addressing this issue.

Health Carriers, Utilization Review Organizations, and Certificate of Need

This session, the Legislature passed healthcare legislation that made significant changes for health carriers, utilization review organizations, and certificate of need (CON). The bill, [HF 2635](#), reached final passage on March 5 and was signed into law on May 13. Throughout the process, the bill was amended several times and went through significant changes. In its final form, the bill does the following:

- Establishes new standards for health carriers and utilization review organizations, including limits on the use of artificial intelligence for prior authorization decisions and new timelines for audits.
- Makes significant changes to CON.
 - Increases the monetary threshold for CON to be triggered for the establishment of a new institutional health facility or acquisition of equipment resulting in a new service.
 - \$4.0 million from 2027 to 3031.
 - \$4.5 million from 2032 to 2036.
 - \$5.0 million starting in 2037 and later.
 - Exempts several services from CON requirements: cardiac catheterization services, open heart surgical services, organ transplantation services, radiation therapy services, and behavioral health outpatient facilities.
 - Streamlines application and notification processes, including optional electronic submissions and notices, relaxed public hearing requirements, and an updated application rejection or return process.
 - Changes the fee structure.
 - Allows summary review for certain types of projects and eliminates the existing exception for projects of less than \$150,000.
- Restricts health carriers from penalizing or interfering with providers based on out-of-network referrals.
- Requires prior authorization denials and downgrades to be made by qualified clinical peers with detailed documentation and opportunity for provider consultation and appeal.
- Exempts certain cancer screenings and emergency inpatient care from prior authorization requirements.

Gubernatorial Powers

Governor Reynolds is retiring from her role at the end of her current term, and the Governor's race in November is expected to be competitive for the first time in several election cycles. With this, we saw multiple proposals from the majority party to rein in the Governor's powers in anticipation that Iowa might have a democratic governor next year. One such proposal reached final passage on the last day of session. The bill, [HF 2694](#), prohibits the Governor from taking certain actions through a disaster emergency proclamation or public health disaster proclamation, including closing a place of worship, requiring vaccinations, changing election laws, and requiring private businesses to close. The House and Senate went back and forth on an amendment that would have allowed continuing appropriations if the Governor does not sign budget bills into law, but ultimately this provision did not have enough support and was removed from the bill.

Make Iowa/America Healthy Again

One of the Governor's priorities this year was to pass Iowa-specific legislation to Make America Healthy Again, as has been the focus of the federal Department of Health and Human Services since the beginning of President Trump's second term. The bill bounced between the House and Senate several times throughout session, as the chambers negotiated and refined the bill. The final bill, [HF 2676](#), passed at the end of April and is awaiting the Governor's signature. The bill covers a wide range of health-related topics, including nutrition, school lunches and physical education requirements, and medications. Of note, the bill does the following:

- Adds nutrition and metabolic health instruction to required coursework and continuing education requirements for physicians.
- Allows pharmacists to dispense ivermectin without a prescription.
- Enters Iowa into a psychology interjurisdictional compact.
- Prohibits certain food dyes and additives in school meals.
- Modifies physical activity requirements for students.

- Expands permissible epinephrine delivery systems in schools and public facilities.
- Limits digital instruction for elementary students to 60 minutes per day.
- Provides that the Summer Electronic Benefits Transfer for Children Program must consist of eligible healthy foods.
- Requires an additional hour of Continuing Medical Education (CME) for healthcare providers.

Public Assistance

[SF 2422](#): This bill deals with public assistance, verification and eligibility. A fiscal analysis from LSA can be found [here](#). The bill amends public assistance program procedures and requirements under the Department of Health and Human Services. Major changes include stricter SNAP eligibility and verification (especially regarding non-citizens), new quarterly error rate reporting, requests for federal waivers to expedite SNAP benefit expungement and verification, limitations on Medicaid retroactive eligibility (including for the Iowa Health and Wellness Plan), restrictions on Medicaid fund usage and waiver submissions, a mandate for public reporting on Medicaid exceptions to policy, continued expansion of electronic payments, and new options for electronic premium payments. Several provisions are tied to federal law compliance or require legislative approval for future changes. Here are specifics from the bill:

- Expands required use of the federal Systematic Alien Verification for Entitlements (SAVE) system and similar platforms to verify immigration/citizenship for public assistance eligibility.
- Defines 'alien' for purposes of SNAP and sets stricter eligibility, requiring residency and lawful status, and mandates counting income/resources of all household members (including those ineligible) without proration.
- Requires the Department to report SNAP payment error rates quarterly to the legislature.
- Mandates the Department to seek federal waivers: (1) for SNAP benefit expungement after 3 months of inactivity, and (2) to accept automated verification sources as verified information for SNAP eligibility.
- Limits Medicaid retroactive eligibility to no more than two months for pregnant women, children, and nursing facility residents; eliminates retroactive eligibility for other adults except as required by federal law.
- Restricts use of Medicaid Managed Care Organization Health Care Tax Fund, prohibiting diversion or reduction of funds except by legislative approval or federal mandate.
- Requires that new or amended Medicaid waivers/state plan amendments be expenditure neutral and prohibits expansion of Medicaid coverage classes without express legislative approval, with certain exceptions (federal requirements, settlements, etc.).
- Directs the Department to expand electronic funds transfer payments and, by 2028, allow premium payments via electronic benefits transfer for eligible program participants.

Key Drivers of Cancer Project

Iowa's elevated cancer rates have been a significant topic of discussion for the last several years. Last session, the Legislature appropriated \$1.0 million to the University of Iowa (UI) College of Public Health and Department of Health and Human Services (HHS) to complete a study investigating why Iowa has higher cancer rates than other states. The study began in July 2025 and is expected to last a total of two years. However, the UI and HHS have gathered preliminary findings based on their initial research, and they presented these findings to legislators during session. When investigating potential causes, researchers examined behavioral factors such as smoking, binge drinking, and diet, and compared Iowa to demographically similar states. While most cancer mortality rates were similar across states, lung

cancer mortality remained significantly higher in Iowa, so researchers' initial recommendations were to focus legislative action on reducing smoking and radon exposure. The UI's interim findings report can be found [here](#).

With this focus on cancer prevention, especially lung cancer, there were several proposals throughout the legislative session to create or increase taxes for cigarettes, tobacco, vapor products, and consumable hemp products. However, as many legislators are hesitant about tax increases of any kind, finding a solution that could gain majority support proved difficult. The Governor's original Make America Healthy Again bill proposed raising the cigarette and tobacco taxes and creating an excise tax on vapor and consumable hemp products, but these provisions were amended out of the bill. Several other bills with similar provisions were introduced throughout session, but they lacked the support to make it through committee. However, in April, the Senate introduced a bill to create a tax on alternative nicotine and vapor products, with the resulting revenue going towards cancer research. This proposal found success and was passed in the final days of session. The final bill, [SF 2480](#), creates a standing appropriation of the first \$3.0 million of revenue generated from the new alternative nicotine and vapor product taxes. The appropriation is effective starting in FY 2028 and must be used for conducting pediatric cancer research, clinical therapy access, and providing physician-scientist leadership at the UI Stead Family Children's Hospital.

The Legislature also continued to tackle the issue of radon exposure and its link to cancer. Last year, the Health and Human Services budget bill included a new \$20,000 allocation to make free radon test kits available to homeowners and renters, and this allocation was kept in the budget bill for this year as well. This session, legislators considered additional proposals to mitigate Iowans' exposure to radon, and they ultimately passed [HF 2297](#), which requires all new single-family or two-family residential construction to include a passive radon mitigation system.

Subacute Mental Health Care

Last year, the Legislature created a study committee on subacute mental health care, which was held during the interim. This session, legislators proposed a bill to implement the findings and recommendations that came from the study committee. The bill, [HF 2543](#), which reached final passage and has been signed into law, does the following:

- Requires subacute mental health care facilities to develop an initial treatment plan within 24 hours of a resident's admission to the facility.
- Creates timelines for insurance preauthorization determinations, which vary based on the urgency and complexity of the requests.
- Establishes an electronic system to track psychiatric beds availability for children.
- Requires a review of administrative rules to eliminate barriers to facility access, establishment, and expansion.
- Make employment requirements at subacute mental health facilities less stringent.
- Directs the Department of Health and Human Services to assess the feasibility and cost of expanding subacute and psychiatric services at the Independence Mental Health Institute, including the potential for private partnerships.

Highlights of Interest

Budget Line Items of Interest

Health and Human Services Appropriations Bill – [HF 2782](#)

This bill is comprised of Medicaid, Hawki, disability services, state operated care in addition to several cost containments and provider rate increases are found in the bill. Some highlights are:

- \$400,000 is allocated for rural psychiatric residencies for residents selected on or before June 30, 2026.
 - \$1,500,000 is allocated for awarding grants for medical residency programs in the state that meet the following criteria
 - The medical residency program is not related to the practice of family medicine.
 - The medical residency program is not located in a county that has a population of one hundred fifty thousand or more based on the most recent federal decennial census, and in which the main campus of an institution of higher learning governed by the state board of regents is located.
 - \$2.22 million appropriation for family practice program
 - \$400,000 allocation for rural psychiatric residencies
 - \$1.5 million allocation for medical residency program grants
 - An increase of \$151.9 million for the expected Medical Assistance shortfall in FY 2026.
 - A decrease of \$2.2 million due to requiring Medicaid to always pay the lowest available price when adjudicating claims.
 - A decrease of \$5.4 million for a facility- and provider-based billing adjustment.
 - A decrease of \$6.5 million for a Managed Care Organization (MCO) premium tax payment adjustment, shifting costs to the MCOs.
 - A decrease of \$132.9 million due to Health Maintenance Organization (HMO) tax revenue
- Additionally, the bill had some budget items that dealt with SNAP/TANF. They are as follows:
- An increase of \$8,738,907 for the increase to the State share of Supplemental Nutrition Assistance Program (SNAP) administrative costs beginning in federal fiscal year (FFY) 2027 due to requirements of the federal One Big Beautiful Bill Act (OBBBA).
 - An increase of \$1,171,999 for the State share of administrative costs for the Summer Electronic Benefits Transfer (EBT) program.
 - An increase of \$859,280 and 23.00 FTE positions for Medicaid eligibility services related to requirements of the federal OBBBA.
 - An increase of \$58,874 for Medicaid waiver cost neutrality analysis.
 - A decrease of \$3,000,000 to move Family Investment Program (FIP) expenditures to the Temporary Assistance for Needy Families (TANF) block grant to address excess maintenance of effort (MOE) spending.
 - An increase of 63.40 FTE positions to provide the same amount of FTE positions as the total authorized in 2025 Iowa Acts, House File 1049 (FY 2026 Health and Human Services Appropriations Act).

Education Budget. [Hose File 2783](#). A link to the LSA fiscal analysis can be found [here](#).

- Health care professional incentive program. \$7,985,911(status quo)
- Family practice program: \$ 2,220,598. Maintains the current level of funding and no change in FTE positions compared to estimated net FY 2026. The Program provides financial, educational, and technical support to a network of eight community-based residencies that train physicians in the specialty of family practice. The residencies are dispersed into regions of the State to help improve the geographic distribution of family practice graduates and physicians in general. The training programs are in Davenport, Des Moines, Iowa City, Mason City, Sioux City, and Waterloo.

Statements on End of Session

Governor

Governor Kim Reynolds released a statement upon Adjournment Sine Die highlighting the accomplishments of her final legislative session. She celebrated the success of legislation related to property tax reform, educational freedom, the health of Iowans, water quality, and childcare. Reflecting on her time as Governor, she said, “I’m incredibly proud of the work we’ve accomplished together on behalf of Iowans this year. With only a modest 1.4% increase to the state budget, Republicans are delivering big for Iowans... Throughout my time in office, the commonsense, conservative policies we’ve enacted will ensure our state remains strong, prosperous, and vibrant for generations to come. That has been my commitment to Iowans since day one, and I will continue to serve with that same purpose during my final months in office.”

Lieutenant Governor Chris Cournoyer released a statement praising the Governor’s accomplishments throughout her tenure, saying, “Governor Reynolds’ record of strong conservative leadership puts Iowa families ahead... Over nearly a decade, Governor Reynolds’ vision for Iowa has become a reality—low taxes, a strong economy, education freedom, vibrant communities, and endless opportunities. I’m proud to serve alongside her and support policies like these that serve to further enhance the quality of life in our state.”

Republicans

In Senate Majority Leader Klimesh’s statement, he primarily focused on the process tax reform package passed on the final day of session, saying, “We made great strides in reining in local government spending, reforming the property tax system, and now Iowa homeowners will see billions in property tax relief over the next several years.” Similarly, House Speaker Grassley highlighted his caucus’s successes with the property tax bill, along with passing tough on crime legislation.

Democrats

In a statement from Senate Minority Leader Weiner, she said, “Republican lawmakers spent the year wreaking havoc on Iowans’ lives, but now Iowans can finally breathe a sigh of relief. As the legislative session ends, so does the harm... Instead of taking action to provide real, substantial relief on any of the kitchen table issues that truly matter to Iowans, Senate Republicans only made things worse.” She and House Minority Leader Meyer highlighted issues like healthcare access and increasing costs as major ones Iowans are facing that the Legislature did not address.

STATE OF IOWA BUDGET

Overview

The Legislature is required by law to approve a budget for the upcoming fiscal year before final adjournment. In general, the Governor releases a budget target at the beginning of session, and majority party leadership in the House and Senate release their own budget targets later in session. The budget targets represent money to be spent from the General Fund. The targets usually vary not only in the total

amount of money to be spent, but also in the ways that money would be distributed among various state agencies and programs. After all targets are released, the House and Senate must then have conversations to reach a compromise on a final target and the distribution of funding. This budget is then sent to the Governor for their review, approval or veto.

In the Governor's budget, she proposed spending \$9.671 billion from the General Fund for FY 2027, which is \$180.0 million (1.9%) more than was appropriated for FY 2026. Much of the Governor's proposed increase was for education and healthcare, including \$73.9 million for school aid, \$21.8 million for education savings accounts, \$14.0 million for education support personnel salaries, and \$37.3 million for Medicaid.

The Revenue Estimating Conference (REC) met in October, December, and March to create revenue estimates for FY 2026 and FY 2027. At the March meeting, the REC established a FY 2027 revenue estimate of \$8.472 billion, which was a \$27 million decrease from the estimate made in December and \$361 million more than the REC's estimate for FY 2026. The General Assembly is required to use the estimate that was made at the December meeting when creating the budget for the following fiscal year, unless a later meeting establishes a lower estimate. Since the March meeting established a lower estimate, legislators were required to use the \$8.472 billion estimate in the budget process this session.

It is important to note that the REC's revenue estimate is not the exact amount the Legislature is allowed to spend. Instead, it is the primary determinant in the calculation of the expenditure limitation, which includes other factors, including surplus carryforward funding and rainy-day funds. This gave the Governor and legislators more room in the FY 2027 budget than just the expected revenue for the year. For more information on how the expenditure limitation is calculated, see the Legislative Services Agency's [resource](#) on this topic.

A few years ago, General Fund revenue was consistently around \$9.8 billion, so this year's revenue is a significant change. Senate Majority Leader Klimesh and Governor Reynolds both released statements on the March REC estimates, stating that Iowa has a good fiscal outlook despite lower revenue. Klimesh said, "Today's meeting regarding the fiscal outlook for our state shows Iowa is resilient against economic pressures. We have a healthy reserve balance, a healthy rainy-day fund, and a healthy balance in the Taxpayer Relief Fund. The goal of the tax cut is to return taxpayers' overpayment to state government and provide permanent, pro-growth tax relief, and that goal is being achieved. Senate Republicans will continue focusing on responsible, sustainable budgeting and look forward to again compiling a conservative, sustainable budget in the upcoming weeks that puts the taxpayer first."

Although lower revenue the last several years was expected due to recent tax cuts, it still required legislators to make tough decisions on the amount of new funding to appropriate and how to allocate that funding. To further complicate matters, the Medicaid Forecasting Group anticipated a significant Medicaid shortfall for both FY 2026 and FY 2027, which legislators needed to find funding to supplement. As of March, the FY 2026 deficit was estimated at approximately \$90.6 million, and the FY 2027 was estimated at \$167.6 million. To address the FY 2026 Medicaid shortfall, the Legislature passed [HF 2739](#) in late March, which created a healthcare-related tax on Health Maintenance Organizations (HMOs). The tax rate is temporarily raised from 0.95% to 3.5% from January through September 2026. The bill provided a \$89 million supplemental appropriation for FY 2026 for Medicaid. For further details on the HMO tax bill, see [here](#).

In late March, Senate Republicans announced their budget target, which totaled \$9.623 billion, \$48 million less than the Governor's recommendation. The Senate began advancing most of the Governor's recommended budget bills through the committee process, which was largely a procedural move to make the budget passage process faster once a joint target was reached. Soon after, House

Republicans announced their own target of \$9.662 billion, \$9 million below the Governor’s recommendation, and released their proposed budget bills and moved them through the Appropriations process. This year, since the budget situation was tighter, the Governor, House, and Senate targets were relatively close, which made the negotiation process more straightforward.

In the week prior to final adjournment, the Senate and House announced they had reached a budget agreement, and budget subcommittee chairs from each chamber worked together to finalize the budget bills that will fund state government for FY 2027. In the last few days of session, the floor managers moved these bills through passage in both chambers. The final budget bill, Standings, reached final passage shortly before 7:00PM on May 3 and was the last bill to be passed before legislators adjourned Sine Die.

FY 2027 Budget

The final budget approved by the Legislature totaled \$9.645 billion from the General Fund for FY 2027, which begins on July 1. This is an increase of just \$135.9 million (1.4%) compared to FY 2026. For reference, the Legislature appropriated an increase of 5.4% from FY 2025 to FY 2026. With Iowa’s revenue situation requiring the state to pull from rainy funds, legislators had very little new money to work with in the budget, and ultimately, few programs received new or increased funding for FY 2027.

Appropriations bills also included \$1.613 billion from other state funds, which is a decrease of \$25.96 million compared to FY 2026. See the tables below for the total amounts appropriated from the General Fund and other funds this session.

The budget bills will now go to the Governor’s desk for her signature, where she has 30 days to decide on signing. It is likely all action will be complete by Friday, May 29th. Unlike a policy bill where the Governor must sign or veto the entire bill, the Governor is able to “line-item veto” specific provisions in budget bills.

Appropriations from the General Fund

Budget Area	FY 2026	FY 2027	Change
Administration & Regulation	\$ 73,714,090	\$ 73,301,113	\$ (412,977)
Agriculture & Natural Resources	46,605,670	47,505,670	900,000
Economic Development	40,337,127	38,948,145	(1,388,982)
Education	1,031,576,216	1,042,048,676	10,472,460
Health & Human Services	2,557,314,264	2,560,438,417	3,124,153
Justice System	924,933,800	938,006,002	13,072,202
Unassigned Standings	4,834,939,780	4,945,048,758	110,108,978
Total	\$ 9,509,420,947	\$ 9,645,296,781	\$ 135,875,834

Appropriations from Other Funds

Budget Area	FY 2026	FY 2027	Change
Administration & Regulation	\$ 138,729,828	\$ 78,870,511	\$ (59,859,317)
Agriculture & Natural Resources	101,076,667	119,241,122	18,164,455
Economic Development	34,391,084	34,691,084	300,000
Education	33,675,000	33,675,000	-
Health & Human Services	457,248,335	447,163,958	(10,084,377)
Justice System	20,686,028	21,468,128	782,100
Transportation, Infrastructure, & Capitals	735,341,971	703,993,417	(31,348,554)
Unassigned Standings	117,334,618	173,420,268	56,085,650
Total	\$ 1,638,483,531	\$ 1,612,523,488	\$ (25,960,043)

Health and Human Services Budget

The Health and Human Services budget bill, [HF 2782](#), appropriates a total of \$2.56 billion from the General Fund for FY 2027, which is a 0.1% increase from what was appropriated last year. The bill also appropriates \$447.2 million from other funds, which is a decrease of 2.2% compared to FY 2026. Few programs received additional or new funding in the final bill. For details on the appropriations and policy language included in the bill, please see the [NOBA](#), which is the Legislative Services Agency's line-by-line explanation of the bill.

FINAL BILL TRACKER

Signed by Governor

Bill	Description	Position
HF 2434	A bill for an act relating to insurance coverage for health care services provided pursuant to a referral by an out-of-network primary care provider. (Formerly HSB 506.) Effective date: 07/01/2026.	For
HF 2543	A bill for an act relating to subacute mental health care facilities and services, and including effective date provisions. (Formerly HF 2220.) Effective date: 05/02/2026.	Undecided
HF 2635	A bill for an act relating to health carriers standards of conduct; utilization review organizations, artificial intelligence, audits, and prior authorizations; certificate of need processes; and including applicability provisions. (Formerly HF 2438.) Effective date: 07/01/2026.	For

Bill	Description	Position
HF 2707	A bill for an act relating to alignment of delivery of health and human services programs and services, aging and disability services, and volunteer services, and including applicability and effective date provisions. (Formerly HSB 622.) Effective date: 04/30/2026, 07/01/2026.	Undecided
SF 2184	A bill for an act relating to licenses to practice medicine and surgery or osteopathic medicine and surgery, and administrative medicine licenses. (Formerly SSB 3081.) Effective date: 07/01/2026.	For
SF 2190	A bill for an act relating to the use of the titles physician assistant and physician associate. (Formerly SSB 3059.) Effective date: 07/01/2026.	Undecided

Passed, Awaiting Governor's Signature

Bill	Description	Position
HF 2254	A bill for an act relating to the prohibition of noncompete clauses in certain employment contracts entered into by the university of Iowa hospitals and clinics, and including effective date provisions. (Formerly HF 2072.)	Undecided
HF 2676	A bill for an act relating to health-related matters, including health-related professions, nutrition, medication, and education, and including effective date and applicability provisions. (Formerly HSB 694.) 07/01/2026 Applicability date: 07/01/2027	Undecided
HF 2782	A bill for an act relating to and making appropriations to the department of veterans affairs and the department of health and human services, including aging and disability services, behavioral health, public health, and community access and eligibility; the medical assistance program, state supplementary assistance, Hawki, and other health-related programs; family well-being and protection; state-operated specialty care; administration and compliance; transfers, cash flow, and nonreversions; report on nonreversion of moneys; more options for maternal support program; reimbursement rates review; mental diseases exclusion waiver; full-time equivalent dashboard; comprehensive family support program; federal community mental health services block grant; behavioral health expenditure report; opioid settlement fund; emergency rules; graduate medical education; and special population nursing facilities; and including effective date and retroactive applicability provisions. (Formerly HSB 777.) Effective date: Enactment, 07/01/2026. Applicability date: 07/01/2025.	Undecided

Bill	Description	Position
HF 2783	A bill for an act relating to and making appropriations to the education system, including the funding and operation of the department for the blind, department of education, state board of regents, department of workforce development, and Iowa special education council. (Formerly HSB 778.) Effective date: 07/01/2026	Undecided
SF 304	A bill for an act providing an exception to a minor's legal capacity to consent to the provision of medical care or services for a sexually transmitted disease or infection. (Formerly SF 120.) Effective date: 07/01/2026	Undecided
SF 469	A bill for an act creating an emeritus license to practice medicine and surgery or osteopathic medicine and surgery. (Formerly SSB 1121.) Effective date: 07/01/2026	For
SF 512	A bill for an act relating to statutes of limitations in civil actions. (Formerly SSB 1179.) Effective date: 07/01/2026	

Did Not Pass

Bill	Description	Position
HF 2053	A bill for an act relating to the standardization of claim submission and reimbursement processes of managed care organizations.	Undecided
HF 2056	A bill for an act relating to the dispensing of hydroxychloroquine and ivermectin through a standing order in the state.	Against
HF 2096	A bill for an act relating to the disclosure of the prices charged for health services rendered by health care providers and hospitals.	Undecided
HF 2171	A bill for an act striking elementary and secondary student immunization requirements.	Against
HF 2205	A bill for an act relating to the prescribing, ordering, dispensing, and administering authority of pharmacists and practitioners.	Undecided
HF 2347	A bill for an act relating to requirements for immunization exemption notifications by public health agencies.(Formerly HSB 605.)	Undecided
HF 2415	A bill for an act relating to certain health insurance policies, contracts, and plans and a special enrollment period for pregnant women.(Formerly HF 606.)	For
HF 2666	A bill for an act relating to the practice of licensed professions and the duties of the professional licensing boards, including applications, renewals, and fees, and including applicability provisions.(Formerly HSB 628.)	
HF 2743	A bill for an act creating the Iowa rural health transformation fund and making appropriations.(Formerly HF 2468, HSB 619.)	Undecided
HSB 502	A bill for an act relating to health insurers' credentialing process.	Undecided
HSB 654	A bill for an act prohibiting specified provisions in agreements between employers and health care providers relating to location of practice.	Undecided

Bill	Description	Position
HSB 695	A bill for an act relating to self-administered hormonal contraceptives.	For
SF 319	A bill for an act relating to certain cost controls for health care services.(Formerly SSB 1029.)	Undecided
SF 2345	A bill for an act relating to notice of immunization exemptions and providing civil penalties.	Undecided
SF 2424	A bill for an act relating to vaccination exemptions for certain students in clinical rotations and the qualification of postsecondary schools as eligible institutions for Iowa tuition grants, and providing civil penalties.(Formerly SF 2095.)	Undecided
SF 2455	A bill for an act relating to insurance coverage for emergency services, reimbursements for out-of-network providers, and complicating factors.(Formerly SSB 3177.)	
SF 2459	A bill for an act relating to the certificate of need process.(Formerly SSB 3084.)	Undecided
SSB 3077	A bill for an act relating to the practice of licensed professions and the duties of the professional licensing boards, including applications, renewals, and fees, and including applicability provisions.	Undecided
SSB 3130	A bill for an act relating to health-related matters, including health-related professions, nutrition, medication, and taxes on certain products, and including effective date and applicability provisions.	Undecided
SSB 3145	A bill for an act relating to the taxation of cigarettes, tobacco products, vapor products, and consumable hemp products, and making appropriations to the department of health and human services and the department of justice.	Undecided