



## **Cornerstone Iowa Health Update**

### **2026 Legislative Session: Week One**

**Friday, January 16, 2026**



*We're highlighting the top news this week. Up first, the beginning of the Legislative Session, the Governor's Condition of the State, and the Governor's budget recommendations.*

#### **Week in Review**

The Legislature convened Monday morning at 10:00AM for the second year of the 91st Iowa General Assembly. Republicans continue to hold the majority in both the Senate and House, and with a Republican as Governor, this is the tenth consecutive year of a Republican trifecta. The House consists of 67 Republicans and 33 Democrats. In the Senate, there are 33 Republicans and 17 Democrats.

Upon gaveling in, leadership in both chambers provided opening remarks and discussed their priorities for this legislative session. With various leadership changes since last session, this was one of the first public opportunities to see House Majority Leader Kaufmann, Senate Majority Leader Klimesh, and House Minority Leader Meyer address their caucuses about their priorities and how they plan to lead.

Speaker Grassley and Majority Leader Kaufmann both emphasized that the House Republican agenda for this session includes property taxes and eminent domain. Other priorities for these leaders are being tough on crime and increasing salaries for legislators. Majority Leader Klimesh said that Senate Republicans will focus on property tax reform, an eminent domain solution, and the economy.

On the Democratic side, House Minority Leader Meyer and Senate Minority Leader Weiner discussed public education, affordability, the economy, and the state budget as priorities.

Throughout the week, there were three major joint sessions for legislators to hear from the Governor, Judicial Branch, and National Guard. The Governor gave her annual Condition of the State on Tuesday evening. On Wednesday morning, Chief Justice Susan Christensen gave the annual Condition of the Judiciary. Lastly, on Thursday morning, Major General Stephen Osborn gave the annual Condition of the Guard.

Besides leadership's opening remarks and these joint sessions, much of the work at the capitol this week was procedural. The two new legislators elected through December special elections, Sen. **Renee Hardman** and Rep. **Wendy Larson**, were sworn in on Monday. Standing committees met throughout the week for largely organizational purposes, with committee chairs often sharing remarks about their hopes for the committee this year.

However, legislators also got off to a fast start moving legislation forward this week. By the end of the week, more than 250 bills had been introduced and nearly 20 bill subcommittees were held. Bills were introduced on two of this session's most anticipated issues, property taxes and eminent domain, with the eminent domain bill already passing through standing committee.

The Legislature is not in session on Monday in honor of Martin Luther King, Jr. Day, but legislative work will pick up in full force next week starting on Tuesday morning.

## **2026 Condition of the State**

On Tuesday, Governor Reynolds delivered the annual Condition of the State message in front of the House and Senate. This was her ninth and final time making this address, as she is not running for reelection this year. In her speech, she highlighted her administration's accomplishments throughout her years as Governor, specifically in regards to reducing taxes, expanding educational freedom, and investing in healthcare.

During the speech, the Governor primarily focused her remarks and recommendations on property taxes, healthcare, nutrition, charter schools, public safety, government efficiency, Iowa farms, and veterans benefits. Following the address, the Department of Management released a document with the full text of her speech, which also contains additional recommendations and more details on her proposals. It can be found [here](#).

As was anticipated, the Governor introduced her plan for property tax reform during the speech. The bill, [SSB 3034](#) & [HSB 563](#), caps total revenue growth for all taxing authorities to 2%, changes property tax assessments from every two to every three years, allows for tax-deductible savings accounts for first time homebuyers, and freezes property taxes for older Iowans who own homes valued at under \$350,000.

In the healthcare realm, the Governor is recommending the following notable items:

- Allowing psychologists licensed in other states to practice in Iowa.
- Eliminating certificate of need (CON) requirements for outpatient behavioral health facilities.
- Expanding access to over-the-counter hormonal contraceptives.
- Requiring nutrition classes to be included in physicians' required continuing education.
- Allowing ivermectin to be sold over-the-counter.
- Allowing Iowa to apply for a federal waiver to create a state-based health insurance exchange.
- Prohibiting certain dyes and additives from school food programs.
- Requiring Iowa to apply for a federal waiver for Healthy SNAP and Healthy Summer EBT purchases.

In addition to these recommendations, the Governor also spoke about Healthy Hometowns, Iowa's federally-approved plan for utilizing Rural Health Transformation Program (RHTP) funding. She also focused on various Department of Health and Human Services (HHS) efforts to address Iowa's high cancer rates, including a partnership between HHS and the University of Iowa (UI) to conduct a comprehensive study of cancer in the state, the development of cancer care hubs, and an emphasis on early detection. More than \$50 million of Iowa's Rural Health Transformation Program Funding will be directed towards cancer prevention, screening, and treatment this year.

### **Governor's FY 2027 Budget Recommendations**

In addition to delivering the Condition of the State on Tuesday, Governor Reynolds also unveiled her FY 2027 budget proposal. The 2027 fiscal year will begin on July 1, 2026, and run through June 30, 2027.

The Governor is recommending an increase to state General Fund spending of approximately \$180.0 million (1.9%), for a total of \$9.671 billion in FY 2027. As a reminder, the Revenue Estimating Conference estimated in December that FY 2027 revenue will equal approximately \$8.499 billion. However, the expenditure limitation for FY 2027 is \$9.878 billion, because it is affected by other factors, like surplus carryforward funding. This means the Governor's recommended budget is well within the limits of the expenditure limitation.

The Governor's recommended increases for FY 2027 primarily relate to education, healthcare, and property taxes. This includes increases of:

- \$73.9 million for State Foundation School Aid
- \$37.3 million for Medical Assistance
- \$21.8 million for Education Savings Accounts
- \$14.0 million for Education Support Personnel Salaries
- \$11.6 million for Homestead Tax Credit Aid
- \$8.1 million for Charter Schools
- \$6.6 million for HHS Community Access and Eligibility
- \$5.0 million for the Special Education Division

The Governor is also recommending a supplemental appropriation for FY 2026 of \$70.9 million for Medical Assistance to cover the expected Medicaid shortfall for this year.

Below is an overview of the Governor's General Fund budget recommendations. For more information, see the Legislative Services Agency (LSA)'s [Analysis of the Governor's Budget Recommendations](#). A more in-depth description of the Governor's budget recommendations for Health and Human Services can be found starting on page 174.

	Actual FY 2025 <hr/> (1)	Estimated FY 2026 <hr/> (2)	Gov Rec FY 2027 <hr/> (3)	Gov Rec FY 27 vs Est FY 2026 <hr/> (4)
Administration and Regulation	\$ 72,915,646	\$ 73,714,090	\$ 73,101,113	\$ -612,977
Agriculture and Natural Resources	45,923,745	46,605,670	46,905,670	300,000
Economic Development	40,767,006	40,337,127	38,448,145	-1,888,982
Education	1,019,500,333	1,031,576,216	1,046,430,902	14,854,686
Health and Human Services	2,212,449,857	2,539,199,280	2,578,335,922	39,136,642
Justice System	915,452,813	924,933,800	936,006,002	11,072,202
Unassigned Standings	4,661,735,602	4,834,939,780	4,952,048,418	117,108,638
<b>Grand Total</b>	<b>\$ 8,968,745,002</b>	<b>\$ 9,491,305,963</b>	<b>\$ 9,671,276,172</b>	<b>\$ 179,970,209</b>

Note: The Governor is recommending a supplemental appropriation of \$70,885,016 that is included in Estimated FY 2026 figures.

*Image courtesy of the LSA.*

## House HHS Committee Presentations

On Tuesday, the House Health and Human Services Committee held presentations from the UI on its neonatal intensive care unit (NICU) and the Church Ambassador Network on foster care. During the NICU presentation, UI officials discussed the issue of premature delivery, the UI NICU's capabilities compared to other hospitals, and maternal and neonatal transport. The presentation on foster care included discussions on foster family recruitment and retention, social worker burnout, and the number of Iowa children in foster care.

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## In the News

*Read more about what's making headlines across the state.*

- [Des Moines Register: Iowa Legislature kicks off 2026 session with focus on property taxes.](#)
- [Iowa Capital Dispatch: Iowa Senate Republicans reveal their plan to lower property taxes.](#)
- [Iowa Capital Dispatch: Here's what 3 Iowa statewide elected leaders are proposing in 2026.](#)
- [Des Moines Register: Who are the Iowa Legislature's leaders in 2026? Meet the new people.](#)
- [Iowa Capital Dispatch: Iowa GOP legislative leaders stress unity as 2026 session opens.](#)
- [Iowa Capital Dispatch: Iowa legislative leaders call for civility, action on pipelines on session's first day.](#)
- [Des Moines Register: 6 takeaways from Iowa Gov. Kim Reynolds' 2026 Condition of the State.](#)
- [The Gazette: Iowa Gov. Reynolds proposes \\$9.7B budget, again drawing from state reserve funds.](#)
- [Radio Iowa: Iowa Gov. Reynolds unveils property tax plan, new cancer-related spending.](#)
- [Des Moines Register: Iowa House Democrats want to repeal ESAs to fund expired ACA subsidies.](#)



*With the 2026 Legislative Session now officially underway, we're looking ahead to what the next few weeks may hold.*

### **HHS Town Halls**

The Iowa HHS is hosting townhalls for Medicaid providers on the third Thursday of each month, and this month's meeting will include a rate review presentation. It will take place on Thursday, January 22 from 4:00-5:30PM. To register for this event and see the dates for future townhalls, see the HHS's [webpage](#).

### **Senate Week 2 Schedule**

Monday, January 19	Tuesday, January 20	Wednesday, January 21	Thursday, January 22	Friday, January 23
NO SESSION IN HONOR OF MARTIN LUTHER KING JR. HOLIDAY	10:00 SESSION	9:00 SESSION  10:00 Technology RM 116  11:00 Transportation RM 116	9:00 SESSION  10:00 Health and Human Services RM 116	
Noon	Noon	Noon	Noon	Noon
	1:00 Local Government RM 116	12:00 State Gov't Efficiency Review Cmte RM 103  1:00 Commerce RM 116  2:00 Workforce RM 116		All Committees on Call

### **House Week 2 Schedule**

Monday, January 19	Tuesday, January 20	Wednesday, January 21	Thursday, January 22	Friday, January 23
No Session: MLK Day	<b>10:00</b> SESSION  <b>10:30</b> Public Safety RM 19 <b>Economic Growth and Technology</b> RM 102 <b>State Government</b> RM 103	<b>8:30</b> SESSION  <b>10:30</b> Local Government RM 19 <b>Agriculture</b> RM 102 <b>Health and Human Services</b> RM 103	<b>8:30</b> SESSION  <b>9:00</b> Labor and Workforce RM 102 <b>Judiciary</b> RM 103	<b>10:30</b> Ways and Means RM 102 <b>Appropriations</b> RM 103
Noon	Noon	Noon	Noon	Noon
	<b>1:00</b> Natural Resources RM 19 <b>Labor and Workforce</b> RM 102 <b>Judiciary</b> RM 103  <b>2:30</b> Environmental Protection RM 19	<b>12:00</b> State Gov't Efficiency Review Cmte RM 103  <b>1:00</b> Education RM 102 Commerce RM 103  <b>2:30</b> Higher Education RM 19 Veterans Affairs RM 102 Transportation RM 103		

## Upcoming Town Halls

See what legislative town halls are happening in the next two weeks.

### Waverly Town Hall

With Sen. Sandy Salmon

Saturday, January 17 at 9:00AM

Waverly Public Library, Bremer Room (1500 W Bremer Ave, Waverly, IA)

### Legislative Forum

With Rep. Steven Holt

Saturday, January 17 at 10:00AM

Chamber's Atrium (1901 Hawkeye Ave, Harlan, IA)

### Hiawatha Legislative Forum

Saturday, January 17 at 10:00AM

Hiawatha Public Library, Community Room (150 West Willman St, Hiawatha, IA)

**Charles City Town Hall**

With Sen. Sandy Salmon

Saturday, January 17 at 11:30AM

Floyd County Museum (500 Gilbert St, Charles City, IA)

**Quad Cities Chamber Legislative Forum**

With Reps. Ken Croken, Dan Gosa, Gary Mohr, Mike Vondran, and Monica Kurth; and Sens. Kerry Gruenhagen, Scott Webster, Cindy Winckler, and Mike Zimmer

Friday, January 23 at 7:30AM

St. Ambrose University, Rogalski Center (518 W Locust St, Davenport, IA)

**Waterloo Legislative Forum**

Friday, January 23 at 5:00PM

Hawkeye Community College, Van G. Miller Adult Learning Center (120 Jefferson St, Waterloo, IA)

**Mahaska County Coffee & Conversation**

With Sen. Ken Rozenboom, Sen. Adrian Dickey, Rep. Helena Hayes, and Rep. Barb Kniff-McCulla

Saturday, January 24 at 8:30AM

Smokey Row Coffee (109 S Market St, Oskaloosa, IA)

**Carrol County Legislative Forum**

Saturday, January 24 at 10:00AM

St. Anthony Regional Hospital (311 S Clark St, Carroll, IA)

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## **Dates of Interest**

*Check out our running list of key upcoming dates.*

**February 20, 2026** – First Funnel. *Final date for Senate bills and joint resolutions to be reported out of Senate committees and House bills and joint resolutions out of House committees.*

**March 2026** - March REC.

**March 20, 2026** - Second Funnel. *Final date for Senate bills and joint resolutions to be reported out of House committees and House bills and joint resolutions out of Senate committees.*

**April 21, 2026** - 100th calendar day of the session. *Per diem expenses end.*

**June 2, 2026** - Primary election.

**July 1, 2026** - FY 2027 begins. Standard effective date for bills.

**November 3, 2026** - General election.

The full 2026 Legislative Session schedule can be accessed [here](#).

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**MEET OUR TEAM**

Please don't hesitate to reach out to our team with any comments, questions, or concerns. If there is someone on your team who would like to receive these updates but isn't currently, please email Isabel Biehl to get them added.

**Connect with Cornerstone**



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