

IOWA HOUSE REPUBLICANS

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IowaHouseRepublicans.com

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Appropriations

Who to Believe When it Comes to State Budget Management

Recently Iowa Democrat leaders have leveled broad criticism at the way Republicans have managed the state budget and cut taxes.

State Auditor Rob Sand has said Iowa is facing a “fiscal time bomb.”

Iowa House Democrat Leader Brian Meyer said Iowa is in “fiscal death spiral.”

Iowa Senate Democrat Leader Janice Weiner said Iowa’s “revenues are collapsing.”

Unfortunately for these Democrats, facts are stubborn things. Revisiting the disasters that took place the last time they had control of the state budget, it’s clear that these are not the people who should be handing out budget advice.

Here’s the truth: Iowans were overpaid on their taxes. House Republicans believe that money is better off in your pocket than sitting in state coffers. So, we cut your income taxes. When we lowered Iowans’ personal income taxes to 3.8 percent (down from nearly 9 percent as recently as 2018) as of January 1, 2025, it was done with the knowledge that state revenues go down when taxes collections are reduced.

When taxes are reduced, the government collects less money from taxpayers. That is a feature, not a bug. But once the rates are in effect, state revenue always starts increasing again. It’s worth noting that this has worked in the past. The Legislature cut income taxes in 1997 and 2018 and in both instances initial declines gave way to increasing revenues.

Here come more of those pesky facts the Democrats don’t want you to know. Our reserve funds are at their statutory maximums; we have almost \$6 billion in cash on hand including over \$4 billion in the Taxpayer Relief Fund. Does that paint the picture of a “fiscal death spiral?” Absolutely not.

If you’re still skeptical, let’s dig into the details. To begin with it is important to understand how the current budget picture is set and what that picture looks like. Equally as important is how we arrived at the current budget picture.

How is the Budget Picture Set?

Every December, the Revenue Estimating Conference (REC) meets. The Legislature and the Governor are required to use the December budget estimate as the basis for the following year’s budget. The 2026 Legislature is bound by law to use December 2025 revenue estimate. The 2026 Legislature will develop the Fiscal Year 2027 state budget. The REC is a three-person panel made up of a Governor’s appointee who is the Director of the Department of Management, Legislative appointee who is the Fiscal Services Division Director and a third member who is a member of the public and agreed upon by the other two.

If the December estimate is lowered in at a later meeting in the spring, the lower estimate is required to be used. If the December estimate is increased at a later meeting, the Legislature is still required to use the December estimate. This requirement ensures the Legislature and the Governor do not spend the state's taxpayers into a negative situation. What revenue are we talking about? The REC estimates total revenue for the state's General Fund.

What goes into the General Fund? The vast majority of Iowa's General Fund comes from the individual income tax and sales/use taxes. The rest from sources like the corporate income tax and various fees and licenses.

The Legislature and the Governor, regardless of party, eventually agree on overall spending levels. By law, the state can only spend up to 99% of available revenue. Since Republicans have led the state, total spending has been below the 99% legal threshold. The remaining unspent percentage ends up in the Ending Balance. The Ending Balance is often called the "surplus." Additionally, Republican created the Taxpayer Relief Fund (TRF) which was designed to protect priorities like health care, public safety and K-12 education while also lowering overall taxes for Iowans. The TRF holds unanticipated revenue above the December REC estimate. This means when a spring estimate by the REC is above the December estimate, that unanticipated revenue is deposited into the TRF.

Current Budget Picture

Despite continued economic uncertainty, the ag economy has seen better prices since October, and President Trump's announcement of \$12 billion in trade adjustment payments will have a positive impact on state revenue in Fiscal Year 2027. While there has been a slowdown in hiring at the national level, Iowa has seen a slight uptick in employment in the latest jobs data. Tariffs and the trade agreements have added to the complexity of projecting revenue.

Consumers are also giving mixed signals: economic surveys report declining consumer confidence, but actual spending for the 2025 holiday season has been stronger than expected and may cross \$1 trillion in spending for the first time. Iowa's sales and use tax collections have been higher than projected since the panel's October meeting. Even with all the conflicting data, the REC panel agreed to a revenue forecast that was higher than their estimate in October.

Fiscal Year 2026 (current fiscal year) – State revenue is now expected to be \$8.16 billion this year. When compared to FY 2025's final revenue number, state revenue would be down 8.8 percent according to the estimate. **This decline was not only expected, but it was also planned.** Iowa lowered income tax rates to a 3.8 percent rate on January 1 and the tax cuts implemented by Congress in the One Big Beautiful Bill act will not only leave more money in the pockets of Iowa taxpayers, but it will impact the state revenue collections.

Why? Because lowering taxes means the government is collecting less money from Iowans. That means more money for Iowans and less money for government. That is not a "time bomb" or "death spiral."

Fiscal Year 2027 – For the new budget year, the REC is now projecting that General Fund revenue will be \$8.5 billion. When compared to the FY 2026 projected number, that is revenue growth of 4.2 percent. This growth accounts for the revenue impact of the One Big Beautiful Bill.

Knowing those facts, is Senate Democrat Leader Janice Weiner wrong about revenues collapsing? Yes, she is. Revenue that increases from \$8.16 billion to \$8.5 billion isn't a collapse.

The REC forecast confirms what House Republicans planned and understood when the 2024 income tax relief bill was passed – state revenues would initially decline as income tax rates were reduced. Any gap between revenues and approved spending levels is filled through two mechanism – the Ending Balance and the Taxpayer Relief Fund.

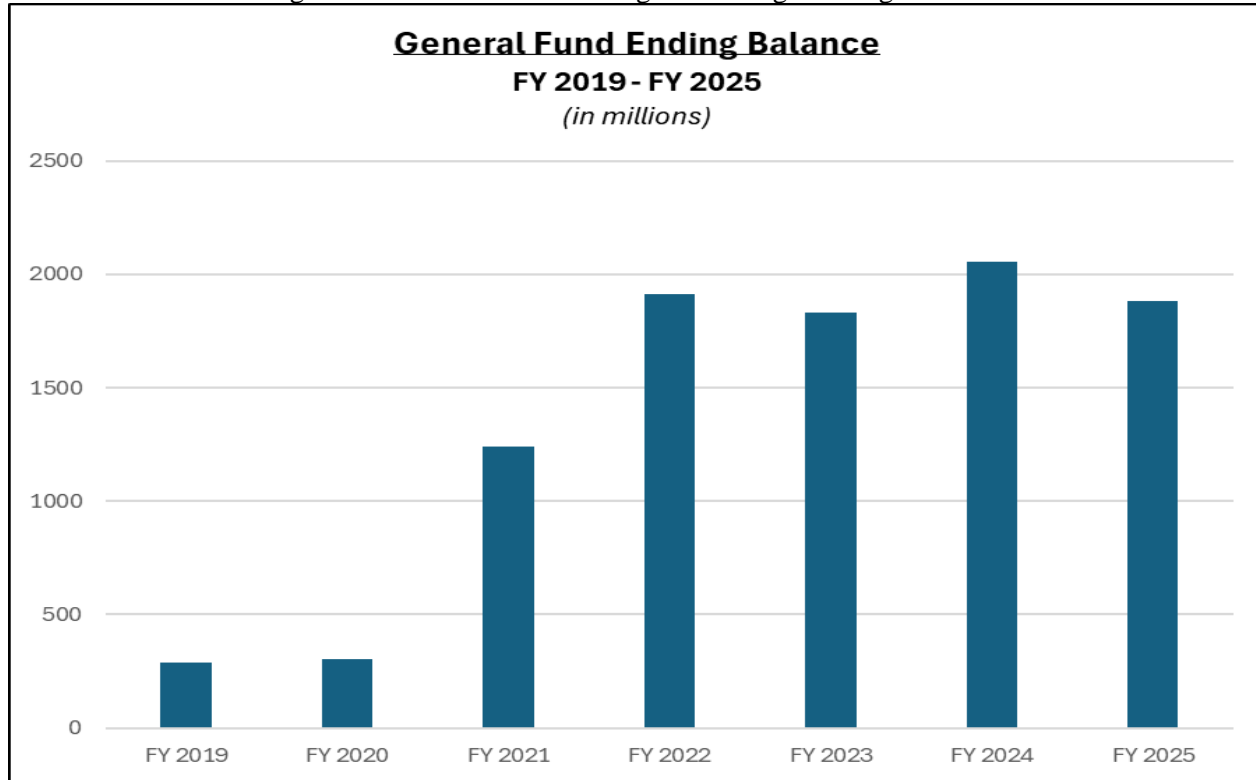
But what about that gap? Is his gap what Auditor Sand is talking about? Is he correct that his gap is a "fiscal time bomb?"

A review of the state's balance sheet gives us the answer.

General Fund Ending Balance

The Iowa Constitution requires the state to have a balanced budget each year. This means legislators must pass a budget that has some margin built in to account for the ups and downs of the economy. The state’s expenditure limitation law allows the budget to spend up to 99% percent of available revenue (that year’s tax revenue plus the ending balance from the previous year). The expenditure limitation law ensures that at least 1% of the state revenues and ending balance is saved. As mentioned earlier, Republican management of the budget has resulted in spending levels below 99%. That discipline has led to an ending balance that has grown dramatically.

Below is a chart showing how much the annual ending balance figure has grown since Fiscal Year 2019:



SOURCE: *Legislative Services Agency*

As the chart shows, the General Fund’s ending balance has experienced significant growth over the past five years. Democrats have repeatedly tried to spend this money down to zero. Republicans, exercising budget restraint, have saved this money for several reasons. First, too much government spending and poor planning leads to unsustainable commitments. Unsustainable commitments lead to one of two outcomes; unpredictable budget cuts or higher taxes. It also leads to inflation and a higher cost of living for Iowans.

The Ending Balance acts as the cushion for state spending commitments and any reduction in state revenue. Like a savings account, it fills the gap until state revenues catch back up. That is happening now.

But Republicans aren’t only relying on the Ending Balance. It is just one part of the unprecedented amount of money the state of Iowa is holding in its bank accounts. There is an even bigger amount in one of the state’s newer accounts – the Taxpayer Relief Fund.

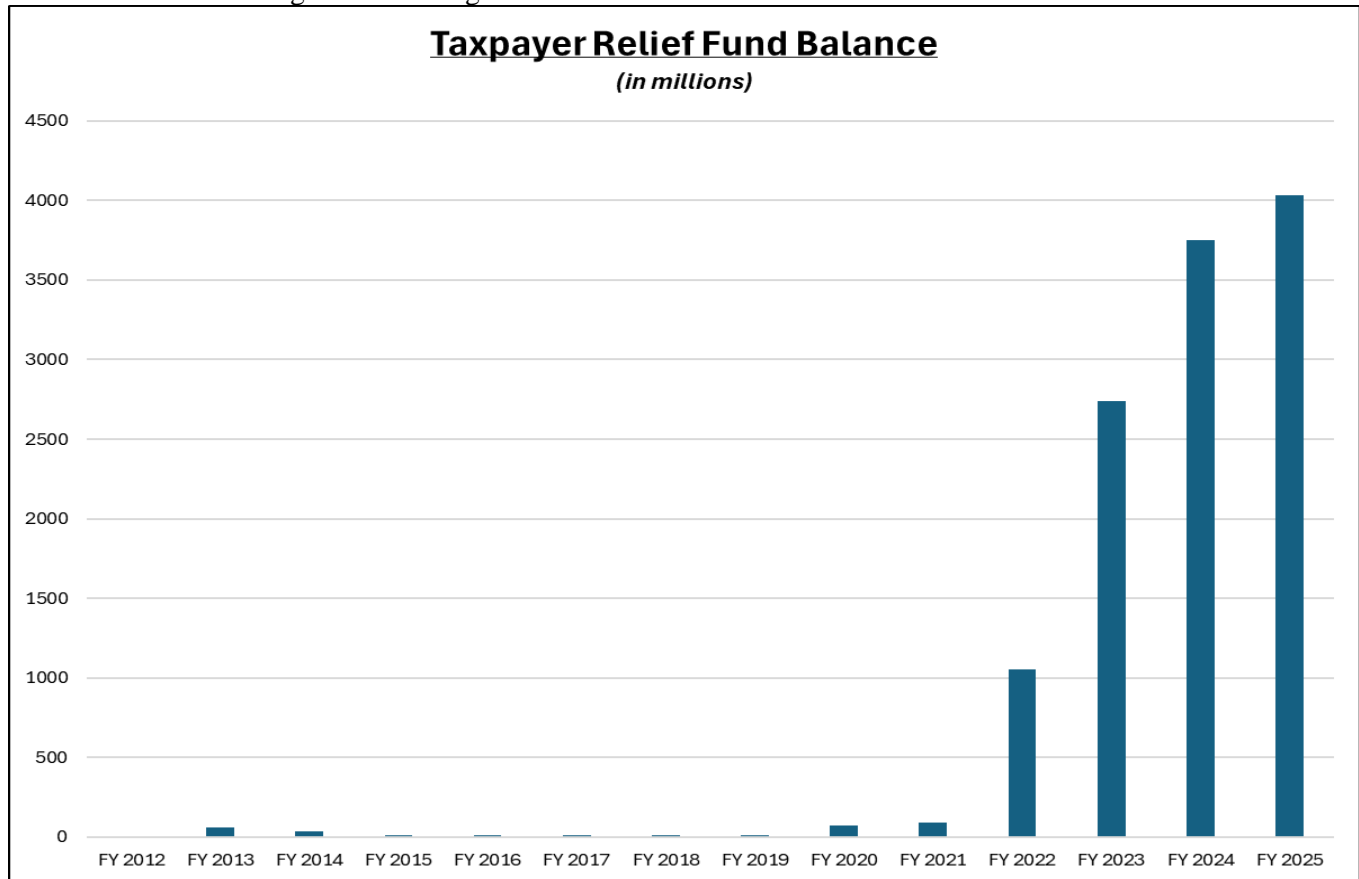
Taxpayer Relief Fund

The Taxpayer Relief Fund is an account in the State Treasury that holds unanticipated state revenue to be returned to the taxpayers. For funds to be deposited in the Taxpayer Relief Fund, actual state revenue must exceed what had been projected for state tax collections by the three-member Revenue Estimating Conference (REC). The difference between what was actually collected in tax revenue each year and what the REC had projected is deposited into the account once the fiscal year’s books have been closed.

The fund was created in 2011. House Republicans felt it was important that excess revenue be returned to the taxpayers, so they created a mechanism for this money to be returned. Originally, only \$60 million annually could be deposited into the Fund, and the funds were returned through a special tax credit on Iowans' income tax returns. In 2018, the \$60 million limit and the special credit were both eliminated. Instead, the money was saved so it could be dedicated to broad based tax relief for every Iowan who pays income taxes.

When this change was made, there wasn't a lot of money in the Taxpayer Relief Fund. But that is not the case now.

Below is a chart showing the dramatic growth of the balances in the fund.



SOURCE: Legislative Services Agency

Since the end of Fiscal Year 2019, the balance has grown from \$13.5 million to just over \$4 billion on June 30, 2025. At the end of Fiscal Year 2025, the state had a combined \$5.916 billion in the General Fund's ending balance and the Taxpayer Relief Fund. That is an amount that is almost two-thirds of the entire General Fund budget in Fiscal Year 2025.

Beyond this \$5.9 billion, the state has additional reserves. For over three decades Iowa has maintained two additional savings accounts. The Cash Reserve Fund and the Economic Emergency Fund. These two funds hold a total of \$960 million.

When Republicans lowered Iowans' personal income taxes to 3.8 percent (down from nearly 9 percent as recently as 2018) as of January 1, 2025, it was done with the knowledge that state revenues go down when taxes collections are reduced. It was done with the knowledge that Iowans also have key spending priorities on things like health care, public safety and K-12 education they want protected. It was also done with the knowledge that the state has \$5.9 billion to cushion any impact of revenue reductions.

It is also very important to note that the revenue reduction impacts government. The impact on taxpayers is larger paychecks. Republicans will always pick bigger paychecks for taxpayers over higher revenues for government. Auditor Sand may disagree.

In 2024 Republicans included a provision in the tax cut bill to cover any initial gap. Section 63 of the bill provides that if tax revenue was less than the budgeted amount, then half of the difference would be transferred from the Taxpayer Relief Fund to the General Fund. For Fiscal Year 2026, that is what is happening. The non-partisan Legislative Services Agency is projecting that \$633.4 million will be transferred from the TRF to the General Fund in FY 2026. This will still leave almost \$3.5 billion in the Taxpayer Relief Fund for future years.

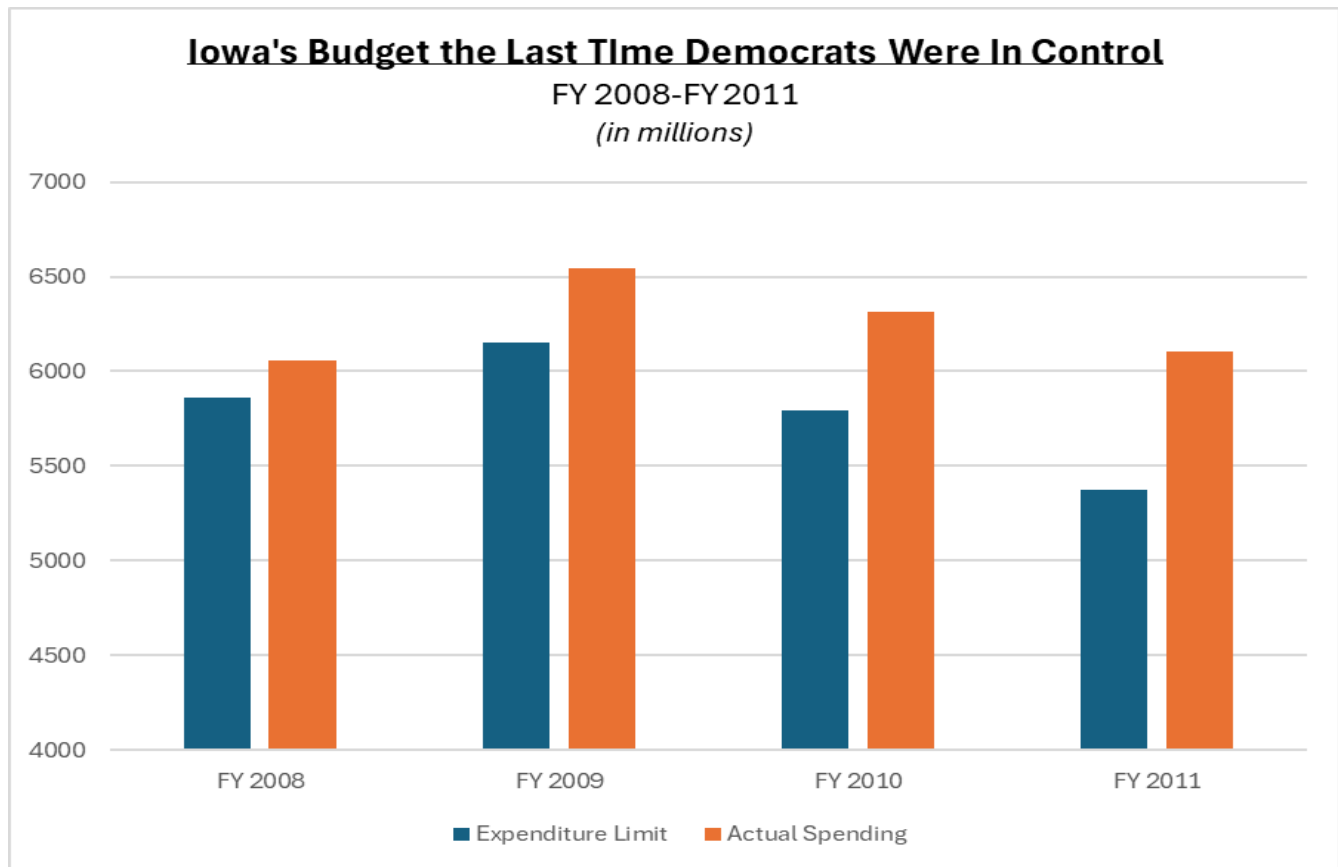
Knowing those facts, is Auditor Rob Sand wrong about the state facing a “fiscal time bomb?” \$5.9 billion in reserves does not sound like a time bomb.

House Democrats – Spend, Spend, Spend

What about House Democrat Leader Brian Meyer’s comment about the state facing a “fiscal death spiral?” To put it succinctly, House Republicans are not going to take budget advice from a group of people whose own track record at managing the state’s finances is awful.

The last time Democrats had control of the Iowa House of Representatives was between 2007 and 2010. Democrats then were the majority party in both the Iowa House and Senate and Democrat Chet Culver was the governor. During that time, Democrats jacked up government spending and created a billion-dollar budget hole.

Below is a chart showing the four budgets the Democrat troika produced. While the state’s expenditure limitation law set a cap on how much they could spend, Democrats had no trouble exceeding it. In all four years, the state spending exceeded what the law allowed them to expend.

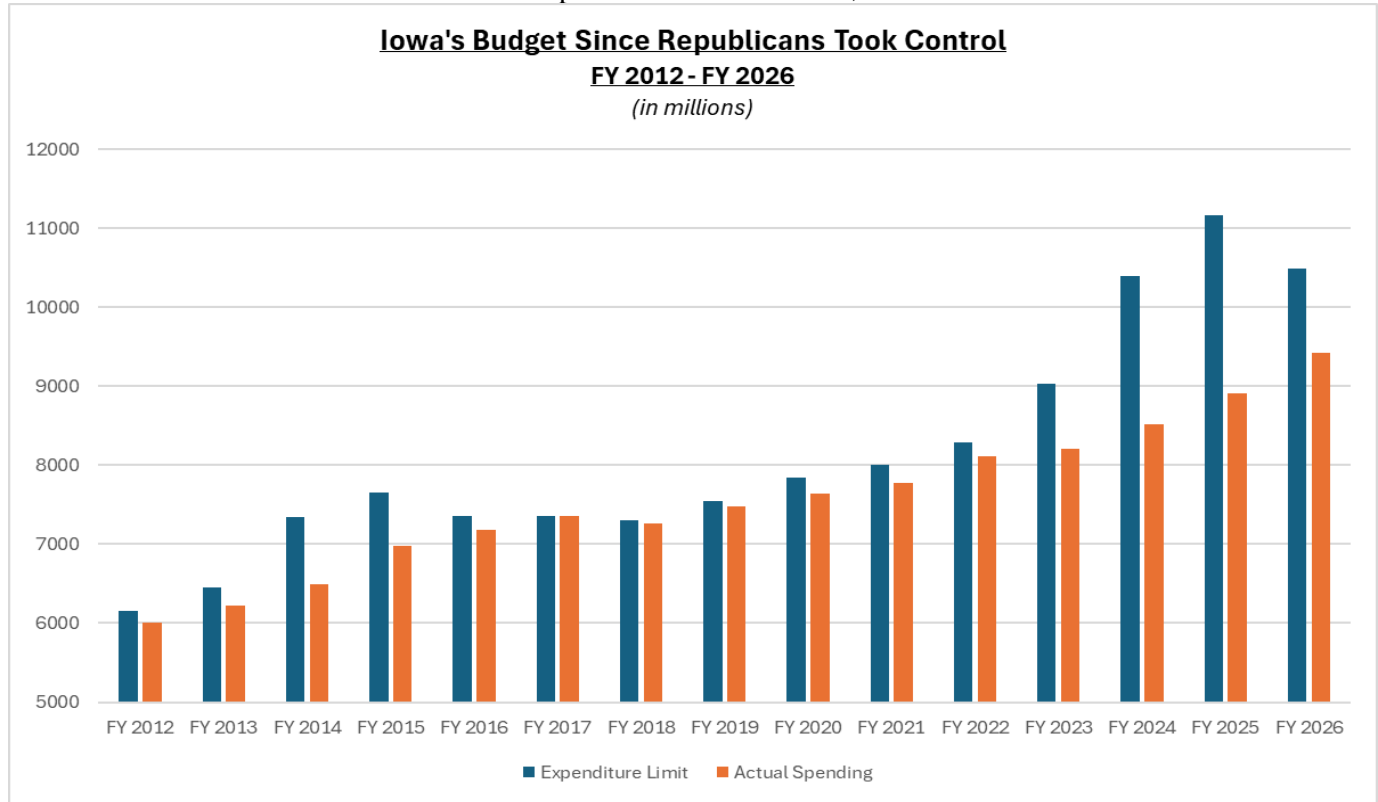


SOURCE: Legislative Services Agency

When the national economy went into recession in the fall of 2008, the Democrats didn't cut back, they kept spending. When reality finally set in, they imposed two rounds of across-the-board cuts which impacted critical services like K-12 public schools. Unlike Republicans, Democrats had failed to plan for any loss in revenue.

Iowans put an end to Democrat led budgets in the 2010 election. But fiscal carnage was left behind. As the 2011 session began, the nonpartisan Legislative Services Agency revealed the state had a funding gap of \$1.07 billion that would have to be filled.

Thanks to House Republican leadership, the budget problems were dealt with quickly. Since that year, spending has been limited to what was allowed under the Expenditure Limitation law, as the chart below shows:



SOURCE: Legislative Services Agency

Does Brian Meyer have any credibility on state budget matters? The answer is an emphatic “no.” In fact, over these last fifteen years House Democrats have proposed a total of \$7.6 billion in *additional* spending on top of the enacted budgets:

Legislative Session	Additional Democrat Spending (in millions)
2011	407
2012	390.9
2013	1104.7
2014	531.8
2015	771.1
2016	532.2
2017	415.4
2018	284.7
2019	434.9
2020	147.7
2021	457.4
2022	1084.1
2023	420.5
2024	439.4
2025	222.7
TOTAL	7644.5

SOURCE: Iowa General Assembly, Legislative Services Agency

The “fiscal death spiral” House Democrat Leader Brian Meyer talks about is an apt description of what the state budget would look like under Democrat control. With their history of busting the budget and demanding more spending than is allowed under the law, putting Meyer and his comrades back in charge of the taxpayer’s money is not only a recipe for long-term disaster for all Iowans, but also an actual death spiral.

Brian Meyer and House Democrats have a track record. That track record indicates if they oversaw the budget, Iowans would be facing tax increases and financial shortfalls negatively affecting priorities like health care, public safety and education.

(Contact: Brad Trow 1-3471)

Agriculture

President Trump Implements Farm Economy Bridge Assistance Payments in December

Federal agriculture policy is a hot topic among Iowans. President Trump and Secretary Rollins have outlined some of the positives the administration has implemented on behalf of U.S. farmers since January 2005. Secretary Rollins wrote an opinion piece published in the USA Today last Friday, December 12, titled “*Trump Is Fighting to Protect American Farmers*” that contains a summary of many positive federal actions including: \$12 Billion for farm “bridge assistance” payments for trade, emergency loans within Farm Credit, Anti-Competition review to investigate farm input prices, and lower fuel prices. Link to the article is here:

<https://www.usatoday.com/story/opinion/2025/12/12/trump-helping-american-farmers-usda-funding/87703581007/>.

For daily updates on USDA activities, the @SecRollins Twitter/X account is full of positive information, daily, timely and worth a follow.

On December 8, President Trump and Secretary Rollins announced \$12 billion for farmer bridge assistance payments for “American farmers impacted by unfair market disruptions” according to the official USDA Press Release.

<https://www.usda.gov/about-usda/news/press-releases/2025/12/08/trump-administration-announces-12-billion-farmer-bridge-payments-american-farmers-impacted-unfair>.

The bridge includes payments for row crops which mostly impacts corn and soybeans in Iowa but also a oats, sorghum, or wheat. Please be aware that farmers must update their acres for sign-up for the bridge payment this Friday, December 19 by 4:00 p.m. Iowans are encouraged constituents to contact their local FSA office to ensure they have completed all paperwork to be eligible. The national loss average will be based on FSA reported planted acres. This fast deadline is purposeful, to positively impact the farm economy quickly.

IDALS State-Level Crop Insurance Discount Program for Cover Crops Continues to Advance Iowa Nutrient Reduction Strategy

This month, Iowa Secretary of Agriculture Mike Naig announced the deadlines for Iowa farmers to sign up for Iowa’s Crop Insurance Discount Program. Enrollment is annually required. Sign-up is open now through January 23, 2026, at apply.cleanwateriowa.org or they may contact their crop insurance agent. Not all states have this program, and it is a credit to the proactive work of Iowans to advance the Iowa Nutrient Reduction Strategy passed by House Republicans. This program provides a \$5 per acre incentive, in the form of a premium reduction on their federal crop insurance bill. This program essentially reimburses farmers for cover crops planted this fall, in the form of a 2026 crop insurance premium reduction. This is the 9th year of this highly successful joint program between IDALS and the USDA Risk Management Agency. According to IDALS, over 2000 farmers have so far used this program on more than 1.4 million acres in Iowa.

(Contact: Mindy Larsen 1-3096)

Commerce

AGs office Warns of Scams

Recently, the following was provided by the Iowa Attorney General’s Office:

Scammers often target older Iowans, exploiting their kindness and good will. These schemes can take many forms, such as a scammer posing as a family member in urgent need of help or falsely claiming the older Iowan is involved in a crime and needs to pay to avoid arrest or jail. It’s important for senior Iowans to be on alert, recognize the warning signs of a scam, and know how to avoid and report scams.

“As attorney general, my goal is to protect Iowans from criminals who exploit and take their hard-earned money,” said Attorney General Bird. “Scammers are smart and know when people are most vulnerable. I urge older Iowans to be cautious. If you think you are being scammed, contact my office for assistance.”

Attorney General Bird’s office presents at regular Stop the Scammers events around the state to educate Iowans against scams. At a June event, Iowan Lynne Caltrider approached a representative from the attorney general’s office concerned that she might be involved in a scam. An investigation revealed that she had indeed been scammed out of a considerable amount of money. Working with state and local law enforcement, several individuals in relation to the crime have been arrested.

While the investigation is ongoing, Attorney General Bird’s office was able to recover a small part of the money Lynne deposited in a cryptocurrency ATM at the direction of scammers.

In July, Lynne was awarded the Meritorious Service Award by the Iowa Insurance Division’s Fraud Bureau for her willingness to share her story and aid in the arrest of criminals connected to the scheme.

(Contact: Natalie Ginty 5-2063)

Economic Growth

Main Street Challenge Grants to 10 Communities

Last month, the Iowa Economic Development Authority (IEDA) awarded \$950,000 in Main Street Iowa Challenge Grants to 10 communities across the state. The grants help rehabilitate underutilized downtown buildings to stimulate economic growth and further investment in Iowa's historic main streets. The communities receiving the grants are Cedar Falls, Corning, Elkader, Guthrie Center, Manning, Oskaloosa, Washington, Waverly, West Branch, and West Union. Full details of those projects are available at <https://opportunityiowa.gov/media/7367>.

The grants are administered through IEDA's Iowa Downtown Resource Center and Main Street Iowa programs. The funding will be distributed to the selected projects in the form of matching grants to their local Main Street programs. The estimated total cost of these 10 projects is nearly \$3.6 million.

Since the first Challenge Grants were awarded in 2002, more than \$16.5 million in funding has leveraged nearly \$73.5 million in further investment. For more information about the Main Street Iowa Challenge Grant program, contact Sarah Lembke at 515.348.6181 or sarah.lembke@iowaeda.com.

(Contact: Kristi Kiouss 2-5290)

Education

New District-Level Ratings Added to the Iowa School Performance Profiles

Iowans now have access to district-level performance ratings through a new addition to the [Iowa School Performance Profiles](#), providing critical, transparent information on how Iowa's public school districts are serving students. The new district-level ratings show more than 58% of Iowa's 325 public school districts and four public charter schools during the 2024-25 school year performed in the top three of six rating categories, with over 88% rating acceptable or higher.

The Iowa School Performance Profiles is an online tool showing how public schools and districts performed on required measures. Developed to meet both federal and state requirements for publishing online school report cards, the Iowa School Performance Profiles now includes both district- and school-level scores and performance ratings for all public districts and schools as well as by student groups across a set of accountability measures. The online resource also shows public schools that have been identified for additional support and improvement based on their performance and additional data required by law but not counted toward accountability scores.

This is the first year of district-level designations and ratings, which were calculated based on Iowa's updated unified accountability system approved by the U.S. Department of Education in 2024. The accountability system uses a clear, streamlined set of core indicators to provide an overall score and performance rating for all public districts and schools. Rating categories include exceptional (highest performing), high performing, commendable, acceptable, needs improvement and priority (lowest performing). The same methodology and cut scores were used for determining both school and district ratings.

Indicators focus on proficiency in English language arts, mathematics and science, student academic growth, chronic absenteeism and attendance growth among all K-12 schools. Districts with high schools include two additional measures—graduation rates and a postsecondary readiness indicator measuring work-based learning experiences and college credit attained by students.

The new district-level results also show achievement gaps experienced by student groups, including students who are English learners, students with disabilities, students from low-income backgrounds and student groups by race or ethnicity. A total of 125 public school districts and public charter schools, representing about a third of all public school districts, had a student group that experienced significant achievement gaps, which dropped their overall district rating by one category. All but one of the 125 districts that dropped a rating category did so based on the achievement gaps experienced by students with disabilities. Five districts dropped a rating category based on achievement gaps experienced by English learners, and 10 districts dropped based on achievement gaps between all students and those of a particular racial or ethnic group. No district dropped based on significant achievement gaps experienced by students from low-income backgrounds—an important celebration for the state of Iowa.

The new district-level ratings represent the next step in Iowa’s unified accountability and school improvement system, providing important data to support districts with their improvement planning, identifying supports to address high-need areas and improving student outcomes for all student groups going forward. The inclusion of district-level ratings also aligns Iowa with national best practices in public transparency, accountability and support structures across federal laws.

The Department has launched two new grant opportunities to further support district-wide improvement initiatives. Districts with an overall priority rating are eligible to apply for the [District-Level Evidenced-Based Professional Development Grant](#) focused on building system-level capacity for implementing evidence-based instruction. A second opportunity, the [Individuals with Disabilities Education Act - Differentiated Accountability \(IDEA-DA\) Continuous Improvement Grant](#), is available to districts with priority or needs improvement ratings and that also have level 2 or level 3 IDEA-DA designations. IDEA-DA’s tiered levels represent the intensity of resources needed for special education program improvement to meet the needs of students with disabilities, with level 3 being the highest level of intensity.

The Iowa School Performance Profiles, launched in 2018 to meet the requirements of the federal Every Student Succeeds Act law, meets state and federal requirements to publish report cards reflecting the performance of all public schools. Additional data not included in the performance ratings are available under the Additional Metrics drop-down on the website. This includes measures such as educator effectiveness, postsecondary enrollment, staff retention and per pupil expenditures.

(Info from Iowa Department of Education)

(Contact: Kristin Rozeboom 1-3015)

Health and Human Services

\$31 million provided to EMS in Iowa

One of the most basic functions of government is ensuring citizens have the ability to call for help when it’s necessary. House Republicans believe that an Iowan’s zip code should not determine whether they live or die when faced with a medical emergency.

Based on legislation by the Iowa House, emergency medical services recently received an additional \$31 million to 77 EMS locations in Iowa. This is an increase of 11 locations receiving money in FY24 over FY23. The Medicaid supplemental payment provided to these city and county ambulance services is based on their uncompensated care costs over the last year.

Additionally, the legislature passed SF 615 in 2021, which changed the process and established a requirement for counties, prior to seeking approval from the voters to impose the 422D taxes, to adopt a resolution declaring EMS to be an essential service within the county.

If such a resolution is adopted, the board is required to coordinate efforts within the local EMS agencies to establish a county EMS system advisory council to recommend an amount of taxes necessary as well as research and assess the EMS needs of the county. The levy is capped at 75 cents per one thousand dollars of assessed value. In order to pass the levy, 60 percent of voters need to approve. If 60 percent of voters do not approve the tax, the resolution declaring EMS an essential service shall be void. 20 Iowa Counties are currently levying under this option to support their local EMS.

(Contact: Natalie Ginty 5-2063)

Judiciary

COVID-19 Revealed the Scope of a Governor's Emergency Powers – Should There Be Restrictions?

The COVID-19 pandemic forced difficult decisions nationwide, and Iowa was no exception. In early 2020, Gov. Kim Reynolds exercised the office's emergency powers to respond to a confusing and rapidly evolving situation. Most Iowans originally supported the swift action she took, but over time, it became clear just how broadly—and how long—those emergency powers could be exercised under Iowa law. Thankfully, Governor Reynolds exercised restraint unlike fellow Governors in states like Minnesota and Illinois.

The following timeline summarizes key actions taken by the Governor over a two-year time span.

- **March 17, 2020:** A public health disaster is declared, triggering emergency authority across state government.
- **Late March–April 2020:** The disaster emergency is repeatedly extended, and nearly all businesses in Iowa are closed through the end of April.
- **Summer 2020:** The emergency continues. Businesses reopen gradually, with statewide requirements such as social distancing and capacity limits.
- **Fall 2020:** The emergency is extended again as case numbers rise, and gathering limits remain in place.
- **2021:** The emergency declaration remains in effect throughout the year, even as most public health restrictions are gradually lifted.
- **February 15, 2022:** The final emergency proclamation expires, nearly two years after the initial declaration.

While the emergency declaration remained in place, the governor's orders deeply impacted everyday life. Mass gatherings of more than ten people were prohibited for extended periods, affecting weddings, funerals, and community events. Social gatherings were limited to those within the same household. Attendance at sporting events was limited. Nursing homes and long-term care facilities barred visitors, and even hospice patients were often unable to see loved ones. Non-essential and elective surgeries were suspended. When restaurants eventually reopened, they did so under strict capacity limits.

It's important to note that the Governor did not go as far as the law allows. Under Iowa's emergency statutes, a governor may require vaccinations, mandate quarantine or isolation in designated facilities such as Camp Dodge, restrict or halt the sale of alcohol, explosives, or combustible materials, and limit or stop the movement of individuals within specific geographic areas. The law also permits forced evacuations when deemed necessary. Under current law, the Governor could have taken any of these actions without legislative approval.

Governor Reynolds led this state through an unprecedented crisis, and Iowans were fortunate to have had her leadership. Governor Walz of Minnesota and Governor Pritzker of Illinois did not use the same common sense. But the pandemic showed how much power an Iowa Governor has during a time of an emergency. It is important to evaluate those powers and they can be used and explore ways to reform and limit those powers. Things could have gone much differently in Iowa had a Governor been in office who respected personal freedoms less than Governor Reynolds. Look at what happened in Democrat states when left-wing governors got the same kind of blank check:

- California’s Gavin Newsom kept his state of emergency running for three full years, slapping indoor mask mandates on people long after the threat had receded—and even tried to ban solo paddleboarding and lingering on beaches.
- Michigan’s Gretchen Whitmer went full nanny-state: banned the sale of paint and garden seeds in big-box stores (but kept the lottery tickets sales going), outlawed motorboats, and forbade travel to second homes or family cabins.
- Minnesota’s Tim Walz imposed curfews and harsh limits on private gatherings—while rioters and looters tore through Minneapolis and St. Paul with far less interference.
- Illinois’ JB Pritzker issued over 100 executive orders and renewed disaster proclamations monthly (around 40 times), maintaining emergency powers until May 2023, longer than most states. The Illinois Policy Institute and Crain's Chicago Business, labeled Pritzker’s restrictions as devastating to small businesses with uneven enforcement and prolonged impacts.

These outrageous examples show why we need to carefully evaluate the governor’s powers in Iowa. When emergency powers lack firm limits, they can be hijacked by left-wing authoritarians.

Emergencies will come again in Iowa—whether floods, tornadoes, or public health threats. The question is not whether government should act quickly, but what Iowans believe those actions should entail.

Iowans deserve a system that allows responsible and fact-based action in a crisis while ensuring any short-term or long-term restrictions on daily life remain temporary, transparent, and defensible. Revisiting the lessons of 2020 is essential to protecting both public safety and personal liberty.

(Contact: Amanda Wille 1-5230)

State Government

Public Retirement Systems Committee Hears Presentations

Last week the Public Retirement Systems Committee met at the Capitol to listen to presentations from the public retirement systems and discussed the state’s policy and standards. Every presentation gave the committee in-depth reviews of the FY2025 actuarial reports of each fund. Every year each retirement system has an actuarial valuation performed to measure the assets and liabilities of the system, determine the funded status of the fund, determine the actuarial contribution rates if necessary, analyze the actual performance versus the expected performance of the last fiscal year, and report on trends and analyze risks to the fund. These reports take a record of the system at the end of each fiscal year to compile the actuarial calculations in comparison to the same date the previous year.

Iowa Public Retirement System (IPERS)

IPERS is the largest public retirement system in Iowa. Membership in IPERS is broken into three categories: “Regular Members” who are public employees in the state of Iowa, “Protection Occupation” are generally public safety officers or fire fighters who are employed by an IPERS employer and not a city, and “Sheriffs and Deputies”.

The FY2023 report shows that the IPERS system across all three categories increased its funded ratio from FY2022. The whole system as of June 30, 2023 had a funded ratio of 92.1%. When broken down to its three categories of membership the funded ratio is: 91.56% for regular members, 90.94% for Sheriffs & Deputies, and 104.47% for Protected Occupations. The reason for the drop in funded ratio for Sheriffs and Deputies is due to the enactment of House File 2661 which implemented benefit enhancements that include 1.5% automatic cost-of-living adjustment for

those who retire after July 1, 2024 and increased benefit multiplier for years of service 22 through 30 with a possible increased benefit of 80% of average salary.

Peace Officers' Retirement System

The Peace Officers' Retirement System (PORS) is composed of members from the Department of Public Safety that includes the Division of Criminal Investigation, Division of Narcotics Enforcement, Division of Intelligence, and Iowa State Patrol Division.

PORS' actuarial report shows that the fund increased its actuarial value by \$44 million. The funded ratio at the end of FY2025 was 79%.

Municipal Fire & Police Retirement System of Iowa

MFPRSI is the system for 49 municipal police and firefighters in cities whose population was over 8,000 before the 1990 census. As of June 2023, there were over 9,000 members of MFPRSI.

The FY2025 report shows that MFPRSI increased its funded ratio from FY2024. At the end of FY2025 the fund had a funded ratio of 85.42% (previously 84.47%).

(Contact: Jason Covey 1-3626)

Transportation

ATV/UTV Interim Study Committee Set for December 30

A discussion of the issues surrounding the operation of ATV's and off-road utility vehicles will take place on the afternoon of December 30, when a Legislative interim committee is set to meet.

The six-member panel is charged with examining two specific issues. First is the question of whether ATV's and UTV's using public roadways should be required to pay a fee. Some Iowans have expressed the opinion that if this motor vehicles are using the road system, then they should be contributing to the Road Use Tax Fund. Such registration would likely include a license plate, which is desired by some ATV operators as some surrounding states require license plates for these types of vehicles to be operated in their state. Several counties are currently charging their own fee for using county roads.

The second topic the study committee is charged with discussing is the potential consolidation of current Code provisions dealing with ATV's and UTV's. In the 2025 Iowa Code, laws governing ATV use are found in three different Code chapters involving the Departments of Natural Resources, Public Safety, and Transportation. A number of legislators last session expressed a desire to find a way to bring all these laws into one chapter so Iowans and law enforcement would have a clearer picture of what is required of ATV and UTV operators.

Other issues related to the use of ATV's and UTV's in Iowa that may come up as part of the discussion. These could include requiring these vehicles to have a slow moving vehicle sign attached while driving on roadways. Law enforcement agencies across the state have differing views on the matter, which is creating confusion in the ATV community. Another topic is the speed at which these vehicles may run on public roadways, and where ATV and UTV owners go to register and pay fees – the County Recorder's office or the County Treasurer.

The House Republican members on the panel are Rep. Megan Jones (who will serve as co-chair) and Rep. Brent Siegrist. The meeting will start at noon on December 30 and can be viewed online via the following link:

<https://sg001-harmony.sliq.net/00285/harmony/en/PowerBrowser/RoomRouter?location=116&viewMode=3>

(Contact: Brad Trow 1-3471)

Veterans Affairs

Flags at Half-Staff to Honor National Guard Soldiers

Recently, Governor Kim Reynolds ordered all flags in Iowa to fly at half-staff effectively immediately until sunset on the final day of interment in honor and remembrance of Sgt. William Nathaniel Howard, 29, of Marshalltown, Iowa, and Sgt. Edgar Brian Torres-Tovar, 25, of Des Moines, Iowa. Both were members of the 1st Squadron, 113th Cavalry Regiment. The two Iowa Army National Guard Soldiers were killed in an enemy attack Saturday, December 13, 2025, in Palmyra, Syria.

“Sgt. Howard and Sgt. Torres-Tovar served our state and nation with honor, and in doing so, gave the ultimate sacrifice. We are grateful for their service and deeply mourn their loss,” Governor Reynolds said. “Kevin and I offer our prayers and condolences to their families and ask that Iowans stand united in support of them during this difficult time.”

Flags will be at half-staff on the State Capitol Building and on flag displays in the Capitol Complex. Flags will also be at half-staff on all public buildings, grounds, and facilities throughout the state.

Individuals, businesses, schools, municipalities, counties, and other government subdivisions are encouraged to fly the flag at half-staff for the same length of time as a sign of respect.

(Contact: Natalie Ginty 5-2063)

Ways & Means

Guidance on Reporting Tips and Overtime under the New Exemption

Recently the IRS provided penalty relief for tax year 2025 for information reporting on tips and overtime under the One, Big, Beautiful Bill. Notice 2025-62 provides penalty relief from the new information reporting requirements for cash tips and qualified overtime compensation under the OBBB to employers and other payors for not filing correct information returns and not providing correct payee statements to employees and other payees.

Specifically, employers and other payors will not face penalties for failing to provide a separate accounting of any amounts reasonably designated as cash tips or the occupation of the person receiving such tips. In addition, employers and other payors will also not face penalties for failing to separately provide the total amount of qualified overtime compensation. The relief is limited to returns and statements filed and provided for tax year 2025 and applies only to the extent that the person required to make the return or statement otherwise files and provides a complete and correct return or statement.

Tax year 2025 will be treated as a transition period for IRS enforcement and administration of the new information reporting requirements for cash tips and qualified overtime compensation under the OBBB. Additional guidance for individual taxpayers that addresses how they can claim the deductions for qualified tips and qualified overtime compensation when they file their tax year 2025 returns is forthcoming.

For more information, please see the One Big Beautiful Bill provisions page on [IRS.gov](https://www.irs.gov).

(Contact: Kristi Kiouss 2-5290)