

IOWA HOUSE REPUBLICANS

January 15, 2026

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Appropriations

Governor Releases FY 2027 Budget Proposal

While her speech focused on reforming Iowa's property tax system and the use of new federal health funding, Tuesday night's condition of the state address culminated with the release of Governor Reynolds' proposed Fiscal Year 2027 budget.

As is the case most years, the bulk of the increases goes to two items – schools and Medicaid. The Governor's FY 2027 General Fund budget proposes the state should spend \$9.6713 billion starting July 1, 2026. This is an increase of \$180 million or 1.9 percent over the current budget year's spending levels. The starting point for the new budget is slightly higher than what was passed last spring, as Medicaid costs are running higher than projected last May thus necessitating a \$70.9 million supplemental appropriation.

The largest increase in the Governor's proposed budget goes to state aid to public schools. For the 2026-2027 school year, the Governor is proposing that supplemental state aid increase by 2.0 percent. This would put an additional \$31.7 million into the school finance formula and raise the per pupil amount to \$8148 per student. With the continued decline in enrollment, the Governor is proposing that the state pick up the cost of the 101% budget guarantee for the schools experiencing declining enrollment, which is \$42.2 million. The Transportation Equity Fund would also increase by 2 percent under the Governor's budget. Notably, the Governor includes \$14 million in the General Fund for the paraeducator pay supplement.

Funding for Educational Savings Accounts (ESA's) and Charter Schools would also increase. The ESA appropriation would increase by \$21.8 million for increased usage and the 2 percent adjustment. Charter schools are expected to get an additional \$8.1 million, again based on the number of kids being served in those schools and a 2 percent increase. In higher education, Governor Reynolds is proposing to provide 1.5 percent increases to the three state universities, state assistance to community colleges, and the Iowa Tuition Grant program for student's attending the state's numerous private colleges. Iowa State University's appropriation would roll four line items into one, which was requested by the Board of Regents.

Iowa's health care programs see a smaller than expected increase under the Governor's spending plan. Her budget calls for a \$37.3 million increase to the line item that funds Medicaid and HAWK-i. This is smaller than expected, thanks to a proposed cost containment package which reduces the FY 27 increase by \$51.4 million. The proposed budget also assumes a significant bump in funding from the Health Care Trust Fund, which is the revenue generated by taxes on cigarettes and tobacco. While this amount has been declining for years, the FY 27 budget assumes an increase of \$63.5 million in revenue going to Medicaid.

The state's corrections and public safety agencies get an additional \$11 million in the new fiscal year under the Governor's plan. The Department of Corrections gets a \$5 million boost. Funding to the Department of Public Safety would rise by \$3.4 million in FY 2027. The State Public Defender's office would receive a \$3.1 million increase while funding for indigent defense would fall by \$1.5 million. The judicial branch would receive no additional funds. As part of her proposal for changing Iowa's property tax system, the Governor provides an additional \$11.6 million for the Homestead property tax credit line item.

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In addition to the proposed General Fund budget, the Governor is also recommending some significant changes in the use of some other funds. The Governor is proposing that Iowa Workforce Development receive \$48.8 million of sports wagering tax revenue for the Workforce Opportunity Fund, which was created in 2024. She also proposed changes in the uses of the Skilled Worker and Job Creation Fund, with money moving from community colleges and to IWD and IEDA.

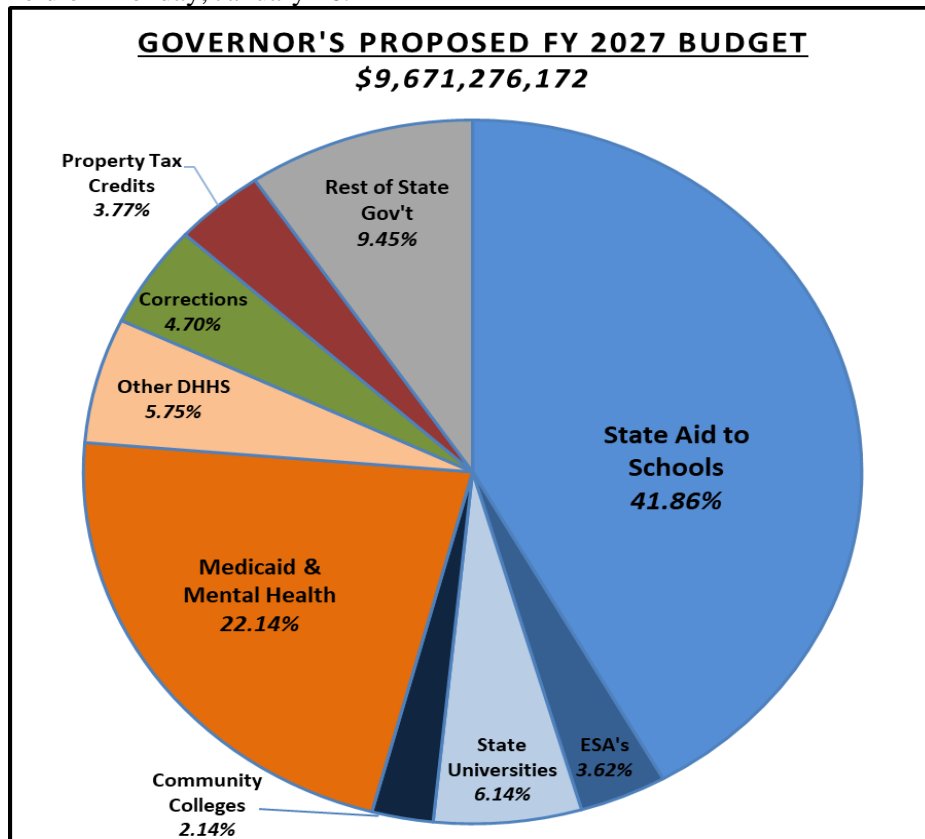
The Governor also released her proposal for the Rebuild Iowa Infrastructure Fund (RIIF). The plan spends over \$274 million on a variety of projects. The biggest increase is the appropriation of RIIF funds to the Technology Reinvestment Fund. While the Code says this program is to get \$17.5 million from the General Fund, the Governor has continued to use RIIF to fund these expenditures. For FY 2027, she is recommending the transfer of \$39.9 million to TRF, with half the money going for modernizing the Department of Health and Human Services' IT system for SNAP and welfare benefits.

The Iowa Economic Development Authority would be another big winner in the Governor's RIIF budget, receiving \$30 million of new money for four new programs ranging from funding for local libraries to grants to encourage local governments collaboration.

The Board of Regents would have two projects funded in the Governor's RIIF request. The University of Northern Iowa would receive \$6 million for the Public Policy Center at the Commons. This received \$1 million last year from RIIF. The second project would be the Nursing Simulation Laboratory at the University of Iowa, which would get \$7 million for the first year of a 3 year, \$20 million commitment to expand the School of Nursing's facilities.

The Department of Corrections receives \$8.1 million to put air conditioning into the Anamosa and Mount Pleasant prisons. The Law Enforcement Academy would get \$3.7 million for the construction of a firearms range training facility at Camp Dodge. One million dollars is set aside for maintenance projects at Terrace Hill.

Now that the public and the Legislature have received the Governor's recommendations for spending in the next budget, the review and evaluation of these proposals by budget subcommittees will begin. The first meetings will be held on Monday, January 26.



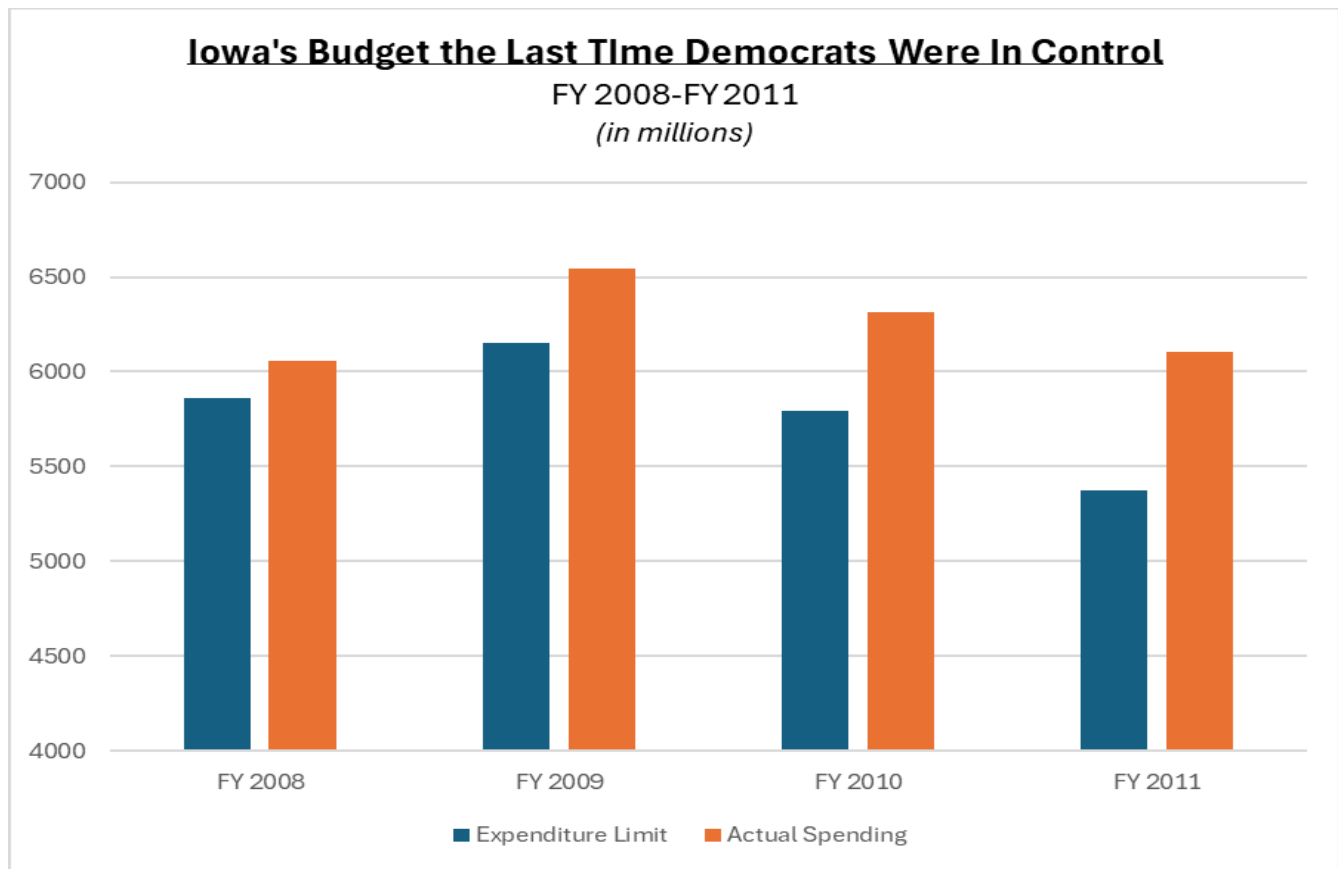
House Democrats Budget Track Record

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 who can’t even count the number of fingers. Not to mention the Democrat’s 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 were the majority party in both the Iowa House and Senate and Democrat Chet Culver was the governor. During that time, Democrats mushroomed government spending and created a billion-dollar budget hole without the reserves to protect key priorities. In other words, they failed to manage the budget.

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

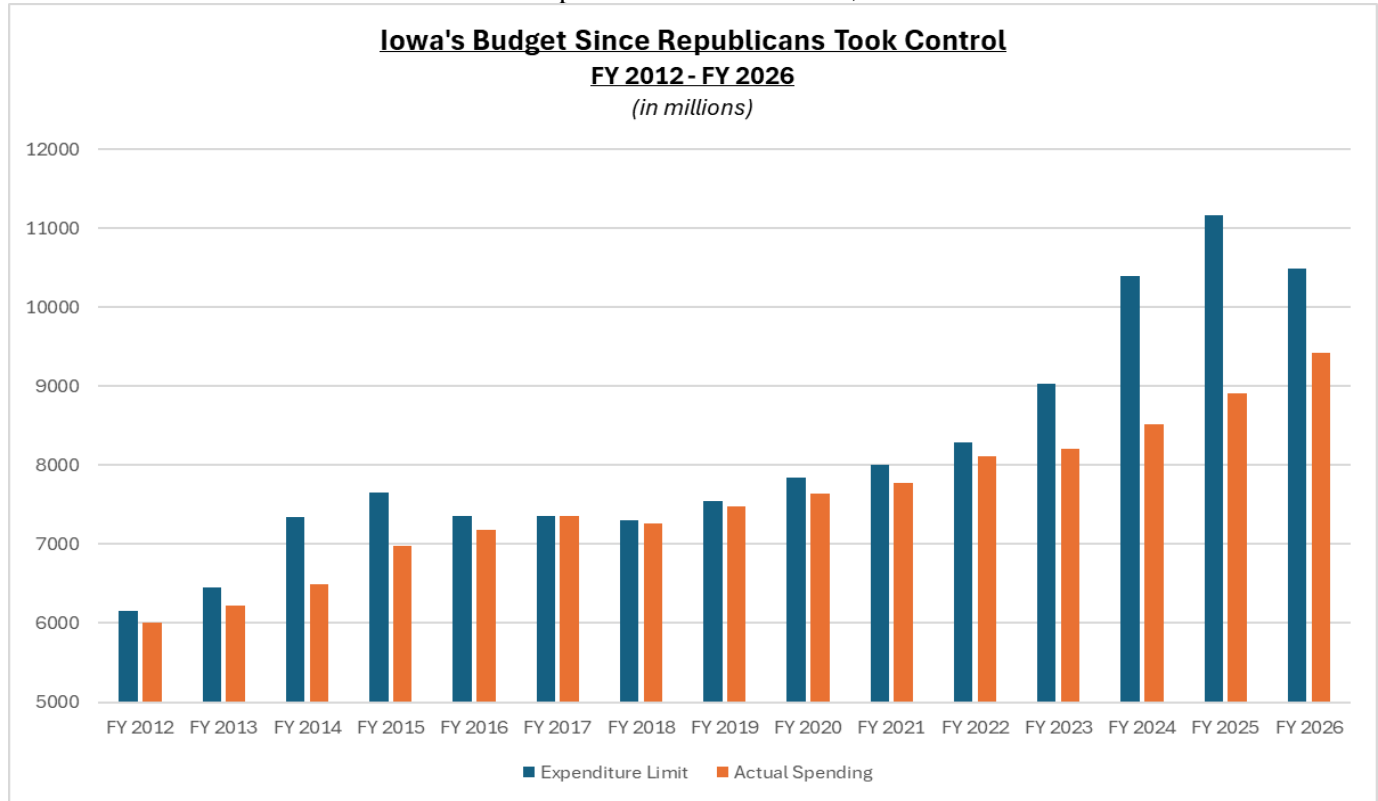


SOURCE: Legislative Services Agency

When the national economy went into recession in the fall of 2008, the Democrats didn’t cut back, they kept spending...and spending...and spending. When reality finally set in, they imposed two rounds of across-the-board cuts which impacted critical services like K-12 public schools. The only time public schools have seen a budget reduction in decades came under Democrat budget management. Unlike Republicans, Democrats had failed to plan for any loss in revenue.

The result was fiscal carnage. 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 House Democrat Leader 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 fiscal death spiral.

(Contact: Brad Trow 1-3471)

Agriculture

Iowa Secretary of Agriculture Announces Pro-Ag Laws in New “Farm Bill Act”

Iowa’s Agriculture Secretary Mike Naig is introducing a bill he calls the “Farm Bill Act.” The bill is a large bundle of pro-agriculture issues that farmers have indicated they would like to have considered. House Agriculture Committee Chair Derek Wulf has been communicating with the Secretary and the IDALS team on the bill.

Wulf comments: “Although we haven’t seen the final bill yet, I look forward to working with the Ag Secretary to support our agricultural economy.” The bill is still in drafting, but according to the Naig [press release](#), the bill is intended to include the below changes to Iowa law (taken from IDALS press release).

Expanding Economic Opportunities for Iowa Farmers

The *Iowa Farm Act* expands opportunities for farmers to diversify products and income, access new markets, and operate with greater certainty by:

- Modernizing Iowa’s farm zoning exemptions to clarify that value-added processing, direct-to-consumer marketing, agritourism activities and events, and other farm-supporting operations are included under Iowa’s farm exemption.
- Strengthening Iowa’s agritourism framework by updating the definition of an agricultural experience to reduce regulatory barriers and encourage farms to welcome more visitors, customers, and educational opportunities.
- Supporting Iowa’s Christmas tree industry by explicitly including tree farms in Iowa’s agritourism liability protections, providing certainty for these family-owned operations.
- Expanding local food markets by making the Choose Iowa School Purchasing Pilot Program permanent, connecting schools with Iowa farmers and food producers and creating reliable new markets for Iowa-grown food.

Delivering Tax Relief and Fairness

The *Iowa Farm Act* delivers targeted tax relief that lowers costs, promotes fairness, and supports farm succession by:

- Protecting family farms and succession planning by expanding the retired farmer rental income tax exemption to include modern farm business structures such as partnerships, S corporations, trusts, and estates.
- Reducing costs for grain businesses by eliminating the grain excise tax paid by cooperatives and grain handlers, supporting local elevators and a more uniformed tax system.
- Supporting growth in Iowa’s honey industry by exempting the purchase of honeybees from sales tax, reducing input costs for beekeepers and strengthening pollination services.
- Eliminating county-by-county uncertainty by codifying that above-ground storage tanks under 91,000 gallons are not subject to property tax.

Supporting Iowa's Beginning Farmers and Ag Workforce

The *Iowa Farm Act* invests in the next generation of Iowa agriculture and the workforce that supports it by:

- Prioritizing young and beginning farmers in Choose Iowa grant programs, helping new producers access capital and build viable operations.
- Strengthening rural veterinary services by exempting rural veterinarian loan repayment grants from state income tax to improve recruitment and retention in underserved areas and ensure continued care for Iowa's livestock industry.

Strengthening Biosecurity and Protecting Producers

The *Iowa Farm Act* strengthens Iowa's readiness and protects producers during disease events by:

- Safeguarding producer confidentiality during a foreign animal disease or major disease outbreak to encourage early reporting and rapid response without fear of public exposure.
- Authorizing the Department to lease space for storing foreign animal disease response equipment, ensuring faster deployment and a more coordinated response.

Modernizing Department Functions and Improving Government Efficiency

The *Iowa Farm Act* improves efficiency while maintaining strong consumer and marketplace protections by:

- Modernizing agricultural equipment transportation standards to improve safety and efficiency for ag equipment dealers and manufacturers.
- Increasing trucking gross weight allowances for dairy products, reducing hauling costs and improving market access.
- Clarifying Grain Indemnity Fund updates through technical clean-ups to improve readability and consistent application of the law.
- Providing flexibility to expand marketing opportunities and grow demand for Iowa-made, Iowa-raised and Iowa-grown food and agricultural products through the Choose Iowa program.
- Improving flexibility in large scale inspections by allowing alternative inspection methods and scheduling discretion for the IDALS Weights and Measures Bureau.
- Streamlining and updating Iowa Code through technical clean-ups that eliminate outdated language, reduce duplication, and improve efficiency across Department operations.

(Contact: Mindy Larsen 1-3096)

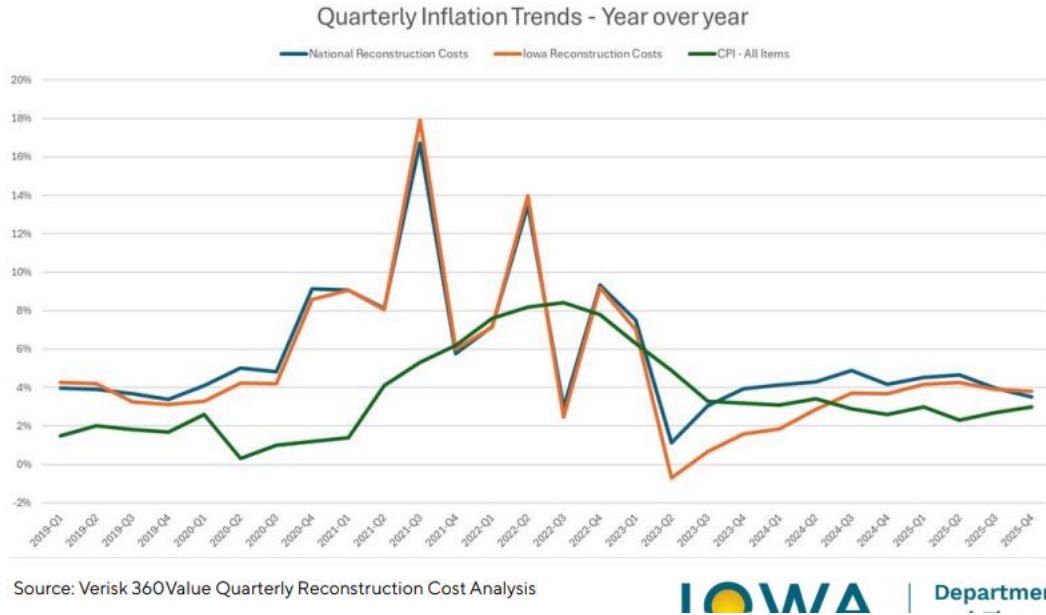
Commerce

Home and Auto Insurance Rates Continue to Decrease

This week, the House Commerce Committee heard a presentation from the Department of Insurance and Financial Services. DIFS oversees banking, credit unions and insurance. Most of the presentation came from Commissioner Ommen of the Iowa Insurance Division. Insurance plays a vital role in Iowa with Iowa having the highest share of its private workforce employed in the insurance industry in the nation.

Commissioner Ommen announced that Iowans are finally seeing decreases in the property and casualty market after historic inflation years under the Biden Administration. Below you can see the inflation impact on reconstruction costs, which directly affects insurance rates.

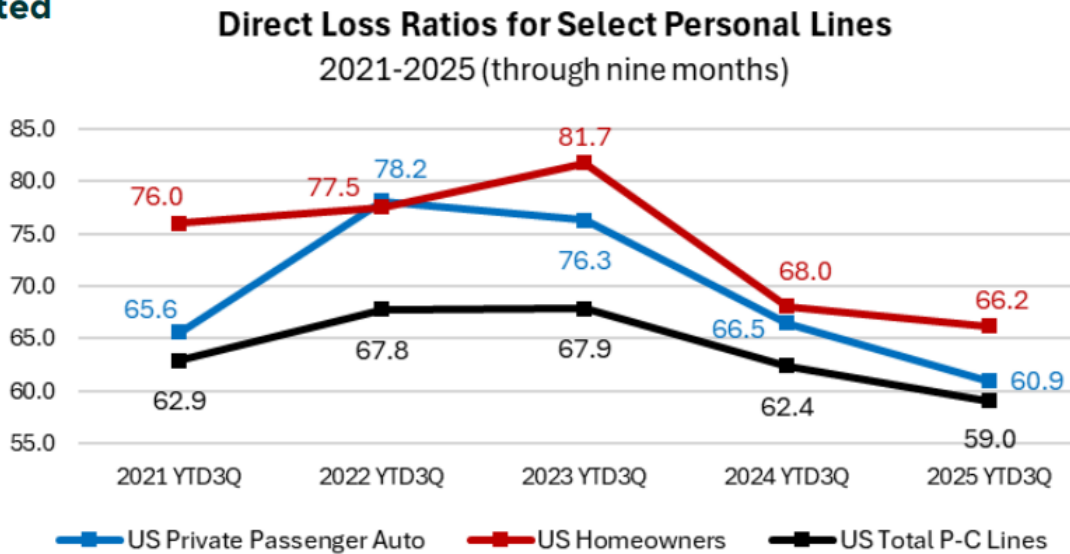
▶ Inflation has impacted property and casualty market



Property and casualty rate changes are filed with the Iowa Insurance Division for review and approval, and the IID ensures that rates are not “excessive, inadequate, or unfairly discriminatory” as required by Iowa Code 515F.4.

According to Commissioner Ommen, the stabilization of inflation directly impacts auto and home insurance rates, as shown in the charts below.

▶ Direct loss ratio measures the dollar amount of losses (claims being paid) and related expenses against the dollar amount of premiums being collected

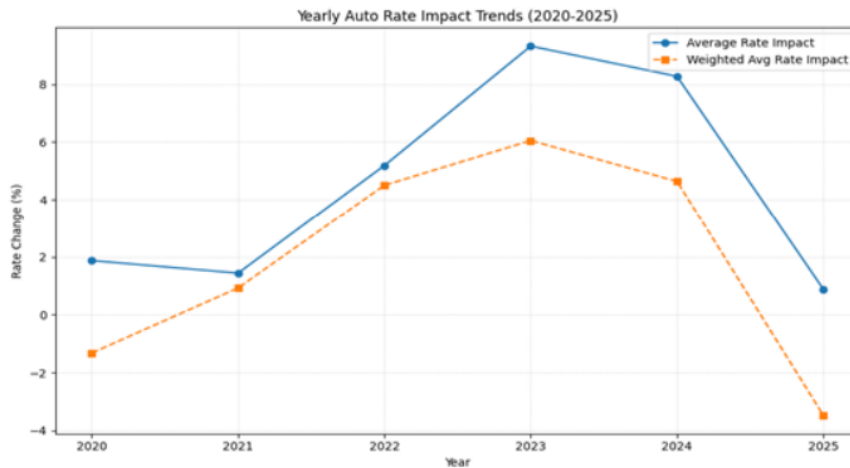


Source: APCIA via S&P Global Market Intelligence, 2021 YTD3Q PPA estimated by S&P.

Car insurance rates are seeing the sharpest decrease and Commissioner Ommen attributes some of the decrease to Iowa’s distracted driving law and reduced car accidents in the state.

▶ Personal Auto Insurance Rates Are Going Down

- Some of the state's largest personal auto carriers have filed for rate decreases in excess of 4%, which will mean noticeable savings for many Iowans.



Source: IID Rate Filing Data as of December 2025



House Republicans continue to look for ways to improve the cost of living for Iowans. One way is decreasing insurance rates for Iowans with increased competition and market stabilization to fuel further insurance rate decreases going forward.

(Contact: Natalie Ginty 5-2063)

Economic Growth

Iowa Economic Development Authority Leader Set to Retire

Debi Durham, Iowa's state economic development leader is in her final year to recruit more businesses and residents to choose Iowa as a home base. Durham has been the state's economic development director since 2011—the entire time of the most recent two Republican gubernatorial administrations. A former Sioux City Chamber of Commerce leader, Durham was appointed by then-Gov. Terry Branstad and was retained by Gov. Kim Reynolds. Durham has publicly stated that she will be done at IEDA when Reynolds completes her term in early 2027.

During her time as IEDA director, Durham has been clear about her goals to sell Iowa as a place to live and work. Iowa's population growth has been stagnant and trailed the rest of the country. From 2020 to 2024, Iowa's population grew just 1.6 percent; the U.S. population increased 2.6 percent in the same period. Iowa's population growth rate ranks 30th among the 50 U.S. states and the District of Columbia, according to U.S. Census Bureau figures compiled by the Iowa Legislative Services Agency. Because of these statistics, Iowa has taken steps to be more attractive to potential residents including lowering taxes, increasing housing opportunities, and providing quality childcare incentives.

(Contact: Kristi Kiouss 2-5290)

Education

Nearly 99% of All Iowa Full-Time Teaching Positions Filled in 2025-26; National Vacancy Rate 3 Times Higher than Iowa

Half of all school districts reported no vacancies for the 2025-26 school year.

The Iowa Department of Education released the latest data on teaching vacancies across the state for the 2025-26 school year, highlighting the strength and expertise of Iowa’s teacher workforce. Iowa’s number of unfilled teaching positions represents only 1.12% of all full-time teachers in the 2025-26 school year, compared to 3% nationally of all public school teaching positions vacant during the 2023-24 and 2024-25 school years, according to the [National Center for Education Statistics](#).

“Ensuring every child experiences a world-class education is only made possible by having a great teacher with every student in every classroom,” said Iowa Department of Education Director McKenzie Snow. “That’s why Iowa has made strengthening our teacher pipeline and supporting dedicated educators in doing their best work a top priority. Forging multiple pathways to the profession, spearheading historic teacher pay raises, celebrating educators who accelerate student learning, and aligning teacher preparation and professional learning to what we know works for children all demonstrate the national leadership of Iowa and our talented educators.”

Each year, Iowa school districts are required by law to report the number of full-time teaching positions that were advertised but not filled or that were filled with temporary/substitute staff. All 325 Iowa public school districts complied with this requirement for the 2025-26 school year. In addition to national vacancy rates being nearly three times higher than Iowa’s vacancy rates, the latest statewide numbers show a substantial 34% decrease in overall vacancies reported by Iowa school districts from last school year. For the 2025-26 school year, the total number of unfilled full-time equivalent (FTE) teaching positions reported was 434, representing only 1.12% of all full-time teachers—the lowest number reported since this data collection started four years ago. Half of all Iowa public school districts reported no teaching vacancies this year. Prior years’ vacancies represented:

- 1.75% of all full-time teachers (661 FTE) in 2024-25,
- 2.03% (763 FTE) in 2023-24 and
- 2.63% (941 FTE) in 2022-23.

Consistent with national teacher pipeline needs, special education positions continue to have the highest number of vacancies, at 184. Music education with a music endorsement came in next with 35 vacancies. Mathematics and science positions followed at 28 vacancies each.

“Building upon our collective work to strengthen Iowa’s teacher pipeline, we will continue partnering with educators, schools and districts, teacher preparation programs, and communities to deepen support for those endorsement areas and geographies most in need of great teachers,” said Iowa Department of Education Director McKenzie Snow.

This crucial data is also used to identify teacher shortage designation areas with the U.S. Department of Education. States can report critical teacher shortage areas of up to 5% of their full-time equivalent positions. Iowa’s total teacher shortage areas have been well under the 5% federal threshold, meaning Iowa has been able to include every teaching area with at least one vacancy as a teacher shortage area. This year, Iowa was able to include 26 potential teacher shortage areas across various classroom subjects.

“By reporting all possible teacher shortage area designation, teachers serving in these identified areas may become eligible for student loan repayment, forgiveness and other incentives available through state and federal programs,” said Jay Pennington, division administrator of teacher quality and innovation at the Iowa Department of Education.

“Since Iowa’s teacher shortage is well below the federal 5% threshold, we are able to report all vacancies as teacher shortage areas, even if there was only one vacancy, further supporting our strong teacher pipeline and workforce.”

Iowa’s success in filling positions has been supported by several initiatives and teacher pathways that invest in growing the teaching profession. Starting in 2024, both new and experienced teachers received historic pay raises, with Iowa investing \$96 million in teacher salaries. Additionally, a total of \$8.5 million through the Teachers Accelerating Learning Incentive Fund celebrated outstanding teachers with supplementary pay of up to \$2,500 per year.

Iowa is committed and intentional in navigating additional opportunities to increase pathways for teacher licensure, supporting districts with tools and resources for recruitment and retention, while ensuring quality of the teacher preparation. Governor Kim Reynolds’ \$49 million Teacher and Paraeducator Registered Apprenticeship (TPRA) program partners with 134 school districts to support 1,081 registered apprentices attain an associate degree and become a certified paraeducator or a bachelor’s degree to become a licensed teacher. Other flexible teacher pathways include the Teacher Intern Program, Content Area Specialist Authorization, Native Language Teacher Authorization and Career and Technical Authorization. All four of these pathways maximize an individual’s experience in the field, maintain high standards for licensure, but do not require completion of a traditional four-year teaching degree.

More information on teacher vacancies by school district and the full list of designated shortage areas can be found on the Department’s [website](#).

(Info from Iowa Department of Education)

Iowa’s Unified Allocation Plan Receives First-In-the-Nation Approval of Critical Steps to Focus Federal Resources on Student Achievement Over Administrative Bureaucracy

The U.S. Department of Education waiver approval marks the first step in fully realizing Iowa’s comprehensive Unified Allocation Plan, granting waivers of certain federal ESEA requirements and consolidating funding to more effectively align with statewide priorities that have the greatest impact on student outcomes.

Governor Kim Reynolds and the Iowa Department of Education today announced that Iowa is the first state in the nation to receive federal approval of critical steps to redirect federal resources from compliance to the classroom in its innovative Unified Allocation Plan. U.S. Secretary of Education Linda McMahon made the announcement at Broadway Elementary School in Denison, Iowa, alongside Governor Kim Reynolds and Iowa Department of Education Director McKenzie Snow, as part of her Returning Education to the States Tour. Iowa is the first state in the nation to receive a “Returning Education to the States” federal waiver approval.

“This announcement marks an important step toward returning education to the states and putting students first,” Iowa Governor Kim Reynolds said. “As the first state in the nation to submit a Unified Allocation Plan, and to receive these waivers, Iowa now has greater flexibility to focus federal resources on what drives student success, and we’re well positioned to do so. I look forward to continuing to improve student outcomes, reduce red tape for schools, support teachers, and ensure federal education dollars are focused toward state and local priorities where they make the greatest difference.”

Today’s approval marks the first step in fully realizing Iowa’s comprehensive Unified Allocation Plan, providing flexibility of certain requirements under the federal Elementary and Secondary Education Act of 1965, as amended (ESEA). Iowa’s first-in-the-nation plan seeks to focus more federal resources on improving student achievement over federal compliance. The flexibilities provided by the waiver announced today will reduce some of these compliance costs, allowing nearly \$8 million in time and resources to be redirected from compliance to the classroom over four years.

“Recognizing the remarkable results Iowa has delivered for students over the past two years, we are honored to be the first state in the nation to forge this path forward, aligning federal resources to what’s working in Iowa, expanding local flexibility to best serve students most in need of support, and rightsizing administrative workloads,” said Iowa

Department of Education Director McKenzie Snow. “We are grateful to each of the administrators, teachers, and Iowans whose experience and expertise shaped Iowa’s innovative Unified Allocation Plan, which reflects our collective focus on accountability for student outcomes. Alongside them and the U.S. Department of Education, we look forward to continuing our work to refocus federal resources on their true purpose—the success of all learners.” First, this waiver allows the Iowa Department of Education to operate a block grant for 100% of ESEA federal state-level funds, consolidating state activities funds from four ESEA federal education programs— Title II, Part A, Title III, Part A and Title IV, Parts A and B, which focus on supporting effective instruction and professional development, English language learners, student support and academic enrichment and 21st Century Community Learning Centers. Immediately, this block grant of ESEA federal state-level activities funds will total about \$3.8 million for Federal Fiscal Years 2024 and 2025. For example, the Iowa Department of Education proposed to use this state-level block grant to support continued investments in evidence-based literacy professional learning and new investments in professional learning to empower all teachers to best serve English learners offered statewide at no cost to schools or educators.

Second, the U.S. Department of Education approved program-specific waivers, which will enable the Iowa Department of Education to expand flexibility to local school districts for how they use Title I-A, Title I-D and Title IV-A funds. These funds support schools with high numbers of children from low-income families, neglected or delinquent youth and student support and academic enrichment on improving academic achievement and digital literacy. Without seeking additional federal approval, this will help enable schools to move beyond short-term spending pressures and support multi-year initiatives, including intensive tutoring, evidence-based professional learning, and services supporting successful student transitions.

Third, the U.S. Department of Education has committed to advancing Iowa’s request to streamline programmatic and fiscal reporting as a model for the nation. This will allow more flexibility to support innovative solutions that focus on classroom instruction for students and reduce time and resources spent on duplicative administrative duties, while ensuring transparency and accountability. Iowa will focus on implementing the approved elements of the Unified Allocation Plan, demonstrating impact, and continuing to build the case for broader flexibility.

More information, including the full [Revised Iowa Unified Allocation Plan Proposal](#) submitted in September 2025 and the original first [Proposed 2025 Iowa Unified Allocation Plan](#) submitted in March 2025 and can be found on the Department’s [Iowa Unified Allocation Plan webpage](#). Copies of the approval letter from Secretary of Education Linda McMahon and the U.S. Department of Education’s Ed-Flex approval are also posted on the webpage.

(Info from Iowa Department of Education)

(Contact: Kristin Rozeboom 1-3015)

Health and Human Services

Iowa NICU Presents to House HHS About World Record Premies

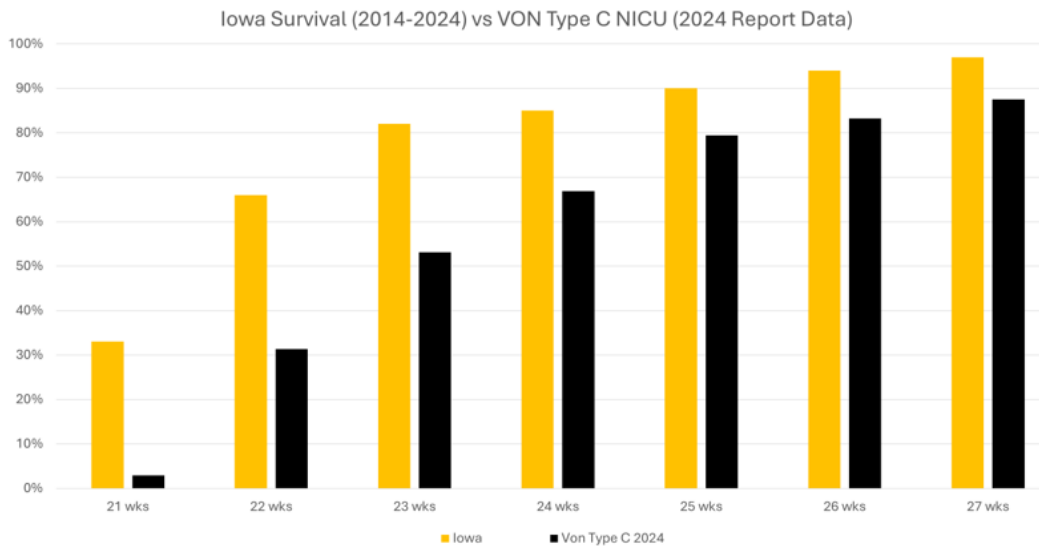
This week, the University of Iowa Stead Family Children’s Hospital’s neonatal intensive care unit (NICU) presented to the House Health and Human Services Committee regarding the remarkable life-saving care they provide to Iowa’s babies. The UI NICU continues to break records saving our most vulnerable children. [Recently it was announced that Nash Keen](#) from Ankeny, IA turned one-year old, making him the **Guinness World Records titleholder for most premature baby with being born at 21-weeks gestation**. Nash was born at just 10 ounces and after 189 days in the hospital, was able to go home in January 2025.

Within the last year, [UIHC also announced that the tiniest premie in the U.S.](#) was discharged and able to go to her home in Solon, IA. **Evelyn Eilers was born at 8.46 ounces, making her one of three tied for third-smallest in the world**. After 7 months of care at UIHC, she was able to go home weighing 7 pounds 8 ounces.

These remarkable children show the importance of life and how science continues to improve in saving children earlier and earlier. The state of Iowa is incredibly fortunate to have the health care providers at [UIHC’s NICU that have the highest survival rate for extremely preterm infants in North America.](#)

The below chart shows how UI’s survival rate for all gestational ages of the infants compare to all other hospitals:

GLOBAL LEADER IN CARE OF EXTREMELY PRETERM INFANTS



(Contact: Natalie Ginty 5-2063)

Judiciary

Chief Justice Delivers the Condition of the Judiciary

On Wednesday, the Chief Justice of the Iowa Supreme Court, Susan Christensen delivered her Condition of the Judiciary address. This is the Chief Justices sixth time addressing a joint session of the Iowa legislature.

The Chief Justices speech focused on funding needs for the Judicial Branch. She explained how after 40 years the Judicial Branch reevaluated how jobs are classified and positions are paid. This resulted in better pay for new employees but also led to compaction where long-term and short-term employees are being paid similar amounts, leading to issues retaining long-term employees. She highlighted the need for additional funding to help raise pay for longer serving employees. Hiring and keeping the best staff is a large focus for the Judicial branch and this adjustment in pay can go a long way to ensuring staff doesn’t leave.

Last year, the Judicial Branch requested a bill to make significant changes to the way magistrates are distributed through the state. Magistrates have jurisdiction over many areas and can also issue search warrants and conduct preliminary hearings. Under current law, each county is required to have at least one magistrate per county and 206 magistrates must be employed throughout the state. The Chief Justice is requesting the legislature reevaluate this formula and give the Judicial branch the power to determine the number of magistrates needed and where they should be placed to ensure magistrates are being used to the best of their ability. Balancing out the workload could also save money.

Chief Justice Christensen ended her speech discussing mental health and addiction in the legal community. She recognized several individuals who have overcome alcohol struggles and have worked to help others who may be facing the same challenges.

The legislature will evaluate the requests from the Judicial Branch in the Judiciary and Justice Systems Budget Committees and decisions will be made on funding and policy bills before the session ends.

(Contact: Amanda Wille 1-5230)

Labor

Iowa's Unemployment Rate Decreases to 3.5 Percent In November

Iowa's seasonally adjusted unemployment rate was 3.5 percent in November – up from 3.3 percent one year ago but down from 3.7 percent in September. There is no October rate due to the government shutdown. The labor force participation rate was 67.5 percent in November, equaling the September rate and 0.6 percentage points higher than the November 2024 rate of 66.9 percent. The U.S. unemployment rate rose to 4.6 percent in November.

The total number of unemployed Iowans increased by 5,100 compared to November 2024.

The total number of working Iowans was 1,683,000 in November. This figure is 22,400 higher than one year ago. Iowa's labor force saw an increase of 27,500 individuals compared to November 2024.

“November's report is an indication that the increase we've seen over the last few months in labor force participation is translating to more people working,” said Beth Townsend, Executive Director of Iowa Workforce Development.

“Led by gains in health services, wholesale trade, and construction, Iowa saw strong hiring nearly across the board in November and ended with 9,000 more jobs than the year before – a trend we hope continues in future reports.”

Seasonally Adjusted Nonfarm Employment

Iowa establishments added 4,600 jobs in November, raising total nonfarm employment to 1,599,800. This increase is significant, particularly when compared to the previous 10-year average October-to-November change of -130 jobs. Gains this month were fueled by multiple industries with educational and health services and trade, transportation and warehousing gaining a slight edge, adding 1,100 and 1,000 jobs, respectively. Additionally, construction fared well in November, gaining 900 jobs, partially attributable to the milder late fall weather.

Within private industries, employment gains in health services (+900), wholesale trade (+800) and the previously mentioned gains in construction represented the bulk of the statewide increase. Professional and business services added jobs as a result of gains in administrative and support services (+1,000) partially offset by a small loss in professional, scientific and technical services (-200). Government pared 200 jobs.

Over the past 12 months, total nonfarm employment is up 9,000 jobs. Private industry overall is up 7,400 jobs since last November. Construction (+8,100) and private education and health services (+5,800) experienced the greatest gains. The bulk of the change in private education and health services was attributable to increased employment in health care and social assistance (+4,300). Retail trade contributed to the gains with an additional 3,400 jobs.

Professional and business services has trimmed jobs from one year ago (-3,400). Other industries paring jobs include: leisure and hospitality (-3,200), financial activities (-1,600) and manufacturing (-1,000). This loss is due to cutbacks at durable goods factories (-2,300).

(Info from Iowa Workforce Development)

(Contact: Kristin Rozeboom 1-3015)

Local Government

New Legislative Session Provides an Opportunity to Find Efficiency

As a new legislative session begins in Des Moines, Iowans have made clear that the issue of property taxes remains an important issue to them. Rising property taxes have continued to cause concern among Iowans. In order to address increases, the Local Government Committee has an opportunity to examine where possibilities exist to provide our counties, cities, and townships opportunities to create more efficient methods of providing services.

During the 2025 legislative interim Governor Reynolds appointed a task force to study the core function of government and reduce the cost of government. In October the final report of the DOGE Task Force was released. Many of the recommendations highlighted opportunities for Iowa's counties and cities to incorporate new technology to provide efficiencies, pool resources in order to save expenses, and to eliminate requirements that hinder local governments' ability to provide quick and effective services.

These concepts were again highlighted in Governor Reynolds' Condition of the State speech this week. This legislative session, the Local Government Committee will continue to work to provide tools and resources to our local governments enabling them to provide government services while maximizing taxpayers' money to help curb increasing property tax demands on Iowans.

(Contact: Jason Covey 1-3626)

Public Safety

Public Safety Committee to Discuss Banning Kratom

The House Public Safety Committee held a subcommittee regarding House Study Bill 508, a bill to list kratom as a schedule I controlled substance. The bill advanced with the support of all three members.

Kratom is made from the leaves of a Southeast Asian tree and is often marketed as a natural remedy for pain, anxiety, or opioid withdrawal, but its risks are increasingly hard to ignore. Because it is sold as a supplement, kratom is largely unregulated, meaning potency and purity can vary widely from product to product. One of the most serious concerns is kratom's potential for dependence and addiction. At lower doses it can act as a stimulant, while higher doses produce opioid-like effects, including sedation and euphoria.

The subcommittee heard from the Iowa Department of Public Safety, the Office of Drug Control Policy, the Iowa Medical Society, and others who all supported the bill. Many advocates highlighted the risks associated with kratom including liver toxicity, seizures, and addiction. Moving kratom to a scheduled I substance would ban the sale and possession of the product.

Groups opposed to the bill argued that kratom, by itself, is a safe product and the committee should only ban the synthetic additives producers have been adding to the product. The kratom found around the state in gas stations and grocery stores has often been altered with the addition of a compound called 7-OH. This compound is naturally found in the kratom plant, but in very low doses. The problem arises when kratom products are laced with an abnormal amount of 7-OH, this leads to overdoses, and increased dependency. Those opposed to the bill asked for an amendment to regulate and label kratom products, not remove them from sale.

The subcommittee agreed to advance the bill in its current form, and it will be discussed in committee in the coming weeks.

(Contact: Amanda Wille 1-5230)

State Government

House Republicans Remain Committed to Efficient and Effective Government

In the Condition of the State, Governor Reynolds highlighted the work that has been taken in recent years to review and reorganize the state government in order to better and more efficiently serve Iowans. House Republicans advanced the historic [2023 legislation](#) that restructured and realigned the organization of the state government and its agencies. From that legislation the Board and Commissions Review Committee was created and tasked with evaluating the efficiency and effectiveness of each board, council, commission, or committee established by code.

Prior to the 2023 review conducted by the committee, the state had never in the history of Iowa reviewed and evaluated its 256 boards and commissions. The Commission divided the entities into subcommittees to evaluate related categories. The subcommittees are Licensing (47 entities), State Government (51 entities), Agriculture and Natural Resources (35 entities), Workforce, Labor, Education (36 entities), Economy and Finance (36 entities), and Human Services (51 entities). The committee sent out questionnaires to all 256 entities that are being evaluated. Questions included whether the entity is statutorily required, funding sources, licensing authority, rulemaking authority, membership makeup, volume and frequency of meetings, and many other questions to get a clear overview of how each of these entities operate. Following the committee's review, the legislature passed [legislation](#) to reduce the number of these boards and commissions that no longer met, had achieved their legislative goals, or were merged with similar boards.

The State of Iowa determined this amount of boards due in large part to a lack of consistent review of the need and effectiveness of these boards. The new law also included provisions for regular review of all committees to continue to evaluate the usefulness, performance, and efficacy of each board. The State Government Efficiency Review Committee will review 25% of all boards every year. Next week the State Government Efficiency Review Committee will meet on Wednesday, January 21 to advance the schedule of these reviews.

The work to find inefficiencies and redundancies in the state government should never end. As the legislative session begins members of the State Government Committee will continue to look for areas where government regulation and bureaucracy places undue burden on Iowans. Iowans deserve and expect a state government that operates in as responsive and efficient manner possible without hindering Iowans' ability to pursue their careers or to build and develop in this state.

(Contact: Jason Covey 1-3626)

Transportation

“Iowa’s America 250 Scenic Byways Road Trip” Series begins Sunday, celebrating state’s role in shaping the nation’s history

To mark the 250th birthday of the United States, the Iowa Department of Transportation is partnering with [Iowa’s Scenic Byways](#) to kick off a series of educational presentations celebrating several historical locations across the state from January to June. Six monthly events, scheduled along Iowa’s Scenic Byways, will invite the public to learn about Iowa’s unique and memorable contributions to our nation’s past.

The celebration begins Sunday, January 18 with [“An Assessment of Iowaville \(1765–1824\)”](#) at Lacey-Keosauqua State Park Lodge from 1:30-2:30 p.m. Attendees will explore the fascinating story of Iowaville, an Ioway (Báxoje) Native American Tribe village in Van Buren County. Cindy Peterson, Research Director with the University of Iowa Office of the State Archaeologist, and Alan Kelley, Tribal Historic Preservation Officer for the Iowa Tribe of Kansas and Nebraska, will lead the presentation.

Peterson and Kelley will bring to life the insights from a research effort supported by the State Historical Society of Iowa, offering a compelling look at the Báxoje occupation of the area and the village’s historic significance. The presentation will also include information about area artifacts, stories about tribal members, and a discussion about this remarkable place on the Iowa landscape which has been recommended as a National Historic Landmark.

A number of additional historical activities and tours are scheduled in the Van Buren County area January 18-19 through [Pathfinders Resource Conservation and Development](#).

Monthly presentations will continue through June 2026, each spotlighting a different [Iowa Scenic Byway](#) and historical theme – from Governor Larrabee’s home at Montauk to Iowa’s Underground Railroad connections. These events are free and open to the public, offering a welcoming space for Iowans of all ages and backgrounds to connect with their heritage.

Iowa’s America 250 Scenic Byway Road Trip Schedule:

- **January 18, 2026** – 1:30-2:30 p.m., Lacey-Keosauqua State Park Lodge, [Historic Hills Byway: An Assessment of Iowaville \(1765-1824\)](#) with Cindy Peterson and Allan Kelley.
- **February 28, 2026** – 1:30-2:30 p.m., Clermont Opera House, [River Bluffs Scenic Byway: An Overview of Montauk \(1874–1912\)](#) with Nurit Finn.
- **March 22, 2026** – 1:30-2:30 p.m., Fort Madison Riverfront Pavilion, [The Great River Road National Scenic Byway: Fort Madison and the War of 1812](#) with State Archaeologist John Doershuk.

Events for April, May, and June will be announced in the near future.
(Information from DOT)

(Contact: Brad Trow 1-3471)

Veterans Affairs

Iowa Veterans Day on the Hill on Wednesday

The Iowa Veterans Day on the Hill will be at the Iowa State Capitol Rotunda on January 21st from 9am to 12pm with the program from 11am to 11:45am. Following the program, the Iowa Commission on Veterans Affairs, veterans service organizations, and individual veterans will meet with legislators.

Iowa Veterans Day on the Hill will also be streamed from the Rotunda via Facebook Live on the Iowa Department of Veterans Affairs Facebook page at <https://www.facebook.com/IowaDepartmentofVeteransAffairs>.

(Contact: Natalie Ginty 5-2063)

Governor Unveils Property Tax Bill

This week the Governor put forth her ideas for property tax relief in her condition of the state address. The main provision of the bill would see a budget limitation put on local tax authorities that would limit locals to a two percent increase in revenue year over year. She also proposed moving to a three-year assessment cycle instead of the current two. This means homes would get a new assessment value every three years, resulting in less frequent changes.

The Governor also mentioned freezing property tax bills for seniors with the hopes that they would not be taxed out of their homes. To help younger Iowans, her proposal would set up first-time-homebuyer accounts with tax benefits to encourage saving and home ownership.

Finally, the Governor spoke at length about finding efficiencies and consolidation opportunities. She said it will be the expectation that local taxing authorities learn to be leaner, more frugal, and better stewards of the taxpayer's money.

Key aspects of the Governor's bill:

- Implement a cap on total revenue growth for all taxing authorities, with exceptions for debt service and school funding.
- Moving the assessment schedule from every two years to every three years.
- Limiting the overuse of Tax Increment Financing (TIF) districts.
- Freezing property tax bills for seniors age 65 and up in homes valued at \$350,000 or less.
- Expanding tax-free savings accounts for first-time homebuyers.
- Eliminating election mandates for County Treasurer, Auditor and Recorder positions.
- Establishing a grant program to assist local governments with new shared services agreements.
- Accelerating the Secure and Advanced Vision for Education funding stream to generate additional property tax relief.

(Contact: Kristi Kiious 2-5290)