

Appropriations

Audits of the State Auditor’s Office Are Behind Schedule

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At the close of each fiscal year, the Department of Administrative Services (DAS) releases the Annual Comprehensive Financial Report, which fully details the financial status of the state during the last budget. As part of this, the State Auditor’s Office conducts an audit, which looks at the books of all state departments and agencies.

Beyond that report, the State Auditor also issues annual fiscal statements or reports on departments and agencies as a further examination of their financial records. These reports give these budget units additional information relating to issues identified as to “internal control, compliance with statutory requirements and other matters when our audit discloses findings we believe should be brought to your attention.”

Many times, this report finds no issues. An example of this is the most recent Report of Recommendations for the legislative branch. This report looked at the General Assembly’s finances for Fiscal Year 2024. This was released on September 17, 2025, and it found no issues. At the other end of the spectrum are those times when serious issues are exposed.

The timeliness of these reviews is critical, so that identified issues are addressed quickly, and financial problems do not metastasize into full-blown scandals. Surprisingly, one state agency has fallen significantly behind in getting its books audited. Which agency is delinquent in fulfilling this important task for openness and transparency? The Auditor of State’s Office.

The review of the accounts of the State Auditor’s Office is not done internally. The office hires an outside accounting firm to conduct these reviews. Going back as far as Fiscal Year 2009, this work has been done by the Des Moines offices of RSM US, an international audit, tax, and accounting firm.

Here is a chart showing when RSM’s audit of the State Auditor’s office has been made public since Fiscal Year 2009:

Fiscal Year	Audit Release Date	State Auditor
FY 2009	Dec. 8, 2009	Vaudt
FY 2010	Feb. 10, 2011	Vaudt
FY 2011	April 16, 2012	Vaudt
FY 2012	June 27, 2014	Vaudt
FY 2013	Nov. 17, 2014	Mosiman
FY 2014	Nov. 10, 2015	Mosiman
FY 2015	Oct. 4, 2016	Mosiman
FY 2016	Jan. 23, 2017	Mosiman
FY 2017	Jan. 17, 2018	Mosiman
FY 2018	Dec. 26, 2018	Mosiman
FY 2019	May 7, 2020	Sand
FY 2020	Dec. 8, 2021	Sand
FY 2021	Sept. 24, 2024	Sand
FY 2022	?	Sand
FY 2023	?	Sand
FY 2024	?	Sand
FY 2025	?	Sand
SOURCE: Auditor of State website		

No one expects an audit to be done within the first months after the end of the fiscal year. The state’s accounting period does not officially close until the end of September. And prior to 2019, getting the audit of the Taxpayer’s Watchdog done in a timely manner was not an issue. But it appears to be one now.

Undoubtedly, the State Auditor will have a host of reasons why the audits of his own agency are running over three years behind. But when other agencies were running behind with their auditing work, he didn’t hesitate to put them on blast. Auditor Sand was very critical of Iowa State University’s issues with its new financial IT system which delayed the release of the FY 2022 Audit. He has also taken the Department of Administrative Services to task for their tardiness in completing the AFCR.

This isn’t the first time the failure of timely financial reports from the State Auditor has been identified. In the fall of 2024, his office issued their review of the Judicial Branch’s books for Fiscal Years 2020, 2021, and 2022 on the same day. These reports failed to mention that the Courts had misallocated over \$26 million dollars between the fall and 2020 through 2024, shorting programs like Victims’ Services critical funding needed to serve vulnerable Iowans. When his office was called out by House Speaker Pat Grassley and House Republicans for failing to include this significant issue in their reports, State Auditor Sand did not take it well. Instead of taking responsibility for his failure to identify and report in a timely manner the misallocation of millions of public funds, he resorted to petty personal attacks.

Maybe there is a good reason for the extensive delay in the audits of the State Auditor’s office. If there are, Iowans should have already been told why.

(Contact: Brad Trow 1-3471)

Agriculture

House Republican Efforts to Improve Farm Profitability

House Republicans this year are already working on several items to improve farm profitability. One part of that effort is the Iowa Farm Act. The bill includes three financial provisions that will have immediate impact in Iowa farm country. The Farm Act will eliminate the property taxation of above ground storage tanks with a capacity of 91,000 gallons or less, ensuring these tanks are not classified as real property.

Second, a small but long-serving tax of one-fortieth of a cent for every single bushel will be eliminated. This will result in more money in the pockets of farmers for each sale, and less time/money spent by the first purchasers of grain in the collection of the tax.

Last, for farmers planning to retire, and benefitting those who will succeed them, the House Republicans in Agriculture Committee have passed an expansion to the law that allows farmers who have retired (no longer actively engaged) to receive rental income tax-free, similar to other business/employee retirement plans. Farmers' retirement plans are often, and only, the land, and this income would then be in parity with other retirement incomes. The Iowa Farm Act expands from sole proprietors to now include farm partnerships, farm S corps, farm trusts and farm estates.

(Contact: Mindy Larsen 1-3096)

Commerce

Iowa AG Sues 18 PBMs and Insulin Manufacturers for Inflating Insulin Prices

The following was provided by the AGs office on January 29th:

Attorney General Brenna Bird announced today she has filed a lawsuit against 18 Pharmacy Benefit Managers (PBMs) and insulin manufacturers asserting they have manipulated and inflated insulin prices to profit at the expense of Iowans using life-sustaining insulin.

“Artificially increasing prices to profit off of people who could die without your product is terrible,” said Attorney General Bird. “Diabetics in Iowa deserve a free and fair marketplace, not a rigged market increasing the price of their insulin. We are suing so Iowans can afford the medicine they need to live and to prevent pharmacy benefit managers and insulin manufacturers from gaming the system at the expense of vulnerable people.”

Approximately 300,000 Iowa residents are living with diabetes, and an additional 820,000 Iowa residents have prediabetes. Today's lawsuit asserts that PBMs and insulin manufacturers created and participated in an unlawful pricing scheme that led to both a large increase in the price of insulin while simultaneously increasing the profits of PBMs and insulin manufacturers at the expense of Iowans. This lawsuit asserts:

- Iowa diabetics have been overcharged millions of dollars a year because of the insulin pricing scheme.
- The insulin pricing scheme has cut off access to lower priced, affordable insulin formulas and drugs for Iowa diabetics because they were not profitable enough for the PBMs.
- Unable to afford the drugs they need to survive, many diabetics in Iowa ration or under-dose their diabetes medications, inject expired insulin, reuse needles, and/or starve themselves to control their blood sugars. This behavior is extremely dangerous and can lead to serious complications or even death.
- Insulin manufacturers have published prices in Iowa of \$300-\$400 for the same at-issue insulin that was sold in other countries for less than \$5.

The Iowa Attorney General's office is asking the Court to protect Iowans and enforce state law by:

- Determining the PBMs and insulin manufacturers have violated and are violating Iowa law and received a financial windfall from their unlawful acts committed at the expense of Iowans.
- Requiring the PBMs and insulin manufacturers to stop their unfair and deceptive practices and acts, including the insulin pricing scheme.
- Requiring the PBMs and insulin manufacturers to pay all restitution, damages, reimbursement, and other relief that may be owed to Iowans who were harmed by the unlawful behavior of the PBMs and insulin manufacturers.

Read the full petition [here](#).

The list of PBMs and insulin manufacturers being sued is:

- Eli Lilly and Company
- Novo Nordisk Inc.
- Sanofi-Aventis U.S. LLC
- Evernor Health, Inc. (Formerly Express Scripts Holding Company)
- Express Scripts, Inc.
- Express Scripts Administrators, LLC
- ESI Mail Pharmacy Service, Inc.
- Express Scripts Pharmacy, Inc.
- Medco Health Solutions, Inc.
- CVS Health Corporation
- CVS Pharmacy, Inc.
- Caremark Rx, LLC
- CaremarkPCS Health, LLC
- Caremark, LLC
- UnitedHealth Group, Inc.
- Optum, Inc.
- OptumRx, Inc.
- OptumInsight, Inc.

(Contact: Natalie Ginty 5-2063)

Economic Growth

Iowa House Republicans Introduce Iowa Skilled Workforce Act

(DES MOINES) -- Today, Iowa House Republicans introduced the Iowa Skilled Workforce Act. This bill works to bridge the gap between our state's available jobs and the skilled workers needed to fill them. The bill is a strategic partnership between the state, schools, and the trades to help shape and train the next generation of workers in high-demand jobs.

Chairman of the Iowa House Higher Education Committee Taylor Collins (R-Mediapolis) will lead the bill through the Iowa House.

"From the plumbers and HVAC technicians who keep our homes safe, to the electricians and builders who power our growth, the trades are what keep Iowa running," Collins said. "In the Iowa House, we've made building this pipeline a priority, but we still hear the same frustrations from the front lines: The system is too complex, the regulations are too burdensome, and the funding doesn't always reach the right places. These barriers stand in the way of the state's ability to address real workforce needs and this legislation is

designed to tear down those barriers."

This legislation focuses on two main areas:

State Funding: Investing in Growth

- Increases the 84E Apprenticeship Act funding from \$3 million to \$4.5 million. This funding provides annual financial assistance to existing Registered Apprenticeship (RA) programs across the state.
- Creates the Career Training Physical Expansion Program. This provides the financial backing to build new, state-of-the-art facilities at community colleges and within both union and non-union private sector programs.

Local Flexibility: Empowering Experts

- Removes red tape for teachers, allowing veteran tradespeople with 3,000 hours of experience to lead classrooms.
- Empowers community colleges to set the parameters for the Last-Dollar Scholar program, ensuring they can adapt to the specific needs of their local high-demand industries.
- Encourages pre-apprenticeship programs in K-12 schools to show students a clear path to success before they even graduate.
- Codifies the 3:1 ratio for plumbing and HVAC to match the electrical trade, creating a consistent, proven framework for safety and quality.

Speaker Pat Grassley (R-New Hartford) expressed his support for the bill.

"With this bill, we are continuing to shift our focus toward high-demand jobs that fuel Iowa's future," Grassley said. "This is a clear message that the state is a partner to Iowans who want to put their education to work, meet the urgent needs of their neighbors, and grow our economy."

(Contact: Kristi Kiouss 2-5290)

Education

Department seeks public input on revised Iowa Quality Preschool Program Standards

The Iowa Department of Education is currently seeking public comment on the proposed updates to the Iowa Quality Preschool Program Standards (IQPPS).

This past October, a revision team comprised of early childhood educators and stakeholders convened to review the standards and propose potential updates, which now require public feedback.

Iowans who are interested in providing input on the proposed changes to the IQPPS are encouraged to [review the potential updates](#) and submit their feedback in the [Department's public survey](#). Survey responses will be collected through Feb. 27.

Input from the results will be considered for the final recommendations to the State Board of Education. If adopted by the State Board, the revised IQPPS will serve as one of the three required standards for state-funded preschool programs.

The Iowa Quality Preschool Program Standards provide a framework for creating safe, nurturing and engaging environments that promote growth across all developmental domains—social, emotional, physical, language and cognitive. These standards ensure preschool programs across Iowa deliver high-quality early learning experiences to support every child’s development and offer a strong foundation for learning. Program standards, paired with the Iowa Early Learning Standards, promote consistency and high quality in preschool programs statewide.

For more information on the IQPPS revision process, visit the Department’s [Iowa Quality Preschool Program Standards review team webpage](#).

(Info from Iowa Department of Education)

(Contact: Kristin Rozeboom 1-3015)

Health and Human Services

House HHS Committee Advances Mental Health, Health Care Access, Vaccine Legislation

With the 4th week of the legislative session finishing up, the House Health and Human Services Committee has been busy passing bills and holding subcommittees on legislation to be discussed over the final two weeks before the first funnel deadline. Through the 4th week, House HHS has passed 10 bills described below on mental health, health care access and vaccines:

- **Foster Parent Training** – House File 2163 strikes specific hour training requirements from code for foster parent licensure and renewal. Instead, this bill allows DHHS to determine the need for training based on the experience and training of the individual foster parent and the needs of the child being placed in their care.
- **Mental Health Institutes** – House File 2094 requires the state to double the number of inpatient psychiatric beds at each state mental health institute and to apply for a waiver of the federal IMD exclusion. Institution for Mental Diseases (IMD) is a federal prohibition on Medicaid reimbursement for adults (age 21-64) stays in psychiatric facilities with more than 16 beds. 17 states have approved 1115 waivers with CMS to allow for Medicaid funding to be used at these facilities. 10 states have pending applications.
- **Epinephrine Delivery System** – House File 2203 adds epinephrine nasal spray to Iowa’s epinephrine supply laws. Current law only allows for auto-injectors. This law will not need updated if additional epinephrine delivery systems are approved by the FDA.
- **Pregnant Female** – House File 2253 changes references in Iowa Code from “pregnant person” to “pregnant female”.
- **Parental Consent Vaccines** – Senate File 304 removes the ability for a minor to consent to vaccines for a STD without parental consent.
- **Vaccine Exemptions** – House Study Bill 605 adds public health agencies to the list of entities that must provide information on vaccine exemptions when disseminating information on immunization requirements.
- **UIHC Noncompetes** – House File 2254 prohibits noncompete agreements for physicians at the University of Iowa Hospitals and Clinics.
- **Child in Need of Assistance** – House File 2256 broadens the ability for the court to determine a child to be a CINA if the parent is unable to secure treatment and their efforts have been exhausted and unsuccessful.
- **Physician Associate** – House File 2269 revises the professional title of a physician assistant to a physician associate.
- **Hospice Guardianship** – House File 708 allows PAs and ARNPs to be attending providers regarding hospice and palliative care and provides a hierarchy of individuals that can approve hospice and palliative care for a comatose patient that has not completed proper paperwork prior to being in a terminal condition.

(Contact: Natalie Ginty 5-2063)

Judiciary

House Judiciary Committee Continues to Move Bills Out of Committee

The House Judiciary Committee has advanced multiple bills through committee to the floor for potential consideration by the House in the coming weeks. Below are some of the bills that have advanced.

HSB 566- Public Defender Project to Preserve Families

This bill makes a recent pilot project by the Iowa State Public Defender a permanent program, renamed the "Project to Preserve Families." The program uses innovative legal representation methods with the goal of keeping families together, reducing trauma for children, and providing financial benefits to families and their communities. The State Public Defender will work with other agencies, seek grant funding, study the results of the program, and appoint attorneys to represent low-income individuals before formal child welfare proceedings start, when appropriate. The bill lets the Public Defender extend this family preservation effort statewide and gives them the authority to set rules for how the program is run.

HF 2190- Dog Ownership

This bill sets clear rules for proving ownership of dogs in Iowa. For puppies six months old or younger, ownership can be proven with a tattoo, microchip, receipt, contract, medical records, or other documentation. For dogs older than six months, ownership can only be proven with specific evidence like a rabies vaccination tag, a visible tattoo, a microchip, receipts, contracts, medical records, or other documented proof. In legal disputes, the person who can provide this evidence is presumed to be the owner, unless there is stronger proof to the contrary. Anyone who knowingly lies about dog ownership to authorities or in court can be charged with a simple misdemeanor.

HF 824 Consideration of Educational Settings for Children

HF 824 directs courts to favor keeping children in their current school setting (home, private, public) when parents cannot agree, unless it is proven to be against the child's best interest, and ensures custody orders clearly outline parental rights concerning education.

HF 2216- Injury to Police Dogs

House File 2216 proposes that anyone convicted of knowingly and intentionally torturing, injuring, or killing a police service dog must pay restitution to the affected law enforcement agency. In addition to any other penalties, the convicted individual would be required by the court to cover the costs of replacing the dog, its training, and any related expenses if the animal is permanently disabled or killed. This bill aims to ensure agencies are compensated for the significant investment made in police service dogs.

(Contact: Amanda Wille 1-5230)

Labor

Third Quarter 2025 Quarterly Census of Employment and Wages Released

The third quarter 2025 Quarterly Census of Employment and Wages (QCEW) data has been released. This data is a census of jobs covered by unemployment insurance and is available for Iowa and the 99 counties by sector and subsector. The available data now covers the first quarter of 2022 through the third quarter of 2025.

To view the updated data visit the [Quarterly Census of Employment and Wages](#) page.

(Info from Iowa Workforce Development)

(Contact: Kristin Rozeboom 1-3015)

Public Safety

Keeping Iowa's IDs Simple, Secure, and the Same for Everyone

The Iowa House Public Safety Committee has advanced House Study Bill 552, legislation that prohibits counties and cities from issuing their own resident identification cards.

Currently, three counties in Iowa issue local ID cards. Supporters argue these community-specific IDs help residents who face barriers to obtaining state-issued identification. However, Iowa already maintains a strong and trusted system through driver's licenses and non-operator IDs. These state-issued documents are secure, widely recognized, and accepted by law enforcement, financial institutions, schools, businesses, and government agencies across the state. Allowing cities or counties to create their own identification systems introduces unnecessary complexity. Varying card designs, eligibility requirements, and verification standards make it harder for law enforcement officers, businesses, and public agencies to quickly and confidently determine whether an ID is valid. This inconsistency increases the risk of fraud, undermines public trust, and weakens overall security.

House Study Bill 552 preserves a single, consistent identification standard throughout Iowa. The bill maintains state authority over official resident IDs while allowing local governments to issue identification for their own employees or elected officials and to continue providing state-authorized driver's licenses and non-operator IDs as permitted under current law.

Iowa does not benefit from a patchwork of conflicting local identification cards. A clear and uniform ID system strengthens public safety, reduces opportunities for abuse, and ensures efficiency and fairness statewide. House Study Bill 552 keeps Iowa's identification system secure and consistent for everyone.

(Contact: Amanda Wille 1-5230)

State Government

Busy Week in State Government Committee

This week the State Government Committee reported out of committee over 11 bills. Several bills came from the Iowa Public Information Board.

[HSB 582](#) creates more direct acknowledgement and provides estimated times and costs for fulfilling a public records request by public entities. This legislation provides more transparency and accountability from public entities when Iowans request public documents. [HSB 580](#) extends the period an aggrieved party may file a complaint with the Board alleging a violation of the open meetings or public records laws. By extending the period it allows the Iowa Public Information Board more time to achieve a resolution between governmental entities and citizens.

[HF 82](#) requires new single-family and two-family residential construction to include passive radon mitigation. The Committee also considered several bills covering alcohol. [HF 2074](#) empowers cities to create Social Districts to allow for public areas for where residents could consume alcohol within the designated and regulated area. These areas within cities have become more popular in cities across the country and the legislation empowers cities to create these districts to help promote economic activity.

(Contact: Jason Covey 1-3626)

Transportation

DOT Discusses FY 2027 Budget Proposal

The Department of Transportation presented Governor Reynolds' budget proposal for the agency last week, at a meeting of the Transportation, Infrastructure, and Capitals Budget Subcommittee meeting.

The Governor is proposing the state spend \$495.3 million on Department operations in the next fiscal year. That is a decrease of \$18.2 million when compared to the current fiscal year. The decrease is primarily due to a drop in funding for replacing equipment. Over the past few years, DOT expenditures on new equipment had risen with inflation. Thanks to a drop in prices and the DOT's work to revise its replacement schedule, funding for this line item is down \$17.2 million when compared to FY 2026.

Another reduction in the budget relates to the annual garage replacement. In FY 2026, the project was the construction of a major, new facility on the outskirts of Waterloo. That project cost \$18.9 million. For FY 2027, the garage project is for the Alton facility in Sioux County, where the cost of upgrades is budgeted at \$13 million. The budget also includes \$20 million for continued work on the Department's new IT system.

Fiscal Year 2027 is a new map year, and the DOT budget reflects that with an appropriation of \$195,000 for the printing of new road maps.

In addition to the operation budget, the Governor also included a number of DOT items in the Rebuild Iowa Infrastructure Fund. The Governor recommended maintaining the current funding level for all five line items. These include \$2.5 million for Recreation Trails, \$2 million for the Railroad Revolving Loan fund, and \$1.2 million for the Public Transit Vertical Infrastructure Grants. Iowa's commercial airports would be able to get a share of \$1.9 million in the Commercial Air Service Vertical Infrastructure Grants, and general aviation airports would be eligible for a piece of \$1 million in grant funding.

(Contact: Brad Trow 1-3471)

Ways & Means

House GOP Property Tax Bill Clears Subcommittee

Last week House Republicans filed their property tax reform bill and held a subcommittee. House Study Bill 596 is chaired by Ways and Means Chairman Carter Nordman and passed subcommittee 3-2 with the republicans supporting.

The bill contains five divisions that are as follows:

Division I—Property Tax Revenue Limitations

This division limits revenue growth to 102 percent. This means that the local taxing jurisdiction's tax revenue can only grow two percent year after year. Any new construction that occurs will not count against the limitation for the year it comes online and all levies for schools and the debt levy are not subject to the limitation. This new limitation does not affect any current rate and use limitations already in law.

Division II—Residential Property Tax Exemption

This division creates a new residential across-the-board exemption of \$25,000. This means that the first \$25,000 of every residential parcel is exempt from taxable value after rollback is calculated. This provision is retroactive to assessment years 2026 and after.

Division III—Property Tax Information Disclosure

This division will redesign the mailer that all properties receive. The updated mailer contains better information, better organization, and was created by the League of Cities. This mailer is required for budget years beginning on or after July 1, 2027.

Division IV—Council of Governments

This division will require councils of governments to help local governments consolidate local government services and functions with the goal of saving taxpayer dollars.

Division V—Bonding

The last division of the bill requires that all bonds payable with property taxes must receive a 60 percent affirmative vote of the people. The goal is to get more taxpayer feedback on future debts they will have to pay. This change starts July 1, 2026.

"By creating this exemption for every residential property, we are delivering immediate tax relief to every single homeowner in Iowa," Chairman Nordman said. "This means every senior citizen on fixed income, every young couple buying their starter home, and every middle-class family working hard for their children - will all see relief." The bill is now eligible for a full committee hearing in House Ways and Means.

(Contact: Kristi Kiouss 2-5290)