

June 2025

2025 End of Session Report

Iowa Dental Association



TABLE OF CONTENTS

Overview of Session

Introduction

Background

Major Initiatives

Statements on End of Session

State of Iowa Budget

Overview

FY 2026 Budget

Budget Line Items of Interest

Bills of Interest

Final Bill Tracker



212 EAST 3RD STREET, FLOOR 2, DES MOINES, IA 50309
WWW.CGAGROUP.COM | @CGAGROUP

OVERVIEW OF SESSION

Introduction

Thursday, May 15, marked the final day of the first session of the 91st Iowa General Assembly. This year, legislators worked thirteen calendar days past the 110th day of session, when per diem pay ended. Final adjournment was delayed due to several issues that proved difficult to resolve, including eminent domain legislation, property tax reform, and state spending priorities. In mid-May, legislative leadership and the Governor came to an agreement on many of the remaining issues, paving the way for Adjournment Sine Die.

The Cornerstone team would like to thank you, our clients, for the opportunity to advocate for your interests at the statehouse this year. We consider it a privilege and look forward to continuing our partnership. The following report provides details on highlights from the legislative session, including legislative priorities, the FY 2026 budget, and bills we tracked on your behalf. Please reach out to any member of the team if you have questions on the information provided below.

Background

This session, Republicans continued to hold a majority in both the House and the Senate. This was the ninth consecutive year of a Republican trifecta, with GOP control of both chambers and the governorship. There were three special elections held this year, two in the House and one in the Senate, meaning the partisan breakdown within each chamber varied slightly throughout session. As of the final special election, the Senate consisted of 34 Republicans and 16 Democrats, and the House consisted of 67 Republicans and 33 Democrats. Between the general election in November and the three special elections, we saw 18 new Representatives and 7 new Senators join the Legislature this session.

Pat Grassley (R-New Hartford) continued to lead the House Republicans as Speaker, with Matt Windschitl (R-Missouri Valley) as Majority Leader. In the Senate, Jack Whitver (R-Ankeny) continued to serve as Majority Leader with Amy Sinclair (R-Allerton) as Senate President. In the Senate, Janice Wiener (D-Iowa City) took over as Minority Leader after the retirement of former Senator Pam Jochum, and in the House, Representative Jennifer Konfrst (D-Windsor Heights) remained as House Minority Leader. However, Rep. Konfrst resigned her leadership role upon the final adjournment of the Legislature to pursue a U.S. House seat in the 2026 elections. Rep. Brian Meyer (D-Des Moines) was elected by his caucus to replace Konfrst as House Minority Leader.

Major Initiatives

On the first day of session, House and Senate leadership gave opening remarks and set forth their priorities for the year. Republican leadership discussed priorities related to education, lowering taxes, property tax reform, childcare costs, energy, affordable housing, and increasing employment opportunities. Democratic leadership in the House and Senate announced priorities related to addressing rising costs for families, raising wages, funding public education, addressing food insecurity, and making the state budget process more transparent. Later that week, on the first Tuesday of the legislative session, Governor Reynolds gave the annual Condition of the State speech outlining her policy priorities for this session, which included education, health care, unemployment insurance, disaster assistance, energy, childcare, and government efficiency.

Much of the work this session was devoted to these priority areas. Below is more information on major bills legislators prioritized this session and where they stand after Sine Die. The Governor has until June 14 to decide whether to sign or veto a bill sent to her by the Legislature in the final days of the legislative session.

Cell Phones in Schools

One of the Governor's major priorities at the start of session was to restrict the use of cellphones by students at school. Her proposal, [HF 782](#), requires school districts to adopt policies limiting the use of cellphones and other personal electronic devices during classroom instructional time. It also provides flexibility to school districts on how to implement these requirements. This proposal quickly gained traction and was approved by the Legislature with bipartisan support in early April. Governor Reynolds signed the bill into law on April 30, and it went into effect immediately.

Electronic Devices While Driving

Over the last several years, legislators have worked on a bill to expand the current restriction on texting while driving to any use of an electronic device while driving. This year's proposal, [SF 22](#), provides for various exceptions to this prohibition, including the use of a device in voice-activated or hands-free mode and use by members of certain professions performing official duties, such as public safety officers and health care professionals. The bill received bipartisan support in both chambers, reached final passage on March 26, and was quickly signed by the Governor in early April. The law will go into effect on July 1, 2025.

Property Taxes

Property tax reform was the most frequently discussed priority leading into session. We heard from many legislators that it was one of the most common issues brought to their attention by constituents during the 2024 campaign season. However, determining a new property tax system proved to be a difficult task. Ways and Means committee chairs, Sen. Dawson and Rep. Kaufmann, released an initial proposal in late March that would replace the rollback system with a revenue-restricted system. After gathering feedback on this proposal, they released an updated proposal two weeks later that set a faster timeline for eliminating the rollback system and added a Consumer Price Index (CPI) adjustment in addition to the 2% revenue restriction in the original bill. Both proposals also made changes to the existing homestead property tax credit, replacing it with a homestead property tax exemption. Then, in the week prior to final adjournment, Sen. Dawson unveiled another proposal that continued to tweak the transition from a rollback to revenue-restricted system along with the homestead property tax exemption. Ultimately, legislators were not able to finalize a bill that would satisfy all parties involved, and property tax reform legislation did not make it to the finish line this session. We expect the Legislature and the Governor will revisit this issue next year, giving legislators more time to work on the specifics of the bill in the interim.

Rural Health Care

The Governor's major health care initiative this year was [HF 972](#), which makes various changes to improve health care in rural Iowa. One of the main components of the bill is the replacement of multiple health care loan repayment programs with a new Health Care Professional Incentive Program. The purpose of this new program is to recruit and retain eligible health care professionals in certain areas of the state by offering loan repayment or income bonus awards. The Health and Human Services budget bill provided a FY 2026 appropriation of \$7.99 million for this program. The bill also directs the HHS to request federal approval for the creation of a health care hub-and-spoke partnership funding model, and for a Medicaid supplemental enhanced payment to maximize federal funding opportunities for graduate medical education and to increase the number of medical residencies in Iowa. The Legislature approved HF 972 with bipartisan support in the final week of session, and the Governor soon released a [statement](#) praising its passage. The bill was signed into law by the Governor on May 28.

Medicaid Work Requirements

Prior to session, Republicans had been discussing Medicaid work requirements as one of their priority issues for the year. The legislation this session specifically addressed the Iowa Health and Wellness Plan (IHAWP), also known as Medicaid expansion. The IHAWP Program provides health care coverage to Iowans between the ages of 19 and 64 who do not qualify for Medicaid but are below 133% of the federal poverty level. The final proposal, [SF 615](#), which was approved by the Legislature on the last full day of session, requires the Department of Health and Human Services (HHS) to request approval from the federal government to include work requirements as part of IHAWP. The requirements under the bill entail working at least 80 hours per month, with exceptions for individuals who meet certain criteria. Some of the exemptions include being disabled, being medically frail or medically exempt, having a high-risk pregnancy, caring for a dependent child under 6, participating in substance abuse disorder treatment, or receiving unemployment compensation. For more information, see the LSA's [fiscal note](#).

Simultaneously, while SF 615 was going through the legislative process, the Governor directed the HHS in mid-April to request federal approval to include work requirements as part of IHAWP. However, the Governor's directive varies slightly from the bill passed by the Legislature. Under this directive, individuals must work at least 100 hours per month, earn monthly wages equal to 100 times the minimum wage, be enrolled in an educational or job skills program, be enrolled in and compliant with work requirements for Iowa's Temporary Aid to Needy Families (TANF) or Supplemental Nutrition Assistance Program (SNAP), or be exempted from SNAP requirements. Additionally, there are similar exemptions to the work requirements as are provided in SF 615. For more information, see the HHS's [announcement](#).

Unemployment Insurance

This session, the Governor proposed lowering unemployment insurance taxes. In 2022, the Legislature [changed](#) Iowa's unemployment insurance system, lowering the cap on the number of weeks an individual can collect benefits from 26 to 16, which made the Governor's proposal this year possible. Legislators worked on the proposal throughout session, and it received approval from both chambers on the last full day. The final bill, [SF 607](#), makes the following changes:

- Changes the taxable wage base used in unemployment insurance tax calculations from 66.7% to 33.3%.
- Lowers the highest employer contribution rate from 9.0% to 5.4%.
- Reduces the number of contribution rate tables from 8 to 4.
- Reduces the number of benefit ratio ranks from 21 to 9.
- Changes how the reserve fund ratio is calculated.

Governor Reynolds released a [statement](#) on the passage of SF 607, saying it would create savings for Iowa businesses, make the state more competitive, and attract new businesses.

Opioid Settlement Fund

In 2022, the Legislature established the Opioid Settlement Fund to hold the funding the state was set to receive from multiple settlement agreements. The moneys in the Fund must be used to abate the opioid crisis and in accordance with the master settlement agreements. Prior to the 2025 Legislative Session, only one appropriation of \$3.8 million had been made from the Fund. There were multiple proposals last session on how to spend the money in the Fund, and discussion continued right up until the end of session, but ultimately legislators were unable to come to a consensus. This session, with approximately \$56 million sitting in the Fund, pressure to get the money distributed continued to build, and we saw differing proposals for a funding structure from the House and Senate. Finally, in the final days of session, an agreement was announced, and both chambers quickly passed [HF 1038](#).

The final version of the bill makes a \$29 million supplemental appropriation for FY 2025 and allocates this appropriation to various nonprofit organizations for specified purposes, including recovery community centers, recovery cafes, recovery housing, post-overdose response services, and a recovery-focused high school. The bill also provides that for FY 2026 through FY 2029, 75% of the money in the Fund is appropriated to the Department of Health and Human Services (HHS) and 25% to the Office of the Attorney General (AG). The HHS and AG must review each administrative services organization (ASO)'s proposed uses and disburse the money according to the settlement agreements.

High-Acuity Youth

This session, the HHS proposed a bill making changes to the regulation and provision of mental health services for youth in Iowa. The HHS's proposal creates a pathway for 30-day, court-ordered behavioral health evaluations for child welfare and non-child welfare involved youth, allows individuals who are certified to provide Home and Community-Based Services (HCBS) for adults to also serve 16- and 17-year-olds in the same setting, transfers the administrative authority of Juvenile Court Services (JCS) from the chief judges to state court administration and the JCS Director, and aligns policies for suspending Hawki (Healthy and Well Kids in Iowa) coverage with the suspension of Medicaid coverage for incarcerated youth. After being amended several times throughout the legislative process, the Legislature unanimously passed the bill, [SF 474](#), and the Governor signed it into law on May 14.

Statements on End of Session

Governor

The Governor released a statement upon Adjournment Sine Die celebrating the work that was done this session related to unemployment taxes, rural healthcare, cancer research, math and civics education, reducing distractions in schools, and passing a balanced budget. She also looked ahead to next session, saying "I look forward to continuing this work...especially when it comes to reducing Iowans' property tax burden. And to make sure tax cuts remain sustainable, even as we continue to make smart investments, we'll keep streamlining government."

Republicans

In Senate Majority Leader Whitver's closing remarks, he highlighted legislative accomplishments related to unemployment insurance, Medicaid work requirements, education, health care, and public safety. He said, "Iowans have consistently told us time and time again they support our agenda and the work we have done. I am proud to say throughout the 2025 legislative session, we continued building on those accomplishments to make Iowa the best state for families to live and grow in."

Democrats

In a statement from Senate Minority Leader Weiner, she said, "This was a session marked by division, special interest giveaways, and partisanship. There were limited occasions when the people's interests were truly served in the Senate chamber. Senate Democrats offered a number of opportunities for the majority party to join us in reducing costs, improving access to critical services and resources, and prioritizing Iowa's working families. I believe government works best when we work together, bridge divides, and work for the common good of Iowans – unfortunately, that is all too rare."

STATE OF IOWA BUDGET

Overview

The Legislature is required by law to approve a budget for the upcoming fiscal year before final adjournment. In general, the Governor releases a budget target at the beginning of session, and majority party leadership in the House and Senate release their own budget targets later in session. The budget targets represent money to be spent from the General Fund. The targets usually vary not only in the total amount of money to be spent, but also in the ways that money would be distributed among various state agencies and programs. After all targets are released, the Governor, House, and Senate must then have conversations to reach a compromise on a final target and the distribution of funding.

In the Governor's budget, she proposed spending \$9.434 billion from the General Fund for FY 2026, which is \$486 million more than was appropriated for FY 2025. Much of the Governor's proposed increase was for health care and education, including an additional \$223 million for Medicaid, \$102 million for state foundation school aid, and \$96.6 million for education savings accounts.

The Revenue Estimating Conference (REC) met in March to update revenue estimates for FY 2025 and FY 2026. At the March meeting, the REC established a FY 2026 revenue estimate of \$8.508 billion, which was a decrease of \$218 million from the REC's estimate made in December and \$627 million less than the REC's estimate for FY 2025. The General Assembly is required to use the estimate that was made at the December meeting when creating the budget for the following fiscal year, unless a later meeting establishes a lower estimate. Since the March meeting established a lower estimate, legislators were required to use the \$8.508 billion estimate in the budget process this session. The decrease in revenue from FY 2025 to FY 2026 was not unexpected, as it resulted from recent tax cuts enacted by the Legislature. However, this decrease did mean legislators had less money to work with during this year's budget process, and deciding which line-items to prioritize increases for became more difficult.

This year in particular, it is important to note that the revenue estimate is not the exact amount the Legislature is allowed to spend. Instead, it is the primary determinant in the calculation of the expenditure limitation, which includes other factors. Because Iowa has over \$2 billion in surplus carryforward funding from last year, the expenditure limitation for FY 2026 was \$10.483 billion. This gave the Governor and legislators more room in the FY 2026 budget than just the expected revenue for the year. For more information on how the expenditure limitation is calculated, see the Legislative Services Agency's [resource](#) on this topic.

In early April, Senate Republicans announced their budget target, which totaled \$9.411 billion, \$23 million less than the Governor's recommendation. Later that month, the Governor and Senate Republicans revised their targets by releasing a joint target of \$9.417 billion, and House Republicans released their own target of \$9.453 billion. Soon, both chambers introduced separate budget bills and started moving them through the Appropriations process, while leadership began working on a compromise.

Ultimately, in the week prior to final adjournment, the House and Senate announced an agreement on a General Fund budget target, and budget subcommittee chairs worked to finalize the budget bills used to fund state government. In the last few days of session, floor managers moved these bills through both

chambers, with the final budget bills to be agreed to, Standings and Infrastructure, gaining approval in the early morning hours of Thursday, May 15, just before Adjournment Sine Die.

FY 2026 Budget

The final budget approved by the Legislature totaled \$9.424 billion from the General Fund for FY 2026, which begins on July 1. This is an increase of \$479 million (5.4%) compared to FY 2025. Appropriations bills also included \$1.633 billion from other state funds, which is an increase of \$97.7 million. See the tables below for the total amounts appropriated from the General Fund and other funds this session.

The budget bills will now go to the Governor's desk for her signature, where she has 30 days to decide on signing. Unlike a policy bill where the Governor must sign or veto the entire bill, the Governor is able to "line-item veto" specific provisions in budget bills.

Appropriations from the General Fund

Budget Area	FY 2025	FY 2026	Increase
Administration and Regulation	\$ 72,941,377	\$ 73,714,090	\$ 772,713
Agriculture and Natural Resources	45,923,745	46,605,670	681,925
Economic Development	40,787,127	40,337,127	(450,000)
Education	1,019,009,691	1,033,076,216	14,066,525
Health and Human Services	2,213,601,301	2,468,314,264	254,712,963
Justice System	915,462,616	924,933,800	9,471,184
Unassigned Standings	4,637,632,218	4,837,324,695	199,692,477
Total	\$ 8,945,358,075	\$ 9,424,305,862	\$ 478,947,787

Appropriations from Other Funds

Budget Area	FY 2025	FY 2026	Increase
Administration and Regulation	\$ 72,403,331	\$ 134,394,404	\$ 61,991,073
Agriculture and Natural Resources	98,732,384	99,385,851	653,467
Economic Development	34,366,084	34,391,084	25,000
Education	34,000,000	33,675,000	(325,000)
Health and Human Services	502,616,514	485,860,129	(16,756,385)
Justice System	20,591,877	30,129,142	9,537,265
Transportation, Infrastructure, and Capitals	689,523,392	724,701,584	35,178,192
Unassigned Standings	83,502,236	90,874,181	7,371,945
Total	\$ 1,535,735,818	\$ 1,633,411,375	\$ 97,675,557

Budget Line Items of Interest

Health and Human Services Budget Bill – [HF 1049](#)

The NOBA is available [here](#).

Medicaid and Hawki Shortfall: A funding shortfall is expected for the Medicaid and Hawki Programs in FY 2026. To cover this anticipated shortfall, the Legislature appropriated an additional \$210.5 million for the Medicaid Program and an additional \$19.9 million for the Hawki Program. We anticipate there may be another Medicaid shortfall next year, and legislators will need to find funding to cover that shortfall next session.

Medicaid, State Supplementary Assistance (SSA), and Hawki: \$1.904 billion appropriation to the HHS for Medicaid, SSA, and Hawki. This includes the following increases:

- **Dental Providers:** \$2.1 million for a dental provider rate adjustment.
- **Maternal Health Providers:** \$420,000 for maternal health-related provider rate adjustments.
- **Nursing Facility Providers:** \$20.0 million for nursing facility provider reimbursement rate rebasing.
- **Personal Needs Allowance:** \$331,000 for a personal needs allowance increase.
- **Intermittent Community-Based Services:** \$3.1 million for intermittent community-based services.
- **Prosthetics:** \$100,000 for a prosthetics rate increase.

Children's Health Insurance Program (CHIP): \$61.3 million allocation for CHIP, also known as the Hawki program, including supplemental dental services.

Psychiatric Residency and Fellowship Program: \$1.2 million standing appropriation for the Psychiatry Residency and Fellowship Program. This is no change compared to FY 2025.

Hospital Directed Payment Program: Establishes a Hospital Directed Payment Program and requires the HHS to submit any authorizing documentation necessary to the Centers for Medicare and Medicaid Services (CMS) for approval.

Graduate Medical Education: \$2.3 million allocation from the appropriation to the HHS for Public Health to be used for Medicaid graduate medical education efforts.

Nursing Facilities Reimbursement Methodology: Requires the HHS to develop a reimbursement methodology proposal for reimbursement of nursing facilities under the Medicaid program that includes a base-rate payment component, a quality assurance assessment pass-through component, and a quality assurance add-on component, which includes a fixed fee payment and a quality-based payment.

Education Budget Bill – [SF 647](#)

The NOBA is available [here](#).

Health Care Professional Incentive Program: A new appropriation of \$7.99 million for the Health Care Professional Incentive Program Fund under the Department of Education. This program was created in the Governor's rural health care bill and replaces several existing health professional loan repayment programs that will now be discontinued. These programs include the Health Care Professional

Recruitment Program, the Rural Iowa Primary Care Loan Repayment Program, the Health Care-Related Loan Program, the Mental Health Practitioner Loan Repayment Program, and the Rural and Community Health Loan Repayment Program.

Cancer Assessment and Intervention: A new appropriation of \$1.0 million to the University of Iowa for the development of an Iowa Cancer Assessment and Intervention Plan under the direction of the HHS. The plan will include an analysis of potential causes of Iowa's high incidence of cancer to guide the HHS in developing targeted policies, enhancing prevention and screening programs, raising public awareness, and integrating evidence-based findings into existing initiatives.

BILLS OF INTEREST

SF 470 – Dental Omnibus

- Prohibits a dental carrier from denying a claim submitted by a provider for dental care services approved by prior authorization, except under conditions specified in the bill.
- Requires dental carriers to disclose to dental care providers that a covered person's plan is state regulated. Electronic and physical identification must also include the statement "state regulated."
- Requires a dental carrier to establish written policies for a dental care provider to appeal an overpayment recovery request, establishes that carriers have 365 days to provide written notice of an overpayment, and allows providers a minimum of 90 days to appeal.
- Registered in **support**.
- Passed by the Legislature on March 19. Signed into law by the Governor on May 1.

HF 805 – Practice of Dental Assistants

- Allows a dental assistant to practice without being registered by the dental board, if the person completes a term of practical training under the supervision of a dentist.
- Registered in **support**.
- Passed by the Legislature on April 15. Signed into law by the Governor on May 1.

FINAL BILL TRACKER

Signed by Governor

Bill	Description	Position
HF 972 (F:HF 754) (C:SF 618)	A bill for an act relating to health care including a funding model for the rural health care system; the elimination of several health care-related award, grant, residency, and fellowship programs; establishment of a health care professional incentive program; Medicaid graduate medical education; the health facilities council; and the Iowa health information network, making appropriations, and including effective date provisions. (Formerly HF 754, HSB 191.) Contingent effective date, effective 05/28/2025, 07/01/2025.	For
HF 303 (F:HSB 19)	A bill for an act relating to prior authorization and utilization review organizations. (Formerly HSB 19.) Effective date: 07/01/2025.	Undecided
HF 805 (F:HF 340)	A bill for an act relating to the practice of dental assistants without registration by the dental board. (Formerly HF 340.) Effective date: 07/01/2025.	For
SF 470 (F:SSB 1146)	A bill for an act relating to prior authorization for dental care services, notice to dental care providers that a dental care service plan is state-regulated, and the recovery of overpayments by a dental carrier. (Formerly SSB 1146.) Effective date: 07/01/2025.	For

Passed, Awaiting Governor's Signature

Bill	Description	Position
HF 1049 (F:HSB 342)	A bill for an act relating to and making appropriations to the department of veterans affairs and the department of health and human services, and related provisions and appropriations, including aging and disability services; behavioral health, public health, community access and eligibility; the medical assistance program, state supplementary assistance, Hawki, and other health-related programs; sex reassignment surgeries or associated procedures; family well-being and protection; state-operated specialty care, administration and compliance; transfers, cash flows, and nonreversions; prior appropriations; the beer and liquor control fund, and the behavioral health fund; report on nonreversion of moneys; emergency rules; and a hospital directed payment program; and including effective date and retroactive applicability provisions. (Formerly HSB 342.) Effective date: Enactment, 07/01/2025 Applicability date: 07/01/2024	Tracking

Bill	Description	Position
HF 516 (F:HF 137)	A bill for an act relating to medical residency and fellowship positions, including priority for admission to the university of Iowa's colleges of medicine and dentistry, and hospitals and clinics. (Formerly HF 137.) Effective date: 07/01/2025	Tracking

Did Not Pass

Bill	Description	Position
HF 648 (F:HF 339)	A bill for an act relating to a licensed sedation provider host permit for a dentist. (Formerly HF 339.)	For
HF 636 (F:HSB 183)	A bill for an act relating to prior authorization for dental care services. (Formerly HSB 183.)	For
HF 637 (F:HSB 190)	A bill for an act relating to the recovery of overpayment of a claim by a dental carrier. (Formerly HSB 190.)	For
SF 319 (F:SSB 1029)	A bill for an act relating to certain cost controls for health care services. (Formerly SSB 1029.)	Undecided
HF 337	A bill for an act relating to reimbursement rates under the Medicaid dental wellness plan.	For
HF 338	A bill for an act relating to the administration of local anesthesia by dental assistants.	Undecided
HF 90	A bill for an act relating to continuing education requirements for licensed professions.	Undecided
HF 13	A bill for an act relating to annual automatic increases in Medicaid provider reimbursement rates.	For