



## UEN Legislative Update

### February 19, 2026

This UEN Weekly Report from the 2026 Legislative Session includes:

- SSA Done in the House – Back to the Senate
- House and Senate Education Committee Action
- Other Committees
- Property Tax Subcommittee in the Senate next week: Governor's Bill
- Advocacy Actions for the Week
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#### **SSA Amended and Approved in the House – Back to the Senate**

The House amended SF 2201 on the House Floor on Thursday. Democrats offered an amendment to set the increase at 5%, add \$5 per pupil to DCPP equity, appropriates \$14 million for support staff supplemental salary, and includes a second enrollment count, requiring that the higher of the October or January enrollment to be used as the budget enrollment for the upcoming school year. That amendment was defeated.

Republicans offered a strike-after amendment, which means they delete everything in the Senate's bill and start over. It has been reported that the House, Senate and Governor have agreed to the provisions in the amendment, [H-8012](#), which includes the following:

- Increases the state cost per pupil to 2.0% for both regular program and categorical funding.
- Continues the Property Tax Relief Payment (PTRP) for years beginning on and after July 1, 2026, which freezes the property tax portion of the additional levy's contribution to the state cost per pupil at \$153 per student. The State Aid payment will cover what would have otherwise been an increase to property taxpayers for the 2.00% per pupil increase.
- Requires the Department of Management to add a district's budget adjustment (budget guarantee) to the combined district cost and prohibits the budget guarantee amount from being funded with property taxes. The 2.00% increase places 199 school districts on the budget guarantee, costing the state an estimated \$42.2 million.
- Includes provisions contingent on an appropriation for education support personnel salary supplement for the year beginning July 1, 2026. Requires school districts to report education support personnel information to the DE as required and specifies that a school district's funding supplement shall be its budget enrollment proportional share of \$7 million. Defines "education support personnel" as regular and part-time employees of a school district who are not salaried.
- States that Iowa Code 257.8 (30-day deadline to enact school funding) does not apply to this bill.
- Limits transportation equity payments to no more than \$1 million per district (effective July 1, 2026).

- Requires DE to complete certified enrollment no later than 30 days after the October count date. Requires a second enrollment count, done on Jan. 15 and certified to DE by Jan. 30. Requires DE to get the January certified count to DOM in 21 days. Requires DE to notify a school district of discrepancies or disputes concerning their enrollment submitted by the district, and specifies that the district has 5 business days to respond. If the district does not respond timely, the DE may certify their enrollment with DE's corrections.
- Defines basic enrollment for the budget as the average of the two enrollment counts.
- The average of two enrollment counts process for budgeting is enacted for school budget years beginning on or after July 1, 2027.
- Requires state aid be paid quarterly, beginning July 15 of the fiscal year. Requires DOM to consider the relative budget of the state, cash position of the state resources, and the timing of enactment of legislation affecting school district budgets.

See the [ISFIS New Authority Report](#) for the impact on your district of the 2% increase. The tool also shows the impact on categorical funds and media and education services.

In consideration of many other bills coming out of both House and Senate Appropriations Committees this funnel week with unfunded mandates and school choice expansions, the \$1 million limit on transportation equity for districts, a per pupil increase below the inflation rate, only \$7 million for support staff salaries, and the mandate for a second enrollment count which will take administrative resources to accomplish, UEN is now registered opposed to the 2% deal.

### **Committee Action This Week**

These bills, having cleared a committee in their chamber of origin this week, survived the Feb. 20 funnel deadline as they move to their respective calendars. Typically, bills approved by a committee in their chamber of origin receive a new bill number after committee approval.

#### **House Education Committee**

**HF 460 Play-Based Learning:** Requires schools to use at least 90 minutes of play-based learning in each half-day of preschool and kindergarten, and 180 minutes for a full day program. Approved unanimously. UEN supports. *Henderson*

**HF 621 Guns on School Grounds:** Authorizes a school district to authorize a person to carry a gun in a school vehicle. Authorizes a person to have a gun while making drop-offs or deliveries on school grounds if the person has a valid carry permit and the gun remains locked in the vehicle. Limits the areas where the vehicle can be. Authorizes a retired peace officer to go armed on school grounds if the officer retired in good standing, maintains certification and has met the qualifications for firearms training. The bill was amended to remove the requirement for a permit and to exclude students except those students participating in an activity involving guns (such as competitive shooting teams and high school clay target leagues). Effective on enactment. Approved 17-6. UEN opposes. *Stone*.

**HF 2218 Recording Special Education Classes:** Requires public schools and charter schools to install video recording systems in classrooms where special education students are educated.

Approved 14-9; UEN opposes as the purchase of the cameras, maintenance of the cameras, staff time to review videos and FERPA and other training necessary for many staff involved in special education classrooms are not funded. **Boden**

**HF 2306 IEP Plans:** Requires teachers and school aides who have a student with an IEP in their classroom to read the IEP and give the special education teacher, or the principal, signed notice of having read it. Approved 23-0; UEN is opposed because there is no funding for staff time and no distinction between teachers and paras that are providing instruction related to the student's IEP goals and needed accommodations or not. With staff shortages and insufficient funds for training, we are concerned that merely reading the IEP will not result in improved instruction or student outcomes. **Hayes**

**HF 2307 Coaching Authorizations:** Establishes provisional coaching authorizations. Requires the BOEE to issue a provisional coaching authorization to an applicant who has specific experiences related to coaching or leadership, has completed various background checks and training requirements. Allows the coach to convert this to a coaching authorization by finishing additional training and education requirements. Approved 23-0; UEN is undecided. **Boden**

**HF 2393 ESA Categorical Funding Flexibility:** Allows schools to use categorical funding (teacher salary supplement, teacher leadership and compensation, and professional development), generated by resident students who are eligible for Education Savings Accounts and enrolled in an accredited nonpublic school, for any general fund purpose. Approved 22-1; *UEN* supports (this specific policy is included in UEN's school choice legislative priority for 2026): *note: early intervention/class size categorical is not included, since it is already allowed to be spent on any general fund purpose.* **Behn**

**HF 2451 Digital Instruction:** Establishes digital instruction standards for K-5 (limited to one hour a day). Requires schools to have written standards. Provides for exceptions for state testing or for technological devices or accommodations required in an IEP. Amended to not apply to students enrolled in online instruction. Approved 19-4. UEN is undecided and will suggest other exceptions to consider (local assessment, mathematics or other skill practice which can be individualized to student needs, interventions associated with state math and literacy plans, writing programs with individualized feedback, software programs and instruction for talented and gifted students, and language development programs, for example.) **Shipley**

**HSB 676 Charter Schools** by the Governor: Most of the bill's language removes innovation zone schools from Chapter 256F. Two sections apply to School Board Authorized Charter schools:

- Requires a charter school chartered by a school board to include a performance framework with the application that is used by the state BOE to evaluate the charter school and allows a contract term of 5 years for charter schools chartered by a school board, beginning with any new applications or reauthorizations of existing charter schools under this model. Also requires the contract between the school board and the state BOE to include an operating agreement and performance framework. (Support this provision.)

- Division II Funding (Opposed to this Division):
  - Requires the TSS State Cost per Pupil be paid by the resident district to the charter school. Rather than sending public school funds to charter schools, the state should fund them directly: either set a state payment from an appropriation or required DOM to do an analysis of charter school teachers below the state minimum teacher pay, calculate what is needed to meet the mandated minimums, and add to the district of residence sufficient per pupil funds to cover the charter school needs without taking funds from the public school teachers.
  - Media and Education Services: Requires that media and education service funding be deducted by DOM and paid to charter schools. Requires AEAs to provide media and education services to charter schools.
  - Concurrent Enrollment: Allows charter school students to access community college courses through public schools. (Presumably, public schools would count the students and generate supplementary weighting, but that is rarely sufficient to cover the cost of providing the community college course.)
  - Requires school districts to allow charter school students to access extracurricular activities. Was amended to include, in addition to athletic competitions, theater, show choir and band.
  - Amended to require public schools to make drivers education courses available to charter school students and requires the charter school to pay for these courses. UEN supports this provision as the public school is compensated for the cost of the program.

Approved 14-9; UEN is opposed. **Gehlbach**

**HSB 677 Teaching Endorsements:** Requires the BOEE to adopt rules on additional endorsements for fine arts, math and science as an alternative pathway for these shortage area positions. Requires an applicant to hold a bachelor's degree. Repealed as of July 2030. Amended to include a requirement that BOEE establish an additional K-12 instructional strategist II endorsement that does not require the applicant to possess a MA or PhD as a condition of obtaining the endorsement. Amended and approved 21-2; UEN supports. **Ingels**

**HSB 717 School Flexibility and Deregulation:** Removes requirements for public hearings related to instructional support levy, deposits of funds, and flexibility account expenditures (amendment removed original relief from publishing certain notices from the bill), inspection of curriculum by the public and inspection of PD materials by board members. Includes additional bond notice requirements. Authorizes schools to move TSS into the school flexibility account (does not change Iowa Code 256 and 284 and administrative code 281, chapter 98.24, which require districts to expend all TSS funds in the current year except those which are so small as to be impractical to distribute, but must be carried forward and distributed as TSS in the next year). Reinstates the March 1 open enrollment deadline for open enrollment into an online academy (removed from the bill via amendment during the Committee). Makes changes to conference boards. Approved 16-7: UEN supports. **Gehlbach**

**HSB 725 DE Reporting and Annual Condition of Education Report:** Combines several other legislatively required reports into the DE's annual COE. Requires the Department of Workforce Development to give wage information to the DE to evaluate community college and regent's education program outcomes using a return on investment model. Approved 20-3; UEN is undecided. **Fett**

**HSB 735 Charter Schools Changes and Other Matters:** Requires TSS funding to follow students to charter schools. Adds charter school employees to IPERS and was amended to require charters to meet federal IRS standards for IPERS participation. Requires school districts to allow charter school students to participate in sports and extracurricular activities at public schools. Deems charter school boards as local education agencies for purposes of receiving federal funds. **Buildings:** Requires the Iowa Finance Authority to work with charter schools and private schools with students who receive ESA funds on financing building and repairing school buildings. Creates a revolving fund. **Preschool:** Authorizes community-based providers to participate in preschool programs for four-year-olds and requires school districts to enter into a 28E agreement with a community-based partner upon request. Establishes a funding formula that provides state aid for the community-based partner. Sect. 15 prohibits any political subdivision or the state from providing oversight or requiring a community partner to modify enrollment provisions or instructional standards in order to receive the funds. **ESA:** Allows a student to apply for an ESA from December 1-20 preceding the school semester for which the application applies. Makes the ESA payment 50% for the second semester start. **Start date:** Changes the school start date (this provision was amended out of the bill). **Study:** Directs the DE to establish a task force to study teacher training required for health compliance and make recommendations. UEN supports this provision. Approved 14-9; UEN is opposed to the charter school provisions, primarily funding and PK. **Wheeler**

**HSB 746 Education Omnibus:** During the Committee, this bill was described as a Code facelift/clean-up bill, but we believe it adds several unfunded mandates. The bill adds state summative assessments for social studies in grades 8 and 10. (The bill does not mention the civics test already required for graduation and how that might fit in with the assessment cycle of these two new state assessments.) The bill removes references to adverse childhood experiences and strategies to mitigate the toxic stress response (ACES), gender-fair and multicultural education, from the education standards. Requires standards to prepare students for Iowa's economy (rather than the current law which requires preparation for success in the global economy). Adds physical fitness and nutrition standards to the health curriculum and removes emotional and social health. (*These provisions would require an analysis of existing standards, instructional materials, and lesson plans, with action required to omit what is prohibited and add what is required, including training.*) Specifies that agriculture coursework may be offered and taught as a second unit of mathematics. Strikes all of the financial literacy micro-standards from the Iowa Code, but does not eliminate the requirement that financial literacy be taught (UEN supports this provision). Removes "social areas" from the guidance/counseling program requirement to offer services to support student attainment and competencies. Limits state BOE discretion to impose financial sanctions on a school district that is noncompliant with federal law (ESSA, IDEA, and Civil Rights Act), mandating financial

sanctions if the violation is not corrected within 30 days (UEN opposes this division). Applies the changes to charter schools. Specifies that this is not an unfunded mandate. Approved 16-7. UEN is undecided. **Hayes**

**HF 2034 Open Enrolled Sports:** changes the existing 90-school-day waiting period for students open enrolling into a district before they can participate in varsity athletics to a 140-calendar-day waiting period. This was authored to create parity for districts with 4-day school weeks. Approved 23-0; UEN supports. **Stone**

**HSB 675 Career & Technical Education Services by DE:** renames Career & Technical Education Services to align with federal CTE Content Areas. Requires the DE to implement changes to align the programs with career pathways. Defines high-demand occupations, high-skill occupations, and high-wage occupations and requires regional CTE education partnerships to demonstrate that expenditures are aligned with high-skill, high-demand, and high-wage occupations. Requires DE to work with community colleges and regents' universities to establish a statewide common course numbering system. Requires DE to maintain a statewide course numbering directory and to establish a faculty-led process for determining course equivalency. Requires all community colleges to replace traditional, prerequisite remedial coursework in math and English with corequisite models. Requires DE, in consultation with the state board of regents, to submit to the general assembly a study on the systemic implementation considerations of statewide lower division general education framework and common course numbering systems in institutions of higher education. Approved 23-0; UEN is undecided. **Wheeler**

**SF 176 Open Enrolled Extracurriculars:** modifies the conditions under which a student enrolled in an online academy may participate in resident district extracurricular activities to apply only if the district to which the student is open-enrolled in the online program does not offer such cocurricular or extracurricular activities. Approved 23-0; UEN supports. **Gehlbach**

#### Senate Education Committee:

**SF 2116 Open Enrolled Truants:** requires students identified for chronic absenteeism interventions, including participation in a school engagement meeting, is not allowed to open enroll out of the district until the attendance and truancy concerns are corrected. Notwithstanding that provision, if the receiving district approves the open enrollment. Removes the exemption from the March 1 open enrollment application deadline applying to online academies (this provision was amended out of the bill). Approved 14-0; UEN supports. **Evans**

**SSB 3073 Civics Seal of Excellence:** Directs DE to establish a Civics Seal program to be awarded to students who meet the requirements set by the DE. Allows the seal to be included on the student's diploma and transcripts. Approved 14-0. UEN supports. **Green**

**SJR 2008 DOE/State Power Resolution:** this is a joint resolution supporting moving power from the federal Department of Education to the states. Approved 9-5; UEN is undecided. **Evans**

**SF 2044 School Violence Policies:** Requires schools and charter schools to adopt policies for dealing with violent and non-violent disruptions by students, based on the grade of the student. Requires schools have placement review committees and requires committees to determine if students may return to the classroom. Approved 14-0. **Gruenhagen** (Makes changes, including for students with IEPs, requiring mandatory IEP meetings and making plan adjustments and placements.) UEN is undecided.

**SF 2092 School AED Grants:** Creates a competitive grant program for health-related emergency response plans for schools to deal with emergency heart condition situations arising from PE, sports injuries, and staff or visitor heart attacks/emergencies. Requires DE to implement the grant program. Contingent on appropriations. Amended and Approved 14-0; *UEN was opposed to the original bill as an unfunded mandate and inefficient process. UEN is reviewing the amendment to determine if our registration should change. Evans*

**SF 2121 Secondary Government Instruction:** Increases the amount of instruction in US government for students in grades 7-8 to 1/2 semester of government instruction. Although the original bill increased the amount of government instruction for high school to a full year, first applying to the 2028-2029 school year, the bill was amended in Committee to remove the high school provisions. Amended and approved 14-0. UEN is undecided. **Green**

**SF 2174 School Materials:** Expands current prohibitions to require that all school employees and contractors ensure that educational materials do not include stereotyping or scapegoating of specific groups based on identity or demographics. Prohibits schools from spending funds to violate these provisions. Authorizes civil relief. Approved 9-5; UEN is opposed. **Salmon**

**SF 2175 Charter School Matters:** Requires public school districts to pay charter schools the state teacher supplement cost per pupil. Adds charter school employees to IPERS. Allows charter school students to participate in sports and extracurricular activities at public high schools. Deems charter school boards as local education agencies for purposes of receiving federal funds. **Buildings:** Requires the Iowa Finance Authority to work with charter schools and private schools with students who receive ESA funds on financing buildings and repairing school buildings. Creates a revolving fund. **Preschool:** Requires school districts to enter a 28E agreement to authorize community-based providers to participate in preschool programs for four-year-olds if requested by the provider. Establishes a funding formula providing state aid for preschool students in these programs. **ESA:** Allows a student to apply for an ESA for the second semester. Makes the ESA payment 50%. **Start date:** Changes the school start date (this provision was deleted by an amendment in the Committee. **Study:** Directs the DE to establish a task force to study health-related teacher training requirements and make recommendations (UEN approves this provision but is registered in opposition to the bill, primarily due to funding and PK provisions.) Approved 9-5. **Green** (Amendment in Committee strikes the school start date, strikes ESA bonding and adds language on charter schools and IPERS.)

**SF 2181 Special Education Pilot Project:** Requires the DOE to develop a pilot program for a rural school and an urban school to establish schools that offer special education services to eligible

students. Defines rural schools as a county with a population between 17,500 and 18,000 and in a city with a population between 5,400 and 5,500 (Spirit Lake in Dickinson county) and urban school district as having more than 7,000 students. UEN is opposed. Approved 9-5. **Gruenhagen**

**SF 2212 Homeschool Sports:** Allows private and public schools to scrimmage against home school sports teams. Requires a written agreement. Excludes the results from regular season standings and records. Does not allow for officials to be paid. Approved 9-5. UEN is undecided. **Pike**

**SSB 3146 WGS and Reorganization Incentives:** Extends whole-grade sharing weighting and reorganization incentives for schools. WGS incentives are limited to three years before a reorganization and, if reorganized, to another three years post-reorganization. The reorganization incentives lower the uniform levy by \$1 in the first year, gradually phasing back up to \$5.40 over four years. Approved 14-0; UEN is undecided. **Green**

**SSB 3163 Career & Tech Services:** Renames the Career & Technical Education Services as Content Areas. Requires the DE to implement changes to align the programs with career pathways. Defines high-demand occupations, high-skill occupations, and high-wage occupations, and requires regional CTE education partnerships to demonstrate that expenditures are aligned to high-skill, high-demand, and high-wage occupations. Requires DE to work with community colleges and regents' universities to establish a statewide common course numbering system. Requires DE to maintain a statewide course numbering directory and to establish a faculty-led process for determining course equivalency. Requires all community colleges to replace traditional, prerequisite remedial coursework in math and English with corequisite models. Requires DE, in consultation with the state board of regents, to submit to the general assembly a study on the systemic implementation considerations of statewide lower division general education framework and common course numbering systems in institutions of higher education. UEN is undecided. Approved 9-5. **Evans**

**SSB 3164 Condition of Education:** Establishes an annual Condition of Education Report and combines several other reports. Requires the DWD to give wage information to the DOE to evaluate education program outcomes based on return on investment measures. UEN is undecided. Approved 9-5. **Evans**

**SSB 3170 Charter Schools** by the Governor: See bill description of HSB 767 above. UEN is opposed. Approved 9-5. **Evans**

#### Other Committee Action

##### **House Appropriations Committee**

- **SF 2201 School Funding SSA:** Amended the Senate's proposal. Sets the SSA and Categorical growth rates a 2.25% for the 2026-2027 school year. Continues the PTRP. Funds the budget adjustment/budget guarantee of a district to be paid through the foundation formula and not property taxes for FY 2026. Limits transportation equity payments so that no district receives more than \$1 million (impacts Council Bluffs and Waterloo). Includes \$14 million

for support staff supplemental salaries. Amended and Approved 15-8. Gehlbach (Raises the SSA to 2.25%. Funds support personnel.)

### House State Government Committee

- **HSB 609 AI/Cyber Security Education:** requires the Workforce Development Board to develop an initiative on cyber/AI workplace needs, including K-12 educational needs and university needs. Requires the State BOE to work with the Regents and public schools to develop educational frameworks. Requires the DE to develop a digital educational hub. Approved 13-6. Registered as undecided. **Gehlbach**
- **HF 2029 Schools in State Health Insurance Pool:** allows a public school district to apply to the Iowa Department of Administrative Services (DAS) for coverage under the state health insurance plan of all of the public school district's nonstate public employees. Requires school districts to pay premium rates equal to the total premium rate paid by the state, inclusive of any premiums paid by state employees for the particular state health care product offered by the state plan. Allows DAS to charge a fee for administration. Allows school districts to require employees to pay a share of the premium. Effective July 1, 2027. Approved unanimously. UEN supports. **Boszman**
- **HF 2621 Local Elections:** moves local elections (for all political subdivisions, including school boards) to the November General Election in even-numbered years. Provides for transitions of terms. Allows local bond elections on the first Tuesday following the first Monday in June and allows the school bond election ballot to include both thresholds (\$4.05 and \$2.70). Allows school bond elections every November. UEN is opposed to the change in school board elections but supports the additional bonding election opportunities and corrections. Approved 16:4. **Williams**

### House Health and Human Services

- **HSB 623 Early Childhood System Changes by HHS:** Repeals the current ECI system, made up of 34 boards, and transfers its authorities and funding duties to a new Early Childhood and Family Services (ECFS) system made up of seven regions. Amended in Committee with a new plan moving funding through the "School Ready Fund" currently allocated through the early childhood system to HHS oversight. This change, which goes toward family support services and parent education programs, would allow the state to draw down an estimated \$7 million in federal funding through the Family First Act by ensuring programs are "evidence-based" models. UEN is undecided. **Wilz**
- **HSB 633 Joint Investment Trust Public Investments:** Allows political subdivisions to deposit up to 25% of the average of all fund invested over the prior two years in a joint investment trust. Allows political subdivisions to deposit funds in credit unions. Prohibits a joint investment trust from directly or indirectly paying an individual, association, or entity not providing direct investment management, administrative, custodial, or other bona fide operational services to the trust. Before depositing or investing public funds with a joint investment trust, the governing body of the political subdivision must execute a written acknowledgment relating to the insurance and safety of the funds. Specifies that a violation

of these provisions is a breach of fiduciary duty and may subject the trust, the public entity, and the public entity's officers and elected officials to criminal and civil remedies, including administrative remedies, and may result in a variety of criminal penalties for a fraudulent practice (Code chapter 714), a simple misdemeanor for official delinquency, and liability for any fine imposed and any damages sustained by a person. A simple misdemeanor is punishable by confinement for no more than 30 days and a fine of at least \$105 but not more than \$855. Approved 15-6. UEN is opposed. *Collins*

#### Senate Workforce Committee

**SSB 3169 E-Verify System Background Checks:** Requires state agencies and the Regents to use the E-Verify system to verify the citizenship and status of any newly-hired employee. Requires DIAL to set up a clearinghouse for requests for professional licensing boards to use the SAVE system. Amended to include local governments and schools. Approved 12-0. UEN is undecided. *Koelker*

#### Senate State Government Committee

**SF 2314 Major Administrative Rules:** Requires legislative approval of major administrative rules (requiring spending \$200,000 in a year, or \$1 million over five years). Allows the Governor to request temporary approval of major rules in emergencies. Includes procedures for major rulemaking, including analysis by the LSA. Allows affected persons to bring court actions on major rules and gives a court *de novo* review. Requires amendments to the Clean Air Act to require legislative ratification. **Terms:** Makes the terms for various boards (IPERS, IFA, Agricultural Development, Voting Systems, State BOE, Regents) four years. UEN is undecided. Approved 12-6. *Webster*

#### Senate Local Government Committee

**SF 493 Local Government Lobbyists:** prohibits a political subdivision from using moneys received from the imposition of a tax to employ or compensate a lobbyist, or to pay an instrumentality that employs or compensates a lobbyist. Defines "instrumentality" which does all of the following: serves a governmental purpose or performs a governmental function, operates on behalf of one or more political subdivisions, that one or more political subdivisions have the powers and interests of an owner with respect to the entity, and control and supervision of the entity is vested in members of one or more political subdivisions. Specifically includes, among other entities that meet certain qualifications, the Iowa League of Cities, the Iowa State Association of Counties and any of its affiliates, and the Iowa School Board Association. UEN is opposed. Approved by Committee. *Sires*

**SSB 3138 School District TIF Revenue:** Exempts the uniform levy from TIF diversion, unless a local school board passes a resolution, then allows the school district to transfer the TIF funds to the city. Prohibits the state from including reimbursement of the shortfall of TIF revenue for the uniform levy. UEN is registered in support. Approved by Committee. *Webster*

### **Property Tax Subcommittee in the Senate next week: Governor's Bill**

A subcommittee is scheduled for Wed., Feb. 25, at 12:30 in room G-15 of the Capitol.

Subcommittee members include Sens. Dawson, Bisignano, Gruenhagen, Schultz, and Winckler.

A description of the bill follows:

#### **SSB 3034 Property Tax Reform/Relief by the Governor:**

- Establishes a 10% cap on unassigned reserve funds in local government general funds (excluding schools) starting July 1, 2027; excess reserves must be remedied before budgets are certified. Requires audits to examine compliance with and verify circumstances resulting in actual reserve funds exceeding the limits.
- Limits annual property tax levy growth for local governments (excluding schools) to 2% plus new valuation growth, with adjustments for voter-approved levies; noncompliant budgets are subject to state intervention and forced reduction.
- Prohibits the use of bonds or property tax-funded debt to pay for general operations of local governments after July 1, 2026.
- Increases commercial and industrial property small business benefit from \$150,000 to \$250,000 of valuation (applies residential rollback to first \$250,000).
- Converts the homestead property tax credit to an exemption of \$4,850 in taxable value, eliminates the state reimbursement to local governments, and restructures the elderly/disabled credit as a 'property tax growth credit' with new eligibility (no longer restricted to lower income) and calculation rules (over 65 or disabled).
- SAVE: Accelerates the equity transfer percentage from SAVE to property tax relief, currently estimated to transition slowly up to 30% by 2051, to instead, increase from current level just over 5%, (about \$34 million) to 15% of SAVE Revenue in FY 2027, 20% in FY 2028, 25% in FY 2029 and 30% (or about \$200 million) in FY 2030. Also requires DOM to reconcile the actual SAVE amount for school districts in the fiscal year immediately following the fiscal year during which the revenues were collected.
- Restricts new urban renewal projects (TIF) to only specific activities: 1) acquisition of a portion of a property slum or blighted area, or economic development area to be used for installation, construction, or reconstruction of utilities or streets that directly serve the area if the utilities or streets are necessary for furtherance of the urban renewal plan, 2) demolition and removal of buildings and improvements located on the portion of the property in #1, 3) Sale of public property within the urban renewal area for uses in the urban renewal plan. Limits the duration of new tax increment ordinances to 20 years, and prohibits expansion or new debt for existing TIF areas after enactment. Specifies that school district taxes are exempt from TIF division and requires school taxes collected on the property be paid to the school district.
- Moves the property reassessment and equalization cycle to every 3 years (from every 2), and requires detailed justification and statement to taxpayers for assessment increases of 15% or more from the prior assessment, shifting the burden of proof to the assessor in certain appeals.
- Creates a Local Government Shared-Services Grant Fund to incentivize consolidation and service sharing among local governments.

- Establishes the First Home Iowa savings trust for first-time homebuyers with state tax benefits (modeled on 529 education savings plans).
- Requires a Property Assessment System Tax Force to study and report by Jan. 1, 2027, about: (a) Assessor qualifications and education, (b) Assessor selection and retention, (c) Functions of conference boards and examining boards, (d) Property assessment procedures, frequency, and timelines, € Property tax assessment protest and appeal procedures and burdens of proof. Allows the DOR to convene a task force of local and state officials and technical experts to assist in the review.
- Changes the county auditor, treasurer, and recorder from elected to appointed officials, with current office holders finishing their terms before the new system takes effect. Sets 4-year terms.
- Requires a study committee to evaluate and make recommendations about the entire property tax valuation assessment system.

UEN is opposed to the SAVE acceleration, but appreciates the changes to TIF and sparing school districts several of the other limitation proposals. UEN is undecided.

See the [ISFIS Side-by-Side comparison](#) of the House, Senate and Governor's property tax proposals for your information.

### Advocacy Actions This Week

**Property Tax Reform:** Contact legislators regarding property tax reform. Ask them how the conversation is going. What questions do they have?

The Governor's version is more modest than the Senate's, but still accelerates SAVE funds within a very short time frame, negatively impacting resources available for school infrastructure, safety and equipment. This proposal removes an estimated \$200 million annually from school infrastructure, technology, safety, equipment, buses and construction in four years. Reach out to the experts at Piper Sandler to discuss the point at which your district may be at risk of defaulting on bonds if SAVE is reduced based on the Governor's proposal. See [Piper Sandler's SAVE Bond Default Risk Calculator](#)

Talking Points:

- **Property Tax Relief or Reform?** Encourage legislators to get fiscal estimates before proceeding with big system changes. Impact of multiple changes to all three components of the system is very hard to predict. If reform reduces revenue, it is property tax relief.
- Much of the Governor's version spares schools. One concern is acceleration of SAVE funds to property tax relief, negatively impacting resources available for school infrastructure, safety and equipment (\$200 million off the table in 4 years). Many districts are bonded against the SAVE, so may be put into a default situation. A reduction in SAVE would require schools to turn increasingly to bond issues and ask voters to raise PPEL rates. If voters don't approve, districts will have to reduce SAVE currently used for safety, technology, updated buses and equipment. Noninstructional

software and buses are expensive. If they are to be paid from the general fund, schools will have to further reduce staff or delay upgrades.

- **Policies do not change in isolation. Low SSA and declining enrollment, with state taking over budget guarantee, should already lower school property tax burdens for taxpayers.**

See the [UEN Property Tax Reform 2026 Issue Brief](#) for additional talking points and items to discuss with your legislators. See the [ISFIS Property Tax Comparison Side-by-Side](#), which compares and contrasts the ideas in all three.

**SSA and Unfunded Mandates:** Now that SSA is back to the Senate and the deal is likely done, remind legislators that 2% is not enough to keep up with inflation, districts will struggle to deliver sufficient salary increases, and will likely have to reduce staff and programs over time if 2% funding levels continue. Ask them to stop every unfunded mandate that has moved forward through a committee. Unfunded mandates increase the need for administrative time and energy, pulling instructional leaders away from supporting teachers with literacy and math plan implementation and helping with behavior issues. Also, ask them to carefully consider enactment dates of mandates and policies that do move forward, so schools have enough time to await state BOE rules and DE guidance, develop local policies, train staff and align or correct current curriculum, standards and lesson plans.

### **Thank legislators for the bills moving forward that UEN supports!**

**Connecting with Legislators:** To call and leave a message at the Statehouse during the legislative session, the House switchboard operator number is 515.281.3221 and the Senate switchboard operator number is 515.281.3371. You can ask if they are available or leave a message for them to call you back. You can also ask them for the best way to contact them during the session. They may prefer email, text message, or a phone call, based on their personal preferences.

Find out who your legislators are through the interactive map or address search posted on the Legislative Website here: <https://www.legis.iowa.gov/legislators/find>

### **Other UEN Advocacy Resources:**

Check out the UEN Website at [www.uen-ia.org](http://www.uen-ia.org) to find Issue Briefs, these UEN Weekly Update Reports and Videos, UEN Calls to Action when immediate advocacy action is required, testimony presented to the State Board of Education, the DE or any legislative committee or public hearing, and links to fiscal information that may inform your work. The latest legislative actions from the Statehouse will be posted at: [www.uen-ia.org/blogs-list](http://www.uen-ia.org/blogs-list). The 2026 UEN Advocacy Handbook will be available and posted soon at [www.uen-ia.org/advocacy-handbook](http://www.uen-ia.org/advocacy-handbook).

### **Contact Us**

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