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RELEASE: Gov. Reynolds Delivers Condition of the State

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Tue, Jan 14, 2020 at 11:51 AM

OFFICE OF THE GOVERNOR
Governor Kim Reynolds ★ Lt. Governor Adam Gregg

FOR IMMEDIATE RELEASE: Tuesday Jan. 14, 2019
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Gov. Reynolds Delivers Condition of the State
Reynolds: Opportunity Lives Here

DES MOINES - Gov. Reynolds delivered her Condition of the State Address today at 10:00 a.m.

Below are her remarks as prepared for delivery:

Mr. President, Mr. Speaker, Lieutenant Governor, legislative leaders, Senators and Representatives, justices and judges, elected officials, distinguished guests, family, friends, and my fellow Iowans.

Each time I enter this spectacular building, I am reminded of the generations of Iowans who have come before us. And each time I walk into this historic chamber, I am humbled by the responsibility of following in the footsteps of some amazing leaders and outstanding public servants.

We lost a number of those leaders last year.

Most notable for us today is Chief Justice Mark Cady, whose absence is felt right there in the front row. He loved his state. And he loved the law. To his family and colleagues in the Iowa Judicial Branch, our entire state shares your loss.

We also bid farewell to former Lt. Governor Joann Zimmerman, the first woman elected Lt. Governor of this great State. She brought the heart of a nurse and the passion of a mother to a distinguished career in public service.

And with shared sadness we mourn the loss of Congressman Berkley Bedell, and former Iowa Supreme Court justices Daryl Hecht, and Bruce Snell, as well as the longest-serving Chief Justice in state history, Art McGivern.

We honor those leaders—and so many more—who committed their lives to making tomorrow a little better than today.

So often public service comes with sacrifice. A sacrifice that our men and women in uniform make each day. Our military, police, and first responders risk their lives to protect ours, and so today—and every day—we should thank those who serve and honor those we've lost.

In 2019 we saw the resilience of Iowans tested once again as historic floods ravaged both sides of our state and parts in between. Entire communities were wiped out as the waters rose and didn't seem to recede. But that devastation was met with purpose and resolve to rebuild and recover.

To those whose lives have been impacted, your state stands with you as we work to return life to normal and get your homes, businesses, and communities back on track. To do that, the budget I'm submitting today includes an additional \$20 million for flood relief.

This is the third time I've stood before you to report on the Condition of the State. As always, it's a time to reflect on what we've done over the last year and to lay out a vision for the year to come.

But this year marks the beginning of a new decade, so it seems appropriate that we take stock in what we've accomplished the last 10 years. And more important, to talk about what we want for the next 10—and beyond.

When this body met in January 2010, our unemployment rate was 6.4 percent. Our state faced a near billion-dollar deficit. School funding was drastically cut and Iowans were worried about their future.

A decade later, the condition of our state is truly strong. Because of the vision and tenacity of Iowans, our unemployment rate has gone from a near-record high to a record low. Instead of cutting school budgets, we're cutting taxes. Our cash reserves are full, wages are going up, and Iowans once again believe we're headed in the right direction.

Because we have such a great story to tell, this year we launched the "This is Iowa" campaign. The goal is to show the country what we have to offer. To show that Iowa is the best place to live, work, and raise a family.

As part of this new initiative, we created a candid-camera style video where an actor, playing a real-estate agent, shows Iowa house listings to New Yorkers. When the couples hear how big the homes are, how short the commute is, and what they can buy the properties for, they're baffled. "That's not possible," is their general reaction.

When the actor tells them that these homes are in Iowa, not New York, they're shocked and amazed. That's not how they envisioned Iowa. That's not what they've been told.

We made that video to dispel some of the misconceptions and to showcase what we have. But I think the

video serves another purpose: It reminds us what we have.

Because it can be easy to forget—forget what it means to grow up in a safe neighborhood with a good school and a nice backyard. To spend more time with our families than we do in traffic. And to watch the sun set in our big skies and the stars shine over our beautiful fields.

That's what Iowa has to offer—and so much more. Those New Yorkers saw what I see: That opportunity lives here.

But we cannot take it for granted. If we do, if we become complacent, then the condition of the state will not be strong when this body gathers 10 years from now.

That's why this year, 2020, we need to plan for 2030. For 2040. We need to seize the opportunities that exist so that years from now, the next generation of Iowans will inherit an Iowa whose greatness comes as no surprise to anyone, including New Yorkers.

That kind of planning takes work. It doesn't happen all at once, and no single policy will do. But that kind of planning also takes a bold vision. A vision that preserves our heritage while seizing our opportunities.

My request to this General Assembly is that you join me in taking the first bold step. Right now. This session.

*In the coming weeks, I will introduce the Invest in Iowa Act, a bill that will:
significantly cut income taxes,
create a sustainable funding source for our mental health system,
reduce the burden of property taxpayers, and
fund the Natural Resources and Outdoor Recreation Trust,*

These changes will make our vision a reality. It's an investment in our future. And it's an investment in those who are our future.

Ten years ago, Iowans voted to establish the Natural Resources and Outdoor Recreation Trust. Funding that trust is no small investment, but I believe it's one we need to make. We were given this beautiful land to work but also to keep. And preserving what we've been given must be a responsibility of all Iowans.

In 2010, the legislature established a formula for distributing the Trust Fund. I voted for that formula, as did every one of my colleagues. But the challenges we face today and will face tomorrow are different than what we understood them to be 10 years ago, so it's time to amend the formula.

Specifically, we need to increase the amount of money that will be allocated for water quality and conservation. Under my bill, almost 58% of the Trust Fund, an estimated \$100 million, will go toward water-quality efforts every year, representing an almost 31% increase in current funding.

We will also commit \$52 million for other conservation and outdoor recreation efforts, representing an

increase of 14.6% of current funding.

These investments will not only aid our conservation efforts, they will improve our quality of life and help us retain and recruit a new generation of Iowans.

I have no interest in raising taxes, so any increase in revenue from a sales tax must be more than offset by additional tax cuts. That starts with continuing to reduce our uncompetitive income-tax rates. Two years ago, thanks to many of you in this room, we passed the largest income-tax cut in Iowa history. I said then, and I've said ever since: that wasn't a one-and-done.

I intend to make good on that promise, which is why I'm proposing to cut income taxes by an additional 10 percent for almost every Iowan, with lower-income Iowans receiving as much as a 25 percent cut next year.

Let me put that into perspective. Just one year ago, our top tax bracket was at almost 9 percent, one of the worst in the country. Now, with this new round of tax cuts, our top rate will be down to 5.5 percent by 2023—significant progress that will make Iowa competitive with our peers.

Mental health is becoming one of the biggest challenges of our time. Two years ago, we reformed our adult mental health system, and last year we created Iowa's first children's mental health system—important steps to putting Iowans on a path to wellness.

We must now provide predictable funding. To date, property taxpayers have supplied most of that support, through their county to the local mental-health regions. I'm proposing, through the Invest in Iowa Act, that we reduce property tax levies and provide the needed funding through the State general fund.

No parent, family member, or friend should be told that treatment isn't available for their loved one. By establishing a dedicated and stable fund for mental health, we will give hope to so many who are suffering in silence. It's a promise we've made, and it's a promise I intend to keep.

The Invest in Iowa Act will bring meaningful change to Iowans in the very first year. But most important, it looks to the future. To our children and theirs.

If we take this bold step, right now, then whoever is standing at this podium in 10, 20, or 30 years—Republican or Democrat—can proudly say what I can say today: The condition of our State is strong.

When I look to the next decade, I'm reminded of what Will Rogers once said, "the farmer has to be an optimist, or he wouldn't still be a farmer." From weather at home to markets overseas, to bureaucratic decisions made in Washington DC, so much of our farmers' success hinges on factors seemingly out of their control.

But that doesn't mean we simply sit back and hope someone else fights for our interests. It's up to us to shape the challenges of uncertainty into opportunities for growth. I will always be a relentless advocate for our farmers, producers, and our way of life.

Which is why today I'm calling for an additional \$2 million for the Renewable Fuels Infrastructure Program, as well as modernizing and expanding the E-15 Plus Promotion Tax Credit. This will support the sale of E-15 year round and drive domestic demand for our homegrown renewable fuels.

As we begin 2020, I'm focused on the overall wellness of all Iowans, in every part of the State, in all stages of life.

And when I say all stages of life, I mean to include the unborn. We must protect life by making clear, through an amendment, that our constitution does not grant a right to abortion. It's time, and unfortunately it's necessary.

We must also do more to promote and support maternal health. Fewer doctors and fewer hospitals are delivering babies and providing care for mothers, especially outside our urban areas.

That's why I'm taking steps to increase the number of doctors who are willing and able to provide OB services in all four corners of our state.

First, I am proposing a fellowship for new family-practice physicians who want to train and specialize in OB care. Each year, four new residents will complete the fellowship program and head back to their local communities, taking with them connections to OB specialists and an expertise to better treat mothers and their babies.

Second, we're launching a tele-mentoring system where OBs at our best institutions can consult with physicians across the State. With this program, a doctor in Corydon can talk with a specialist in Iowa City about treatment for a mother with a high-risk pregnancy.

Using technology to bring cutting edge health care into every community is no longer a dream. Telehealth is reality today but we've only just begun to scratch the surface. This year, my budget includes additional funding to expand the use of these services to underserved Iowans.

I've also directed the Department of Human Services to remove barriers that are restricting schools from partnering with telehealth providers, especially for behavioral health. What used to be a 70-mile drive in the middle of the school day can now be a walk down the hall. That means more children will receive the care they need, with less disruption to their education.

These advances are not possible without high-speed broadband. After unanimous support from this legislature, last year the Empower Rural Iowa Act provided \$5 million that is now helping to fund 17 broadband projects in rural Iowa.

Broadband is not a luxury; it's critical infrastructure. From the farmer checking crop conditions to the Main Street business participating in the 24/7 marketplace, connectivity should be the expectation no matter where you live.

Let's make that expectation a reality. Today, I'm requesting that we appropriate an additional \$15 million and adjust our state match so we can continue to leverage private and federal funding to build out broadband to every part of Iowa, making us the most connected state in the nation.

Broadband also supports our world-class education system. And if there's something Iowans have always understood, it's that there is no better path to opportunity than a quality education.

We have strong local control, rooted in communities and parents who care deeply about educating their children. We have the highest high-school graduation rate in the country and more highschoolers taking college courses than any other state.

We've made remarkable progress in recent years on putting a new focus on STEM—and opening doors in elementary, middle, and high schools for students to explore fields that will best equip them to be the innovators who build tomorrow's economy.

Computer science has quickly moved from a narrow elective to a basic skill that every student needs.

That's something the people at Osage Community Schools understand and have embraced with a passion.

In addition to requiring computer science for students to graduate, they have dramatically increased learning opportunities for K-12 students to explore coding and design apps or find their passion in the world of technology. And, through an innovative partnership with NewBoCo in Cedar Rapids, Osage is training teachers to better integrate computer science in subjects like math, English and art.

I want to recognize Osage and NewBoCo for their vision and congratulate the students for their success. You are a model for our state and the nation. Please stand.

What Osage is doing is amazing, and we need more of it.

Currently, almost two-thirds of school districts teach computer science in middle and high school. And about half teach it in elementary school. We need that to be 100 percent—which is why I'm calling on the Legislature to take computer science statewide and ensure every student, at every level, has access to this new basic skill.

One of the best ways for students to learn is through hands-on experience, which is why we're making Iowa a leader in work-based learning. In the last year alone, we've expanded high-school registered apprenticeships and launched the work-based learning clearinghouse, and this year will be adding \$1 million for work-based learning coordinators to be covered by operational-sharing agreements.

Momentum for this initiative is building across the state. Council Bluffs is a great example. The school district, Iowa Western Community College, and several local businesses have partnered to create TradeWorks Academy, where high-school students work with professionals to experience what it's like to

have a career as a plumber, electrician, or mechanic.

It's a win-win for the students and the community. The students learn skills that lead to life-long careers. And local businesses get the workforce they so desperately need.

Emma Myers, a junior, is using TradeWorks to learn about welding. That's what her dad has been doing for 40 years, and she wants to follow in his footsteps. By the time she graduates high school, she will have a welding certificate that can immediately lead to a job right there in Council Bluffs.

I want to recognize Emma and a number of folks here today from TradeWorks. Thank you for your leadership.

In 2019, we made historic investments in K-12 education, with over \$90 million in new money, including an increase in per-pupil funding and transportation equity.

The budget I'm presenting to you today makes another historic investment, with over \$103 million in new funding so that Iowa schools can maintain the best teachers and classrooms in the world.

When it comes to workforce opportunities, Iowa is in a strong position. We have thousands of open jobs in rewarding careers. That's why we launched Future Ready Iowa.

Three years after starting the initiative, and just one year after this body overwhelmingly voted to approve funding, Iowans who are looking for a way up are finding that opportunity.

Over 6,000 Iowans are already receiving the Last Dollar Scholarship, almost 80 percent of which are adult learners. That's 6,000 Iowans who are on their way to a rewarding career.

Take Sarah Keehn, a 35-year-old mother of six from Hampton who was laid off. Because of the Last Dollar Scholarship, she is now at NIACC pursuing a medical-assistant degree, and soon she will help fill the shortage of workers in the healthcare industry.

Zach Behrensmeyer from New Liberty is another great example. He assumed college was something he couldn't afford, but the Last Dollar Scholarship has enabled and encouraged him to pursue a degree in computer-software development at Kirkwood. When Zach graduates this spring he'll leave school with a highly marketable degree in a field where the average starting salary is \$55,000.

Sarah and Zach, please stand to be recognized.

Through the Employer Innovation Fund, Future Ready Iowa is also working to spur innovation among employers and communities in addressing their workforce needs.

In Muscatine, the local community foundation partnered with Eastern Iowa Community College to create an intensive six-week program for low-income parents who have children in school. They're working to become

welders or certified-nursing assistants and, if they stay on track through the program, a job will be waiting for them at the end.

On the other side of the state, Peterbilt of Sioux City and Midwest Diesel Tech Academy developed a new training program to meet the increasing demand for diesel mechanics in the area.

In Oskaloosa, the school district recognized transportation as a major barrier for students to attend career academies at Indian Hills Community College, so they developed a transportation program to make it happen.

With all three of these and more, the State of Iowa, through the Employer Innovation Fund, was a partner.

In less than a year, we have helped thousands of Iowans upskill for the new economy. Future Ready Iowa is working, which is why I'm proposing that we expand the Last Dollar Scholarship and the Employer Innovation Fund by \$2.8 million each, bringing the total investment to over \$20 million.

Future Ready Iowa will infuse Iowa's workforce with thousands of skilled employees, providing much needed support to our growing businesses.

Childcare is the next workforce issue we need to tackle. It's another barrier for families looking for a way up.

For some, it's about affordability; for others, access is the issue; and for thousands of Iowans, it's both.

This year we need to act.

First, let's make childcare more affordable by expanding Early Childhood tax credits. Currently, they are available to families making \$45,000 or less; I'm recommending that be doubled to \$90,000.

Second, we must begin to address the child-care cliff so we are not punishing parents as they continue on a path to self-sufficiency. To do this, we should implement a tiered co-pay system that doesn't punish those who work hard enough to earn a raise.

Finally, we need to enlist Iowans to find common-sense solutions that increase access to childcare.

Consider Lee Container. It's a manufacturing facility in Centerville that employs 200 people. Since opening its doors in 2008, they have expanded but were struggling to find workers. Lack of childcare was part of the problem, so Lee Container partnered with a local provider to turn a vacant elementary school into a daycare center.

That's exactly the kind of innovation we need, which is why I'm opening the Employer Innovation Fund to employers and community organizations that have ideas to expand and create childcare options in their communities.

I want to recognize Robert, the CEO of Lee Container, and Michelle from Curious Kids who are with us to

today. Thank you for inspiring this great idea.

I've made it a priority of this administration to focus on prisoner re-entry and rehabilitation, because our prisons shouldn't be one stop in a circle that leads back to prison. Those in our correctional facilities are serving time for a reason, but when they leave, we want them to succeed. Because here's the thing: If they re-offend, they land back in prison, at a cost to taxpayers of \$32,000 per year.

But it's more than that. When someone has lost their way, we're called to seek them out—to leave the 99 to find the one. I believe in that calling, which is why I formed the Governor's FOCUS Committee on Criminal Justice Reform.

This committee, which is chaired by the Lt. Gov., includes law enforcement, corrections officials, the NAACP, and a wide range of stakeholders. Last month, they provided several recommendations, and we are already in the process of implementing many of them.

Last year, I signed legislation that protects employers who are willing to give returning citizens a second chance. To build on that, we hosted roundtables at our correctional facilities in Mitchellville and Rockwell City where more than 80 employers stepped inside our prison walls—and maybe a little outside their comfort zone—to learn how they can meet their workforce needs and give an Iowan a second chance at a productive and rewarding life.

Finally, I am renewing my support to amend our Constitution so that it no longer bars felons from voting after they've served their sentence.

To see why that matters, talk to William Burt from Waterloo. He spent much of his life in and out of prison, but is now a business owner who is working to change Iowa law to allow mobile barber shops—which I think is a good idea.

I recently called William to tell him that I was restoring his voting rights. Hearing those words brought tears to his eyes. You can't imagine the gratitude and dignity that Iowans like William feel when they're told they can once again exercise what Ronald Reagan called "the crown jewel of American liberties."

William, please rise so that we can recognize your efforts to be an active and productive citizen of this great State.

I am grateful to the House for starting this process last year by approving the constitutional amendment with a strong bipartisan vote of 95 to two. I also appreciate the productive conversations we are having with Senators, and I look forward to continuing to work with you to pass the amendment and craft an implementing statute that lets us avoid the confusion and lawsuits that have plagued other states' restoration efforts.

Together, we can help put returning citizens on a path to redemption. We can help them become productive

members of society, reduce recidivism, and make our communities a safer place.

Opportunity lives here because of the ingenuity of our people. If Iowa is going to thrive in the next decade, we must make sure that government isn't stifling that ingenuity.

I'm concerned we are.

One quarter of Iowa's workforce requires some kind of professional license. If that sounds like a lot, that's because it is. It's the second highest in the nation, which puts our state and its people at a competitive disadvantage.

A recent study shows that our licensing system cost Iowa 48,000 jobs and \$290 million.

Our licensing requirements are also the worst for low-income people, meaning that those who need opportunity the most have the hardest time getting a license.

We should never dismiss the importance of protecting the health and safety of the people, but it's been far too long since we've modernized our licensing structure. That's what I'm asking you to do today.

First, we need to adopt universal licensing recognition. Those who go through a rigorous application process in another state, and meet certain conditions in our state, should be able to have that license recognized here. Let's encourage these skilled workers to move to Iowa.

Second, we should waive license fees for low-income individuals. That doesn't mean we lower any standards. It just ensures that we don't deny someone a professional license simply because of their inability to pay.

Third, we currently have no uniform standard for considering criminal convictions in licensure. As a result, qualified and skilled Iowans are being denied the chance to obtain a license because of mistakes unrelated to the profession they now want to enter. This is another barrier to ex-offenders reentering the workforce and we need to change it.

Lastly, we need better oversight of the entire professional-licensing process. I'm calling for the creation of a commission that will, every four years, review every professional license requirement and the boards that oversee them.

Licensing reform is a topic that has bipartisan support, but that doesn't mean it will be easy. There will always be entrenched interests who benefit from overly burdensome regulations. But we can't let those interests stand in the way of opportunity. These reforms are long overdue, and this is the year we will begin to fix a broken system.

As we head into this legislative session, let's not focus solely on the next 12 months. This is a time to chart the path for the next ten years. To stand together to enact a comprehensive agenda that:

*invests in Iowa,
returns money to taxpayers
preserves our land and water,
strengthens our schools,
looks after the health and well-being of all Iowans,
and gives every Iowan the opportunity to succeed.*

So as we move into the next decade, let's put Iowans first. Let's be bold and visionary.

Let's seize this opportunity and make the next decade Iowa's best.

It's time to show the world that Opportunity Lives Here.

Thank you, God bless you, and God bless the great state of Iowa.

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