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RELEASE: Gov. Reynolds delivers 2024 Condition of State Address

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OFFICE OF THE GOVERNOR

Governor Kim Reynolds 🛧 Lt. Governor Adam Gregg

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Gov. Reynolds delivers 2024 Condition of State Address

DES MOINES - Tonight, Gov. Reynolds delivered her 2023 Condition of the State Address.

Below are her remarks as prepared for delivery:

Condition of the State Address Governor Kim Reynolds January 9, 2024

Madam President, Mr. Speaker, Lt. Governor, legislative leaders and members, justices and judges, my fellow lowans:

Last week, the unthinkable happened in Iowa when shots were fired in the halls of Perry High School, taking the life of 11-year-old Ahmir Jolliff, and injuring seven others.

Our hearts are still heavy and our prayers continue for the victims and their families, and for the entire Perry community.

It's impossible to understand why things like this happen. The senselessness of it shakes us to our very core.

Yet even in the darkest hour, light and hope break through. That was certainly the case on that day.

Principal Dan Marburger was nearby when the shooting began. Despite the danger, he put himself in harm's way, risking his life to protect his students. Dan sustained multiple gunshot wounds at close range. His unflinching bravery saved lives that morning.

Dan is a hero, and we pray that he's soon back where he belongs, with the students who are so lucky to have him.

I also want to recognize the courageous actions of the local law enforcement officers, first responders, and state and federal agents who were on scene that day. The first officers arrived just

minutes after the shooting began, and immediately they entered the building.

Within thirty minutes of the school's call for help, an army of more than 150 police officers and first responders from across the metro area and surrounding communities arrived on the scene to assist.

Officers who heard the dispatch remarked how calm everyone sounded. How focused they were. How well they worked together in the midst of such a tragedy.

This is who lowans are and what we do. Whether in person or in spirit, lowans showed up that day in Perry, and we'll be there every day through their recovery.

Please join me in expressing our gratitude to some of the brave men and women who courageously served that day.

lowa's law enforcement officers, first responders and military service members live up to their oath to protect our communities and citizens every day. These jobs demand service above self and great personal sacrifice.

This past year, Officer Kevin Cram of the Algona Police Department and Tony Hoffman, a firefighter with the Ionia Fire Department, gave the ultimate sacrifice in the line of duty.

Please join me in a moment of silence to honor these two fallen heroes and their families, as well as all those affected by the tragic events in Perry.

* * *

This is the seventh time I've addressed this body to report on the condition of the state. The first time, in 2018, workforce was one of the top issues.

At that time, only about 58% of all lowans in the workforce had training or education beyond high school. The result was thousands of high-quality jobs going unfilled, and thousands of lowans missing out on a rewarding career.

So together, we set out to increase that number to 70% by 2025. I introduced the Future Ready lowa Act, and a few months later, it passed the legislature with unanimous support.

Tonight, I'm happy to say that we've reached our ambitious goal, and we did it ahead of schedule. Now I want to be clear: This isn't mission accomplished. The work of connecting Iowa's employers with thousands of skilled workers will continue this session.

But reaching this milestone serves as a powerful lesson in how real change happens.

Future Ready lowa was born in this building with an executive order and bipartisan legislation. We set the vision and laid the foundation. But elected leaders aren't the ones who got it done.

It was the people of Iowa—the teachers, administrators, business owners, community colleges, and of course, countless students and adult learners.

They are the ones who created a new culture, merging the worlds of work and education like never before. They created apprenticeship programs and brought the workplace into the classroom. They mentored young lowans, encouraged their friends to go back to school, and supported their loved ones' dreams.

lowans took the tools we gave them and built something extraordinary.

To those who have contributed, thank you. You're one of the many reasons why I can stand before you tonight and confidently say: the condition of our state is strong!

Everything we do in this building should follow that same pattern. Set a bold vision, build the infrastructure, and then turn it over to the people of Iowa to do what they do best.

Future Ready lowa is one example. School choice is yet another.

Last year, we made it our top priority to give all our children a quality education that meets their needs. That meant giving families a choice.

And that is exactly what we did. In the face of intense pressure to keep the status quo, we passed one of the boldest school choice programs in the country, kicking off a national revolution.

We laid the foundation, and now lowa parents—regardless of their income—can decide what's best for their children.

One semester in, this new educational freedom is already changing lives.

Just recently, I heard from a family whose autistic son is thriving in a Catholic school that welcomed him with open arms. I also heard from a father who feels like his boys now have a true shot at the American Dream thanks to their new school.

I want to emphasize, though: the change we're seeing isn't just limited to those who choose private schools. Because educational freedom isn't about public versus private; it's about what's best for each individual child. It's about understanding that there isn't just one way to educate our kids.

Which is why I'm happy to announce that, this month, the State Board of Education will vote on eight new public charter school applications, including schools that focus on career training and atrisk youth.

Our public school districts also are stepping up their efforts to attract and retain students.

Here in Des Moines, the superintendent recently highlighted the district's efforts to deliver an educational product that "attracts our students and attracts parents to either stay with us or to come back to us."

In Oskaloosa, the public school saw a net gain of students this year from private schools. And after hearing about the culture they've created and the great things they're doing, I understand why.

It goes to show that a rising tide of competition and choice really can lift all boats. Our education policies are working, because—together—we stood firm and passed a law that puts lowans in charge of their children's future.

By locking in educational freedom, we sent a powerful message: Where our children are concerned, no system, however long-standing, is above reform.

This session, we must be guided by that same principle once again.

Because there's still a group of students who are being left behind. And there's yet another longstanding system in need of reform.

In Iowa, special education is overseen by what we call Area Education Agencies, or AEAs. These nine regional entities, which operate without meaningful oversight, were created in the 70s to provide special-education support for school districts.

This type of regional system makes sense and isn't unique to lowa.

But what is unique to Iowa is that our school districts are forced to give their special-education funding to the AEAs. This mandate leaves little room for accountability.

Over the last year, in dozens of conversations with parents, teachers, school administrators and AEA staff, it's become clear that while some of our AEAs are doing great work, others are underperforming.

We have superintendents who won't use their services but are still required to pay for them.

And AEAs have grown well beyond their core mission of helping students with disabilities, creating top-heavy organizations with high administrative expenses.

The results are troubling.

lowa students with disabilities are performing below the national average. In the last five years, they've ranked 30th or worse on 9 of 12 national assessments. Yet, Iowa spends over \$5,300 dollars more per-pupil on special education than the national average.

That's unacceptable. And tonight, I'm announcing legislation to change it.

Under my proposal, AEAs will focus solely on students with disabilities, as they should. Independent oversight will move to the Department of Education.

And most important, school districts will now control their special education funds—meaning they no longer will be mandated to send those funds to the AEAs.

If schools like the services from their AEA, they can continue to use them. If they want to use a neighboring AEA instead, they can do that.

Or, they can go outside the AEA system—contract with a private company or partner with other districts to share a speech or behavioral therapist. Or they can spend more on special education teachers and put the dollars right into the classroom.

In short, each school will decide how best to meet the needs of their students.

Now, I know there are parents of students with disabilities who have been told that we're planning to end the AEAs or even cut services their families depend on.

Let me speak directly to you: That claim is categorically false. In fact, we are not reducing specialeducation funding by one dime. We are simply giving control of the funding to those who work directly with your child on a daily basis, and we're taking special education off autopilot, where it has been stuck for far too long.

Once again, let's drive transformational change and do what's right for our children.

Being able to read is a key component of every child's success.

Nationally, our reading scores have held steady over the last few years because, unlike so many states, we kept our kids in school throughout the pandemic.

But holding steady isn't good enough, especially when reading is the foundation of learning.

Children who can't read by third grade are four times more likely to drop out of high school, which dramatically increases their chances of being arrested, using illegal drugs, and having poor health.

Yet 35% of Iowa's third graders aren't reading proficiently. Again, it's better than most states; 60% of California third graders don't meet that mark.

But something is clearly not working.

We're the only state in the country that doesn't require competency in early literacy instruction for teacher licensure. The only state.

And over the last few decades, the way we teach reading has changed from what we know works. Sounding out letters—phonics—has increasingly fallen out of fashion.

Thankfully, many educators aren't letting phonics become a thing of the past. Ann Mincks is one of them. She teaches reading to high school students who don't speak English as their primary language.

What a difficult job, and Ann has done amazing things.

Using evidence-based instruction, grounded in what's called the "science of reading," Ann has helped increase the reading proficiency of her students at Des Moines Hoover by 25%.

As she herself puts it, she is giving these students "one of the most fundamental human rights in education."

I agree. And in recognition of her success, Ann has been named the 2024 lowa teacher of the year. She's here with us tonight, so please join me in recognizing her outstanding efforts.

I want to spread what Ann is doing at Hoover to every school in this state—to make sure that our teaching techniques are grounded in the science of reading.

And I'm proud to announce that we're well on our way.

Through a partnership with Lexia Learning, the State is providing—at no charge—a training program on the science of reading to all elementary school teachers.

This program helped improve reading scores in other states, and I'm confident it will do the same here.

Already nearly 2,000 teachers and administrators have started the training or are registered to start

soon.

We're also going to require, as every other state does, that our teachers pass a nationally recognized test. And we're going to hold colleges and universities accountable by making the Foundations of Reading assessment a requirement for education majors to graduate.

Like their students, our talented educators will meet high expectations when they have the support they need.

I hope every legislator in this room will join me in making literacy a top priority in every lowa classroom.

Whatever improvements we make to our education system, the success of our kids will always depend on great teachers.

Aside from parents, teachers are some of the most influential figures in a child's life. They push them to be their best, set them on a path to success, and impart a love of learning that can change their lives for the better.

We want younger lowans to see the teaching profession as something to aspire to. It's one of the highest callings one can have, so let's make sure that teacher pay sends that message.

Tonight I'm asking the legislature to invest \$96 million in new money to increase starting pay by 50%, to \$50,000, and set a minimum salary of \$62,000 for teachers with at least 12 years of experience.

In addition, I'm allocating \$10 million to a merit-based grant program that will reward teachers who have gone above and beyond to help their students succeed.

These investments will put lowa in the top-five states for starting pay and help recruit more of the best and brightest to join the teaching profession.

In a rare and historic special session, we voted to pass the fetal heartbeat bill by an even wider margin than the first time. That was more than an ordinary vote. It was an act of courage and conviction that will ultimately save precious lives.

As we continue to fight for the law in the courts, I want to thank you for putting lowa firmly on the side of life.

By passing the heartbeat bill, we affirmed an essential truth: every lowan counts.

To continue building a robust culture of life, we must also do everything in our power to ensure new moms and their families—especially those who are struggling—have what they need to make ends meet.

Today, Medicaid only covers postpartum care for two months after birth. I'm proposing to expand that coverage to 12 months, for new moms who make less than \$42,000 a year.

Let's do more to help moms, babies, and their families get off to a good start.

Programs like Medicaid are critical for families working to get back on their feet. But government support is just the first step on the road to lasting self-sufficiency. Support from within the community is just as important.

The good news is that many of these resources already exist across our state—from faith communities, nonprofits, and so many other remarkable organizations. They are doing life-changing work every day.

Government's role is not to replace these grassroots efforts, but to amplify and facilitate them.

That's why I'm thrilled to announce Thrive Iowa, a remarkable new initiative that will leverage faithbased organizations and private sector networks to connect individuals and families to support outside of government assistance.

Whatever the challenge, Thrive Iowa will be there with dedicated navigators to help Iowans find their way to lasting independence. And countless lives will surely change for the better.

In the aftermath of Covid, with the influence of social media, and the breakdown of the family, mental health remains a real challenge for many lowans.

We've made significant progress over the last several years, investing millions in behavioral health providers, creating the state's first children's mental health system, and funding numerous impactful projects around the state.

One of those projects will soon mark a pivotal moment for lowa's youth. This year YSS, a youthcentered non-profit, will open Ember Recovery Campus, a groundbreaking new facility offering 70 behavioral-health beds that will focus on emergency shelter, crisis stabilization, and addiction treatment.

This project, the first of its kind in Iowa, represents the largest public private investment in children's behavioral health in our history and is a model for our state.

With us tonight is YSS CEO Andrew Allen, and we're especially proud to have Karly and Andrew, siblings who recently graduated from the YSS addiction treatment program. Their shared battle against substance use disorder is all too familiar for

families struggling through the opioid epidemic. They're proof that in the midst of desperation, there is hope for recovery.

Please join me in recognizing them.

But there's still more work to be done. In Iowa, there is little to no coordination between our 13 mental-health and 19 substance-use regions. That's a problem, because over 25% of adults with serious mental health challenges also suffer from substance use.

Our state is filled with capable professionals who care about getting lowans the support they need. But their talent and dedication are short-changed by a fractured system that makes coordination almost impossible.

To better serve lowans, I am proposing we combine the 32 different substance-use and mentalhealth regions together into seven new, unified behavioral health districts.

I'm also proposing to increase support for behavioral-health services with a portion of lowa's opioid settlement funds.

The results will be a greater investment on the ground, improved connectivity between providers, districts, and the state, and—most important—treatment delivered to lowans when and where they need it.

Better customer service for lowans was the goal of our alignment bill last year. And I'm proud to say, we have already begun to deliver.

We have reduced the approval time for physician licenses from 65 days to three; we've created a new building and construction division to consolidate permitting, building code standards, and safety inspections into a single front door, and are transitioning more than 80 state agency websites onto a single platform to improve the user experience for lowans.

To top it off, we made these improvements while at the same time reducing the size of government. With the legislature's help, we cut 21 agencies from my cabinet, removed 620 open positions, and saved millions of dollars in just the first year.

But alignment is about more than numbers.

Joseph Lang was a motor vehicle enforcement officer with DOT before we realigned state government and moved 100 MVE officers to DPS. As part of the standard training for new state troopers, he underwent a tactical medical course.

Joe was one of the first to arrive on the scene at Perry High School last week. Because of his new role, Joe was outfitted with the right medical supplies and the right training for this type of situation. When he entered the building, he was directed to a critically injured victim. He applied a tourniquet and treated wounds exactly as trained. And he saved a life.

Trooper Joe Lang is with us this evening. Please stand to recognize him.

While we've made a lot of progress, there is one more area in need of alignment—boards and commissions. The alignment bill you passed last year created a committee—with representation from the legislature—to review all 256 boards and commissions.

After four public meetings, engagement with the boards, and review of 1300 public comments, the committee submitted their final recommendations in September.

My proposal would implement their recommendations, eliminating 111 redundant or obsolete boards—a decrease of 43%—while streamlining those that remain.

This is the first comprehensive boards-and-commissions review we've done in our one-hundred and seventy-five year history. That seems a little long, so this bill also requires that we evaluate each board at least every five years to ensure they're actually meeting the needs of lowans.

lowans elected us to create and execute policies that carry out their will—not to outsource that authority to others they can't hold accountable at the ballot box. While many boards and commissions will continue to play an important role, the democratic process is the best way to preserve lowans' engagement in their government.

This bill empowers us to carry out the kind of oversight the people of lowa expect.

As alignment shows, efficient and effective government is about delivering services to lowans in a way that helps them meet their own long-term goals.

That's why we turned our unemployment system into a reemployment system. And it's having the intended effect.

Our unemployment rate remains low, we have the 6th highest labor force participation rate in the country, and lowans are now spending on average less than 10 weeks on unemployment. That's the lowest rate in 56 years—turns out, good things happen when we promote work.

Because so many lowans are drawing a paycheck instead of a government check, our unemployment trust fund is full—to the point where we can reduce the unemployment insurance payments that employers make by half.

The result will be significant savings for employers of all sizes, saving more than \$800 million over five years. Instead of paying money into the government, these businesses can create more jobs, increase salaries, or reinvest into their communities.

In short, this will create even greater prosperity throughout our state.

States are generally focused on domestic policy—on what's happening here in our communities.

But over the last few years, states have been forced to deal with foreign threats—sometimes because the federal government has refused to carry out its constitutional duty.

The crisis at the Southern Border is at the top of the list. Thankfully, our men and women in uniform continue to answer the call to step in where their national leaders have failed.

In August and September of last year, 109 Iowa National Guard soldiers and 31 state troopers and special agents from the Department of Public Safety were deployed to the US Southern Border in Texas to support Operation Lone Star.

There, they worked alongside the Texas National Guard and Highway Patrol, combating criminal activity along a 1,200 mile stretch of the Rio Grande.

They manned illegal points of entry, worked human smuggling and drug trafficking cases, and apprehended nearly 3,000 illegal migrants.

I had the opportunity to visit the border during the Guard's deployment. One of the soldiers I spoke with told me that Operation Lone Star had given him the greatest sense of service to his country he's ever known.

And because they believed so strongly in the mission, every soldier and officer who served at the border did so voluntarily.

Many of them are here with us tonight. Please stand and join me in expressing our heartfelt gratitude.

The crisis on our southern border isn't the only foreign threat where states have had to play a role.

China continues to grow more aggressive, and buying American land has been one of the many

ways they have waged this new battle.

Fortunately, Iowa has some of the strongest laws in the country on foreign ownership of land—in fact, other states have looked to us as a model for their own policies.

But as China's threat adapts, our laws should too. Because we cannot let foreign governments undermine the agricultural dominance our farmers have worked so hard to build.

To that end, working in conjunction with Secretary of Agriculture Naig, we've developed a bill to further protect our farmland from foreign interests. This legislation will enhance reporting and enforcement, increase penalties, and provide more transparency to lowans on what land is currently under foreign ownership.

Let's continue to lead the nation. Let's make sure that American soil remains in American hands.

You know it wouldn't be a condition of the state address without me talking about your money—or, as the government calls it, taxes.

When we started this journey in 2018, our income-tax rate was the sixth highest in the nation at 8.98%. It was clear we needed to make a change.

That year, we passed legislation that finally cut rates and—even more important—established an approach that would guide us over the next five years.

That approach is defined, above all, by a sense of responsibility to the people of Iowa. They deserve a government that exercises the discipline and restraint to live within its means, as well as the humility to collect only what it needs, while returning the rest to them.

This approach has served us well. Since 2018, we've delivered two more major tax reform packages that cut income taxes, eliminated tax on retirement income, and made our code more friendly to farm families. And we did so while continuing to make strategic investments in key priorities.

Our most recent income-tax bill established a flat rate of 3.9%, set to phase in gradually until finally taking effect in 2026. As always, it was an aggressive, growth-oriented policy on a responsible, conservative timeline.

And once again, opponents said that letting lowans keep more of their money would break the government. One left-leaning group called it a "recipe for disaster."

Well, that was wrong. Two years later, it's clear that we are well positioned to go further, faster.

Even with the tax cuts we have already delivered, state revenue continues to grow, ending the year with a \$1.83 billion surplus and more than \$900 million in reserve funds.

Let me be absolutely clear: the surplus does *not* mean that we aren't spending enough; it means we're still taking too much of lowans' hard-earned money.

Tonight, I'm proposing a bill that reduces the income-tax rate to a flat 3.65%, while allowing it to take effect this year, retroactive to January 1st. The following year, in 2025, the rate would fall

again to flat 3.5%.

This bill represents a total savings of almost \$3.8 billion for taxpayers over the next five years. And it gets there by cutting taxes for every lowan who pays them.

The average family of four with an income of about \$78,000 will see a tax savings of over 25%. A single mother of two making \$47,000 would see an even greater savings of more than 42%.

And there would be no waiting. The cuts would start to show up in paychecks this year! So let's not hesitate. Let's stick to the approach we established in 2018 and allow lowans to keep more of their money.

When I look back on what we've done over the last year—and really over the last six—I'm so proud of what we've accomplished together.

There are those who said we did too much, too fast. That change wasn't necessary or that it would make us worse off.

But when I look at the result of our hard work, I know we've made a difference. And it drives me to do it again; to work even harder this session.

Because you know what? Iowa is on the rise, and as the world descends on our state over this next week, they're going to see it.

They're going to see one the most livable, most affordable states in the country. A state that's #1 for retirement and #1 for young home ownership.

They're going to see what it's like to be in a state that saves more than it spends, cuts taxes, and rewards economic growth and innovation; that orients its educational system to students, parents, and teachers; where life is protected, family comes first, and community runs deep.

They will see a place that, despite no mountains or oceans, has been recognized as one of the best states in the country, period.

In an uneasy nation, lowa stands out as a fixed point of prosperity and stability. As a reminder that remarkable people can always be trusted to build remarkable things.

It's because of them—because of lowans—that the condition of our state is truly strong, and our future is truly bright.

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

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