

Condition of the State Address
Governor Kim Reynolds

January 10, 2023

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

This is the sixth time I've addressed you from this chamber to report on the condition of our state.

Each time, it's both familiar and new.

There's always a sense of anticipation and energy; an awareness of the challenges ahead and the important work to be done.

For me, there's also a familiar feeling of pride. A feeling that comes from standing before you and being able to declare once again that the condition of our state is strong.

Through natural disasters, a pandemic, a nationwide recession and more, Iowa's status as a beacon for freedom and opportunity has endured.

We've been recognized as the most fiscally responsible state in the country, we're ranked in the top ten states to live in America, and we continue to be ranked the #1 state for opportunity.

In a world increasingly marked by chaos, Iowa's strength and stability stand out.

Our goal today, and throughout this legislative session, is to make sure it stays that way.

Which brings me to what's new. Or rather, who is new. Yesterday, 53 members of the House and Senate were sworn into office for their first term. That's over one-third of the Iowa legislature.

There are always new faces in the chamber at the beginning of each General Assembly, but this year we have more new members than any time in recent memory, so I want to take a moment to extend my welcome.

Thank you for your willingness to serve; for putting in the time it takes to get here, and for making the sacrifices you've made and will make.

The same goes for those of you who are returning. From the outside, it may seem like our state's success is something that just happened; that we went from a deficit to a surplus by chance. That our economy rebounded because, well, that's just what economies do.

But there has been so much hard work that's gone into it, from many of you sitting in this chamber.

Of course, none of our success would be possible without the people of Iowa. Hard-working, resilient, innovative. They truly are the backbone of our state.

But the changes we've made in this building over the last few years have helped lay a foundation for Iowa to rise. To become that #1 state for opportunity.

It wasn't easy. We've been told time and time again that our bold agenda would wreck our economy, demolish our education system, and lead to the collapse of state government.

We've heard these accusations from political opponents, as expected. But we've also heard them from members of the media and even from so-called experts.

In 2017, when Republicans took control of the legislature, we passed badly needed collective bargaining reform. We were accused of marginalizing and insulting public workers and told that we were "blowing up the system of reason and compromise;" that our state government would never be the same.

Well, they were right about the last part, but not in the way they expected. And they were wrong about everything else. Six years after these reforms were implemented, we've seen what's possible when taxpayers have a seat at the table.

And we've seen employee relations improve. Public employees now get rewarded for their work, not just their seniority. And rather than seeing each other as adversaries, our managers and employees are working together.

At the Iowa Veterans Home, for example, the number of corrective actions has been cut in half and the number of terminations has shrunk by more than 50%.

We ignored the hysteria, and Iowans are better for it.

A year after collective bargaining reform, in 2018, we began the overhaul of Iowa's tax code.

It was long overdue, yet so-called experts said we were "delusional;" that we would cripple the state budget.

One state senator said that our tax reform bill was "the most fiscally irresponsible piece of legislation in Iowa's history."

What happened next? State revenue soared, exceeding expectations. And three years later, the legislature voted to remove the revenue triggers, guaranteeing future tax cuts. Not a single senator voted against it.

Because we ignored the hysteria, Iowans get to keep more of their money. And because we pushed forward, we're now on a path to the fourth lowest income-tax rate in the country, a flat 3.9%, and Iowans no longer pay tax on their retirement income.

Some of our toughest decisions—the ones that sparked the angriest attacks—came during the pandemic.

It was a time of great uncertainty, to be sure. At times it felt like there were no good choices.

But early on, we could already see that keeping schools closed had terrible consequences for our children, and so we were the first state to require and enforce in-person learning.

Again, we were attacked.

The Associated Press, in a news article *not* an opinion piece, said that my “aggressive push” to reopen schools had “descended into chaos,” creating a “tension between science and politics.”

In other words, one of the country's oldest news organizations, which says it's “dedicated to *factual* reporting” said that keeping schools closed was just good science, while re-opening them was just politics.

That was late August 2020. Fast forward two years, to October of last year.

The Associated Press published another article, this one titled “Online school put US kids behind. Some adults have regrets.”

The authors told the story of children throughout the country who have fallen behind, become depressed, and may never fully recover. They talked to teachers who were angry they were kept out of the classroom.

The article gave this summary: “Some third graders struggle to sound out words. Some ninth graders have given up on school because they feel so behind they can't catch up. The future of American children hangs in the balance.”

Across the country, in states that kept kids out of school, reading and math scores plummeted.

Not in Iowa. Now, that's not to say we don't have more to do; we do.

But we ignored the hysteria, and our kids are better for it.

When we look back on the last six years, a time when Iowans elected Republicans to a majority of the legislature and the governor's office, I think it's important to reflect on what our opponents said about our agenda—and to look back on how well those accusations aged.

The pundits said we were wrong, the experts condemned us, and they underestimated our resolve.

But none of that matters. It doesn't matter because the people of Iowa were with us.

They wanted us to stand our ground; they expected us to be strong.

We did. And we stood the strongest when it mattered the most: When it was about our children.

And here's the thing: I would do it all over again. And what I've come here tonight to tell you, is that I *will* do it again. More importantly, that *we* will do it again.

If we are not providing a foundational education for our children then we are failing.

And when I say our children, I mean *every* child. Our first priority in this legislative session—and what I will be focusing on over the next four years—is making sure that every child is provided with a quality education that fits their needs.

This is no small feat. It will take all of us. And it will involve multiple efforts.

But if your only idea is “more funding,” then you're not putting in the work, and you're not really focused on our children.

Today, we spend \$3.6 billion dollars on preK-12 education, \$1 billion more than we did in 2012. That's a 37% increase.

There are states that spend much less, with better results. Florida spends \$2,000 less per student and outperforms us in math and reading. Other states spend less, with the same results.

This isn't about money.

It's also not about public versus private schools. If that's how you want to frame it; if you want to pretend this is a war between two different school systems, then you're not focused on our children.

I recently spoke with a special education teacher who has been in the public school system for 25 years.

She loves her job. And as both a mother and a teacher, she loves the public school system. Her older daughter excelled in public school, but when her youngest daughter was struggling—struggling with friends, struggling to stay focused, struggling just to get out of bed in the morning—she and her husband made the choice to send her to a private school.

That changed everything. Their daughter “absolutely blossomed.” She enjoyed the added structure of the new school; she even enjoyed wearing uniforms. “We’re all the same,” she told her mom. “It doesn’t matter what brand our jeans are or what shoes we wear. We all get along.”

This young woman went on to graduate with honors and is now a medical professional with a doctorate degree hanging on her wall.

That’s the good part of this story. Here’s the sad part.

When this teacher and mother of two made the personal decision to send one of her daughters to a private school, some of her colleagues turned their backs on her, to the point where it affected her career.

This lifetime public school teacher, who loves the public school system, who has devoted her life to teaching, was ostracized because she made a decision that was best for her daughter.

If we’re really going to make sure that every child has a quality education, then we have to set aside this us versus them mentality. Because it’s not about whose team you’re on, it’s not about your politics, it’s not about you and it’s certainly not about me. It’s about our children.

We either want to give every child a chance to succeed, or we don’t. So tonight, I’m announcing a comprehensive education reform package that will focus on improving education for all children.

It starts by making sure that every family can make the choice that this teacher and mother made: to send their child to the school that best fits their needs.

We have incredible public schools filled with dedicated teachers. My daughter is one of them.

But every child is an individual who deserves an education tailored to their unique needs, and parents are in the best position to identify the right environment.

Some families may want an education that conforms to their faith and moral convictions; some kids may have ambitions and abilities that require a unique educational setting; others may experience bullying or have special needs.

Regardless of the reason, every parent should have a choice of where to send their child—and that choice shouldn't be limited to families who can afford it.

My school choice bill will create education savings accounts for families who choose to send their child to a private school. The State will contribute \$7,598 to that account, which is the amount of funding the State provides for each child who attends a public school.

For students currently attending a private school, the plan will be phased in, focusing first on the families with the lowest income levels. And in three years, every family will have a choice in education. And no child will be limited by income or zip code.

My education plan starts with school choice, but it doesn't end there. As I said, this is about making sure every child receives a quality education, regardless of the school system they're in.

Over the last four years, we haven't shied away from making systemic changes to our public education system.

We recognized that an exclusive focus on a 4-year college degree wasn't working for many students, and invested in alternative pathways that allow for options.

The results have been extraordinary.

We're a leader in work-based learning at all age levels. And Iowa had the highest number of new apprenticeship programs in the country this past year, with even more growth right around the corner.

Last year we launched the nation's first teacher apprenticeship program, and I'm proud to announce that the results have been amazing. The program is on track to have 1,000 apprentices by next year, and interest continues to grow.

As we celebrate this progress, we need to remember that it was only possible thanks to a strong foundation in reading, writing, and math. And we must make sure that foundation is strong in every school, for every child.

In the vast majority of Iowa schools, that isn't a problem. But there are some schools that consistently test in the bottom 5%—that, for whatever reason, need more help.

To that end, I have directed the Department of Education to provide tailored support to these schools; to come alongside the teachers and administrators and provide the resources and knowledge they need.

A key part of that effort will be to improve early childhood literacy, the foundation for all learning. We'll provide specialized training to teachers on the science of reading, using a program that has a track record of success. And if they don't already have it, we'll arm these schools with a curriculum that has proven to be effective.

We'll also have experts on the ground, talking to teachers, administrators and observing classroom instruction. The interaction will result in recommendations that each school can use to formulate an action plan for approval.

This multi-prong approach will ensure that every school, that every child, has the opportunity to succeed.

Improving our education system isn't just about providing more resources; sometimes it's about getting out of the way.

Iowa code contains a long list of requirements that schools must follow. Many of them are beneficial; some are absolutely necessary, like those that protect the rights of parents.

But other requirements are too burdensome. I've heard from teachers and administrators that it's too much. I hear you, and I agree.

This year, we're eliminating redundant reporting requirements, we're giving schools more opportunity to take advantage of dual enrollment, and we're providing more flexibility to achieve their core mission.

We also need to make it easier for schools to use the resources we give them. Today, we're too prescriptive on how some funds can be used—to the point they're not being used.

Right now, there is almost \$100 million earmarked for specific programs that remains unspent in school districts across Iowa.

My proposal will give schools the freedom to use these funds to increase teachers' salaries.

Let's focus on making sure we reward those teachers who work so hard to make a difference in our children's lives.

As you can already tell, much of the focus of tonight's speech is on our children. On how we set them up for a fulfilling and productive life.

But that task doesn't start when they're in grade school. It begins when life does; before the child is even born.

That's why I've fought so hard in the courts to make sure that this legislative body can do what it so clearly has the power to do: protect the unborn.

It's also why we created the MOMS program last year. When fully operational, this statewide network of nonprofits will connect women with pregnancy support services, including safety net resources, housing assistance, and recovery and mental health treatment.

It sends a powerful message: that a pro-life state is one that surrounds *every* person involved in a pregnancy—born and unborn, mother and father—with protection, love, and support.

Every woman facing an unplanned pregnancy deserves to know she is worthy of this, that she is not alone. Just ask Sarah Hurm.

When she was 26 and a single mother to three, Sara found out she was pregnant with #4. Her first reaction was to break down in tears under the stress: How would she ever make it work? What would people say?

Looking for help, she called the father, who told her they needed to be “responsible adults.” To him, that meant abortion.

Feeling like she had no choice, she scheduled an appointment where she took the first pill to induce a chemical abortion.

Immediately she was filled with regret. She had heard the baby's heartbeat, and the sound replayed in her mind. It weighed on her when she picked up her children from school. How is this life different from theirs, she wondered. And it weighed on her when she went to bed that night.

The next morning she called the abortion pill reversal hotline, where help is available 24/7. And thankfully it was. The staff immediately connected her with a local doctor who administered a reversal that saved her baby's life.

Today, Sarah volunteers at a pregnancy clinic that provides support to women facing unplanned pregnancies. She shares her story and her compassion with mothers who are facing the same decision she was. She helps give them the support that was missing for her; support that should be available to every expectant mother.

Sarah and her children, including her son Isaiah who is celebrating his fourth birthday tomorrow, are here with us tonight.

Please join me in recognizing them for their courage to fight for every life.

There's one aspect of Sarah's story I don't want you to miss—the father of her son was not there to support her; in fact, he did the opposite.

It's impossible to overstate the importance of paternal involvement for mothers and children alike.

One pregnancy support center estimated that 85% of their clients would carry their child to term if they had a supportive partner.

Studies show that without a father present, a child is more likely to have behavioral issues, live in poverty, and die in infancy. With him, those indicators and others are reversed. Mothers are more likely to receive prenatal care, have a healthy birth, and experience less stress as a parent.

Tonight, I'm calling on the legislature to expand the MOMS Program to promote paternal involvement and address the needs of fathers. This new funding would allow us to provide non-profit grants to assist at-risk dads, as well as mentorship for school-age males.

This session, in everything we do, let's promote strong and healthy families.

To support our families, we need a strong health care system, in every part of the state. While our healthcare system is in the top ten nationally, we still face challenges, especially in rural Iowa.

That's why, in 2021, we funded two Centers of Excellence, one in Carroll at St. Anthony Regional Hospital and one in the Grinnell Regional Medical Center. These specialty hospitals use local primary care providers to connect rural patients with OBGYN services. They've been a success, so I'm asking the legislature to expand the program to fund two additional centers.

I'm also asking the legislature to fund four OB fellowships for primary care doctors, which will help address the critical demand for services in rural Iowa.

And tonight, I'm announcing that we're increasing funding for the health care apprenticeship program we created last year, taking it from \$3 to \$15 million. In addition to expanding opportunities for nursing pathways, we'll be adding apprenticeships for emergency medical services, mental and behavioral health, and direct support professionals.

Finally, this is the year that we must enact common-sense tort reform to stop the out-of-control verdicts that are driving our OBGYN clinics out of business and medical school graduates out of state.

Iowa is in the minority of states that don't protect their health care systems by placing reasonable caps on non-economic damages.

One hospital administrator said that it's gotten so bad, he's often asked about Iowa's large jury verdicts during recruiting trips. Two years ago, that had never happened. The legal environment is changing, and our laws need to keep up.

We can't put this off another year; we need to get this done.

The opioid crisis is a human tragedy taking place across this country, and fentanyl has taken center stage.

While Iowa maintains one of the lowest overdose death rates in the country, we're still experiencing unacceptable trends.

Overdoses are up by more than 34%, and for Iowans under 25, they're more than double. In 2021, illicit fentanyl was implicated in 83% of all Iowa's opioid-related deaths, compared to just 31% five years ago.

These aren't just numbers; they're missing siblings, parents, and friends. They're shattered families and grief-stricken parents.

Just ask Deric and Kathy Kidd. Their son Sebastian, a normal high schooler, was having trouble sleeping, so he took half a pill of what he thought was Percocet. But that pill was laced with fentanyl, and Deric found him the next morning slumped over his bed. He describes it as an image that will haunt him forever.

Today, Deric and Kathy are working to raise awareness that one pill can kill. If their efforts have helped spare even one family from this agonizing loss, then they can take comfort knowing that their son did not die in vain.

With the help of Deric, Kathy, and Sabastian's story, I'm proud to announce that tomorrow the State is launching a public awareness campaign to help parents understand the threat of fentanyl and how to protect their kids from it.

Deric and Kathy are here tonight. Please recognize them for their courage in bringing this issue to light.

Much of the fentanyl that is killing our citizens and destroying families comes through our country's southern border.

While Iowa can neither plug the holes in that border, nor compel the Biden Administration to care, we can take a stand by treating fentanyl crimes as the atrocities they are.

I'm calling on the legislature to increase penalties for manufacturing and distributing fentanyl in any amount. That means longer sentences and higher fines, even where the quantity is small. And when an overdose leads to death or serious injury, the sentences will be even steeper.

We must also make sure that life-saving treatment is readily available. Today, only pharmacists can distribute naloxone, the drug that reverses the effects of an overdose. Let's change that; let's give our first responders the tools they need to save lives and allow them to get naloxone into the hands of the individuals who need it most.

We should never let an occasion like this go by without recognizing the men and women who put their lives on the line for us:

The law enforcement heroes who patrol our streets at great personal risk and sacrifice. The medical responders who bring healing to the injured. The firefighters who run towards the flames, rather than away. The soldiers who serve our nation at home and abroad.

They're the best among us, and those who sometimes give the ultimate sacrifice. This year, we lost two law enforcement officers in the line of duty.

Fremont County Deputy Melvin Richardson, and Coralville Sgt. John Williams.

Please stand to honor these brave men and all those who put themselves in harm's way on our behalf.

Our law enforcement, military, and first responders put our citizens first, every day. We need to make sure the rest of our government does the same.

State government's customers are its citizens. Their tax dollars also make them its shareholders. That means meeting their needs effectively and efficiently is one of the most important parts of our job.

But like any large organization, government is marked by bureaucracy's natural tendency to grow. If that growth isn't constantly checked and rechanneled toward its core function, it quickly takes on a life of its own.

A longstanding priority of mine has been to steward Iowans' tax dollars responsibly, ensure they get value from the many services that state government provides, and minimize the economic burden of regulation.

Last year, we merged the departments of Human Services and Public Health to create the new Health and Human Services Department.

The change paid off. No employees lost their jobs, nor was any service downgraded in importance. In fact, just the opposite happened. The streamlined organization allowed all parties to take advantage of scale and integration. Related functions were knit more closely together and collaboration improved between agencies.

We saw similar results when we merged our two different groups of administrative law judges, one in workforce development and the other in the department of inspections and appeals. Within three months, a backlog of over 5,400 cases was gone, and Iowans got the decisions they deserved in a timely manner.

Both of these changes resulted in a better, smoother experience for Iowans. They deserve the same across all state government.

It's been nearly 40 years since we've undertaken a comprehensive review of government operations and structure. And frankly, it shows.

Iowa has 37 executive branch cabinet members, significantly more than both our neighbors and best practice. Arkansas, Mississippi, and Oklahoma all have populations and budgets similar to Iowa but just 15 cabinet members.

The result is unnecessary friction for Iowans, with services spread unpredictably across state government. Eleven agencies currently operate some kind of workforce program; more than

100 professional licensing functions are spread across eleven agencies. And these are just two of the most glaring examples.

I have a great team of directors, who are served by thousands of capable, hard-working public servants who care deeply about delivering for Iowans. I'd put them up against any state in America.

But that talent can't meet its full potential when it's hampered by a fractured organizational structure that's run on autopilot for decades. We can do better for Iowans.

I'll be introducing a bill that will improve the services we deliver and streamline our operations by taking us from 37 cabinet agencies to 16.

I look forward to signing it into law and aligning state government with the only reason it exists—serving Iowans.

Government's internal structure isn't the only thing that needs a makeover; so does our complex system of red tape and regulation.

Over time, Iowa's Administrative Code has ballooned to more than 20,000 pages and 190,000 restrictive terms. Many of these rules are unnecessary. Some are actually counterproductive, short-circuiting legitimate economic activity and making our state less competitive.

Today, I signed an executive order that will begin the process of lifting this dead weight from our economy over the next four years. It puts a moratorium on new rulemaking while directing state agencies to assess whether their existing rules—each and every one—are worth the economic cost.

Only those that meet this standard will be reissued. The rest will be repealed. When it's all said and done, Iowa will have a smaller, clearer, and more growth-friendly regulatory system.

When I was sworn in almost six years ago now, I told the story about one of my first acts as an elected leader.

The Clarke County voters had just made me their county treasurer. At that point, I had no plans beyond that. It was an office I had worked in for several years as an employee, and it was an office I was happy to retire in. My only purpose was to serve our citizens.

But that commitment was hampered by a wall that ran through the middle of the office. An actual, physical wall. So I tore it down.

Along with Kevin and a few friends, we removed it piece by piece. And the office worked better for it.

I tell that story because, number 1, it shows the commitment of our first gentlemen. Not only can this guy take down a wall, but he can color hair.

I also share that story because it's a not-so-subtle way of telling you my philosophy. Of demonstrating what I believe the people of Iowa elected us to do.

We're not here for the ceremony; we're not here because we're important; and we're not here to simply preserve the status quo.

We're here to do what needs to be done, and if breaking barriers is necessary, we will.

I began this speech by looking back at the times we've done just that—to Iowans' lasting benefit.

Together, we have built a strong foundation upon which Iowa can continue to rise. A place where families thrive, businesses grow, and government is responsive to the people.

Now, we have a chance to do it again.

To enact an agenda that puts Iowans above bureaucratic systems and special interests. That thinks big, aims high, and makes Iowa a place where everyone has the freedom to flourish.

This is what Iowans expect, it's what they deserve, and I'm confident it's what we will do.

Thank you for the honor to serve as your governor. God bless you, and God bless the great state of Iowa.