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**Governor Reynolds Condition of the State**

The Governor gave her Condition of the State address on Tuesday morning. A full transcript of the speech can be found [here](#). The Governor laid out a new proposal called the “Invest In Iowa Act” which would cut income taxes, sustain mental health services, decrease property taxes and implement the Iowa Water and Land Legacy program via a penny sales tax increase. The governor noted that the IWILL formula would need to be changed to address the challenges of today, rather than the challenges of the times when the formula was adopted. She noted that there should be increases to water quality and conservation, with 58% going towards water quality (this represents a 31% increase in current funding) and \$52M in other conservation programs.

Along with the changes discussed above, the Governor was clear that this plan would equate to no tax increase. The income tax reductions laid out was a 10% cut for almost every Iowan, with lower income Iowans receiving a 25% cut and the top bracket individual tax liability percentage lowering to 5.5% by 2023.

Other highlights of her speech included:

- Increased flood relief funding
- \$2M for renewable fuels infrastructure, as well as expansion of E-15 promotion tax credits
- Constitutional amendment for the unborn
- Maternal care expansion by the creation of four OB fellowships for family practice physicians
- Increased funding for telemedicine
- Increased funding for Empower Rural Iowa to improve broadband connectedness across the state
- \$103M appropriation for K-12 funding
- Expanding Future Ready Iowa so more Iowans can benefit and gain licenses/skills for middle class employment
- Improving access and affordability of child care by:
  - Expansion of the early childhood tax credit from \$45k to 90k
  - Elimination of the child care cliff effect by implementing a tiered system of benefits.
- Restore voting rights for felons in Iowa
- Licensing Overhaul by adopting reciprocity for certain licenses, review of current license structure in the state and eliminating licensure fees for certain low income professions.

A full summary of the Governor’s budget can be found [here](#)

**House and Senate Leadership Opening Comments**

Both the House and Senate leaders opened the first day with comments that briefly highlighted their view of the current state of affairs for Iowans as well as priorities they would like to address throughout the session.



Senator Whitver opened the session up by discussing the turnaround of Iowa over the last several years from a state riddled with budget deficits, to a state with full reserve funds and a healthy, growing budget. He discussed several priorities, including tax reform, policies that encourage Iowans to join the workforce, and sensible legislative spending where it makes sense to spend taxpayer dollars. His full comments can be found [here](#).

Rep. Pat Grassley formally assumed the office of Speaker on Monday, when he was sworn in with his wife, three children and grandfather, US Senator Chuck Grassley, in attendance in the House chamber. Grassley highlighted Iowa's top in the nation graduation rates, low unemployment and historic K12 funding as areas as some of the areas that make Iowa a great place. He also discussed some of the challenges Iowa faces, these include barriers of Iowans entering the workforce, supply of good paying jobs as well as having a good supply of trained, skilled workers. Grassley highlighted several priority areas with the top being workforce. He discussed the need for more affordable and accessible childcare options, elimination of the child care cliff effect. Speaker Grassley also discussed the need for more quality broadband across the state to ensure small businesses everywhere in Iowa can continue to grow and thrive. His full comments can be found [here](#).

### **Week in Review**

As speeches were made and priorities were laid out, the Legislature got to work with the introduction of bills, committee meetings and subcommittees. Several bills from last year have been reassigned to committees and several subcommittees are already scheduled for next week to consider each individual bill. Committee chairs in both the House and Senate held organizational meetings this week to introduce members of their committees as well as highlight priorities of the committees. On Thursday, several budget subcommittees met to review the governor's budget proposals. Presentations at these budget subcommittees were conducted by the Legislative Services Agency. The week was full of activity due to members knowing the Legislature will not meet until Tuesday due to the observance of Martin Luther King Day Monday, January 20<sup>th</sup>.

### **Gubernatorial Appointments and Interim DOT Director**

In December, the Director of the Department of Transportation, Mark Lowe announced he would be resigning his post. His resignation is effective January 10, 2020. Lowe assumed the post when he was appointed by the Governor as interim Director when a previous director had resigned. Prior to that, Lowe served as general counsel to the Department. His replacement has not been announced but will likely be announced in the coming months.

Ryan Wise, Director of the Department of Education, announced he would be leaving his position to become the new Dean of the Drake University School of Education. This transition is expected to occur no later than the end of FY20. Wise has been the director of DOE since 2015, when then-Governor Branstad appointed him.

This week, Governor Reynolds appointed several appointees to Iowa's Boards and commissions. These appointments can be found [here](#).

### **In the News**

Below are articles of interest from the week. Please reach out to us with any questions or concerns.

1. [Iowa's Governor to Attend DC Signing of China Trade Deal](#)
2. [Iowa's STEM Efforts Rank Well in New Report](#)
3. [Iowa Governor Pitches 2.5% Increase in K-12 aid](#)



4. [Governor's 'Invest in Iowa Act' Seeks to Lower Other Taxes and Increase State Sales Tax](#)
5. [Iowa Lawmakers Begin 2020 Legislative Session](#)
6. [AG Miller Endorses Joe Biden for President](#)

### Key Dates for 2020 Session

The new Iowa Legislative Session Timetable has been published. Here is the [link](#) and included below is important dates as we approach the 2020 Iowa legislative session.

<b>January 13</b>	First Day of Legislative Session
<b>January 14</b>	Governor's Budget Released Governor gives her Condition of the State Address to Joint Session
<b>January 24</b>	Final day for individual Senator/Representative Bill Requests
<b>February 21</b>	First Funnel. All Senate and House bills must be out of one full committee
<b>March 20</b>	Second Legislative Funnel. Corresponding chamber must vote bills out of a full committee to remain "alive"
<b>April 6</b>	Amendments need not be filed on the day preceding floor debate
<b>April 21</b>	100 <sup>th</sup> Day of the session. Per diem expenses for legislators end.



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