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House and Senate Update

The first session of the 88th General Assembly began on Monday with both chambers gaveling in that morning. Leaders in both chambers gave welcome back speeches, highlighted their agendas, which included building Iowa’s workforce, additional tax reform, and a focus on a “pro-growth agenda for Iowa”— growth in businesses, schools, and both rural and urban areas. Leaders previewed several pieces of legislation: building a children’s mental health system in Iowa, funding the adult mental health system, broadband expansion, increasing affordable housing, and encouraging small business investment.

The Senate welcomed 8 new members—five Republicans and 3 Democrats. Read more about the Republican senators [here](#) and the Democrat senators [here](#). Republicans expanded their majority, increasing their numbers from 29 seats to 32 seats; democrats lost 2 seats and now have 18 members. The House welcomed 20 new representatives to the chamber this year; 11 republicans and 9 democrats. Read more about the new republican members [here](#), and democratic members [here](#).

Leaders in the majority party in both the House and Senate remain status quo with Rep. Linda Upmeyer (R – Clear Lake) as Speaker, Rep. Chris Hagenow (R – Adel) as Majority Leader, Senator Jack Whitver (R – Ankeny) as Senate Majority Leader, and Senator Charles Schneider (R – West Des Moines) as Senate President.

Legislators jumped straight into their work this week, introducing several bills, convening introductory committee meetings and even conducting a handful of subcommittee hearings. Next week this activity will only increase as more bills and subcommittees are scheduled.

Governor’s Condition of the State and Budget

Governor Kim Reynolds delivered her Condition of the State address on Tuesday highlighting her legislative priorities and agenda. This was a historic day, as it was Governor Reynolds’s—Iowa’s first female governor—first Condition of the State address since her first gubernatorial victory (the Governor assumed office in 2017 when Governor Branstad resigned his post to become the US Ambassador to China). The Governor highlighted the significant accomplishments enacted last session which include mental health reform, tax reform, water quality, Future Ready Iowa, and pro-life legislation.

Reynolds laid out areas that the Legislature still needed to address including: expansion of broadband access, improving Iowa’s skilled workforce, improving Iowa’s children mental health care system, and expanding workforce housing, especially in rural areas.

As is customary, Governor Reynolds's budget was released on Tuesday after the delivery of her Condition of the State address. The Governor's budget proposes to spend \$7.6585 billion from the General Fund in FY 2020, which would be an increase of 0.51 percent over her revised FY 2019 budget. Highlights of her budget include:

- An additional \$93 million in state aid for K-12 schools (2.3% increase)
- \$11 million in school transportation funding
- \$20 million in funding for broadband over two years in order to leverage additional private funding
- \$11 million over two years for mental health care
- \$20 million for the Future Ready Iowa program
- \$10 million increase in rural workforce housing tax credits
- Building and implementing a children's mental health system
- Revitalization of rural areas
- Introducing two constitutional amendments to restore voting rights for felons and one to protect the rights of crime victims.

Several of these initiatives will be introduced via a proposed Governor's bill over the next few weeks. An in-depth summary of her budget recommendations can be found [here](#).

Supplemental Medicaid Funding

The Governor is expected to propose a \$144M supplemental Medicaid funding bill next week, which will address the current fiscal year—FY19 (July 1, 2018-June 30, 2019). The large majority of the funding will be appropriated to the increased capitation rates negotiated by the Department of Human Services for Medicaid managed care. This increase will be built into next year's base funding and will put the Medicaid managed care contracts on a calendar year, rather than a state fiscal year. Make sure to check next week's newsletter for more details.

In the News

1. [Governor Reynolds Elevates Staff of Female Leaders](#)
2. [Governor Excited for Inaugural Celebration](#)
3. [Senator Feenstra has 100K for Steve King Primary](#)
4. [Majority Leader Whitver on Senate Republican Focus](#)
5. [Iowa Legislative Session Begins—See Pictures](#)
6. [House Lawmakers Consider Legal Arguments in Uncounted Ballot Case](#)
7. [Constitutional Gun Rights Amendment Hits Derailment After Bureaucratic Oversight](#)