



State Spending, School Funding, Abortion: Fact-Checking Iowa's Gubernatorial Debate

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Iowa Gov. Kim Reynolds had reason to bring up Iowa's budget surplus when she and her 2022 election opponent, Deidre DeJear, debated this week. After all, she could report accurately, as she did in a late September news release, that the state ended fiscal 2022 under her watch with a \$1.91 billion surplus.

Reynolds said in the Oct. 17, debate on PBS Iowa public television that the surplus, sending \$830 million to the state's reserve and \$1.06 billion to its Taxpayer Relief Fund, shows that her administration and Republicans who control the Statehouse have done a good job of managing spending while cutting income taxes.

Reynolds said: "We have the most sound and resilient budget in the country, according to KPMG."

A PolitiFact Iowa fact-check showed that the well-recognized national accounting firm rated Iowa and Utah the strongest for the combination of high budget resiliency and low risk. Iowa was among five states in the 2020 KPMG report with the top scores for budget resiliency. Oregon and Georgia led with a score of 6; Iowa, Idaho, and South Dakota were next with 5.

Reynolds' claim is one of several fact-checks we made after the debate, the only debate DeJear, a Des Moines businesswoman and Democrat, and Reynolds, a St. Charles Republican whose political career started in Osceola, will have this election cycle. Other debate topics included abortion, school choice and school funding. First, though, we have a few more points on Iowa's spending and income.

Reynolds said sound budgeting has allowed the state to cut personal and business taxes.

DeJear countered that Republicans have hoarded money that could have been spent on important state programs that aren't getting enough money to meet public needs, such as education and

accessible health care. The cuts amount to what DeJear called a small amount — \$50 to \$55 a month four years down the road — that won't add value for the vast majority of Iowans.

"What does add value are the systems that help around them, like strong education; access to special services, mental health care services; things that mitigate them having to respond to emergencies; access to housing," DeJear said.

"Talk to the working families, \$55, \$25, that matters to them," Reynolds responded. "It makes a difference, especially as they're seeing grocery prices skyrocket, what it costs to fill up your car." Food and gasoline price increases are main talking points for Republicans who see voters who are unhappy about a 40-year high in inflation, at 8.2%.

DeJear: "Those funds in the surplus, rather than being used for one-time funds, those taxpayer dollars should be allocated on an annual basis so that we're pushing the systems that are going to not only get people back to work but ensure that families all across the state have economic sustainability."

We've written about this after DeJear said in August at the Iowa State Fair that the surplus could be used for more spending on state programs. We ruled that statement to be Mostly False because taking money from Iowa's Cash Reserve Fund and Taxpayer Relief Fund would require, by law, legislative approval that must follow strict criteria. The projected surplus for fiscal 2022 was smaller when we wrote that story, pending a full accounting for the year at the end of September.

The governor has no authority over how the surplus is spent under state law. However, a governor can influence more spending by the Legislature on the front end of budgeting to spend more on programs and, thus, reduce the amount left in a given year for the relief fund. Iowa has had some good fortune when it comes to its finances.

Democrats have pointed out correctly that the Biden administration's American Rescue Plan passed in 2021 gave the state a \$1.48 billion financial boost. The most recent infusion of cash was revealed Oct. 11, when the U.S. Treasury Department announced that Iowa will receive up to \$96.1 million in American Rescue Plan money for small-business development, especially new businesses. Another example: Iowa pumped into its unemployment insurance benefits fund \$237 million from the American Rescue Plan in 2021 and \$490 million from the Trump administration's CARES Act in 2020.

But, state tax revenue also increased in fiscal 2022, which ended June 30, by 6.6%, and other revenue from sources such as state-controlled liquor sales and interest on savings increased by 5.5%, for an overall 6.6% gross revenue growth rate, the state Department of Revenue reported Oct. 13. Accounting adjustments for transfers and refunds boosted the overall increase in Iowa's general fund revenue to 11.4%.

Other measures of Iowa's fiscal position show the state ranking in the middle of the pack. U.S. News & World Report ranked Iowa's fiscal stability as 23rd among the states in 2021. Pew Charitable Trusts ranked Iowa as 24th among the states and District of Columbia with enough reserve funding for 37.4 days in fiscal 2021. Pew also reported earlier this year that Iowa's revenue

growth from the pre-pandemic first quarter of 2020 to the first quarter of 2022 did not keep up with inflation.

Reynolds: "The Cato Institute just recognized Iowa for (being) the number one state in the country for fiscal responsibility. And that was, what they took into account was not only the fiscal responsibility and restraint that we practice but also the tax policies that we have put in place. We'll go from the sixth-highest with the individual income tax rate in the country to the fourth-lowest."

Whether the predictions for Iowa's placement in four years become true cannot be known at this time because that will depend upon whether other states lower their tax rates to below Iowa's. Iowa's current income tax rate of 8.53% places the state as the nation's sixth-highest, according to the Tax Foundation, a nonprofit organization that aims to better inform the public and lawmakers on tax policy. Eight states do not have a personal income tax.

Tax Foundation data shows that, in 2026, when a new flat tax rate in Iowa is fully implemented, the state would have the fourth lowest individual income tax rate in the country if no other states reduce their tax rates. If we include the states without an income tax, Iowa would rank 12th, so which ranking is cited depends on how many states are included.

Reynolds was accurate when describing the Cato Institute's ranking for her. "Reynolds says that her politics are based on the ideas of limited government, personal responsibility, and individual initiative. As governor, she has translated those beliefs into lean budgeting and major tax reforms, earning her the highest score on this report," states the libertarian-leaning public policy think tank that favors individual liberty, civil society and limited government.

DeJear: "The Revenue Estimating Committee has already shown us that we're going to see a drop in revenue." This statement of money available for state spending accurately portrays Iowa's most recent Revenue Estimating Conference in October. The report showed a projected 2.7% drop in all state revenue this fiscal year, which started July 1, followed by a modest gain of less than 1% in fiscal 2024.

But Iowans won't know whether the projections will be met until after the fiscal year ends June 30, 2023. Projections are made monthly and previous ones, including March 2022's 4.3% projected growth in total state revenue for fiscal 2022, have been on the conservative side. Total growth ended up being 11.5% after the last fiscal year ended June 30, data shows.

Reynolds: "They believe you can abort a baby right up until the moment it's born." PolitiFact Iowa rated this claim to be Mostly False when U.S. Rep. Mariannette Miller-Meeks, R-Iowa, claimed that congressional Democrats' Women's Health Protection Act of 2022 "would permit abortion up until delivery."

Currently, abortion is legal in Iowa for up to 20 weeks. Since the U.S. Supreme Court's *Dobbs v. Jackson* overturned the right to abortion earlier this year, Reynolds has challenged Iowa court rulings that struck down state abortion restrictions she had signed into law, like a six-week abortion ban and a 24-hour wait period.

Reynolds asked DeJear in the debate, "Well, do you believe then that a woman can abort a baby right up until it's born? Do you believe in late-term abortion?"

DeJear declined to say, but said pregnancy has infinite variables and that she wants to codify Roe v. Wade. She said the government should not intervene in decisions between a woman and her doctor. "When she goes into that doctor to make a decision that is within her best interest, that is her decision, and my personal belief should not be in that room. And, no other politician's opinion should be in that room."

HR 8296, "Women's Health Protection Act of 2022," which passed in the Democratic-controlled U.S. House in July but has not moved further, would allow abortion until a fetus is viable and can live outside of the uterus. The bill would allow for exceptions that allow abortion past viability but only if a patient's health is in danger.

According to the National Library of Medicine, viability typically occurs around 24 weeks of pregnancy.

Reynolds correctly referred to state laws in Colorado, New Mexico, Oregon, Vermont and New Jersey as Democratic-led states where no limit exists for how far into a pregnancy a patient can get an abortion. DeJear was correct, too, when she responded, "the vast majority of abortion care is not late-term abortion."

Data from the Pew Research Center in June 2022 found that 9 in 10 abortions are done in the first trimester of pregnancy. In 2019, 6% of abortions were done between 14 and 20 weeks of pregnancy and 1% were at or beyond 21 weeks, the report found.

DeJear: "When the governor had an opportunity to truly impact our schools in a positive way to get them set up for success for the next school year, rather than seeing robust legislation to invest in our schools and get the districts what they needed, the best that saw was the idea that \$55 million of taxpayer money go to assist 2% of our students in the state."

We've rated as True in a previous story the statement that only 2% of K-12 students in Iowa would benefit from a Republican-led Putting Students First Act that would send about \$5,500 in vouchers to 10,000 students to attend a school of their choice. The bill passed the state Senate but did not move beyond that this year.

The 2% figure comes from giving vouchers to 10,000 of Iowa's 485,000 school children. The vouchers would cost the state \$55.2 million. Saying Reynolds did nothing else distorts the governor's support for increasing per-pupil state spending by 2.5% in this fiscal year. Democrats, including DeJear, say that isn't enough. Reynolds: "We've increased funding year over year. I am proud of what we have been able to do for our K-12 education system and for education in general. Since Republicans took control of the Legislature and the Governor's Office, over a billion dollars of new money has gone into K-12 education."

It's close to \$1 billion, but not quite, when counting state money only. Adding local and federal support achieves that mark. The Iowa Legislature appropriated \$3.5 billion for K-12 education in fiscal 2018, the first year the current run of Republican control of the governor's office, House and Senate was responsible for appropriating state funds. Additional funding from sources such as

receipts for school services from other government agencies allowed the state to spend \$4.1 billion, state budget records show.

Reynolds recommended a \$3.9 billion appropriation for the current fiscal year. That, plus additional revenue that includes almost \$1 billion in receipts from other agencies, would give Iowa \$5 billion to spend on K-12 education, this year's budget shows. The state Department of Management reports that adding local and federal dollars to the full picture brings the amount Iowa spends on K-12 education to \$8 billion annually.

Reynolds also touted at the debate her orders to open schools for hybrid learning when the coronavirus pandemic moved past its deadliest months. And, she said, Iowa's use of dual enrollment in high schools and colleges provides a good education in a cost-efficient manner. "We're the number one state in the country for dual enrollment," she said.

About that ranking: It is for the percent of community college students who also are finishing high school. It comes from an Iowa Department of Education analysis, the Reynolds campaign wrote in an email to PolitiFact Iowa. It matches a Community Colleges Research Center report on 2019 dual enrollment that showed Iowa leading the nation with 37% of its community college enrollment coming from high school students.

A state record 51,809 Iowa students enrolled in community colleges last year while also in high school. Initial data from community colleges shows that B number dropped 8.8% this year to 47,262, the Department of Education reported in October. A pending education department report will show different numbers, but two of every five community college students still are high school students, Jeremy Varner, the department's community college division administrator said in a PolitiFact Iowa interview.

Iowa education department analysts are preparing a report for the 2020-21 school year that needs more work before it is released, Varner said. It will show Iowa as first in the nation and growing enrollment. The figures will show 37% of Iowa's community college students still in high school, Varner said. That is higher than those with the next best rates: Colorado at 32% and Idaho at 30%. The data being analyzed is from the Integrated Postsecondary Education Data System that is run by the National Postsecondary Education Cooperative, he said.

Iowa accepts any academically qualified student for dual enrollment. "We don't just focus on top tier students," Varner said.

DeJear: "We have less than 750 beds in the state and we also are 45th in the nation in mental health care worker availability."

That is accurate. A March 2021 report by the Iowa Department of Health and Human Services counted 712 inpatient psychiatric hospital beds in the state of Iowa.

Mental Health America, a nonprofit focused on promoting mental health care, ranked Iowa at 45th among the 50 states, plus the District of Columbia, in its 2022 ranking for access to mental health professionals. The ranking used national provider identification data to calculate the number of mental health providers.

Another report from Healthcareinsider.com showed Iowa ranking 42nd in access to mental health care. Those rankings used a points system that accounted for the number of mental health care

workers, the number of mental health care offices, amount of substance abuse facilities and how many people could access mental health care through Medicaid or private insurance.

There has been a steady decline in the number of Iowa's inpatient psychiatric hospital beds since 2019 as health care delivery in Iowa has shifted during that time to outpatient services, mobile crisis intervention teams and crisis hotlines.

But mental health care advocates, including those from the National Alliance for Mental Illness, supported a 2021 law Reynolds signed that changed how Iowa funds mental health treatment. The changes include shifting funding from local property taxes to Iowa's general fund.

Reynolds, speaking about recovering from the coronavirus pandemic: "We were recognized as the fastest recovery in the country."

The Center Square and others in 2021 have reported that WalletHub ranked Iowa first in pandemic recovery in measures of health, economy and social activity. But in an updated version this year, Iowa ranked third using the same measures of COVID-19 health; leisure and travel; and economy and labor market. With a possible score of 100, WalletHub gave Iowa 72 points.

Rankings differ and each has its own measure. For example, a Politico scoreboard placed Iowa near the middle of the pack at 18th using measures of health, economy, social well-being and education. With a possible high score of 100, Politico gave Iowa 57 points.

Politico found that Republican-led states such as Iowa did well in economic and educational recovery but poorly in health-related recovery because of policies set in place that limit restrictions and opened up schools. Politico measured health factors through death rate, hospitalizations, vaccine administration and testing.

In 2021, Newsweek did a report, "States where the economy has recovered the most," on a mash-up of recovery measures by Credible that included unemployment rates, housing costs, job growth and gross domestic product. That analysis put Iowa in 44th place among the 50 states and the District of Columbia.

DeJear: "We've lost nearly about 40% of our child care providers in this state over the last couple of years."

Iowa Child Care Resource and Referral, a program advocating for quality care and pushing state regulation that supports child care providers, reported in a 2022 data sheet 4,661 programs registered with the program. In 2015, 7,560 total programs were listed. These programs include Department of Human Services registered child development homes, licensed centers and licensed preschools; centers, preschools and before- and after-school programs operated by the state Department of Education; and nonregistered child care homes.

The current number of child care providers makes up 61.7% of those open in 2015, aligning with the 40% lost portion that DeJear mentioned. Going back to 2011, the data sheet reported 11,257 programs. Providers in 2022 make up only 41.4% of those open 11 years ago, meaning the state has dropped 58.6% in the past decade.

The Iowa Legislature has passed several bills in recent years, including three in 2021-22 session in attempts to alleviate some of the child care issues plaguing the state.