

**2020 State of the State Address
Eric Holcomb
Governor of Indiana**

Delivered January 14, 2020

Mr. Speaker, Mr. President, Madam Chief Justice, Lt. Governor, members of the General Assembly, my fellow Hoosiers.

It's indeed an honor to stand before you to discuss the state of our state and the work we'll do to make life better for all Hoosiers.

And I'll get right to the point.

Thanks to the energy, ingenuity and hard work of Hoosiers across our state – and the work we're doing with them – the state of our state has never been stronger.

The economic numbers are compelling.

Since I first took this podium in 2017, our unemployment rate has dropped to 3.2% – a 19-year low – lower than the national average and lower than every state we touch.

We've set all-time records in jobs commitments and capital investment. In fact, there are an additional 88,000 jobs in the IEDC's pipeline because of the work that's been done in the past three years.

And it's not just the quantity of these jobs, but the quality.

Last year's new jobs commitments averaged more than \$28 an hour – another all-time high.

And we're pressing on. I'm pleased to announce tonight that Fiat-Chrysler has chosen Indiana for diversification and will invest nearly \$400 million in its Kokomo facility. Brad Clark, vice president of powertrain manufacturing for Fiat-Chrysler and UAW Region 2 Director Rich Rankin are both with us tonight.

Later this week, I'll be excited to head to Princeton for a special Toyota announcement.

Congratulations and thank you for choosing Indiana.

Our strong economy didn't just happen. We earned it.

Throughout our time together, we've operated within an honestly balanced budget and protected our Triple-A credit rating.

We set aside \$2.3 billion in our state's savings account, which is in stark contrast to some of our neighbors.

Others have noticed, too. In 2019, we ranked:

- #1 in the Midwest and top five nationally “for business”
- #1 in “infrastructure”
- Top two in the nation for “long-term fiscal stability”

A recent editorial in *The Chicago Tribune* put it this way: “What does Indiana offer that Illinois doesn't? Lower taxes, more stable home values, balanced state budgets and funded pension systems.”

36,000 people moved to our state last year, and Indiana's welcome mat is out for more who want to join us.

But I've always believed records are made to be broken and races are meant not just to be run, but to be won.

Tonight, ladies and gentlemen, we have with us two of the winningest men in all of sports, the new owner of our most globally recognized icon, the Indianapolis Motor Speedway, Roger Penske, and with him, the president of Penske Racing, a local boy who proved with a lot of hard work, Indiana dreams do come true, my lifelong pal, Tim Cindric.

Gentlemen, would you please stand up so we can fully express our Hoosier hospitality?

We look forward to many checkered flags in our future.

My friends, just like on the track, I have no intention of slowing down.

It was the great philosopher, Indiana Jones, who said, “To be a good archeologist, you gotta get out of the library.”

Well, that's exactly what we're doing – canvassing the country and world, attracting talent and business to Indiana.

Last October, I met with Prime Minister Modi of India – the world's largest democracy. Population: 1.4 billion.

We talked about mutual interests in agriculture, sports and wellness, and after the meeting he tweeted out how pleased he was to his 50 million followers.

I'm convinced that because of relationships like this, our collaboration will yield more growth for both.

That's why Commerce Secretary Jim Schellinger and I recently announced that we will host the first Indiana Global Economic Summit here in April.

Not only will we bring together local economic development partners, but we'll also assemble diplomats and decision makers from around the world to discuss topics like cybersecurity, the future of mobility, and energy storage solutions.

In addition, I've set a goal to triple federal defense investment in our state and tasked Secretary Schellinger, his defense guru Clif Tooley and Brigadier General Dale Lyles at the National Guard to partner with other military, university, nonprofit and private stakeholders to implement our strategic plan to do just that.

With Crane, Muscatatuck and Atterbury, no state is better positioned to develop the future of warfare in areas like radar, sonar, hypersonics and drone technology.

Now, a booming economy requires a strong infrastructure and our growth has enabled us to make unprecedented investments into building "One Indiana," border to border.

We're completing I-69 from Evansville to Indy three years ahead of schedule, and we're making US 31 stoplight-free all the way up to South Bend.

But better roads must also mean safer roads.

That's why we must join 21 states that have already passed a "hands-free device driving law."

Distracted driving increases the risk of a crash by more than 3½ times and is a leading killer of teenagers in America.

This is unacceptable and avoidable.

Last August, Tina and Lorin Smith were riding motorcycles in a fundraising event and pulled off the road to check their mileage when they were sideswiped by a minivan whose driver was looking at her cell phone.

Both Tina and Lorin lost a leg in that accident.

Rather than ask "Why me?" they asked themselves how they could be part of a solution, and they've become advocates for reducing distracted driving ever since.

Tina and Lorin, we hear you, and we're honored to have you with us tonight.

Now, being the Crossroads of America means more than just building roads.

That's why we're cleaning up our highways, having picked up nearly 16 million pounds of litter last year, blazing the most trail friendly state in the nation, connecting thousands of unserved homes and businesses to high speed internet service, adding more nonstop flights, transforming northwest Indiana with two rail projects totaling well over a billion dollars, finishing our due diligence on a fourth water port in Lawrenceburg, and facilitating the investment of \$436 million in 20 communities to improve local community water infrastructure, just part of what cities all over the state are doing to enhance their water systems.

Furthermore, Indiana has the cleanest air and water since the Clean Air & Water Acts of the 1970s passed, and we now have four times more timberland acreage than we did 100 years ago.

Recently, I learned the Central Indiana Land Trust has committed to planting one million trees throughout Indiana that will buffer some of our most iconic natural areas. I'm proud to announce tonight, that I've directed the Department of Natural Resources to plant another million trees on top of that over the next five years.

That extra timberland will perfectly complement our \$100 million renovation to our incredible memory-making state parks.

There's another project that's especially close to my heart.

Last session, we exempted military pensions from state income taxes. Thank you.

Tonight I'm delighted to announce that in the spring we will open the first facility in the country to bring together everything our veterans need – from the VA, to the DAV, the Indiana Veterans Initiative, VFW, and the American Legion all under one roof.

Thank you all for helping us make this happen!

For all we're doing to make Indiana stronger, the most important investment we can make is in our most important asset – our people.

Whether it's making sure every child has access to a quality education or creating tools like the ICC phone app that shows where 92,000 open jobs are right now, everything we do is aimed at ensuring every Hoosier can take the greatest advantage of their talents, drive and aspirations.

This, of course, starts with a good education, and that means great schools filled with great teachers.

I know a little about this. My mother was a teacher, and I saw how hard she worked.

Teaching, to her, was not a job but a calling. I'd go so far as to say a gift, and from the many conversations I've had with teachers across our state, I know they feel the exact same way.

That's why I created the Teacher Compensation Commission and asked them to come up with a sustainable plan to make our teacher salaries competitive with other Midwestern states. Their report is due this spring, but we didn't wait.

Last year, we devoted an unprecedented increase of \$763 million new dollars in K-12 education, including paying down \$150 million in the Teacher Retirement Fund, which freed up \$65 million more a year for teacher pay increases.

All of our school corporations have finalized their locally bargained contracts and more Indiana school districts have raised teacher salaries this year than in any other year in recent history.

Tonight, I am recommending that in the next budget the General Assembly use an additional \$250 million from our surplus and put it toward teacher retirement funds. In turn, \$50 million a year will be generated to redirect to teacher pay.

Together that's \$115 million more available annually to increase teacher pay with more to come after the Compensation Commission releases its recommendations.

And this year, we'll also work with the K-12 community to eliminate unfunded mandates and unnecessary paperwork. We'll make optional the requirement that teachers earn career-related professional growth points. We'll see to it that last year's ILEARN proficiency test scores don't adversely affect teacher evaluations and school letter grades. We'll make sure every school in the state has a relationship with a mental health provider. And we'll financially support educators who are working on the requirements to teach dual credit courses come 2022.

Now, our efforts to provide career opportunities to every Hoosier don't end at the classroom door.

As I've said from day one, Hoosiers can outcompete anyone, anywhere, any day.

But the vast majority of today's jobs require education and training beyond high school.

That's why our goal that 60% of all Hoosier adults have a post-secondary education and training remains critical to our collective success. This is the real game-changer to addressing income inequality, upward mobility and driving economic growth.

Thankfully, there are multiple paths to success.

It might be a two- or four-year degree or it might be a high-value credential or certificate.

The good news is the number of Hoosiers with higher education has increased by 10 percentage points since 2008.

So, we're moving in the right direction and doubling down with some homegrown training programs. When the job seeker puts in the time to train, the state will pay for it.

And over the past three years, more than 23,000 Hoosiers enrolled in our Workforce Ready Programs. As of the start of this year, 10,000 of them have completed a Next Level Jobs Workforce Ready-eligible certificate program. This is a mega milestone for the program.

Another 2,000 Hoosiers who previously started college but didn't finish came back and completed their post-secondary educations.

And more than 900 businesses have trained their employees using our Employer Training Grants, providing training for more than 9,000 members of our workforce.

This is huge progress and we won't overlook anyone who is aspiring to be successful.

That includes Hoosiers with disabilities, who seek to live and work in a safe, affordable and accessible environment. I join my partner, Lieutenant Governor Crouch, who is spearheading efforts to make that dream a reality for the 100,000 Hoosiers with an intellectual or developmental disability.

We've also dedicated resources to those who need a second chance.

I challenged our Department of Correction to graduate 1,000 inmates annually in certified programs that lead to good jobs when they get out – both to boost our economy and because they are less likely to return to prison.

I'm happy to report, that as of today the DOC has graduated more than 3,000 inmates in just two year.

I'm especially encouraged by the number of employers stepping up to offer second chances to returning citizens.

Among them is Grote Industries, a family business in Madison that designs and manufactures lighting systems for vehicles.

The company needed skilled manufacturing employees, and the DOC connected them with offenders who had received that exact training while at the Madison Women's Prison.

Grote hired its first worker from the program a year ago and today has five.

One is Amber Campbell, who spent more than five years in prison but got certified in manufacturing safety, production and maintenance.

She joined Grote in April last year and has already earned a promotion to team leader.

She says her training “gave me the confidence that I can do anything as long as I work for it.”

For CEO Dominic Grote, it’s a win/win. Along with Amber, he has another employee getting a degree to get a better job at Grote and two others pursuing degrees at Ivy Tech to become engineers – and, he hopes, stay with the company.

Amber, on behalf of our state, we thank you for all your hard work, and Dominic, we thank you for giving her that shot.

Because of these new programs and opportunities, our state recidivism rate has dropped 4 percent.

But in the spirit of always improving, I have a new challenge for Commissioner Carter and the DOC.

By 2022, I want 500 returning citizens annually to have validated job opportunities waiting for them before they walk out of prison, and 3,000 more formerly incarcerated individuals in jobs within five months of their release.

That’s why I’ve proposed to redesign the way we provide education credit to inmates so they have more incentive to holistically engage in addiction recovery treatment, mental health management, and vocational development. So they can reenter our communities as engaged neighbors, forever removed from the criminal justice system.

And, finally, we’re determined to improve the health of our citizens, which means tackling some of the toughest individual challenges out there.

We’ve taken many steps to attack the opioid epidemic, including restricting the number of prescriptions and increasing outpatient addiction treatment and the trend is finally improving.

In 2018, opioid prescriptions dropped 12% – faster than the national average – and, most importantly, deaths from drug overdoses went down nearly 13% – twice the decline of the national average.

We also need to do more to reduce another kind of addiction.

We know that 95% of smokers start the habit before age 21, and there's been an alarming rise in e-cigarette use among Indiana's youth.

In addition to raising the age to 21, we'll also seek to increase the penalties for retailers who sell tobacco and vaping products to underage buyers.

Our message hasn't changed: If you peddle illegal substances to our kids, we're coming after you.

We're also coming after high health care costs.

That's why we'll establish an all-payer claims database as a first step to improve information about hospital pricing and insurance reimbursement, giving Hoosiers more transparency to make better choices.

We'll also require that providers give a good-faith cost estimate five days before the care is provided, and we'll require in-network facilities to ensure their patients receive care at the network cost.

Because when you're injured or ill, the last thing you need is a surprise when you receive a medical bill.

I also want to report on the progress we've made at our Department of Child Services.

In 2018, I tasked Director Terry Stigdon to right the ship, and she did just that, undertaking a total culture change, focused on supporting the frontline staff who work directly with children.

The result is a much more stable workforce. The turnover rate of family case managers has been reduced by 18%.

And now we're seeing significantly improved safety outcomes – fewer kids in the system, fewer returning to the system and a faster rate to permanency.

This is real progress, but there is always more work to do.

For example, the department facilitated nearly 2,500 adoptions in 2019, but there are 1,400 other children currently available for adoption.

For this reason, tonight I'm creating the first adoption unit within the DCS.

This unit will bring additional staff into each region whose sole focus will be assisting family case managers with finding permanent homes for children when parental rights have been terminated.

We also must cut the time it takes to adopt to under a year.

Not only will this new unit help our most precious population find a permanent home faster, but it will also enable family case managers to focus on their primary mission of protecting children in need and realize a parent's desire to start or grow their own family.

Lastly, you'll recall, I challenged us to become the best state in the Midwest for infant mortality by 2024.

There's no better person in the nation to lead this effort than our Health Commissioner Dr. Kris Box, an OB-GYN and expert in this field.

The Levels of Care program I asked you to approve ensures that the highest-risk babies are now delivered at hospitals with the necessary facilities.

And more expecting mothers are being verbally screened for substance-use-disorder and receive support and medicine when they need it.

Steps like these are making a difference.

Our infant mortality rate decreased significantly from 2017 to 2018 and is at its lowest since 2012.

Moreover, the OB Navigator program you approved last year is up and running in Allen County and is set to go live in 19 more counties by the end of this year.

And to help more moms and their babies get off to a healthier start, we're pursuing legislation that 27 other states have already adopted that will require employers to provide reasonable accommodations for pregnant workers.

My fellow Hoosiers, we've become known around the world as "A State that Works."

I want Indiana to become known as "A State that Works for All."

Where every citizen – no matter their background or age or who they love or whether they grew up here or arrived last week – has equal access and opportunity to go as far as they wish and are willing to work to get there.

That's what I'll continue to fight for.

Some said it was a mistake to take on vexing issues that had defied solutions for decades, like drug addiction or infant mortality.

But we took them on, and now we're seeing positive results.

That's what Next Level means to me.

Keeping our record-setting economy rolling. Yes!

Building an infrastructure that connects us in every way. Absolutely!

Giving Hoosiers the tools they need to live healthier lives. For sure!

But more than that, making sure the enormous bounty of this state that we all love reaches every citizen wherever they live, whatever their aspirations.

I look forward to working with you to make it happen.

May God continue to bless us and our great state!