



Governor Pence's 2014 Well-Being Plan

December 19, 2013

What a delight to be with you all today. Thank you for taking time in the midst of the busy holiday season to join us for a conversation about Indiana's future. I have to tell you what a thrill it is to be here at one of the premiere institutions in the state of Indiana, serving some of our most vulnerable children and families. Will you join me in giving Joe Jordan and the Boys and Girls Club of Fort Wayne a thundering round of applause?

I want to thank Joe, Frank and all the members of the Board and the staff. 400 young people come through these halls every day, and their lives are better and their families are stronger for it. We couldn't be more honored and more grateful to be here and pay a small debt of gratitude to the Boys and Girls Club and all those partners within the community that make their important work possible.

I want to acknowledge all the wonderful organizations that are here: YMCA of Greater Ft. Wayne, Hope Alive, A Hope Center, Women's Care Center, Women's Health Link, Lifeline Youth and Family Services, Cross Connections, Mustard Seed Furniture Bank, Woodburn Christian Children's Home, A Friend's House, InAsMuch, Burmese Community Center, and the Latino Community Center. Please make a point to stop by each of their booths. Every one of these organizations has made a difference in the lives of people and families here in Allen County. Thank you for being with us today.

To Horizon Charter School—I've never been surrounded by a better-looking group of kids. I'm really excited to be with you today.

After serving almost a year as your Governor and serving part of Allen County for a number of years as a member of Congress, let me tell you with great conviction, I have served with one legislature, I have served with another legislature, and I promise you, Indiana has the best state legislature in the United States of America.

I want to thank Representative Robert Morris and a new member of the Indiana General Assembly, Representative Casey Cox. I know Rep. Cox knows he has big shoes to fill. This is my first time in front of a crowd who would have known her since she has gone to be with the Lord. Let me just give us all a chance to express our appreciation for the character, the life, the work, and the legacy of Rep. Phyllis Pond.

Thank you all for coming and to Cathy Humbarger, thank you for helping to bring together so many organizations. It is a joy to be with you today.

I am happy to report to you as we approach the end of 2013 that Indiana is strong and growing stronger.

When I took office, unemployment in Indiana was 8.6 percent. There will be new numbers out tomorrow. The latest numbers are that we've dropped to 7.5 percent, which is still too high, but it's a five-year low. Indiana's economy is on the move.

We recently were awarded a renewed AAA bond rating from all of the major credit agencies, as they looked at our honestly balanced budget, fiscal stewardship, and saw that, here in the state of Indiana, you can invest in education, in innovation and reform. You can invest in infrastructure and pass the largest state tax cut in Indiana history, and you can still be the fiscal envy of the country.

Hoosiers are leading the way in fiscal responsibility and pro-growth policies, and it's been my great honor to lead this state as governor over the last year.

People are talking about Indiana all over the place. CEO magazine recently said Indiana was the best state for business in the Midwest, the fifth best state for business in the United States of America. As local leaders in Allen County will attest, there's something called Site Selector magazine, and they said Indiana was the best state to relocate your business in the Midwest and the second best state in America to start a business.

We've made great progress, and I'm here to talk to you about building on the momentum of the state of Indiana. The truth of the matter is, for all of the progress that we've made—and Hoosiers deserve the credit for that progress—we've still got a long way to go. We must remain bold. We must remain ambitious because at this point as we gather today, nearly a quarter of a million Hoosiers are out of work and struggling in this economy. Some 200,000 children in Indiana still find themselves in under-performing schools. And families across Indiana are struggling in these difficult economic times. Now, more than ever, we need to redouble our efforts to build on the progress that we've made until good jobs, great schools, safe streets, and strong families are the hallmark of every community in every county in the state of Indiana.

I want to talk to you about our agenda today and cover aspects of our agenda that we've been talking about around the state of Indiana, and then I want to focus today on families.

Before I do that, I want you to know we go to every source we can for ideas about the future of Indiana. Not long ago, it was Statehood Day at the Statehouse. That's a day that hundreds and hundreds of fourth-graders fill the Statehouse, and they go office to office. When they came to my office, we had them fill out their own Roadmap. We asked them to answer the question, "What would you do if you were governor of Indiana?" I got some very, very interesting answers.

One was, "Make sure people are happy." This one I'm going to hang on my wall at home, "Make a difference." Then there were others: "To make a video game school." One said, "I would ban homework and have a lot of class pets." Another one, "I would probably go missing into the woods for an adventure." I had a lot of children tell me they want to bring their pets to school, and, my personal favorite, "I would lower taxes." This one touched the First Lady and my hearts this morning, "Make more animal shelters and make sure more animals don't get put to sleep." Just a couple more: "Take trips and speak at schools," "Give some money to charity," "Make sure the roads are in good shape," and "help schools that had been broken in storms." Lastly, a personal favorite, "I would make Indiana awesome." A lot of great ideas and a lot of wisdom in these answers.

Today, I want to talk to you about our Roadmap for 2014 and reflect for a time, in a thoughtful way, on our interest in strengthening the foundation under Indiana's families.

In the broader sense, over the last several weeks, we have, from Corydon to the capital city of Indianapolis, talked about our policies for growing Indiana's economy and strengthening our commitment to education in the state.

In the category of growing the economy, we have called on the kind of tax reform that we think will attract more investment in Indiana. I'm calling on legislators to work with our administration to phase out the business personal property tax in the state of Indiana because I feel it is a barrier to investment and growth for our state. It's important to note that Ohio doesn't have a tax in this nature, Illinois doesn't have a business personal property tax, and Michigan just passed legislation to phase theirs out. In the competition for jobs, I believe this is the next natural step in tax reform, but it's absolutely essential that we do this in a way that does not unduly burden the local communities that receive the revenues from the business personal property tax. I'm confident that we can do that. But it is about making Indiana more attractive and more competitive for investment that will create jobs. We also have promoted entrepreneurship by making it easier for new businesses to raise capital. And we're calling on an investment of some \$400 million in infrastructure. I like to say, "If you're going to say you're the Crossroads of America, you better have the roadways to back it up!" And we've worked to find resources that have already been appropriated and put those to work across the state of Indiana, including our roads and bridges. Taking care of what we've got, finishing what we've started, is absolutely essential to a growing Indiana economy.

We're also encouraging a plan to create a new vision for cities just like Fort Wayne, large regional cities across the state, to initiate a process where we encourage private sector leaders to think about how we might over the next decade improve the quality of life in those communities. And our proposals are borne on all those principles. We're talking about cutting red tape in Indiana, bringing legislation to roll back red tape. I'm pleased to report that new regulations are down 52 percent in the state of Indiana over this time last year. There's more to be done.

In the area of education, our aim is to provide parents and teachers more choices in the legislation that we're bringing forward. In the category of more parental choice, we want to strengthen the foundation under our charter schools by allowing charter school networks to manage their funds with the same flexibility that school districts can. It will lay a stronger foundation under those innovative public schools that are charter schools, like those gathered here before us today. We want to strengthen and increase the number of dropout recovery schools, several of which are having an incredible impact on giving people a second chance at getting a full high school diploma. We also want to re-task our efforts for adults that don't have the skills necessary to reach their full potential in the workplace through a performance-based approach and supporting career pathways in our high schools.

We aren't just about increasing choices for families, but as I mentioned, I want to increase choices for teachers. My wife Karen is a career schoolteacher, and my stepfather, with whom we spend Christmas Eve as tradition in our family, was actually the Indiana State Teacher of the Year back in

the 1980s. I think a good teacher makes all the difference, and I could name, just like probably everyone here can, two or three teachers who saw more in you than you saw in yourself. In light of this, we're calling for a teacher innovation fund that would allow teachers who think outside the box to have more resources and bring new approaches to the classroom. We should reward them for doing that. We also want to give teachers more choices in where they teach, so we came up with the choices for teachers proposal that would say if you're a schoolteacher and you would like to transfer to an under-performing public school or to a charter school that teaches a majority of disadvantaged students, we'll create resources so that the income disparity that would exist in that move does not deter teachers. Joe, I appreciate the affirmation in that. Somebody said to me, "Is this an incentive for teachers to go?" And I said, "I don't think teachers need an incentive to follow their hearts." The reality is, and we experience this in our family, is maybe people in the course of their career and as family obligations grow, find themselves where they were not really always wanting to be teaching. Maybe it's the teacher just a few years away from retirement who would like to come alongside a community or a school impacted by their experience. Maybe it's the younger teacher who got their first job in one part of the community but has a heart for another. It's about all of our public schools teacher, and I believe it's an idea whose time has come. So we've been promoting these ideas in our agenda about how we grow the economy and how we strengthen education, but today, I want to talk with you in the time that I have remaining about the importance of strengthening the foundation under our families.

The fabric of Hoosier culture is really woven together, I think, by threads of family, faith, and community. And that's a good thing.

I'm mindful of a noteworthy contemporary thinker by the name of Arthur Brooks, with the American Enterprise Institute, who said that you can actually show empirically that our overall sense of well-being as a people is driven in no small part by the quality of our families, our faith experience, the communities in which we live, and the work that we do. In a very real sense, our personal happiness, our personal fulfillment derives from the strength of all of these institutions.

So, today, I want to focus on Hoosier families and the well-being of Hoosier families and our kids. The truth of the matter is, in many cases, Hoosier families have been struggling. There have been changes afoot in the culture. As I said in my State of the State address, I think we need to find a way to talk about it in a way that's thoughtful and respectful and a consensus concern of the people of Indiana. First and foremost, as we talk about the changing dynamic, we must do so in a way that lifts and encourages our people and our communities. My sister is a single mom with three kids. My wife, Karen, was raised for most of her youth by a single mom. So nothing of what you will hear me say today is borne of anything but a deep sense of compassion for, and a renewed commitment, that the state of Indiana is going to continue to keep our promises to our single parents, so long as I'm Governor.

When we think about the future we think about our kids. We have to be honest about the impact unmarried child bearings have on our communities. From the nods in the room from people representing organizations that are working alongside families, you know that to be true. I mentioned the American Enterprise Institute, an organization, along with a very strong organization called the Brookings Institute, and saw something not long ago that they called the

Success Equation, based on statistics. Essentially they found that if any person in our society does these three things in this order, they have an almost infinitesimal chance of being poor. It's called the Success Equation. Those three things are: if you finish high school, if you get a job, and if you wait until you are married to have children. The percentage of people who do those things and find themselves in persistent poverty are almost nonexistent. I think it's time to be honest with these numbers and share with our kids the importance of these things: the importance of getting a high school diploma, the importance of being ready for work, and the importance of waiting to have children until you're married. Being honest with our kids about an aspiration I think is critical. The truth of the matter is, President Obama recently gave a speech on his focus on income and there is an extraordinary disparity between the strength of two parent families and incomes across this country. As the President noted, the number of people who are born in the top one percent of income, have almost a 1 in 2 or a 1 in 3 chance of staying in that income level, or people that are born in the lower 20 percent, as the President noted, have only a 1 in 20 chance of moving up.

Family, I would submit to you, is a key indicator of success. So looking for ways that we can encourage more young people to get married, to stay married, to wait to have children until they're married is a very important. In Indiana, this is particularly important. Back in the 1960s, an average of 5.4 percent of children in our state were born to unmarried parents. That rate had been nearly flat for decades in our state before then. Then it began to rise to 20 percent in the 1980s and double that to almost 40 percent today. In Indiana, we have the 13th highest unmarried childbearing rate in the nation. The large majority of unmarried childbirths occur to women in their 20s and in their teens. So, what I want to talk to you about, is how we encourage a stronger foundation of our families. I felt very strongly about coming to a place that makes such a difference in the lives of families—so that I could learn from you.

So far in our administration, we've taken some steps to try and strengthen the foundation of families. On my first day in office, I required all state agencies that impact families and children to draft a family impact statement, to ensure that no rule or regulation in the state of Indiana would be a detriment to healthy families in our state. We've also initiated a multi-agency effort in the state of Indiana to bring together a diverse group of Hoosiers and national leaders to have a conversation about the research and best practices about promoting childbearing in intact homes in the next year. I look forward to working with all the state voters in this room today as we work toward that goal. I know that the issue of family and particularly the issue of marriage will be in discussion in the upcoming session of the General Assembly. Let me just say that there are good people on both sides of the issue. My position on the issue of marriage is fairly well known. I believe in traditional marriage. But however the General Assembly deals with that issue, I also believe our conversation about family has to be more than just a debate over definitions. We have to come together as a state to encourage stronger families in Indiana, and I'll briefly summarize some of our ideas. First and foremost, many of you know that I cherish vulnerable, infant human life. But one of the things our administration has done early on is really focused on a real challenge and a real crisis in the state of Indiana.

As I stand here today, I say with a heavy heart, Indiana's infant mortality rate is the 6th worse in America. Now, we gathered together nearly a thousand healthcare officials and stakeholders across

the state of Indiana—the first ever summit on infant mortality and it was just a few short weeks ago. And I said it was important as we began a discussion on how we could confront the crisis of infant mortality in the state of Indiana that we understand that we're not talking about numbers, we're talking about heartbreak. That and each and every one of these cases is an example of inexplicable pain for Hoosiers, and inexplicable loss for our communities and for our state. And so, we have initiated a process, on a multi-agency basis, to see how we can make progress in lowering the number of children who die in the first year of life. Infant mortality is a problem that we need to confront together, and we need to confront with urgency. Our Department of Health is putting together a plan that will work with outside partners to provide essential prenatal care, education about health practices at 39 weeks, because the statistics suggest that mortality is related to early birth weight and rates, and we just started to identify that important link as we have studied best practices in other states. And so, I want to ask you to join us in this conversation. We must make it our aim to stand for the most vulnerable among us. We must lower the infant mortality rates in the state of Indiana.

The next thing I want to do to continue with supporting families has to do with pre-k education. Now I will tell you that, I believe the best pre-K program is a healthy and prosperous family that can provide for their children in their home is something that every child needs and deserves. And the truth of the matter is, I don't need to tell the folks here at the Boys and Girls club that that reality is not the case for tens of thousands of vulnerable children across the state of Indiana. We took some time this year to travel across the state. We met with people operating the most innovative and effective programs in Indiana. We sat on the floor with kids in public pre-K programs, private pre-K programs, faith-based and church-based programs. And I can tell you that Mrs. Pence and I are impressed. Different from whatever you may think of pre-K programs, pre-K today is focused on outcomes and focused on achieving objectives when it's done right. And it's done right in communities, including this one, across all of Indiana. It's the reason why I think the time has come in the State of Indiana to provide support for pre-K education for disadvantaged families in this State.

It's important that the program be voluntary. I think it's important that the program is available for four-year olds in Indiana in the form of a voucher. I want parents to be able to choose to send their child to a church-based program, a private program, or a public program that they think would best meet their needs. Our proposal is that vouchers would be available to families up to 185 percent of the federal poverty level. This would impact nearly 40,000 children in the state of Indiana that don't have access to pre-K today. I believe the time has come. There's no time like the present to move on. And I look forward to working with members of the General Assembly as we bring forward that idea and that principle in the days ahead.

Next in the category of supporting the foundation for families, I am absolutely convinced that by making career and vocational education a priority in every high school in the state of Indiana again. We will do right by our kids. We will do right by our families. And we will make our communities and our state stronger.

I'm pleased to report to you with unanimous bipartisan support of the Indiana General Assembly that we passed several pieces of legislation that have given us the ability in this next year to make

that vision a reality. You know, I was someone who was raised to believe that all honest work is honorable, that a high school ought to work just as well for our kids that want to go get a job as they do for kids to go off and pursue higher education.

That's why we organized eleven different Regional Works Councils that have been working over the last six months, bringing educators together, business leaders together to answer one question: What should the curriculum in high schools in this community look like to give young people the opportunity to get the education, background, and the career training necessary to graduate and get a good-paying job in this community today?

Joe would know this—the high school kids that come through here and the heartache and the experience that happens when a young person of great promise drops out of school. Oftentimes, it's not because they're flunking out. The national statistics say that 50 percent of the boys and girls that drop out of high school every year are making a passing grade when they drop out. I believe that by creating more effective career pathways in high school, our young people are going to see the relevance of that high school diploma. They're going to make the right choices because they'll see that the future they want is available for them. Lastly, remember, this isn't about a plan A and a plan B. I won't make you do a show of hands here, but I've lost count of the number of men and women who have come up to me after hearing me talk about my vision, my passion for career and vocational education, men and women who employ hundreds and thousands of people, who have gone on to be some of our most prominent and prosperous citizens, who started their careers right after high school. If you believe, as I do, that success begets success, we want to make sure our young people, wherever they want to start in life, can start successfully. It's going to be better for them; it's going to be better for our state as whole.

One last thing I want to talk about regarding strengthening the foundation of our families has to do with strengthening the tax code itself. I believe the time has come for us to index the per child dependency exemption in the state of Indiana and to strengthen and protect the fiscal foundation under our families for years to come. It is striking to some to reflect on the fact that we've not increased the dependence exemption in our tax code since 1978, even though the cost of living has increased 3.6 times since then. Our personal exemption hasn't been increased since 1963—I was four years old that year. The cost of living since that time has increased 7.6 times. If we began indexing our exemption to inflation, we will ensure that wherever we are today will be eroded as years go on for families. The truth is, if we'd been indexing our exemptions all along, our personal exemption would be worth \$7600 today; for individuals, our dependent exemption would be worthy \$3600 per child. That's a difference in the lives of families. I think the time has come to reform the tax code in Indiana, so Indiana's tax laws say "Yes" to families.

Lastly, let me say one last idea. I know I'm throwing a lot at you, but I hope you know where I'm coming from. I really do believe that strengthening the foundation of families and affirming the importance of families is critical, and we need to advance policies that will help achieve the results to which we all aspire.

One last way we can do that has to do with adoption. I would tell you that Mrs. Pence and I have crossed that threshold of the adoption decision years ago. We hosted the very first adoption fair

that ever took place in the state of Indiana at the Statehouse. Some of you were here for that and it was very special. It was on that occasion that Mrs. Pence shared that about 22 years ago we had gone through 5-6 years of unexplained infertility. We simply could not get our family started, and so we made the decision to enter the adoption process in Indiana. We went all the way through it when God had other plans and my 22 year old Boilermaker son decided to head our way. And then we got the call from this lady about a mother who had chosen us and the only other question we had at that point was, was the other family clinically proven infertile. When we heard that they were, we said, "No, we have been blessed." But to this day, we have always cherished and admired families that have gone through adoption, and we have seen that there are all kinds of ways of putting families together and adoption is chief among them apart from the natural process. We want to be a state that is pro-adoption. Our agenda for this upcoming session is to expand and improve adoption in Indiana...Indiana's primary adoption critic with the federal adoption credit to lessen the burden on couples who pursue adoption, we want to form a committee that studies better practices in other states so we can better engage faith-based and community-based organizations that come alongside, like many here in this gymnasium, to match adoptive parents with children. I want to tell you that my aim is very simple: I want Indiana to be the most pro-adoption state in the United States of America

So thank you for coming during a very busy holiday season. Thanks for coming for this very important conversation in Fort Wayne today.

I truly believe that by working together we can strengthen the foundation under Indiana families, we can reduce infant fatality, we can expand opportunities for earlier development for vulnerable children in this society, we can promote innovation in schools so our kids can get the education they deserve and want and to be able to graduate from school with higher frequency and to be able to support themselves and their families. I believe we can strengthen the fiscal foundation of our families through tax reform in Indiana. I believe we can reform Indiana to make adoption more prevalent and the blessing of adoption more frequent in our state. But it's going to take energy to do it and we're going to have to stay ambitious to do it. I just want to assure you that with whatever time I have, it is always going to be my aim to be bold and keep my eyes and my heart fixed on people who are struggling in this economy, on families that are struggling in this economy, on kids that find themselves in under-performing schools. For them, for their sake, we have to remain ambitious. We have to remain bold.

And the good news is I know we will. It's just what Hoosiers do. I've seen it again and again and last year I saw it throughout my entire service. When Hoosiers know that there is someone in need, they step up without regard to the costs of them and make a difference. I just want to say that in this coming session of the legislature and the coming years, let's all come together in ways that are going to make a difference in this generation and the next and expand opportunities for all our people, for all of our families, and for all of our children.

Thank you very much.

