

Good afternoon, and thank you for taking time to be here. I'm particularly grateful that the Commissioner of the Indiana Department of Transportation, Brandye Hendrickson, is here, along with many members of the dedicated INDOT team in the Hoosier state. There's an awful lot of work that goes out of this place, in hot weather and in cold weather, and I invite you to give a round of applause to the men and women who are out on the roads making a difference for Hoosiers in all the seasons in this state. Would you please join me? And I'm grateful to have many leaders across the business community who are with us today. I thank you for your time and your presence here.

Indiana is the Crossroads of America. Our state has more miles of interstate highway per square mile than any other state in the union. Since very early on in our state's history, when the national road was built during the 1830s when Michigan Road went from Madison to Michigan City, we have truly been the heart of the heartland when it comes to transportation. And today with the state of Indiana marking record employment, with more Hoosiers going to work than ever before in the history of our state, with the lowest unemployment rate in the Midwest, make no mistake about it – the infrastructure of this state has contributed to the widening prosperity of the people of Indiana. And this administration knows, roads mean jobs.

It's for that reason that from the beginning of our administration we've set out and make a priority of funding transportation and infrastructure. We've had three goals. That is, take care of what you've got, finish what you've started, and plan for the future. Without question, our infrastructure in Indiana has made us a national transportation hub and a global distribution powerhouse. And it's one of the reasons why Indiana continues to be recognized as a logistics center of this nation. Our infrastructure provides working Hoosiers with a dynamic advantage over other states – our roads and bridges are just one part of the many tools in our toolbox when we tell Indiana's story all over the country and all over the world. Since 2013, I am pleased to report to you all that our administration has increased transportation projects every year. All told, we've actually dedicated more than \$1.26 billion in additional state funds since I became Governor for transportation. The first budget I signed directed that 1 percent of all sales tax go toward funding roads and bridges. The same budget also ensured hundreds of millions of dollars in the Motor Vehicle Highway Account went directly to improving roads and bridges. Our Major Moves 2020 program invested \$400 million to widen and rehabilitate heavily traveled interstate sections that were built nearly 50 years ago, and the current state budget includes an additional \$200 million for state highways.

Let me say again: since 2013, well after the Major Moves that has provided so much infrastructure investment in our state, our administration has invested \$1.26 billion in infrastructure in this state. With this level of commitment, our Department of Transportation has been hard at work ensuring that we continue to live up to that reputation as the Crossroads of America. Now, we've heard a lot of opinions, particularly lately, on Indiana's infrastructure. And I always like to say, Hoosiers are entitled to their opinions, but you're not entitled to your own facts. And here are some of the facts about infrastructure in the state of Indiana.

In FY 2014 and 2015, INDOT rehabbed or replaced 630 bridges in the state of Indiana, as compared to 181 in the prior biennium. This fiscal year, INDOT will award contracts to resurface 727 miles of state highways compared to 2013 when INDOT contractors resurfaced only 334 miles of highway.

I'm pleased to say, well represented behind me, that the man hours that our INDOT team has put into bridge maintenance performed by in-house crews increased 19 percent since our administration took office and during the same time frame, the miles of pavement sealed increased by 18 percent.

So what does that mean for everyday Hoosiers and business who rely on our highways?

Simply put, it means that Indiana is committed to ensuring that we have the infrastructure for our families and our communities and our state to prosper. Thanks to Hoosier taxpayers, thanks to hardworking servants here at the Indiana Department of Transportation, thanks to a dedicated community of contractors and engineers - Indiana's infrastructure is improving every day.

Over the past three years, state bridges rated as fair or better increased from 93 percent to over 95 percent. State maintained pavement has improved from 89.3 percent in fair or better condition to 90.3 percent.

As major projects like I-69, the Ohio River Bridges project and the finishing up of U.S. 31 were made possible through Major Moves, we've been continuing to invest in taking care of what we've got, finishing what we start, and remaining the Crossroads of America.

Now, I would say to each one of you, that despite all of these historic investments that we've made over much of the last decade in infrastructure, there is more work to do to preserve and improve our state's roads. And that's what brings me to our announcement today.

Today I'm very pleased to announce what we will call the 21st Century Crossroads plan. It will provide \$1 billion in additional road and bridge preservation resources over the next four years without raising taxes. Adding \$1 billion in road preservation will make a substantial improvement to our roads and bridges. And let me say it again; we will make this investment without raising taxes on working families across the state of Indiana.

So I'm proposing five components of this \$1 billion, 21st Century Crossroads plan.

First, to start, at the end of FY 16, it's our expectation that because of the robust growth in Indiana's economy, our reserves will be north of \$2 billion, or some 13%. And the following year's general revenue appropriations will be near that.

I'm proposing that any amount of FY 16 reserves above 11.5 percent be transferred from general fund reserves to go to road and bridge repair. Based on current forecasts, that will free up about \$241 million that will go directly to infrastructure. Let me say that we closed this last FY with more than 14 percent in reserves because of the expansion of Indiana's economy. Now, I always want to make sure we have a strong balance sheet against economic downturn. But, I'm confident that with 11.5 percent in reserves, we'll be able to maintain Indiana's strong fiscal position and still be able to put a priority on the infrastructure this state needs.

Secondly, I'm requesting an additional \$151 million in general fund appropriations from the General Assembly for each of the FY of 2018, 2019, and 2020. These appropriations are specifically for INDOT to make road and bridge repairs across the state.

The third element of this proposal is to use \$50 million of earned interest from the Next Generation Trust Fund for infrastructure maintenance. Current market conditions suggest \$50 million of interest is achievable just three years after our next scheduled distribution from the fund in March.

Fourth, I've directed the Indiana Finance Authority to restructure a number of 2007 issued bonds to achieve a significant amount of savings. At current interest rates, we could secure an additional \$26 million for road and bridge repair through 2020.

Finally, based upon the fact that we are one of the few states in America that has the highest credit rating – AAA bond rating – I am going to request, specifically, that we finance \$240 million using the fiscal strength of the State of Indiana. Even with this investment, our Office of Management and Budget informs me that in two years, Indiana will have less debt on the books than we have today.

Now, I must tell you that I too believe that this is one of the dividends of the fiscal responsibility that has become the hallmark of state government. When you have as strong of a balance sheet as we have; when you have the credit rating that we have; and, when you have money in the bank, Hoosiers have the ability when it comes to important needs like our infrastructure, in this case, preservation, that we can look to the money that we have in the bank, we can look to the credit rating that we have, without having to look to the pocket book of Hoosiers and motorists across our state.

Ultimately, the funding that I have outlined – when included with base funding – will put INDOT on a path to resurface 16,000 miles of state highways and repair more than 5,200 bridges over the next 15 years. Hoosiers will be glad to know that our bridges are currently above the national averages of 94 percent in fair or better condition, this plan would actually take Indiana's bridges to 97 percent over that period of time. Similarly with roads, Hoosier motorists can expect 94 percent becoming fair or better through this 21st Century Crossroads plan.

As I said here in this very same place some eighteen months ago and said as I opened this morning, I believe that roads mean jobs. And I don't just mean the kind of jobs that come from people that design roads or build roads. I mean that roads mean jobs. When you have the right infrastructure, with the opportunities that we have here in the state of Indiana. We are going to continue to create the conditions and the environment that will set the pace that Indiana is on today well into the future for economic growth, investment and good paying jobs for our families, for our kids and for our grandkids.

I believe the commitment that we are making today is responsible, appropriate and takes an important step towards ensuring that our roads can support the economic and employment growth in our state for many years to come.

I've said it before, I'll say it again: if you are going to say you are the Crossroads of America, you better have the roads to back it up. And here, by this 21st Century Crossroads plan, we are going to make sure that we take care of what we've got, that we build on the investments that we've already planned and that we make sure that the heart of the heartland continues to be a destination for businesses and for families for generations to come.

Thank you all for being here. It is a great, great honor to serve as the Governor of this great state.