SUMMARIES OF GOVERNORS' 2018 STATE OF THE STATE ADDRESSES

February 23, 2018

Overview

State of the State speeches this year have reflected a more stable fiscal and political environment for states. Unlike last year when the majority of states were seeing revenues come in below projections, most states this year have experienced modest growth in tax collections. Additionally, last year states were facing a high level of federal uncertainty that has now lessened with the two-year spending deal that increases spending caps for both defense and non-defense discretionary spending, and no repeal of the Affordable Care Act. While Congress did pass a tax reform bill that the President signed, the impact to individual states will largely be dependent on their own decisions regarding how closely to conform to the federal tax code.

Many governors began their State of the State speeches highlighting the current strength of their state including lower unemployment, job gains, economic growth, balanced budgets, and increasing the size of rainy day funds. Additionally, a number of governors that are finishing their second term talked about improvements in comparison to when they took office shortly after the end of the Great Recession. While governors discussed a wide-range of policy proposals, several issues received increased attention. Many governors focused on workforce development and the need to have qualified workers for the jobs of today. Several governors discussed various job training programs including apprenticeships, while others talked about making changes to the education system including offering more computer science or coding classes, increasing dual credit opportunities, and in some instances offering free tuition for community colleges or technical schools. Many governors talked about ways to help create success for all people in the state, with some proposals centering on more affordable housing, raising the minimum wage, or other ways to help people compete in the new economy. Another area of focus from governors was

tackling the drug abuse and opioid crisis with varying plans involving a combination of treatment, prevention, education, and increased law enforcement.

While many governors focused on workforce development and dealing with the opioid crisis, many other policy areas were also discussed. Regarding elementary and secondary education, many governors once again called for increased K-12 funding, while other issues of focus included: education funding reforms; higher teacher pay; ways to attract new teachers; greater investments in early education; added state funding for school construction; and efforts to help rural schools. In the area of postsecondary education, much of the focus was on the aforementioned strategies to prepare students for the changing career landscape, and how to make college more affordable, with added discussion of student loan forgiveness. Health care proposals were largely focused on reforming current systems or controlling costs and rate increases, while a few governors called for Medicaid expansion in states that did not previously expand. Corrections and public safety received a large amount of attention this year with governors discussing plans for criminal justice reform, changes to the juvenile justice system, tougher penalties for violent criminals, increasing second chance opportunities for some convicted felons, improving correctional facilities, and pay raises for correctional officers.

In the area of transportation and infrastructure, new proposals were somewhat more modest than the prior few years as a number of states have already taken steps to increase transportation spending; however, some issues that were discussed included water infrastructure, traffic congestion, and reforming site selection processes. Other proposals and initiatives highlighted by governors included: reforms to child welfare systems; added funding for foster care; increasing adoptions; additional mental health funding; helping people with disabilities; addressing homelessness; paid sick leave;

gerrymandering reform; ethics reforms; steps to prevent sexual harassment; increased funding for veterans services and other proposals to help veterans; tackling climate change; increased broadband coverage; voting reforms; immigrant rights; reforms to pension systems; diversifying the economy; and a series of plans to help bolster rural areas.

While many outgoing governors highlighted prior tax cuts during their time in office, new tax cut proposals were relatively modest this year. A few governors discussed tax reform plans including cutting personal income taxes or corporate income taxes to promote economic growth and make their state more competitive, while other governors talked about steps to reduce property taxes. Some governors also talked about revenue increases including the possibility of raising gas taxes, examining increased tobacco taxes, and creating a new severance tax. Only a small number of governors directly talked about the potential impact of federal tax reform on their state, likely due to the fact that many states were still analyzing the impact; among the governors that did mention the new federal tax bill, a few talked about steps to minimize the impact on taxpayers in their state while others praised the passage of the bill. In addition to tax policy, another area of focus in governors' speeches was reducing regulations to promote businesses. Finally, many governors mentioned various reforms to state government including plans centered on added accountability and transparency, greater consolidation, reducing structural deficits, increasing the size of rainy day funds, and ensuring that budgets are balanced in the future.

Below are state-by-state summaries of State of the State addresses with links to the speeches. Additionally, click here to access governors' proposed budgets for fiscal 2019.

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Alabama's governor said that over the course of the last year, the state has made significant progress with its budget, revenues are up, the economy is performing well, and the state has invested in important programs like the Strong Start, Strong Finish education initiative. Looking forward, the governor said that her general fund budget proposal allows for the hiring of more state troopers and correctional officers. The governor also said that improving correctional facilities should be a priority. Other areas of emphasis include encouraging new broadband investments in rural areas, giving preference to veteran-owned businesses that bid on state contracts, a pay raise for all teachers and state employees, increased funding for K-12 and higher education, and additional dollars directed towards the state's pre-K program.

Alaska's governor focused on the need to enable Alaska to control its own destiny by resolving the state's fiscal challenges. The governor began by highlighting accomplishments over the past few years including a liquified natural gas project that will help diversify the state's portfolio, tribal child welfare compacting, Medicaid expansion, a climate action leadership team, and a public safety action plan. He also said that his fiscal 2019 budget plan increases public safety spending by \$34 million to help stem the tide of illegal drugs. Additionally, the governor noted that a fiscal plan that only focuses on cuts would negatively impact the important work that state employees do in areas such as public safety. The governor concluded by discussing the need to enact his Alaska Economic Recovery Act, to be willing to make tough decisions, and to pass sustainable budgets on time. Specific reform proposals included moving to a biennial budget process, a pay freeze for the governor if he or she does not propose a budget by December 15, and a pay freeze for legislators if they do not pass a budget by the 90th day of the legislative session.

Arizona's governor highlighted the theme of "spirit of service" and discussed ways that the state can move forward in a bipartisan manner. He began by calling on for a special session to address the opioid crisis and said that a package must be developed to address the issue from all angles. The governor then spoke of the need to provide second chances and opportunities for released inmates, and not to add new prison beds. Regarding education, the governor called for restoring cuts from the recession, and investing in targeted programs such as all-day kindergarten, career and technical education, computer science and coding, reducing waitlists, closing the achievement gap, high speed internet to rural schools, and new school buses. Other areas of emphasis included providing increased tax relief for military veterans, protecting children's health care, improving children services, increased investments in adoption services, slashing red tape and unneeded regulations, securing the state's water future, and continued investment in economic development including working with Mexico.



Arkansas' governor said that his top priority today remains the same as when he took office – to lead Arkansas into a season of sustained economic growth in which everyone shares and benefits. He noted several accomplishments including reforming state government initiatives, lowering taxes, improving job-skill training, offering computer science in all high schools, reducing business regulations, and economic growth. He also added that he will soon name a working group to further reduce regulatory burdens. Additionally, the governor said that he is expecting federal approval to implement a work requirement for Arkansas Works, a program providing health care coverage to many residents. Other issues that the governor said needs continued focus include addressing pharmacist reimbursements in rural communities, expanding rural broadband, and tackling the opioid crisis. Furthermore, the governor outlined his budget proposal stating that it slows growth in Medicaid spending, fully funds education, increases funding for public safety, reduces the historic reliance on surpluses and one-time money to fund ongoing budget needs, and has a projected surplus of \$64 million. Finally, the governor called for further tax reform and proposed cutting Arkansas' top income tax rate from 6.9 percent to 6.0 percent.

California's governor said the condition of the state is strong and highlighted recent successes during his administration including pension reform, workers' compensation reform, a water bond, the creation of a rainy day fund, and a cap-and-trade program. The governor then thanked the efforts of firefighters, first responders, and volunteers in tackling recent wildfires, and discussed the growing challenges of extreme weather. Regarding the environment, the governor called for lowering carbon output and modernizing water systems. In the area of infrastructure, the governor discussed the important role of additional revenues from raising the gas tax, and the need to continue to support high-speed rail. The governor also spoke of investments in education including fully funding the Local Control Funding Formula, and the creation of the California Online College. In his address, he also called for a reexamination of the criminal justice system in the state. Finally, the governor called for courage, imagination, and general dialogue to help address the many problems the world faces.

Colorado's governor began by discussing progress in the state over the past eight years including economic growth and making the government more transparent and innovative through its Lean program. He also highlighted specific successes over the past year including fixing the hospital provider fee, reforming construction defects, expanding broadband, and using marijuana taxes for a homeless initiative. The governor said that his priorities over the course of the legislative session are: to find a solution to the state's unfunded pension liability, passing legislation to safely cap orphan wells, working to halt the opioid epidemic, approving legislation to ensure a full broadband buildout in rural areas, working to protect rural communities by addressing the



negative impact of the Gallagher property tax amendment, bolstering education, passing a water plan for the state, and making additional investments in infrastructure.

Connecticut's governor noted the significant work and progress the state has made in recent years. He then outlined a series of policy initiatives aimed at making the state fairer, more equitable, and more just. Specifically, the fairness initiatives include: preserving key elements of the Affordable Care Act while passing a state-level individual mandate, building upon Connecticut's paid sick leave laws, redoubling clean energy and environmental protection efforts, passing a statewide ban on bump stocks and other rate of fire enhancements, increasing protections for young adults in the criminal justice system, making it easier for residents to cast ballots, raising the minimum wage, ensuring experience and not salary history determines wages, and creating comprehensive standards to prevent workplace harassment.

Delaware's governor noted that over the past year the state balanced a \$400 million budget shortfall but said that more needs to be done to ensure long-term financial sustainability. He also highlighted other successes including partnering with the private sector to drive job creation, directing new resources to support small businesses, making responsible changes to the Coastal Zone Act, creating opportunity grants to provide new resources for students, strengthening protections for those affected by computer breaches, increased investments in the Department of Corrections including pay raises for officers, and efforts to combat the opioid epidemic. The governor said that in 2018 his priorities are a stronger economy, better schools for all Delaware children, safer communities, a healthier Delaware, and a strong and stable workforce. Some specific proposals include increased access to venture capital for start-ups, additional funds for early learning programs, hiring additional teachers in schools with enrollment growth, finding ways to reduce healthcare spending while increasing results, and paid paternal leave for all state employees.

Florida's governor highlighted improvements in the state over the past eight years including job growth, rising home values, less state debt, and reducing taxes. He said that he would like to see a constitutional amendment passed requiring 2/3 of the legislature to vote on a tax increase for it to become law. The governor also discussed his tax cut plan for this year including reducing driver's license fees and a sales tax holiday. The governor then spoke about recent hurricane relief efforts and proposed \$12 million for an English Language Learners Academy to help those displaced by Hurricane Maria. In the area of law enforcement, the governor called for \$30 million to support pay raises for state officers. Additionally, he proposed \$53 million for continued efforts to fight opioid abuse. Finally, the governor talked about work that still needs to be done including added



investments in the environment, education, and transportation infrastructure, helping those with disabilities have access to great jobs, and remaining military and veteran-friendly.

Georgia's governor focused on a theme of "orchards of opportunity," highlighting the progress that the state has made over the past eight years and noting that some of the advancements will not bear their largest fruits for years to come. Some of the accomplishments the governor highlighted included: private sector job growth; reduced unemployment; the growth of the film industry; increased K-12 spending; needed reforms of the HOPE scholarship and grant programs; new opportunities for technical training; the passage of the Transportation Funding Act; and criminal justice reforms. The governor also said that his budget proposal includes \$22.9 million to implement recommendations from the Commission on Children's Mental Health's report.

Hawaii's governor spoke of the strong state of the state including being one of the healthiest states in the nation, having the lowest unemployment rate, increased deposits to the rainy day fund, and having the highest bond rating in the state's history. The governor also said the state has been proactive in fighting for issues concerning immigrants and the environment, and has worked to expand educational opportunities. However, the governor said that there is still more to be done in areas such as helping people that are living paycheck to paycheck, reducing traffic congestion, the overreliance on imported food and fuel, and addressing rising housing costs. Regarding housing, the governor said that he is requesting \$100 million to help produce more affordable homes across the state, and \$15 million in additional funding for the Housing First initiative addressing homelessness.

Idaho's governor highlighted the strong economic position of the state, including wage growth, low unemployment, and greater economic diversity. He also said that the state should not waste the relative prosperity that allows them the opportunity to invest in the future, and asked state leaders to work together in the public interest. The governor said that making healthcare more accessible and affordable, and ensuring that employers have enough educated and trained workers, will be two of the most important public policy issues in the future. In the area of education, the governor noted a series of policy and spending initiatives for the coming year including: continued funding to implement a "career ladder" system, expanding literacy intervention efforts, added funds for classroom technology, expanding capacity at postsecondary technical schools, and increased dollars for scholarship programs. Other priorities discussed included: merit-based pay increases for state employees, rolling back an unemployment insurance rate increase, reducing individual and corporate income tax rates, providing a plan for Idaho to conform with federal tax changes, funding to implement the Idaho Health Care Plan,



the creation of three new behavioral health crisis centers, and assessing cyber capabilities throughout state government.

<u>Illinois</u>' governor focused on places of agreement, and ways to start to build for the future. He said that Illinois is in a state of readiness to capitalize on its economic potential, and that recent advancements in areas such as ethics policies, education funding, criminal justice reform, spending restraint, and technology deployment will help spur future growth. In his address, the governor called for strengthening of ethics policies in the executive branch, changes to the property tax assessment system, and term limits for elected officials. The governor also said that he will submit a balanced budget proposal that offers a path forward to reduced spending and a way to begin to be able to reduce taxes. Finally, the governor discussed the need to get pensions under control.

Indiana's governor discussed the fiscal strength of the state mentioning its balanced budget, AAA credit rating, and nearly \$2 billion in its savings account. He said that over the past year the state has been successful in attracting new jobs, but that the state's biggest challenge is that many residents lack the education and skills needed for the jobs being created. The governor outlined a series of initiatives and goals regarding workforce training including targeting students that started college but did not finish, the creation of a work-based learning and apprenticeship office, graduating inmates in certificate programs, and the creation of partnerships among various stakeholders. The governor also discussed recent transportation improvements due to its new roads program, and said the state needs to invest more in water infrastructure. Additionally, the governor spoke about new efforts to treat the opioid epidemic centered around treatment, prevention, and enforcement. Finally, the governor highlighted new initiatives to combat the high levels of infant mortality in the state.

Iowa's governor highlighted successes in the state such as a high graduation rate, low unemployment, balancing the budget, and increased investments in education. The governor then outlined a series of goals and new initiatives. She said that the state needs to improve its water quality and hopes that a water quality bill will be the first piece of legislation she signs this session. The governor discussed a rural initiative centered around expanding broadband. Additionally, the governor proposed a tax reform package that reduces rates, modernizes the tax code, eliminates federal deductibility, and provides tax relief. The governor also discussed a series of healthcare related issues including continued efforts to reform the state's managed care system, a new initiative to help train doctors to treat mental health challenges, and steps to address the opioid crisis including limiting the number of opioid prescriptions. Finally, the governor highlighted efforts around education and workforce training including added K-12



spending, allowing residents to use 529 plans for K-12, the expansion of apprenticeship programs, and called on the legislature to pass the Future Ready Iowa Act.

Kansas Governor Sam Brownback, in his final State of the State before being confirmed as a U.S. ambassador, spoke about recent progress in the state including increased employment, a lower obesity rate, reductions in child poverty, and opening a new medical education building. He then turned towards the issue of school finance and announced that his budget proposal would include an additional \$650 million in funding over the next five years to help comply with a Kansas Supreme Court ruling. He also discussed a series of goals including a 95% statewide graduation rate, a minimum of 75% of students continuing their education after graduation and accelerating the movement of schools to the Kanas Can model for school redesign. Kansas' new governor, <u>Jeff Colver</u>, began his joint address by talking about the importance of service. He then talked about reforms he intends to make including in the areas of sexual harassment prevention, making state government more transparent, and steps to bring about greater accountability. Regarding jobs, the governor outlined a new employment plan, called for increased investments in career and technical education, and discussed steps to attract and retain businesses. The governor also discussed implementing a zero-based budgeting process, a review of the child welfare system, increasing support for mental illness, tackling the opioid crisis, and steps to improve the state's KanCare health insurance program. Finally, the governor talked about his plans for K-12 calling for increased investments that does not increase tax burdens on Kansas families, and insisting on greater accountability and improved outcomes.

Kentucky's governor discussed steps to improve the state's fiscal outlook in his State of the Commonwealth speech and budget address. While the governor noted that there have been some improvements in the state over the past year, he said that much more work needs to be done. Looking to the future, the governor said the state must fund its pension system, fix the foster care and adoption system, fight the opioid crisis, increase investments in education and workforce development, reform entitlements including a work requirement for Medicaid, focus on prisons and prison reform, and update the state's tax system. The governor's budget proposal calls for spending reductions in most areas, eliminates 70 programs, reduces the amount of new borrowing, and begins to increase the size of the state's rainy day fund. While the budget proposal includes a significant amount of strategic cuts, the governor is calling for fully funding state employee and teacher pension plans, increasing funding for workforce skills training, allocating new funding from tobacco settlement funds to fight the opioid epidemic, adding positions and increasing salaries for social workers, providing new funding for adoption and foster children support services, hiring new attorneys and public advocates to strengthen the criminal justice system, maintaining per pupil education funding, and dedicating 100 percent of



lottery funds to education. The governor said that his budget proposal is a realistic one that will help get the state's fiscal house in order so that the future will be bright.

Louisiana – March 12, 2018

Maine's governor said the focus of his speech would not be on recapping his accomplishments from his two terms, but instead on looking towards the future of the state and work that is left to be done. One area the governor focused on was reducing property taxes, saying that all land and real estate should be taxed, not just homeowners, thereby enabling homeowners to pay lower taxes. He also said that he will soon propose legislation to conform to the new federal tax law but will not support any conformity measures that results in a net increase in income taxes. The governor said that Medicaid expansion is now the law, and it should be funded in a way that is sustainable and ongoing including no new taxes on Maine families or businesses, no use of the budget stabilization fund, no use of one-time funding mechanisms, and full funding for vulnerable Mainers who are still waiting for services and no reduction of services or funding for nursing homes or people with disabilities. The governor also focused on ways to attract young people and said that he will soon propose bills to support investment and the development of the state's workforce, wants to see a commercialization bond, will propose a Maine Student Debt Relief Program, and is asking the legislature to simplify and increase the Opportunity Maine tax credit. Finally, the governor discussed fiscal responsibility and highlighted recent economic and budgetary successes, while calling on an increase to the budget stabilization fund.

Maryland's governor said that the state of the state is stronger than it has been in decades, and that over the past three years the state has worked in a bipartisan manner to help grow the private sector, invest in infrastructure, pass balanced budgets, reduce structural deficits, and cut taxes. Over the next year, the governor said the legislature should work to protect Marylanders from the impact the federal tax overhaul will have on state and local taxes, develop solutions to stabilize health insurance rate increases, pass the More Jobs for Marylanders Act 2.0, and come to an agreement on reasonable sick leave legislation. Regarding education, the governor called for a record level of K-12 funding, increasing capital spending on school construction, greater school accountability, and passing the Protect Our Students Act of 2018. The governor also said that the state should remain committed to fighting the opioid crisis, increase penalties for violent criminals, take steps to fight human trafficking, begin to livestream legislative hearings, allow term limits to appear on the November ballot, and end partisan gerrymandering.

<u>Massachusetts'</u> governor said that the state has made progress over the past three years including reducing the structural budget deficit from \$1 billion to \$100 million without raising taxes, reducing the number of homeless families, making improvements in the Department of Children



and Families, reducing opioid prescribing and overdose deaths, increasing investments in infrastructure, and economic gains. Regarding education, the governor said that he will propose increasing K-12 spending, college scholarship funding, early college programs, and early education spending. Other areas of focus include increased renewable energy, funding for climate adaptation and resiliency planning efforts, ensuring reproductive health care services, increased treatment beds and spending on addiction services, added state support for the Councils on Aging, and bolstering behavioral health services. Finally, the governor spoke about investments in workforce and affordable housing including expanding the Earned Income Tax Credit, additional skill building funds for low-income workers, and the goal of building 135,000 new units of housing by 2025.

Michigan's governor began by looking back at the progress the state has made over the past eight years. He specifically noted private sector job creation, growth in various industries, increased inbound bachelor's degrees, early education initiatives, tripling the number of college classes completed in high school, growth in career tech education, added investments in infrastructure, and improved quality of life. One area that the governor said more work remains to be done is in addressing the opioid crisis and noted that the passage of recent legislation aimed at tackling the issue will make a difference. Looking forward, the governor then focused on six areas: mobility, talent, education, infrastructure, fiscal responsibility and civility. The governor spoke about the convergence of the auto industry and the IT industry in the state, the need to connect people with new career opportunities, added K-12 funding, more investments in rural broadband, a new water infrastructure initiative, the need not to increase debt burdens for future generations, and the importance of civility.

Minnesota – March 14, 2018

Mississippi's governor said that while there is still much work to be done, the state has many accomplishments to celebrate and be proud of including a lower unemployment rate, private sector job growth, reduced regulatory burdens, an added number of highway patrol officers, implementing recommendations from the Governor's Opioid and Heroin Task Force, and increased teacher pay. The governor said that he is in favor of updating the adequate education funding formula, expanded school choice, and is advocating for the creation of the Mississippi Works Scholarship Fund to provide more opportunity for community college students who qualify for targeted workforce training. In addition, the governor called for people to be more responsible for their own preventive health care, said that he will ask for a workforce requirement for able-bodied Medicaid recipients, and discussed changes to ensure that the Medicaid program is sustainable for years to come.



Missouri's governor began by highlighting efforts over the past year to put residents back to work and noted that the state has seen gains in private sector job growth, while also discussing recent regulatory reforms to help businesses. Furthermore, the governor said that he would soon release a tax reform plan that cuts taxes in a way that is fiscally sound. Additionally, the governor talked about the importance of reforms to the foster care system and discussed initiatives to improve the state adoption system. Other areas of emphasis during the governor's address included reforming state workforce laws, passing legislation that protects the well-being of first responders, the need for reciprocity of licenses for military members, veterans and their spouses, and passing a bill to allow employees to establish a veterans hiring preference.

Montana - No address in 2018

Nebraska's governor began by highlighting successes over the last year including balancing two budgets, streamlining state government, reforming occupational licenses, and protections for injured first responders. The governor also talked about economic successes including job growth, new business investments, and a rise in exports. The governor said that over the course of this legislative session the focus should be on cutting red tape, balancing the budget, and delivering tax relief. Although revenue projections were lowered in October, the governor designated priorities for funding in the budget in the areas of K-12, corrections, and services to help the developmentally disabled. He outlined targeted investments in the areas of child welfare reform and expanding the number of corrections officers. The governor said his tax reform proposal has three major components: restructuring existing property tax credits as a new refundable credit as well as additional property tax relief in years when revenue is growing; using existing tax credits for a reduction in individual and corporate income tax rates; and additional funding for workforce development.

Nevada – No address in 2018

New Hampshire's governor highlighted improvements in the state over the past year including lower taxes, fewer regulations, stronger workforce, added educational opportunities, and increased crime victims' rights. The governor noted that last year's budget was passed without gimmicks, increased the rainy day fund, did not increase taxes, and provided property tax relief. In the area of education, the governor called for increased school choice and announced the creation of an annual robotics competition in which the winning team will receive a tuition free semester. Other areas of focus included a 10-year plan for the mental health system, adding child protective service workers, increased funding for foster care, Medicaid reforms, a continued focus on the opioid crisis, a statewide effort to create Recovery Friendly Workplaces, greater



regulatory reform, coordinated veterans' services, efforts to tackle homelessness, and sensible immigration policies.

New Jersey's former governor, Chris Christie, said the state of the state is very good and much better than it was eight years ago. He noted successes including that the unemployment rate has been cut in half, a number of private sector jobs have been created, paying off the unemployment insurance debt, reducing business regulations, passing the Economic Opportunity Act of 2013, cutting business taxes, and holding the line on new and increased taxes. The governor said that the budget has been balanced for eight years in a row, there are 10,000 fewer state employees, and discretionary spending is nearly \$2 billion less than it was ten years ago. The governor also discussed a number of policy successes but warned that more work still needs to be done to address state employee pensions and health benefits. New Jersey's new governor, **Phil Murphy**, said in his inaugural address that he will be committed to finding common ground across the aisle. He discussed ways to bring about a stronger and fairer New Jersey including: enacting policies that create better jobs and provide higher wages, funds its public schools, delivers property tax relief, provides free access to community colleges, creates tools for small businesses, ensures the wealthiest pay their fair share in taxes, embraces comprehensive criminal justice reform, protects immigrant families, and accepts the reality of climate change. The governor added that he will soon present his first budget proposal that spells out these ideals into greater specificity and is balanced fiscally and morally. Finally, the governor said that the state will resist policies from the federal government that are harmful to New Jersey.

New Mexico's governor said that the state's fiscal outlook has improved substantially from last year when the state was still dealing with the impact of declining oil and gas prices, and that the state is now projecting a budget surplus and will have at least 10 percent in reserves. She stated that even though the state's economy has improved, it must continue to diversify and not be as reliant on the energy sector and federal government. The governor said that the legislative focus for this year's session should be on working to keep the economy moving, tax reform, passing a responsible budget, making the state a safer place and tougher on criminals, and adopting education reforms. Specifically, the governor called for making a job training incentive program a permanent part of the state budget, passing the interstate nursing compact bill, increased penalties for certain crimes, raising police officer salaries, allowing retired officers to return to work in law enforcement, expanding teacher and principal mentoring programs, \$5000 teacher bonuses, changes in teacher certification, increased classroom technology, and a cap on K-12 administrative expenses.



New York's governor said that over the past eight years the state has made unprecedented progress including economic growth, a decline in crime, a cleaner environment, a fairer criminal justice system, more high school graduates attending college, greater land conservation, a more progressive tax code, an ambitious building program, and historic investments in education, healthcare and economic development. He also noted that the state has passed seven timely, responsible budgets, has limited spending growth, and has their highest credit rating in forty years. The governor said that the state faces three significant challenges in 2018: the old challenge of discrimination and sexism; new challenges threatening safety and quality of life including terrorism, climate change, environmental threats, and the opioid crisis; federal and economic challenges including a budget deficit, less federal aid, and the impact of federal tax reform taxing state and local taxes making the state less competitive. Highlights of the governor's 2018 agenda include policy proposals centered around: keeping New York economically competitive, upholding the New York promise, expanding educational opportunities for all, continuing economic opportunity and growth under NY Works, providing a cleaner, greener, and healthier New York, leading the fight against climate change, advancing the democracy agenda, and building a stronger and safer New York.

North Carolina – No address in 2018

North Dakota's governor said that the state of the state is one of unlimited promise and potential, but that the state needs to embrace change, diversify the economy, and harness the forces of technology. He stated that the economy is showing signs of improvements after a prolonged downturn in oil and agricultural commodity prices, noting recent gains in gross domestic product, oil production, and taxable sales and purchases. However, the governor said the state must work to match future expenses to revenues and not rely on reserves. The governor also said that he plans to tour all 11 of the state's public colleges and universities as the Task Force for Higher Education continues to assess if changes are needed to the higher education system. Finally, the governor discussed the progress of his five strategic initiatives: reinventing government, behavioral health and addiction, transforming education, tribal partnerships, and the Main Street Initiative.

Ohio – March 6, 2018

Oklahoma's governor decided not to discuss accomplishments during her seven years in office, and instead focused her speech on the current budget crisis. The governor stressed the urgent need to improve the state's budgeting process and endorsed the Step Up Oklahoma plan proposed by a group of community and business leaders. The governor said that plan is the best option to sufficiently fund education, public safety, health, and infrastructure needs, while noting



that the plan does not solely rely on increased revenue, but also includes other reforms such as performance measures. Additionally, the governor spoke about the need for criminal justice reforms including increased treatment options for those with substance or mental health issues while at the same time remaining tough on violent crime, and also asked the legislature to approve a \$5,000 pay raise for teachers.

Oregon's governor focused her speech on the skills gap that currently exists between the skills Oregon workers have and the skills businesses need. She noted that all five types of occupations driving the growth of the economy require highly technical skills, but that they don't all require having a college degree. To help close the skills gap, the governor outlined her Future Ready Oregon program, which will consist of a series of executive actions, policy positions, and legislation over the course of the next year. The governor asked the legislature to support taking five steps toward strengthening the state workforce: making investments equitable across the state, establishing new apprenticeship and training programs, the creation of a loan program to encourage building affordable housing, other steps to address the housing shortage, and better aligning training and requirements for entry-level jobs. The governor also spoke about the need to take actions on other issues facing the state including pension reforms, making the government more efficient, and tackling the opioid crisis.

Pennsylvania's governor, in his budget address, highlighted successes over the past three years including job growth, repairing bridges and roads, cutting red tape, getting rid of some taxes, an expanded response to the opioid crisis, reduced crime rate, lower prison population, Medicaid expansion, and a fairer education funding formula. He also noted fiscal improvements including cutting \$2 billion through streamlining efforts, making full pension payments, and lowering health care costs. The governor said that in this year's budget he will propose a significant investment in career and technical education. Finally, he called for the creation of a severance tax, noting that it would be a tax paid mostly by people outside of Pennsylvania to use the state's natural resources.

Rhode Island's governor said that the state is stronger than it has been in decades and highlighted a lower unemployment rate, job growth, cutting the budget deficit in half, and being the first state to teach computer science in every public school. She added that the state's economic comeback has only just begun and stressed the need to keep the progress going. The governor said that the state needs to continue to make reforms and asked the legislature to put the line item veto on the November ballot. The governor then outlined a series of policy proposals including: expanding job training initiatives and technical training in high schools, a new public-private partnership to create the Northern Rhode Island Higher Education Center, passing the



Rhode Island Manufacturing Initiative, continuing to fix the state's roads, funding of successful efforts to address the opioid crisis, legislation to make health insurance companies cover addiction and mental health treatment, and joining with cities and towns in a \$1 billion investment over five years to help fix public school buildings.

South Carolina's governor said the state of the state is strong and mentioned recent job gains and \$5 billion in new capital investments. The governor stated that his budget proposal includes a tax reform plan which cuts taxes \$139 million in the first year, and exempts retired veterans, first responders, and law officers from having to pay income taxes on their retirement pay. The governor then discussed the need for greater workforce development and called for the creation of the South Carolina Workforce Partnership connecting businesses with high schools and technical colleges and said that his budget increases funding for workforce scholarship and grants. Regarding education, the governor called for greater consolidation, investing in base student costs, added funding to train computer science and coding teachers, and greater investment in school choice. Additionally, the governor talked about efforts to combat the opioid crisis including declaring it a public health emergency and added funding for treatment, prevention, and education. Finally, the governor talked about his opposition to offshore drilling, expanding shared services in state government, the need to enact pension reform including the possibility of moving to a defined contribution plan for new employees, and his plan for dealing with the suspended construction of two nuclear reactors.

South Dakota's governor used his address to look back at some of accomplishments over the past seven years, while also detailing new proposals. The governor listed improvements in areas such as workforce development, infrastructure, education, protecting natural resources, lowering infant mortality, and criminal justice reform. The governor also stated that the budget has been structurally balanced each year he has been in office, reserves have stayed at least 10 percent, the pension system is fully funded, and the state has maintained a AAA credit rating. New proposals from the governor included: updating the state dual credit statute, a reciprocity compact for professional licensure, extending the sunset of the Open Waters Compromise, modernizing alcohol regulations, improving the Build South Dakota program, implementing work requirements for some Medicaid enrollees, expanding drug treatment options, and a continued examination of the criminal justice system. In addition, the governor hoped for a positive resolution for their pending case regarding online sales tax collections.

<u>Tennessee's</u> governor reflected on successes over the past seven years including the lowest unemployment rate in the state's history, highest high school graduation rates the state has seen, increased investments in K-12, added funding for teacher salaries, more than \$500 million in tax



cuts including a 30 percent cut on groceries, and tripling the state's rainy day fund. The governor also stated that he wants Tennessee to lead the nation in jobs, education, and government efficiency. One new proposal the governor discussed was the Complete to Compete initiative, aimed at making sure that college students receive the support they need to be able to graduate. The governor also introduced the Juvenile Justice Reform Act aimed at adopting responsible reforms including focusing the most significant state intervention on the most serious offenses. Finally, the governor discussed his TN Together proposal, a comprehensive plan aimed at ending the opioid crisis that focuses on prevention, treatment, and law enforcement.

Texas - No address in 2018

<u>Utah's</u> governor said that the state of the state is currently exceptional by every meaningful metric. Unlike his past State of the State speeches, the governor said the focus of his speech would not be on his previously stated legislative priorities. The legislative priorities include: investing heavily in public and higher education, emphasizing the value of technical education, updating the tax code, maintaining low rates by broadening the base, investing in critical infrastructure developments, creating new funding opportunities for public transit projects, considering evidence-based strategies to improve air quality, and patching holes in the social safety net. Instead of focusing on policy and priorities, the governor spent the majority of his address talking about ways to build the future together, spread the culture of self-reliance and personal responsibility, and create a better, kinder, and more civil world.

Vermont's governor highlighted the impact of key proposals from last year including a budget that did not raise taxes, a \$35 million housing bond focused on increasing the availability of housing, investments in downtown development, clean water initiatives, investments in early care learning and higher education, and the expansion of Tax Increment Financing districts. The governor said the state needs to continue to focus on a policy of balance, moderation, and fiscal responsibility and noted that last year's budget closed a gap of \$60 million, limited budget growth to just over 1 percent, and did not raise taxes or fees. The governor said that much more needs to be done in the area of workforce development and that his administration is currently developing a workforce expansion plan. He also outlined proposals to make Vermont more affordable, attract and retain working families and young professionals, and strengthen the economy. Other areas the governor discussed include: expanding adult technical education, continued use of Lean techniques for state government operations, water quality measures, efforts to moderate healthcare costs, and ways to combat the opioid crisis.

<u>Virginia's</u> former governor, Terry McAuliffe, in his final State of the Commonwealth address talked about successes including building a new Virginia economy that is more diversified and



works better for everyone, reforming how transportation decisions are made and increasing investments, taking action to combat climate change, protecting K-12 and making record investments in education, reforming ethic laws, passing meaningful gun safety laws, expanding critical health services, bringing a functional end to homelessness, modernizing the election system, and transforming the criminal justice system. The governor also discussed economic and fiscal improvements, and thanked Finance Secretary Ric Brown for his 47 years of service before his retirement. Additionally, he outlined legislation that he and the governor-elect would like to see passed including reducing obstacles to voting, keeping families safe from gun violence, greater protections for the environment, raising the threshold for felony larceny, and giving Virginians the tools to manage student debt. Finally, he described his plan for Medicaid expansion, and called for the construction of two new juvenile justice facilities. Virginia's current governor, Ralph Northam, in his address to the Joint Assembly said that decisions should be based upon: does this action do the most good for the most Virginians?; have we been transparent with the public about what we are doing?; and is there a better way forward that we haven't considered? The governor then highlighted his agenda including: strengthening workforce development and expanding access to registered apprenticeships; proposals to attract new teachers and increase teacher pay; increasing education funding; adding resources for special needs students; expanding Medicaid; increasing access to reproductive health care; steps to prevent gun violence; eliminating barriers to voting; addressing greenhouse gasses; increasing second chances in the criminal justice system; advancing student loan borrowers protections; and closing a loophole that allows public officials to spend campaign money for personal use.

Washington's governor said that over the past five years the state has made crucial investments in schools, colleges, highways, transit systems, and health care while also raising the minimum wage and passing a family leave program. He also noted economic progress including being listed as the top state for business. The governor laid out a series of measures he hopes the legislature will pass during the session including: funding the final step of the McCleary court case regarding education funding, expanding youth apprenticeship opportunities and career-connected learning, approving a capital budget, passing voter rights and registration bills, protecting net neutrality, expanding women's health care rights, ensuring Dreamers' ability to pay for college, new gun laws, and ending the death penalty. Finally, the governor discussed the need to address climate change and called for passing a carbon tax.

<u>West Virginia's</u> governor talked about progress the state has made over the past year including improvements in the state budget and quicker completion of the state CAFR. He said that the state needs to stop the drug epidemic and mentioned the need for additional treatment facilities, social workers, and law enforcement, while also praising work being done at local universities to



help curb opioid cravings. Regarding education, the governor said that the state has recently received approval for its Every Student Succeeds Act plan and called for ways to enable high school students to get certain accreditations, certifications, or associate degrees. The governor also called for the elimination of the tax on manufacturing inventory, improving the condition of state parks, finding ways to address the trade imbalance, taking steps to prevent child sex abuse, increased funding for tourism, and passing pay raises for state employees and teachers.

Wisconsin's governor said the state of the state is strong and noted gains in employment, greater investments in schools, the elimination of state property taxes, bond rating upgrades, and a strong healthcare system. He also highlighted the state's fiscal condition including ending last year with a surplus, a fully funded pension, increases in the rainy day fund, and low long-term outstanding debt levels. The governor then discussed his agenda for 2018 which includes: putting more resources into the classroom, helping rural schools, establishing a new Wisconsin Career Creator program on campuses, passing common sense welfare reform including drug testing and work requirements, passing his Small Business Plan, creating a rural Economic Development Fund, establishing a Family Farm Fund, juvenile justice reform, the creation of a child tax credit, a series of initiatives under his Health Care Stability Plan, and continued efforts to fight the opioid and drug crisis.

Wyoming's governor said there is much to celebrate over the past eight years including: having a smaller government and smaller budget, building permanent and rainy day fund savings, consolidating technology services, the creation of an energy and water strategy, forest health and outdoor recreation task force recommendations, and the creation of the Economically Needed Diversity Options for Wyoming (ENDOW) initiative. The governor also noted that the state's revenue forecast had improved since last year. In discussing his budget proposal, the governor highlighted funding for local governments, senior centers, and cybersecurity. Additionally, he called for the recommendations of the ENDOW Executive Council to be funded in full and expressed the need to invest in workforce training and promote diversification. Finally, the governor discussed the importance of investing in education and said different options should be considered including looking at reasonable reductions, additional revenue and broadening the tax base.

