

ARIZONA STATE OF THE STATE ADDRESS

**“Arizona On The Rise”
Governor Doug Ducey
1/11/2016**

AS PREPARED FOR DELIVERY

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Speaker Gowan, President Biggs, House Leaders Montenegro and Meyer, Senate Leaders Yarbrough and Hobbs, Chief Justice Bales, Members of the Legislature and Judiciary, my fellow Arizonans. Thank you and good afternoon.

I also want to give a special welcome to the newest member of the state’s highest court, Justice Clint Bolick.

Tomorrow marks one year since you first welcomed me into this chamber, seven days on the job.

On that day, our state was broke. A billion dollars in the red.

Old laws stood in the way of new jobs.

And a lawsuit over school funding froze progress for our kids while threatening a constitutional crisis.

What a difference a year makes.

Today, because of our decisions, there’s money in the bank, we can pay our bills, and our credit rating upgrades will save taxpayers millions.

We’ve added more than 56,000 new jobs, and 100,000 new citizens – and Forbes says we are the best state in the country for future job growth.

We’ve unleashed innovation. Our free enterprise system is flowing, and so is the beer at Four Peaks.

And we enter 2016, united in an effort to deliver our students and teachers billions in new dollars.

I'm proud to stand here today, and say: The state of the state isn't just strong – it is **ON THE RISE.**

OPPORTUNITY FOR ALL: I'm convinced our accomplishments in this first year came from a commitment to that vision, and the ability to work together to tackle problems long postponed.

Lawmakers here stepped up. And Speaker Gowan and President Biggs delivered on the promise of legislative leadership.

When it came to balancing our budget, we were told: It just couldn't be done. Not, without raising taxes.

But we weren't going to make the people of Arizona pay for the failings of politicians.

So we got the job done, and instead of raising taxes, we lowered them.

A year later, the big spenders who told us we couldn't balance the budget, are *beating the drum* -- celebrating *our* hard work with plans to spend and party like it's 1999. Some people never learn, no matter how much their heads hurt in the morning.

Someone needs to be the voice of sobriety. So when they bring out the punch bowl, I will be here to say ... once again... Not on our watch.

On Friday, I will release my budget, and the big spenders and special interests aren't going to like it.

It prioritizes vital commitments like education, child safety and public safety. It eliminates waste. It's balanced. And most importantly, it does not raise taxes.

Now, I understand that it's unusual for elected leaders to keep their promises, but let me assure you: I intend to keep mine. Together, we will lower taxes this year. Next year. And the year after.

And at the same time... we will invest in education this year, next year and the year after.

It doesn't have to be an either or. We can be responsible with our budget, invest in the future, and allow the people to keep more of the dollars they earn.

After all, it's the people's money, not the government's.

Those same taxpayers expect results from us at this Capitol.

But all too often, success in this building is measured by how many bills we pass and new laws we add to the books.

The result is more than 10,000 pages of statutes, containing some 20,000 laws.

We all have priorities this year. But as you debate new laws, I call on you to ask: Is this the proper role of government? Are we expanding freedom – or limiting it?

Last year, 1,163 bills were introduced. 344 crossed my desk, and 324 became law. I enjoyed reviewing all of them – yes, even the ones I didn't sign.

But sometimes, as the saying goes...if you want to learn something new, you need to read something old. As Barry Goldwater wrote in 'Conscience of a Conservative,' "my aim is not to pass laws, it's to repeal them."

So, in that spirit, in the governor's office, we've identified hundreds of buried regulations that state agencies have imposed on Arizonans through the backdoor, hurting businesses large and small. Stifling job creation and progress.

Unfortunately, the process to get rid of these unnecessary regulations isn't nearly as easy as the process to create them.

Send me legislation to allow agencies to wipe them out, easier and faster. And I'll sign it.

Don't stop there. Arizona requires licenses for too many jobs – resulting in a maze of bureaucracy for small business people looking to earn an honest living.

Believe it or not, the state of Arizona actually licenses talent agents. I say, let's leave the job of finding new talent to Adam Levine and Gwen Stefani – not state government.

The elites and special interests will tell you that these licenses are necessary. But often they have been designed to kill competition or keep out the little guy.

So let's eliminate them.

Where we must have government, let's make it work.

We are transforming how we operate.

In a pilot project across 23 state agencies, Arizona was able to deliver services to our citizens 65 percent faster on average – without sacrificing quality.

Before we started, things were moving slowly. Government was sitting on applications. In the case of licensing qualified bus drivers, four days of work was taking 46 days.

So now, four days of work – takes four days.

Expect more of these improvements, as we create a results-driven government that works at the speed of business.

Last year, state government finally entered the 21st century – just 15 years late.

Whether it was allowing inventors at TechShop in Chandler greater freedom to crowdfund, or ending sting operations against ridesharing by overzealous state regulators – we've embraced innovation, and we're not done yet.

More than 40 million passengers enter our state through Sky Harbor International Airport every year. But you can't order an Uber or Lyft because unelected bureaucrats at city hall are protecting special interests.

Sky Harbor may be a city airport, but it's an Arizona vital resource used by citizens all over the state, and our economy is dependent on its success. I call on Phoenix city government to lift these unnecessary regulations immediately.

I also encourage all our cities and towns to put the brakes on ill-advised plans to create a patchwork of different wage and employment laws. If these political subdivisions don't stop, they'll drive our economy off a cliff.

91 cities and towns with 91 different employment laws, isn't local control – it's California-style chaos.

These efforts are based on the trendy, feel-good policies that are stifling opportunity across the nation -- failing everywhere they've been tried. So why would we try them here?

Let me be more specific:

I will use every constitutional power of the Executive Branch and leverage every Legislative relationship to protect small businesses and the working men and women they employ – up to and including changing the distribution of state–shared revenue. We will ensure Arizona continues to grow jobs, not destroy them.

As our economy advances, our government and our laws need to modernize too.

Arizona should be to the Sharing Economy, what Texas is to Oil and what Silicon Valley used to be to the tech industry.

Moments ago, I signed an executive order creating the Governor's Council on the Sharing Economy.

Its mission: Stop shackling innovation, and instead – put the cuffs on out-of-touch regulators.

I want startups in the Sharing Economy to know: California may not want you, but Arizona does.

And I'd be remiss if I didn't stop to thank my partner in growing Arizona's economy: California Governor Jerry Brown.

It's often misreported that there is a "Western Water Crisis," but the facts show, we'd be more accurate to call it a "California Water Crisis."

We've planned ahead.

If there's one thing Arizona is best in the nation at – it's water. We sit in the Capitol city in one of the largest metropolitan areas in the nation in the middle of a desert.

Thanks to revolutionary planning efforts like our 1980 Groundwater Management Act, and leaders from Carl Hayden to Mo Udall to Jon Kyl, Arizona has grown and thrived. We're building on that, and we have a plan in motion. Right now, a team of our top water experts, users and providers are charting the path forward.

I've directed them to:

Investigate new, long-term sources for water in our state.

Explore additional conservation opportunities.

And identify future infrastructure needs so we don't end up like sorry California.

I've also given the green light to the Arizona Department of Water Resources to use existing dollars to hire new staff that the water community has been requesting for years – experts who can take these plans and make them work.

When it comes to our economic future, we're planning for tomorrow, AND we're innovating – starting with the Arizona Commerce Authority. We know what businesses look for when deciding where to locate: quality of life, low taxes, light regulations, good financing and qualified workers.

It's time for ACA 2.0, with a renewed focus on marketing and promotion. We have a great state with amazing assets.

We know: Life's better here. Now – let's do a better job at getting the word out.

Governors compete. States compete. People & Businesses decide.

So the goal is simple – to grow our economy, to take full advantage of our geography to better address the needs of businesses fleeing California and other states on the decline, and to ensure job creators who are already here, stay and thrive.

A great economy requires great public schools.

It's important to note, we are already doing a lot of things well.

Three of the top 10 public high schools in the country. Hardworking, dedicated and nationally-renowned teachers and principals.

And while scores on the Nation's Report Card dropped across the country, Arizona students continued to improve.

Together, we've made substantial progress towards giving our educators the resources they've been asking for.

Last year, faced with one of the most contentious legal issues in Arizona history, leaders in education and the Legislature stepped up.

The result: a monumental, bipartisan, 3.5 billion dollar solution, that will go to the voters in 127 days.

This is a once in a generation opportunity to change the trendline on education funding. The stakes are high.

For the cynics out there – looking to stop this plan or rooting for its defeat: if you're hoping this lawsuit will be resolved any other way – it won't.

And to my Democratic friends: Even if you voted against sending it to the ballot, now it's on the ballot. You can't sit on the sidelines.

Please -- put politics and partisanship aside, and put our kids and teachers first.

I've promised to put all my energy into ensuring its passage. So let me just say: I'm voting yes on Prop 1-2-3 – If you're with me, raise your hand.

In the past year, I've visited schools all over the state – meeting teachers, principals and parents. They looked me in the eye, and I've listened.

To those parents and educators, I want you to know: I've heard you, and this plan delivers.

In the years ahead, Arizona will be among the states investing the most new dollars in public education – all without raising taxes.

This is a first step – a big first step – but not our only step to improve public education in Arizona.

We know spending is not the measure of success. And it shouldn't just be about the billions of dollars we are putting into public education; it must be about what our kids are getting out of their education.

Until the thousands of kids on public school wait lists have access to our finest teachers and principals, our job isn't done.

So here's the plan: We are going to make it easier and more affordable for our best public schools to expand.

For months, my office has worked with the top credit rating agencies in the country to develop a structure that lets our excellent public schools finance their expansion at lower cost.

This means they can spend more dollars in the classroom, and less paying interest to a bank on Wall Street.

By utilizing dollars you allocated last year for the creation of the Arizona Public School Achievement District, combined with additional dollars that won't impact the general fund, we can and will make this happen.

We also need to provide resources for aging schools to repair and rebuild their facilities

for future students.

Next, we need to reward schools that are helping kids reach their full potential.

All of us should be alarmed to hear that more than half of our high school graduates can't get into our own state universities.

So – under our plan, schools that produce students who successfully complete AP-level, college-prep courses will be rewarded with more dollars.

Schools in low-income areas – where educators and students face added challenges – will receive an even greater boost for helping kids beat the odds.

But I know not every child plans to go to college – their K-12 experience also needs to prepare them for life. Which is why I'm targeting high-need employment sectors with a new focus on career and technical education. There is bipartisan support for this – so let's get it done.

The state isn't the only player in public education.

Every day, philanthropic foundations in Arizona are investing in our schools. They are developing new school leaders, expanding educational opportunities for low-income children and funding the arts and sciences.

I intend to partner with the heads of these foundations to provide an even greater opportunity and impact in our schools.

And when we get our kids prepared, there are great universities right here in Arizona ready to educate them at the highest level.

Wherever your loyalties may lie, you have to admit: Our universities are literally out of this world. A U of A grad recently discovered water on Mars. Arizona State University was just named the most innovative university in the country. And NAU is now a magnet for students ditching California in search of a high-quality, affordable higher education alternative.

Our universities and community colleges have been on the cutting edge when it comes to research, innovation and problem solving – just look a few miles down the road.

The template for the “New American University” is in our own backyard ... and because of Dr. Michael Crow's efforts, none other than the *New York Times* has recognized the Barrett Honors College at Arizona State University as the gold standard

... the equivalent of an Ivy League education right here – accessible to all ... and the envy of every other state in the nation.

I want all our university presidents to know – we value your work, and I intend to be a partner in strengthening Arizona higher education.

As a parent AND as governor, there's one number that keeps me up at night.

18,927. That's how many Arizona children, through no fault of their own, have found themselves in the foster care system.

We have to stand up for these kids. And that means making sure that no matter the failings of their parents, they and their caregivers have the resources they need. And grandmas, grandpas, aunts and uncles, shouldn't face roadblocks to care for children in their own extended families. But under current policy, they do.

In many cases, a grandmother actually receives fewer dollars to raise her own grandchild, than a stranger would. That's wrong. This session, let's end the Grandmother Penalty and keep more families together.

As we continue to ease the burden, the fact remains: we ask a lot of foster parents -- and we know there are thousands of families currently trying to get into our best public schools, where the lines are long.

I say, if we want to see more foster and adoptive families ... let's give them an incentive... a "fast pass" to the front of the line of our best public schools.

This will ensure vulnerable children an opportunity at a great education – and bring more good people to take on the noble cause of fostering a child.

For fathers out there who aren't meeting their obligations, we also have a plan.

I'm talking to deadbeat dads. For too long, you've been able to remain anonymous – able to skirt your financial and legal responsibilities with no shame.

Not anymore.

Some people have referred to me as the "Hash-tag Governor." Well here's a new one for all the deadbeat dads out there: Effective immediately, the state is going to begin posting the photos, names and money owed by these losers to social media, with the hash-tag "deadbeat."

It's simple. If you're old enough to father a child, then you're old enough to accept financial responsibility for that child. If you don't want your embarrassing – unlawful – and irresponsible behavior going viral: Man up, and pay up.

When it comes to the welfare of women and children in our state, there will be zero tolerance for men who victimize.

Yet right now, in just Maricopa County alone, there is a backlog of 2,300 rape kits that sit in storage, uninvestigated. All across our state, women await justice, and predators evade the law looking for their next victim.

Today, I signed an Executive Order establishing a special law enforcement team to solve this injustice. My budget will allocate dollars to start the process of clearing these backlogs.

I want a plan, to be followed by legislation, that requires every rape kit to be investigated.

On my watch, the state of Arizona will do whatever it takes to lock these criminals away.

Whether it's unemployment, homelessness, crime, child neglect, or the prison population – all these issues trace back to a common theme: Drug abuse and addiction.

In September, we created the Border Strike Force Bureau, a partnership between local, state and federal law enforcement that's providing a force multiplier in the fight against drug cartels and border crime.

Already, with a minimal investment, the strike force has made over 300 arrests, taken down 14 cartel members, and seized 4,400 pounds of marijuana, 194 pounds of meth, and 21 pounds of heroin.

Twenty-one pounds of heroin in four months. That's nearly a million individual hits, and more than DPS seized in all of 2014.

Think about this. That same year, 1,248 Arizona newborns came into this world already addicted to drugs. We cannot wait to act.

Let's stand together this session and provide law enforcement – especially our border county sheriffs – the resources they need to ramp up the fight against the bad guys and end this scourge on our state.

But for those suffering from addiction, it's a different story – and law enforcement can only go so far.

75 percent of heroin addicts started out using prescription drugs.

We found in a single month – through a voluntary online database – that hundreds of Arizonans were doctor shopping, and receiving highly-addictive and dangerous drugs from multiple physicians at the same time.

Imagine how many more people we could help with a requirement that doctors use that database. It's time for us to make that happen.

Next, we must find help for those who want it.

So I'm bringing together a team of leading substance abuse experts, recovering addicts, and providers to find the best treatments and reduce barriers to care.

And, if we're serious about reducing recidivism – and reversing the growth of our prison population, let's begin by building on the model already working in Pima County: a community corrections center, providing tough love and on-site drug treatment and counseling.

It's time we bring this to the state's largest county, where the most people are transitioning back to life in our community. Let's give them a second chance so they stay clean and never end up back in prison.

Despite all these challenges, Arizona has a lot to be proud of.

Tonight: One year after hosting the most watched and most successful Super Bowl in history – the College Football Playoff National Championship kicks off right here – in just a few hours.

From the looks of it, it will be another night for the record books.

But after the last touchdown is scored and all the fans have gone back home, our greatest assets will remain: Our people.

The 7,772 men and women serving in the Arizona National Guard – and all those serving here and abroad in our military, our cops, our firefighters and our first responders, who keep us safe in these uncertain times.

The NAU community, especially President Rita Cheng, who brought a university together after a tragedy.

Gabby Giffords, who completed El Tour de Tucson – and continues to inspire.

Jen Welter and the Arizona Cardinals, who together shattered the glass ceiling in the NFL.

And the next generation of Arizonans – like 10-year-old Nia Thomas of Tucson – who made a winning dish, Oodles of Zoodles, that was served in the White House for the President of the United States.

Members of the Legislature, our state is on the rise – and it's because of our people. They're giving their all to make this state the best place in America – and they expect us to do the same. I'm honored to continue working with you toward that goal.

We've demonstrated government can work. Positive things can happen at this Capitol.

We can think big, and aim high. So why stop now.

Thank you and God Bless.