

January 13, 2015
State of the State
Governor Mike Pence

As prepared for delivery:

Speaker Bosma, President Pro Tem Long, Lt. Governor Ellspermann, Senator Lanane, Representative Pelath, members of the General Assembly, distinguished guests, my fellow Hoosiers.

Tonight, on the eve of our bicentennial year, I stand before you as your governor to proudly report that the state of our State has never been stronger. And, if we keep faith with the character of our people, together there is no limit to what we can accomplish in our third century.

Our state is on a roll. (And I'm not just talking about the Colts!)

Seriously, Indiana is blessed. We have the best state legislature in America.

Together we've made Indiana the fiscal envy of the country. We've balanced budgets, funded our priorities, maintained strong reserves, and still passed the largest state tax cut in Indiana history.

And here in the state that works, Hoosiers are going back to work.

Unemployment has fallen faster here than almost anywhere in America. When I was elected Governor, unemployment was over 8 percent. Today it's 5.7 and falling.

We added more than 100,000 private sector jobs in the past two years, and we are on track to have more Hoosiers working than ever before.

And while we have maintained a strong balance sheet, we've also invested in education and building the roads of the future.

We've increased support for schools, approved the first-ever state funding for quality pre-K, and invested more than \$800 million in new funding for roads.

The result?

Graduation rates are up. Test scores are up, the doors of our pre-K program are already open to disadvantaged kids, and Indiana now is home to the largest educational voucher program in America.

Tonight, there are 49 other governors across this country who wish they could be me!

But let's be clear, our state has never been stronger not because of her government, but because of her people.

They just don't come any better than Hoosiers: hardworking, patriotic, modest, and generous to those in need.

Everyone knows the story of Officer Perry Renn, a courageous police officer who squared his shoulders in the face of deadly force to protect our capital city, and paid with his life. What you may not know is the story of two little heroes—Jacen and Ben Troxell, ages eight and five, the sons of Officer Renn’s partner, who were inspired by that tragedy to raise money to outfit the Indianapolis Police Department with better body armor. Those two boys raised more than \$20,000 and are with us here tonight. Join me in thanking Lynn Renn and our two young heroes for showing the courage and kindness that make Indiana great.

Nowhere is the character of our people more evident than in those who wear the uniform.

The evil that came to the streets of Paris last week may seem far removed, but the brutal murder of our own Peter Kassig, a courageous aid worker killed by ISIS terrorists, is a stark reminder that we are all part of a global war of civilization against barbarism.

Tonight, Hoosiers will be proud to know that on the front lines of that war are some 300 airmen with our 122nd Fighter Wing out of Fort Wayne—the largest deployment of the Indiana Air National Guard in the past ten years.

To them and their families, some of whom are with us tonight, we thank you for your service. You are in our prayers. Please join with me in showing our gratitude to all those who serve at home and abroad in these uncertain times.

More than thirty years ago, at this very podium, President Ronald Reagan said the federal government was “still operating on the outdated and arrogant assumption that the states can’t manage their own affairs.”

That day he predicted it would be states like ours that would come to America’s rescue. States like ours that would “offer the most creative solutions and most promising hopes for our nation.”

Well, Reagan was right.

At a time when public confidence in our federal government is at an all-time low, states have emerged as a source of inspiration on fiscal policy, economic growth, education and health care reform.

And Indiana is leading the way, proving every day that we can balance our budgets, run our schools, choose our health care and serve our people far better than “a little intellectual elite in a far distant capitol” ever could.

But to whom much is given, much will be required. Ladies and gentlemen, we have work to do.

Last week, I submitted my recommended budget to the General Assembly. It’s an honestly balanced budget that holds the line on spending, maintains strong reserves, and funds our priorities with no new debt.

Fiscal discipline has been the hallmark of the past decade of Indiana governance. Our balanced budgets have led to economic growth, lower tax rates and job creation.

Remarkably, Indiana is one of the few states in the country that does not have a balanced budget requirement in its constitution. It is a tribute to the public servants in this room that Indiana has adhered to that practice in recent years even though it is not required.

A balanced budget requirement in the Constitution will assure Hoosiers that today and tomorrow Indiana will spend wisely, protect our state from an economic downturn, and unlike Washington, D.C., we won't bury our children and grandchildren under mountains of debt.

I commend Senator David Long for his leadership on a federal balanced budget amendment. I call on this General Assembly to begin the process of adding a balanced budget amendment to the Indiana Constitution in this session and send this historic reform to the people of Indiana.

Over the past two years we've made great progress cutting taxes. Now let's simplify the tax code and prevent the rapid increase of property taxes on family farms.

Because low-cost energy is vital to our economy, we need an all-of-the-above energy strategy, including energy efficiency. But know this, Indiana is a pro-coal state, and we must continue to oppose the overreaching schemes of the EPA until we bring this war on coal to an end.

To remain the crossroads of America, let's invest another \$300 million in new funding for roads and give our cities and towns new resources to plan regional strategies for growth.

Balanced budgets and the right priorities are the starting point to improving our economy, but the key to unlocking the full potential of our state is not in her factories and her fields. It is in her classrooms.

Let's agree here and now that this will be an education session dedicated to improving all our schools for all our kids.

Now, my philosophy of executive leadership is pretty simple; you set big goals, offer solutions, but stay open to other ideas about how to achieve them.

With that approach in mind, and with more than 100,000 kids in underperforming or failing schools, we must make it our aim to have 100,000 more students enrolled in high-quality schools by the year 2020.

To achieve this goal, we must fund excellence, expand choices, and ensure that education in Indiana works at the highest levels.

That's why I proposed more state dollars for K-12 education than ever before, increasing tuition support by \$200 million over the next two years.

And building on the historic first step we took last session, we will invest \$10 million a year to fund scholarships for our new pre-K pilot, because every Hoosier child deserves to start school ready to learn.

Now there are those who think that improving education is just about increasing funding. But money alone isn't the answer.

Everyone knows that good teachers make the difference. I should know, I've been married to a schoolteacher for 30 years this year, and she's with us tonight. Please join me in recognizing the best First Lady in America, Karen Pence.

So how do you get more good teachers like my wife? You get more good teachers by paying good teachers more.

And that's just what we have been doing. This year we awarded \$30 million in bonuses to teachers in 1300 schools.

Building on that success, we will provide another \$63 million for performance bonuses and refocus resources on the classroom. More freedom for our schools and more dollars in our classrooms will pay dividends for generations.

And because all honest work is honorable work, let's continue to make sure our schools work for all our students, regardless of where they want to start in life by making career and vocational education a priority in every high school again.

The General Assembly embraced that vision in a bipartisan fashion two years ago, and together we have begun to improve the career and technical education opportunities for our students.

We've distributed millions in grants and seen innovation in schools across our state. Like up in LaPorte County, where the high schools and the local utility are working together preparing students for careers in electronics and energy by creating an Energy Academy. The driving force behind that effort is with us tonight, the Indiana Career and Technical Education Director of the Year, Audra Peterson.

By providing \$20 million a year to create more career and vocational opportunities and improving the way we fund those courses, we will dramatically increase the number of students who graduate career-ready, and increase—by fivefold—the number of students who graduate with an industry-recognized credential by 2020.

As we open new opportunities within our public schools, let's resolve to give more parents the chance to choose where their kids go to school by expanding our choice and public charter schools program.

Kids like Nathan. Karen and I are friends with Nathan's mom. She's a single mom. He's a wonderful young guy, lives here in Indianapolis. Frankly, at age 15, he was one of those kids who was falling through the cracks. We heard Nathan couldn't quite find a school that worked for him. We all saw the trajectory he was on. So, we came alongside, and talked with his mom about the other choices that are available in our state. My wife managed to point them in the direction of one of our innovative public charter schools.

I'll never forget the day Karen came home and told me that Nathan had visited that school with his mom. After he'd gone in and seen what, in that case, is an individualized learning model where all the kids learn at their own pace, he walked out of the school where his mom was anxiously awaiting him.

She looked at him and said, "Well, what'd you think?" And he looked at her and said, "Mom, if I go here, I'll flourish. If I go here, I can be a leader." He just started there, and this morning, his mom told me he's doing great.

That's what it's all about.

Today some 30,000 low- and middle-income kids are able to attend the school that works best for them because of our choice scholarship program.

Let's open more doors of opportunity to more Hoosier families by lifting the cap on the dollar amount that choice schools receive for students and raise the cap on the choice scholarship tax credit program.

And because public charter schools receive significantly less total funding per pupil than traditional schools, let's adjust funding for charter students to allow more communities to offer more choices for families just like Nathan's.

Nothing is more important than the health and wellbeing of our people.

Hoosiers have long believed that we must care for the needs of our most vulnerable: the aged, infirm, children—born and unborn.

That's why we advanced a tax credit for adoptive parents and fully fund our adoption subsidy going forward.

That's also why we made reducing infant mortality a top health priority in the state.

Thank you, Speaker Brian Bosma, for making this a priority in this session. Tomorrow we will launch the Labor of Love campaign to educate new and expecting moms across our state over the next year.

If you're an expectant mom or have a little one on your lap tonight, help is on the way.

Together, we can and will reduce the heartbreak of infant mortality in Indiana.

There's an old saying that when everyone in your family is healthy you've got lots of problems. When one member of your family is sick you've got one problem.

From the beginning of my tenure as governor, we have been committed to bringing Hoosier solutions to healthcare reform.

We have been saying "No," to ObamaCare in Indiana, "No," to establishing a state-based exchange, and "No," to expanding a broken Medicaid system. Medicaid is not a program we need to expand. It is a program we need to change. And that is just what we've been doing with the Healthy Indiana Plan.

The original program was crafted more than six years ago in this chamber on a bipartisan basis, and our new proposal would offer more low-income Hoosiers the chance to get quality insurance and control their own healthcare.

And we've been working hard to get it done.

To get Washington to say, "Yes," I have gone to our nation's capital, engaged in hours of discussions with federal officials, and I even took our case directly to the president on the tarmac outside Air Force One in Evansville.

As our discussions go forward, know this: I will continue to stand firm for the right to expand access to coverage the Indiana way, based on personal responsibility and empowering Hoosiers to take control of their healthcare choices, but we will not accept terms that relegate low-income Hoosiers to substandard healthcare or jeopardize the fiscal health of our state.

The road ahead will not be easy. But I am confident.

I am confident because Hoosiers have always been willing to do hard things, to embrace change, to build schools of promise and policies that will advance the prosperity, safety and wellbeing of our people.

If we will act with resolve and are bold, we will fulfill Indiana's promise for this generation and the next.

We will have more Hoosiers going to work than ever before and continue to be a model of fiscal responsibility to the nation.

We will have more kids attending high-quality schools than ever before and more kids graduating ready for college or careers.

We will improve the health and wellbeing of our people by empowering individuals to take responsibility for themselves and their families.

And we will do it all the Indiana way: Based on fiscal responsibility, personal responsibility and the values and common sense that are synonymous with the Hoosier state.

And when we do this, we will fulfill the promise, not just of our time, but we will fulfill the promise first forged beneath that constitution elm in Corydon in 1816—the promise of a state built on freedom that would become a beacon of hope and an example to the nation.

With boundless faith in the people of Indiana and faith in God's grace to see us through, I know the best days for Indiana are yet to come.

Let's get to work.

God bless each of you and the great state of Indiana.