

State of the State Address (as prepared for delivery)

Good afternoon President Cullerton, Speaker Madigan, Leader Brady, Leader Durkin, Lieutenant Governor Sanguinetti, Attorney General Madigan, Secretary White, Comptroller Mendoza, Treasurer Frerichs, Members of the General Assembly, distinguished guests, members of the media.

To the members of our National Guard, our service men and women, and our veterans — thank you on behalf of a most grateful state. To the citizens, the taxpayers of Illinois, it is an honor to serve you.

My report on the State of the State this bicentennial year begins with a reflection on what has been born, built and grown in Illinois.

Our history is rich. We were the first state to ratify the Constitutional amendment to abolish slavery. Presidents Lincoln, Grant, Reagan and Obama called Illinois home.

We taught the world how to rebuild a city when we scraped the sky after the Chicago Fire. We invented the Twinkie and started the first nuclear chain reaction.

With 36 Fortune 500 companies, 1.2 million small businesses and 72,000 of the nation's greatest farms, we are the world's 17<sup>th</sup> largest economy. We are a top bioscience and medical center. Eighty-two foreign consulates help connect us to the global economy. Our institutions of higher learning are world-renowned, world-connected.

Most important, our people lead the world in hard work and innovation. You name the field and we'll name the pioneers.

There's poet Gwendolyn Brooks' record of our most personal struggles. Nobel Laureate Robert Millikan's work with electrons in orbit and James Lovell's moon-orbiting Apollo 13. There's Benny Goodman's big band and Walt Disney's big-eared mouse. Jane Addams' heroic social work. Butch O'Hare's Congressional Medal of Honor.

There's Marshall Field on that great street and John Deere's steel plow. Media moguls Robert McCormick and William S. Paley. Athletes Michael Jordan and Jackie Joyner-Kersey. Authors Ernest Hemingway and Edna Ferber.

Today, we produce 10 percent of the nation's computer scientists. We graduate more engineers than MIT, Stanford and Caltech combined. Illinois grads have started YouTube, Oracle, CDW, PayPal, Tesla Motors ... and many more.

This is where Illinois comes from. These are the people on whose shoulders we stand to envision our future. This is the lofty vantage point from which we now look ahead.

Throughout our history, Illinois has been a magnet. If you wanted to till the soil, lay a brick, build a building, make a deal, super-compute, you name it ... you could find work in Illinois, afford a home and rely on the public schools to educate your children.

Today, we have an opportunity to turn yesterday into tomorrow, and make Illinois the powerhouse job creator it should be.

We can do it. We united last fall to bid for Amazon's second headquarters. Governor, mayor, General Assembly, city council, businesses and nonprofits, Republicans and Democrats collaborated to compete for 15 years of growth, with 168,000 potential jobs and \$129 billion in cumulative new GDP.

The fact is there is another, much bigger Amazon-like opportunity to pursue. The request for proposal comes from an enterprise called ... the State of Illinois.

We have the assets, and we certainly have the incentives: 12.8 million fellow citizens who want us to ignite our economy.

But this is not a prize one wins alone. It takes a collaborative effort, a forget-about-the-politics-and-roll-up-our-sleeves kind of approach. It requires a laser-like focus on economic development and job creation and a bipartisan dedication to restore public trust.

This legislative session is a chance to put in place the policies, the changes, the fiscal discipline to recruit many more Amazons. United, we can create thousands and thousands of jobs, attract billions of dollars in investment and set millions of Illinoisans free to make more, buy more, build more.

So today, this report on the State of our State will focus on the places where we agree, and where we can start to build to the future.

The state of our state today is one of readiness: readiness born of unprecedented frustration with our political culture, along with the firm belief that we have tremendous, but as-yet unrealized, economic potential.

The place to start is with a joint effort to restore public trust.

To tell truth to power, to stand up against the establishment without fear of recrimination, ... these notions of democracy and social progress too often seem lost in Illinois government. Where once we joined to address our problems, we now divide to conquer the other side ... or worse, we legislate for expediency rather than effect.

When the #MeToo movement struck Springfield last fall, the outcry for ethical reform turned into legislation in a Hollywood minute. Unfortunately, many believe that transparency and accountability were sacrificed for optics and speed.

So, today, I will sign an executive order to strengthen the policies that ensure all government employees under my office's jurisdiction have reliable and responsive outlets for reporting acts of sexual misconduct. The order makes the Ethics Act supreme over all other laws and agreements in the state, even those in collective bargaining agreements.

The order creates a chief compliance office in the executive branch; stipulates reviews of allegations in 10 days or less; and requires training on best investigation practices by the end of this year, and every two years thereafter. These are powerful protections that the legislature should emulate.

Further, we will introduce legislation this session to make the Ethics Act the prevailing law of the state in all matters involving misconduct. Every man and woman here today, and

every man and woman in our state, is unified in the expectation that we will act on our complete intolerance of, and utter revulsion for, sexual harassment.

It is protection all must have ... and we must give.

We will also ask you to come together for another important cause.

Two and a half years ago, our Departments of Public Health and Veterans Affairs responded to a tragic outbreak of Legionnaires' disease at our Quincy Veterans Home that claimed the lives of 13 veterans.

Our leadership team and our medical and caregiver staffs took all the right steps to deal with the crisis. We discovered the true cause of the outbreak through pro-active tests. We partnered with the CDC, took each of their recommendations, installed a new \$6 million water treatment system, and instituted best practices for water flushing and purification.

According to CDC, the effort has resulted in a substantial reduction in cases of Legionnaires' disease and detectable *Legionella* in the water systems.

Even though research shows that *Legionella* is everywhere, including this very Capitol, our goal is to prevent *Legionella* infections at the Quincy Home.

The CDC says it is impossible to eliminate the bacteria. But we will fight against it as hard as our veterans fought for us. The latest CDC recommendations are being implemented. We are going beyond the recommendations of experts, and we are investigating the possibility of entire system replacements, and perhaps even a new facility.

Some of my friends from the Quincy home are here today. Residents Ivan Jackson and Carol Jardine and family members Marty and Vicky Fleer. Thank you for your service.

I know all of us share a passion to do everything we can to keep our veterans safe and healthy. And I know we can count on all of you to support the improvements that are needed. The men and women who reside there put it all on the line for us.

We must now do the same for them.

No one in Illinois is happy with our property tax assessment system. Ordinary people — the ones without clout or connections or money to pay high-powered lawyers — are victims of a system rigged against them. For too long, big businesses and the well-to-do have gotten huge tax breaks while little guys and little businesses take it in the pocketbook.

Home values in some parts of our state are half what they were 10 years ago, yet property taxes are twice as high. Small businesses often have to cut staff to pay their taxes. Elderly couples on fixed incomes are too often pushed out of their homes because they cannot afford their property taxes.

Christine Wilson, here today, is one of thousands of homeowners in Illinois who have property taxes that are unfair, unaffordable and crushing their quality of life.

It is a vicious form of oppression. The system traps people in their homes, vaporizes their equity, drives mortgages under water, and in some cases, pushes people out of our state. It is time to put a stop to the corruption.

Two weeks ago, we issued an executive order that prevents legislators from practicing before the state property tax appeal board. And today Sen. Oberweis and Rep. Wehrli will introduce legislation that asks you to apply this same reform to every legislator who might practice before an assessment appeal board anywhere in the state.

And once again, we will ask you to pass legislation that brings true property tax relief, giving people the ability to lower their property taxes through a simple voter referendum. These are reforms we must enact if we want common sense to win out over corruption.

There is one more step we need to take to regain public confidence.

Eighty percent of the state's voters want term limits. The other 20 percent, it seems, are seated in this chamber and in elected Illinois courts. It is past time to make this good governance move. Put term limits on the ballot and let the people decide.

As quick and decisive as we need to be on ethics, we need to be as aggressive on jobs and the economy.

There is no question we need the economic spark. News of population declines and slow business growth have effects that go far beyond troublesome headlines. They cost us jobs, and rob us of tax revenues.

I don't know anyone in this chamber, or in this state, who isn't frustrated when we spend beyond our means, or borrow to cover deficits, or let pension issues go unresolved. Yet there is example after example of what can be done on a bipartisan basis to reverse the trend.

Rhode Island reformed its pensions. California enacted term limits. Massachusetts changed its group health plans and lowered workers' comp rates. We have the power to take similar steps. The question is whether we have the will to take them.

What there is no question about is this: We have planted the seeds of growth in our economy.

We've put 120,000 people to work. We've brought and kept business here: Amazon, General Mills, Nucor Steel, Brandt Industries and many more.

We signed the Future Energy Jobs Act to preserve the state's energy options and create thousands of jobs in our energy industry. Because we are a recognized leader in the energy sector, job holders in Clinton, in the Quad Cities and all over the state reap the benefit.

We helped launch the Illinois Innovation Network and the Discovery Partners Institute, a U of I-led effort to link the power of great research with entrepreneurship and new business formation. What Stanford and Berkeley and Harvard and MIT are to the coasts, partnerships of the U of I, U of C and Northwestern can even surpass for Illinois.

We've given our state tools to compete. We've cut red tape. Slashed fees for small business by 70 percent. Signed EDGE tax credits into law to help stanch the outflow of

businesses to border states. Established Intersect Illinois to focus on business development. Traveled to Asia and Israel to bring more jobs to Illinois. And declared a harvest emergency to help farmers get crops to market.

The key to job creation is education and training... and we have started to transform education in our state. During our time in the executive branch, funding for K-12 schools has increased \$1.2 billion, and that includes record levels of funding for early childhood education.

We enacted historic reforms to end one of the most inequitable school funding formulas in the country. For most districts it will be a welcome and long overdue infusion of new money for their programs. Now, need dictates resources, not zip codes.

We achieved historic parity in per-pupil funding for charter schools, and we created Invest in Kids, the state's first-ever tuition tax credit scholarship program. Now, with more than \$45 million already contributed, good students in low-income families will have a way to attend schools that meet their needs.

Scholarship Granting Organizations have experienced unprecedented demand for the program. One in Chicago received more than 11,000 student applications the first day.

We created a task force to find ways to overcome the shortage of agriculture teachers, a critical need in a state with 27 million acres of farmland.

These steps are designed to achieve one goal: prepare our children to be prosperous participants in the 21<sup>st</sup> century workforce. When we create the jobs, Illinois' young people will be ready to fill them.

In a truly bipartisan effort, we have made historic, nationally acclaimed criminal justice reforms. Fairness, responsiveness and jobs are center points of the effort. People's lives should not be dictated by a mistake, or by the failure of bureaucracy to deliberate and process.

So, the backlog of 2,200 clemency requests left on my desk by my predecessors is now gone. Today we deal with requests in real time. The state's prison population has been safely reduced by nearly 15 percent. We do everything we can to help non-violent and young offenders learn in prison, so they don't go back to prison.

Offenders can now train and test for professional licenses while in prison. Say hello to Landus Jackson, our first licensee. Next time you are in Cairo, visit his barber shop, and he'll show you the license he earned in prison, and tell you with pride about the business he's built.

There is now a division in the Department of Corrections to help women, many of whom are moms, and 30 percent of whom end up back in prison within three years. We want to cut the recidivism rate so these mothers can be there to raise and love their children.

On the enforcement side, to keep families safe, we've successfully joined with local and federal authorities to combat gang violence as well as gun, drug and human trafficking. Illinois State Police will have graduated three new Trooper classes by the end of the summer.

We are fighting the opioid epidemic. Our 24/7 Helpline has steered hundreds of victims to the resources they need to begin recovery. Drug prescribers must register in our Prescription

Monitoring Program so we check potential abuses at critical points in the distribution cycle. We made it possible for first responders to use medication to block overdoses.

We are determined to reduce projected opioid deaths by more than one-third in the years ahead.

We work every day to help our agencies provide better service at lower costs to the taxpayers of Illinois.

We now have 19 innovative new labor agreements in place to pay our state government employees based upon 40-hour work weeks, rather than 37 ½ hours, and pay on merit and productivity, not just seniority.

We have launched technology initiatives to streamline our interface with taxpayers. The objective is to get online so we can facilitate customer service and business growth. We want government to work for people, not against them.

Our Healthcare Fraud Elimination Task Force, in collaboration with Inspector General Maggie Hickey, has helped to root out Medicaid fraud to the tune of \$450 million in taxpayer savings.

We are also careful stewards of taxpayer dollars. What we spend isn't ours. It belongs to taxpayers, and we think they deserve better value for their money.

We have vetoed unbalanced budgets that would push us deeper into debt. We vetoed tax increases that Illinoisans couldn't afford. And we vetoed the 32 percent income tax increase enacted last summer.

In FY2019, our pension costs will rise another \$600 million. Ask anyone in this room if they think this trajectory of pension expense can be sustained. Most will say "no." But most lack the courage to break with the status quo so we can change our path to the future.

So, on this point I think we can also agree: It is time we do what the people of Illinois want. Halt the advance of taxes. Stop spending money we don't have. Get our pensions under control. And give power back to the people.

The surest road to economic vitality and job growth is a collaborative effort to regain our financial integrity. To that end, I will submit a balanced budget proposal next month. It will offer a path to reduced spending, and it will show the way to surpluses going forward so we can reduce taxes and start to push back against the assault on middle class bank accounts.

We have significant challenges ahead. But the opportunities we have are so extraordinary, so much like multiple Amazons, that we must rally around the cause of job growth for all Illinoisans. The simple truth of our shared experience is that we cannot tax and borrow our way into prosperity. We can and must grow our way into a more prosperous future.

We all know that the people of Illinois are taxed out. So, just as we reversed the flow of the Chicago River, it is time to change the flow of money. Let's curb our spending and work together to give people the capital they need to build and grow. If that happens, we will produce jobs, personal income growth, and attract talented taxpayers to our economy.

Abraham Lincoln once said: "The best way to predict the future is to create it." It is within our power to produce an Illinois that lives up to its resources. The seeds are planted. The work has begun. Now is the time to finish the job.

Thank you. God bless our veterans. God bless the people of Illinois. And God bless the United States of America.