

STATE OF THE STATE 2014

Illinois is Making a Comeback

President Cullerton, Speaker Madigan, Leader Radogno, Leader Durkin, Lieutenant Governor Simon, Attorney General Madigan, Secretary White, Comptroller Topinka, Treasurer Rutherford, members of the General Assembly, and distinguished guests: Good Afternoon.

I'd like to begin by recognizing two public servants who gave their full measure of devotion to all of us on Monday night.

Illinois Tollway worker Vincent Petrella lost his life doing his job. Vincent was struck and killed on I-88 while helping a truck driver in distress. He served with the Tollway for 13 years. He leaves his wife Sandra and two young children behind. And we ask God to bless his immortal soul. Illinois State Police Trooper Douglas Balder was with Vincent that night.

At this hour, Trooper Balder is battling for his life at Loyola University Medical Center in Maywood. We thank him for his ethic of service and we pray for his recovery.

Please join me in a moment of silence and prayer for Vincent Petrella and Trooper Douglas Balder. In Illinois we honor our heroes and we're grateful for their service.

I'd like to welcome two more Illinois heroes, Sergeant Brent Adkins and Sergeant Benjamin Griest of the Illinois National Guard.

Shortly after midnight on Monday, January 6, they answered the call. Multiple semis had jack-knifed and caused a pile-up on I-57 and I-70 near Effingham. The drifts were so thick and the snow falling so hard that even our snowplows could not clear the way and more than 400 motorists were stranded in wind chills of thirty below.

Sergeant Adkins and Sergeant Griest traveled from the National Guard armory in Mattoon through arctic conditions in the middle of the night with their wrecker in tow -- a military vehicle that can lift more than 10 tons. They cleared the road and rescued hundreds of people.

Thank you Sergeants, for getting the job done.

Just weeks earlier, many of our communities were devastated by deadly tornadoes. Eight people lost their lives and 2,265 lost their homes.

Six-year old Brevin Hunter, of Washington, Illinois, was one who lost his home. Brevin warned his mom to seek cover in their family's basement just moments before the tornado decimated their home. He saved her life. Brevin and his family are here today. Way to go, Brevin.

Today and every day, we all belong to Brookport, Gifford, New Minden, Diamond and Washington.

Emergencies test the preparedness and resilience of our government and our people. And we have been well tested. In the last five years, Illinois has been through 11 natural disasters. We've watched droughts plague our farmers -- the

backbone of our economy. We saw last April's pervasive flooding in 49 counties. We remember the tragic tornado in Harrisburg just two years ago.

Extreme weather is a reality with devastating effects and it demands our constant readiness. And each and every time, our state workers, our service members, and our first-responders have gotten the job done.

Now, natural disasters were not all that we managed in the past five years. Some disasters were of the man-made variety.

Exactly five years ago this day, I was sworn in as Governor, at Illinois' darkest moment. We were facing an unprecedented triple crisis of government corruption, economic collapse, and financial instability.

We had one former Governor in jail and another on the way to jail. Our economy had plunged into the worst recession since the Great Depression, brought to its knees by greedy and corrupt financiers.

And our financial house was on fire, set ablaze by decades of mismanagement and an utter lack of willingness to make the tough calls. Hardworking people in Illinois lost their jobs, their homes and their faith in those they had entrusted with their votes.

It was a perfect storm, and it left destruction in its path. We all knew that repairing the damage that had been done over decades would not happen overnight.

But over the past five years, we've rebuilt one hard step at a time. And we've been getting the job done.

Illinois is making a comeback.

First, we restored integrity to state government, passing a strong new ethics code, campaign finance reform and a new constitutional amendment to allow voters to recall any governor guilty of corruption.

When I took the oath of office, state government hadn't properly invested in our infrastructure in 10 years. Within 10 weeks, we passed the largest construction program in Illinois history. So far, we've built and repaired 7,595 miles of road, 1,311 bridges and 978 schools.

Five years ago Illinois did not guarantee equal rights to all couples. Our state did not even provide civil unions. Today we embrace full marriage equality -- it's the law of the land.

And unlike our predecessors, we've made the tough calls to balance the budget. We cut more than one billion dollars in state spending. We overhauled our Medicaid program to save taxpayers over two billion dollars.

And even as we took hard steps to return Illinois to sound financial footing, we did it with compassion, preserving the safety net to protect the most vulnerable.

We also accomplished comprehensive pension reform, something no governor or legislature had been able to do. Previous governors and legislators from both parties created the pension crisis. They did not make the required payments into the pension funds.

There was no fiscal accountability. And it led to a culture of instability shaking the confidence of taxpayers and businesses. Resolving Illinois' pension crisis was the tallest task of all. But together, we got the job done.

Since I took office, we have paid the full pension payment every year. We passed a historic pension reform law for new employees in 2010. And last year, we enacted necessary and comprehensive pension reform that Moody's said "*may be the largest reform package implemented*" by any state in the nation.

Thanks to all of you who voted yes. And a special thank you for the hard work of our legislative conference committee members: Senator Raoul, Representative Nekritz, Senator Biss, Representative Senger, Representative Turner, Representative Zalewski, Senator Murphy, Senator Brady and Representative Tracy. And thank you, House Speaker Mike Madigan, Senate President John Cullerton, Leader Christine Radogno and Leader Jim Durkin.

It was hard. It was painful. And it took political courage. But together we got the job done. Today, we can tell the people of Illinois we stopped the bleeding. We turned the corner. And Illinois is making a comeback.

But now, as we head into 2014, we know we have more work to do. That's why today I'm laying out a five year blueprint for jobs and economic growth in Illinois. It's a blueprint that builds on the foundation we have laid these past five years.

And it's a blueprint that recognizes that a truly strong economy relies not just on jobs, but also on fairness and inclusion. If we follow this blueprint, we'll do three things: create more jobs, deliver stronger education and build an economy that works for everyone.

JOBS

Of course, economic growth always starts with more jobs. And we've seen progress on this front. Since the recovery began in January 2010, Illinois has added 280,000 private sector jobs. Unemployment was at 11.3% at the height of the Great Recession and today, it's at its lowest point in almost five years. In fact, since last May, Illinois has led the Midwest in new jobs created.

And two years ago, with the strong support of the Illinois Manufacturers Association and the Illinois Retail Merchants Association, we reformed our worker's compensation system...and our unemployment insurance system. These reforms have saved hundreds of millions of dollars. But we know we have much more work to do.

Small businesses

And we'll start with a renewed focus on small business. Three out of every four Illinois employers are small businesses. And in the last five years, we've helped them. Through our Advantage Illinois program, we've provided loans and investments to help small businesses grow.

One of them is AllCell, a battery manufacturer on the southwest side of Chicago. AllCell leveraged our programs to grow from 6 full-time employees to 40 in just four years and today they're exporting all over the world. AllCell's founder & CEO, Said Al-Hallaj is here today, and we salute him and all our small business owners. They're getting the job done.

But we should do more to support our small businesses, especially as they get started. In Illinois, new businesses have long paid a \$500 LLC fee when they open up shop.

Let's reduce this fee to \$39 – the lowest in the nation- and provide a boost to our innovators. This small but important step will encourage entrepreneurs to start their business and put more people to work.

And we won't stop there. Today I'm issuing an Executive Order to establish a Small Business Advocate whose sole focus will be to examine policies and proposals through the lens of how they impact Illinois small businesses. Let's make life easier for our small businesses – and make sure small business always means big business in Illinois.

In the past five years, we've also worked to level the playing field for minority- and women-owned businesses. We established a new revolving loan program at IDOT thanks to the great work of Senator Mattie Hunter. And we expanded contracting goals for these small businesses.

As a result, we've increased state contracts to minority and women-owned firms by nearly 60 percent since I took office – an increase of 1,921 contracts worth more than \$120 million. In the Metro East, African American businesses and workers helped build the new Stan Musial Veterans Memorial Bridge over the Mississippi River, which we'll soon dedicate.

They're getting the job done.

Infrastructure

Our businesses need modern bridges, highways, railroads, and water systems. A sound infrastructure is critical to a strong economy. In the last five years, through our Illinois Jobs Now! Program, we've invested more than \$31 billion into our infrastructure – and this has supported more than 400,000 jobs.

Thanks to these investments, we constructed the Morgan Street Bridge in Rockford. We're building a wider Route 13 in Southern Illinois. We're expanding John Deere Road in the Quad Cities. And construction is underway on the new Circle Interchange to relieve congestion on the Eisenhower, Kennedy, and Dan Ryan expressways.

After years of gridlock, we're moving forward on our plan to build a South Suburban Airport. And we're making the Illiana Expressway a reality, which will create thousands of jobs and strengthen our position as the largest inland port in the nation.

Through our Clean Water Initiative, we're investing more than \$1 billion in clean water – and creating 28,000 jobs along the way. And these are good jobs: jobs for welders, cement masons, truck drivers, operating engineers, pipefitters, painters and carpenters.

Through these projects, we're replacing ancient water mains, upgrading sewers, and building wastewater treatment plants all over our state including in Pekin, Decatur, Kankakee, Rockford, Spring Valley, and Murphysboro.

To date, we've received 91 clean water applications. And this year, we'll expand our Clean Water Initiative – and double this investment - to include critical stormwater and flood control projects. When it comes to creating the infrastructure we need for a strong economy, we've been getting the job done.

And there's more work to do.

Ready Workforce

We've also been making progress when it comes to preparing our workforce for 21st century jobs. Just on IllinoisJobLink.com – our employment opportunity website -- there are more than 130,000 jobs available right now.

But many of these jobs require very specific skills. That's why preparing our workers for high-skill, in-demand jobs is a top priority. To help us fill those jobs, we've mobilized our education system behind our "60 by 2025" goal: 60% of our adult workforce with a degree or career certificate by the year 2025.

We've been exceeding our targets every year. Since 2008, our community colleges have grown the number of people graduating with degrees and career certificates by more than 30 percent. We've also expanded dual enrollment and early college opportunities for qualified students.

But we can't finish the job if deserving students aren't able to afford a college education. So, over the next five years – let's double the number of MAP college scholarships for students in need in Illinois.

Our MAP scholarship program currently helps 140,000 students go to college. Students like Shomarie Jackson, Adriana Rivas, and Howard Brown, who are here today.

By doubling the number of MAP scholarships, we can make sure deserving students in need are equipped to excel in the 21st century workplace.

Another way we prepare our young people to succeed is through workplace experience. That's why we should expand our youth and young adult conservation corps. This will help at-risk young people get a job and gain valuable training and work experience. Through these programs, our young people will develop important skills while doing necessary work in state and local parks and conservation areas across Illinois.

Now there's no question that our veterans already have strong skills. And we're making sure those skills count here in Illinois. Last year, I issued an Executive Order mandating the assessment of military training against state licensing requirements. Thanks to the work that followed that Order, we received funding from the National Governor's Association and in the coming academic year we will launch "Veteran Bridge Programs" for military medics to attain LPN degrees at Joliet Junior College, the College of DuPage, and Illinois Central College in Peoria.

Our veterans got the job done for us when they served in uniform. And now we're getting the job done for them, making sure their training counts here in Illinois.

Part of our jobs strategy is investing in industries that are the future of a 21st century economy. That's why we've invested in 1871, the digital hub in the Merchandise Mart that has grown over 200 start-ups and created more than 1,000 jobs -- in just two years.

And that's why now, we're going to invest in a new bio-hub for pharmaceutical, medical device, and health IT start-ups. Our life science industry in Illinois has a \$98 billion economic footprint. And our new BioHub is going to drive even more economic growth.

And we should never forget that Illinois has always been a manufacturing hub. Especially our auto manufacturers and their suppliers.

When I took office, Chrysler employed just 200 people at its Belvidere plant. We partnered with Chrysler. And now Chrysler employs more than 4,700 workers at that same plant.

Five years ago – Ford had just one shift at its plant on Chicago's south side, a total of 1,600 workers. We worked with Ford, and now Ford has three shifts with more than 5,100 workers.

In the last year alone, we've promoted Illinois around the world and gotten results. After my trade mission to Canada, FER-PAL – a company that upgrades water systems - moved their North American headquarters to Elgin. After my trade mission to Germany, Rittal – an international manufacturer of IT and electrical enclosures – moved their North American headquarters from Ohio to Schaumburg.

After our meetings in Japan, Nippon Sharyo – a world-class high-speed railcar manufacturer - chose Illinois for their expansion. And after meeting with Denmark’s Grundfos - the largest water pump manufacturer in the world – they moved their North American headquarters to Downers Grove.

That’s more jobs and more opportunities for Illinois workers.

EDUCATION

Now, a strong economy also demands quality public education for all our students. That starts with good teachers. Teachers change lives for the good. In Illinois, we honor our teachers and we appreciate their hard work.

In the last five years, we’ve been getting the job done on education reform. Parents are now empowered with a report card on their children’s schools. Teacher evaluations have strong benchmarks. And performance is prioritized over tenure. In fact, our reforms have become a model for the nation.

Governor’s Birth to Five Initiative

But our unfinished job on education starts where it matters most: in early childhood.

Study after study has shown that high-quality early childhood education provides the best return of any public investment we can make more than \$7 for every dollar invested. That’s why our state invests in programs serving our at-risk children, from birth all the way to kindergarten.

Since I’ve taken office, I’ve always fought to preserve early childhood education from radical budget cuts. And we found a way to invest \$45 million to build early education centers in high-need areas such as Dolton, Kankakee, and Cicero.

Our state actually leads the nation in the number of three year olds attending pre-school. But the status quo is not enough. Not even close.

The reality is, more than a third of our youngest and most vulnerable children don’t have the opportunity to attend early learning programs before they enter kindergarten. And that’s unacceptable. At-risk children who don’t receive early childhood education are:

- 25% more likely to drop out of school
- 40% more likely to become a teen parent
- 50% more likely to be placed in special education
- 60% more likely to never attend college
- And 70% more likely to be arrested for a violent crime.

Scripture tells us, "Where there is no vision, the people perish." That’s why today I’m calling for a bold Birth to Five Initiative that will be focused on three keys to a healthy child: prenatal care, access to early learning opportunities and strong parent support.

This initiative actually starts before a mother gives birth to her child by ensuring that she has access to prenatal services throughout her pregnancy. The good news is that prenatal care is already available to expectant mothers with modest incomes through existing programs. Yet 25% of our low-income mothers are not receiving the prenatal care they need.

Children pay the price. Mothers who do not receive prenatal care are three times more likely to give birth to a low-weight baby which leads to increased risks for cardiovascular disease, diabetes, learning difficulties and poor development.

And taxpayers pay the price. The cost of a birth where the baby is low-weight is five times that of a normal birth. In addition to significant medical needs that eventually burden the system, these children often require early intervention services, remedial education, and grade repetition. And they lose out on the opportunity to achieve their full potential.

Through our Birth to Five Initiative, over the next five years, we will work with our community partners—schools, hospitals, and faith-based organizations – to identify expectant mothers and connect them to prenatal services. We can ensure more children are born into the opportunities they deserve and we can save taxpayer money.

But we won't stop there. When the human brain is forming early in a child's life, it provides a critical window of opportunity to develop key academic, social and cognitive skills that will determine success in school and in life.

That's why the second pillar of our Birth to Five Initiative is to provide every child with access to quality early learning opportunities. This is especially important for our African American and Latino children.

Children like Cadence Marie Robinson, a five year old who I recently met when I visited Spencer Technology Academy on the west side of Chicago. She sat on my knee and told me she was getting ready for kindergarten. And then she read the numbers on my business card to me – something she could do thanks to the Head Start program she attended.

With strong early childhood education, kids like Cadence are set on a path for long-term success. We're really proud of you, Cadence.

We also see the importance of early childhood education in people like Christine Nicpon. Raised by a single mother in Chicago's Pilsen neighborhood, Christine's family struggled every month to make ends meet. Her mother always knew she wanted more for her children and, after seeing a flyer, she enrolled Christine in an early learning program.

Christine went to high school, then college and last year completed her Master's degree at the University of Chicago. Today, she's a fellow at the Latino Policy Forum and striving for a career in early childhood. Good job, Christine.

We already have the foundation in place for early childhood learning. In 2009, I established the Governor's Office of Early Childhood Development. And as a result, we secured federal grants from Race to the Top that are allowing us to deliver high-quality early care and education programs.

By properly investing in our existing early learning programs and making this a budget priority...we can transform lives and save taxpayer money. But we can't stop there. A parent is a child's first teacher. Moms and dads play the most important role in promoting the healthy development of their kids. But not all families are equipped with the information and support they need to create healthy learning environments.

That's why the third critical part of our Birth to Five Initiative calls for ensuring parents have the support and services they need. Family involvement during preschool is linked with stronger pre-literacy skills, math skills, social skills and positive attitudes.

Over the next five years, we'll connect families to a range of services and training opportunities to help them support their children's education. We'll expand our home visiting program and build on our innovative community partnerships in places like East St. Louis, Aurora, North Lawndale, and Marion.

Once our Birth to Five Initiative is fully implemented, mothers will be connected with prenatal care to ensure the healthy birth and development of their children. Children in Illinois will have access to quality early learning, starting at birth. And parents will have the tools to lead their children toward success in school, college, career and beyond.

Illinois can lead the nation in early childhood education. We have the foundation in place. Now is the time to get the job done for Illinois' littlest.

FAIRNESS

Giving our children the best start in life will lead to a stronger economy. But if our economy doesn't work for hardworking families, if it doesn't build the middle class, then our job is not done.

The foundation of a strong economy is a strong middle class. In Illinois, we believe that if you work hard and you play by the rules, you deserve a fair shake. Every person - no matter what challenges he or she faces – deserves an opportunity.

That's why a big part of our blueprint today is ensuring all Illinoisans have the opportunity to pursue their dreams and enter the middle class.

Housing

Building the middle class means keeping families in their homes. Thousands of hardworking Illinois families were in danger of losing their homes in the Great Recession. But we worked to fight foreclosure and promote affordable homeownership.

We launched the Illinois' Hardest Hit program to help working families keep their homes. More than 11,000 families, in nearly every county, have received the foreclosure prevention support they needed.

We also launched Welcome Home Heroes to give military families an opportunity to buy a home after sacrificing so much to protect our freedom. Thanks to Welcome Home Heroes, 1,150 military families have accessed more than \$140 million to help buy their homes.

And we haven't forgotten about our neighbors with developmental disabilities. That's why we financed more than 2,100 new supportive housing units to provide individuals with disabilities more choices in their communities.

And that's why we honor the example set by students of Downers Grove North High School. They demonstrated last year what including everyone is all about. Anne Wagner, who has Down syndrome, missed her sophomore and most her junior years in high school when she was diagnosed with leukemia. But her friends didn't forget her.

Her lifelong friend, Mary Doro, nominated Anne to be homecoming queen and the students of Downers Grove North voted for Anne Wagner, Homecoming Queen. Anne and Mary: We're proud of you.

RAISING THE MINIMUM WAGE

Building the middle class also means providing everyone with decent healthcare. Today 144,000 more people have health coverage in Illinois who didn't have it one year ago. And many more will find coverage in the coming year through GetCoveredIllinois.gov. Thank you, Senator Heather Steans, Rep Sarah Feigenholtz, Rep Lisa Hernandez, and Rep Mary Flowers for your healthcare leadership.

This year, we really need to get the job done for our fellow citizens who are making the minimum wage of \$8.25 per hour.

Our minimum wage workers are doing hard work. They're putting in long hours. Yet in too many instances, they are living in poverty. That's not right. That's not an Illinois value. And that's not a fair shake. This is all about dignity and decency.

So I said it last year and I'll say it again: It's time to raise Illinois' minimum wage to at least \$10 an hour.

Raising wages for workers who are doing some of the hardest jobs in our society is not just the right thing to do. It's also good for our economy. According to the Federal Reserve, for every dollar increase in the minimum wage, workers spend an additional \$2,800 in their local communities. Minimum-wage workers do not admire money in a bank vault. They spend it quickly and locally, a shot in the arm to our Main Street businesses.

Let's get this job done and make our economy work for working families.

EITC

Another way to help our working families is the Earned Income Tax Credit...a tax credit that President Reagan once said was "the best anti-poverty, the best pro-family, the best job-creation measure" we could devise.

In the last five years, we've doubled this tax relief for Illinois working families. And over the next five years, we should double it again. When more families enter the middle class, the economy grows.

Earned Sick Time

And one more thing.

43 percent of all workers in Illinois – more than 2.5 million people – have no right to a single earned sick day. Among our low-wage workers – the problem is even worse: 80 percent of low-wage workers don't receive any earned sick days.

We need to do something about this. We should provide at least two earned sick days for every worker in Illinois.

We need to help our workers -- especially our single parents -- avoid that awful choice: dragging themselves from a sick bed to work, or losing a day's pay or even their job.

More than 70 years ago, President Franklin Delano Roosevelt said, "The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little."

This, too, is about dignity and decency. Let's get this job done for our working families.

CONCLUSION

Five years ago this day – I stood before you and I asked for your prayers. Illinois was in a state of emergency, and there was no quick exit. There were no easy solutions. Recovery would require tough medicine and unpopular decisions and it would take time. But by tackling hard issue after hard issue and never giving up, we are getting the job done.

Illinois is making a comeback.

The ratings agencies are sending positive signals for the first time in recent memory. The backlog of bills is going down. Unemployment is at its lowest point since the economy crashed.

And, according to the most recent Federal Reserve Bank report, in the next six months Illinois is projected to have the best economic growth of the five largest states in America.

Of course, we still have financial challenges ahead. And we'll be talking about the best way to meet those challenges in the upcoming budget. But, the fact is our recovery is strengthening every day. And we're leading that recovery in a way that cares for working families.

Pope Francis has urged all of us to say "'No' to a financial system which rules rather than serves." No "to an economy of exclusion and inequality." No to a world in which "the powerful feed upon the powerless." And the Pope is right.

Illinois is best served when we build and protect the middle class and when we open the door to those struggling to join it.

By following the steps I have outlined here today – creating more jobs, making early childhood education a top priority, and building an economy that works for everyone – we can create a stronger economy than ever before and reform Illinois for the next generation.

So I ask today for your partnership.

Together, we've weathered the worst man-made storm in our state's history. We've led Illinois' comeback one hard step at a time. We've worked to repair decades of damage.

And we're getting the job done.

Let's keep our shoulder to the wheel and finish the job. Let's make the will of the people the law of the land.

Thank you.