



State of the State

Governor Janice K. Brewer

Monday, January 11, 2010

Speaker Adams, President Burns, Honorable Senators and Representatives, Chief Justice Berch and Justices of the Supreme Court, Secretary of State Bennett, and all other constitutional officers, tribal leaders, honored guests, and my fellow Arizonans:

I've worked hard all my life, in many ways and places. For 27 years I've had the chance to serve Arizona, to help this wonderful place grow.

I serve beside you, and I'm proud to serve the same master each of you serves, the people of Arizona. Like you, I know Arizonans to be a tough-minded bunch.

Strong; iron-willed; and equal to every challenge.

That's a good thing.

Because as we gather today, our still-young state is challenged as never before.

Let me be abundantly clear. I know we will meet this challenge. I believe in Arizona's future. I believe in our strength. I believe in our goodness. And, I believe in our Grace.

I believe Arizona's Second century will far-surpass its first.

Let me be clear about something else as well: Meeting this challenge will not be easy.

I know this for a fact, because if there's one thing I've learned in my years of public service, it's that doing the right thing -- almost always means doing the hard thing.

That's what it will come down to in the days ahead.

Choosing what's tough over what's tempting. Choosing commitment over ignorance. Choosing government that is necessary -- over government that is merely desired. Choosing the truthful over the false.

Honesty, versus lies.

Right, versus wrong.

Those are the choices Arizona faces.

The essence of the challenge laid at our feet.

What's wrong you ask?

Wrong, is the five high-rolling years before I took office when the system was designed and operated to grow government as large as possible.

Wrong, is a state budget deficit of nearly \$5 billion across 2 fiscal years.

Wrong, is a federal government whose unfunded mandates and sweetheart deals steal Arizona's freedom and threaten to bankrupt our state.

Wrong, is arguing "the system worked" -- when evidence to the contrary is everywhere and obvious.

What's right, you ask?

Right, is telling hard truth even when it exacts a political cost.

Right, is acting not in self-interest but on behalf of others.

Right, is self-sacrifice ... commitment to the greater good ... valor.

Valor -- like that found in a man from Litchfield Park a fellow West-sider named Thomas Rabjohn.

A 39-year-old husband to Nikki and father to their three daughters, Tom put aside his work as a Phoenix police officer last year to join his National Guard unit in deployment to Afghanistan.

Officer Tom Rabjohn resumed his job as Staff- Sergeant Tom Rabjohn, team leader to the 363rd Explosives Ordinance Detection Company.

Last fall Staff-Sergeant Rabjohn and his fellow soldiers went to a combat area and successfully disabled a number of deadly explosive devices.

He was a long way from Litchfield.

They carried out their perilous work with consummate skill and calm. And then before disengaging -- came upon yet another device.

The discovery came too late.

With his last breath on this earth, this courageous man shouted a warning to his two fellow guardsmen.

He saved their lives.

He gave his own.

Let's remember Staff-Sergeant Thomas Rabjohn.

Let's remember his beautiful family.

His dear wife Nikki is with us today.

Nikki -- please stand and receive the thanks of a grateful people.

Let's also remember the 153 Arizonans who gave their lives in this war against terrorism, and the many who have been injured and awarded the Purple Heart.

Let's remember every service man and woman, every police officer and firefighter, every Arizonan and every American who has ever stood watch; every man and woman across the years who has fought and suffered and died in desperate love of the freedom we still know.

Let's remember the very best of us, and try -- in their honor -- to find the best within ourselves.

And then, my friends, let's continue our work.

We certainly have a lot of work to do.

Last spring, you will recall that I offered you a five-point approach to resolving this fiscal crisis and restoring our economic vitality.

In my year on the job I have grown wiser -- and time has grown shorter.

And I know times are tough.

So today, let me open these proceedings by offering you a deal -- a 40% cutback...I'm going to boil my 5 points -- down to 3.

First, we must make further, substantial cuts in spending.

The economy has still not recovered, our revenues are still depressed and there is no avoiding this hardship.

More state jobs are going to be shed and services are going to be further curtailed or lost.

Let me be clear, in the history of this state no other Governor has cut state government more than I have.

Working with you we have reduced government spending more than \$1 billion and decreased state jobs more than 10%.

But -- as I have stated from the beginning, the depth of the problem is so severe that we cannot solve it through cuts alone.

The damage done to education, and public safety would be far too great.

And, fiscally counter-productive.

So second, in the short run -- we must raise some additional revenue.

Just as with the reductions in spending, the longer we put this off, the less effective it will be in stabilizing our financial position.

Over the long run I support a responsible pro-growth tax reform package that includes tax cuts.

However -- we must ensure a revenue base that supports vital functions through this downturn.

And we can no longer consider debt as a source of state revenue.

Third -- we must make certain that the state never again spends itself into this kind of fiscal crisis.

So, after we have reduced spending, shored up revenue, and, moved away

from the brink of financial failure, we must enact a limitation on the future growth of government, and save more, for a rainy day.

Government must live within its means.

I did not create this situation -- but I intend to resolve it -- and continue telling the people the truth about it.

I understand that some in this Chamber, and some who hope to try their own hand at this job -- differ with one or more of these steps.

That's fine.

But I have a straight-forward message for you.

If you have a better plan, produce it.

And, soon!

As for me, I will publish my plan on Friday.

And let me make one point very clear.

I have great respect for everyone in this chamber, and your contributions to our state.

But there is no one here, and no one elsewhere, who has fought any longer or harder than I have for lower taxes, job growth and economic freedom in Arizona.

So, spare us the profiles in courage; it's time for a little less profile and a little more courage.

Tell us clearly how you would solve a \$5 billion problem over the next 17 months.

The suggestion box is wide open.

While you're preparing your plans, do bear in mind that even with the new revenues I have proposed ... the cuts to government will be deep and unprecedented.

Some people say that with revenues back to 2004 levels -- we should just adopt the 2004 budget.

Unfortunately, we don't get to roll back the odometer on state government.

At least, not without some help from the voters.

Since 2004, we have 140,000 new students, 11,000 new prisoners -- and 475,000 new Medicaid enrollees.

And all of the mandated expenses they bring.

Making the best of the situation requires hard choices with tough consequences.

But if we keep our priorities straight we will make it through.

My friends, there is still time.

But if we do not act decisively, we will look to the west to California and see our future -- government over-grown -- people over-taxed -- borders over-run -- employers over a barrel -- and freedom ... simply over.

And looking east we can see it on a far grander scale.

Our federal government has reached new levels of arrogance, foolishness and disregard for the Constitution.

The biggest external threat to our budget comes from the federal government -- oppressive health care mandates, job-killing environmental restrictions, and continual refusal to pay for costs associated with illegal immigration.

And they're just getting warmed up!

I met recently with members of Arizona's federal delegation and asked them to defeat a costly expansion of federal health care mandates on our state.

Already, federal mandates on health care cost nearly \$ 2 billion a year.

Folks, that's money we simply don't have.

On top of that, Washington's alleged solution will cost Arizona another half billion dollars every year.

Only in Washington can they look upon massive federal entitlement programs bleeding red ink -- and propose an even bigger new entitlement program.

This is how it goes in Washington.

When you begin by spreading the wealth around -- you end up destroying it.

The President and the Congress tell us they are going to help by reducing costs.

In reality, what they are doing is eliminating freedom for our citizens, dictating the policies they must buy for their families, and forcing our employers and the state to pick up the tab.

We don't need that kind of help.

At last count, 14 Attorneys General, Republican and Democrat are investigating this legislation for violating the 10th Amendment to the United States Constitution.

As you know, in the past, I successfully joined the Legislature and Superintendent Tom Horne to represent the State of Arizona against the Arizona Attorney General at the U.S. Supreme Court in the Flores case.

Today, if our Attorney General will not join this effort to defend the State of Arizona against this infringement on States rights -- I will.

Until then -- I have a simple message to every member of our delegation, for the good of our state -- just vote "NO".

The federal government is also failing to control our southern border and refusing to pay for its failure.

As you know, I have ordered the Arizona Department of Corrections to return to the custody of U.S. Immigration and Customs Enforcement -- -- as soon as possible -- all non-violent criminal aliens for immediate deportation as allowed under existing law.

The cost of incarcerating these criminal aliens is not Arizona's responsibility.

It is Washington's legal and moral obligation.

This is both insult and injury to Arizona taxpayers.

In this process, we must ensure public safety -- my highest priority as Governor.

I will be working with Senator Russell Pearce and others to enhance the existing penalties for any criminal alien who returns to our state.

Enough is enough. Secure our border.

Washington also likes to pretend that Government creates jobs.

But, we know better.

No government ever created a dollar of wealth or a dime of capital.

Only the free market can do that.

Meeting our economic challenges means working with the private sector to jump-start Arizona's economy.

As long as I am your Governor, the sign out front will always read ARIZONA IS OPEN FOR BUSINESS.

And the word is already getting out.

Today, we celebrate significant progress in establishing our foothold in the solar industry, and in advancing our competitive position in the national and global economy.

Our goal is to land the top solar manufacturers in the world and we are well on our way.

Recently, I was proud to announce the arrival of Suntech Power Holdings.

It's the first solar company to come to Arizona because of the renewable energy tax incentive program I signed into law in June.

And, hats off to Senator Barbara Leff and Representative Michele Reagan for their leadership in working with GPEC -- and my Department of Commerce last session to pass this critical legislation.

Trust me.

Suntech is just the beginning.

I have been meeting with other large-scale manufacturers who want to come to Arizona.

Today, I want to introduce Jim Bernard.

He is a Vice President of Tower Automotive, a leading auto supplier that has diversified its business into the production of solar equipment.

How's that for American creativity?

Just a few days ago, I helped secure an agreement from Tower Automotive to

come to Arizona and invest more than \$50 million, and create nearly 200 quality jobs.

Jobs that will put Arizonans back to work and help Arizona families get back on their feet.

The components made by Jim's company are used by another Arizona company -- Stirling Energy Systems to help generate grid-quality solar electric power.

Joining us to help celebrate the co-location of their key supplier in Arizona is Jeff Collins – a Vice President at Stirling Energy Systems.

Thank you, for choosing Arizona, and we welcome Tower to our great State.

Jim and Jeff, please stand and be recognized.

Suntech, and Tower Automotive are strategic wins for our state, proof that we can leverage our natural assets like our plentiful sunshine and land, as well as our employee base and educational community, to attract new and better jobs every day.

Just as we see here today, material suppliers want to locate near-by such large manufacturers.

That is sure to draw additional companies -- and jobs -- to Arizona.

While we welcome our new leaders to Arizona, we must not forget those who are already here, fighting every day to create new opportunities.

Industries and small businesses who have been hit hard but who are choosing to stick it out with us.

I say, "thank you."

We need to do more to un-shackle our job creators.

During the last year, I have met with hundreds of business leaders about job creation.

From these discussions, I am taking the following specific actions to make Arizona even more competitive in creating jobs.

First, I am announcing the formation of a Governor's Jobs Cabinet.

This team of key state agency directors will cut through the red tape and -- the

green tape -- to speed job creation.

Second, I will be allocating a significant portion of remaining federal stimulus funds directly to bring new jobs to Arizona.

Specifically, I am devoting \$10 million in one-time federal stimulus funds for job training.

That way our employees will be ready to work for new companies choosing to locate in Arizona.

Third, under the leadership of Jerry Colangelo and Commerce Director Don Cardon ... I have created the Governor's Commerce Advisory Council.

Working with other Arizona business leaders, they will transform the Department of Commerce into an engine for job creation.

Finally, I will convene a summit of leading CEOs of national and international companies in the near future to discuss job creation opportunities in Arizona.

And -- while I'm talking about jobs let me say we should do everything we can to see that Arizona is named a training site for the F-35 Joint Strike Fighter.

At Luke Air Force Base; at the Air National Guard's 162nd Fighter Wing in Tucson; and at the Marine Air Corps Station in Yuma.

As a child raised on a military base --I have a special affection for those who serve in the armed forces.

Every one of Arizona's military bases is critical to our national defense --and to our state and local economies.

Let's recognize that even with a favorable tax and regulatory climate...the jobs of the future will demand an increasingly skilled workforce.

And that starts with our schools and universities.

I'd like to recognize the work to-date by the regents and Presidents of our universities and community colleges...in response to my call for a new higher-education model that promotes greater access, quality and affordability.

Let me also say thank-you --to the dedicated teachers who give so much to our students.

Without them, no challenge could be met --no future assured.

We must never give up attracting top talent to teach our children.

And as we search for that talent -- let's not limit ourselves to the traditional colleges of education.

Isn't it astonishing that in Arizona today, Bill Gates or Craig Barrett would not be considered qualified to teach students about computer science?

We must stop our gate keeping and open the doors to all qualified and skilled citizens who want to teach our children.

That said -- teachers are only one part of the education equation.

Engaged parents must balance educators' contributions and play an active role in their children's learning.

No teacher can ever substitute for an involved parent.

But we must give parents the ability to make the best choices for their children.

Starting with where they go to school.

We lead the nation in school choice.

In Arizona --a parent's right to choose the best school must endure -- whether that's a district, private, charter or home school.

We must also arm parents with the information they need to help monitor their children's academic progress.

We will make sure they have up-to-date data that is available on-line --at any time.

Sorry, kids, no more losing your report card!

We must also tell parents the truth about how their kids' schools are doing.

To that end, I'm urging the Legislature and the state Department of Education to immediately replace our school labeling system.

Our current system rates schools as "excelling", "highly performing", "performing plus", "performing", "under-performing" and "failing".

Who understands that?

How about this?

We assign simple letter grades --"A", "B", "C", "D" and "F".

Our kids live by those grades every day --so should our schools.

And finally --we must have the courage to tell parents the truth when their children are not doing well.

Frederick Douglas said, "Once you learn to read, you will be forever free".

Sadly, too many of our children are still unable to read as they should by the end of third grade.

Yet, we continue to promote them to more advanced classes, knowing that at every step we dim the light of their promise.

We must stop promoting children who cannot read by the end of third grade.

And we should know well before third grade those students who are falling behind and get them the help they need.

I look forward to working with Senator John Huppenthal and Representative Rich Crandall and other members to enact these reforms.

Starting today --we must give the future back to our students.

The reforms should not stop at education.

Our state Government today --is not suited for Arizona's Second Century.

So I'm implementing the following reforms to give Arizonans the state government they deserve:

First, I'm establishing the Commission on Privatization and Efficiency or "COPE".

COPE will identify state services and agencies whose functions can be eliminated, consolidated, streamlined or outsourced to achieve greater operational efficiency in meeting the needs of our citizens.

I am proud to announce today that Mark Brnovich, my Director of the Department of Gaming, and former Director of the Center for Constitutional Government at the Goldwater Institute, will serve as chairman.

I will consult with President Bob Burns and Speaker Kirk Adams so they can join me in this important effort.

Second, I am also proposing reforms to our existing Medicaid program, AHCCCS -- beginning with one that's quite fundamental.

In these times voters must be asked to re-consider the Prop 204 expansion.

Contrary to what voters were told, there is no such thing as free health care.

Supporters assured us that it would be covered by tobacco revenue.

But in reality -- almost \$1 billion of our General Fund deficit can be directly attributed to this enormous expansion.

We must ask the voters to, roll it back.

While we agree we must provide essential services for those with no place else to turn...we must only offer those benefits necessary and ensure that we have a program free of abuse or waste.

To that end, I'm instructing AHCCCS to pursue changes to require a photograph on every adult enrollee's card so only the right person is getting the treatment.

I'm also instructing AHCCCS to explore options to reward those health care providers who help us drive down costs --while maintaining the high quality care our program is known for.

We must decrease visits to high cost settings like emergency rooms -- and encourage those receiving state service to take personal responsibility for their own health, as all Arizonans should.

The federal government may be failing in its role, but we will continue to do better in ours.

Third, budget cuts within state government have resulted in reduced or limited funding for services for our most vulnerable -- the elderly, disabled and low-income residents.

Therefore, I'm establishing Arizona Serves.

With the assistance of the Arizona Department of Economic Security, Arizona Serves will connect faith-based and non-profit organizations to help meet those needs.

And lastly --I will work with the Legislature to enact common-sense reforms to deter illegal immigration in our state.

We are a nation of immigrants.

However, we cannot tolerate those who break the law to gain the right to live in America.

My fellow Arizonans, we are living amid hard times.

These are difficult days that providence has set before us.

I do not shrink from them.

I do not cower.

And, neither should you.

The moments before us are profound and in many ways -- painful.

But they are filled with hope and opportunity.

We are a young state.

Arizona's best days are still to come if we make the right decisions.

They are what the future requires.

Around here, we deal in shades of gray.

But, in our motives there can be no gray, only black and white.

Those of us who hold a public trust must choose: Serve others, or serve yourself.

Make politics an end in itself, a thing for your pleasure and your ego, or make it an honest work for the good of free people.

Some Arizonans look at their political leaders and see countless actors on a stage, but precious few workers in the field.

My friends let us gather in the field.

Our state is still waiting for us to conduct some very difficult business.

It isn't going to be easy, but we must close ranks and get it done.

When our public service is over, we will be judged less by what we achieved, than what we overcame.

And we will be remembered less for what we gained, than what we gave.

So, let us do what we need to do.

Let us be truth-tellers.

Let us be honest with each other and worthy of the trust that we have been given.

Let us commit to an Arizona revival equal to her spirit -- equal to the promise of her second century, a government that is limited in scope but unrestrained in its goodness.

That is what is expected of us.

And, that is exactly what we will do.

Thank you, may God bless you and your families -- and may God bless Arizona.