

2015 STATE OF THE STATE
Seizing Opportunities – Embracing a Bright Future
Remarks as prepared for delivery

President Blevins, Speaker Schwartzkopf, members of the 148th General Assembly, other elected officials, members of the Cabinet, members of the Judiciary, Carla, the people of Delaware. Thank you for the opportunity to address you today.

And I say to our new Attorney General, I miss having you right up here. You have been a great partner and an important leader of this chamber for the last six years.

I had been hoping until the last minute that Taylor Swift would be able to join us today, but fortunately we have someone even better. I ask to you to join me in recognizing Dover police officer, Master Corporal Jeff Davis.

While I'm happy to have Jeff here, this is also a particularly difficult moment for me because I'm about to lose the best dancer in my cabinet. Join me in thanking Secretary Shailen Bhatt for his service to our state.

Corporal Davis and Secretary Bhatt are just two examples of great public servants who make Delaware the special place it is to live and work. We are so lucky to have them and thousands of other committed public employees who devote their careers to the benefit of others – the scientist at DNREC, the nurse at a long-term care facility, the teacher, the snowplow operator. Across state government, our state employees have done more with less and they deserve our thanks.

Six years ago, we faced an economy in freefall and a budget deficit that was skyrocketing. Tens of thousands of our friends and neighbors would lose their jobs and hundreds of millions of dollars of tough decisions needed to be made to keep our state afloat and serving its citizens.

Dark times. But we knew if we worked together, we could help move our state to a brighter future. Which is why it gives me so much pleasure to be able to start today with this fact.

There are more people working in Delaware now than at any time in our state's history. Thank you all for all you've done to make that happen.

Every day we are inspired by the stories of Delawareans building a brighter future for themselves, their families, and our state.

The entrepreneur who takes a chance on a new idea. The farmer who tries a new market for her produce. The father who holds down a job to support his family while going back to school to get a better job.

More than in decades past, theirs are stories not only of hard work, but also of embracing the future. They recognize that as the world is changing around them, they have to retool and seize new opportunities to reach their potential.

These Delawareans offer lessons for all of us at a time when we must think differently about the challenges we face.

It's a time when two major forces are remaking our economy. And if we don't understand and respond appropriately, they threaten our people.

Now here's the irony. These two forces have the potential to do a lot of good.

First, the emergence of the digital age has brought amazing innovations to improve our quality of life. Throughout history, increased productivity has led to more wealth and opportunity.

Second, in a global economy, export markets and foreign direct investment have meant more jobs for Delawareans.

But these forces – digital technology and globalization -- also threaten to leave many of our people behind. Workers produce nearly twice as many goods and services as they did 25 years ago, but middle class incomes haven't grown. In fact, they've shrunk.

Jobs that once guaranteed a stable career are now outsourced to other countries or handled by new technology. There has never been a better time to be somebody with the right skills, but never a worse time to be somebody without the right skills. These are not passing trends; this is the struggle of our time.

Just as individual Delawareans are adapting to new circumstances and discovering new ways to prosper, we must choose to embrace rather than resist the future.

And we know from the history of our oldest town that this process can be incredibly fruitful.

In the late 1950s, Lewes was the biggest industrial fishing port in the country. The town thrived. But then technology transformed the industry, driving up production and decimating the fish population. In 1964 alone, the industry shrunk by 75 percent. By 1967, it was gone.

The leaders of Lewes could have tried to hang on to their past. Instead, they reinvented the city, resulting in prosperity for years to come – they invested in arts, culture, and a tourism industry that today makes Lewes a first-class city.

Like Lewes in the 1960s, we are faced with a new reality, and we must embrace it to create a brighter future.

We are on the right path.

The state of our state is stronger because forty thousand more Delawareans are working today than in 2010.

Our job growth has been better than the national average for 24 straight months. And for the last 12 months, it has been the fourth fastest in the country.

The state of our state is stronger because our high school graduation rates are rising and our drop-out rates have fallen to record lows, while last year, for the first time, every college-ready high school senior applied and was admitted.

The state of our state is stronger because our farmers are producing more and selling more to Delawareans and other consumers.

It's stronger because we've shifted to cleaner, more reliable energy sources, reducing damaging greenhouse gases faster than any other state.

And it is stronger because we have improved the quality of life in our state with unprecedented investments in libraries, the arts, walking trails, and bike paths.

Yes, we have made great progress. But our rapidly changing economy poses significant challenges. As we learned from Lewes, we can overcome these challenges if we embrace our future and seize the opportunities of a new era.

To thrive in this new era – to seize the opportunities of the future – we must expand our workforce, and rethink how we train Delawareans.

Today's jobs do not look like those of decades past. Few high school graduates can count on a good-paying factory job or a stable career, with benefits and a comfortable pension. Manufacturing jobs created today -- building fuel cells, airplane parts, and other high-tech products -- require a much higher skill level than the jobs of generations past.

By 2025, at least 65 percent of our jobs will require training beyond high school, but only 40 percent of our workers have that today.

The result: employers can't fill openings fast enough in growing fields. And there are thousands of these available jobs right here in Delaware.

For too many years we have relied on a strategy known as "train and pray" – train people and pray that they'll find a job. That isn't meeting the needs of our business community or our workers.

So we're changing.

This year, I ask the General Assembly, our schools, our colleges, and our businesses to join me in committing to the Delaware Promise. This is a new goal for our state. By 2025, 65 percent of our workforce will earn a college degree or professional certificate. Everyone will earn at least a high school diploma.

Our efforts build on the tremendous work led by Senator Harris McDowell in creating the SEED and INSPIRE scholarships, which make Delaware one of the only states where high school graduates can secure a two-year degree at virtually no cost. And thanks to the leadership of Gary Stockbridge, and the tremendous efforts of our business, non-profit, and education communities, more than one hundred Delaware companies are providing training, mentoring, and workplace experience to our young people through the SPARC initiative.

But we know we must do more, so today I'm announcing three parts of our strategy to fulfill the Delaware Promise.

First, we will create an initiative called Pathways to Prosperity, which will establish partnerships with Delaware employers, universities, and our K-12 system to prepare students for a bright future in key industries. High school students will take hundreds of hours of specialized instruction and hands-on training. They will graduate with industry-recognized certificates and college credits.

This fall, we will launch pathways statewide for the IT and hospitality industries. We will also expand to southern Delaware the manufacturing pathway we started last year with Colonial and New Castle County Vo-tech School Districts. Those manufacturing students are already making great progress and will get paid internships this summer at companies like Agilent Technologies, PPG, Kuehne and Siemens.

The following year, we will expand the network to include two more of our fastest growing industries – financial services and healthcare.

I want to thank President Mark Brainard for his personal commitment to this initiative.

These pathways will transform opportunities for our young people for years to come. But we must also address our employers' immediate needs for skilled workers.

The second initiative I'm announcing is that Delaware Tech will partner with the national consulting firm McKinsey to significantly accelerate the training of entry-level healthcare workers. Employers have committed dozens of internships for young people who have already completed our terrific Jobs for Delaware Graduates program. As a result of this new training, they will be working in the field within months rather than years.

Third, many of our employers have told me that they can't find enough qualified IT workers and must resort to hiring them away from each other. We need a new pipeline of Delawareans trained to do these jobs. I'm pleased to announce that eight major employers are joining with us to train and hire hundreds of IT workers in our state. Through accelerated education programs and a

“coding school” launching this fall, these employers will have access to a new cohort of skilled software programmers. Again, this training will take months rather than years.

Everyone can contribute to our state when given the chance, but efforts to expand our workforce have traditionally excluded people with disabilities. They miss out on the fulfillment of gainful employment, and employers miss out on the talents of so many. As you may remember, I made this issue the central plank in my role as chair of the National Governors Association. I’m thrilled that governors across the country are making this a priority.

Here in Delaware, we are building on progress we have made since the General Assembly passed the Employment First Act with Representative Heffernan’s leadership. More than 20,000 Delawareans are contributing, are engaged in their communities, and have purpose like never before. One of our biggest IT companies, CAI, has committed to hiring people with autism because they excel in roles like software testing and programming. And there are many other stories to remind us of the abilities of these Delawareans – people like Lucinda Williams, executive director of the Brain Injury Association of Delaware – and Alaric Good, who unloads supply trucks and manages the front desk at Walgreens.

Here is what people like Lucinda and Alaric have taught us: when we focus on the ability, rather than the disability, we are able to do amazing things, together. Please recognize them.

This year, DHSS will launch two programs to give Delawareans with disabilities a fair shot at employment. One will help young people plan their career while supporting them with transportation, personal care, and assistive technology. Another will provide specialized employment supports for adults with mental health needs and substance use disorders.

Preparing Delawareans to seize the opportunities of the future starts long before they enter job-specific training. All of our children deserve a world-class education from day one.

I’m proud of our educators, like teacher of the year Megan Szabo; our principals, like Mark Pruitt from Conrad Schools of Science; and other school officials, like the Chief of our Chiefs, Superintendent Mark Holodick, all of whom are working so hard to help our students succeed. Please join me in thanking them and their colleagues.

We know that the education we received years ago will not be enough to prepare students to thrive in our new economy. So we’re making investments and improvements across our education system.

Our educators are teaching to higher academic standards.

We have doubled the number of high school students who take college classes in the last year. And the number of students taking AP classes has doubled over the last decade. That means hundreds of additional students graduate from high school with college credit.

Ninety percent of children's brain development occurs before they even enter kindergarten. So thanks to your support, we have enrolled more than 3,000 additional high-needs children in the best early childhood centers in the past two years. And we've given grants to 89 top early learning programs to offer the highest quality infant care to more of our neediest kids. We know that care is expensive and hard-to-find, yet key to our children's success.

We have also invested in language immersion programs because our children will have greater opportunities in the global economy when they can speak more than one language. After only two and a half years, we have 1,400 students spending half of their school day learning in Chinese or Spanish. And we'll keep expanding next year.

We're recruiting and retaining great educators and principals, because we know that nothing is more important for our students' success than the people who teach them and lead their schools.

That's why we have spent more than a year carefully crafting an improved compensation system for new educators, and for current teachers who want to participate. We'll raise starting salaries and allow educators to earn more by taking on leadership responsibilities while remaining in the classroom.

With leadership from DSEA and feedback from teachers statewide, the committee you established last year will make a proposal this spring. I thank Senators Sokola and Pettyjohn, as well as Representatives Kenton and Williams and former Representative Scott for their contributions to the committee.

Communities across the state, from Western Sussex to Wilmington have urged that we reexamine the way we pay for education.

In the coming months, at the recommendation of House Education Committee Chair Earl Jacques, President Blevins, Speaker Schwartzkopf and I will create a school funding task force to make recommendations that would spur more innovation in our schools and address inequities for our neediest students. We cannot prepare our students to seize the opportunities of the new economy with a funding system developed three-quarters of a century ago.

That work is particularly important for our high-needs students, including those who have been at the center of our efforts to transform Wilmington's Priority Schools.

I know the debate around these efforts reflect a commitment on the part of everybody in this chamber and many beyond to do what is right for our most at-risk children.

However, while we are entitled to our own opinions, we are not entitled to our own facts. And the facts are clear. The students in these schools aren't making sufficient progress, while students with similar challenges are making extraordinary progress in other schools.

We understand that these students bring significant challenges to school each day. Challenges of poverty. Of homelessness. Of unstable family situations. These are tragic problems that we are fully focused on addressing through economic development, housing, and other initiatives across state government.

And we know that educators in the Priority Schools are working passionately to help these children.

But for too long, problems of poverty have condemned these students to low expectations. They only get one chance at an education. They can't wait any longer.

That's why we took action. We're prepared to invest more than six million dollars to support great teachers and leaders in helping our neediest students thrive. We have required the Red Clay and Christina School Districts to develop a new approach to turning these schools around, by doing things like extending the school day, offering after-school programs, and providing hungry children with three meals a day.

We've been working closely to support the districts in this effort, and we are days away from receiving their plans. If these plans give our students the opportunities they deserve, we will approve them and move forward together.

Just as every student – every current and future worker – deserves a fair chance to adapt to the new economy, we must ensure that Delaware businesses can embrace the future and make the most of their opportunities.

We should all be proud that so many businesses are demonstrating their confidence in Delaware by investing here.

Energizer recently announced hundreds of new jobs at its Playtex manufacturing site in Dover.

SevOne, one of the country's fastest growing IT providers, is moving to UD's STAR Campus where they plan to add 150 jobs over the next three years.

Croda is investing tens of millions of dollars in an upgrade to its plant near New Castle.

We're celebrating new small businesses growth, like the Israeli technology start-up PhysiHome relocating an office to Delaware, the refrigerant services company Weitron moving jobs to Glasgow, and the data management company IPR International establishing its headquarters in Wilmington.

And we're creating opportunities for new companies to flourish, including at business incubators planned for the University of Delaware and Delaware State. To further support our entrepreneurs, we must also continue to eliminate red tape that inhibits growth.

We have already made progress on this front under Executive Order 36. With strong support from Representatives Bryon and Danny Short, state agencies conducted a comprehensive, customer-focused review of the regulations on their books – and, as a result of 39 public meetings and many hours of public comment, they modified or eliminated well over a hundred of them.

That process is a valuable tool and it should continue long after I leave office. Today, I'm asking you to pass legislation to make that review process part of state law. I'm also asking you to pass a law requiring regulatory impact statements for new regulations. While regulations are sometimes necessary, we must strive to ensure that they don't impose unnecessary burdens upon our citizens.

We need a modern transportation network that allows people to travel safely and allows businesses to operate efficiently.

This chunk of concrete came loose from the I-95 bridge over the Brandywine River this summer. Similar pieces have fallen from Route 141 onto the I-95 shoulder and from the Dupont Road Bridge over the East Penn Railroad. And these aren't the only examples of roads and bridges falling part.

We must do better. We have been talking about this for too many years. As the 2011 Transportation Trust Fund Task Force Report made clear, the condition of our roads and bridges will deteriorate without more investment. It's that simple.

On the other hand, investing in our infrastructure will promote long-term economic activity, while reducing commute times and improving road safety. And in the short term, we can put thousands of people to work through construction – exactly the types of jobs that have suffered the most since the recession.

Last year, I proposed a plan to make these investments.

Legislators have asked me a number of questions regarding my commitment to investing in transportation. Representative Miro has asked if I would consider a phase in of additional revenues. I would. Senator Lavelle and Speaker Schwartzkopf have asked if I am willing to put additional revenues into a “lockbox” – available only for transportation needs. I am. Many members have asked if I am willing to consider other changes that would make more money available for these projects. I am.

Bring me your ideas on how to fund our infrastructure responsibly, and I will work with you to pass and sign legislation to accomplish this important goal.

In many cases, strong infrastructure can help attract people to urban centers. Cities across the country are being transformed by an influx of urban migration. We want the same in Delaware. That's why last year, with the General Assembly's support, we launched the Downtown Development Districts program.

One of the most impressive applications was from Wilmington, whose plan not only improves the downtown Market Street area, but also the nearby neighborhoods where people are struggling the most.

In one sense, it's an opportunity to build on some of the great things happening in Wilmington. In the next two years, more than 500 apartments, condominiums, and homes will be built for a total investment of \$140 million. Four new middle and high schools are opening this year. More people are working in Wilmington than before the recession.

We are so fortunate that Wilmington has great neighborhoods and employers that include some of the biggest banks and best respected law firms in the world along with an arts community that is the envy of bigger cities.

However, the city has a significant problem with violent crime and what we are seeing today is unacceptable.

This isn't just Wilmington's problem or New Castle County's problem. It's Delaware's problem. Wilmington belongs to all of us – and from Delmar to Claymont – the outlook for our state is tied directly to the fate of our biggest city.

A number of steps have been taken to stem the tide of violence. Wilmington is now working with the U.S. Department of Justice – the FBI, the ATF, and the Drug Enforcement Administration – to bring additional resources to combat violent crime. We've provided hundreds of additional city youth with access to safe and constructive activities after school.

But these efforts alone are not enough.

Over the past several months, I have been approached by hundreds of Wilmingtonians who love their city. They believe, as I do, that state officials have a profound responsibility to address violent crime.

I'm confident that solutions exist. The crime rate is down in most cities across the country, including some that had developed terrible reputations over the years. If they can reverse the trend, so can Wilmington.

Earlier this week, the Attorney General and a number of legislators put forth a plan that would direct \$36 million targeted to economically troubled communities, including Wilmington. I support this plan.

And we need to do more to ensure that we take the most effective approach to fighting crime. And we need to do it now.

So today, I am urging you to support a rapid, fact-based, intensive examination of public safety strategies in the City. The entire Wilmington delegation is sponsoring a Joint Resolution to establish a commission co-chaired by Public Safety Secretary Lew Schiliro and New Castle County Public Safety Director Joe Bryant. Working with an outside expert, the Schiliro-Bryant Commission will make recommendations that can be acted on by the City of Wilmington and by the General Assembly this session if necessary. Its success will require a joint commitment from city and state leaders and I thank the Mayor for his support.

We know that one of the best ways we can build a safer city and state is to improve the chance that those who were involved with our criminal justice system can get a job when they return to their communities.

Ninety seven percent of the people in our prisons are coming out.

That's why we've reduced barriers to rehabilitation and employment. Because of laws we passed with your bipartisan support, nearly 800 non-violent offenders had their driver's licenses returned after being released; the Department of Correction will start hiring ex-offenders into a job training program this year; and thanks to Representative J.J. Johnson, we banned the box on state job applications so the more than two thousand ex-offenders who apply have a better shot at employment.

This year, I'm asking you to build on our progress.

We must eliminate onerous requirements that prevent ex-offenders from holding a job, going to school, and caring for their families. A valid driver's license is essential to fulfilling those important obligations, but thousands lose it because of difficulty paying fines and fees. Everybody should work to pay back what they owe, but I ask you to eliminate the automatic suspension of driver's licenses for Delawareans who don't pose a traffic safety hazard. It's in everyone's interest to keep people safely on the road with a valid license, registration and insurance as they work to put their lives on track.

We should also enable more offenders to develop their job skills and abilities while incarcerated. As a young woman on the East Side of Wilmington recently told me: "The streets are always hiring." We can't let the street be the only option. We should expand our auto mechanics training program in our prisons so ex-offenders have a better chance of getting a decent job.

I propose that we also expand the culinary arts program at James T. Vaughn. In doing so, I'm reminded of the late restaurateur and philanthropist Matt Haley, who credited his culinary training in prison with turning his life around. It's appropriate that we name this initiative the Matt Haley Culinary Arts Program as a reminder that everyone has something to contribute when given the chance.

Embracing the future of our criminal justice system means recognizing that many offenders suffer from addiction. But the impact of this disease is not limited to them – I would guess everyone in this chamber knows someone who has been touched by substance use disorder. And the problem is growing. Heroin incidents more than doubled in 2012 alone. Last year, Delaware saw a death from an overdose an average of every other day. That means someone's father, mother, or child died yesterday, and tomorrow we'll lose another father, mother, or child.

Over the last year, we have made real progress on a plan to make our system stronger. I thank Secretary Landgraf and Commissioner Coupe for leading this work, along with Representatives Keeley, Barbieri, and Mulrooney, Senators Henry and Hall Long, and my wife Carla.

We have invested in a treatment center in Sussex County to help downstate residents, and greater capacity for detox in New Castle County. And we passed legislation providing for wider use of the overdose-reversing drug naloxone. One of the people most responsible for passage of that bill was David Humes from the organization Attack Addiction. He and his wife Gail lost their son to heroin in 2012 and were determined to save other families from that pain. Thank you both for your courage and leadership.

These efforts are only the beginning. More needs to be done and I will be proposing that we make a substantial investment in services for those struggling with substance use disorders. We will create a more flexible system that meets the needs of individuals challenged by addiction where they are, as opposed to relying on a "one size fits all" model. And we will put an increased emphasis on education, prevention, and early intervention.

One last point on the treatment of substance use disorders: While medication maintenance treatment like methadone may be an appropriate tool at times for some patients, we should aim to get patients off of drugs altogether.

Let's also remember that increasing access to treatment goes to the heart of one of our most fundamental responsibilities. We invest in treatment for the same reason we have invested so heavily in early childhood programs for low-income families, after school and summer activities, and, now more than ever, the education provided in our poorest neighborhoods. It's why we focus on what happens to ex-offenders when they leave our custody. Senator Marshall's low-wage taskforce placed a similarly important focus on those living in the most difficult circumstances. All of these efforts mean a new chance for Delawareans to turn their lives around, but also a chance for us to gain from their contributions. A lack of opportunity for anyone in our state is a missed opportunity for all of us.

The opportunities our people have today would not be possible without our men and women in uniform. It's been my honor to meet many of our soldiers and airmen who, under the outstanding leadership of General Vavala, serve us at home and abroad. Thank you General.

Let me recognize a couple of our best and brightest – Specialist Joel Tellez-Belardo, Jr. of the Army Guard's 238th General Support Aviation Battalion and Technical Sergeant Dave Magill of the Air Guard's 166 Logistics Readiness Squadron. We are blessed to have many hometown heroes like Joel and Dave who courageously serve our state and nation. The most important expression of gratitude we can offer them is to help them find jobs when their service is complete. I am proud to say that thanks to our business community, we have cut the unemployment rate for Iraq and Afghanistan era veterans.

So today, I also want to recognize Mark Aitken from Horizon Services and Mike Berardi from Wohlson Construction Company, who recently hired Joel and Dave and have joined more than 100 companies partnering with the National Guard to support our veterans.

Recognizing our special obligation to veterans, nothing should disturb us more than the high rate of homelessness among former service members. I know you agree that even one homeless veteran is one too many. Housing Director Ben Addi and Secretary Landgraf are developing a plan to end veteran homelessness in our state by the end of this year.

Let me close with this.

Every one of us in this chamber is blessed to have the opportunity to serve the people of Delaware.

But with this opportunity comes enormous responsibility to be thoughtful about the challenges facing our state and about the chance all of us have together to secure a brighter future for our neighbors.

And all of us – our 62 legislators and everybody in my administration – are fortunate to have so many amazing individuals from whom we can learn.

Like the leaders of Lewes half a century ago, we are faced with a new reality – one that requires thinking differently about the challenges of our time. But those challenges also mean extraordinary opportunities – to strengthen our schools and train a more skilled workforce, to build a world class infrastructure; to make Delawareans safer.

We are on the right path, creating more jobs, better educational opportunities, and a higher quality of life in our state.

But we will only continue to make progress if we make the right choices. The citizens of Lewes, like the people of Delaware today, were hardworking and industrious, and when faced with a crossroads, they embraced a new economy and a brighter future.

We can learn much from those leaders of an earlier day.

But we can also learn from Delawareans of our day.

People like AJ Bosler, who, after working a series of low-paying jobs, recognized the value of going back to school. He earned a Manufacturing Technician certificate at Delaware Tech, leading to a higher paying job at Bloom Energy and the start of a new career.

People like Monique Pochvatilla – who after growing up in foster care, was struggling with debt and her bills while raising her young children. After receiving help from the state’s Stand by Me financial coaching program she improved her credit and got hired by CSC. Today, she has a good job and just bought her first home.

And people like Jerome Holden – who initially struggled in high school as he cared for a mother with disabilities and a younger sister in Wilmington. With support from teachers, he turned his grades around and is pursuing a degree in radiology after earning one of our SEED scholarships.

When given the chance, these individuals – AJ, Monique and Jerome -- like many Delawareans, have chosen to seize the opportunities available to them and embrace a brighter future.

It is up to us to learn from them so that we can ensure all of our people have that same chance – to ensure our children and grandchildren have the same kind of bright future that previous generations left behind for us. I look forward to continuing to work with all of you to make it so.

Thank you. God bless you and God bless the people of Delaware!

###