

*January 17, 2019*

*As prepared for delivery*

*#DESOTS*

Lt. Governor Hall-Long, Mister President Pro Tem, Mister Speaker, Members of the 150th General Assembly, Members of the Cabinet, Distinguished members of the Judiciary, invited guests, and my fellow Delawareans:

Thank you for inviting me into the chamber today.

I want to take a point of personal privilege here at the beginning. The Carney clan is a big one and is well-represented in the room today. My wife Tracey, my mom, Ann, my sister Liz and brother-in-law Brendan, my brothers Mike and Joe and my sister Claire. And a special thanks to the most famous Carney for making the trip down here today – my nephew Brian O’Neill, who just finished his rookie season as the starting right tackle for the Minnesota Vikings.

Before I start I want to recognize all of the new faces in the room, and there are many. This is an exciting year for Delaware, and for public service. Never before has our General Assembly better reflected the people of our state. We will all benefit from the new perspectives, and new ideas, here in our Legislature.

Senators Lockman, Brown and Sturgeon.

Representatives Chukwuocha, Seigfried, Kendra Johnson, Griffith, Cooke, Dorsey-Walker, Minor-Brown, Bush, Smith, Morris, Shupe, and Vanderwende.

The class of 2018: Join me in welcoming them to Legislative Hall.

As you criss-crossed your districts this past election, I know you heard the same thing I did.

Delawareans are tired of the fighting in Washington, D.C. They’re tired of gridlock and negativity, and of politics as usual. They want us – they’re asking us – to be different. To be better.

They think it’s a “win” when we get something done. Not when we score political points. They don’t want us to shut down the government. They want us to make the government work *for them*.

Working hard, and working together, we can do this. We can make the people who sent us here proud of what we do. And they can be secure in the knowledge that their elected representatives are fighting *for them*, and not fighting for sport.

So before I say anything else from this podium today, I want to say this. Here in Delaware, we *can* do better, and we *must* do better. And I believe that working together these next six months, we *will* do better.

When I ran for office in 2016, I promised that our number one priority would be to strengthen our economy to create good jobs for Delawareans. And that we would focus on making Delaware a place where businesses would want to locate, and grow.

Over the past two years, and thanks in large part to the work of many of you, we have 10,000 new jobs in Delaware. Our unemployment rate has fallen to 3.8 percent for the first time since 2008.

Working with you, we signed an agreement to bring hundreds of millions of dollars of new investment to the Port of Wilmington, and dramatically expand Port operations. The deal will create hundreds, if not thousands, of new jobs. As our former Vice President would say, this is a big \*\* deal.

This would not have been possible without an incredibly strong partnership with the workers at the Port, and the vision and leadership of people like Bill Ashe and Kimoko Harris, who are here in the chamber with us today. Bill and Kimoko, please stand up and be recognized.

We also passed the Angel Investor Tax Credit. So we have new incentives to support investment in technology-focused small-businesses that want to create jobs here in Delaware.

The Delaware Prosperity Partnership has done eight successful transactions, representing 1,900 jobs. And we've got many more potential deals in the pipeline.

Led by Representatives Osienski and Heffernan, we amended the Coastal Zone Act to open up 14 abandoned industrial sites that will create good-paying blue-collar jobs. The Delaware Prosperity Partnership is already marketing these Coastal Zone sites to developers.

We're aggressively pursuing developers to take advantage of Opportunity Zones created by the new federal tax law. That could mean new jobs at the Nylon Capital Shopping Center in Seaford, the Star Campus at the University of Delaware in Newark, areas in Dover and Milford, and the old steel mill in Claymont.

The Downtown Development District program has supported projects like the Stitch House Brewery and the Midtown apartment complex in Wilmington, and the House of Coffi just around the corner here in downtown Dover.

In the coming weeks, we'll expand this program to more towns across our state. We'll also direct more funding to the Housing Development Fund and the Strong Neighborhoods Housing Fund. These programs will help lift up distressed neighborhoods and communities across our state.

By the end of next year, we've pledged to eliminate broadband deserts in southern Delaware, and provide universal high-speed internet coverage for all Delawareans and businesses.

We're investing in Delaware State University, Delaware Tech, and the University of Delaware, so that we can meet the workforce needs of future employers.

And we continue to make historic investments in our infrastructure – with over \$3 billion to upgrade our transportation system through 2025. That means less traffic, safer bridges, and more pedestrian friendly streets.

This year, I'm proposing to create a new Transportation Infrastructure Investment Fund that would help the state to react quickly to important economic development projects. We're going to invest \$10 million in this new fund.

It's an investment in the jobs of tomorrow. But I hope you'll join me in funding these investments today!

*Together, we have done good work these past two years. And I'm confident to report today that the state of our state is strong, and getting stronger.*

A strong economy means more jobs, and more tax revenue, which means more money to educate our children. Improve our quality of life. And keep our communities safe.

But while a rising tide lifts a lot of boats, there are too many in our state who have not benefited from the economic recovery. These are the people who need our help the most.

So let's help them.

We'll start with the most important investments we can make: in our children.

All parents want to see their children succeed. But in Delaware today, we have too many children who are not thriving.

Despite the best efforts of dedicated teachers, principals and many others, it's no secret that we are not seeing the student achievement in math and reading that we should. All across the state, we know that many of our children are not getting the education they need to be successful in today's world.

We also know that children from disadvantaged backgrounds need additional resources -- resources they aren't getting now.

The status quo isn't working, and we can't let it continue.

Our goals are very clear.

Every third grader should be reading at grade level.

Every 8th grader should be proficient in math.

And every student should be graduating high school ready for college, or a career.

It's time to begin a new chapter in Delaware's public education. And here's how we'll do it:

With a focus on early childhood education, supporting teachers, and getting children to perform on grade level.

We all know that the earlier we can reach children, the better their chances of success. We've heard from many of you about the need to strengthen our early education system.

And so over the next year my administration will work with educators and stakeholders to take a hard look at how we prepare our youngest learners for kindergarten. In the meantime, I plan to recommend increasing Purchase of Care rates so that low-income parents have access to the best childcare centers in our state.

We will also continue to target additional resources to our highest needs schools. In my budget, I will more than double the funding for student loan repayment for teachers in high needs schools. Last year, that program provided student loan assistance for 200 teachers in over 100 schools. Next year, we plan to reach 700 teachers.

These initiatives are only part of the solution. Last year, we worked with all of you to target funding, for the first time in our state's history, to schools serving the highest percentage of disadvantaged students. This Opportunity Funding, as we called it, is making an impact in 46 schools across all three counties

Next week, when I release my budget, I will propose a new Opportunity Funding program – Delaware's first real weighted funding plan. It will direct \$60 million over the next three years to low-income students, and English learners across our state.

The funding will pay for the type of help disadvantaged students need: more reading and math supports, counselors, smaller class sizes, and after school programs.

Let me tell you how this will be different from efforts tried in the past.

Over the course of the next three years, the Department of Education will work with district and charter leaders to review plans for spending this new funding, and track the results for students.

We will also create a new statewide commission of community leaders. They'll evaluate this plan, track results, and shine a light on best practices. They'll also recommend new steps that will help our most disadvantaged students succeed.

We can all agree that we need to do something dramatic to help these students. But here's what we can't do.

We can't just throw money at the problem. Simply spending more is not a guaranteed solution. We've seen what schools are doing *right now* to close achievement gaps and set students on a path toward success. From North Laurel Elementary to Fairview Elementary in Dover, to Etta J. Wilson in Newark, educators, school leaders, and communities are showing us what's possible today.

Delaware is one of only a handful of states that doesn't provide additional funding for disadvantaged students. I am prepared to invest in better education programs that actually achieve real results for children at risk.

Join me in helping these children reach their potential and realize their dreams.

We also need to stay focused on the good work we're already doing for students with disabilities, and I want to thank Senator Poore, Representative Williams and many others for their relentless advocacy on behalf of these children.

While students across the state need our help, students in the city of Wilmington are especially vulnerable. We'll continue to work with the Christina School District to bring smaller class sizes, critical capital upgrades, an early learning center and parent supports to Christina's Wilmington schools. We know that many of these students have suffered trauma at home and in their communities, and struggle to get their basic needs met.

I want to take a minute here to thank my wife Tracey for her work on behalf of these children.

In partnership with the Family Services Cabinet Council, and with support from Casey Family Programs, Tracey has been leading an initiative called First Chance Delaware. First Chance has been a vehicle to convene our state's leading experts to combat childhood hunger. To promote school readiness and grade-level reading. And to improve our recognition of, and response to, childhood trauma.

The goal of those efforts is to give every child in Delaware a first chance to succeed. That's also why I signed an Executive Order requiring all state agencies to train their employees in trauma-informed care.

Thank you, Tracey, for your good work!

Too many of our kids who don't succeed end up as adults who struggle. And some end up committing crimes. When that happens, it's in everyone's interest that we rehabilitate these individuals, and send them back into the community stronger, and better prepared to contribute.

That's why I signed an Executive Order to help ex-offenders more successfully reenter their communities. We're creating individualized plans for each inmate incarcerated in Delaware. The goal is to give them the drug treatment, education, and job skills they need to survive on the outside.

Bottom line is really quite simple: over 90 percent of inmates will eventually leave prison. They'll be standing next to you in line at the Wawa or at the Mall.

We need to make sure they're better off when they leave prison than when they got there in the first place.

All this will help keep communities safe. And that's a basic requirement for attracting businesses to our state. It's also a minimum standard our constituents expect us to meet.

That's why this year, we provided schools with new resources to make them safer, and passed responsible gun safety legislation. This included the Beau Biden Gun Violence Prevention Act, led by Representative Bentz. Our success was thanks in large part to a group of advocates – mothers and students – who made this their mission last year. I'll ask Sarah Stowens and Meghan Walls from Moms Demand Action, and Wyatt Patterson, a student at Caesar Rodney High School, who are here with us today, to stand and be recognized for their work. Thank you.

We have more work to do, though, to keep our communities safe. This year, working with Representative Mitchell and others, we'll propose legislation to ban guns made by 3D printers, and so-called ghost guns, where you can get a gun with no serial number and no background check.

And I want to thank Senator McBride for pledging to put the assault weapons bill up for a full, open debate. It's the right thing to do.

In the city of Wilmington, we're working closely with Mayor Purzycki and Chief Tracy to combat gun violence. Through the Family Services Cabinet Council, we're working to share data on populations most at risk of violence. And to target resources toward getting our most violent offenders to put down their guns.

We have the Delaware State Police and first responders throughout the state to thank for the safety of our communities. We also owe a debt of gratitude to the men and women of the Army and Air National Guard. They're citizen soldiers who make enormous sacrifices to keep us safe, here and around the world. I want to recognize my newly confirmed Adjutant General Mike Berry, and thank the Senate for confirming him yesterday.

Maintaining a good quality of life in our state is one of the most basic things we can do for the citizens we represent. In addition to keeping communities safe, that means protecting the natural heritage that makes Delaware such a great place to live, work, and raise a family. These are the things that attract a strong workforce to our state.

As Governor, I get to spend a lot of time outdoors, touring the places that make our state special.

Over the past year, I kayaked the Broadkill River and hiked the Edward H. McCabe Preserve in Milton.

I met with business owners at the beach along Rehoboth Avenue, and visited with oyster farmers at Delaware Cultured Seafood in Millsboro.

We opened the new Auburn Valley State Park in Yorklyn, and dedicated \$20 million to the preservation of open space and farmland across our state. Since the program's inception, Delaware has preserved almost 125,000 acres of farmland. That's approximately 25 percent of all farmland in the state. And that's something we can all be proud of.

And just in case all that doesn't sound exciting enough, I've got gifts here for our Pro Temp and Speaker to help us spread the good word. We've got one for the rest of the legislature on your way out of the chamber.

Our natural heritage matters to Delawareans. It matters to visitors. It matters to businesses looking to locate where there's cool stuff to do, and to young people looking to move back home. And it matters to future generations.

As we all know, protecting our natural heritage is not a partisan issue. Speaker Schwartzkopf, Senator Hansen and Senator Lopez joined me in Rehoboth last summer as I signed legislation to ban drilling for oil and gas in state waters off Delaware's coast.

As a low-lying state, sea level rise and climate change pose an existential threat to our bay and coastal communities. Despite Washington's refusal to act, we've joined with 16 other states to form the U.S. Climate Alliance.

We've committed to reducing greenhouse gas emissions by 2025 to at least 26 percent below 2005 levels. And we've committed to accelerating policies to reduce carbon pollution and promote clean energy.

This issue is too important to the health of our economy and the natural beauty of our state to let Washington politics get in the way.

Each of the last two years, we've made a strong push for cleaner water, investing tens of millions of dollars to maintain this vital resource that's important to all of us.

There is nothing more fundamental to our quality of life as Americans than having access to the voting booth. Right now, Delaware lags behind in making it easy and convenient for people to exercise their right to vote. We're going to change that.

Working with all of you, I want to sign into law legislation allowing early voting, and same day registration.

Yesterday, led by Representative Longhurst and Senator Hansen, you made history by adding an Equal Rights Amendment to our state constitution. We have here in the chamber Suzanne Moore, who represents the thousands of women over the past four decades who have been working for this cause. Help me thank them for their tireless work.

Part of having a good quality of life is making sure Delawareans can access and afford quality healthcare. Delaware consistently spends more than most other states on healthcare costs. Unfortunately, despite that high spending, Delawareans are not healthier than those in surrounding states. This all needs to change.

That's why I signed an executive order setting both quality and spending benchmarks for the entire healthcare system. We're doing this, first and foremost, by improving transparency around the cost of health care services. We need to know what factors are driving these higher costs and how we can change the trends.

We know the health of our state begins with the health of our people. And that starts with tackling the most critical public health crisis we face -- addiction and mental health. Too many families have personally experienced addiction and the tragic loss of loved ones. Too often, families don't know where to turn to get the help and support they need. Last year in Delaware, nearly 345 people died from a drug overdose. That's up 12 percent from the previous year. We all know someone who has been affected by this terrible crisis.

The Behavioral Health Consortium, led by Lieutenant Governor Hall-Long, is taking action to reduce mortality rates and improve access to treatment. That's why we worked with Representative Bentz and Senator Townsend to create the nation's first Overdose System of Care. This past year, thanks in part to the work of the Behavioral Health Consortium, naloxone was administered over 3,000 times in Delaware, saving countless lives. Through a peer-support initiative and better data-sharing, we're doing more than ever to get the right treatment and support for the people who need it.

Living healthy lifestyles is probably the most important thing we can all do to lower healthcare costs in the long run. We know that forming good health habits early in life increases the chances you'll be a healthy adult. That's why I intend to support Senator Townsend's proposal to raise the age for purchasing cigarettes from 18 to 21. Please join me in getting this done.

This year, we made investments in our state employee workforce that were years overdue.

Two weeks after I was sworn in, a riot at James T. Vaughn prison took the life of Lieutenant Steven Floyd. Since that day, Commissioner Phelps and our team have spent every day trying to make sure that nothing like that ever happens again.

This past summer, we concluded a year-long process of implementing the recommendations of the Independent Review Team.

We hired outside experts to help us fix our prison healthcare system, and make the inmate grievance system more fair.



We've revamped our recruitment efforts.

We've raised pay for correctional officers and moved inmates out of state temporarily to give us time to hire more officers, reduce forced overtime, and make the prisons safer.

This is an ongoing process. There's no quick fix. But we are dedicated to the work, and to making sure that Lieutenant Floyd did not die in vain.

Thanks to Senator McDowell and others, last year, state employees in every agency got a pay raise.

And in my budget next week, I'll propose that we continue these investments in state employee pay.

I believe strongly in the importance of our state employees, and believe we need to continue to invest in them.

I also believe strongly, though, that all of our spending, on state employees and throughout the state budget, needs to be sustainable. We all remember the painful task in 2017 of cutting our way out of a \$400 million budget crisis.

I don't believe it does any good to spend money on ongoing expenses that we know we can't pay for in the long-term. That's why, at the end of last session, I signed an Executive Order committing to a budget that limits our spending and creates a Budget Stabilization Fund to use in an economic downturn. We will follow these principles in the budget I propose next week. We will propose to use one-time money for one-time expenses, like infrastructure, nutrient management, water and wastewater treatment, and facilities for higher education. Making responsible budget decisions now will let us fund the services Delawareans rely on when money gets tight in the future, and we know it will.

Being fiscally responsible requires a long-term commitment to operating more efficiently and effectively. Many of you joined me in February 2017 at the launch of the Government Efficiency and Accountability Review – what we simply call GEAR. Today, agencies and employees in every branch of government are working together on dozens of projects – reducing our leasing costs, launching online services, leveraging federal funding opportunities, and streamlining how we do business. This year, with support from the Delaware Business Roundtable, we'll offer monetary rewards to state employees who come up with and implement innovative, cost-saving initiatives.

Strengthening our Economy

Improving our Schools for All Delaware Children

Protecting our Quality of Life

These are priorities we can all agree on.

Over the next six months, there will be plenty to distract us from these priorities.

It's our job to stay focused.

That means making sure teachers have the resources they need to be successful.

It means making sure businesses have a climate where they can grow and create jobs.

It means making sure parents who are working can get affordable childcare.

It means making sure our roads are plowed so people can get to work.

It means making sure children can play in the park without fear of gun violence.

It means making sure correctional officers are safe when they report to work.

It means making sure families can afford healthcare for their children.

Government can't solve every problem, and we shouldn't try. But we sure can make a real difference in the lives of our friends and neighbors.

Working hard and working together, we can choose a path of progress and civility.

Of hope and a better future.

Of making the tough choices and doing what we were sent here to do.

Thank you, God bless you, God bless the state of Delaware, and God bless our great United States of America.