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“The Best Kind of Economic Recovery”

*2013 State of the State Address
Utah Governor Gary R. Herbert
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Speaker Lockhart, President Niederhauser, members of the Utah Legislature, our many special guests here today, Lt. Governor and Mrs. Bell, Utah’s First Lady, my wonderful wife, Jeanette, and my fellow Utahns, it is a privilege to address you this evening.

We assemble tonight in our beloved State Capitol, an edifice to the values and liberty Utahns hold dear. That liberty is defended on the front line by the brave men and women of our armed forces, and on the home front by our public safety officers and first responders. They sacrifice time with loved ones, serve with valor, and sometimes give their lives on behalf of others. Last June on Mt. Olympus, the State of Utah lost one of its own noble public servants, State Trooper Aaron Beesley, who gave his life while rescuing stranded hikers. Aaron’s family members are here with us tonight. To every first responder, public safety officer, and member of our armed forces, as well as those who wait for them at home, on behalf of the people of the Great State of Utah, we thank you.

In last summer’s devastating wildfires, three firefighters were injured battling the Clay Springs Fire. I was grateful for the chance to visit them in the hospital, and I am especially grateful that they are here with us tonight. I would like to ask Clarke Christensen, Ross Anderson, and Camron Nielson, as representatives of all who courageously defended our communities from one of the worst fire seasons in Utah’s history, to please stand as we thank them for their service.

My friends, as this legislative session convenes, we are setting the course for the State of Utah in a uniquely challenging time. We face uncertainty throughout our nation, and difficult challenges here at home. But let me be clear: I have never been more optimistic about Utah’s future. The state of our State is strong—and continues to grow stronger!

We recognize our strength when we reflect on our accomplishments, the mileposts marking our remarkable progress on the road to economic recovery. Last year, we united behind a commitment to education. We provided for 12,500 new students, we increased per pupil spending, we covered the increased cost of healthcare for our teachers, we invested millions in enhanced individualized instruction and help for at-risk children, and we put millions more in higher education, including our applied technology colleges.

Education is the largest and most important investment Utah makes. While we recognize that money isn’t everything, we should still take note—that while so many states face shrinking budgets and bleak forecasts, Utah has the means, the vision, and the commitment to rank education as its top priority. The proof of that investment is unmistakable. The national average Advanced Placement test score is 2.84. Utah’s is 3.1. More than 27,000 students prepare for college through concurrent enrollment, and compared to other states with a high percentage of students taking the ACT, Utah ranks second in our test scores.

Utah’s success starts with dedicated teachers, teachers like Maria Contreras of Alta View Elementary, where the dual immersion program boasts 275 students. For Maria, teaching is about more than just helping children learn Spanish, or Chinese, or French. It’s about cultural literacy, academic excellence, and preparing for a global economy. Immersion students often perform better on standardized testing, particularly in memory, attention control, and problem-solving. Tomorrow, more than 25,000 dedicated Utah teachers, just like Maria, will open the door to their classroom and start

their day. Tonight, for opening young minds to the empowering knowledge and opportunity that awaits them, I thank every single Utah teacher.

Since the day I took office, my number one budget priority has been education—the key to a robust economy. I have invited educators, legislators and business leaders to serve on my Education Excellence Commission. We have a single, bold goal that is not only achievable, but for the sake of Utah's economy and the future of our children, is essential. Our goal is that 66% of our adult population will have a college degree or post-secondary certificate by the year 2020. Right now, just 42.6% of our workforce meets that standard. In the next eight years we must improve that outcome by more than 50 %, and ensure that we are on pace to 66% by 2020.

Tonight, I call upon you, the members of this State Legislature, to unite behind the resolution supporting our 66% by 2020 goal, so we can declare with one voice, with singular focus, Utah WILL achieve education excellence. We must continue to fully invest in our growing schools, and we must also continue to provide our students critical tools, tools like computer adaptive testing and other technologies, across all grade levels and socioeconomic strata.

We must also remain fervently committed to STEM—science, technology, engineering and math education. As we discuss the future of STEM, the watchword is alignment—workforce alignment. Nothing matters more than preparing our children to face the new, interdependent global economy. So this year I propose we invest \$20 million for STEM education. Eight state institutions of higher learning are reprioritizing their budgets to match that funding dollar for dollar. That's a full \$40 million for STEM programs to make Utah's future workforce the smartest, most skilled, and most innovative workforce this nation has ever seen.

Aside from parents, teachers are the greatest influence on a child's academic success. To ensure we have the most skilled educators, we must support continued implementation of teacher evaluation and performance pay. Once the federal fiscal dust settles, whether there is little to spend or a lot, education must continue to be our top priority. We can afford nothing less.

My vision for Utah remains steadfast: Utah will continue to lead the nation as the premier business location that provides opportunity for all Utahns. Thanks to Utah's economic engine, we are well on the road to economic prosperity. While the nation's unemployment rate is 7.8%, Utah's is 5.2%. The U.S. economy is growing at 1.4%, while Utah's economy is more than double that at 2.9%. That means that 35,800 Utahns who were jobless one year ago are working today. More Utahns are now able to pay their bills, buy their groceries, pay for gasoline, cover the mortgage, maybe afford piano lessons or soccer cleats for their children, and even start setting money aside for the future. Hundreds of thousands of Utah families now have the security of economic stability.

Lasting job creation and capital investment hinge on the free flow of commerce, another area where Utah excels. There is no better example than the I-15 CORE project, built faster than any other billion-dollar highway project in America, and \$260 million under budget. UTA's commuter rail now runs from Ogden to Provo, two years ahead of schedule and 15% under budget. We are building the infrastructure that will enable Utah's future economic success.

Now, while I am optimistic about Utah's future, I realize that 71,000 Utahns still seek employment. And I will continue to work tirelessly with you in the legislature to empower the private sector to create job opportunities for every Utahn.

For the third straight year, Forbes ranked Utah number one as the best place for business. That is no accident. Business continues to benefit from Utah's stable environment and educated workforce. For example, homegrown Omniture attracted software giant Adobe to Utah. Adobe just completed its beautiful, new 280,000 square foot Lehi facility, a complex that will house 1,100 employees, and it's just phase one of a three-part project!

With companies like Adobe and Microsoft expanding in northern Utah Valley, and eBay and Oracle in southern Salt Lake Valley, this area is rapidly becoming an IT hub. That is why it's time to get serious about finding a more suitable location for the state prison. We must make this 700 acre parcel available for the continued growth of our IT industry. Sometimes promoting economic development means accepting the herculean task of moving and modernizing a prison.

And sometimes it means removing or simplifying overly oppressive or nonsensical regulation that also presents obstacles to job creation. Last year I told you about the results of our state regulatory reform effort. This year I am pleased to announce that I am partnering with the mayors of Provo, Ogden, Cedar City, and South Jordan on a pilot project to engage in regulatory reform at the local level that I hope could be a model for every city and county. These efforts exemplify the best kind of economic recovery, with government removing the obstacles to innovation and free market growth, creating real opportunity for all Utahns.

We all recognize the benefits of economic growth. But what may be less obvious is how our culture of innovation impacts individual lives, individuals like our own Allyson White Gamble who runs our Capitol Preservation Board Office. She is the remarkable survivor of two heart transplants. We are so grateful Allyson is here today with her husband, Jim, and son, Ben. The very same devices and procedures that saved Allyson's life were created by a global leader in heart surgery, with a facility right here in Utah: Edwards Lifesciences. This company grew from about 200 employees in Utah in 2010, to 550 employees today. And they plan to double that number again in the next few years!—real jobs, with real impact on people's lives.

Of course, I could go on and on about hundreds of companies making a difference in Utah and around the world, companies like BioFire Diagnostics, Boeing, and G-A-F. Whether you started a high tech manufacturing firm out of your garage like the Springville company IMSAR, maker of high performance radar systems now built for the Department of Defense, or whether you are the "Chief Sauce Maker" of the Utah-based BBQ company Snap Daddy's, the Beehive State IS the best place for business and careers. As we look to the future, we shift our focus from economic recovery to economic prosperity. Take a look at our web page utahjobsplan.com. You'll see that with another 8,800 jobs created just last quarter, Utah is well on its way toward the goal we set last year of 100,000 jobs in 1,000 days.

On Utah's road to recovery, our course is sure, with a steady hand and fixed gaze on prosperity ahead, we are leading this nation out of the Great Recession. We must not waiver; we must remain vigilant, vigilant to maintain low taxes and sensible regulation, anchored in our conviction that in a free market, the private sector, not government, will propel Utah to prosperity.

Utah is also leading out in energy development. The Uintah Basin is booming, with an average unemployment rate of 4.5%. And industry leaders there are developing natural resources in environmentally sensitive ways. Consider Newfield Exploration's efforts to protect the environment and decrease truck traffic with centralized collection points for black wax crude, and recycled water for oil extraction. Newfield is one of many companies proving that private sector innovation, not government regulation, will drive the future of responsible energy development.

That same spirit of innovation is driving Utah State University's Aggie Bus. Created through a public-private partnership between USU and a company called Wave, this electric bus is refueled by recharging on electric pads throughout its route. It is 100% emissions free. I think it's fair to say, this energy innovation at USU is every bit as exciting as the Aggies were on the football field last season.

We're not just talking about emissions; we're also talking about conservation. Last year I signed an agreement with 13 other states, securing bulk purchasing power that allows us to acquire more natural gas vehicles at discounted prices, thereby reducing emissions and our reliance on foreign oil. Add that to increased use of video conferencing to reduce employee travel, more public transit eco-passes, more HOV lanes on I-15, and my executive order to reduce idling for our state fleet, and it's clear that Utah does more than just talk about conservation; we are actually doing it.

I've said it before, and I'll say it again—in fact, I'll keep saying it until it's understood from L.A. to D.C.: Responsible development of Utah's energy resources and the protection of Utah's scenic wonders are not mutually exclusive ideas! Outdoor recreation, with its \$5.8 billion annual economic impact, is fundamental to our culture, our health, our economy and our lifestyle. Some have even said it's in our DNA. And it provides a market for many Utah companies like Salt Lake City's Bluehouse Skis and West Valley City's Petzl. So last week we announced that Utah is doing something no other state is doing: we launched a long-term outdoor recreation vision, which includes the creation of an Office of Outdoor Recreation. With our iconic red rock deserts, and mountain peaks capped with world-class snow, Utah offers unparalleled outdoor recreational experiences, from the backyard to the backcountry.

Whether you're hiking Calf Creek Falls with Representative Brian King, running RAGNAR with Senator Deidre Henderson, mountain biking with President Wayne Niederhauser, deer hunting with Representative Mike McKell, or exploring the wilderness hunting for golf balls in the rough with Senator Curt Bramble, there are countless, wonderful outdoor activities to enjoy in Utah!

To protect this quality of life, and address the seasonal problem of poor air quality, we must all be part of the solution. Tonight, as your Governor, I call upon every Utahn, every public agency and every Utah business to do your part, and to find ways to do even more. For example, fifty two percent of the pollution during inversions comes from tailpipes. Whether it's taking mass transit, idling your vehicle less and carpooling more, unplugging devices, or using energy efficient appliances, each of us individually can do our part. And when we consume less, we pollute less. You can find

ideas about how to save more and pollute less at our web page www.ucair.utah.gov. And I urge every Utahn to join UCAIR, Utah's Clean Air Partnership.

I am not only calling on individuals and public agencies to act, I am calling upon industry and higher education to innovate—innovate ways to make energy more accessible, more reliable, cleaner, and affordable.

In addition to conserving energy, Utah must also conserve our precious water. In the year 2000 we set a target to use 25% less water by the year 2050, and we've already reduced our consumption by 18%. So let's go one step further. Let's cut the time in half, and achieve that goal by the year 2025.

As a state, we continue to strive for better management in all we do. it's called good governance. Because of the economic downturn, every family, every community, and every business was forced to do more with less. Utah government is no exception. Utah now offers more than 1,000 services online and, since 2007, "e-government" has saved Utahns about \$46 million! In the year 2000, there was one state employee for every 112 Utahns. Today, that ratio is one employee for every 139 Utahns, a 24% improvement.

While striving to maintain quality services, state agencies have innovated new ways to find efficiencies. For example, the Department of Technology Services installed a more efficient cooling system in our main data center, which now consumes 28% less energy. This saves more than 100,000 taxpayer dollars each year, and reduces carbon emissions equivalent to taking 268 cars off the road. Utah is providing great value to the taxpayer with lower cost, efficient, state government, but I believe there is more we can do.

With the taxpayers in mind, I have re-organized my Office of Planning and Budget to aggressively foster operational excellence across all of state government. We have introduced legislation, sponsored by Senator Jerry Stevenson and Representative Brad Wilson, to rename GOPB, the Governor's Office of Management and Budget. This change is not just about rhetoric. Tonight I am challenging my cabinet, and all state employee, through improving quality and reducing costs, to improve their operational efficiency by 25% over the next four years—because every dollar we save through efficiencies is another dollar we can invest in our classrooms.

Let me conclude with a brief story. A few months ago I asked a nationally prominent magazine editor why he hadn't written lately about Utah's robust economic recovery. He responded, "Your success isn't news, it's just what we have come to expect from Utah." Others expect it, but we know we have worked hard for that success.

The I-15 CORE completion, the Adobe expansion, the 35,800 new jobs—the list goes on and on. As I said before, those successes did not just happen by accident. They are the result of hard work, fierce determination, and a consistent adherence to sound principles. It's never the effort of just one individual, or one company. It's the effort of all. And I thank each of you here in the legislature for all that you do to play your part in each of these success stories.

A friend of mine once said to his son: "If you stay on this path, you will end up where you're going." Let me tell you: Utah is on the right path—we're on the right road and, together, we're going in the right direction. And our destination is economic prosperity with an unparalleled quality of life.

I ask you to join me tonight with renewed commitment, with clear focus, with a spirit of collaboration and civility; to achieve economic prosperity, to enhance government efficiency, to expand energy innovation, and to ensure educational excellence for our children and their children.

The State of Utah is strong, and I am committed as your Governor to continue working with you to make it even stronger. I pledge to you my very BEST effort. May God bless you, this great nation, and may God continue to bless the Great State of Utah.