



STATE OF UTAH

GARY R. HERBERT
GOVERNOR

OFFICE OF THE GOVERNOR
SALT LAKE CITY, UTAH
84114-2220

SPENCER J. COX
LIEUTENANT GOVERNOR

“Building the Foundation for an Even Better Utah”

2014 State of the State Address Utah Governor Gary R. Herbert January 29, 2014

President Niederhauser, Speaker Lockhart, Legislators, Justices of the Utah Supreme Court, Utah’s First Lady, my wife Jeanette, and my fellow Utahns.

We are joined this evening by our new Lieutenant Governor, Spencer Cox, and our new Attorney General, Sean Reyes. Let me take time to recognize the Lieutenant Governor’s Office, as well as the Legislature, for their recent investigations of campaign and election law violations.

We must continue to require ongoing review of our election laws to ensure strict compliance. Upholding the public trust in elected office starts with demonstrating our election laws must be adhered to – and when they are not, there will be serious consequences.

To everyone assembled here tonight, welcome to our State Capitol. This building symbolizes the pride we have in our past and the optimism we share for Utah’s future.

In 1914, when Governor William Spry cemented the cornerstone in place, some wondered why the Capitol needed to be so large when Utah’s population was so small. The answer is simple. They were not building for what they were. They were building for what Utah could become.

Just as they laid a solid foundation to make Utah what it is today, it is our responsibility to continue to build upon that foundation and make Utah even stronger.

We are already seeing significant success in that endeavor.

Two years ago, we set the goal to create 100,000 jobs in 1,000 days. I am pleased to report we are on track.

So far, nearly 70,000 jobs have been created in the private sector and our unemployment rate just dropped to 4.1 percent, the fourth-lowest in the nation.

Our economy is not only growing, it is growing the right way. Utah now has the fourth-most diverse economy in the nation. Our economic growth is remarkable – and as someone who spends every day focused on growing Utah’s economy, I assure you this did not happen by chance.

We measure our performance in statistics, but the true impact of those numbers is felt in homes across our state.

Utah's strong economy means if your son wants to work for Goldman Sachs, he doesn't have to go to New York City; he can stay here in Salt Lake City. If your daughter wants to work for Adobe or eBay, she doesn't have to go to Silicon Valley; she can go to the Silicon Slopes of Lehi and Draper. And if you want to work in cutting-edge manufacturing, you don't have to go to Washington State; you can go to Washington County.

Utah is the place to be – and we have worked hard together to make it that way.

It is not only important to bring more dollars into the state, we also need to become more efficient with the dollars we have. So last year, I challenged state employees and agencies to improve their performance by 25 percent over the next four years. And the results are impressive.

Let me give you just one example of many.

The Utah Department of Commerce has implemented strategies to accelerate the speed of issuing business licenses. Over the past year, the department has issued more than 200,000 licenses – all within three days of receiving applications. This means people wanting to do business in Utah can get to work without unnecessary delay.

Across state government we are determined to get more from every taxpayer dollar so we don't need more dollars from every taxpayer.

But we are not here tonight to just talk about our many successes. We have some challenges we must confront as we build upon our foundation for future generations. Tonight, I want to highlight three of them.

The first challenge we face is population growth. Utah is now the second-fastest growing state in the nation. We now number over 2.9 million people, and our population is projected to nearly double in the next 35 years. This population growth impacts everything we do.

Take education, for example.

We have a fast-growing student population, which creates a major funding demand. It costs us nearly \$70 million per year in additional money just to pay for our new students. We have a unique challenge in Utah to fund education. For example, nearly 70 percent of Utah's land is controlled by the federal government, generating no property taxes to help us pay for that growth.

Because our ability to get all the dollars we need is limited, we need to be more innovative with the dollars we have to achieve our educational goals.

This session, Senator Stuart Adams will champion legislation to create a "report card" that will help parents, teachers and administrators understand what our schools are doing right and how they can improve. Along with enhancing accountability in our education system, we must continue to align classroom instruction with changing workforce needs, so our high school graduates are ready for college and the workplace.

Science, technology, engineering and math are essential to prepare our students for high-tech, high-quality and high-paying jobs. Last year we provided \$10 million to the STEM Action Center, and my budget this year calls for another \$4.5 million. I have also asked Senator Steve Urquhart and Representative Brian King to find ways to encourage more high school students to complete computer science and information technology classes. The private sector is also stepping up. Tomorrow, we will announce a major new campaign, funded by the business community, to promote STEM education in our schools.

As we all know, today's students have access to a world of information at their fingertips; we need to ensure they also have access to the information that will put them on the path to success. That is why I have proposed another \$2 million in my budget to improve high school career counseling.

Of course, teachers have the critical role of educating our children in the classroom. While we cannot thank them enough, we can and should pay them more. Because of our success in growing the economy in challenging times, my budget contains an additional \$61.6 million to increase teacher compensation, the largest increase since 2008.

All these efforts drive us toward our goal that 66 percent of adult Utahns will have a degree or post-secondary certificate by 2020, thus securing the foundation for enduring prosperity.

Often, asking the right question is as important as having the right information. A case in point is Angie Blomquist and her fourth-grade class from Monroe Elementary in Sevier County, some of whom are with us tonight.

A few months ago, these fourth-graders asked a question many of us have wondered about for years: "Why is our Utah state tree the Colorado Blue Spruce?" Their persuasive argument has convinced me that with regard to the state tree, it is time to branch out and turn over a new leaf. They have also persuaded Senator Ralph Okerlund and Representative Brad Wilson to introduce legislation to make Utah's new state tree the Aspen. These fourth-graders exemplify the importance of participation in the political process and the ability we all have in this state to effect change.

Dealing with population growth will certainly require our best efforts.

We must think strategically, look forward, but act now. The "Your Utah, Your Future" initiative I launched in October is the most comprehensive planning effort ever undertaken in our state's history. This effort, among other things, is aimed at ensuring there is sufficient water and clean air for future generations.

When our pioneer ancestors made the desert blossom as a rose, they understood they could not do it without water. What was true then is also true for us today. To take care of this most precious resource, I have put together a Water Advisory Team to evaluate strategies to secure Utah's water future.

Another growth-related challenge that is fundamental to our quality of life is the quality of our air. It is a challenge we all share, and we all share in the responsibility to fix it.

We have already implemented a plan to rid our air of 100 tons of pollutants a day, and we now require industries to install new technology to eliminate an additional 4,600 tons of pollution per year. I have further required state agencies to reduce travel, to restructure our entire fleet, prohibit idling in state vehicles, and we have provided transit passes to state employees at no extra cost to taxpayers.

I recently organized the Clean Air Action Team, made up of stakeholders from across the spectrum, to act as a clearinghouse for the best public input and strongest science to make recommendations and help guide our policy decisions. Taking seriously the word "action" in their title, team members have already identified two significant steps that will make a big difference, and we will begin implementing those recommendations tonight.

First, we will accelerate the transition to cleaner Tier 3 gasoline and the next generation of lower-emission vehicles. Because nearly 60 percent of our pollution during inversions comes from tailpipes, and the technology already exists to do something about it, there is absolutely no reason to wait. By taking initiative, we ensure these

cleaner gasolines and lower-emission vehicles, which burn 80 percent cleaner than current models, are made available in Utah as soon as possible.

Second, University of Utah research has shown wood smoke alone makes up approximately 5 percent of the particulates in our winter air and endangers public health. We have learned that burning one log for an hour is equivalent to driving an automobile from Salt Lake City to St. George and back again. So tonight, I call on the Air Quality Board to limit wood burning in non-attainment areas during our entire inversion season.

These two steps are among the most significant and effective we can take immediately to clean our air. But there is more we can do. During this session, let us start to replace older school buses and state vehicles with lower-emission models. These actions, and others, will have real costs and real impacts on all of us. But I'm convinced the benefits to our economy, to our communities and, most importantly, to our public health, will justify the costs.

Addressing population growth also involves improving our criminal justice system and providing structure for individuals to become productive members of society. There has been a great deal of discussion about relocating the state prison. This is a discussion worth having, but it must be done in the larger context of reforming our criminal justice system as a whole.

I have asked for a full review of our current system to develop a plan to reduce recidivism, maximize offenders' success in becoming law-abiding citizens, and provide judges with the tools they need to accomplish these goals. The prison gates through which people re-enter society must be a permanent exit, and not just a revolving door.

Our second challenge is asserting our rightful role as a sovereign state.

James Madison, the father of our Constitution, said: "The powers delegated by the proposed Constitution to the federal government are few and defined. Those which are to remain in the state governments are numerous and indefinite."

Unfortunately, our nation has strayed from what our founding fathers intended. Whether the issue is marriage, Medicaid or management of our public lands, our right to find Utah solutions to Utah issues is being hindered by federal overreach.

In Utah, we understand state sovereignty, and we will do everything in our power to represent the will of the people while respecting the democratic and judicial processes. Let me be clear that while I support traditional marriage and will continue to defend Amendment 3, there is no place in our society for hatred and bigotry.

Most importantly, let us all remember that although these issues may be controversial, they need not be contentious. As this important issue works its way through the courts, let Utah be a model of how to work through honest disagreements with civility and respect.

This challenge of self-determination also extends to how we address the health care needs of families and individuals in our state. Because of a flaw in the Affordable Care Act, we have about 60,000 Utahns living below the poverty line who receive less assistance through Medicaid than many who live above the poverty line.

This is not fair, and it is not right.

Assisting the poor in our state is a moral obligation that must be addressed. I look forward to working with you in the Legislature to create a Utah model for fixing this hole in the safety net – one that is based on four principles: first, those who can work, do work; second, support private markets; third, maximize state flexibility in administering federal programs; and fourth, serve the best interest of the Utah taxpayer.

This debate should not be about federal dollars versus state dollars. They are all taxpayer dollars. Every dollar the government spends comes from the people, and whatever we do in Utah should be in the best interests of the people of Utah.

We did not create the problem, but we can and must find a Utah solution.

By the way, caring for those in need is not just a function of government. Everyone has a role. No one personifies this more than Jon Huntsman, Sr. The Huntsman Cancer Institute has saved lives and made Utah a center of excellence for cancer research. Let us work together this session and make expanding this facility a top priority.

More effective management of our public lands is also critical to our state. At no time was this more evident than during the federal government shutdown. Our national parks were closed, tourists were turned away and the livelihoods of Utah business owners were put in peril. Yet we were told by many in Washington there was nothing we could do to solve this problem.

We do a lot of things well in Utah, but “doing nothing” is not one of them. I was determined to open the parks, and I told Interior Secretary Sally Jewell we simply had to find a way – and that’s exactly what we did. It took a little common sense and a lot of hard work. It took people of good will, including Representative Brad Dee, and legislators on both sides of the aisle working together to find the solution.

As our parks re-opened, cheers resounded throughout the state and frankly, from across the nation and around the globe. The Fasoli family of Massachusetts was able to fulfill their dream to visit Zion National Park. My chief of staff, Derek Miller, en route with his family to Natural Bridges, joined other Utahns in breathing a sigh of relief knowing they would not be denied access to our national parks and recreation areas. There were cheers at Ruby’s Inn, where the Syrett family has welcomed visitors to Bryce Canyon for five generations.

As the opening of our national parks proved, Utah is in the best position to optimize the use of our public lands. That is why I signed House Bill 148 and also why I am working with Congressman Rob Bishop on his Public Lands Initiative. This initiative presents us with a unique opportunity to resolve this issue by identifying public lands for multiple-use such as energy development, farming and ranching, and protecting our iconic vistas and venues. Again, we are finding Utah solutions to Utah challenges.

Our third major challenge is to continue to expand our economy.

Utah is doing very well, but the demand for more and higher-quality jobs continues. I have set the goal to increase our exports by an additional \$9 billion by the end of 2015. We will accomplish this goal with continued outreach to big businesses as well as smaller start-ups – businesses along the Wasatch Front as well as those in rural Utah.

Take, for example, Phillip and Holly Clingo. They needed employment if they were to fulfill their dream of raising their family in Wayne County. So they founded Signature Log Furniture and they are now selling custom-made products across North America from our soon-to-be state tree, the Utah Aspen.

You know, there is a reason why the Clingos and thousands of other small-business owners choose Utah. There is a reason why the most requested transfer destination for Oracle employees is Utah. And there is a reason why Boeing calls its Utah workers the “Can Do Team.”

The reason is not because we don’t have challenges; the reason is because we know how to overcome them.

So yes, we face the challenge of a growing student population. But we are solving it, and as we do, we will secure the youngest and best-educated workforce in the nation. And yes, we face the challenge of protecting our water supply and cleaning our air. But we are solving it, and as we do, Utah will continue to provide “Life Elevated” for our children and our grandchildren.

And yes, we face the challenge of federal overreach. But we will preserve our right to chart our own path forward to a better future. And yes, we face the challenge of accelerating our economic development efforts. But as we overcome that challenge, we will become the nexus for new ideas, and new businesses and new jobs.

I have no doubt we will overcome our challenges. We are blessed with a solid foundation. We have a proud heritage. We have a shared vision of where we are going and what we must do to get there. Tonight, I ask you to join with me in building upon the foundation laid by those who came before us a century ago.

As elected officials, we are entrusted by the people to manage the affairs of the state, and to provide vision and leadership. Let us set aside any personal agenda and work to benefit the Utahns we serve.

Let us renew our commitment to the principles of good governance, of fiscal prudence and of individual responsibility to continue to make Utah the best place to live, the best place to raise a family and the best place to do business.

The state of our state is strong.

And you and I remain committed to making it even stronger.

May God bless you, May God bless this great nation, and may God continue to bless the Great State of Utah.

###