Chief Justice Bales, Members of the Legislature, Judiciary and fellow Arizonans, it is truly a privilege, and a pleasure, to be back in this chamber, at this podium.

It is an honor and tradition I value, and I am grateful for your warmth and hospitality. Thank you.

It’s also nice to not be the new guy anymore. It appears we have a new seating chart. Two new Supreme Court justices, 24 new members of the House and Senate.

A powerful new backdrop. Speaker Mesnard and President Yarbrough. You guys look pretty good up there.

Along with Leaders Hobbs and Rios, I’m excited to continue working together on areas of common ground.

Welcome newcomers, and congratulations to all.

These last two years, we’ve achieved so much. And on the really big issues – and in fact, on the biggest issue of them all – it wasn’t because we had Republican ideas, or Democrat ideas. It’s because we had Arizona ideals.

Let’s keep that spirit going this session.

Long before any of us arrived here – nearly a century ago, our state’s first governor – George Hunt – made a trip to Douglas to deliver a speech.

It was well attended – but there was one young boy who stood out.

Explaining that Arizona was the land of boundless opportunity, Governor Hunt turned to the boy and his friends, and remarked that even one of them could be governor someday. All they needed was grit, will and determination.
What Governor Hunt didn’t know is that boy had traveled miles, barefoot, from a neighboring town, and for one reason – the free hamburgers and hotdogs. It was better than wandering the desert looking for food.

After the boy’s father passed away, as the family faced hunger and hardship, his mother told him: “Son, you’re going to be whatever you want to be. It’s up to you.”

That young boy rose to the challenge, and stood at this same podium, addressing this same chamber. He became our state’s 14th governor. And we’re honored to have Raul Castro’s daughter, Beth, here with us today.

Governor Castro came to this country as a poor immigrant. The obstacles and challenges before him, immense. But when we honored his life in our old Capitol – he had not only been a governor. He was an educated man. An attorney, a prosecutor, an ambassador, a diplomat, a pioneer.

It’s a story we don’t hear enough, or tell enough. But we need to, because it’s a distinctly Arizona story.

And our history is filled with them. Regular people, who had mountains standing in their way; but scaled them.

A young secretary, fired because her boss said he needed a man to do the job. It was Rose Mofford and she too, became governor. Breaking the glass ceiling and paving the way for Arizona to earn the proud distinction of having MORE women governors than ANY other state in the nation.

A young boy whose single mother packed him in a car and drove him from Chicago to Tucson to start a new life. He’d take a paper route to help his family make ends meet. But it was the billboards he saw along the highway from Illinois to Arizona that would captivate his imagination. Today, Karl Eller is not only a rags-to-riches success story – he and wife, Stevie, are two of our state’s most valuable players and charitable citizens. Thank you for all you’ve done.

And then there’s the story of a rebellious Air Force cadet – told ONLY MEN could fly in combat. Martha McSally wouldn’t listen, and literally took women’s rights to new heights. Thank you, Colonel, for your service.

Ladies and Gentlemen, I’m proud to stand here today and report, just like all these trailblazers, the state of our state in 2017, is resilient and strong.

Our economy is growing, our schools are improving, and our citizens are succeeding.

But now is not the time to be content, or complacent. Because the next generation of Arizonans – especially those facing challenges and hardships – are counting on us to rise to the occasion, and do everything in our power to create boundless opportunity in the state of Arizona.

To do this, we need to begin at the beginning.

Because we can’t claim Opportunity for All, unless every child, regardless of their background, neighborhood, county, or zip code, has access to a quality education.

One of the first things we need to do, as a state, and as citizens, is focus on what really works in our public schools.

We have so much to be proud of.

Arizona students are improving faster in math and reading than any other kids in the country.

We’ve been a leader on school choice, and we will continue to be a leader. Our public charters are leading the nation and the world in outcomes for our students.

And the robotics class at Carl Hayden High School is so renowned, Hollywood didn’t just make one movie about it – they made two.
It needs to be said. We can advocate for more resources, and also admit we have so many great schools, and great teachers.

But too many people have fallen into the trap set by the pundits, the harsh partisans and yes, even some in the press of just dumping on Arizona schools. I'll admit: There was a time I didn't know the full picture.

But after spending the last three years inside dozens of classrooms, mostly in low-income neighborhoods, I have a new appreciation for the excellence occurring in our school system.

Not all of these schools are elite, or A-ranked. But they are working hard to get there. And what has been most striking are the teachers. They've shared with me – It's more than a job. It's a calling.

Especially in our low-income communities, they've told me: “I'm not here because I have to be. I'm here because I want to be.”

It's no wonder we all remember those teachers who had an impact. For me, it was Mr. Zammit, Mr. Wagner. Doc Demar, Professor Olney, Sister Patrice. If you think about it for a moment, you have your own lists of teachers who inspired you.

I want the teachers of our state to know: You make the difference. I value your work, and it's time we return the favor.

We saw incredible success last year – working together in a bipartisan spirit. Putting politics aside, settling a lawsuit, stepping out of a state of constant crisis without tricks or gimmicks, and directing billions of additional dollars into K-12 education that have gone to reward many of our dedicated teachers.

Some people have asked, what's next? After Prop 123 – where are steps 4, 5, and 6?

Well, here we go.

Step 4: Resources. I have a commitment our educators can take to the bank: starting with the budget I release Friday, I will call for an increased investment in our public schools – above and beyond inflation – every single year I am governor.

Now, I'm not promising a money tree. I can't. There’s no pot of gold, or cash hiding under a seat cushion. And unlike Washington, we don’t print money, and we won’t raise taxes.

But when we do have available resources, like we do this year – the bulk of those dollars will go to public education. And our proposals will be responsible – to make sure we can actually follow through on our word, and our educators can rely on it.

Step 5: Teacher pay. Let's take these new dollars and put them where they will have the greatest impact on students. The place where we know we will get the best return on investment. It's time for a raise for Arizona’s teachers. My budget will outline a permanent, lasting salary increase to all of Arizona’s teachers. This will be above and beyond raises they may be receiving from Prop 123, or overrides, or from their districts.

This is an investment by the state of Arizona in recognizing and rewarding the work of our teachers in a way that is fair, permanent and fiscally responsible.

If we are serious about supporting education, and tackling our teacher shortage, we've got to take action on multiple fronts and this is one more positive step in the right direction.

And Step 6: Student debt. One of the biggest challenges for many new teachers is paying down student loan debt. Doctors, lawyers, businesspeople – many will make six figures within a few years of graduation. But for teachers, paying off the debt from their education can take decades. In some cases, it might push them out of the profession altogether. That is unacceptable.
To address this, I’m asking Arizona’s three public universities, in partnership with community colleges, to develop a plan for the design of an Arizona Teachers’ Academy.

I’m looking for the best and brightest to commit to teach in Arizona public schools.

If you make that commitment, we’ll make this commitment; your education will be paid for, a job will be waiting and you will be free of debt.

Let’s lift this burden from our teachers, attract new quality individuals into the classroom. Step 6 shows teachers theirs is a profession we respect and are willing to elevate.

But why stop at 6?

Step 7: Low-income schools. The greatest need for high quality teachers is in our low-income schools, and it also happens to be the hardest place to attract them. So let’s do more for the teachers willing to make a commitment to these students and these neighborhoods: A $1,000 signing bonus, to attract the best and brightest, and continue to close the achievement gap.

No one goes into teaching to get rich, but everyone deserves to be rewarded for their hard work. Together, we can show the teachers of our state that their profession is valued, respected and indispensable.

Step 8: Teacher shortage. For those who want to dedicate their energies to this noble cause, we shouldn’t let outdated rules stand in the way of getting them to the front of the classroom.

Sandra Day O’Connor is one of our nation’s most honorable citizens. She once served in this legislature, the first woman Majority Leader, in fact, in the entire country. The first woman to serve on the United States Supreme Court. She’s taught and lectured in law schools. There’s actually a law school named after her. And a federal court house – right down this street.

But after her retirement in 2005, if she had wanted to teach civics in an Arizona high school classroom, she would have been deemed UNQUALIFIED, by the system.

That’s crazy. I’m talking about the teacher certification process. And it’s time to fix it.

We want the most qualified, most talented people leading our classrooms. So let’s get with the times, and place trust in our school boards, superintendents and principals by letting them make the hiring decisions, and remove the obstacles.

Step 9: Early Literacy. Without a doubt, schools in low-income areas are the ones that really need our focus – and that’s what my budget prioritizes.

Right now, more than half of Arizona schools offer voluntary full-day kindergarten. Parents love it. Kids benefit from it. So I say – let’s expand it.

My budget gives the lowest-income schools dollars to start or expand full-day kindergarten, and address an issue we know is critical to closing the achievement gap: The ability to read by third grade.

Step 10: Tribal Nations and Rural Schools. We also need to make sure all Arizona kids are prepared for the 21st century. Many Arizona public schools are leading the nation when it comes to science and technology – teaching students to code and developing skills to take with them through life.

But too many students, specifically in our rural areas, and in our tribal nations are missing out. It’s 2017, but outside of our urban areas, broadband is still spotty.

Let’s fix this, by connecting these rural schools to high-speed internet. And let’s couple it with a statewide computer science and coding initiative. This session, let’s break the firewall and get these kids connected.
There’s more where that came from;

11: Principal academies, to train school leaders. 12: Loan forgiveness for our STEM teachers. 13: Dollars for school construction and capital. 14: A per pupil boost for excelling schools – 15: even more for high-quality low-income schools beating the odds. 16: Career and Technical Education. 17: College knowing and going programs, and 18: Achieve60AZ.

We have a plan to prioritize K-12 education in a serious and thoughtful way. And we’ve only just begun.

Arizonans know what’s best for our schools.

And it doesn’t matter what party is in power in Washington – we could all do with less involvement in our business from the federal government.

Whether it’s Common Core, or Obamacare, or the border, or the VA, or 20 trillion dollars in debt. On nearly every issue other than national defense, we know how the story ends: The federal government makes a mess out of everything it touches.

But here in Arizona, we’ve demonstrated: Government can work when it respects its limited role, and listens to the people.

Wait times at MVD are down an average of 20 minutes.

Our state parks have enjoyed record visitors and record revenue. Director Sue Black was asked “how is this possible?” Her response: by simply doing our job.

And thanks to our efforts, contractors are getting licenses 76 percent faster. These are real accomplishments that are saving people and small businesses time and money, and improving quality of life in Arizona.

Our citizens invest $42.5 billion dollars a year in state government; they deserve value for their dollar.

As we continue to make these reforms all across the board, with the help of our talented state employees and agency heads, the savings will result in lower taxes for hard-working Arizonans. This year, next year and every year I am governor.

Our message to Washington D.C. is this: Let the people keep their money, and let the states chart their own direction, and the citizens of Arizona will be better off.

It’s also long past time for Arizona to have independence from something else: The Ninth Circuit Court of Appeals.

The Ninth Circuit is by far the most overburdened court in the country, with a turnaround time that averages 14 months. Its pending cases are more than double the caseload of the next busiest court.

Arizona – and other states in the 9th circuit – deserve better.

Last year, I sent a letter to Majority Leader McConnell and Speaker Ryan detailing this burden on justice. With a new Congress, and a new President, it’s time for action.

So I call on you, the Legislature: Just like you did last year. Pass a resolution, supporting Senator Flake’s bill, telling Congress to act. Let’s make sure Arizonans always get a fair day in court.

When it comes to our children, we will always be tireless advocates.

Every year, babies across the country are born with Severe Combined Immuno Deficiency – SCID. It’s a rare genetic disorder that if not detected and treated early, is deadly. A baby born in Arizona today is automatically screened for a number of diseases – but not for SCID.
Let’s change that, by adding SCID to the list. We have the power to save these precious human lives. So let’s act with urgency.

If there’s one headline we all dread reading every year, it’s the one about the latest child, left in a hot car, dying of heat stroke.

In just minutes, temperatures escalate, and a tragedy occurs.

There’s been a great amount of public education around this problem. Yet it still happens. Just one human life lost is one too many.

All it takes is a Good Samaritan to save a life. To be on the lookout, see movement, take action, and stop another death.

The last thing we’d want is any Arizonan worried about breaking into that car to save a life.

Send me a bill protecting the Good Samaritans who save the lives of children and pets – and I’ll sign it.

All of us who are blessed to be parents know the joy a child brings into our lives. Not to mention the late nights.

The bond between a newborn baby and its mother is uniquely special. Dr. Cara Christ, director of the Arizona Department of Health Services, a mom, and an OBGYN, knows this well.

She’s expanded a successful program, now deployed in two state agencies, that allows new moms and dads to bring their babies to work the first six months. The results have been impressive, and we plan to expand it even more.

It’s a win-win-win – increased productivity, quality employees less likely to leave state service, and most important – happy babies.

We know the best route to a better life for an individual and their family – A good paying and rewarding job.

It’s why we’ve been so focused on job creation these first two years. And in that time, we’ve seen more than 100,000 private sector jobs land in our state.


We’re set to manufacture electric cars, and we’re the world’s hub for the testing of autonomous vehicles. And finally – we even have Uber at the airport.

The best part is that we’re not only seeing job growth in Maricopa County, but in rural Arizona and metro Tucson. Consumer confidence is up, and our housing market is on the move again.

The word is out: Arizona is open for business.

The real credit goes to our business owners, their hard working employees, and the entrepreneurs out there.

What we, in this room, have done is simply get out of the way, and let California move backwards with more nutty ideas. A tax on tech companies. Their own version of cap and trade. Emissions standards for – here’s a new one: Computer monitors. And who could forget – harassing self-driving cars to drive themselves right out of California, onto the I-10 and straight into Arizona.

Arizona will take the opposite approach. We will move forward by rolling up our sleeves and rolling back more regulations that are standing in the way of job growth.

To do that, we need to hear directly from the people making the decisions – our job creators. So I’m calling on
owners and operators of Arizona businesses – large and small – please, go to our new website, launched just seconds ago –RedTape.AZ.gov – and help us find these job-killing regulations hidden all throughout government.

Our team will do the research, and if a rule or regulation is not protecting consumers, public safety or public health, it’s time for it to go. Our goal: To wipe out 500 total regulations by the end of this year.

We could also do with less laws.

Last year, we finally made potlucks legal. So why not break out the casseroles, gather around the table, and figure out how to repeal more old laws, rather than create new ones. Let’s ask ourselves: Together, how we can stop limiting freedom, and instead, expand it.

One great success we’ve had is chipping away at onerous licensing requirements – often designed to keep out competition or stifle new, exciting ideas. Because of our reforms, new yoga instructors everywhere are cheering, ‘Namaste.’

There’s much more work left to do in this area. But who would’ve thought, of all the issues we tackled last year – and we tackled a lot of big ones – consolidating boards and commissions, and reducing licensing requirements, would be the most contentious?

Turns out Washington, D.C. isn’t the only swamp that needs draining. The special interests and lobbyists descended on this building. Twisting arms. Turning up the heat. Clouding the facts. In a perverse irony, some were even funded with taxpayer dollars. So we fired those lobbyists.

They got paid to build the walls of bureaucracy. Now, I’m asking for your help to knock them down.

In the meantime, let’s help those most affected by these barriers: Arizonans who are struggling to get by and looking to start a new career. Maybe they’ve gone to night school, to learn a new trade or skill. Perhaps they want to be a barber, or general contractor, or X-Ray technician. Why stand in their way? With another tax, another fee – sometimes hundreds of dollars – before they can start earning a living. So for citizens who are living in poverty, I propose the state waive their licensing fee so they can build a better life.

There is great value and dignity in work. Having a job. Earning a living. Providing for yourself and your family. No one wants to be on government assistance.

But all too often government incentivizes being out of a job – rather than getting a job.

We’ve seen the effects of this at the federal level, and it’s been a disaster: Too many Americans on food stamps and living in poverty, because politicians in Washington have focused on policies that hold people down, instead of ones that lift people up.

So why not reward those who are making an honest effort to get off unemployment, or food stamps, or welfare. Those who are looking for work, making sure the kids do their homework, and trying to stop the cycle of poverty.

For Arizonans who are actively looking for a job, who are getting their kids to school – let’s extend them up to 12 additional months of cash assistance, known as TANF, as a bridge out of poverty and into a better life.

The safety of children in our state remains top of mind.

I want to acknowledge the community and faith-based organizations who participate in our state’s revolutionary prevention model- the care portal. These organizations help hundreds of families in crisis by lending a helping hand when one is desperately needed.

And in cases where the state must intervene, we are seeing some positive trends. For the first time in seven
years: More children are leaving the care of the state, than entering it. We’re closing cases, and chipping away at the backlog of uninvestigated reports. And in the tragic situation of children who find themselves alone, without a loving home, we are placing them in one faster.

This issue is truly heartbreaking. As much as we try, government alone will never solve it. We’ll never fully convince bad parents to be good parents. But we can save the lives of children, and that’s our goal, every day.

Our foster families are the unsung heroes in this tragedy. Making real sacrifices, to provide love to a child who needs it. To them, we can never say it enough: Thank you.

We’ll always be looking for ways to support them. One way we can help is by recognizing those who take in children in their own extended family. Aunts, uncles. Grandfathers and grandmothers, who raise these children as their own. This is often a better option for a child than going to an unfamiliar family. But unlike other foster families, these family members receive little assistance for taking in their nephew or grandchild. So let’s change that, with a “Grandmother Stipend” – providing these families with resources to raise these children.

Many of our citizens have found themselves struggling because of an epidemic plaguing our entire country – drug addiction. It’s a problem that knows no bounds. It effects men and women; young and old; rich and poor.

We’ve started to address it in a serious way. Cracking down on doc shopping. Providing better treatment options. Limiting first fills on opioids.

And this morning, I sent a letter to the Arizona Medical Board, to require that all doctors in Arizona complete Continuing Education in drug addiction.

We also need to make sure a second chance actually is a second chance.

Vivitrol has been called a “Miracle Drug” – blocking heroin and painkiller addictions, even alcoholism, and allowing millions of Americans to gain their lives back. This morning I signed an Executive Order so that, effective immediately, people leaving our prison system have the opportunity to be treated with this blocker, before they walk out the doors, to maximize their success of never ever going back.

Chances are addiction, in some form, has touched the lives of everyone here today.

None of us can overcome challenges in life without a support system. Every day, we all rely on friends and family, mentors and advocates. But sadly, many who have served their time, don’t have a community of support when they leave prison – making it that much harder.

Through efforts like our Community Corrections Centers, we’ve made strides to help bridge the gap. But more is needed.

That’s why I’m announcing an effort of the Governor’s Office, to engage the faith and non-profit communities in being advocates for our citizens leaving prison and transitioning back into society.

And inside our prisons, we’ll be adding Employment Centers to help with things like building a resume and getting a job before the release date.

Last summer, I traveled to Navajo County to tour the damage caused by the Cedar Fire. Among the many brave firefighters I met, was a group of inmates, who enlisted in a program through the Department of Corrections. Every year select inmates fight fires throughout Arizona.

One of these men looked me in the eye, and told me: “Governor – I felt like a zero. Now I feel like a hero.”

It’s opportunities like this – where Corrections truly becomes Corrections. And we need more of them, so that over time, we can turn the tide and reduce our prison population, provide that second chance, while also protecting public safety.
And public safety will always be our top priority.

That’s why last year, we came together and addressed an injustice long ignored: The backlog of untested rape kits in our state.

The problem was so bad, we didn’t even know how many existed. So we committed to fixing it, and already there have been two indictments as a result of this important work.

Through the bipartisan efforts of leaders like Senators Katie Hobbs and Kate Brophy McGee and County Attorney Bill Montgomery – we now have a handle on it, and we are ready to act.

My budget fully funds the testing of all remaining rape kits. And with the recommendations of our task force, we are ready to move forward with legislation requiring all future kits to be tested.

Let’s get this done, and for the thousands of women who have been victimized, finally ensure justice.

When it comes to protecting our state and our citizens, we are going to focus on another area of growing concern – cyber security.

With hackers threatening our systems, the government has a responsibility to protect the personal information of our citizens.

That is why my budget will include an investment in improved cyber security. If we are going to be entrusted with this information, we must invest in protecting it. Period.

We couldn’t accomplish any of these achievements around public safety without the work of our law enforcement agencies throughout the state. And let me just say – we are truly indebted to the thousands of women and men who wake up every day and put on blue. Our cops.

They keep our neighborhoods safe. They walk into danger. They risk their lives. I want all our cops to know, the state of Arizona values you. We value your work, and your lives, and your sacrifice. You have our back; and we will always have yours.

And there is no better role model when it comes to character, integrity and leadership for our youth, and our cops, than Phoenix’s new police chief Jeri Williams. I’m pleased to have her here today as my guest. Chief – welcome home.

And tonight, in honor of the service of all our cops, this Capitol dome will be lit blue.

Some of our bravest officers have been part of a successful effort created last year: The Border Strike Force.

This team is working 24/7 to keep Arizona safe, crack down on the cartels, stop the bad guys, and hunt down the criminals who are smuggling drugs and humans into our country.

The numbers are staggering. We’ve had 1,332 arrests. We’ve seized more than 30,000 pounds of marijuana and 6.5 million hits of heroin. And our team has confiscated more than $7 million in cold hard cash.

We can’t let up. We must continue this fight – for the security of our border, the safety of our state, and the benefit of America.

We are blessed to live in not only a free country, but a secure one. And the credit for that goes to our brave men and women in the armed forces, and our vets.

For me, there was no more vivid reminder of the sacrifices they make than last month: The 75th anniversary of the attack on the U.S.S. Arizona at Pearl Harbor. Angela and I were honored to represent our state, and spend time with the survivors.
This truly was the Greatest Generation, and there’s a lot we can still learn from them. But seeing our young soldiers, sailors, airmen and marines standing beside these heroes, it was clear: This new generation of Americans is the next Greatest Generation. And we are indebted to them and their families for the service and sacrifice they are making both here and abroad.

If there’s one thing we can agree on, it’s this: Arizona is, without a doubt, the most beautiful state in the country.

This year marks the 60th anniversary of Arizona Parks. From the red rocks of Sedona to the cool caves of Kartchner Caverns, there is so much beauty for us to celebrate. To kick it off, I’m happy to announce – free admission for all Arizona residents at all state parks and trails over Martin Luther King Day weekend.

So put down the iPhone. Get outside. Enjoy some fresh air with your family. And take pride in living here.

Arizona is not without its challenges, but there’s no doubt about it: Life really is better here.

We are home to some of the top ranked public schools in the nation; the most innovative university in the country; and in a few months, the NCAA Final Four will tip-off right here.

By working with our citizens these last two years and across this aisle, with civility and respect – we’ve seen what’s possible for Arizona.

Positive outcomes in our schools. Safe communities. A more reliable water future that allows us to thrive in the desert. And an economy that embraces innovation.

Let’s keep it going – so that the next Raul Castro, or Rose Mofford, or maybe even the next Sandra Day O’Connor, can display their grit, will and determination, and enjoy the boundless opportunities that exist in Arizona and in America.

Thank you and God Bless.