Speaker Mesnard, President Yarbrough, Chief Justice Bales, Members of the Legislature and Judiciary, all of my fellow Arizonans, I’m again grateful to be here. We gather here to continue our work moving Arizona forward.

Sometimes that work is accomplished through legislation and policy, debated and voted on here in these halls. Other times, it’s through the actions of every day citizens, stepping up and making a difference for others. But more often than not, change and progress happens through the capacity of our state, and its people, to always be ahead of the curve – knocking down barriers and breaking with conformity.

This April marks 30 years since one of our state’s most beloved and cherished leaders took to this podium – beehive and all – and in doing so shattered the glass ceiling, through all nine floors of the Executive Tower, right up to the Governor’s Office.

What better way to honor and further Governor Rose Mofford’s legacy than with a new historic achievement reached this past August: The highest percentage of female legislators of any state in the nation.

Senators, representatives – will all the women who have achieved this awesome accomplishment on behalf of our great state please stand, so that we can recognize your service to Arizona.

Think about it. Here are three additional milestones that only Arizona can claim:

One: More women governors to date than any state in American history

Two: The home of the first female United States Supreme Court justice and

Three: The state that two decades ago voted women into every single statewide elected executive position.
There are no lack of powerful and impressive women role models for the young people of our state, inside and outside of government – Moms and grandmothers. Judges and mayors. Congresswomen and CEOs. The first female NFL coach. A university president. The chancellor of the largest community college in the country. The police and fire chiefs of the fifth largest city in America.

We applaud your leadership, including that of Secretary Michele Reagan, Superintendent Diane Douglas, Justice Ann Timmer, and Leaders Rebecca Rios and Katie Hobbs. This trail was blazed long ago. Icons like Rose Mofford and Sandra Day O’Connor fought with grit and determination for fair treatment, and achieved greatness. And they didn’t do it for women in the year 2018 to face discrimination, misogyny or harassment. The reason, they did it, was so the women who followed them, would not only have their voices heard in our country – but so they would help lead and shape our great country.

It should go without saying, but it bears repeating: Every individual deserves to be treated with dignity and respect. Always. No exceptions. Private sector. Public sector. In my office. In state agencies. In this chamber. And everywhere else.

In Arizona, we are blessed to stand on the shoulders of giants. Rose Mofford and Sandra Day O’Connor are two in a long list.

Whether it’s Bruce Babbitt’s work ushering in the historic water policy that’s allowed us to grow and thrive in the desert; John McCain’s selfless service to country; Gabby Giffords’ resilience against all odds; Mo Udall and Barry Goldwater showing us what bipartisanship really looks like; or Lori Piestewa giving the ultimate sacrifice to protect her fellow Americans – we have no lack of heroes.

As we begin our work, these leaders should serve as a reminder of why we all went into public service. Ladies and gentlemen – we enter 2018 with confidence and conviction, promise and possibility. The state of our state is strong, and our future is without limits. By working together, with a spirit of service; with integrity, humility – by forgetting about who should get the credit – we can move Arizona forward, and in a way that will make our fellow citizens proud. So let’s get to work.

We have a good foundation to build on. While Washington can’t seem to get much done, we have a solid track record of getting down to business and working across this aisle on solutions. True, we don’t always agree. But that’s the exception, not the rule. Last year, more than 90 percent of the legislation we passed together was bipartisan. In fact, much of it is best described as “nonpartisan.”

It’s a good thing, because there’s an ongoing crisis we face that calls for this no nonsense approach, and it’s one that must unite us if we are to take action with care and urgency.

Since I last stood at this podium, we’ve lost more than 800 Arizonans to opioids. These are real lives and real people. Gone. Someone’s mom, their dad. Daughters and sons. All ages. All incomes. Families, marriages and lives torn apart, tragically and unexpectedly because of a potent drug mis-prescribed, overprescribed – and then, before you know it, it’s too late. There’s no turning back.

We’ve taken some important steps to date. Cracking down on doc shopping. Making Naloxone readily available to stop an overdose. Limits on first fills. But this much is clear: This epidemic requires a more aggressive approach.

When we have four doctors, in one small, rural county of 200,000 people, prescribing 6 million opioid pills in just one year – 6 million – something has gone terribly, terribly wrong. And we know that 75 percent of heroin addicts started on opioids. So last June, I declared a public health emergency to bring awareness and solutions to this crisis. Out of that, Arizona’s top medical, addiction and public safety officials have presented thoughtful and serious policy proposals to stop the deaths. I’m grateful for their work.
Of the proposals, some are aggressive, some may be controversial, and some frankly don't go far enough.

For those of you who think this is not the role of government, you must have misread your Russell Kirk. Rules and regulations are there to protect public health and public safety. And I intend to do both.

In the coming days and in partnership with Legislative leadership, I will call for a special session, so we can focus on this, as one of our first orders of business, with the priority it deserves.

Our package will attack this issue from all angles, hear this, while protecting individuals who suffer from chronic pain, and maintaining compassion for those struggling with addiction.

This much I commit: All bad actors will be held accountable – whether they are doctors, manufacturers or just plain drug dealers.

When it comes to protecting public safety, we know who's on the front lines: Our cops, firefighters, first responders and members of our Armed Forces. Talk about the ultimate demonstration of public service.

Their families, too. When mom or dad walks out the door, they are walking straight into danger. As the son of a cop, I know this first-hand.

Last year – we faced an especially aggressive fire season. And because of the dedication and commitment of the fire professionals at the state and local level, combined with National Guard and first responders, these fires were contained, and homes, lives and pets were saved.

But their work did not stop there. More than 150 Arizona firefighters stepped-up to assist our neighbors in California during the tragic fires that blazed through LA.

With the sacrifice of the Yarnell 19 still fresh in our minds, we thank all of you for your courage and bravery.

Our police officers are also facing new challenges, and are rising to the occasion with valor.

Two years in, our Border Strike Force continues to stop the flow of illegal drugs, weapons and cash into our state. We made a decision: If Washington D.C. wasn't going to secure our border; Arizona would.

So far, the stats are staggering. 238 guns. Seized. 167,745 rounds of ammunition. Seized. 47,842 pounds of marijuana. Seized. And 11 million – 11 million – hits of heroin. Seized. All by our brave and smart Troopers working alongside local, federal and Mexican authorities. This is without a doubt making Arizona – and America – a safer place, and it's worthy of our continued investment.

Contributing to this effort: Cindy McCain’s tireless work to shine a light on human trafficking, and to end it. She’s here today. Cindy, you and Senator McCain have all Arizona’s love, prayers and support.

On the topic of public safety, we wake up too frequently these days to the report of another death on our highways. A wrong-way driver – and in many cases, it comes back to drugs or alcohol. You’d think it was obvious by now, but to anyone out there who hasn’t gotten the memo: Booze, drugs and driving don’t mix. Your actions are beyond foolish – they are lethal. And we will not tolerate it.

Let’s pass a bill: Those reckless enough to put lives on the line by driving the wrong-way on our highways, under the influence of drugs or alcohol, should face a felony conviction and prison time. No exceptions.

And if you break the law, our troopers will have their sights set on you, because we’re targeting even more efforts here: An enhanced “Wrong-Way Driver Night Watch,” with resources to match. We’re going to zero-in on these criminals, with the goal of stopping these accidents and saving lives.

Whether you’re wearing a uniform, or you’re a good Samaritan -- everyone plays a part when it comes to public safety. We’ve all heard the mantra: see something; say something. Or, do something.
On January 12, 2017, Ed Andersson started his day as he did most others – he put on his work uniform, kissed his wife goodbye and began his shift in one of the most dangerous professions: as a law enforcement officer. Ed had experienced a lot during his 27 years of service as a state trooper – but nothing would prepare him for the day ahead.

While en route to a scene, Trooper Andersson spotted a rollover car wreck. He stopped to assist a woman ejected from the crash and was immediately ambushed by the meth-infused driver of the car: first he was shot and then physically assaulted.

Enter Thomas Yoxall. Thomas was on his way out of town on the I-10 when he encountered the terrifying scene: a wounded Trooper Andersson under assault by a man Thomas described as having the look of “evil” in his eyes. Thomas acted fast; on gut instinct. Pulling over, grabbing his gun, and after the aggressor refused to stop – Thomas took action.

Thomas Yoxall says the good Lord put him there that day – and we are blessed that he did. And that fact, combined with the Second Amendment, and a citizens’ God-given right to keep and bear arms, ended up saving Trooper Andersson’s life.

The men have formed a bond that will last a lifetime. They are here today. Thank you both for your heroic service to the state of Arizona and God Bless you.

Two decades ago, Thomas Yoxall says it wouldn’t have ended this way. He was on probation, after a series of mistakes he made in his youth. Today, his life is back on track, his rights have been restored, and he represents the ultimate second chance story and a reminder that every life matters – and no one should fall through the cracks in our society.

If someone has paid their debt to society, the last thing we want is for them to find themselves back in trouble with the law, and our policy can play a role.

At second chance centers we launched last year at prisons outside of Tucson and Phoenix, we’re teaching life and career skills to inmates who are scheduled to leave prison soon. Dozens of employers are participating, and hundreds of inmates who have graduated through these programs to date. Many are leaving prison with multiple job prospects. So let’s expand these programs, with capacity for 975 more inmates to participate each year.

I’ve learned a lot from these people. From their letters, and from meeting with them. One said: “For future inmates, a word of encouragement – God placed you here for a reason. You must want to help yourself in order to be successful.”

One example of that is Donald Stevenson. Donald spent 10 years behind bars. Nearly his entire 20s. At age 29 he was released, and found stability in the form of an entry-level job at Austin Electric. Three years later, Donald has his life turned around, he’s risen through the ranks, owns a home and is now focused on helping others: Training inmates to become skilled electricians, like him.

I want to salute Donald, as well as Toby Thomas – president of Austin Electric – and Connie Wilhelm, with the Homebuilders who are private sector partners in giving people a fresh start and a real second chance.

These efforts and others are paying off. We’ve seen a 10 percent drop in released inmates going back to prison on a technical violation, and Arizona is experiencing the largest drop in the number of inmates in our prisons since 1974.

So let’s keep going. One of the biggest impediments for released inmates to get back on their feet is the lack of a legal form of identification. I’ve instructed the Department of Transportation to work with the Department of Corrections, to do everything they can to start getting soon-to-be released inmates IDs before they walk out the
doors.
Let’s get people off the streets; and in a job – with the goal of shutting down prisons, not building new ones.

For too many years, Arizona saw spending on prison facilities go up, and spending on K-12 education go down. Not any more. For the second year in a row, my budget will add no new prison beds. All of this while fighting crime and improving public safety. In addition, my cabinet continues to identify millions in wasteful spending, opportunities for consolidation and streamlined services.

Let’s spend these dollars – tens of millions of dollars combined – where they can go to better use: In our public schools and for our teachers.

But before we talk dollars and cents – let’s address something. Some folks think the best argument for a greater investment in our public schools is to claim that our schools are failing. Well, they’re wrong.

The most compelling argument for investing in our public schools is that they are improving and getting better. And that argument has the added benefit of actually being true.

You wouldn’t always know it from picking up the newspaper or turning on the TV, but Arizona public schools are showing real, measurable signs of progress, and they are leading the nation in some important areas:

Four of the top five public high schools in America are right here in Arizona.

Arizona students continue to lead the nation in improvements in reading and math.

Three Arizona school districts – Chandler, Peoria and Washington Elementary – placed in the top 20 nationwide for academic gain.

We know how to educate a child in the state of Arizona. We need to do it more often and in more locations across our state.

We have two leaders here who do this every day. My guests, the Superintendents of the Chandler and Mesa School Districts, Camile Castille, and Mike Cowan.

Thank you for your leadership.

So let’s get some facts straight:

Overall per student spending is up 10 percent since 2015 – that’s adjusted for inflation.

Over the last three years, we’ve committed 1.7 billion new state dollars to K-12 education.

Since fiscal year 2015, school districts have increased their investment in teacher salaries by nine percent. It is clear: principals, superintendents and school board members are directing these dollars where they should go, to our dedicated teachers.

I’ve pledged to increase spending on K-12 education, above and beyond inflation, every year I’m in office. I’ve also said, we’ll never check the box on public education. We can always do more for our kids and teachers.

This week, I will release my budget. It will include a full commitment to accelerate the state’s K-12 investment, and restore long-standing cuts from the recession made before many of us were here.

At the same time, we will maintain our investments in targeted programs that are working, and making a difference for Arizona families:

All-day kindergarten.

Career and technical education.
Computer science and coding.

Reducing waitlists.

Closing the achievement gap.

High-speed internet to rural schools.

And new school buses.

In fact, 80 percent of our new budget priorities you’ll see Friday will be for public education.

We know what works and we know how to get big ideas done. We’ve done it before. Prop 123 was the result of a partnership between Democrats and Republicans. The Education and Business communities. The voters, for saying “yes.” And of course, our teachers — the biggest difference-makers of them all.

If we are to succeed on future efforts around public education, we must work in the same way. Together.

And the excellence in our public education system doesn’t end at 12th grade. Our three public universities continue to be national pillars in higher education. And our three university presidents are leaders among their peers. President Michael Crow, President Rita Cheng, and President Bobby Robbins — Arizona is lucky to have you.

In November, I attended President Robbins’ installation at the U of A. He spoke about innovation; about the role of higher education in making this a better, safer and more noble world. And he spoke about diversity. Diversity of heritage; diversity of tradition — and diversity of thought.

We all see the headlines. From Berkeley to Harvard, from Missouri to Middlebury—protests and violence aimed at silencing speech that some just don’t want to hear. One college student protesting a visiting speaker, was asked about the 1st amendment by a reporter. The student responded that the Constitution just isn’t that relevant anymore. Unbelievable.

I want to salute our university presidents, our community college leaders, our professors, and our students. Here in Arizona, on our campuses, debate is encouraged; free speech is protected; and diversity of thought isn’t just a platitude — it’s alive and well in lecture halls, on debate stages and in the pages of college newspapers.

And as someone who has taken the oath of office to preserve and protect the United States Constitution — I am here to tell you, the Constitution is not only relevant — it’s the law of the land, and in Arizona, it will be respected and the government will abide by it.

It’s worth remembering: For centuries, American men and women have laid down their lives to protect this Constitution.

Every day we say goodbye to members of our Greatest Generation, including our Navajo Code Talkers. And it’s important our kids — the next Greatest Generation — know their history, and know these stories.

There’s also more we can do for those who have served so nobly and bravely.

Like letting our vets keep more of the benefits they have so courageously earned. It’s been nearly 30 years since Arizona created the tax exemption for military retirement pay. But it’s capped and not once, have we increased it.

Arizona has more than 600,000 veterans, and for the military retirees who quality for the exemption, inflation alone has chopped it in half. Their service has earned them a lifetime benefit from our nation. So please, send me a bill that increases the exemption and demonstrates to our vets that we value this service.
There are so many issues we can find common ground on. Like protecting the lives of children in our state.

That’s why we acted to prevent 24,530 low-income children from getting health insurance cancelation notices days before Christmas, as Washington continues to dither on this issue. And while Members of Congress give meaningless floor speeches and drag their feet, we’ve got a plan to fund KidsCare through the spring. But in the meantime, I’ve got a message for congress. Do. Your. Job.

Meanwhile, just two years ago, the problems at the state’s new Child Safety department seemed insurmountable. But because of the committed service of our state’s child safety workers, non-profit organizations and the faith-based community, combined with legislative support – the Casey Family Programs just named Arizona the best in the country for its foster care reduction.

The average caseload has dropped from 145 cases to 16. The backlog that plagued the agency for so long, has been eliminated. And since a year ago, we’ve found safety and permanency for nearly 11,000 children. So I’m proud to announce that our budget investment this year will be in adoption services, because we are finding kids loving homes.

Again I want to thank our faith-based community for stepping up to the plate. This is where we need your energy and action. Please – don’t let up.

It’s not just churches, though. We can all make a difference. Sometimes we forget, and we need a reminder.

Well, a young Arizonan named Xavier recently provided us that reminder. At nine years old, Xavier has already worked magic for one special foster child – literally.

In anticipation of his family’s visit to the Wizardly World of Harry Potter, Xavier decided other kids – less fortunate kids – deserved the same fun. So he started making Harry Potter wands, and selling them. His family held a bakesale at a local preschool. His sister, sold lemonade. Before he knew it, Xavier and his family had raised nearly $2,000 – and he used all of it, to send a foster child – all expenses paid – to see the Harry Potter world for themselves at Universal Studios.

Xavier is here today. Xavier – You and your family an inspiration. Thank you for reminding us what it means to treat others with respect.

When it comes to new parents, we can always offer more support.

Last year, we expanded our Happy Babies initiative – letting new moms and dads bring their newborns to work in the early months.

It’s been a huge success. Just ask Lucas, Ryker and Milena – three graduates of the program from my office. They’re here with us today. These are three successful graduates of the program.

Happy Babies is now deployed in nine state agencies, and more than 250 babies have graduated. We’ve got plans to continue expanding it. Even better? Private sector companies have reached out wanting to model their own programs after it, helping more Arizona parents avoid having to decide between work and family.

After all, it’s these dedicated state employees who are driving results and efficiencies throughout our government. They are valued members of our team.

They are a model to other states, counties, cities, and even the federal government of how to provide quality customer service to the taxpayer.

For example, while bureaucrats in Washington DC target Arizona’s Salt River horses, we’re targeting needless state regulations.

Last year we wiped out 676. Eliminated them. And our estimates show that these reforms have saved real
people more than $48 million. That’s the equivalent of a $48 million tax cut, without costing the general fund one dollar. But we’re not stopping there. For decade, after decade, after decade, red tape has been added – and for too long, no one in government ever stopped to ask “why?”

Well, Juan Carlos in Tucson did ask “why.” Juan Carlos wanted to give back, providing haircuts to homeless veterans. The way he saw it – it was a way to recognize their service, and give them a helpful hand, maybe to prepare for a job interview.

That was, until the bullies at the State Cosmetology Board sought to stop him and stall his career, because he hadn’t yet kissed their ring.

This is the kind of service that should be celebrated – not sanctioned.

Juan Carlos is here today. Juan Carlos, you go ahead and keep cutting hair and keep doing the right thing.

These same special interest bullies are at it again. This time, going after people who simply want to make a living blow-drying hair. No scissors involved. It’s the latest craze, and one where the government currently requires 1,000 hours of training. 25 weeks. More than an EMT, Certified Nursing Assistant, or a truck driver. Representative Ugenti-Rita has a bill to change that. Let’s get more Arizonans to work and get it passed.

Over the past 3 years we’ve worked hard to transform the culture of this government. Shutting down unnecessary state agencies. Waiving licensing fees for those in poverty. We’re cutting red tape, chipping away at regulations and opening up economic freedom.

A word of advice to those bureaucrats – and, yes, even some elected officials – who are resisting this effort: The train is leaving the station. Get on board, or you’re going to get left behind.

The good news is, should you get left behind – you’ll re-enter a workforce with lots of new private sector jobs waiting.

Because in Arizona -- we know the recipe for success. Lower taxes. Light regulation. Great public schools. Superior quality of life. And responsible water policies that will protect us from sharing in California’s water crisis.

Earning Arizona’s reputation as a national leader in water management was no easy feat and it didn’t happen by accident. It was the proactive nature of our predecessors, and our state’s willingness to take-on complex issues. This session, we must follow their lead and put forward responsible policies that will ensure Arizona speaks with one-voice to secure the state’s future for generations to come.

Our economy is growing, so a plan is needed.

Look how far we’ve come. We went from a billion dollar budget shortfall three years ago, to discussion today over where to spend our additional dollars.

Since 2015, we’ve added more than 160,000 private sector jobs. The last time unemployment was this low, we were all renting movies from Blockbuster.

And today, Silicon Valley companies are flocking to Arizona. The New York Times recently featured our success, labeling it a “tech boom.” When’s the last time the New York Times had anything positive to say about Arizona? Keep it up and who knows – the Daily Show might even have something nice to say about us.

Meanwhile, we’re used to attracting companies from California – that’s easy. But now we are even taking them from Texas. We’re doing something right. People vote with their feet, and today Arizona is at an all-time record-high 7 million plus residents.

Credit goes to our citizens, job creators, and their workers.
We want Arizona to be the entrepreneurial Capitol of the US – the place where new technologies come to flourish. And we are well on our way.

Helping our advantage? Our proximity to our largest trading partner – times four: Mexico. The cooperative relationship we’ve forged is improving things at every level—trade, growth in the economy, jobs, and increased border security. I want to acknowledge the leadership of the first female Governor in the history of our sister state of Sonora – here today as a guest of Angela and mine, Governor Claudia Pavlovich. Governor, Sergio, Muchas Gracias for your friendship and partnership in creating a safer and more prosperous place for all our people.

A lot of work will get done at this Capitol over the next several weeks – and I want to emphasize – weeks – but the real work in our state is happening outside these walls.

These last three years, I’ve been to every county in the state – and I like what I’ve seen. Public schools. Small businesses. Large companies. Farms. Churches. Tribal nations. Little leagues. Non-profits. Northern Arizona. Southern Arizona. Arizonans looking out for each other. Lifting each other up. There are no party labels out there. Just good, hard-working people looking to make this a better place to live – not only for them and their families, but for others.

Just take a visit to St. Mary’s Food Bank, and you’ll see it. They just celebrated their 50th anniversary. To date they’ve provided more than 1 billion meals to those who need it most.

Every day, dozens of volunteers show up at these food banks, and roll up their sleeves. And for no other reason than to help their fellow citizens.

It’s that spirit of service that got us here.

And it’s that same service that will lead Arizona, into the future.

Now, I don’t want to sound naïve. I realize we are a country divided and in many ways a people divided, our state as well.

But as a country we’ve been here before—in more difficult circumstances.

So let’s remember the words of that great original American nationalist, Abraham Lincoln at the close of his first inaugural address:

“We are not enemies, but friends. We must not be enemies. Though passion may have strained it must not break our bonds of affection. The mystic chords of memory, stretching from every battlefield and patriot grave to every living heart and hearthstone all over this broad land, will yet swell the chorus of the Union, when again touched, as surely they will be, by the better angels of our nature”

Thank you and God Bless.