

GOVERNOR JAY INSLEE'S 2016 STATE OF THE STATE ADDRESS

2016

A STATE OF CONFIDENCE



Text as Prepared  
January 12, 2016

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# 2016 State of the State Address

## *"A State of Confidence"*

As prepared for delivery at 12:00 p.m., January 12, 2016  
House Chambers, Washington State Capitol  
Governor Jay Inslee

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Thank you, Father Werner, for those inspirational words.

Thank you to the Ballard High School Concert Choir for that beautiful rendition of our national anthem.

Mr. President, Mr. Speaker, Madam Chief Justice, distinguished justices of the court, honored officials, members of the Washington State Legislature, tribal leaders, local government officials, members of the Consular Corps and my fellow Washingtonians.

It is an honor to stand here once again to talk about the great state of Washington.

I consider it a tremendous privilege to serve as governor of the most innovative, most forward-thinking, most dynamic state in the nation.

And I couldn't do this job without the incredible support of the people who are constant reminders of why everything we do here matters: my family — especially my wife, Trudi — and my three grandchildren.

Since we all last met, we've celebrated some big moments in the state of Washington. I want to begin today by taking a moment to highlight some of these.

We witnessed a new milestone in space exploration. Remember those incredible photos of Pluto last year? We know how that spacecraft got there: Nine years ago, propulsion engineers over at Aerojet Rocketdyne in Redmond were working on the rockets for the New Horizons mission.

And now we're at the forefront with companies like Blue Origin and Space X. They've brought the future of space travel to our state, successfully launching

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— and landing — rockets over the past year. It's exciting these companies recognize that the greatest aerospace workers in the world are found right here in the state of Washington.

We saluted the accomplishments of educators like Jennifer Cullison, a science teacher from Woodland High School in Clark County. She was named a Claes Nobel Educator of the Year. Isn't it great this prestigious honor was given to one of our own outstanding, hard-working teachers? Please join me in recognizing her achievements.

We also celebrated the nation's oldest working registered nurse, SeeSee Rigney, who is still practicing at 90 years of age. If you want to be inspired, go see Nurse SeeSee making the rounds at Tacoma General Hospital, where she has worked for nearly 70 years.

We also had some sad moments over the past year. For me, one of those moments was when we said goodbye to Washington State University President Elson Floyd.

Elson was one of my most-trusted advisers. He played a key role in shaping my administration. I miss him. I know we all miss him. But his legacy will live on in our state's second medical school, a school that will carry his name.

We are honored to have Elson's widow, Carmento Floyd, here with us today. Please join me in recognizing Carmento and her contributions to education in our state.

We also lost a member of our Washington State National Guard in Afghanistan last week, Staff Sgt. Matthew McClintock. Our thoughts and prayers are with his family, especially his wife and infant son in Des Moines. Please join me in a moment of silence to honor his service and sacrifice.

Thank you.

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One year ago, I stood here and said it was time to reinvest in ourselves, in our future and in our children's future. To do these things, we'd have to work in a bipartisan way. Let's be honest — that's not always easy.

But I'm happy to say that we did just that. We accomplished some big things last year in a bipartisan fashion, like transportation.

Back in the fall of 2014, there were those who thought we ought to just fix a few potholes and call it good.

But I didn't give up. And I continued working together with the House and Senate, with Republicans and Democrats, with business and labor. And together, we passed a \$16 billion package, the largest — and the greenest — transportation package in Washington state history.

We also authorized another \$15 billion for Sound Transit light rail expansion. Not only will this help congestion, this package supports 200,000 family-wage jobs across our state.

We've been out formally kicking off these projects. I've been to Everett, I've been to Tacoma, and tomorrow, I'll be in Vancouver, celebrating the projects funded by this package. It's a great feeling. And we were able to get that done because we worked together.

Speaking of investments, let's talk about the most important investment we know we can make, and that's in our children. Last year, we put an additional \$2.3 billion in early learning, K-12 and higher education funding in the budget on a bipartisan basis. Since 2013, education funding increased by 35 percent.

It is altogether fitting and proper we take a moment to recognize this incredible investment. We should be proud that we made the largest dollar-amount investment in education in Washington state history.

At the same time, no one should believe we're done. We have more work to do, and I'll talk about that in a moment. But we have taken major steps that will have major impacts for our kids.

We've given nearly 7,000 more children access to high-quality early learning over the past three years.

We've provided funding for every child to have all-day kindergarten. This and early learning were some of my highest priorities because they are critical educational opportunities that come along only **once** for each child.

Of all the things we do, I believe this will have the **most** impact in our communities and do the most to close the opportunity gap.

**Every single child** deserves a great education in our public schools.

We've reduced class sizes in our kindergarten-through-third grade classrooms.

And because we know a high-quality teacher is the single most important asset in every classroom, we provided funding for more teacher mentoring opportunities, especially for new teachers.

And we were able to provide them with a cost-of-living adjustment — the first since 2008. It was a modest increase. I recognize that.

We also did something to make paying for college easier on family budgets.

Isn't it great we're the only state in the nation that passed a tuition cut last year?

Republicans had a great idea to do that. I gladly give them credit.

And I gladly give Democrats credit for coming in and saying we ought to cut tuition for **everyone**, including for students at our two-year colleges. And together, we found a way to pay for that. That's something everyone here can celebrate.

And finally, we restored funding for one of our most precious public assets, our state parks. It is heartbreaking to have even considered having to close these parks.

You know, one day last year I stopped at Twanoh State Park on Hood Canal and there was a family there with a young kid, just playing in this little swim area. It took me back to my own childhood, when my dad and mom would throw us in the back of the station wagon and take us to Twanoh for the day.

Just knowing this tradition will continue is extremely gratifying, and it keeps with the spirit of one of our state's biggest outdoor recreation proponents, my friend, the late Doug Walker. His deep love of Washington's wilderness will continue to be felt through the impact of his philanthropic efforts and his work on the Blue Ribbon Task Force on Parks and Outdoor Recreation. Our thoughts are with the Walker family as they mourn his recent passing.

Finally, we gave state employees their first wage increase since 2008, and I'd like to speak directly to them for a moment.

A lot of you are doing really great work. I was happy to finally be able to get you a modest raise.

Under my Results Washington initiative, our state has become a national leader in using performance management strategies to improve government. John Shook, who is known for being the godfather of Lean management in America, has told us that he believes Washington is at the very forefront of this effort. Thousands of you are showing the world how the public sector can use Lean thinking to manage growing workloads, increase efficiency and improve quality. I commend you for that.

Those of you on the front lines of our state agencies do important work. Part of this effort is that we hold ourselves to the highest standards. And when the public trust is violated, which is what happened with the sentencing errors that went on for 13 years at the Department of Corrections, there will be absolute accountability.

You are often the first ones to see when something is not working right. That's why you should feel empowered to bring these things to management's attention and know you are being heard.

I expect all state employees, and especially their managers, to act responsibly in this regard, and you can expect those who do not to be held accountable.

We always have to remember that our core mission is serving the people of Washington. Every single thing we do ought to reflect that mission.

Now, I came into office focused on creating jobs and growing our economy. It's why I've pushed for these investments in education, in transportation, in our quality of life. So let's look at how we're doing.

I'm pleased to report that Washington continues to rank in the top five states for job growth.

We have the fastest gross domestic product growth in the nation, more than twice the national growth rate.

And over the past few years, Washington exports grew a whopping 20 percent—more than any other state. California, New York, Texas—we beat them all.

Since I took office in 2013, we've added nearly a quarter million jobs.

There are 30,000 more people working in the building trades sector than there were three years ago. I'm so glad they are able to get up every day and go to good-paying jobs, building our economy.

Although our economic growth has not been uniform, I'm pleased to say that unemployment in all our state's counties is now, for the first time in eight years, in the single digits.

Folks, there is a lot of good economic news in the state of Washington these days. And it means we're doing something right.



And we should have confidence, because we know what we've already achieved together the past three years.

So with all of us gathered here, I want to talk about what I think our business is for the next 60 days. Between now and March 10<sup>th</sup>, there are four things that must get done.

First, we have a serious statewide teacher shortage from Kennewick to Kent, from Yakima to Everett. All told, we need about 7,000 more teachers in our schools.

Now, I've proposed a way to do this. It's a small but important first step to address this very real problem.

To recruit and retain teachers, my plan would raise their beginning salary, from just under \$36,000 to \$40,000 per year. Nearly 8,800 beginning teachers would see a raise next year under this proposal.

Then, to help make **all** teacher salaries more competitive, my plan also provides a minimum 1 percent raise to all other teachers. It also increases funding for our teacher mentoring program, so teachers in their first or second year on the job have the support they need and don't end up leaving the profession, which half are doing.

And I propose we pay for it through elimination of some tax breaks whose benefits simply do not outweigh our obligations to our students, to our teachers and to our schools.

For those who wonder how we're going to get this done, here's a reminder that we've done it before. In the past three years, we've closed tax breaks on a bipartisan basis that generate \$1.1 billion over six years. We did it because we had some critical needs in our state. We can do it again.

Because it doesn't matter if we have the best mentors for our teachers, or the smallest class sizes in the nation. If nobody is standing in front of the classroom, we have **zip**.

The second thing we need to focus on is last year's record-setting wildfires.

A million acres of our state were scorched — an area larger than the state of Delaware. More than 300 homes — primarily in Eastern Washington — were destroyed. And tragically, three firefighters lost their lives.

I've proposed using our Budget Stabilization Account to cover the \$180 million in costs related to battling these wildfires. It's exactly what these reserves were meant for.

Additionally, I've proposed using \$29 million from the Disaster Response Account to help communities recover from these devastating fires and to ensure we are better prepared for our next fire season.

The third thing we need to focus on is our mental health system. During the Great Recession, the state made devastating cuts to services for our most vulnerable, and we continue to be hobbled by those cuts.

While we have acted together to add more than \$700 million to our state's mental health system, we still have significant work to do.

It is not acceptable to let people with severe mental illness languish in our emergency rooms and jails.

In the last legislative session, we added hundreds of treatment beds, psychologists and psychiatrists, nurses and other staff to get people treated more quickly.

My December supplemental budget also included a number of investments to keep people out of our hospitals and keep them safely in their communities, with family and friends.

After all, only 3 percent of the people who access mental health services in this state go to our state hospitals. The other 97 percent are served in our communities, and we need to make sure that we have the appropriate services in place for them.

These aren't nameless, faceless people. They are our loved ones. They are our colleagues. They are our friends. We're talking about the elderly person with dementia, or the college freshman who experiences a psychotic break, or the wounded veteran with a traumatic brain injury. And we need to make sure they get the treatment to stabilize and help them.

This is why my budget proposal funds four new 16-bed crisis triage facilities and three new mobile crisis teams across the state to reach those in need.

But all the investments we've made require skilled staff to set them up and keep them running. Right now, we have a serious staffing shortage, particularly at our state psychiatric hospitals.

We need to ensure we have enough doctors, nurses, social workers and treatment staff so that everyone is safe — patients **and** staff.

These are investments we ought to have confidence in, because we know when people get the mental health treatment they need, they can improve dramatically. People walk out of Western State Hospital and go on to have great, productive lives.

So we have urgent short-term needs. But we also need to take the long view on how to organize and deliver a stronger mental health system for our citizens. That's why my budget includes funding for just this purpose.

Our aim is simple: timely access to high-quality treatment in the appropriate setting.

We've all known someone struggling with mental illness. Let's get this done for them this year.

In addition to these issues, there is a fourth pressing need. We need to put in place a framework for our future K-12 education investments. This is absolutely necessary this session.

We are on track. I convened a bipartisan group of legislators who met during the summer and fall to develop this framework for the next — and the most complex — part of our K-12 financing plan. Legislation has been introduced that contains the first step so we can be successful when we return next year.

I'm confident we'll take the second step next year because every time legislators have set a deadline for themselves on this issue, they have met that deadline. Our next deadline requires the Legislature to fully fund basic education in the 2017 legislative session, and there's no reason we can't do that.

We're not going to just fix a few potholes — we're going to finish the job. That means actually financing these critical investments so our kids and grandkids get the education they deserve.

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I also want to talk today about other issues that engage people beyond this chamber, and are important enough for a statewide conversation.

There are a variety of ways our state can move forward, and one way is the voters take things into their own hands through the initiative process.

First and foremost is the issue of working families not being able to keep up, even as our economy improves.

Our economy is not working for everyone. On the one hand, we have the biggest boomtown in North America. On the other hand, we have working families and communities falling behind even though they're working hard and doing a great job.

I'm seeing Washingtonians — hard-working people in every corner of this state — struggling with rising housing prices, with student loan debt, with medical bills.

That's why I'm supporting the initiative that was filed yesterday that phases in a true minimum wage and provides paid sick leave for hard-working Washingtonians.

I stand on this rock-solid belief: If you work 40 hours a week, you deserve a wage that puts a roof over your head and food on the table. Period. And you shouldn't have to give up a day's pay if you or your kids get sick.

But it is not just minimum-wage workers who are falling behind. The problem is most workers are not sharing in the fruits of their own productivity. Workers are producing more goods and services per hour than at any other time in our state's history.

In a nutshell: People are working harder, they're working longer hours and they're getting paid less in real dollars.

Now, this is not true for corporate executives. The CEO-to-worker pay ratio was 20-to-1 in 1965. Today it's more than 300-to-1.

Look, I'm fine paying for exceptional results and investing in talent. I believe in that. But I also believe that these gaps and practices should be transparent.

I think the State Investment Board can help.

As a shareholder in companies, the board currently votes against executive compensation packages if they do not align with the company's financial performance.

I've asked the investment board to go further and exercise its voting authority to reduce the widening pay gap between CEOs and their workers.

I'm encouraging the board to promote this policy with other states and institutional investors.

Small steps like this can be the beginnings of bigger journeys. I started a different journey last week with my new executive order on public health and firearms.

More people in Washington are dying from firearm fatalities than even from traffic accidents. We have a public health crisis in need of a public health

solution. Every single day, someone in our state dies from gun violence. We can and must find effective ways to reduce the rates of accidental shootings, gun crime and gun-related suicide.

My executive order would strengthen the background check system approved by voters in 2014, collect information that will drive smart, data-driven solutions to gun violence and implement the statewide Suicide Prevention Plan recommended by a task force I convened.

No matter how this conversation advances, these are important actions we can take now.

We also need to continue to take action on protecting our clean air and clean water, particularly from the threat of carbon pollution.

In my mind's eye, the older I get, the more beautiful Washington becomes. So I'm glad the needle is moving on this because this problem is not going away.

Everyone knows I'm a technology optimist about this. We need more of our homegrown leaders and innovators devising solutions.

I'm also heartened by the engagement we're getting from the business community as our Department of Ecology drafts its Clean Air Rule. People are robustly participating in the process. They're looking for solutions. I'm really excited about that progress, and invite anyone not yet involved to be part of this.

We know we're not alone. The world is moving on this, and so will we.

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Three years ago, I stood up here as the newly inaugurated governor and said that as Washington moves forward, we need to remember who we are as a state.

Looking at what we've accomplished together, I believe we've stayed true to the values we cherish as Washingtonians.

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We've remained confident in our ability to innovate, because we're continually recognized for the groundbreaking things our businesses and our universities are doing.

We've remained confident in the brightness of our future because we invested record amounts of money in our children's education — the truest measure of our commitment.

We've remained confident in the inclusiveness that built our economy and today is building our communities. Whether it's at big companies or at small businesses, we're one of the most successful economies in the world because we embrace diversity and welcome all people to our great state.

This is a confident state. It deserves a confident Legislature. It deserves a confident governor. And I have to tell you, as a fifth-generation Washingtonian, I stand here today with confidence.

I see the greatness of this state. I feel it. I believe it. It's who we are.

And that is how we're going to approach this session. Not with temerity. But with confidence. With recognition of the depths of our challenges, and with confidence that together we can solve them.

So now — together — let's get to work.

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