

2013 Farewell State of the State Address

As prepared for delivery at 10:30 a.m., January 15, 2013

House Chamber, Washington State Capitol

Governor Christine O. Gregoire

Thank you. Before I begin, join me in remembering two distinguished legislators no longer with us.

Senator Sid Snyder of Long Beach was an institution — a great and effective leader. He taught us how to listen, how to come together and how to get things done for the people of Washington. We will always remember Sid.

Senator Lorraine Wojahn of Tacoma was a woman who laid a path for all women to follow. She listened to the voiceless among us and she helped them: our children, the poor, the mentally ill and the disabled. We will always thank her.

Let us remember Eva Santos, our Director of Human Resources, who brought so much to a life of public service: skill, compassion and integrity. We will miss her.

Let us also remember and honor Washington State Patrol Trooper Tony Radulescu. Last February, on a dark, rural road, Tony gave his life protecting all of us. We will never forget his sacrifice.

And this morning, let us remember the brave military men and women who gave their lives in service to our nation in the past year. We owe them and their families a debt of gratitude for their sacrifice that can never be repaid.

Let's take a moment to remember.

Thank you.

Good morning.

Thank you, Father Mike, for starting us off with such an inspiring prayer.

And thank you to the talented young singers from the Auburn High School Chamber Quartet.

Linda Karout, Morgan Warren, Marcos Antonio Garcia and Ethan Hinze, that was a beautiful rendition of our national anthem!

Mr. President, Mr. Speaker, Madame Chief Justice, distinguished justices of the court, honored officials, members of the Washington State Legislature, former governors, tribal leaders, local government officials, members of the Consular Association of Washington, my fellow citizens:

Please join me in thanking Secretary of State Sam Reed, Attorney General Rob McKenna and State Auditor Brian Sonntag. Gentlemen, it has been a privilege to serve the people of the state with you. Thank you for your years of dedicated service.

Let me introduce my family — my husband, Mike. How about a round of applause for Mike's eight years of volunteer work to better the lives of our military service men and women and our veterans.

Also, my daughter, Michelle, a third-year law student at the University of Washington; my daughter, Courtney, and son-in-law, Scott Lindsay. And of course, my two-month-old grandbaby, Audrey Christine Lindsay.

It's true. We've already opened her GET account, and as a family of lawyers, we've found the perfect way to lull her to sleep. Turns out reading the Revised Code of Washington to babies does wonders in putting both parent and child to bed.

As one chapter of our lives ends, another begins with the arrival of Audrey Christine. And let me tell you, there's nothing like changing diapers again to bring perspective to life. Being a grandmother is a great gift ... to fall in love again ... and to remember what really matters.

You know, the Executive Mansion was our home for eight years, and when I could, I slipped out the door and down the steps for a walk around our beautiful Capitol Campus. That was one time of my day that I could reflect.

So today — my last full day as Governor — I invite you to come with me on my last walk to reflect on the state of the State of Washington — what we accomplished this past eight years, and what we still must do to keep the state of our state strong.

This particular morning, I see a woman in Beijing or Hyderabad, or Paris or Seoul.

She works on a laptop that runs on Microsoft software. She sips a cup of Starbucks coffee. Her laptop — ordered from Amazon — was delivered to an airport via a Boeing 747. It was hauled to a warehouse on a Kenworth 18-wheeler built by our own Paccar.

This woman happens to be a bioscientist. She's working with hundreds of others on a global health project — maybe a malaria vaccine — led by the Bill & Melinda Gates Foundation and PATH and our two great research universities, the University of Washington and Washington State University.

Or maybe she just started a small life sciences company and is working with another start-up down in Vancouver on gene therapy for a rare disease.

She also is a healthy, discerning consumer, and in her bag is an apple, or bag of cherries, or bread made from Washington wheat or a bottle of fine wine for after work, all shipped through our ports from the orchards and fields of Eastern Washington, the refrigerator of the world.

On our walk this morning, I want to pause and say to you: Ladies and gentlemen, there is no other state in the nation — not one — that has what the Great State of Washington has.

There is no other state with our diversity of riches and the promise they bring to our children and grandchildren.

A booming aerospace industry. Boeing just keeps winning orders for the 787, 737-MAX, the 737 and the 777. We landed the Air Force tanker contract and now let's make sure we do the same for the 777X!

Today we have the strongest, most integrated aerospace supply chain on earth with 50 percent more suppliers in the past eight years — 740 and rising. The aerospace sector puts 128,000 Washingtonians to work every day.

But we won't rest on our laurels. Washington will always be the home to aerospace and the good-paying jobs that those companies bring.

Along with aerospace, we have a software and IT presence that begins with Microsoft, Amazon, Real Networks and T-Mobile, but in no way ends there. We are home to more than 4,000 companies all across Washington.

The fact is, our software and IT sector encompasses a broader range of products and services than just about any state in the United States, and brings more than \$30 billion in business a year.

Along with software and IT, a life sciences sector that took off in Seattle but now stretches to the Tri-Cities, Spokane, Snohomish County and Vancouver.

About 70 Washington cities are home to 480 life sciences companies and research organizations, including biotech, pharma and medical devices. All relieve suffering here and around the world, and today they provide nearly 35,000 good-paying Washington jobs.

Along with life sciences, a global health presence powered by the Bill & Melinda Gates Foundation, PATH, our research universities and nonprofits.

Thank you for establishing the Life Sciences Discovery Fund. It has proven to be an essential tool in growing the industry, and I ask you to continue to support it.

Along with global health, agriculture. Apples, potatoes, wheat, wine and dozens of other products are shipped all over the world, making agriculture our second-largest export after transportation equipment. This \$46 billion industry exported \$8.6 billion in products in the past 12 months. That's a record!

I've handed out cherries in South Korea, french fries in Vietnam and Almond Roca in Beijing. I've enjoyed being Promoter-in-Chief but I have to admit I won't miss being called the French Fry Lady!

And along with all this, we have the Hanford Nuclear Reservation, the one-of-its-kind incubator not just for cleanup technology for the world, but for breakthroughs in everything from cancer treatment to an energy-saving electricity grid to scientists and engineers who are following the innovation of their Hanford forebears and inventing first-time technology, this time to be used to clean up not just the Hanford site, but sites from England to Russia to Japan.

It's very clear. No other state has what we have. So this morning, part way through our walk, I'm ready to report.

The state of Washington is coming out of the Great Recession as a world leader in the economies of the 21st century — industries that provide good jobs from Spokane to Seattle and from Bellingham to Vancouver.

And despite the challenges ahead, I can say today that the state of our state is strong!

We can say with confidence that in the past eight years, we have built the future of the Great State of Washington — a future of promise and opportunity.

On our walk, we now can see the magnificent Capitol dome in the distance and the marble building where you and I have worked together for the past eight years.

I think everybody in this chamber will agree: History will reflect that this was not just any eight years. You were not just any Legislature. And these were not just any times.

You and I witnessed a historic economic crisis and with it, wrenching change in our economy and in our social fabric. But we didn't just witness it. We were called to confront it every day.

And we did. Together, we served in good times and bad. And whatever the challenge, we took it on for the people of Washington state.

Our biggest challenge started in 2008 when trouble hit — trouble not seen since the Great Depression — with revenue plunging quarter after quarter after quarter as if there were no bottom.

In fact, revenue fell almost every quarter — 13 of 16 — until it finally stabilized last February. That was the longest string of revenue drops since the Economic and Revenue Forecast Council was created 28 years ago.

You were tested. I was tested. This was not what I expected. It wasn't what anybody expected. But we stepped up.

And together, we guided the state of Washington through the worst economic calamity since the Great Depression — and we did it with our heads and our hearts. We did it with compassion. And we did it with our Washington values.

So today, I thank you. You have much to do in the months ahead, but let's pause this morning and be grateful to each other for all we've accomplished together to build the future of Washington state.

When I came into office in 2005, we were at the tail end of a recession.

We were on the road to recovery from the impact of Initiative 695, the dot-com bust and 9/11.

There was pent-up need for services, education, health care, our social safety net, the environment, transportation.

Money is never unlimited. Even then, we had to make hard choices. Everybody was banging at the door.

From the start, we said that "just getting by isn't good enough." We wanted to do better for the people of our state.

And we made the best decisions to build the future of Washington.

The best decisions for our schoolchildren and our college students. I'm proud that in my first term, we invested more in education than at any other time in our history.

We created the Department of Early Learning. The impact we make on our children will benefit our state for generations to come.

Harvard has named our early learning program as the most innovative in the country. And we are one of just nine states to receive an Early Learning Race to the Top \$60 million grant.

We made the best decisions for our K-12 system, and despite the challenges we still face, our public schools are serving our kids in ways that this century demands if they are to succeed in the world economy.

We put more money and muscle into science, technology, engineering and math — or STEM — so our children are ready for the jobs of the future.

We are implementing a model evaluation system so our teachers can excel and win the confidence of parents. We have innovative schools with targeted, creative approaches to learning.

We have Launch Year to prepare seniors for jobs or college.

We have College Bound scholarships to give kids who do well in school and stay out of trouble a path to college.

Let's build more schools and fewer prisons!

We made the best decisions for our two- and four-year colleges to keep the doors open to more students and more opportunity.

We increased enrollment in our community and technical colleges by 31,000 students and launched online learning.

Today, we are building the workforce of tomorrow: Twenty-four of our colleges provide training for aerospace jobs.

We provided branch campuses to serve more Washingtonians, and today the UW has campuses in Tacoma and Bothell. WSU has campuses in Vancouver, the Tri-Cities and Spokane, and offers four-year degrees at Everett Community College.

We expanded enrollment at our universities, and today we are educating 12,000 more students a year.

The bottom line: 50,000 more students are getting a college education because we believe in them and our future.

We significantly increased financial aid for all our college students even in tough times. We created the Student Achievement Council to focus on our students' success from high school to higher education. We created a public-private partnership — the Opportunity Scholarship — so smart young people can afford a college education.

The Great Recession has severely tested our higher education system. We had tuition increases because we had to. We had no choice. We had to maintain our values, quality and access. And we did.

Now the challenge is clear. Our future is at stake.

We must fully fund a seamless education system from early learning through higher education.

We made the best decisions for transportation. In 2005, we passed a historic construction package, and voters ratified it because we made our case. And we have delivered on our promise.

From the 2005 voter-endorsed gas tax we are close to completing all 421 statewide projects. Eighty-eight percent have been completed early or on time, and 91 percent are on or under budget.

Those projects provided thousands of good-paying jobs at a time we needed them most.

And importantly, those projects move millions of people every single day.

They move moms and dads to work, their kids to school and soccer practice, and products to and from our thriving ports.

We are building a world-class infrastructure.

In 2015, we will open the two-mile-long tunnel under the heart of Seattle to replace the crumbling, dangerous Alaskan Way Viaduct and give Seattle a world-class waterfront.

I'll be at the ribbon cutting with my granddaughter!

We are building the new 520 Bridge across Lake Washington to replace the 50-year-old structure that could fall in the next bad windstorm.

I'll be at that ribbon cutting too — maybe with two grandchildren!

Today, that part of our future that relies on passage over Snoqualmie Pass is faster and safer for freight and motorists. We have built half of Spokane's critical North-South Freeway.

And we are on our way to building the new Columbia River Crossing to replace the current one built for horse and buggy.

Ladies and gentlemen, within the past eight years, we undertook the largest transportation construction package in state history: more than \$16 billion.

And we — not the next big earthquake or windstorm — are knocking down the old Viaduct, the 520 Bridge and the Columbia River Crossing Bridge and building for our future.

We made difficult decisions for our social safety net and health care. We were tested, but I believe we maintained the health and safety of our most vulnerable — our seniors, our mentally ill, our developmentally disabled, and our abused and neglected children.

We made sure every child in Washington has access to health care, certainly one of our proudest accomplishments.

We have built one of the best long-term care systems in the nation, a system of choices for our seniors to live out their lives in dignity. AARP rates our system the second best in the country.

We just became the second state in the nation to assure better, safer health care for our poorest seniors and disabled. We will merge and manage their care under Medicare and Medicaid for better-quality care at a lower cost.

In 2005, we set out to cut costs, increase access and provide higher-quality health care.

We did, we are, and we lead the nation.

While the vast majority of other states are struggling with rising Medicaid-inflation costs, our growth rate is projected to be minus 1 percent. You heard me right: minus 1 percent.

We are employing evidence-based medicine to ensure better health outcomes for Washingtonians.

And because we were already reforming health care, we are among the first states in the nation to implement the Affordable Care Act!

This morning I ask you to embrace this historic opportunity to give every Washingtonian the health care coverage they deserve and you will save \$140 million in the next biennium.

Every Washingtonian deserves an open door to the doctor when they need one!

We made the best decisions for public safety. Washingtonians have a right to be safe in their homes and on the streets. We took action in good times and bad, and the crime rate has fallen every year since I took office.

Every jurisdiction now has the resources to verify that sex offenders are living where they say they are.

We closed three prisons to make better use of space, and did it without letting the serious offenders walk free.

We strengthened community supervision and now we concentrate on the offenders who are high risk to reoffend.

And I'm proud to say the Washington State Patrol is ranked the best state law enforcement agency in the country.

We made the best decisions for our economy. One in three jobs in our state depends on international trade.

We sold, traded and created innovative partnerships through 12 trade missions.

This fall, we became the first state to establish a sister-state relationship with an Indian state, Andhra Pradesh.

China is now our number one trading partner, with Canada, Japan and Korea close behind.

Trade with China alone has grown at an average rate of nearly 20 percent a year since 2000, even during the global downturn.

In the past eight years, we have recruited and retained shippers at our ports, most recently Hanjin, Korea's largest container line, at the Port of Seattle.

Our export of goods has grown 119 percent, from about \$30 billion to \$65 billion. Export of services is up by an additional \$29 million.

Make no mistake. Our trade economy kept us going through the hard times and it is our future. It unites Eastern and Western Washington, impacts every community and provides the jobs we need.

We are the most trade-dependent state in the nation, and the fact is our work knows no boundaries. Like never before, we trade with the world!

We made the best decisions for clean, renewable energy now and in the future. Our base is legacy hydropower. When I took office, we produced no wind power.

Today we are among the top-five wind energy producers.

We are pioneering the smart grid and have a strong presence in the solar power supply chain.

Clean, renewable energy has been our unique history for 80 years.

Today, we are number one in the nation in renewable energy.

We made the best decisions for water. I believe a new era is finally here, when bitter wars over water are finally surrendering to partnerships that bring good, clean and new water to our farms, our fish and our growing cities.

We've made the most progress with water in our history: more water to the Yakima Basin and our growing west side cities, innovative tools through water markets and banking to create flexibility, and protection for our fish-critical basins.

Mark Twain said that whiskey's for drinking and water's for fighting. Well, no longer will our water policy be defined by who won and who lost. It's high time that we all win and we will!

We made the best decisions for broadband. Today, 99 percent of Washingtonians have access to high-speed internet.

We had a plan when the American Recovery and Reinvestment Act was looking to invest in broadband.

Today we've been named the most-wired state in the nation.

We made the best decisions to save the jewel and economic engine of Western Washington, our Puget Sound. We created a partnership among local, state and federal governments, tribes and stakeholders to get it done.

We must meet our goal to make Puget Sound fishable, swimmable and diggable by 2020. Let's be the generation that saves Puget Sound!

We made the best decisions to support our brave military men and women and veterans. In fact, you passed, and I signed, more legislation to help veterans than at any other time in our history!

We are a step ahead in our efforts to make sure we keep Washington's second-largest employer, our United States military.

I urge you to support our Washington Military Alliance and fund our proposal to maintain our military presence that adds \$13 billion a year to our economy.

We made the best decisions to reset and reform state government. Our challenges in the past eight years were unprecedented. We said we would not waste this crisis, and we did not.

Together, we achieved landmark pension and debt service reforms that will lead to billions of dollars in future savings.

Ladies and gentlemen, we are the envy of states around the country. Our public pension system is now rated one of the strongest in the nation.

We helped employees and employers weather the recession. Together, we reformed our workers' compensation and unemployment insurance systems.

We saved our businesses — including small businesses — billions of dollars in the years to come.

We held workers' comp rates flat again this year. And over the past eight years, we had little or no increases in workers' comp premiums.

In two of those years, the Department of Labor and Industries returned \$350 million.

At the same time, we reformed the way we serve injured workers, and we're getting them back on the job faster or trained for new careers.

While 36 states' funds are bankrupt, we have the most stable unemployment insurance trust fund in the nation and record-low UI rates.

Together, we ripped out the walls and pulled up the floors to remodel our 123-year-old house of government.

We consolidated and merged all or part of five agencies' back-office operations under one director at the new Department of Enterprise Services. This has already saved taxpayers \$18 million and is expected to save another \$27 million in the next biennium.

We closed six institutions. The last time even one was closed was four decades ago.

Since 2008, our general government workforce has shrunk by nearly 11 percent. The number of state employees is the lowest since 1996, and they serve 1 million more people.

Our public servants have met the challenge and they have sacrificed with furloughs and pay cuts, with higher health care premiums and pension payments.

They helped make my favorite four-letter word — GMAP, for Government Management Accountability and Performance — successful.

Now they're doing Lean management to serve Washingtonians in better and more efficient ways.

Today let's recognize the caseworker called out at midnight to save a battered child ... the snowplow driver clearing Snoqualmie Pass at 3 a.m. ... the agriculture inspector making sure our food is safe ... the legislative lawyer who works through the night to get the bills just right ... the person at the front desk whose phone is lit up all day long.

Today I ask you to stand and join me in well-deserved recognition for our dedicated state employees!

Finally, we made the best decision for our gay and lesbian citizens, and the people of Washington agreed.

We clearly saw that "separate but equal" is not equal. We gave all couples the right to marry and to help us build a better Washington and a better world.

I'm proud that our gay and lesbian couples became the first in the country to marry because their friends and neighbors stood up at the ballot box and said they should have that right.

I'm proud that our citizens passed marriage equality by the widest margin of any state.

And I'm proud of my daughters for showing the way and helping me realize that their generation understands that who you are is not about who you love.

Thank you.

So thanks for taking this walk with me today. It's my last one, and I appreciate your company.

Tomorrow at noon, I will be the former Governor of the Great State of Washington.

And you will be writing new history with Governor Jay Inslee.

Before I go, I have two recommendations for you about the future of the Great State of Washington.

First, this Legislature must give our children what we were given — good schools, good teachers and the chance to be part of the world economy.

We cannot falter. Education is the heart of everything we do and it is our future.

Second, if education is the heart of our economic future, transportation is the backbone.

Our state will remain strong only if our roads, highways, bridges and ferries are effectively getting our people to work and our goods to market.

Remember our competition. China isn't waiting. India isn't waiting. Korea isn't waiting.

We can't wait either. There is no free lunch!

The decision of the Supreme Court in McCleary told us we are failing in our paramount duty.

Our moral and legal responsibility is to give every child in Washington the chance for a good basic education, the same one you and I got.

We cannot cut our way out of this. We cannot save our way out of this. We cannot grow our way out of this.

To meet the McCleary ruling, we will need at least a \$1 billion down payment in the next biennium, and \$3.4 billion by 2018.

Today is the day. Now is the time to invest in our children and their future!

We must also have the transportation infrastructure for our economic corridors to get employees to work and goods to market if we want to remain a vibrant economic competitor in the years to come.

These projects — and more — demand funding: The Columbia River Crossing. Spokane's North-South Freeway. Snoqualmie Pass. State Route 167 between Tacoma and Puyallup. The 40-mile I-405 corridor. A new 144-car ferry. And I-5 at Joint Base Lewis-McChord.

Freight-dependent businesses account for nearly 45 percent of our jobs. Companies move nearly \$40 million worth of freight on our roads every single hour.

We must maintain our very valuable transportation system, from highways and bridges to ferries and city streets.

I urge you to come together find a way to make sure we continue to make transportation improvements and build the future of Washington.

If we step up to our commitment to build a new Columbia River Crossing with Oregon this year, the federal government will too.

I urge you to invest the \$450 million to make certain that this critical West Coast economic corridor moves forward.

Now is the time to build the future of Washington!

In the end, these two challenges are only that — challenges.

You've met tougher ones in the past eight years, and you delivered for the people of Washington.

I know you will deliver again. You will do what you always do.

You will keep the state of our state strong!

Finally, today, in my last appearance as governor, I still feel the need to pinch myself a little to make sure the past eight years weren't just a dream ...

... Maybe my mother's dream too ... The short-order cook at the Rainbow Café in Auburn for all those years ...

... The single mom who worked so hard and kept a watchful eye on her daughter, Chris O'Grady, sitting on a stool in the kitchen doing her homework.

I always believed what my mom said. You can make it in America if you work hard enough. If you respect yourself and serve those around you. If you keep the faith and don't give up.

That's what I did.

I was just a Washington girl who loved to play basketball, pick blueberries, ride horses in the summer.

I was just a young Washington woman who became the first in her family to graduate from college.

I was just a Washington woman who got that gift of education, who admired John F. Kennedy and who chose a career of public service as a clerk typist, a caseworker, an Assistant Attorney General, Director of Ecology, an Attorney General ...

And then the ultimate privilege: To serve as Governor of the state I love — the Great State of Washington.

And on my last full day as Governor, I can speak from experience and say we still live in the greatest state in the nation and the greatest country in the world.

Thank you, people of Washington, for the pleasure of serving you.

And thank you, ladies and gentlemen of the Legislature, for hearing me one last time. I appreciate it. I will miss governing and I will miss you — all of you.

Please accept my deepest thanks for your public service.

Farewell! God bless you!

And God bless the Great State of Washington.