2 0 1 3



TexTas PrePared
January 16, 2013

To accommodate persons with disabilities, this document is available in alternative formats and can be obtained by contacting the Office of the Governor at 360-902-4111. TTY/TDD users should contact the Governor's Office via the Washington Relay Service at 711 or 1-800-833-6388.
visit our website at www.governor.wa.gov

As prepared for delivery at 11:30 a.m., January 16, 2013 House Chamber, Washington State Capitol Governor Jay Inslee

Mr. President, Mr. Speaker, Madam Chief Justice, distinguished justices of the court, my fellow statewide elected officials, members of the Washington State Legislature, members of our armed forces and National Guard, members of the Consular Corps, Governor Christine Gregoire and my fellow Washingtonians.

Our world is changing faster and more dramatically than ever before. Once- ina-lifetime events now seem to happen with startling regularity. We've seen the greatest financial crisis since the Great Depression, natural disasters fueled by climate change and unimaginable human tragedies like Sandy Hook Elementary.

But we also bear witness to rapid breakthroughs in technology, medicine and the fundamental understanding of our universe. Every day I am left in awe at how much we are able to achieve and heartbroken over the tragedies that we have had to endure.

We truly live in extraordinary times. We also live in an extraordinary state, filled with extraordinary people. Where the world sees uncertainty, we see opportunity. And we all feel a profound responsibility to our children and our grandchildren.

We have a spirit of innovation here in Washington that has changed the world, from aerospace to software to e-commerce.

And you know what? We are not done.

A new world economy is emerging from the depths of this recession. While its contours and relationships are not fully understood to us, we do know two things:

One: With our uniquely powerful fusion of values and talents, Washington state has the potential to lead the next wave of world-changing innovations.

Two: The world will not wait for us. We face fierce and immediate global competition for the jobs of tomorrow. Leading this next wave of growth is our opportunity, not our entitlement.

We must move, swiftly and boldly, to put this recession behind us and bring forward a unique economic strategy that brings the best of Washington state to the world. As Franklin Delano Roosevelt said, "Never before have we had so little time in which to do so much."

Today, I'd like to share my vision of the path ahead. I know that to achieve this vision we must all work together. Democrat and Republican, House and Senate, East and West, to answer the challenges of our age.

We face fierce and immediateglobal competition for the jobs of tomorrow.

I have represented both sides of our state, first as a state representative from the Yakima Valley, then in Congress representing both Eastern and Western Washington. I want to thank the people of Washington for electing me your governor. I am truly humbled to

represent all of Washington, and to deliver the change in Olympia you asked for last November.

Now I would like to do something very difficult to do as a University of Washington Husky, and that is to honor a Washington State Cougar. I would like to introduce all of you to my wife of 40 years, Trudi Inslee. We met at Ingraham High School and raised our family in a century-old farmhouse in the Yakima Valley. I'd also like you to meet my three boys and their families: Connor; Joe; Jack and his wife, Megan; our grandson, Brody; and the newest Inslee, Zoe Ann.

This is a very special day for my family. And this is a very special time in history for many other families.

People all across Washington stood up for fairness and family in approving marriage equality last November. We should all be proud. The vote on Referendum 74 represents the best of who we are as a state. It should be an inspiration for the progress we can make toward equality, fairness and justice across all of Washington.

It has been an amazing journey over the past year and a half, as I've traveled to all corners of the state.

I am a fifth generation son of the state of Washington, and am proud to have roots in this state that are as wide as they are deep. My family came to this state as fishermen and gold miners. My grandmother raised four boys as a single mother working at Bartell drugstore. My uncles build the best airplanes in the world at Boeing, my dad was a biology teacher and I am proud that my mom and dad worked to restore the alpine meadows of Mount Rainier.

I am proud of the working people of Washington, and I know their work, having driven bulldozers in Bellevue, painted houses in Burien, run the business end of a jackhammer, prosecuted drunk drivers and raised hay in the Yakima Valley.

Washington has welcomed many people to our great state from all points of the compass, but no matter when you and your family arrived here, in our souls all of us in Washington are pioneers. That

is what makes us unique. We push the world forward. We take risks. We take pride in what we do and who we are.

We push the world forward. We take risks. We take pride in what we do and who we are.

I look forward to a true partnership with Senate Majority Leader Rodney Tom and Minority Leader Ed Murray, and with House Speaker Frank Chopp and Minority Leader Richard DeBolt. I want us to collaborate early and often on a legislative agenda that benefits all of Washington.

I want to work with every member of the Legislature too. Our economy draws its strength from a marketplace of ideas, and so should our state. I have called all 146 of you already to begin this partnership. If you received a message from me, that wasn't a robocall. I need to talk to you about the future of our state.

Our economy draws its strength from a marketplace of ideas, and so should our state.

When the people of Yakima sent me here to Olympia more than two decades ago, Washington had just completed its first century. I sat and listened as former Governor Booth Gardner presented us with a challenge heading into Washington's second century. He said, "Either we respond to international competition, or we

doom ourselves and our children to a dramatic slide to second-rate status in the world."

We chose to answer this challenge with a unique formula for international success that has made us who we are today: businesses, entrepreneurs, state government, all working together. Now it's 24 years later. I have a new job, a new vantage point, and the world looks much different.

A once-vibrant and growing state economy was brought low by the gross irresponsibility of those on Wall Street. As a result we have suffered four years of recession, with almost 300,000 people in Washington looking for work. Too many of our families are on the brink of losing their home. Parents lie awake at night wondering how they can provide for their children's future.

But we remain an optimistic state, a visionary state and an innovative state.

Time has not dimmed and the recession has not diminished our thirst for innovation and our talent for technological growth. We are the most creative, entrepreneurial group of businessmen and -women, scientists, educators and workers on the planet.

Companies such as Silicon Energy in Marysville are leading the world with some of the most durable solar cells ever built. Janicki Industries in Sedro-Woolley is driving innovation in aerospace. Valve, a software company in Bellevue, has grown into a worldwide leader in interactive entertainment. And an across-the-board effort led to the re-opening of Grays Harbor Paper last year, putting 175 people back to work making 100 percent recycled paper.

Innovation is in our genes. We create. We invent. We build.

So now we must go forward, with both high ambition and a recognition that the power of innovation will fuel the next wave of job growth in Washington.

Make no mistake: Our top priority today, tomorrow, and every day for the next four years, is jobs.

We must build a working Washington, capable of sustained economic leadership in a rapidly changing world.

Our top priority today, tomorrow, and every day for the next four years, is jobs.

During the campaign I put out a plan to get Washington back to work that grew to more than 100 points of action. My plan focuses on job growth in seven industry clusters: aerospace, life sciences, military, agriculture, information technology, clean energy technology and the maritime trades. These clusters represent both

the present and the future key drivers of economic growth and job creation in our state.

We must support innovators in these areas with incentives to take risks and bring ideas from dream to reality. I have proposed a tradable research and development tax credit to help early-stage companies to develop and commercialize their idea. It's worked in other states, and it's something we can do this session.

I will work with the Legislature to make it more desirable for small and medium-size businesses to hire more people in Washington. We must also do a better job commercializing the technologies developed in our world-class research institutions, connecting the dots from the classroom to the laboratory to the marketplace.

No economic strategy would be complete without a transportation plan that facilitates this growth. This session I expect to work

To honestly address our infrastructure, we have to recognize that creativity is as important as concrete.

with stakeholders who have already committed to a bipartisan plan to build an infrastructure for the next generation. In the next 10 years, our population will grow by approximately three-quarters of a million people, but we will not be adding one more square inch of dirt.

To honestly address our infrastructure, we have to recognize that creativity is as important as concrete. I want us to turn our innovative spirit toward crafting a

transportation package that includes roads, trains, light rail, buses, bike routes and other modes of transportation. We need ways to free capacity for freight and commerce, and rethink how we do the business of transportation in our state and how we use our transportation infrastructure.

If we're serious about long-term economic growth, innovation must become part of the culture of Olympia.

I heard a clear and powerful message on Election Day. The people of Washington state are tired of a state government that doesn't change with the times. They expect me, and all of us here, to be as innovative as the people we represent.

Since the recession, the debate over the state budget seems to be stuck in the movie "Groundhog Day." We have the same arguments and we revisit the same untenable options. It's time we made it to a new day.

We will provide efficiency, effectiveness and transparency.

Today we begin a multi-year effort to bring disruptive change to Olympia, starting with the very core of how we do business. With authentic, courageous leadership, we will bring the principles of Lean management to all of state government, following the lead of Boeing, Virginia Mason and a growing number of state and local governments.

We will provide efficiency, effectiveness and transparency. We will introduce performance metrics where it counts, giving us the data we need to fix what's broken, cut what we don't need and replace rhetoric with quantifiable results.

But this effort is about more than measurement. It's about instituting a culture shift that will endure well beyond my administration.

Moving forward, all state agencies will be rooted in the same three principles: First, we will measure success by the results we produce, not the money we put in. Second, we will know our customers and what they value. Third, every agency will adopt a unique process for continual improvement that engages our state employees.

Change is coming to Olympia, and I want all state employees to be active partners in it. I know how much you have sacrificed. You are on the front lines, figuring out how to do more with less just like every family in Washington right now. You will be empowered as change agents, and we will need your ingenuity and dedication more than ever.

I am serious about reform.

We'll improve the health of all of us in Washington as we move from "sick care" to the true health care system we deserve.

In the weeks to come, I will be taking action to transition to a results- and data-driven government, with continuous quality improvement, employee engagement and clear accountability.

And to honestly address our budget problems, we must admit the difficult truth that the road to a balanced budget and a fully funded educational system runs directly through health care reform. This means investing in preventive care and aligning incentives with patients to encourage healthy lifestyle choices.

King County is already doing this, and it is working.

We'll improve the health of all of us in Washington as we move from "sick care" to the true health care system we deserve.

We need to leverage our Medicaid and state employee health systems, and engage providers, carriers and community clinics, to find innovative payment models and health care delivery systems that incentivize quality over quantity.

Effectively implementing the Affordable Care Act will save us money by removing the hidden tax of hundreds of dollars paid monthly by all our state's insured citizens.

We can do this for the health of our family and the health of our economy. When we make our health care system more efficient, we lower the cost of doing business in our state. The states that get this right will have a clear advantage in recruiting and retaining the jobs of tomorrow. This session, we must make sure Washington gets this right, first.

We must also protect the quality and choice that we expect from a health care system that works. Washington women need the freedom and privacy to make the health care decisions that are best for themselves and their families. That's why I look forward to the Legislature sending the Reproductive Parity Act to my desk, which I will sign. Let's get this done.

For Washington to be successful, our economy, our government and our schools must all work together, but before we continue, I want to take a moment to honor the courage and For Washington to be heroism of public school teachers, educators and all successful, our economy, our public employees.

our government and our The tragedy at Sandy Hook Elementary School schools must all work in Connecticut showed us all that our nation's educators put the welfare of their students above everything, even their own lives. You may have heard the story about the parent who was in the principal's office when the sounds of gunshots began. That parent said she ran to get under the nearest desk, as most people would have done, but the educators in the room ran another way. They ran toward the sound of the gunfire. They did not return.

It is my fervent hope that the country sees the sacrifices made at this one school, in this one state, as entirely consistent with what

together.

teachers and educators do every day, in every school, protect the children in their care.

The tragedy at Sandy Hook was unimaginable, but not unfamiliar. We have lost too many loved ones in Washington state: in a Seattle café, in Lakewood, at the Seattle Jewish Federation, in a house in Carnation, all victims of a lethal combination of untreated mental

illness, evil intent and easy access to deadly weapons.

Any failure to address the issue of violence in our communities and our schools will be intolerable.

Any failure to address the issue of violence in our communities and our schools will be intolerable, and in the coming weeks I will work with the Legislature to address this crisis responsibly. I don't have all the answers, but I know the sooner we reject the extremes and embrace common sense, the sooner we'll be able to get a public health solution to this public health

problem. And common sense tells us that this solution will involve mental health and keeping guns out of the wrong hands while respecting the right of my son to hunt and my uncle to defend his home.

All of us have an obligation to provide for the well-being of our families, to ensure their safety and to make sure our children are prepared for the world.

I am proud to live in a state where the education of our children is enshrined as the paramount duty of state government.

I got my start in politics as a concerned parent, when Trudi and I led the effort to fund the construction of a new high school.

I'm inspired by the pockets of excellence I have seen in schools all across Washington. In Pasco, they improved high school graduation rates through intervention teams they created. In Renton, they

closed achievement gaps with a world-class approach that demands continuous quality improvement in how we educate our children. I visited TAF Academy where, thanks to a unique public-private partnership, young students are applying the latest technological tools to solve real-world problems.

Across our state we need this kind of real innovation, real reform using proven models and real accountability.

We need to increase the emphasis on STEM education. Science, technology, engineering and math are just as important to the next generation as the three R's were to my generation. They are the essential tools for success in this new economy.

We need to invest more where we get the biggest return, in high-quality early learning programs. We need a system that aligns from early learning to kindergarten to 12th grade to our universities. Accountability must be present at every level. We should continue the progress we are making on improving the teacher and principal evaluation system, and make it a significant part of personnel decisions.

Science, technology, engineering and math are just as important to the next generation as the three R's were to my generation.

And yes, we need to meet the funding obligations set out by the McCleary decision, but we cannot continue to allow funding debates to mask deeper problems in our schools that demand innovation and reform. I want us to be able to look our children in the eyes, knowing that we honored our commitment to provide them a world-class education, not through gimmicks or blind allocation of money but through systemic, sustainable reform of our schools.

It's also critical for us to preserve the leading role our research institutions play in inventing the future, growing our economy and creating jobs. While we do this, we can no longer accept the misalignment between what our schools teach and what skills our employers need. This is something I will act on immediately to sharpen the relationship between our schools and the economy they are preparing our young people to enter. It will be hard work, but it is required work if we want Washington to rise to the challenges the world will present us.

There is no challenge greater for Washington, with more opportunity for job growth and more suited to our particular brand of genius and ingenuity, than leading the world's clean energy economy.

As a parent and a grandparent, I cannot consciously accept the dangers of climate change for my family or yours.

It is clear to me that we are the right state, at the right time, with the right people. It's also clear to me that we face grave and immediate danger if we fail to act. Nine of 10 of the hottest years on record happened in the past decade. We've had epic flooding, searing drought and devastating wildfires, including last summer's fires in Central Washington and the rising tides along our coast.

Our Pacific Northwest waters, especially in Puget Sound, are becoming too acidic, forcing parts of our shellfish industry to move last year. In Eastern Washington, our long tradition in agriculture could be threatened if snowpack declines. Water stored as snow is money in the bank for Washington's rural economies, but the bank could fail if we don't act.

As a parent and a grandparent, I cannot consciously accept the dangers of climate change for my family or yours. As a Governor,

I can't afford to look the other way or point fingers or deny these realities, and I cannot allow our state to miss the moment we are destined for.

All of us in Washington will have to square up to both our responsibility and our opportunity on climate change, and when we do, I'd like us to remember what Dr. Martin Luther King once said: "The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy."

On climate change, we have settled the scientific controversy. What remains is how we respond to the challenge.

Now I know Washington can't solve this global problem alone, but we must embrace our role as first responders as our children's health is in clear and immediate danger. We must also embrace our role as entrepreneurs and pioneers, ensuring that economic solutions to climate change begin here.

We do not follow technological innovation; we lead it. And we will not pass up a golden opportunity to create jobs.

Companies in this state are already moving forward, and we will not hand over our destiny to lead the world in clean energy to any state or to any nation.

We don't deny science in Washington; we embrace it. We do not follow technological innovation; we lead it. And we will not pass up a golden opportunity to create jobs.

We need these clean energy jobs that work for the long haul. They will be in Bellingham at the Itec solar company, in Seattle at MacDonald-Miller, a great efficiency company, in Spokane at the

McKinstry Company and at Boeing where we are making the world's most fuel-efficient jet.

These jobs won't just fall into our lap. Washington has what it takes to win, but the clean energy race is highly competitive. Germany, China and California are not waiting. Neither should we.

Over the next four years, we need to show our commitment with policies to promote economic growth, research and development on clean energy, to lock in the next wave of growth and opportunity for the next generation.

I look forward to having a real dialogue with the Legislature in the coming weeks on how we best put our ingenuity to work to meet the challenges before us — on creating jobs, educating our children, changing how we do business in state government and creating a culture of leading the world in energy independence.

But as we move forward to determine what we will do, we must also remember who we are as a state.

Washington is a state that embraces all people for who they are.

A state that allows all to love who they will.

A state that is never content with today, but is always leading the world in inventing tomorrow.

A state whose very name commits itself to the preservation of its own beauty for its own grandchildren and its own great-grandchildren.

The Evergreen State.

Thank you. Now let's get to work.