



STATE OF THE STATE

Remarks by Governor Janice K. Brewer
Monday, January 14, 2013

Speaker Tobin, President Biggs, Honorable Senators and Representatives of the Arizona Legislature, Chief Justice Berch and Justices of the Supreme Court, constitutional officers, tribal leaders, honored guests, and my fellow Arizonans:

Three decades ago ... nearly to the day ... I entered this chamber for the first time as a legislator.

I remember it well – taking my oath of office ... friends and family gathered ... issues looming ... controversies brewing ... new members planning ... and lobbyists scheming.

For all the change across those 30 years, that much remains the same. Our annual ritual here continues. And while I spent 26 years seated for addresses like this, this is my fifth time at the lectern.

I am so grateful to have been blessed with a family that is my rock of support. My husband, John, and son, Michael, are here today. Thank you.

Arizona's leaders arrive at this place each year with the same charge: to foster for our citizens the sacred principles of opportunity and freedom.

We are here on a mission of possibility – possibility that runs strong from our heritage, deep within our lands and, above all, deep within ourselves.

We have just celebrated all of the achievements of Arizona's first 100 years, and we were reminded of Arizona's "Five C's": copper – cattle – cotton – citrus – and climate.

I am here to tell you that our second century will hinge on another 'C.'

Competition.

That is the clear answer when I reflect upon what I have learned these past four years, and what has changed across the three decades since I first sat in this chamber.

Today, Arizona must COMPETE for the most desirable jobs for our citizens ... the finest teachers in our schools ... the most talented students and faculty in our universities.

And each of our citizens must likewise compete to earn a living, build a future and raise a family in a safe and healthy environment.

They face threats that once did not exist.

And we at this capitol had better make sure we are helping them – not hurting them – in their efforts.

Together, we've made great strides in the last four years to improve Arizona's competitive position.

- We faced the hardest of times, but sustained and strengthened State government through the downturn; per capita, Arizona has the second-lowest number of state employees of all states;
- We reformed our personnel system so our citizens will have a State workforce motivated by performance and accountability;
- We passed meaningful reforms to improve our education system, and expanded school choice;
- We limited regulations and enacted the largest and most strategic tax cuts in state history – unlike our “friends” in Washington, D.C.

And we even accomplished something novel and rare in politics: we kept our word.

In 2010, we asked the people to increase their own taxes, and promised them it would be temporary. That promise will be kept when the Proposition 100 sales tax expires in May.

Not long ago, we were facing the worst housing collapse in our history ...

... the downturn had cost us more than 300,000 jobs ...

... and our State government was bogged down by a 3-Billion-dollar deficit.

Now, our housing market is on-the-mend, recovering faster in metro Phoenix than anywhere in America.

We're adding jobs at the swiftest clip in years – nearly 23,000 in November alone. In fact, Arizona ranked 5th in the nation for job growth during 2012.

The Kauffman Index recently declared Arizona the country's premier place for entrepreneurs.

Our budget is now balanced, and we've set aside 450 Million dollars in the state's rainy-day fund for the next time crisis strikes.

And, crime and violence in Arizona continue to trend downward.

Arizonans have reduced crime by punishing criminals, and not by infringing on the rights of law-abiding gun owners.

Yes, our State is getting stronger.

And I am confident that Arizona's light of opportunity will shine as bright as the Arizona sun in the years to come.

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Now, I understand there was a little game being played last month called, "Where in the World is Jan Brewer?"

Oh, I heard the rumors ...

And, no, I wasn't hiking the Appalachian Trail.

In fact, I was humbled that the United States military gave me an opportunity to visit our heroes in uniform living and working a world away.

Whether stationed in Kuwait, living on a base in Afghanistan or recuperating from injuries at a military hospital, the brave men and women I met shared a singular love of country and clarity of purpose.

Please join me in honoring their service and sacrifice.

Of course, while our service members are away, their families serve too ... whether a spouse left behind doing double duty as parent and provider ... or a child waiting and wondering until mom or dad comes home safely.

None of it is easy.

That's why I'm so pleased to introduce [Daniele Drissel](#) and her two boys, [Nicholas](#) and [Jett](#). Daniele's husband is [Staff Sergeant Jason Drissel](#) of the Arizona National Guard.

I met Staff Sergeant Drissel this fall while he was on his second deployment to southern Afghanistan, where he is still serving today.

Daniele, Nicholas and Jett: please stand so we can thank you for the sacrifice made by every military family.

We are forever in your debt.

As we meet the challenges facing our state, let's remember those who have given their lives and those that put their lives on the line daily for the freedom and liberties we cherish.

Let's honor their sacrifice by giving the very best of ourselves every day in our service.

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We can start by taking action on behalf of some of Arizona's most vulnerable: Arizona's abused and neglected children.

In 2011, I convened a Child Safety Task Force led by [DES Director Clarence Carter](#) and [Maricopa County Attorney Bill Montgomery](#).

Many of that panel's recommendations have now been adopted, including the creation of a special unit of law enforcement veterans focused on investigating the worst cases of child abuse and neglect.

The unit is led by [Gregory McKay](#), a veteran homicide detective and investigator of crimes against children with the Phoenix Police Department.

I'm grateful to the Phoenix Police Department for working with us on this critical mission, and to Greg for lending his time and talents.

Greg, please stand so we may thank you.

Now, we've improved operations at Child Protective Services ...

... by overhauling the hotline system so the most urgent calls are directed for faster response...

... by streamlining the hiring process to ensure every available caseworker position is filled ...

... and by cutting paperwork burdens so caseworkers spend more time checking up on children.

Despite these efforts, there can be no doubt our system of child safety is under pressure.

Arizona's abused and neglected children need help.

The Executive budget I release Friday will add 150 CPS caseworkers and boost foster care, adoption services and emergency placement of children needing rescue.

Because these needs can't wait, I'm asking you to join me in approving an emergency budget request to hire 50 additional caseworkers right now.

Let's come together for the safety of our children.

We cannot strike evil from the hearts of those who would harm an innocent child. But these common sense steps will help at-risk children get the assistance they need before it's too late.

These past four years, we have tackled hard questions and faced moral challenges. My friends: this, too, is a moral issue.

Arizona must protect her children.

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There's no limit to what we can accomplish when we work in cooperation toward a common goal.

Just look at Arizona's economic and fiscal turnaround.

It's no surprise that we in Arizona have created a model of recovery very different than that pursued by the administration in Washington, DC.

Where they've spent, we've saved.

Where they've hampered private industry with excessive rules and regulation, we've marshaled the power of the free market.

We did this because we know, as President Reagan once said: "No power of government is as formidable a force for good as the creativity and entrepreneurial drive of the American people."

In the new economy, talent is king. Creativity is the new capital. And competition is worldwide.

The Arizona Commerce Authority will continue to lead our job-attraction efforts. World-class employers like Intel, Amazon and Silicon Valley Bank have chosen to locate or expand in Arizona due in part to the fine work of the ACA and the robust business environment we provide.

Halfway through this fiscal year, the Commerce Authority has already helped deliver more than 680 Million dollars in capital investment and six thousand jobs.

While we lower the barriers to business growth ... keeping regulations lean and taxes competitive ... it's clear we have another problem: our own sales tax system.

Sales tax is the most critical source of revenue for core State programs. But our sales tax code is also one of the most complicated in the nation.

It's an accountant's dream, but a business owner's nightmare.

Arizona's local and state governments have created a tax system with so many twists and turns that we make it difficult for businesses to simply pay what they owe.

For business owners serving customers in multiple cities ...

- . . . with multiple license requirements
- . . . multiple tax returns
- . . . multiple tax bases
- . . . and multiple audits
- . . . compliance can be nearly impossible.

Take [Linda Stanfield](#), owner of Benjamin Franklin Plumbing.

Linda serves customers all over the Valley – meaning she deals with a different sales tax code in every city in which she does business.

Thankfully, she was willing to lend her time and expertise last year when I convened a task force of retailers, business owners and tax experts to offer recommendations on how we can simplify our tax system.

She is part of an Arizona legion of small business owners who make up the backbone of our economy.

Linda is here today. Linda, please stand – I know we’re all grateful for your tireless efforts.

But we must do more than simply thank our small business owners.

We can adopt the concrete steps outlined by Linda, [Senate Majority Leader John McComish](#), [House Majority Whip Rick Gray](#) and other members of the special task force ... steps that will simplify our sales tax code, remove one more barrier to economic growth and make Arizona even more competitive.

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While we take these important steps to boost our economy, we can't forget the most fundamental and lasting key to Arizona's competitiveness: our schools.

First, we have a responsibility to make certain our children have a safe place to learn.

The massacre at Sandy Hook Elementary was unimaginable.

Our job now is to take common sense steps that lessen the likelihood of a similar tragedy striking Arizona – while resisting the urge to turn a school into a fortress.

Part of the solution is something that already has a track record of success: the School Resource Officer. My budget plan will expand State funding for these trained officers.

Let's come together for the safety of our schools – allowing our teachers and children to focus on what's most important: Learning.

We've already injected competition into our education system, and Arizona's growing charter school sector has produced several of the top-performing models in the nation.

But this remains a state where one in four 3rd graders can't read at or near grade level, and one in four students drops out of high school before graduation.

It's no coincidence those numbers are the same. Research tells us that early reading proficiency is one of the strongest predictors of later educational success.

That's why I'm so proud the Arizona Legislature joined me last year in funding the Move on When Reading program.

Beginning now, schools across Arizona must develop comprehensive reading assessments to identify students falling behind.

With the help of the State, local schools will connect students with reading experts.

We know that reading proficiency starts at home. We all must continue to encourage parents to fulfill this basic privilege and duty.

Working with parents and schools, let's help ensure today's struggling young reader doesn't become tomorrow's dropout.

To enable our schools to keep pace with global competition, we're raising standards and increasing accountability for students, schools and teachers.

Everyone knows that global competition for jobs has changed. Our schools must keep pace.

Our new Common Core standards are benchmarked to the top education measures in the world. If Arizona schools aren't doing the job, we'll know about it – and so will parents.

Of course, it's not enough to install a new curriculum, raise standards and hope for the best. I'm committed to helping schools and teachers make this transition a success.

You will see that reflected in the detailed budget I release Friday.

And that brings us to school funding. Whatever your point of view, we should all agree that it's time we start funding the academic results we want to see.

What I am proposing is the nation's first comprehensive performance funding plan for our districts and charter schools.

This plan will reward schools that earn high marks or see real improvement in performance.

I'm not talking about scrapping attendance-based funding formulas. Rather, this will augment that system with an innovative approach to promoting school performance, while maintaining local control.

Together, let's stop simply funding the system we have and start funding the student achievement we want.

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Arizona's future is also tied to another critical decision.

It's a decision some would prefer not to face. They'd like to wish it away.

We cannot.

Nor can we simply wag our finger at the federal government. Trust me: I tried that once.

Of course, I'm speaking about Arizona's Medicaid program and expanded coverage in accordance with the Affordable Care Act.

Like many of you, I oppose the President's health care plan.

That's why, after weighing the pros and cons of the ObamaCare health exchange, I opted against Arizona's participation.

I also led Arizona in joining a coalition of states that sought to block the program in court, and I've taken every opportunity to argue for health reform with less bureaucracy, more patient choice and fewer costs.

Try as we might, the law was upheld by the U.S. Supreme Court. The President was re-elected, and his party controls the U.S. Senate.

In short, the Affordable Care Act isn't going anywhere – at least not for the time being.

By agreeing to expand our Medicaid program just slightly beyond what Arizona voters have twice mandated, we will:

- Protect rural and safety-net hospitals from being pushed to the brink by their growing costs in caring for the uninsured;
- Take advantage of the enormous economic benefits – inject 2 Billion dollars into our economy – save and create thousands of jobs; and,
- Provide health care to hundreds of thousands of low-income Arizonans.

Saying 'no' to this plan would not save these federal dollars from being spent or direct them to deficit reduction.

No, Arizona's tax dollars would simply be passed to another state – generating jobs and providing health care for citizens in California, Colorado, Nevada, New Mexico or any other expansion state.

Remember: Arizona citizens have voted TWICE to expand Medicaid coverage.

With this move, we will secure a federal revenue stream to cover the costs of the uninsured who already show up in our doctor's offices and emergency rooms.

Under the current system, these costs are passed along to Arizona families. Health care premiums are raised year after year to account for expenses incurred by our hospitals as they provide care to the uninsured.

This amounts to a HIDDEN TAX estimated at nearly 2 Thousand dollars per family, per year.

As I weighed this decision, I was troubled by the possibility that a future President and Congress may take steps to reduce federal matching rates, leaving states with a greater and greater share of health costs over time. And I worried that any expansion of Medicaid – no matter the federal subsidies – could result in costs the State cannot afford.

Together with my team, I've crafted a plan to address both of these concerns and safeguard Arizona.

First, any expansion of our Medicaid program will include a circuit-breaker that AUTOMATICALLY rolls back enrollment if federal reimbursement rates decrease.

I won't allow ObamaCare to become a bait-and-switch.

Second, we will allow hospitals and health providers to assess a fee upon themselves – using that revenue to leverage federal assistance.

This is already done in 47 states. It's also ongoing in the City of Phoenix and under consideration in other cities across Arizona.

With the federal revenue this hospital assessment generates, we can assure that our State General Fund bears NO COST in expanding Medicaid.

This doesn't mean it's free money, of course. We know there is no such thing. I'm as much of a federal deficit hawk as anyone in this chamber.

But Arizona's Medicaid program – AHCCCS – is not the problem. It is, in fact, part of the solution as the nationally-recognized gold standard for cost-effective, managed care in this country.

I'll be releasing more details about my Medicaid plan in the days ahead.

Weigh the evidence and do the math.

With the realities facing us, taking advantage of this federal assistance is the strategic way to reduce Medicaid pressure on the State budget. We can prevent health care expenses from eroding core services such as education and public safety, and improve Arizona's ability to compete in the years ahead.

I'm committed to doing this, and I want you on my side. Let's work together in an atmosphere of respect and do what is BEST for Arizona.

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With all of the subjects we tackle at this Capitol, we must recall that facts and figures and spreadsheets never tell the whole story. For that, we must go back to the people we serve.

Amazing things happen in Arizona when we work together as leaders, marshal available resources and encourage innovation and partnership.

There's someone special I'd like you to meet today. Her name is [Shelby](#), and she's twelve years old. It wasn't long ago that she would have needed a wheelchair to be with us.

For nearly her entire life, she was prisoner to a rare and unknown neurological disorder. It prevented her from speaking. She could not hold up her head, and had trouble eating and breathing.

Her case had doctors stumped. Then Shelby saw researchers at the TGEN Center for Rare Childhood Disorders, right here in Arizona.

There, researchers sequenced Shelby's genome, identified the cause for her ailment and prescribed a treatment plan.

The results speak for themselves.

Shelby, I'm so happy you're with us today. Please stand so that we may applaud your courage, as well as the groundbreaking work of researchers at Arizona's own TGEN.

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I've been in public life a long time. You know I speak my mind. I do what I think is right.

A lot like Arizona herself.

Our state has never shied away from tough decisions. We've been a national leader when it comes to everything from battling

federal mandates to pushing the feds to live up to their responsibilities.

So, it should be no surprise that – when it comes to management of our precious natural resources – I'd like Arizona to set its own course as much as possible.

Today, I've issued an Executive Order establishing the Arizona Natural Resources Review Council.

This Council is tasked with creating a plan to help protect and maintain the values of multiple use, sustained yield, public access and economic development on federal lands.

I am calling on local governments and the private sector to join with the State to meet this long term vision.

More than 30 million acres across our state are ALREADY under federal control. The Council's plan will be one way we can protect Arizona's interests on federal lands.

Arizona knows BEST how to manage her own land and natural resources.

Of course, you can't discuss Arizona's relationship with the federal government without mentioning Mexico and our shared border.

I've heard the earnest calls for immigration reform. I agree our Nation's system is broken and has been for decades.

To the reformers, I say: Demonstrate your stated commitment to a secure border by making that your FIRST priority.

After so many broken promises – so many starts and stops with border security – join me in holding the federal government to account.

Once our border is secure, I pledge to work with all fair-minded people to reform our Nation’s immigration system.

It must once again combine the rule of law and human compassion, providing safety for our citizens and facilitating our economic relationship with Mexico – Arizona’s largest trade partner.

We’ve already seen the border largely secured in the Yuma Sector. The steep decline in illegal crossings is proof that our border CAN be secured when the federal government employs the right mix of fencing, manpower and technology.

Now, I ask the President to finish the job. Secure the Tucson sector, the most heavily-traveled gateway for illegal crossings into this country.

Fulfill your promise to the American people, and I’ll make good on mine.

In the meantime, because I will never shy away from taking actions necessary to protect our state, I will be issuing an Executive Order establishing a taskforce against human trafficking.

This is truly a crime against humanity – a modern-day slavery in which men, women and children are sold into forced labor or prostitution.

Cindy McCain has been a leading voice in the fight against human trafficking.

She's with us today, and I look forward to working with her and legislators to combat this growing problem.

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Finally, for those of you just beginning this voyage of public service ... and for others who've been at it for many years ... there is someone here with us today who has been an inspiration.

Someone whose contributions to this State will be felt for generations to come.

I'm speaking, of course, about [United States Senator Jon Kyl](#).

He is that rarest of creatures in Washington, someone who has walked away of his own free will – and WITHOUT voters showing him the door.

Senator Kyl leaves behind a lasting model of quiet dignity, grace and something those of us in the West used to call “horse sense.”

Senator Kyl, let us stand FOR YOU so that we can thank you for your noble service.

As we gather this legislative session, let us put the best interests of Arizona above all else.

Because that is what we are called to do.

Arizona's challenges are great, but not greater than our capacity to meet them.

This is Arizona's legacy. We were the last of the continental states ... carved from rugged country ... a territorial landscape equally harsh and beautiful.

And if Arizona truly intends to compete, we should study the meaning of the word.

This may surprise you, but the word “compete” is of Latin root. It means: “To strive together.”

Our forefathers built this state for us with shared purpose and common cause.

We can secure the future only through that same spirit.

Let us not squander the many blessings we’ve inherited.

Let us leave a legacy of our own as we make the difficult decisions that keep Arizona on the path to prosperity.

It is a legacy, I pray, that will be worthy of this wonderful place I love.

I am thankful you are all here with me now to do the people’s work ... in this time and in this place.

Just as when I first entered this chamber three decades ago, I am filled with optimism.

It is the kind that comes with knowing our cause is just and our course is true.

I know that Arizona’s best days are yet to come.

God bless you, God bless America and God bless the great State of Arizona.

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