



STATE OF ALABAMA

The 2010 State of the State Address January 12, 2010

Lieutenant Governor Folsom, Speaker Hammett, Senator Smitherman, Representative Newton, distinguished guests, my fellow public servants and fellow citizens:

When I first came to this chamber seven years ago, I said it was our responsibility to work together for a new day in Alabama. Not as Republicans and Democrats, but as Alabamians united with a common purpose to do what is best for our people. We meet here tonight to continue that work. We've accomplished so much in these last seven years. But tonight our focus must be on the future. So get ready – get ready to tackle a full agenda. Alabama has tremendous opportunities but a short amount of time to seize them, so let's get to work.

Tonight let us pledge – pledge to each other and to the people of Alabama – that during this final session before the election season, our focus will not be on trying to gain political advantage, but on doing things for the people's advantage. Let us tackle the big issues with bold ideas, so we can make Alabama the state to which the future belongs.

Let's begin by discussing our budgets. I know you've read the same dire predictions and heard the same horror stories that I have. You've heard nothing awaits us in this session but doom and gloom. The lobbyists and the gambling interests have told you over and over that we must find new revenue, somewhere, or the sky's going to fall.

Ladies and gentlemen, that's what we in Clay County would call a crock.

In the budget I'm sending you, General Fund agencies will receive the same amount of funding that they will be getting this year. No cuts. In fact, there is the potential for them to receive an increase of up to four percent. And in the education budget, that budget will increase funding for schools by over \$400 million.

No cuts for state agencies, more funding for our schools, without raising anybody's taxes. Now that does not sound like we have a crisis. But it does sound like we have a great opportunity.

We have this opportunity because, together, we planned ahead. We didn't go on a spending spree when Congress passed the stimulus bill last year. We saved because we knew this day was coming. And, as we did last year, our budget estimate includes anticipated growth and federal funding to help states with their economic recovery. Our budget is based on conservative, responsible and realistic forecasts, and also a steadfast commitment to spending discipline.

We'll also continue to make government more efficient. This recession has been an opportunity for our government to innovate, to streamline, and to think of ways to spend dollars more wisely. And we have. Today our state government is leaner. We've reduced the number of state employees and asked them to do more with less, and I'm proud to say that they've responded. In fact, our state has seen amazing progress during this time of tight budgets.

For example, cooperation between the departments of Public Safety, Transportation and ADECA has made Alabama's roads the safest they've been in decades. Our Medicaid agency is receiving the largest performance bonus of any state in the nation because of the effectiveness of our program. Thanks to the work of our Finance Department, Alabama's entire checkbook is now online so taxpayers can see where every dollar is being spent. And because of truly outstanding work done by our Department of Human Resources, more children were adopted in Alabama last year than ever before in our history.

Let me take a moment to thank my wife Patsy for working with foster parents and DHR to make adoptions a priority, and for everything else she's done these past seven years to help children, to help families and to make Alabama a better place. Thank you so much, Patsy.

There are so many stories just like these in almost every sector of state government. The results of what our agencies have accomplished are real and they are dramatic. Lives have been saved. More children now have permanent, loving homes. Tax dollars spent to assist our most vulnerable citizens are being spent more effectively. And state government is more transparent and more accountable than it has ever been. I want to personally thank all our state employees who made this progress possible, especially during this time of economic recession. Look around, ladies and gentlemen, state government works because of their work.

We are living within our means like families all across Alabama. But let's remember, tonight there are a lot of families out there facing much, much more difficult situations. Families who can't even make ends meet anymore. And ladies and gentlemen, that's why we must take real action -- right now -- to get our economy moving again.

Last year you came together and passed landmark legislation that I proposed to offer incentives to knowledge-based companies for the first time. Within only a few months, that legislation brought hundreds of new jobs to Alabama. Each of those jobs is a symbol of the new opportunities we can create when we work together. When we put aside our differences and focus on what's important, we can help all of our citizens share in the American Dream.

That doesn't happen nearly enough around here. We've got to do better because there are so many people out there who need us to do our best. While you succeeded in passing that first part of my economic recovery plan, you failed to pass the other key parts: a tax credit to encourage companies to hire unemployed workers and an incentive to create jobs in counties with the highest unemployment rates.

So during this session, you'll have another chance to pass these needed proposals. I urge you to pass them quickly because nothing is more important than returning Alabamians to the workforce and restoring their hope and their economic security.

The first proposal is a \$1,500 tax credit to jumpstart new jobs. A proposal that an independent economist projects will create 6,000 new jobs!

This idea is becoming a national model to get people back to work. At least one other state is using our same proposal to help in its economic recovery. And the President recently announced he is proposing this idea also. If others around the country are realizing tax incentives do work to create jobs, then Alabama should be leading this effort, not falling behind.

The second part of our recovery plan is a tax credit for new jobs in counties with the highest unemployment: a \$1,500 incentive for each new job created to stimulate growth where jobs are needed the most, like the Black Belt and other rural counties.

These proposals will create jobs immediately, not next year or in five or 10 years from now, but right now. Right now, when jobs are needed the most and where they are needed most.

All of us know working families are the very heart of our state, the heart of our economy. They need this help – and they need it now!

But our efforts to generate jobs and help our citizens during these difficult times don't start and end with just these ideas.

At career centers across the state, we're helping displaced workers learn new job skills, re-train for high-tech jobs and qualify for jobs that are ready to be filled. We've awarded millions in economic stimulus funds to help create jobs in the construction industry.

And, of course, we'll never stop aggressively pursuing new jobs and helping existing industries to expand. During the last seven years, work done by the Alabama Development Office and our local partners has resulted in 143,000 announced new jobs. Even now during this recession, we've continued to see successes:

100 new jobs in the Shoals with Wise Alloys

200 with INZI Controls in Elba

240 at the Toyota engine plant in Huntsville

300 with SurModics in Birmingham

1,000 new jobs coming to Mercedes

3,600 at Kia supplier plants across the state

5,800 coming to south Alabama with HK Motors

And 10,000 new jobs arriving here on schedule because of our incredible success with BRAC.

We're doing a lot as a state to help struggling families during this recession and to help our economy. But we also must protect our economy by standing strong against threats to it. Threats like onerous, big-government, unfunded mandates imposed on us by Congress. I urge each one of you to use your voices, loudly and strongly, every time Congress proposes some grand scheme that ultimately places another heavy and unaffordable burden on the states.

We can't control what Congress does, but there is one threat to our economy that members of this Legislature can control, and that's whether to legalize slot machines in Alabama. I can't imagine anyone who thinks the best way to help our economy is to have Alabamians lose billions of dollars gambling! But, that's precisely what the gambling interests want you to believe. In one Alabama county where these illegal casinos operated, court testimony revealed that people were losing two billion dollars every year. Two billion dollars from one single county. This is not money spent in the community at local businesses where it would sustain jobs and help the local economy. No, this money is taken out of that county and sent to out-of-state slot machine makers and gambling bosses. Just imagine how many billions more will be taken out of the pockets of Alabamians if you vote to make it legal. Talk about a rip off!

So, let's understand that any scheme that will legalize slot machines under the pretext of generating new revenue is the biggest hustle in Alabama's history.

Yet, here we go again. Another legislative session is starting and you know what that means. Millions of dollars are going to be spent trying to pressure you into making slot machines legal for the first time in the history of our state.

Of course, they don't call it that. They call it bingo. But you weren't born yesterday and neither was I. This is nothing like bingo. These are slot machines pure and simple, and they are illegal for a reason: they are illegal because they're bad for our families, they're bad for taxpayers and they're bad for Alabama.

The devastating social costs of gambling – increased crime, addictions, domestic violence, bankruptcies, suicides, family breakdown and much more – are undeniable and well documented by the National Gambling Impact Commission. Now I ask you: who ultimately pays for all these problems? The casino operators? Not a chance. They're making money hand over fist off this misery. It's the taxpayers who are the ultimate losers. In states with casinos, for every one dollar casinos contribute in taxes, they cost taxpayers at least three dollars in additional government services to deal with the devastation the casinos leave behind.

They say those who don't remember history are doomed to repeat it. Alabama has seen this before. How can we so soon forget the lessons that Phenix City taught us? Someone who has not forgotten – and will never forget – is Governor John Patterson. If there is one person who knows the lawlessness and corruption that gambling brings, it is him. Listen to his warning, which was in the newspaper last week. He said: "Gambling brings the bad people to town and brings out the bad in good people. There's nothing about it that's good."

Ladies and gentlemen, heed his warning. If you vote to let this happen, you'll be swimming in a pool that has more sharks than all the oceans of the world.

Every one of us in this room knows that slot machines are illegal under Alabama law, no matter whether you call it electronic bingo or anything else. Yet, despite the clarity of that law and the clarity of the court decisions, we have today slot machine casinos being operated in some areas of this state, abetted by officials who are willing to ignore the law. Ladies and gentlemen, if we are to fulfill our oaths to ensure that the laws are followed, how can we permit this flagrant and rampant violation of the law to go on? Men and women of principle must act now -- and act decisively -- to ensure that the rule of law is not some hollow standard that is cast aside whenever people with enough money and enough influence decide that the law does not apply to them.

I took an oath to uphold the laws of Alabama. And as long as I am governor, I will never go back on that oath. All of you took that oath, too. Tonight, all of us must reaffirm our commitment to the rule of law.

If you really do want to bring more education dollars into our state, then join me in fighting to allow public charter schools in Alabama! As State Superintendent Dr. Morton has said -- this is Alabama's best hope of winning more than \$200 million for schools all across our state. 200 million! But to make sure Alabama can compete for these education dollars, I call on this Legislature to pass a charter school bill during this session.

Let's have an honest debate about charter schools, not one dominated by fear-mongering from the defenders of the status quo.

They will tell you charter schools will lead to re-segregation. That's absurd. It's not true and they know it. Charter schools are open to all students. Racial discrimination is absolutely prohibited.

They will tell you that charter schools take money away from public schools. But what they won't tell you is charter schools are public schools. And funding for public schools is based on enrollment so dollars follow the students, just as they do now. That will not change.

So if anyone says charter schools will take money away from public schools -- they're not telling you the truth. The truth is, with a charter school law, we can get increased funding for public schools. For the first time, Alabama will be eligible for charter school grants. And the federal funds we're competing for won't be just for charter schools. They can be used to expand the education reforms that are making such a huge difference in our state.

During the last seven years, we've all worked hard to invest in these reforms because they have a proven track record of success. Today, Alabama is the first state in the nation to have video and web-based distance learning in ALL its high schools thanks to the investments we've made in ACCESS. Almost half our schools now have AMSTI and test scores in those schools continue to rise. First Class is ranked as the highest quality pre-K program in the United States. And because we put the Alabama Reading Initiative

in every kindergarten through third grade classroom, today Alabama leads the nation in gains in fourth-grade reading!

So it's not just football where the state of Alabama is number one anymore. And let me take a moment now to congratulate the University of Alabama, the coaches, the players and their families for winning the national championship! And for being such great representatives for the state of Alabama!

Yes, we compete on the national level in both football and education. But let me ask you: would it have been fair if Alabama had to get 12 yards to make a first down and Texas only had to get 10? Of course not. Yet because we don't have charter schools, that's exactly the position we're in. We don't get to compete for these education dollars on a level playing field and that does nothing but hurt our students.

This is truly one of those moments in our history that compels us to push open the door of opportunity—for the sake of our children and our schools. Get charter schools on the floor for debate. Don't kill it in committee. Let every lawmaker have a vote -- yes or no. It will either succeed or fail. But if we don't try, then our failure is guaranteed. None of us -- no parent, no teacher, no student -- should allow failure to ever be inevitable.

For years, the Legislature has failed to pass ethics reform. During the last election both parties promised to ban PAC-to-PAC transfers; eliminate hidden pork projects; and disclose what lobbyists spend on appointed or elected officials. Not one of these promises has been kept. Not one.

How many times have we said that when it comes economic development, there are no party lines. We have worked together and that's one reason why Alabama has been so successful in recruiting new jobs to our state. So why can't we work together when it comes to ethics reform? We should, because accountability isn't a partisan issue.

You know, whatever our differences may be -- each of us has been sent by the people, to serve the people and represent the people.

And so, tonight, I ask the majority party -- the party that controls the agenda, that controls the committees -- to work with me and your Republican colleagues to keep these promises.

Every year I've stood in this very spot to ask you, to urge you to pass these and other major reforms. Reforms that will make government even more accountable and more transparent. Reforms that put limits on gifts. Full disclosure of potential conflicts of interests. Subpoena power for the Ethics Commission. These are all long-overdue changes that will make state government and each one of us more accountable.

Yet each year, there's nothing but excuses as to why it doesn't pass or is even brought up for a vote.

The people deserve action, not excuses. So I ask my friends in the majority to stop making excuses, stop playing political games, and let these reforms come up for a vote.

Ladies and gentlemen, what are you waiting for? All I'm asking is for you to do what you promised. Because each of us is only as good as our word.

And one more thing about promises: I believe this state made a commitment to families who enrolled in our pre-paid tuition program. Let's work together during this session to make sure we keep our promise to them.

You see, I told you we'd have a full agenda. Because when it comes to our economy, our schools and the ethical standing of government we cannot accept the status quo, we cannot ignore the challenges, pat ourselves on the back and say, "We've done enough." We must take bold steps and do what's right for the future of Alabama.

Alabama is a strong state with great people and a great future. We believe in all Alabama has to offer and all it can be or else none of us would be here tonight. And we should love Alabama so much that we never accept anything less. But to make that happen, we're all going to have to pull together like never before. We have come so far, but we're not done yet. And if we commit ourselves to lifting Alabama up, if we commit to using our time, our energy and our prayers for the good of this state, there really is no limit to what we can become and will become.

Seldom has history offered us a greater opportunity to help our people and our state. This is a pivotal moment for Alabama and for each one of us. Let us cast off partisan blinders, come together and make sure the light of that new day we promised for Alabama shines now and for generations to come.

Thank you all. God bless you and God bless Alabama.