

My fellow Hoosiers.

It's an honor to once again discuss with you this evening the state of our state and the work before us to make life better for all Hoosiers.

This annual update will be unlike any other.

For tonight, I stand before you in a studio with nothing in between me and you.

We're not surrounded by all the grandeur inside the State House of Representatives Chamber or before a packed house of legislative leaders and guests who have all contributed so much to the well-being of our great state.

Rather, we are here, and not there, because we are living in a time when practicing "safety first" has never been more important.

So much of our daily lives this past year has been different:

- The way we interact with family and friends.
- The way, the when, the where, and the how we work.
- How we go to school.
- How we enjoy our leisure.
- How we deal with the grip and grief of loneliness and loss, including the 9,000 Hoosiers who have died of COVID-19 over just the last 10 months.
- And how we process our sense that our country itself is not immune from the type of turmoil that afflicts so many other national capitols.

It's impossible to calculate the far reaching ripple effect of the personal and community loss of lives and livelihoods, but it is reason for us all to pause in a moment of silence – in prayer, if so inclined – for each and every one of these beloved souls.

Will you please join me?

Thank you.

Let me also offer our state's profound gratitude to our healthcare professionals who, day-after-day, hour-after-hour, have taken care of those afflicted with this virus, and to our law enforcement officials who put their lives on the line every day to serve, save, and protect our streets, and to our churches, synagogues, and mosques, for spiritual guidance, so that we can carry on with our lives without a far worse disruption.

And yet through it all, Hoosiers have risen to meet these unprecedented challenges, realizing much more work is to be done in this historic moment of opportunity.

Ladies and gentlemen, because of you, the state of our state is resilient and growing.

Our foundation has held strong.

I don't know how many other states in America have a Triple-A credit rating and are expected to finish the year with over \$2 billion in reserves, and that experienced an all-time record year of new job commitments last year during a global pandemic, like Indiana did, but it can't be many.

And, because of the strong position we were in pre-pandemic and the immediate, aggressive, and targeted COVID-19 responses throughout, I was able to include in my two-year state budget proposal that Indiana is now in the position to:

- Restore many agency budgets.
- Increase K-12 funding by \$377 million.
- Restore higher education funding by \$103 million and increase it in each of the next two years.
- Make new investments in our state parks and in our Indiana State Fairgrounds that serves all 92 counties.
- Build a new state police lab and Indiana National Guard Armory along with improvements to two others.

- And, we're in a position to pay down \$400 million on our biggest teacher pension debt, that in turn gives us more budget flexibility.
- Same is true for paying off the outstanding bonds on I-69 and mortgages on three state hospitals.

Ladies and gentlemen, coming off 2020, I'm convinced 2021 can be the best ever. So, the central question before us all is, how can we seize this day?

Thankfully, in Indiana, our capabilities will be aided by our momentum for sure, but we must not slow down.

In fact, we must accelerate, and "go-go-go!"

That starts with keeping our focus on the health and wealth of our people, no matter what phase of life or pathway they are on.

I'm so proud of our state department of health and the way they and our local partners have rolled out the "Our Shot Hoosiers" vaccination plan.

We've already scheduled or administered nearly 120,000 vaccinations to our 80 year and older population and over 215,000 Hoosiers in the 70 to 79 age group.

Oscar Wilde once said, "With age comes wisdom, but sometimes age comes alone." Once again, Hoosier seniors are showing the smart onward and upward way to help, in part because they are tired of being alone.

In addition, we've scheduled over 250,000 healthcare and frontline workers.

And when you're eligible for your vaccination appointment, it's as easy as calling 2-1-1 or logging on to ourshot.IN.gov, just like more than 600,000 of your neighbors already have.

We know that older age itself puts one in the most at-risk category of dying and being hospitalized from COVID-19, and our seniors are getting vaccinated, and that's not only the key to getting their lives back, but ultimately our state's full physical and fiscal recovery as well.

Speaking of our elders, we're also working to ensure they can choose to age in an environment that best suits them, be it at home or in the comforts of a quality long-term-care facility.

We know some 75% of people over 50 prefer to age in their own homes, yet only 45% of Hoosiers who qualify for Medicaid do and must navigate a complex system of care to do so.

Now is the time to put this effort in place, including a managed care system similar to the ones 25 other states are using to integrate care across the entire spectrum to make it easier for families to navigate and drive outcomes in a transparent and accountable way.

And for our eligible Hoosiers, we're fortunate that our Healthy Indiana Plan recently received a 10-year federal waiver to cover the 600,000 Hoosiers who are active participants in improving their health outcomes.

I'm also so proud of the dramatic progress we've made in our state infant mortality rate.

Last January, we launched our "My-Healthy-Baby" Program that connects pregnant women with personalized guidance and support during pregnancy and after the baby's birth.

We focused on our highest risk areas with a goal to serve 20 counties across our state by the end of last year. We surpassed that goal and are seeing encouraging, continuing results.

Indiana's infant mortality rate has now declined for three years in a row and stands at the lowest it's ever been in recorded state history, dating back to 1900.

It's working, and we need to do more of it.

That's why we'll expand to 25 more counties this year, and by 2023 we'll make the program available to every Hoosier mom insured by Medicaid.

I'm also pleased to report that since 2017:

- The total number of Department of Child Services cases has decreased by over 30%.

- The rate of children entering care has decreased by nearly 34%.
- And turnover at the agency has decreased by 30%.

I was so heartened to see that last year, Indiana was recognized as being the No. 1 state in the nation for increased adoptions from foster care.

Now, we all know, getting off to a great start in life in large part depends on your home and your education.

That's why I was so insistent to protect 100% of K-12 funding during the current school year, even though we had to slash other important state agency budgets to do so.

We know our parents, students, teachers, principals, and superintendents are facing so many new challenges in the way we instruct.

Sick days have become replaced with words like “quarantined, virtual and hybrid.”

To me, again, this shows our resilience and perseverance.

But we all know there is learning loss to make up, and we will, because we must.

That means some temporary changes may turn into permanent options and choices for parents.

Parents not only deserve to have options about where they send their child to be educated – after-all, they pay for it – but at the same time, those options shouldn't come at the expense of the public school system, which educates 90% of Hoosier children.

In fact, in my budget, I've already mentioned the 377 million new dollars proposed to increase school budgets.

Plus, schools also are expected to receive hundreds of millions of dollars in additional pandemic federal aid.

And, the Teacher Compensation Commission Report identified 37 different state and local ideas to reduce costs and increase revenues for our public schools, and we should examine them closely to put more funds into teachers' pockets.

When, not "if" – when we do this, we will be one of the best in the Midwest for teacher pay, and we'll be better able to attract and retain teacher talent, including attracting more minority candidates.

Equally important, we must also continue to drive progress toward preparing our students and our workforce for the career opportunities that are there waiting to be filled right now.

If you're wondering where these jobs are, all 110,000 currently unfilled jobs in Indiana can be found at indianacareerconnect.com. Again, that's indianacareerconnect.com.

I checked myself this morning, and it's an easy process to find what jobs are near you.

And to broaden your options and choice in careers, we'll continue our emphasis on helping all Hoosiers – whether you're 15 or 50 – obtain the post-secondary educations that are so needed to be ready to step into today's job market. Our colleges and universities are key to our future success of being a state of lifelong learners.

The "Workforce Ready" and "Employer Grant" Programs we put in place are making a huge difference for Hoosiers, moving more of them into higher-paying jobs and increasing the number of people achieving a post-secondary education.

We've strategically put an emphasis on increasing minority participation in these programs, and we're seeing positive results. Lives are being transformed.

It's working, and we need to do more of it.

In 2020, we devoted some \$75 million from the CARES Act into our workforce development programs.

That's on top of the \$40 million targeted to the programs in our state budget, and it's paying off.

Since we started the Workforce Ready Grant in 2017, more than 40,000 Hoosiers have enrolled and more than 20,000 of them have earned some kind of credit.

Those who did earned a median wage gain of \$6,800.

And since 2017, more than 26,000 Hoosiers have been trained at over 1,800 participating employers around the state to take part in our “Employer Training Grant Program,” with an average wage gain of nearly \$6,000 annually.

These programs are going a long way to helping us as a state reach our goal of at least 60% of Hoosiers with a quality credential by 2025, becoming known as the state in the Midwest for a skilled-up and ready workforce to grow and go, when employers are looking to do the same.

The other thing we need to own the future is a 21st Century infrastructure platform.

I made infrastructure a priority four years ago because of the need to have strong connections with each other and the world.

Whether via concrete or cable, we know these connections translate into greater opportunities for our citizens and our businesses in every Hoosier town, big or small.

So, I was delighted when CNBC ranked Indiana the best state infrastructure in the nation, but we must not rest on our laurels.

That means we’ll complete I-69, the longest new interstate project in the country, from Evansville to Indy, three years ahead of schedule and paid for, and we’ll move toward the construction of a new I-69 bridge over the Ohio River, as well as pursue plans for future upgrades to US 30 and 31 up north, as an example.

And, let me just say, Indiana’s roads are safer than ever.

Our new hands-free law led to a 12% reduction in collisions in 2020 compared to 2019. That’s 422 fewer collisions, which means fewer lives lost, fewer injuries, and fewer expenses for Hoosiers.

But Indiana’s not only the Crossroads of America. We’re also the Cross Rails of America.

We're steaming ahead with two of our country's biggest public transit rail projects, with well over a billion dollars invested up in Northwest Indiana on the West Lake Corridor Expansion & double tracking the South Shore Line Rail projects.

And from old abandoned trails converted into new hiking and biking trails, we're well on our way to building one of the most trail-friendly states in America, which is the kind of amenity that keeps people coming to explore Indiana.

That's why we're re-starting our \$90 million state investment in community trails in every corner of the state to move us toward an even more interconnected system.

The timing is perfect, as 2020 saw more than two million additional visits to our state parks.

Moreover, Indiana has more than four times the timberland acreage than we did 100 years ago, and we're adding to that by planting one million new trees – natural scrubbers – at or near our parks over the next five years.

As more people blaze a trail to Indiana, we also need a comprehensive overview of our state's housing supply and needs on a county-by-county basis.

Lieutenant Governor Crouch and our state housing agency will develop and maintain an interactive, online database to ensure that real-time, consistent information about Indiana's housing and its market is available.

It will be used by developers and builders, employers, local and state government officials, and service providers who serve specific populations to help determine where the needs and gaps exist and how we can then address them.

One thing we all know the pandemic has made clear: Broadband connectivity is an essential tool for students.

We've distributed \$61 million to K-12 schools and higher education institutions to improve remote learning during the pandemic.

But connectivity is just as essential for workers, entrepreneurs, and farmers.

Our Next Level Broadband program to date will provide access to more than 21,000 homes and businesses, including health clinics, fire departments and police stations.

The additional \$100 million I'm requesting will enable us to continue making progress, bringing improved speed to all corners of our state for all Hoosiers.

Along with a skilled workforce and connectivity, businesses crave an ecosystem that provides consistency, stability, and predictability.

That's why they're so appreciative of our low taxes, common-sense regulations, and how Indiana's become a beacon of certainty.

Over the past four years, we've attracted over 120,000 new job commitments, with more than \$28 billion of capital investment.

In 2020 alone – despite the pandemic – we attracted over 31,000 new job commitments with average pay of more than \$28 an hour.

These 2020 numbers represent an all-time record for new job commitments and the second-highest annual record for average wages since the IEDC was first established.

And these businesses cross every sector and position us not just for today, but also for tomorrow.

Wayne Gretzky, who began his professional hockey career with the Indianapolis Racers, said a champion needs to “skate to where the puck is going to be – not where it has been,” and that's what we're doing to build Indiana for today and tomorrow.

We rank third in the nation in the concentration of the industries of the future, including life sciences, aerospace, healthcare, defense, ag-bioscience, cyber, orthopedics, and advanced manufacturing, according to a study by the Brookings Institute.

And as I've already mentioned, there's so much more to our story than just being a great place for business.

We also offer a great quality of life and place.

That's why, over the past four years, as citizens have been fleeing states like Illinois, New York, and California, they've been flocking to states like Indiana.

Since 2017, more than 125,000 new residents have come to call Indiana home, and our Hoosier hospitality mat is out to attract more.

Through our INVETS initiative, we're deploying creative ways to recruit veterans and service members who are concluding their military service to enroll in Indiana training opportunities and become public safety officers and first responders throughout our state.

Toward this end, I frequently talk about our collective goal to make Indiana a great place to live, work, play, study, and stay.

Tonight, I'm pleased to tell you that should our positive financial position continue through the end of this fiscal year, we will begin to invest new dollars into a new Next Level Regional Recovery program.

The IEDC will work with regions that collaborate to develop strategies designed to improve quality of place, advance industry sector development, and grow workforce development initiatives among regions, educators, employers, and our state's workforce.

We are just at the beginning of developing this initiative and will work with members of the General Assembly and our mayors, our county elected officials, economic development officials, and other stakeholders, so we're ready to rock and roll when we have the green light.

We're also committed to retaining the workforce we already have, which means protecting the health of future mothers on the job.

Women make up approximately half of Indiana's workforce and should expect reasonable accommodations at their workplace, which often comes at little or no cost to an employer.

This is why I've come back to the legislature again to ask them to make Indiana the 31st state to pass a pregnancy accommodations bill.

Many employers already do this on their own.

So, let's get this done for the well-being and security of Indiana's current and future working mothers.

Finally, just as we expect options and choices in our personal lives, state government itself, must be a leader on this front, as well.

With an eye to where we want to be in the next 40 years – not just the next four – we'll continue to take steps that modernize the ways your state government becomes more effective and efficient – more touch-less, 24-7, and virtual so that you can interact with it when and where you want.

That also means we'll be more transparent and continue to improve state services.

We'll get our state police officers outfitted with body cameras.

We'll get our diversity data dashboard up and running, as well as completing and sharing the outside review of our state's law enforcement academy and agencies.

We'll get our state's first-ever Cabinet-level Chief Equity, Inclusion, and Opportunity Officer to improve and report on diversity outcomes across state government.

We'll usher in more telehealth capabilities so we can make permanent many services that people have been receiving from home during the pandemic. Not surprising, many of them are for mental health issues.

We'll seek to expand our manufacturing readiness grants to enable companies to continue modernizing their operations and keep our status as the No. 1 manufacturing state in the nation, per capita.

We'll provide our businesses and schools with COVID liability protections, so they don't have to live and work in fear of frivolous lawsuits.

And for all the sectors that are surging like RV and boat production and single-family home building permits, we know COVID-19 has devastated other parts of our economy and people.

We've experienced what's called a "K-shaped" recovery – meaning while many Hoosiers have continued to do well during the pandemic, others have been hit hard.

Our restaurants, airlines, hotels, and leisure industries – and many Hoosiers who work in them – have taken it on the chin.

That’s why our Indiana Economic Development Corporation will continue to build and allocate targeted grant recovery resources so these businesses can build bridges to the other side of these tough times.

Ladies and gentlemen, I began tonight by saying this has been a year unlike any other.

The pandemic has pulled forward many trends that were already well underway, and this plays to Indiana’s strengths.

Our decisions, our discipline now enable us to do things that many other states won’t be able to do for years to come.

We’re lucky to have been chosen to lead at this moment, and I will say it once again.

For Indiana, the future is now, and the world continues to hear Indiana’s engines roar.

That’s why I’m more excited than ever to work together to build a state of opportunity for all Hoosiers.

Thank you, and may God continue to bless us and our great state.