

## 01.16.13 State of the Commonwealth Address

AS DELIVERED:

Governor Deval L. Patrick

State of the Commonwealth Address

House Chamber, State House, Boston, MA

Wednesday, January 16, 2013

To Lieutenant Governor Murray, fellow Constitutional Officers and members of the Governor's Council, Madame President and Members of the Senate, Mr. Speaker and Members of the House, Members of the Honorable Court, Members of the Congressional Delegation, Municipal and other Elected Officials, Members of the Cabinet and Administration, Reverend Clergy, and, most especially, Fellow Citizens of Massachusetts.

Good evening and Happy New Year.

Please join me in welcoming our extraordinary First Lady, Diane Patrick. Diane, I thank you for your unsung service and for putting up with me.

Before I begin, I want to ask us all to pause and to reflect quietly on the necessary sacrifice of our men and women in uniform here and abroad, and the unnecessary sacrifice of those poor first graders in Newtown, Connecticut, and all those lost to gun violence in our own neighborhoods here at home. Thank you.

I spent some time yesterday at the Orchard Gardens School in Roxbury. I've talked about this school before. Whenever I visit Orchard Gardens or any of the many other extraordinary schools in the Commonwealth, I wonder whether people in public service should make such visits a daily requirement. The energy, the optimism, the hopefulness provide both fuel and focus for our work. Yesterday, I listened to kindergarteners, second-graders and middle-schoolers read essays on "What I want to be when I grow up." They want to be engineers and firefighters, to work in clean tech and go to law school. Adriana, an unimaginably poised second grader, told me her dream was to be a teacher. Every one of them is thinking about college.

I was the first person in my family to go to college, as I know is true of many of you here. I grew up with grandparents who were educated only as far as the third grade and a mother who had dropped out of high school. My big break came through a scholarship to Milton Academy when I was 14. And while (thankfully) no one ever told me college was not for me, Milton was the first environment I was ever in where college was a normal expectation.

I applied to five colleges back then. When the letter arrived saying I was admitted to the one I really wanted, I called home with the news and my grandmother answered the phone. I'll never forget it.

"Gram," I said. "I'm going to college. I'm going to Harvard."

She started yelling and screaming, so excited and so proud, and then she paused and she asked, "Now, where is that anyway?"

I was totally deflated. But gradually I came to realize that it was not the prestige my grandmother was excited about. It was the opportunity. It was the chance. That's what mattered.

That is always what matters -- maybe especially here. For pilgrims seeking to worship freely, for slaves seeking freedom, for immigrants seeking a better way, for your mothers and fathers and grandmothers and grandfathers seeking a toehold in the middle class, Massachusetts has beckoned seekers as a land of opportunity.

Everybody in this Chamber gets that. In many, many encounters I've had over the last 6 years, with the members of the Legislature, whatever your politics, you are your most joyful when you bring a 3<sup>rd</sup> grade class or a high school championship team for a meeting or a picture. You respond to seekers, just as I do. It's because you see their craving for opportunity, and you know that opportunity is at the core of the American Dream itself. From good jobs to good schools to good communities, creating opportunity is at the center of our best work.

Opportunity is too important to leave to chance. Opportunity requires growth. And growth requires investment. It's just as true of government as in any business. The economy is not like the weather; it is not some natural force that is beyond our control, something where we have to wait for others to predict or explain to us. What we choose to do, and not do, shapes our future. Indeed, as one friend of mine likes to say, "The future belongs to those who prepare for it."

That is why we invest in education, in innovation and in infrastructure.

We invest in education because well-prepared young minds and mid-career talent is our global calling card and our economic edge.

We invest in innovation because, with a workforce like ours, enabling and encouraging new ideas is the best way to take advantage of the knowledge explosion happening in the world economy today.

We invest in infrastructure because rebuilding our roads, rails, bridges, expanding broadband to every community, building new classrooms and labs and more

affordable housing gives private initiative and personal ambition the platform for growth.

Education, innovation, infrastructure. It's a strategy proven through history. And it's working for us today.

That's why we lead the nation in economic competitiveness, in entrepreneurialism, in student achievement, health care coverage, life sciences and biotech, veterans' services, and energy efficiency. That's why the state's structural deficit is gone and why we have achieved the highest credit ratings in our history. That's why, with further still to go, to be sure, we have emerged from recession faster than most other states and stronger than we were before.

To prepare for the future, we invest in ourselves. And we have done so, during the worst economic downturn in living memory, largely by re-shaping government. By reforming the transportation bureaucracy and shutting down the Turnpike Authority, by controlling health care costs, by introducing new accountability and flexibility to our schools, by ending abuse in the pension system, by reforming municipal health care, by eliminating some 6,000 positions in state government, by working with our unions to gain concessions, by constantly seeking better ways to deliver services with fewer resources, we have together saved the Commonwealth over 11 billion dollars so far, which in turn has enabled us to invest in education, innovation and infrastructure -- and to grow opportunity.

There is always more to do. Only this past week, we proposed to reform the retiree health benefits plan and consolidate 240 local housing authorities into just 6 regional ones. With help of business and advocacy groups, we are systematically combing through state regulations, discarding what we can and should and modernizing what remains. We proposed to eliminate unnecessary and duplicative fees on business, to close loopholes in our unemployment insurance system, and to strengthen the oversight of the compounding pharmacy industry.

Only this morning we re-filed several gun safety measures to help stop tragedies like Newtown or the recent shooting of a thirteen-year old boy in Roxbury on his way to choir practice.

So, yes, there is more to do. The truth is, that in any successful organization, public or private, the work of self-government, excuse me, self-improvement is never finished. I am proud of the fact that, working with the House and Senate, no administration has ever delivered more sweeping reform of state government than ours has. We have our new proposals. There are many others before you now. Let's continue this work together.

But as important as reforms are and will continue to be, they are not enough. If we want to accelerate growth and expand opportunity throughout the Commonwealth, we have to invest more.

Now, hear me clearly. Government is no substitute for the private sector. Nothing can replace private initiative and personal ambition. Business, not government, creates jobs. But government has a role to play in helping our citizens help themselves. That's why we invest and why investing in education and infrastructure -- together, through government -- is so important to generating private sector growth. But in our schools and in transportation, there is unfinished work.

After twenty years of education reform, our students are at the top of the nation in student achievement and at the top of the world in math and science. Teachers have more support and flexibility to respond to students' individual needs, and standards and accountability are high.

But achievement gaps persist. And they will until we go deeper.

Every educator knows that reading proficiency by the Third Grade determines future academic success. Because achievement gaps begin to form in the early years. And yet today in Massachusetts, only 61 percent of all 3rd graders are proficient in English Language Arts. For African Americans, the number is 38 percent; for Hispanics, 36 percent. Toddlers, infants, other preschoolers, 300,000 of them are on the waitlist for early education opportunities.

Let's ensure that every child in Massachusetts has access to high quality early education. We know from educators, from academic research, from years of public policy, and from our own experience as parents, that investing in our children at a young age pays huge dividends for them and for our community as a whole.

Let's once again fund K-12 education higher than we did last year. Our lead in education is too important to lose. Our competitor states and competitor countries are not slowing down -- neither should we. And as we do, let's focus resources where poverty is too often concentrated, and ensure that every middle school child in every Gateway City has a longer school day, filled with enrichment programs, service learning, art, exercise and music.

And let's do more to make a college education affordable. Looking at those students at the Orchard Gardens school, thinking about where they want to go - you could hardly contain the promise and potential in that room. And why would we want to? Somewhere in that room or room like it is the person who is going to cure cancer; or take us to Mars; or invent the next iPad. Somewhere in that room or one like it is the nurse who is going to care for us; the craftsman who is going to rebuild the skyline of our cities; the musician who is going to draw thousands to concerts; the teacher, like little Adriana wants to be, who is going to inspire another child. We have made great, great strides in higher education, and I am especially proud of our community college reforms last year. Now let's take the next step by raising our investment in public colleges and universities, and reinvigorating the MassGrants scholarship program.

We have unmet needs in our transportation system, too. And everybody knows it. Let's give our citizens a 21<sup>st</sup> Century transportation network. Just for a minute, imagine it.

Imagine if you could depend on a bus or subway that came on time, was safe and comfortable and ran until a student at UMass Boston or a worker in a downtown tower finished up at 1:00 or 2:00 in the morning. Imagine if a young innovator in the Seaport District could get a fast train to an affordable apartment in New Bedford at the end of the day or the family in New Bedford had access to the work and social opportunities here in Boston. Imagine if the Green Line ran to Medford and the commuter rail ran to Springfield and the Housatonic line was reopened between Pittsfield and New York. Imagine if you could drive at highway speeds the whole length of the Pike and let technology collect your tolls. Imagine that the interchanges on 128 in Canton and Woburn were smoothed out and you didn't have to add 45 minutes to your rush-hour commute just to get through the bottlenecks.

Our citizens do not want less transportation. They want more. They do not want us to spend more on the same old thing or just move money around from one idea to the next. They want us to invest in a disciplined and strategic way in the things that improve the quality of their lives and grow their opportunities. This past Monday, the Department of Transportation showed us how, what we need to properly operate the system we have and to add those few additional projects that unlock growth and opportunity in long-neglected parts of our Commonwealth. Just as in education, the transportation plan shows specific needs we all knew were unmet. And just as in education, meeting those needs demands new revenue.

Now, there is no good time to raise taxes. This is the point I knew in this speech when silence would fall over the hall. I know just as clearly as possible how tough the times have been on the people and families of the Commonwealth. And though the worst of the Recession is over, many, many families still face tough decisions and have deep anxiety about the future. I would not ask if I did not believe in my heart that investing meaningfully today in education and transportation will significantly improve our economic tomorrows.

Because we all have a stake in that future, we should all contribute to paying for it. For me, any new revenue must meet three key principles.

First, it must be comprehensive. We have to pay the bills we have accrued, already over a decade, and we have to fix and modernize what's broken and old, and we have to invest in ways that unlock our economic potential. In transportation, we can no longer tell regions of the state, like the South Coast or Western Mass., to wait to share in the state's prosperity. And in education, in education we can no longer keep choosing some 4<sup>th</sup> graders over other 4<sup>th</sup> graders to get their chance to succeed. So first comprehensive.

Second, in transportation in particular, new funding must be dedicated. We need disciplined, sustained investments in specific service improvements and expansion projects over time, without the risk that funds will be diverted to the next good idea. And we need to be able to show the people of Massachusetts that their money is targeting specific results.

Third, the sources of new revenue must remain competitive. Right now, our overall tax rates are comparable to our neighbor states and the states with which we compete. We need to sustain that balance, and also assure a sharing of the load within the Commonwealth that is fair.

With those principles in mind, I propose to restructure our tax system by placing a greater reliance on the income tax and less reliance on the sales tax.

In my budget I will propose that we cut the sales tax from the current rate of 6.25 percent to 4.5 percent and dedicate all of the proceeds to a public works fund. That fund will support the transportation plan I have laid out -- both our existing responsibilities and the necessary expansion projects -- as well as the school building fund and other public infrastructure. Under my plan, sales tax proceeds would be off limits for any other purpose.

To support our education initiatives, my budget will propose that we increase the income tax by 1 percent -- age point -- to 6.25 percent. To make that increase fair to all according to their ability to pay, I will propose that we double the personal exemptions for every taxpayer and eliminate a number of itemized deductions. Making those changes gives us a tax code that is simpler and fairer.

And let me add that with these changes our sales, income and business taxes will be comparable to and competitive with other states in the region and beyond with which we compete.

This is what I will propose. There will be debate. I encourage it. Every one of us here has to think twice before asking people who already feel strapped to contribute a little more. But this time, instead of sinking into the same old slogans, let's have a serious, respectful, fact-based debate. The people we work for want the schools I have described; they want the rail and road services we have laid out; and above all they want the opportunity and growth these investments will bring us. We, on their behalf, have choices to make. I choose growth.

There is a custom that every governor hangs the portrait of a previous governor over the fireplace in the Governor's Office. I chose the portrait of Governor John Andrew, who came to office just before the outbreak of the civil war and who, among other things, gave freed black men their first opportunity to serve this country as soldiers. It was not a popular thing for Governor Andrew to do, or for legislators then to support, but it showed political courage. And that act of courage meant something to those men, to future generations, to this Nation as a whole.

I am rounding the turn on the last two years I will sit in that office. I will trouble you only once more with this annual call to action. As I consider our work together over the last 6 years, I think most governors must wonder when they round this turn "What will last?" I submit to you that if we act in this bold way, if we recommit to support our schools and our highways and byways, and do it for every corner of our Commonwealth, not only will we have done something meaningful for today, but we will have affirmed our commitment to opportunity itself.

I look forward to working with you.

Thank you all. God bless you. And God bless the Commonwealth of Massachusetts.