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Mr. Speaker, Mr. President, Madam Chief Justice, Lieutenant Governor, members of the General Assembly, and my fellow Hoosiers. It is indeed my privilege to report to you again for the eighth time on the state of our beloved state.

A year ago, I promised you that I would work harder than ever, to continue to improve the prospects for every person that calls Indiana home. Today, I renew to you that same promise until the ultimate conclusion of my assigned duty.

Together, with those in this chamber, we've accomplished a lot.

But there is so much more work ahead.

As a former Navy man, I'm drawn to a motto embraced by Grace Hopper, one of the first female admirals in the United States Navy, and I quote: "A ship in port is safe, but that is not what ships are built for."

In that same spirit, I do not plan to safely stay anchored in port for the next 12 months. After all, standing still, is not what we here in Indiana are built for!

So, to frame up our time here tonight and going forward I'd like to talk about something I call "The Indiana Model," which guides all the work we've been doing together to create lasting, generational change, on the very foundation laid by our pioneering predecessors.

Already, it has enabled us to take Indiana to the "Next Level," as you've heard me call it just a few times. That's because The Indiana Model seeks excellence, rejecting any notion that a Midwestern "vowel state" would be content with mediocrity, and instead takes giant leaps, rather than baby steps.

It hinges on collaboration, among the public, private, and the philanthropic sectors, between our Administration and the legislature, across all levels of government. And it's Hoosier-wide in every way, tossing aside any distinction between Indy and the rest.

Nearly every step forward we've made in the last seven years has followed this "Indiana Model", a remarkable team effort. So, please, give yourselves and all our statewide partners a big round of applause on a job well done!

Now, for any state or organization for that matter to constantly seek to improve, it's imperative to note around you. What's changed, what's changing, and what still needs to change.

So, let's start with "what's changed" in Indiana over the last 7 years.

First, we can finally answer that tired old question that used to be a head-scratcher: “What is Indiana known for?” beyond great stuff like the Indy 500, Larry Bird, and a whole lotta corn?!

Today, the answers abound:

We’re now known for advanced manufacturing, for being a top-10 ag state, a leader in plant, animal, and life sciences, a top convention destination, a logistics and freight hub, a top state in the nation for infrastructure, and we’re a state on the cutting edge of collaborative R&D across artificial intelligence, semiconductors, data centers, hard tech corridors, nuclear medicine and energy, and so much more!

It’s no surprise that Forbes ranked Indiana last year as the #1 state in America to start a business, and we remain one of the lowest cost of living states in the nation!

Since 2017, our GDP has grown by over \$150 billion.

Our private sector employment is up by 200,000 to an all-time high, while our unemployment rolls remain at historic lows.

Our population is growing faster than every state we border.

We paid down \$4.5 billion in debt, returned \$1.5 billion to taxpayers, all while maintaining prudent reserves to keep our AAA state credit rating.

Ladies and Gentlemen, I don’t need to tell you, but I’m proud to, the state of our state is strong! And the rest of the world has taken notice, and wants in on it!

Consider the recognition Indiana received last year when we were one of only three states that “ran the table” to win all three big federal partnerships – a clean hydrogen hub, a micro-electronics hub, and a biotech manufacturing hub.

Each will result in millions in new investment, and thousands of good-high paying jobs, and they position Indiana to benefit disproportionately from America’s renewed focus on defense-related manufacturing and our re-shoring strategy.

You need more evidence?

Consider the jaw-dropping \$28.7 billion in committed capital investment last year, which brought Indiana over \$50 billion in just the last two years through our economic development efforts.

What took us 12 years before, from 2005 through 2016 we did more than that in just the last two years!

That’s called “Indiana Momentum” and we’ve got a lot more coming!

And these new jobs come with all-time high wage levels averaging over \$75,000 a year, much higher than the local and national averages.

And allow me to be the “myth buster” here about where this investment is going. Rural and mixed-rural counties won big, capturing \$18.7 billion in capital commitments and more than 15,000 new jobs over the last two years.

A special thanks to all of you in the General Assembly who recognized the need and provided the Indiana Economic Development Corporation with the tools necessary to allow our entire state to grow alongside local leaders.

We’re proving our communities are able to now define their own destinies!

Another particular bright spot last year was the second investment by StarPlus Energy, the joint venture between Samsung-SDI and Stellantis in Kokomo. Where they’re building two EV battery factories ultimately creating thousands of new jobs along with Samsung-SDI’s similar investment with General Motors, straight up 31 in New Carlisle. All three total over \$9 billion in new investment.

Thank you, Mr. Yun Jae Kim, StarPlus Energy’s newly appointed CEO. We couldn’t be more humbled by the faith and trust your companies have placed in our Indiana Model.

I’m just as proud of Indiana’s long-standing relationships with Japan and Israel, who honor us this evening with their diplomatic presence. Please welcome Consul General Yanagi of Japan, and Consul General Cohen of Israel.

Consul General Yanagi, our hearts are with your people and our friends affected by the recent tragedies in Japan.

And Consul General Cohen, please know we continue to pray for the safety and security of all those living in the Holy Land, and for the prospect of lasting peace.

Back home in Indiana, let’s move on to “what’s changing” for the better.

Businesses and individuals are thriving in Indiana because we operate in a continuous improvement mode.

For starters, we cut our personal income taxes “again” to 3.05%, on the way down to 2.9%.

Military members will no longer pay state taxes on their military income or pensions!

Our state police and law enforcement officials finally got the salary boost they deserve.

And Indiana's Venture Capital Ecosystem, including our force multiplying \$250 million Next Level Fund and Elevate Ventures, ranks among the most active in the Great Lakes region.

And that's why investments in innovation with global reach can be found in every corner of our state.

From Warsaw, where Zimmer Biomet developed a "Smart Knee" Replacement that checks in automatically with your doctor.

To Huntingburg, where OFS is changing the game of furniture manufacturing with the help of German robots.

To Speedway, where the famed Italian company Dallara makes high-tech seats for SpaceX astronauts.

And Ladies and Gentlemen, the positive change continues.

This is the year our graduation rates will continue to go up, and thanks to the historic investments this body has made average teacher pay across the state will reach our salary goal of \$60,000 a year.

This is the year we'll plant our 1 millionth tree on Arbor Day, ahead of schedule.

This is the year we'll continue to put down some 280 miles of trails in all parts of our state making Indiana a recognized national trail leader.

This is the year we finish connecting over 70,000 households and businesses completing \$320 million in Next Level Broadband investment, and that's before we launch an even larger, \$800 million federally backed program for every Hoosier who still lacks fast, affordable internet access.

This is the year (yes, it's finally arriving) when I-69 connects Indianapolis to Evansville. INDOT has led this partnership with our private sector partners, and I am so proud to be approaching the Final Mile of construction after decades of discussion.

This is the year we finish double-tracking the South Shore Line between Gary and Michigan City.

This is the year our old rest stops are converted into true welcome centers.

This is the year we move aggressively on huge capital projects that have been on the drawing board gathering dust for years, including a new prison in Westville, a new Archives Building, new crime labs, a state-of-the-art law enforcement academy, co-locating our world-class blind and deaf schools, and building the first new State Park Lodge since 1939 up at Potato Creek State Park.

And this is the year when our communities start to leverage the second round of READI funding that this assembly made possible. The first round of \$500 million leveraged into \$12.1 billion in public, private and non-profit investment, over \$4 billion in housing infrastructure alone. I'm confident of a similar outcome during this next round.

Actually, based on what I'm about to reveal, I have a feeling we'll far exceed even our most hopeful projections.

Tonight, I'm so proud to announce that the Lilly Endowment will be making the single largest grant award in its 86-year history. \$250 million to support READI 2.0 projects focused on blight reduction, redevelopment, and arts and cultural initiatives throughout the state.

Let me offer a thousand "Thank You's" to Lilly Endowment President Jennett Hill and Clay Robbins for their stewardship of an organization that once again shows why it's such an essential partner in making Indiana the place we all want it to be for generations to come!

Jennett, thank you for being here tonight and every day forward.

Along with READI 2.0, recognizing health is wealth, our Health First Indiana program is the nation's most substantial new commitment to public health, and will further empower Indiana counties to create tailored actions.

By the way, the first \$75 million you all appropriated has just been distributed to the 86 counties that opted in.

And I fully realize there is still a long way to go, but let's acknowledge that we're starting to make progress against drug addiction. You, in this chamber helped to create new tools such as 385% more beds for residential addiction treatment, naloxone distribution, the 9-8-8 Suicide and Crisis Lifeline, and an on-line Treatment Finder for Anyone/Anytime seeking to find recovery. Due to these efforts and others, recent reporting shows statewide drug overdose deaths dropped 5 percent year-over-year!

And a special thanks to Chief Justice Rush and our Judiciary for also making transformational technology and administrative improvements in connection with those we all serve, who are working to restore their lives.

Alongside the key roles that our public and private partners play, it's the everyday citizens who step up to improve the lives of others that are most essential to the flywheel effect of the Indiana Model.

For instance, a few months back, I attended an event at Indiana's War Memorial. A young lady introduced herself and shared an observation that immediately rang

true. The license plate we offer our Gold Star Families didn't really convey the full meaning of the sacrifice these Hoosier families have made.

Lauren Tomkiewicz did not shy away when I asked if she would help us come up with a worthy Gold Star Family Plate. Several months later, thanks to her willingness to collaborate with our Bureau of Motor Vehicles, a much more powerful tribute now exists.

Lauren's everlasting contribution will honor those who gave us their sons and daughters, husbands, and wives, and her feelings could not have been more personal. You see, Lauren lost her husband Matthew in a NATO training accident in 2022.

Lauren and Matthew's mother, Lisa, are here this evening. Ladies, we join you in honoring Matt and too many others who have made his sacrifice. Ladies and Gentlemen, this is what real citizenship looks like!

And, finally, in an attitude of gratitude let's continue to live up to the Indiana Model in the legislative session ahead by addressing what "still needs to change."

Here are a few commitments I believe we must make this year.

We must improve policies around 3rd grade reading to make sure that every child master's this essential skill.

We must prepare our students for a digitally driven world by requiring Computer Science to graduate from high school.

We must work with our public universities to make college more accessible by creating more three-year and associate degree options.

We must expand our childcare workforce to help working moms and dads in Indiana.

We must update the State Disaster Relief Fund to make it easier for local communities to access funds.

And we must build better awareness of our Next Level Jobs programs through a campaign we're calling "One Stop to Start" helping people obtain one of the many high-paying, life-changing jobs available all over Indiana.

I ask for your partnership in making these things happen, because we must never forget how much the work of good governance matters to those who sent us here in the first place!

Ladies and Gentlemen, I'm excited about 2024, convinced that it will shine a light on many other examples of how the Indiana Model is boosting economic outcomes, vaulting our infrastructure to the 21st Century vanguard, and most importantly, improving lives through new opportunities.

And while earthly governance cannot take credit for it, I must mention a 2024 event that will draw even more attention to Indiana when the biggest spotlight of them all, the sun, is turned off for several minutes. So, don't even think of being away from Indiana on April 8 when we're in the direct path of a total solar eclipse!

My friends, a new year brings about reflection and preparation for what's next. I only wish our buddy Henry was here to do it with us.

Term-limited though I am, here are my promises to you, for 2024.

My administration will not be a ship in port.

Instead, we will deploy on multiple fronts until my last day and hour as your governor owning the "Indiana Model".

We will find constructive answers to any unforeseen challenges that arise when we move from ideas to implementation during these times of great transformation.

And I will continue to listen, as I've done for 7 years now to any and all partners who share a love for Indiana and believe in our future.

Indiana's a wonderful place to live, to breathe, to work, to innovate, to raise a family, and it's a wonderful place to help lead.

My fellow Hoosiers, even if I live long enough to need a "Smart Knee" or two. I will regard the privilege of having served as your Governor as the honor of a lifetime.

With all my heart, I thank you for it!

Good evening, and may God bless us all.

And now, let's get back to work, and run up the score in 2024!

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