

**EMBARGOED UNTIL
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**The Hoosier Horizon
Governor Eric J. Holcomb
2022 State of the State Address**

Mr. Speaker, Mr. President, Madam Chief Justice, Lt. Governor, members of the General Assembly, my fellow Hoosiers, it is indeed an honor to once again discuss the state of our great state and the work before us as we seek to make life better for all Hoosiers.

Winston Churchill once said, “A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty.”

Ladies and gentlemen, color me an optimist, because there has never been a more opportune time to realize our true potential than right now.

Even as we’re contending with the challenges of a global pandemic, we’re simultaneously strengthening our economy, reskilling our workforce, building out our infrastructure, and enhancing our quality of life. And now, because we’re ready and able, we’re revitalizing and connecting our communities across the state like never before.

Tonight, I’ll report on what we’re doing for our economy, our people, and our communities.

When it comes to our strong economy, we’ve earned it. Sound fiscal management over time has become our state’s reputation.

We’ve produced nine straight honestly balanced budgets since 2005. And from June of 2017 to June of 2021, we’ve reduced our debt by 24 percent. Thank you, Senator Mishler and Doc Brown.

Our discipline has led us to record revenue and reserves, and we remain just one of 13 states that has received a Triple A credit rating from all three primary rating agencies.

We closed the 2021 fiscal year with \$3.9 billion in reserves, so we put an extra \$1.1 billion toward our obligation to our teachers’ pension fund. And we’re

sending \$545 million back to Hoosier taxpayers in the form of an automatic taxpayer refund.

Our rigorous oversight of taxpayer money has solidified Indiana's distinction as a place of investment-certainty, stability, predictability, and continuity that our families and businesses love and our neighbors envy.

Among every state we border, Indiana now ranks No. 1 in GDP growth from 2015 to 2020. In fact, our GDP has grown from \$353 billion in 2017 to now \$415 billion, at a rate outpacing Michigan, Ohio, Illinois, and Kentucky.

We rank No. 1 among those states in personal income growth from 2015 to 2020 as well.

And our unemployment rate – 3 percent – is our lowest in 21 years and lower than every state we touch.

Today, 73,000 more Hoosiers are working compared to just before the pandemic hit.

In another measure of our growth and vitality, more people are choosing to live in Indiana.

Since 2010, our population has increased by 300,000 people, far eclipsing the rate of any neighboring state.

In fact, the U.S. Census just put out that from July 2020 to July 2021, Indiana saw more people move to our state than any of the 11 other states that make up the entire Midwest region. We increased our population by 20,000 people at the same time Ohio lost 10,000, Michigan lost 16,000, and Illinois lost 113,000 residents.

U-Haul just released its annual report showing Indiana ranked 6th-highest in the nation for inbound migration.

And it's not just individuals who are choosing Indiana. Businesses are, too.

Our last four years have been record-breaking years of investment and job commitments.

Last year, the Indiana Economic Development Corp. set all-time records in three key categories:

- \$8.7 billion in new capital investment
- Over \$1.8 billion in new payroll
- And 31,700 new job commitments with average wages over \$28 an hour.

We saw 29 new headquarters plant their flag in Indiana, both home-grown start-ups and out-of-state relocations. Our monthly single-family home building permits are more than every state we touch and our statewide home sales are hot.

Ladies and gentlemen, the state of our economy is Indiana strong!

Strong like Indiana steel. We're No. 1 in the country for steel production, part of our rich heritage.

And we're also becoming a magnet for the industries of the future, such as hypersonics, microelectronics, cyber, solar, drones, quantum computing, advanced manufacturing, plant genetics, and battery technology. I could keep going, so I will.

For example, we're putting new energy into new energy. More and more solar projects are cropping up all across our state.

After I visited Tel Aviv last year, Israel-based Doral Renewables announced they were building the largest solar farm in the United States on 13,000 acres in Starke and Pulaski counties.

Eventually, it will generate enough electricity to power hundreds of thousands of homes, all by cultivating the sun.

Thank you, Nick, for your incredible investment in Indiana.

These industries make Indiana the shiny new buckle on what used to be known as the old Rust Belt.

And, to keep this momentum going, we need to revise the Indiana Economic Development Corp.'s toolkit to:

- Invest in once-in-a-lifetime, transformational opportunities

- Provide greater flexibility within our existing tax-credit incentive programs
- Recruit more remote-worker jobs
- And, as the No. 1 manufacturing state in America per capita, we must eliminate the 30 percent business personal property tax floor on new equipment to instantly ensure Indiana is more competitive with surrounding states, encouraging further capital investment here, and positioning us to become an even more dominant player in the advanced manufacturing age.

So, herein lies our most pressing challenge. With more than 150,000 current job openings posted and a record number of new jobs coming, we need to ensure all Hoosier students and workers can, and will, fill them.

That starts in the classroom, which is why, with your support, the budget passed last session. We made historic investments in education.

We're investing a record \$1.9 billion in new dollars for K-12 education over the biennium, and we're increasing the K-12 tuition-support formula by 9 percent, which is more than \$1 billion.

That investment is already paying big dividends.

More than 85 percent of school corporations raised teacher base salaries by an average of nearly \$1,800 in the 2020-2021 school year, and 99 percent are expected to raise salaries in the current school year.

The state's goal for new teacher salaries is \$40,000 by July 1. Some 80 percent of schools will have achieved that goal.

Their partners at our Department of Education are laser-focused on providing more pathways and opportunities for lifelong student success, be it enlistment, employment, or enrollment.

Those efforts start early in life, so we must strengthen both the quality and access to early learning opportunities all across Indiana from birth to age 5 to better prepare students for kindergarten and everything beyond it.

Moreover, we know our children have suffered academically because of the pandemic.

So, in response, last year, the DOE launched several accelerated learning programs, totaling nearly \$160 million extra, with a second round underway.

And we'll be rolling out the Graduates Prepared to Succeed Dashboard, so for the first time, parents, community leaders, and school corporations themselves can have easy public access to robust data regarding school performance.

And let's make progress on strengthening our teacher pipeline and attracting and retaining more educators, focusing on diversity and teachers in high-need areas, like in special education and STEM.

To do that, we'll launch a statewide teacher marketplace that connects them with school openings in real time.

While education is the starting point, we must do more to align our state's K-12, higher ed, workforce, and economic development efforts. There is power in their synergy.

That's why we launched the one-stop-shop website that proactively connects unemployed and underemployed Hoosiers with customized job and training opportunities.

Two-hundred and forty employers and 16,000 individuals have already created profiles.

And our Workforce Ready and Employer Training Grant programs continue to move more Hoosiers into higher-paying jobs and increase the number of people achieving a post-secondary education.

Since 2017, more than 52,000 Hoosiers have enrolled in our Workforce Ready program, and those who earned a credit saw an average wage gain of \$6,800 a year.

And through our Employer Training Grant program, 3,700 employers have trained more than 41,000 Hoosiers, and they achieved an average pay raise of over \$4,000 a year.

All these programs give Indiana a leg up in growing our businesses and bringing in new ones.

A great example is Small Business Entrepreneur of the Year Donte Wilburn, who owns Premier Auto Detailing and Wash in Lafayette.

As a troubled youth, Donte served a three-year sentence in community corrections.

But a work-release program enabled him to work at an auto detailing company and finish a degree at Purdue.

He had big ambitions, so he started his own detailing company with a goal not just to make money, but also to give employees opportunities for careers and advancement.

Today, he owns several businesses, has 40 employees, and continues to expand. Donte says, “State agencies have been the backbone of my growth and there is no way I could have done it without them.”

We want more Donte Wilburns, and more Hoosiers to have greater opportunities to succeed.

Donte, thank you for making a difference, and thank you for joining us tonight.

Now, as we strengthen Hoosier talent, we also must strengthen Hoosier health.

While we’ve made progress in areas like reducing infant mortality, we have a lot of work ahead to truly be clicking on all cylinders.

Here are the facts: Indiana ranks 46th in obesity, 46th in smoking, and 40th in childhood immunizations, each of which can lead to life-threatening and costly complications down the road.

Like everywhere else in America, our efforts to tackle addiction in our communities have been compounded by the pandemic and we’ve seen increased fentanyl use. So we must double down to reach more people with substance use disorder and get them into recovery and back to their families, work, or school.

Lieutenant Governor Crouch has made it her personal mission to promote a comprehensive strategy to support Hoosier mental health, which has never been more important.

Our strategy includes making investments to grow our mental health workforce with more recruitment, retention, and quality efforts by:

- Expanding access to mental health services
- Rolling out the new federal 988 Suicide Hotline
- And investing more to reduce the stigma of mental health challenges

We will also promote young Hoosier health and wellness by strengthening the guidelines for childhood lead screening and gathering more knowledge about the causes of sudden infant deaths so we can continue reducing infant mortality and saving these precious lives.

The task of improving Hoosier health couldn't be more important and the time to do it, never more pressing.

To realize new results, addressing these challenges will require new approaches. That's why the Indiana Public Health Commission will submit a report this summer with recommendations ready for the 2023 budget session, so we can modernize and strengthen the state's public health system overall, one person at a time.

Even as we put renewed efforts into public health, we're maintaining our aggressive pace to build a 21st century infrastructure network that links Hoosiers to each other, the nation, and the world of opportunities before us.

We're in the midst of deploying \$60 billion over 20 years to expand and enhance the roads and bridges that connect our communities, paid for with cash, not debt financed.

We're investing \$3.6 billion just this year in road projects throughout Indiana. And we're near completion, three years ahead of schedule, on I-69, which will create one continuous route from Canada all the way to our nation's southern border.

Add to that, through our Community Crossings program, cities, towns and counties have resurfaced or reconstructed more than 20,000 lane-miles of road and repaired or replaced 119 bridges in just the last four years.

We're also working with our federal and local partners to fast-track two of the nation's most transformational commuter rail projects.

When the South Shore double track and West Lake Corridor projects are completed, they won't just reduce travel times, they'll fuel an explosion of new investment and opportunity in Northwest Indiana.

We'll continue working toward the construction of a number of new capital projects throughout the state, including \$420 million committed to wastewater, drinking water, and stormwater infrastructure improvements, and \$780 million for a new state archives building, Westville Correctional facility, blind and deaf schools and a new inn at Potato Creek State Park, DNR's first since 1939.

We're also in the middle of the largest expansion of walking, hiking and biking trails in our state's history, investing up to \$150 million helping Hoosiers and our guests enjoy our state's natural beauty, linking 112 miles of new happy trails to neighborhoods. Thanks to this effort, 94 percent of Hoosiers now live within five miles of a trail.

And you'll find more shade on those trails, because our commitment to planting 1 million new trees is ahead of schedule. We've planted more than 400,000 trees so far and another 200,000 will be planted this spring.

And to fortify our information highways, we've made the largest investment in broadband in our state's history, as well.

Since the Next Level Connections program was announced in 2018, we've allocated \$350 million to provide everyone, wherever they live in Indiana, with access to affordable, quality broadband and the limitless opportunity it affords.

This most recent round saw more than \$600 million in requests from nearly every county in the state. It's no surprise that *Forbes* calls us a national model.

I hear about the difference this is making every day.

Like when Amy and Scott House from New Castle decided to run their business out of their home and care for their family, they considered moving. But because of a Next Level Connections grant, their home was covered along with 69 other homes and 10 businesses with 1 gigabyte service.

Thanks to Scott and his mother Patti for connecting with us here tonight.

And now, we're taking a giant leap toward creating One Indiana.

We're a state with incredible urban, rural and suburban areas, and yet many of our rural areas have struggled to maintain their population.

That's why, last year, I proposed dedicating \$500 million to help communities throughout our state accelerate their economic growth, improve quality of life for their residents, and become magnets for talent.

To all of you in this Chamber, I salute you for going big and bold.

This READI Program is the largest investment in Hoosier history aimed at transforming every region of our state, representing all 92 counties.

Every region received a portion of the \$500 million. But that's just the tip of the iceberg.

Local leaders identified nearly 800 projects and \$1.5 billion in demand, with \$15 billion in their own matching funds.

That's why we'll need to come back in 2023 and go big again.

And to further help communities prosper, we'll continue to partner on public safety efforts and deliver the good government service Hoosiers have come to expect.

That includes supporting and appropriately funding our law enforcement officers by investing \$70 million in our state law enforcement academy and continuing to implement best practices.

To Indiana's law enforcement community, I say, we say, "Thank you" and "We've got your back!"

Two more thank yous before I close.

This September, Camp Atterbury was transformed from a military training site into a temporary home for some of the men, women and children who fled Afghanistan.

We took in 7,500 evacuees, more than 40 percent of them children, provided medical care, traditional Afghan meals, lessons in English, and what to expect in their new country.

We saw an outpouring of donations and volunteers on a scale like no other state experienced.

Now, most are starting their new lives somewhere in America, with about 500 calling Indiana their new home.

I commend everyone involved in this tremendous, uplifting effort. To me, it's a great example of what Hoosiers are all about and what we're capable of accomplishing when we work together.

Finally, I couldn't give a State of the State Address without giving an update on COVID-19 and the extraordinary personal toll it's had on our families.

To date, more than 19,000 Hoosier lives have been lost — more than live in Huntington, or Crawfordsville or Jasper.

Hospitals are diverting patients in search of available beds.

The number of ICU beds in use is almost at an all-time high, and it's difficult to find one around the state.

I want to thank over 3.5 million Hoosiers who are vaccinated and those getting boosted. You are a big reason our hospital network hasn't collapsed.

We know that people who are getting vaccinated and boosted overwhelmingly stay out of the hospital, stay out of the ICU, and don't die.

If you haven't been vaccinated, I encourage — I plead — I even beg you to speak to your doctor and do so. I say this, even if you've disagreed with every position I've taken. I just want us both to be around to continue to have those disagreements.

And a special thank you to all of those who are putting others above themselves to continue the battle against COVID-19.

Our hospitals have been under siege. Our healthcare providers are exhausted, physically and mentally, as are those taking care of our nursing home residents, and students in our schools, and our own State Health Department quarterbacking it all, and everyone supporting them.

You've all been operating in overdrive for two years.

No words, salary, or earthly awards will ever be enough to repay you for the lives you've cared for and saved. The ultimate judge will be kind to you for living your love for your neighbor.

History has shown again and again that it's when we're facing the toughest challenges that we can be at our best.

Despite our challenges, this is a time of unprecedented Indiana growth, connections, momentum, and opportunity for all Hoosiers. This is our time to build an even stronger Indiana, not just for today, but for decades to come. And that my friends is what we're doing!

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

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