

**2015 Michigan State of the State Transcript**  
**Gov. Rick Snyder**  
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**7 PM**

Thank you very much, well thank you very much. Please be seated. Thank you for that warm welcome. Good evening it is great to be with you tonight. Let me start by recognizing Lt. Governor Brian Calley Speaker. Cotter, Senate Majority Leader Meekhof, Senate Minority Leader Ananich, House Minority Leader Greimel, members of the legislature, members of the Supreme Court, members of the Court of Appeals, Secretary of State Ruth Johnson, Attorney General Bill Schuette, Cabinet Members.

Ladies and gentlemen of the legislature, I also want to recognize we have Consulate Generals from Canada, Iraq, Japan and Mexico and I also want to recognize we have representative from China with us. Fellow public servants and in particular I am going to ask all member so the Michigan National Guard and all of our members of the military to stand so we can give you special recognition. Thank you, thank you for your distinguished service in keeping us safe. Citizens of Michigan and last but not least I want to recognize my family, thank you for all your support.

What I would ask now is for a moment of silence. Over the course of the last year we lost one of our Michigan service members, Sgt. First Class Michael Carthcart of Bay City, and in addition, we actually lost several law enforcement individuals, first responders and public safety officers in the state of Michigan, so I ask if you would bow your head for a moment of silence, out of respect for their service keeping us safe. Thank you.

Let me begin by saying we have taken on many challenges that people thought were unbelievable. We have made the old unbelievable, achievable, and we have taken on many difficult issues. Michigan is a much better place today than it was several years ago. We're better, but to be open with you better is not good enough. We need to do more, we need to do more and that is what tonight is about, talking about how we go to the top. To build on the foundation we built, but go farther and better, to keep up on the path of success.

In terms of the talk of tonight, I am going to follow my traditional format. I want to share several things from the Dashboard because it's important that we're measured on the success that we achieve. I am going to talk about 2014. I am going to talk about 2015. I am going to give you a roadmap of activities during the course of the year for key events and then I'll close.

In terms of the Dashboard we should be so proud. In terms of the big industries in Michigan, what a great achievement. The auto industry, what a great comeback. Again,

I hope you have the opportunity to make the Detroit Auto Show, the North American International Auto Show, you can see how tremendously exciting the industry is; but to give you one number that stands out, since 2010 we had a 48 percent increase in automotive production in the state of Michigan. Nearly 50 percent increase in four years.

For our food and agriculture industry, food and agriculture is critically important. You have been a shining star for us during the difficult years and their only continually to shine brighter. We set a new hallmark, a new benchmark that many people didn't think we would achieve in terms of the size of the industry; such as, this last year was announced that the food industry in the state of Michigan has now exceeded hundreds of millions of dollars in economic activity In terms of Tourism we continue to do very well. Pure Michigan works folks, we love it! To give you a benchmark over the last few years in terms of out of state tourism for Michigan, Michigan, compared to just 2010 or so, we are now seeing on an annual basis more than \$2 million more tourists a year from out of state coming to MI than just four years ago. That's tremendous.

In terms of our citizens, though, we are all seeing great things. When you look at job creation in our state, we have created over 30,000 private sector jobs in the last four years. Tremendous success. Our unemployment rate has dropped significantly. In 2010, in December was 11.3 percent. In November of this last year it was 6.7 percent, a 40 percent decrease in unemployment in 4 years. And December is coming out tomorrow. We will see if we are going to have more progress in moving Michigan forward. In terms of housing values, if you compared us across the United State and you look over the last four years, how have we done? The rest of the country averaged a 16 percent increase and the state of Michigan a 25 percent increase. So we are seeing those home values come back for our citizens and thank you very much.

Well, let me jump right into 2014. One thing I would ask, and again, you never hear this out of most politicians, I am not a career politician, is that I would actually ask you to hold your applause; except for recognitions of individuals, because I want to get to 2015. I am excited to get there, but I do want to give you an update on what transpired this last year in terms of major accomplishments.

First of all on more and better jobs, the skilled trades. One of the things I am focused in on and I know we are all excited about is to make Michigan number one in the skilled trades in the United States. We started that path last year. We created the Skilled Trade Training Fund for our community colleges, 50 million dollars to invest in needed equipment for our community colleges to do that training. We created the Skilled Trades Training Fund to help companies be successful and we have seen over 10,000 Michiganders get additional training, job opportunities and such because of the Skilled Trade Training Fund.

One thing in particular I am proud of that is not just about what we are doing today, but how we are preparing for the future is, FIRST Robotics. A tremendous program we have been supporting. If you look at kids who do FIRST Robotics, the likelihood of them going into engineering or the skilled trades goes up dramatically. We were number two

in the country several years ago, but over the last few years we have added teams. This least year 77 teams that is more than the other 49 states combined. We are up to 349 teams, 110 more than California now. And, we are moving to be a leader in that and I want to give a shout out to Kettering University that did the first of a kind community center for FIRST Robotics teams. They have been a new leader. We have the president of Kettering and I want to recognize him, but I also want to recognize a student named Harrison Ford, not the actor, the student Harrison Ford. I want to mention Harrison in particular as he is a junior now at Kettering in their co-op program. He is doing tremendously well. When he was on a FIRST Robotics team it had meant so much to him, he is now a mentor for another FIRST Robotics team in Flint, the Flint Fire. So, this is a case of someone having success giving back, so let's give a big shout out in the balcony to Dr. Robert McMahan, President of Kettering and Harrison Ford, a student at Kettering. Keep building those robots.

Major things accomplished: Personal property tax reform; the vote in August. It was fundamental in terms of making us more competitive. A ballot proposal passed with resounding supports. What does it mean to Michiganders? Hardworking Michiganders will now have opportunities to work in small businesses, because they are more competitive and local government has a more consistent source of revenue. That was an outstanding report. If you look at how we have done in Michigan in terms of our rankings, in terms of our business tax climate over the last four years we have gone from 27th to 13th. Even more importantly in terms of entrepreneurial climate in the state of Michigan, we have gone from 44th to 6th. That is the kind of environment that is going to create jobs in our state.

Let me talk about education. We should be absolutely proud, we have been a leader in the nation with early childhood and pre-school education. The last two years we made major budget commitments; \$65 million a year for a total of \$130 million in an on-going basis. We created over 29,000 new opportunities for people in need, young people in need to get pre-schooled. That is outstanding and we should be proud. Another thing in education I want to mention is a partnership with the attorney general. He came out with a hotline, a confidential hotline called OK2SAY. And, has it been successful? We'll we have gotten the first semester results back. We had over 400 tips come in and they addressed important issues such as bullying, helping suicide prevention, child abuse and it is there to also deal with potential cases of school violence. OK2SAY is working and we should be proud. So, I want to thank the attorney general for his partnership in that program.

In terms of big things going on. In terms of Michigan with people, a huge success is Healthy Michigan. It launched last April. It's our version of medicaid expansion done right, involving wellness and personal responsibility. We now have over 500,000 Michiganders participating in the program in just that number of months. In terms of what it means to their lives, we have seen over 350,000 primary care visits now taking place. Those are big numbers, but the important part is, is now we are helping real life people move from being uninsured in the ER and move to a preventative care environment where they have a medical home and it is something that will improve the

quality of their life and save us all money. And I want to give a shout out to someone, a key mover in making it happen, he was in the House at the time, but I want to give a shout out to Senator Mike Shirkey.

Another area of achievement I am very proud of is the disability employment directive towards the end of the year. About how the state of Michigan can do better about hiring people with disabilities and then training our people to better understand the challenges that people with disabilities face. I am very proud to say I did that before I became a person that can now have greater appreciation for people with disabilities. This particular circumstance I have now, is only temporary, but it really has given me a much greater perspective on the challenges that someone with a disability faces. You might find it intriguing in terms of support.

I actually had recommendations about how to come in tonight. One was by jet-pack through the ceiling. My personal favorite, I like the idea of a zip-line from the balcony. But, realistically when you have a disability you have to be thoughtful and I want to thank the work that was done to put that directive in place and now we are going to go statewide. We have a summit coming up in February. I want to give a shout out to two people that have been leaders in that Lt. Governor Brian Calley and Justice Richard Bernstein.

Our military and veterans are critically important and I'm really proud of what we have done there. One program for our National Guard members is we came up with a tuition assistance program that has gotten a tremendously positive response. These people put their lives on the line for us and they deserved it and it was about time we go it. Another thing that is tremendously exciting is we are leading the nation in some of our activities with our veterans. We did a partnership with the United Way and they came up with a 24 by 7, 365 day hot-line, one stop shopping for our veterans; that's 1-800-MICH-VET. And we are leading in the nation with that, we should be proud.

With respect to our seniors. We did some tremendously positive legislation there, thanks to the Silver Key Coalition and all the great legislators here for making Michigan a no-wait state for in-home services. And we passed legislation to deal with senior abuse in terms of being more proactive. Good work again by the legislature.

Public safety. Two or three years ago I made the point that we had four of the most violent cities in the United States in the top ten. That is unacceptable. Have we fully gotten off that list? No, but, we have made tremendous progress. Over the last few years since we had that program going, to give you idea of results, the four cities: Detroit, violent crime is down 20 percent; Saginaw violent crime is down 26 percent; Pontiac violent crime down 28 percent; Flint violent crime down 28 percent. We are going to keep it up. We are going to stay committed. We're going to get them off that top 10 list and that is important.

In terms of the environment, we set a big goal in recycling. We have fallen behind in recycling. We think the deposit legislation made us a leader. We actually have gotten

behind in regular recycling in this state. We were lagging. So, I appreciate the direction to say let's double our goal. Let's go from 15 to 30 percent and we set the goal to say we would get there in two years. We are on a path to get there in two years and we should be proud of that. The other thing in the environment I want to recognize is we did a really important package with our hunters and fishermen in this state. And it wasn't about getting more resources they want to invest. It's about doing world class management based on sound science to really keep our natural resources thriving and have more hunters out there in the woods doing good work, having more fisherman catch big fish. We are making progress in Michigan on that front.

The last topic I want to cover on 2014 is efficient effective and accountable government. A couple things is, first of all we had a very challenging year. This was a year of disasters in our state and many of you personally had to go through those experiences. We had huge floods in Southeastern Michigan, floods in Mid-Michigan and the Upper Peninsula we had a huge freeze problem. We had a propane crisis in the Upper Peninsula, we had the Ebola issue. What I would say though that we should be proud both in terms of preparedness and working on these issues ahead of time, but also in terms of our response, we saw tremendous response, not just at the state level but at all levels of government and the private sector coming together to deal with it. And so I want to give a shout out in particular to our first responders and in particular, the Michigan State Police, with Col. Etue, our local emergency management people, the first responders in all of our local jurisdictions, FEMA, and the SBA, thank you for your great work.

In terms of local government one thing I have to mentioned in terms of opportunities in great outcomes is the City of Detroit. We emerged from bankruptcy from the City of Detroit. A tremendously hard, difficult process that many people came together to do special things that stand out. And, I do want to recognize the people that really made that happen. I want to recognize the retirees who made a sacrifice, who went through very difficult times and they were with us, though, to support the Grand Bargain. I want to recognize the hard work of the people at the DIA in terms of raising resources. The foundation community for raising resources, all the great work that took place through this process to make Detroit a stronger, better place. In particular, I want to thank Mayor Duggan. Mayor, thank you and the city council for your strong effort. A gentlemen, a fellow U of M alumni, you did tremendous work. We want to get him back in the state of Michigan, Kevyn Orr. Some of the individuals who could not join us, but Judge Rosen and Judge Rhodes did tremendous work in this effort. I want to thank each and every legislator for your conference, your courage to come together to stand up as Michiganders to say, we are all one state.

We're strongest when we recognize it's Detroit, Michigan. The thing I am proudest to say after how many decades can each one of us say now that we all have common goal of not dwelling on Detroit's past, but saying let's grow the City of Detroit, in particular put emphasis on neighborhoods to bring them back to be a great place to live in our state. Let's see Detroit continue pulling up and Mayor, you have my support and partnership in helping make that happen. Well, thank you.

Now for 2015. I am excited and I hope you are too when I am done. First of all I want to recognize great bi-partisan work done at the end of last year. It was about doing a bi-partisan solution to deal with something we knew we had to do and that is a transportation proposal, to deal with the fact that we have rotten roads and bridges in our state. No one in Michigan likes our roads and bridges. We have gotten that work done but our work isn't done. Now we need to ask our citizens to support that effort in May on the ballot. What is this all about?

The key issue is public safety. If you look at it and you look at our bridges, one out of nine is structurally deficient. You might have read about Cincinnati in terms of bridge challenges there. One out of nine being structurally deficient. So, when you drive Michigan and you see plywood underneath the bridge, why is it there? It's keeping crumbling concrete from falling on your vehicle, that's unacceptable. When you talk about our roads and you see those potholes, just think about the issues and concerns you've had this personally. When you swerve to miss a pothole, you are a distracted driver. You are putting yourself at risk and other drivers and other people. If you hit that pothole and you blow a tire you're at risk of a major accident. That is unacceptable. We need to do something folks. It's time to get it done. When you look at the cost structures, we actually looked at the state of Indiana and saw that on average we spend \$132 more than the state of Indiana for damaged vehicles in terms of road damage. That is a lot of money folks to offset the cost of this proposal.

In the end what I need you to do is vote yes. Vote yes, so we can have safer roads. Vote yes so we can get rid of the crackling bridges and crumbling roads. Vote yes so we can have stronger schools and local government. Vote yes so we can have tax relief for the lower income people. There are only good reasons to vote yes. Let's get it done, let's get it done in May and do it right, thank you.

Now let me come to the most significant part of the talk tonight. This is about revolutionizing how government operates. This is time for the big vision. There is a better way to do things in government and that is what I want to share with you now. I call it the River of Opportunity and let me set the stage for you. Before our country was even founded, why did people come to America? And, after it was founded, why do people continue to come and why do they come today? We are the land of opportunity. That's what makes us who we are. Now the issue is to have a fair chance to have that opportunity in our country. If you happen to be in the main stream of the River of Opportunity and you grow up in a great family with wonderful parents supporting you, you went to a good school, you got advice when you were looking for a career, found a first good job, you built a career, you are on that path to great opportunity. If you look at it, what is government's role in that situation?

Government is actually in the background, it's still there it's doing things like public safety, important things, but it is in the background of your life. In fact, you are a contributor to helping others and you do that through multiple mechanisms, paying taxes is helping, I now you may not feel that way, but that is the point. You are helping

to contribute to a charities, to churches to non-profits to help people. Your volunteering your time to help people. Everyone in America, fundamentally wants to help other people and you are one of those people doing that. I am proud to say I was fortunate enough to be in that main stream, personally. I grew up in a 900 square foot house in Battle Creek. My father owned a small window cleaning business and my mother was a homemaker. We never had a lot, but I never wanted for anything. I accepted that and they were wonderful and I was fortunate enough to be in that mainstream of that River of Opportunity, that now I can stand here as Governor of the state of Michigan.

How do we create opportunities for those people who are not in the main stream of the River of Opportunity is the question. And, why do people fall out of the main stream or are not in it? In some cases, they don't have parents or they don't have parents at home. They have severe poverty in their family. They maybe in a situation where either to get to school or get to work they need transportation and it is not there, creating a barrier to success. They may have an illness, they may have a disability, they need government support and non-profit support. Government moves to the forefront then and how do we help them succeed? Now, how have we done this in the country. If you go back to the 1930s, we built a system that was about adding programs and these are good well-intentioned people, but if you look back over the last 80 years, what have we done? We have added prescriptive program after prescriptive program. Where do we stand today? We've counted 145 plus programs already and still counting: 35 in health care, 40 in work force, 70 in child services. The system is failing folks, that's not how you solve the problem of helping people have opportunities. What we have done is sliced and diced people into programs. We have moved away from treating them as real people. In fact, in some cases we have taken some of their dignity away as a person, by putting them through so many programs.

The other problem with all of these programs is what we have done. Quite often we are addressing systems, we are not addressing real causes, we are actually facilitating dependency on government. That's not right. We have also built a lot of bureaucracy and inefficiency in the system and that's not right. In fact if you look at it, where our society is today, and you look at people who are in the main stream of the river and the people at that gap of differences only increasing. That is unacceptable and we should not take it. We need to stand up and say there is a better way to do things and how is that? It is time to set back and say let us restructure government to create the River of Opportunity by understanding that we are talking about people, not programs and there are five guiding principles we need to stay up and say, we should be following to help create opportunities of success for people.

The first one is again: It's about people not programs, the second point is it is about root causes, not symptoms, third is about maiming results not spending money in government programs, fourth is about recognizing that it's not just about government, this is about community, this is about friends and neighbors. We need to engage the entire community. We need to be that village of support together. And, fifth we need to measure outcomes and results and what's the measurement of success. It's not how many people who were fail citing or maintaining their dependency. It's how many people

that were outside of that mainstream of opportunity that we have now moved into the mainstream so they can be successful. That is what this is about.

The question in your mind is to say that's great talk Governor, but it is doable? It is absolutely doable. We have been doing it in the state of Michigan on a pilot basis for several years now. Now is the time to expand and roll it out. To bring it in a bigger fashion to everyone in our state. Let me mention two of those programs, one is Pathways to Potential, a program we started several years ago where we asked caseworkers to leave the government office. They were happy to and we put them in the local schools. We have caseworkers in 219 schools and 22 counties in our state. They are now there with the kids that they're they to help, with their families seeing what their lives are like not in some government office. Is it making a difference? There are many metrics and measures of success, but I will give you just one. Chronic absenteeism is one of the key constraints to success. It's down by one-third in the schools where we have Pathway people versus where we do not.

Another case is helping the structurally unemployed. The people that have not been successful getting in the workforce, having that opportunity to be on that path of the mainstream again. So, several years ago, we created this program with solely state dollars because the federal programs were simply not good enough to be flexible enough. So how is that program done? We now placed over 3,000 individuals in over 100 companies with a retention rate of nearly 70 percent. It is making a huge difference in people's lives and I can give you an illustration. The number one reason we found for the people we have been servicing is that they couldn't get training or work to be successful. It was a lack of transportation. And, by having the ability to have these wrapped services to look at the big picture, we have been able to work on that. This is the kind of attitude.

Now I want to share a story with you that goes way before Community Ventures to show how powerful this can be and I want to thank the people from Cascade Engineering and actually the Department of Human Services for their work. This is about the story about Amy Valderas in terms of her life in 1998, she was a single mother with three kids. She was living with her sister, she was looking about getting assistance. She had the opportunity to go to Human Services. She actually ended up with a job at Cascade Engineering, an outstanding company. They actually went out of their way to pay for a caseworker to be in their company to give her support and to give other people support for similar circumstances. Now, we are talking quite a few years later, 16 years later, where is Amy today? Amy is a top-tier operator in the company. She is a team leader. She is training several people to be successful. She owns a home. I asked her about her 3 kids. She is proud, one is graduating from college doing well. The others are on the path to success. That's the kind of success we need to bring in terms of solving problems for the people. So, if it would be o.k., I ask them to stand from Cascade Engineering. We have Fred Keller, the founder of the company, Joyce Gutierrez-Marsh of the Michigan Department of Human Services and we have Amy Valderas, from Cascade Engineering, let's give them a big shout out. Thank you for being a great role model for all of us. Let's do this all across Michigan.

Now the next steps, where do we go with the River of Opportunity. Just as I said let's ramp up these programs. Pathways to Potential community ventures, but let's also restructure government. Let's step back and look at how we are doing things in the big future. We've started already. One of our goals is to be number 1 in the skilled trades training and to help do that I did an executive order earlier or late last year to really put together our talent operations our workforce operations with the MEDC and our Economic Development Operations. We created the Department of Talent and Economic Development. A step to move in that direction in that part of the world. The next step is I am working on an executive order that I will issue to take the Department of Community Health and the Department of Human Services and merge them into one department to focus on health and human services, with supporting agencies so we can be much more one stop shopping, really human focused, people focused on show to deliver great services to our citizens there. And, I would appreciate your support in those outstanding efforts.

Other things we need to do. We need to go to the federal government. We need to say 145 plus programs is not the answer. Let's go ask for waivers and say how can we consolidate these programs so they are about a few outcomes to help people, real people, and let's do that. And then coming back to my comment about community. Let's go do outreach and figure out how we do public, private partnerships to engage all of us in helping one another, whether it's people volunteering their time. Other efforts to really make sure this happens in some positive, supportive way. If you stop and think about it, what is the River of Opportunity, the vision is, it is about creating opportunities for success, not facilitating dependency. And the mission, help people succeed, not build government programs that spend. That is the kind of attitude we need.

And now I am going to transition right into education, because that River of Opportunity applies to education as well. Two huge areas I want to mention, particularly on education. First of all, we need to put a stronger a much stronger focus on what I described at pre-natal through 3rd grade (P-3). One of the important metrics in someone's life on the River of Opportunity is the ability to be proficient reading by 3rd grade. How have we done? We were at 63 percent in 2010 and we are at 70 percent today. About a 10 percent improvement. We can't be proud of that folks. Seventy-percent doesn't cut it. We have already done some great things that I know will improve that number, such as our investment in early childhood, as those kids age. That can make a huge difference in that number, but we cannot stop there. I am going to ask for additional resources when I present the budget to say let's invest more in that area. I am also asking the legislators to work with me to create a commission outside of government, with people from all sectors to say how do we look at best practices. It's a model that's worked well in places such as Tennessee. So let's work on 3rd grade reading. And, I do want to give a shout out to two representatives, Amanda Price and Adam Zemke and then Senator Phil Pavlov for your great work in this field. Thank you for your efforts to help push things along. I have never seen shy Representatives and Senators like this. We need you guys to stand up for a good applause.

The next area is something else critically important. It's the intersection between high school and higher education. We build artificial boundaries that create inefficiencies and failure points for our young people, and what do I mean by that. First of all, if you think about it, think about your own situation, think back, how good did we do career counseling for you back in high school and when you were starting college. Most people just smile because you didn't get any help, and very few people are getting the assistance they deserve and could really use in terms of career counsel. We need to improve that, but what else can we do? That is where you find the skilled trade training career tech education/job oriented career tech ed., but the problem is, is it in the ISD or is it in the community college and do you know where to look and how to get those programs to work together? We need to dramatically improve that, again not threatening the organizations but creating partnerships. And then you will get the question of accelerating, getting people through faster and then helping reduce college cost expense. That's dual enrollment, that's middle college, that's all these other opportunities that fall right in that sweet spot of that intersection.

We need to build a seamless system so that the user of that system don't need to figure out where they are, where they fit in, what separate place they need to go to, versus making it easy for them to get assistance, understanding of where that career counseling is, where those great career tech opportunities are, how to do it faster, and better and less expensively. That is the path to success. I want to give a shout out to a group that is starting to do that. And, they came together to make this happen and they are with us tonight. Marquette-Alger Technical Middle College and what have they done. It was a combination with Eagle Mine, a company coming together with Northern Michigan University and in the school districts in both Marquette and Alger counties, to say let's create a middle college. For those of you who don't know, a middle college is an opportunity to get your high school diploma and either a technical certificate or credits towards an associate's degree or an associate's degree in five years. What a tremendous outcome. And, we have several people with us today that I want to recognize that are a part of that. If you could stand, we have Cody Revord, a junior in the program Fritz Erickson, president of Northern Michigan; Chantae Lessard, corporate responsibility for Eagle Mine; and, Stu Bradley, the chairman of the Education Committee at the institution. Thank you so much for your innovative work. That is the kind of creativity that makes Michigan great and thank you for coming from the U.P. to visit us tonight.

The final thing I want to mention on the education front, is to continue some work, we didn't finish in the last session and that's let's finish teacher effectiveness. Our teachers deserve the best tools to help them be great teachers. And, we should be working on that.

In terms of more and better jobs, a couple of things I would mention. First of all we are going to create regional prosperity teams across the state. We have the ten regions across the state, but as Michigan has come back and been strong doing well in so many different ways, there are certain geographies that are being left behind and I am talking about urban and rural areas that have not been participating. What I want to ask our 10

regions to do is to identify places of greatest need within their region, where they are willing to devote resources and will bring our resources to the table and will go to those communities and will help them be successful in job creation and training and making sure they are participating in the comeback of Michigan, so we are going to make a focused effort there. The other thing I call for is a continuation of the dialogue and discussion on Elliott-Larsen and I appreciate the prior discussions that were had, but let's keep up that dialogue and let's show that we can deal with the issues of discrimination in our state. Thank you.

On the people front. We have a problem that we need to address. We worked on it, but not good enough and that is the case of drug abuse in our state. The numbers show we probably have 650,000 plus people with a substance abuse disorder. If you looked at it in terms of death from drug overdose and drug poisoning, that number has gone up four-fold since 1999. Last year we had a summit on heroin to help address the issue, but that's not good enough, so I am making a call now to say let's develop a comprehensive plan by October where we can do more to prevent drug abuse within our state and help these people.

Energy and the Environment. We need a long-term policy and so in March I am going to do a special message on Energy, the main pillars are affordability, reliability and environmental protection. It needs to be an adaptable policy because of the lack of federal policy and the challenges of a global market place. We need to focus in on important things, such as, eliminating energy waste and the conversion from coal to natural gas assets of the state of Michigan and renewables. And the other part of that is, we can do better to organize ourselves so I am calling for the creation of an Agency on Energy that would combine the MPSC people with Energy office people with people from experts, LARA and the MEDC on how we can all work together to come up with better policies.

One area in particular, I would mention that we should be proud of is that we made tremendous progress in solving a huge crisis and threat to the Upper Peninsula that we've announced agreements now that can make a fundamental difference for the U.P. We need to make sure those agreements get executed and completed, but we can show that we can do great things on energy in our state.

I am going to go fast on the next two or three because I don't want to run out of time on some cool stuff, again. On invasive we are doing great work and this is the year to really step forward on invasive species in terms of identifying priority areas, early detection sites being put into place and education of our citizens. And, so, that is a big investment we will be making that will make a difference.

In terms of effective, efficient and accountable government, I am asking our legislature to work on doing fiscal notes with legislation, so we can see the budgetary impact and how to be more efficient. Now, I am watching who clapped to see if can make sure those turn into votes.

We did legislation at the end of last year on an early warning system for municipalities. We didn't finish the work on schools and we need to go ahead and finish that work on schools.

To give you an update something that is of interest to many people, on the whole situation of emergency managers. Since I have been Governor, we have had 11 different cities or school districts that have had an EM. I am pleased to report, 6 of them have left emergency manager status and we have a 7th on the way. This system is generally working well, but the point is let's avoid emergency managers, let's do early warning. And, the other thing I am calling is we need to do a score card for all local jurisdictions in state jurisdictions about financial performance and performance in terms of objectives that is easier for our citizens to use and to see. Let's create this easy to use scorecard that our citizens deserve so that we can be more accountable and transparent in how we are operating and what our challenges are in government and important opportunities.

One subset of that, in particular, I would like to mention that we're working on is a case of Detroit, for example, and a few other communities, we have an uncorted educational environment where we have a school district, we have the case of Detroit, the EAA, we have charter schools, an environment that is not creating success for our students. They deserve it. They deserve to have a great education. So, they have a bright chance at college, career and life and we need to do more on that. And, I appreciate the work going on with the coalition now lead by the Skillman Foundation, but before the first half of the year, I hope to call for legislation to bring more structure and more thoughtfulness to deal with these challenged situations. To say the answer in my view, needs to begin by saying we need to raise the bar and standard on every educational institution, whether it be a public school, a charter school, the EAA and we need a common bar, that's a high bar, that's an increasing bar that make sure these kids get the best education possible. Thank you.

And I want to give a quick shot out. I have a fellow CPA that has been a great help in this and that is Rep. Earl Poleski. So, Earl, thank you for your work on that.

And one thing is important when I talk about Detroit or challenged educational environments. We have some awesome schools in Detroit and I want to recognize that and we have a great illustration here tonight. Davidson Elementary Middle School, they have something called the Techno Dragons and it's an awesome program where the middle school students are essentially the tech support for the institution. Their one of the most outstanding schools in Detroit and the point here is even in the environment we have today some of the best schools you can find are right in Detroit and we should be proud of that. But, I ask our Techno Dragons and their teacher to stand up and let's give them a big round of applause.

Now for the roadmap for the year ahead, February we are going to do the budget, in particular we have challenges because of tax credits from the last decade. It is going to require a special work extra effort, but we are not going to be beaten by some legacy of

the past. We are doing smart things today and we will work through those issues, but in particular I am looking towards, Chairman Pscholka and Chairman Hildenbrand for your leadership on the budget, about getting a budget done, 5 years in a row on time, done well and balanced. In terms of other things, though, in March we are going to do statewide summits with the regions on both jobs and education and I invited you to participate. In March, we will do the Energy message and in May I am going to do a special message on criminal justice and in October we have to work on the drug abuse plan to get that in place, so we have a busy year.

Now, in terms of closing, what I would like to say is first of all, the last 4 years were a special honor to be your Governor and the teamwork that we showed in the bi-partisanship on how to take on tough problems and solve them together. Act above politics. We took on problems that had been their for decades, whether it be the Grand Bargain, Healthy Michigan, so many different things, Transportation. We should be proud of that. We still have some to clean up. We need to finish Transportation, we have this tax credit issue, but the second 4 years, in particular, is an opportunity to set that big vision for the future.

To fundamentally step back and say there is a better way for government to operate and that is the River of Opportunity. This is truly an opportunity to revolutionize how we operate and recognize we work for real people. We work for them. They deserve results. They don't deserve to be a number of 15 different programs. Let's do something about that.

The other thing I would mention to you in particular is kind of interesting in the time of this event. In a couple of hours you get to hear another speech and what I would say on this is I think it is a great opportunity to watch both speeches and not just watch the speeches, but watch the outcome and results. Well, we solve problems in Michigan, we have gridlock in Washington and this is not a partisan comment, folks. Both sides have huge issues. Gridlock is not a good answer for any of us. And, if you look at the positioning their already looking at figuring out how to take shots at one another. We don't do that here. Does it make a difference? It absolutely does. We use relentless, positive action. Thank you.

For the historical archives, I would have it noted that is the latest of my 5 speeches that phrase has been used. We use relentless positive action to solve the tough problems, where they spend most of their time on fighting and blame and leaving those problems for future generations. We balance budgets; we pay our debts. We reformed our tax system to be simple, fair and efficient. We have worked above politics to do great things, as I mentioned the Grand Bargain, Healthy Michigan. We're leading the nation in creating manufacturing jobs. We're leading the nation in early childhood education. We're going to lead the nation in career tech education and the skilled trades. We're going to lead the nation in treating our citizens as real people, not programs. With your partnership, we're going to continue moving Michigan to the top to say we can be the best, to do the right thing by our citizens and it's something we should be proud of. It is going to require hard work. It is going to require cooperation, understanding, but as

relentless, positive action works, let's not talk about how we differ; let's embrace diversity as a positive power. Let's find the common ground and take on those tough issues and solve them together, because that is what our citizens want; that's what they deserve. So, thank you for the opportunity to share tonight with you.

Thank you, Good Night, and God bless the State of Michigan, the United States of America and each and every one of you. Thank you.