

Governor Rick Scott: Putting Florida Families First

March 5, 2013 State of the State Address

Embargoed Until Delivery

IT'S WORKING

Thank you so much for being here today.

I especially want to thank President of the Senate Don Gaetz and Speaker of the House Will Weatherford. These are men of faith devoted to helping Florida families. Like everyone in this chamber, they are committed to helping our state and investing in future generations. They are my partners. They are my friends; and they are dedicated public servants.

Lt. Gov. Jennifer Carroll – thank you for your work on behalf of our state.

Thank you also to Supreme Court Chief Justice Ricky Polston, and members of the Court.

Attorney General Pam Bondi, Chief Financial Officer Jeff Atwater, and Agriculture Commissioner Adam Putnam – thank you for your service.

Thank you, Senators and Representatives for your focus on Florida families.

And, I want to thank the love of my life and beautiful wife of 40 years, Ann, for being here.

My daughters Allison and Jordan; and my son-in-law, Jeremy, are also here. I am proud to say that both of our daughters are expecting new additions to our family. And, my little grandson, Auguste, is about to be a big brother. I love being a Grandpa.

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This is now the third time I have addressed you to report on the state of the Great State of Florida; and, after two years of hard work, this update can be summed up in two words: It's working.

Two years ago, we met together facing crippling debt, record-high unemployment and a downward spiral of job losses.

Today, because of the tireless work of the men and women in this room, our businesses are creating hundreds of thousands of jobs, and our unemployment rate is nearly down to the national average; and we aren't stopping there.

It's working.

Two years ago, we knew we had been called here to make the difficult choices to help Florida families get back to work.

Together, we faced these challenges head on.

We cut taxes...

We eliminated thousands of regulations on job creators...

We paid down state debt for two years in a row...

We invested in priorities – like education...

And, now our economy is on the rebound.

It's working.

Because we made the hard choices over the last two years, we are able to make the smart choices to keep our economy growing this year.

We have a projected budget surplus for the first time in six years. Our challenges are different in this budget, but our goal is absolutely the same. That goal is economic growth and job creation.

This year, we have two priorities to keep our economy growing: first - remove the sales tax on manufacturing equipment, and second - invest in our teachers by providing them a well-deserved pay raise.

Our Florida Families First budget supports these priorities while maintaining substantial reserves. This is responsible stewardship of taxpayer money. ...Washington, DC could learn a few budget lessons from Florida. The contrast between our state and the nation's capital is remarkable.

Now is not the time to turn back to the legacy of taxing and borrowing that crippled the economy we inherited two years ago. We must stay the course for economic growth and job creation.

When I ran for Governor, it was the first time I ever ran for any elected office. I spent a career in business, not politics. From my experience, I knew that our primary job was to move Florida's economy out of the red and into the black. We needed to cut spending, pay down debt, and support job-creators.

What we needed to do then was simple, and in many ways remains the same today.

Why we need to do it is more clear, and personal, to me now more than ever.

As many of you know, Ann and I both lost parents in the last year. My Mom, Esther, was one of the only constants in my life. Even after I moved away from home and joined the Navy, we communicated every week. We would write letters, and talk on the phone if we could, but we never let a week go by without being in touch.

I am grateful for the lessons I learned from my parents' sacrifices. They often had trouble making ends meet, so we moved for them to find work. I remember my Mom would sometimes take on second jobs, like ironing, just so we could buy groceries.

In spite of my Mom's own struggles...including getting a divorce from my birth father at a young age and almost giving me up for adoption after I was born...my Mom was an incredible optimist.

She was an encourager.

She told us to dream big.

My Mom never went to college, but for her own children, getting a great education was not an option. Our education was so important to my Mom, she didn't just talk about it; she showed up.

Mom somehow made it to every one of my graduations – even when it meant she had to travel far away.

I don't know how she found the money, but she came to freezing Chicago for my boot camp graduation, and Dallas for law school graduation.

My mom – the wife of a WWII veteran - had a simple formula for raising kids. We had to go to church – a lot, do well in school, and get a job. She taught us that, in America, hard work plus sacrifice means you could make your dreams come true.

The longer I live, the more I am convinced that my Mom was right – not just for our family, but for every family.

Why are we so focused on creating jobs and improving education?

Why do we focus on putting Florida families first in our budget?

Because every Florida family wants not just to dream, but to have the opportunity to make those dreams come true.

Like my mom's formula, our formula this session is simple. We must invest in our education system, support our teachers; and cut taxes to help create more jobs.

EDUCATION INVESTMENT

Our work to cut spending and live within our means over the last two years has allowed us to once again invest in education.

The workers of tomorrow are in Florida classrooms today.

When I first stood before you in 2011, I said, “The single most important factor in student learning is the *quality of teaching*.”

Since that time, we eliminated teacher tenure. We signed performance pay into law, and it will take effect in 2014.

Florida’s education system is making tremendous progress, due in large part to our great teachers and the work begun by Governor Bush and many in this legislature.

Our students and teachers were recently ranked sixth for educational quality; and our fourth-graders scored among the highest in the world on a recent reading evaluation.

Accountability is working.

The best way we can build on this progress is to reward our hard-working teachers with a \$2,500 pay raise.

Some say they are afraid that giving raises to all teachers may mean that a teacher doing a bad job gets rewarded. But, thanks to our work, we are now in a better position than ever before to reward good teachers and move bad teachers out of the classroom.

We don’t want a war on teachers; we want a war on failure.

An investment in Florida teachers is an investment in Florida’s future.

Teachers change lives.

Greco Middle School teacher, Elizabeth Heli, is here today from Tampa. Will you please stand? Elizabeth began her career as an engineer, but decided she wanted to share her passion for science by teaching it. Please join me in a round of applause to honor her service.

Orange County School District Superintendent Barbara Jenkins is also here. Barbara will you please stand so we can honor your commitment to the teachers in your district and your dedication to student achievement.

Thank you, Elizabeth and Barbara, for the work you do to help make dreams come true for the next generation of Floridians.

I want to ask all of you to stop and think of your favorite teacher.

Like me, you all are probably here today thanks to a great teacher who believed in you. Will you please stand now in honor of that great teacher?

Please join me in a round of applause to honor the teachers represented here - and every teacher across our state.

In total, our budget increases K-12 education funding by more than \$1.2 billion.

This billion dollar commitment builds on our billion dollar investment in K-12 education last year.

Our total education investment of \$10.7 billion in state funding for K-12 schools this year is the highest state funding level in Florida history.

This represents an increase of more than \$400 in per student funding over the current fiscal year.

I am asking for your help to make this historic commitment to education funding a reality for Florida families.

JOB CREATION

Getting a great education helps dreams come true...and those dreams are almost always jobs.

That is why our formula for success focuses on education...and, jobs.

Two years ago, Florida was losing jobs and many families were losing their dreams.

In the four years before I took office, Florida lost more than 825,000 jobs.

Unemployment more than tripled – from 3.5% to 11.1% over those four years.

State debt increased over those four years by \$5.2 billion.

Our housing market had collapsed.

Our economy was off track and our families were hurting.

The shortsighted policies of borrowing on our future had led to disaster.

Together – we fought to cut spending, cut taxes and pay down debt.

Our unemployment rate has now dropped by more than 3 percentage points from two years ago – the second biggest drop in the country. We are now at 7.9 percent unemployment – a 4-year low. And, we aren't stopping there.

We have cut state debt by \$2 billion.

Housing starts are up again, and consumer confidence is rebounding.

Our economy has created around 200,000 new private sector jobs in the last two years....meaning that thousands of Florida families now have the opportunity to pursue their dreams.

It's working.

We came into office saying we wanted to create an environment that would encourage businesses to add 700,000 jobs over 7 years.

When I took office two years ago, the debate was about whether or not this goal was even possible.

Now, there is a debate about how to count all the jobs being created, and who should get credit for it. Maybe it is because I am not a politician, but I think this is a great debate to have. It celebrates the fact that our economy is once again creating jobs...And, as Ronald Reagan said, there is no limit to what you can accomplish if you don't care about who gets the credit.

ELIMINATE MANUFACTURING TAX

As long as even one Florida family needs a job, our work is not done.

That is why we are committed to removing the sales tax on manufacturing equipment.

Florida is one of only a few states with this tax, and we lag behind the nation in per capita manufacturing jobs. We need to level the playing field to compete for manufacturing jobs.

Some great Florida manufacturing leaders are here with us today. We are honored to have Wes Bush, Chairman and CEO of Northrop Grumman, here. Less than 24 hours ago, his company made a major announcement that they will be adding more than 1,000 new jobs in Florida. Thank you for your great confidence in our state and our workers.

President of Johnson & Johnson Vision Care, Dave Brown, is also here from Jacksonville.

And, Goya Foods President Frank Unanue is here from Miami.

Manufacturing has a major impact on our economy. Every manufacturing job supports two to three other jobs in our state.

Companies like Northrop Grumman, Johnson & Johnson and Goya show how manufacturing businesses – combined with Florida’s great location and 15 seaports - means more jobs.

Bill Johnson, Director of the Port of Miami and Chairman of the Florida Ports Council, is also here. When the Miami port dredge project is completed, along with the Panama Canal expansion, thousands of new jobs will be created.

Wes, Dave, Frank and Bill - will you all please stand?

Please join me in honoring these great leaders in job-creation here today and all the manufacturing leaders and port directors in Florida.

Not having a job is devastating to a family.

I remember when my parents couldn’t find work. I remember when my dad had his car repossessed.

The most important thing to a family is having a job.

Everything we have done together over the last two years has been geared toward job creation and....I want to stress again, it’s working.

This year, we are also proposing that we continue to roll back the business tax by exempting 2,000 more small businesses from having to pay it. If we are successful this year, we will have removed the business tax from 70 percent of businesses since taking office. I am committed to getting rid of this tax entirely. That means more jobs for Florida families.

FORMULA FOR FLORIDA FAMILY SUCCESS

Thanks to the hard choices we have made over the last two years, we can afford to cut taxes – and also invest in critical areas that have gone without increased funding for several years.

Our budget increases operating funds for Florida state colleges by more than \$70 million; and increases funding for Florida universities by more than \$390 million. Much of this increase will be tied to performance measures to ensure schools are preparing students to get a job. I want to especially thank University of Florida President Bernie Machen for being so helpful in coming up with performance measurements for success. Dr. Machen worked with his colleagues across the university system to form measurements and continue to make Florida’s universities the best in the country. Dr. Machen, please stand so we can thank you and all of our university leaders.

I also want to thank Randy Hanna, Chancellor of Florida State Colleges, for working to make college more affordable. Thank you for your role in enlisting all 23 state colleges offering four-year degree programs in our \$10,000 degree challenge to graduate students in high-demand job fields at a low cost. Please

join me in thanking Randy – and all state college leaders - for stepping up to the plate on the \$10,000 Degree Challenge.

For the first time in eight years, our budget also increases funding for persons with disabilities by \$36 million to help more disabled people receive community-based services, and \$2.5 million for job training. Betty Kay Clements is here today – she is an advocate for persons with disabilities in the Orlando area. I was honored to meet Betty recently and hear her story about her daughter, Laura Lynne, who has overcome many obstacles with her disability to get a job at Target. Betty Kay, please stand so we can thank you for sharing your victory.

Our Florida Families First budget also invests \$1.5 million to provide safe houses for victims of human trafficking. Ann and I had the privilege of meeting Allison Good in Miami last month. Allison was first trafficked when she was only five years old. She eventually came to Florida where she continued to be a victim of trafficking into her early 20s. Today, Allison is a warrior in the battle to end this horrific crime. Allison could not be here today, but we are grateful for the God-given bravery she has to share her story and give a voice to the millions of victims who suffer in silence. Please join me in a round of applause to thank Allison and all of those working to raise awareness against this evil and stop this crime from claiming even *one* more victim.

We have some other heroes here today. Annette Kirk, will you please stand in honor of your son, Private First Class Paul Cuzzupe. Paul lost his life while fighting for our freedom in Afghanistan. Annette, it was an honor to meet your family in Tampa and to hear about Paul's bravery in combat. Please join me in thanking Annette and every military family for their sacrifice and their service.

To our troops, our firefighters, and police officers – you are the true definition of heroism. St. Lucie County Sheriff's Officer Gary Morales – whose life was taken tragically just last week - was a profile of courage. We are forever grateful to Sergeant Morales and all of our first responders who live for something larger than self. Thank you.

I also want to recognize Representative Cary Pigman from Highlands County who will be deploying to Kuwait with the US Army Reserve right after session ends. Rep. Pigman, please stand so we can thank you for your service not only to our state – but to our country.

CONCLUSION: IT'S WORKING

Two years ago, we began the hard work to get our state's economy back on track. Today, we know it's working.

We could have chosen a different course. We could have continued to drive up taxes and borrowed to increase spending. That would have been the easy way out.

California raised their top income tax rate to 13.3 percent - the highest in the nation. But, it isn't working in California. People are leaving their state and they have the second highest unemployment rate in the country.

More taxes and more spending aren't working in New York either. More than 3.4 million New Yorkers fled for other states from 2000 to 2009. Florida was their #1 destination.

Taxing and spending aren't working in Illinois either. After raising their personal income tax rate by nearly 70 percent in 2011, they are still running one of the worst budget deficits in the country.

Here in Florida, our work to reduce spending and cut taxes – along with making critical investments in priorities, like education - is working.

Top CEOs now rank Florida the second best state in the nation for business.

The National Chamber Foundation said Florida has the number one talent pipeline.

Just recently, we made a major announcement with Verizon in the Orlando area that will result in a new facility and hundreds of jobs. Michelle Robinson, Verizon's Region President, is here today. Michelle, will you please stand. Thank you for investing in Florida and helping to create more opportunities for Florida families.

We didn't win every battle over the last two years. After a long fight, we lost in the Supreme Court over the President's healthcare law, and we lost a presidential election along with the promise of the law's full repeal.

Now, our options are either having Floridians pay to fund this program in other states while denying healthcare to our citizens – or – using federal funding to help some of the poorest in our state with the Medicaid program as we explore other healthcare improvements. As I wrestled with this decision, I thought about my Mom and her struggles to get my little brother the care he needed with very little money.

I concluded that for the three years the federal government is committed to paying 100 percent of the cost of new people in Medicaid, I cannot, in good conscience, deny the uninsured access to care.

Of course, the best way for any family to access great healthcare is to have a great job.

Like my mom, I am an optimist.

I believe in big dreams.

I believe Florida will be the number one place in the world for job creation; the number one place in the world to get a great education; and the number one place in the world where families can afford to live.

I believe that as we all continue to work together, Florida's job growth will outpace the nation and our unemployment rate will drop below the national average.

I hope Texas Governor Rick Perry is listening. As Governor Perry found out when he came here to go fishing and came in second place, Florida won't stop until we are number one. Florida will soon unseat Texas as the top job creator in the nation. And, we plan to beat them in how we brag about our state also.

The hard work done over the last two years has set us up with a simple formula for success this year. We must remove the sales tax on manufacturers and invest in future generations of Floridians – by investing in Florida teachers.

President Gaetz, Speaker Weatherford, senators and representatives: I look forward to joining with all of you as we put Florida families first, and send a message to the world that Florida is serious about job creation. it's - working.

Thank you.