

2014 State of the State Address—Governor Earl Ray Tomblin
January 8, 2014

Mr. Speaker, Mr. President, Members of the Legislature, Members of the Board of Public Works, Justices of the Supreme Court of Appeals, Members of the State Board of Education, distinguished guests, and my fellow West Virginians.

As many of you know, I was raised in the small town of Chapmanville in Logan County. I lived in a modest home with my mom, dad and brother. Everyone knew each other in our neighborhood. Kids played outside until their parents called them in for dinner and most backyards had a thriving garden. In our home, we didn't always have what we wanted, but we always had what we needed, especially at the table because of our garden. We took care of that garden—prepping the soil, planting the seeds in perfect rows and making sure it received enough water.

Three years ago when Joanne and I moved into the Governor's Mansion, I was thrilled to learn it included a small garden. I knew I would be able to cultivate something good, lasting and meaningful for the visitors to the mansion.

I've been a gardener all my life. In fact, my entire family took part in the tremendously hard—but richly rewarding process of canning. Every year our kitchen turned into what looked like a food factory as we canned our harvest. We stocked up on tomatoes, beans, and potatoes for the winter months, recognizing that there may be lean years—rainy days—down the road.

I've learned a lot since I first walked into this capitol nearly 40 years ago as a delegate, then as senator. Since becoming your Governor, I've learned even more.

Governing, like gardening, takes *planning, patience and foresight*.

I've learned how incredibly important it is to be a good steward of the people's money. And how important it is to say yes when you can, and being strong enough to say no when you can't. That's the key to fiscal responsibility.

My fellow West Virginians, make no mistake, the State of our State is strong.

We pay our bills on time and we've invested in our future by continuing to work together as we face future challenges. We will not impose financial burdens on future generations. In fact, our reserve fund is one of the healthiest in the nation.

We did not get here by accident—we got here with *planning, patience and foresight*.

Our Rainy Day fund has a savings of over \$920 million and it has helped protect and improve the state's credit rating for over 20 years.

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We have ensured timely and sound pension contributions. Liabilities in the Workers' Compensation program were about \$8 billion just nine years ago. By the end of this year, the State's workers' compensation unfunded liability is expected to be less than \$500 million dollars.

We have not had a general tax increase since 1996.

Unlike other states that had to drain their reserve funds during the recent recession, West Virginia did not have to borrow one dime.

Because of the work we have done during the past three years, and through the work we will continue to do together, we will cultivate a better future for all West Virginians. We will create positive opportunities for our seniors, our veterans, our students, our families, our businesses and our communities.

We continue to experience positive change across the Mountain State and have set in motion many initiatives that will not fully bloom until long after my term has ended—but the hope of a fruitful harvest keeps us working hard each and every day.

For example, in October, I led a 13-day investment mission to Europe with stops in Spain, France, Germany, Italy and Switzerland. As you know, jobs are my number one priority. I will go anywhere and meet with anyone to bring good paying jobs to West Virginia.

During that trip my team met with a number of prospects—several have committed to investing in West Virginia. One of the highlights of this trip was my stop at Pietro Fiorentini in Italy.

During my visit, I met with Robert Moorhead of Bridgeport and Michael Powell of Parkersburg, both recent WVU engineering grads hired by the company to help run its West Virginia operations. They were in Italy as a part of their 4-month training program. These two young men are living examples of why we made our trip and why we make job opportunities our highest priority. Robert and Michael are two young West Virginians who have worked hard, earned degrees in engineering, and are now using their education to create good paying jobs here in the Mountain State.

My thanks goes out to the Italian company for placing its trust in West Virginia and West Virginians like Robert and Michael who are with us here in the chamber this evening.

Robert and Michael, you are our future. Gentleman, please stand so we may thank you for showing the world that West Virginians can compete.

West Virginia is a strong international competitor. Production from manufacturing sectors — plastics, machinery, chemicals, aerospace, medical products and automotive

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— grew substantially. Exports have increased from \$9 billion in 2011 to over \$11 billion last year and outpaced the national growth rate.

From the first day of my administration, I've made it a priority to take advantage of the vast resources of the Marcellus and Utica Shale reserves. And we must be prepared for big opportunities when they arise.

At my request, the Legislature enacted important new legislation to provide a stable and predictable regulatory framework for oil and gas producers. This important bi-partisan legislation is recognized as a model for horizontal drilling in the region. Our law led to new investments in drilling and infrastructure in West Virginia, spurring job growth and increasing the tax base for counties and schools.

The resources of this state need to be used here and not piped somewhere else. Therefore, at my request, the legislature passed a bill to encourage Marcellus-to-Manufacturing investments to foster the development of a revitalized high tech chemical industry, with enduring high-paying jobs.

I'm pleased to announce our shared vision is paying off. We have created unprecedented opportunity for generations of West Virginians. Project ASCENT, the cracker, is a defining moment for economic development in the Mountain State. Odebrecht believes Wood County is the best location for the potential development of an ethane cracker and three polyethylene plants.

Wood County provides a unique opportunity to construct a cracker that maximizes our abundant Marcellus and Utica Shale reserves. The construction phase of this project alone is expected to create approximately 10,000 jobs. This cracker is a game changer.

Other recent international achievements include the \$20 million expansion of the Sogefi Group that will soon add 250 jobs to the product line at its Prichard, West Virginia plant.

Serving new markets for coal, Carboynx, a Texas-based company, will invest tens of millions of dollars in a new Jackson County plant. This new development will create 60 jobs in its first phase. The plant will make a carbon alloy replacement for coke, a key ingredient for steelmaking. And best of all, Carboynx will use West Virginia coal in its manufacturing process.

To keep our coal industry alive and well—and I promise you we will—we must continue to seek out new markets and uses for it, while doing what we can to help the industry reduce costs, and be more productive, efficient, safe and environmentally friendly.

While I will never back down from the EPA because of its misguided policies on coal, we should remind ourselves a challenge doesn't always lead to confrontation. Last summer I sat across the table from EPA Administrator Gina McCarthy and shared our story. We

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have been hit hard. But with planning and perseverance I believe the obstacles can be overcome.

Gestamp, an automotive stamping plant in South Charleston continues to grow, having expanded several times since opening in 2012. Gestamp continues to prove that government can be an effective business partner and has announced its investment of \$100 million and a minimum of 400 jobs in the next five years.

This year marks the 25th year since our Development Office established roots in Japan. And today, 20 Japanese companies continue to invest in West Virginia — including internationally recognized Toyota, Hino Motors, and NGK Spark Plugs. These companies have achieved success, in part, because of the strong work ethic, dedication, and productivity of our world class workforce.

This, combined with the development of the Marcellus Shale, and prospects for value added products, along with growth in small business, demonstrate we are moving forward.

As we celebrate these new investments, there are other types of investments we often take for granted: investments in water and sewer infrastructure, schools, airports, rail, intermodal facilities, and broadband. Used by all of us, roads and bridges are one of the biggest investments and they come at a cost.

This Legislature, in a bipartisan fashion, had the wisdom and foresight to enact two pieces of legislation last year that are already paying off for our State Road Fund. The continuation of Design-Build and Public-Private Partnerships is allowing the Division of Highways to be more innovative in the construction of our roads and bridges.

While we have reason to celebrate the huge successes we have made in the areas of construction, manufacturing and energy development, we must never forget that West Virginia's small businesses make up 96-percent of all employers in the state. They are the cornerstone of our growing economy. This is why we must continue taking steps to maintain our status as a business friendly state. We can attract more jobs and develop a broader tax base to meet our demands for goods and services—without raising taxes. We've planted the seeds for small business by phasing out the business franchise tax next year, cutting the corporate income tax and reducing workers compensation rates.

West Virginia is attracting new and diversified jobs.

Investors from across the Mountain State know how important it is to support small business and entrepreneurs. The Angel Investment Fund was recently established by investors, or "angels," who have pooled their money to invest in private companies which demonstrate the potential for sustainable growth in sales, a suitable return to investors and jobs for West Virginians. Their support will provide an important source

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of capital for growing firms and will assist companies with the potential to do great things for the people of West Virginia.

Last week we lost one of West Virginia's most outstanding benefactors. Buck Harless gave to his community and to our state a blueprint for a life well lived. Buck knew it was the small community based businesses, and the young entrepreneurs—like himself—that could truly make the largest gains for our state and her people.

I am encouraged by our small business owners putting their passion into new services and products. Rocky Brook Sinkers out of Morgantown is a great example. Dwight and Brook Pauley got the idea for their business on a fishing trip. The father and son were frustrated after fishing a trout stream that was known for snags. Their sinkers would snag....and the fish would swim away. A good outcome for the trout—but not for Dwight and Brook.

Because of their love for fishing—and actually catching fish—the two worked to create a limestone fishing sinker that wouldn't snag. Today, you can find RockyBrook Sinkers in your local fishing stores, and at Cabela's, Dick's Sporting Goods and WalMart.

Dwight and Brook, please stand so we may recognize you and congratulate you on your tremendous success!

One of the most important keys to our growth and economic success is our educated workforce. We must have skilled workers to fill jobs. To reach this goal, education is the number one qualifier for the jobs of today and tomorrow.

All plants in the garden must have healthy stems to survive and produce vibrant and healthy harvests. The stem is the main delivery system for any plant. Without the stem the plant dies and with it so does the hope for any chance of prosperity. And, so it is with STEM—an acronym: S-T-E-M—a word you are going to hear a lot about in the weeks and months ahead. STEM stands for: Science, Technology, Engineering and Math. Emphasis on STEM in education will prepare our children for tomorrow's jobs. It will develop skilled workers and professionals for qualified employment.

Nationwide there is a shortage of workers with backgrounds in science, technology, engineering and math. West Virginia is no different. We have listened to those employers who tell us that we must increase the number of STEM workers.

Many of these workers can be educated in our career and technical schools. To make it easier for students to pursue a technical education without having to shuttle between career centers and high schools, I included funding in the budget to locate math and English teachers in our career centers. I want to minimize obstacles for our students who pursue a career-technical education.

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In addition, I am reconstituting the STEM Commission. The Commission will be charged with promoting student interest in these subjects, to make the most of federal STEM initiatives and to expand math and science education beyond the classroom. Our children will struggle to succeed without that solid stem—the foundation of a good education.

Last year, I shared with you my goals for public education: all students will read on grade level by the third grade; all graduates will be college or career ready and; every student will be taught by a great teacher. Together, we have made progress in each of these areas.

I want to thank the State Board and The Department of Education for their hard work this year to implement our education bill. The State Board has imposed a new requirement that all graduates intending to teach elementary school must first pass a comprehensive exam certifying they understand how to teach reading.

Last year we provided funds to initiate the “Advanced Careers Program.” To date, five career and technical education sites are implementing these career courses. By 2016 all 32 sites in West Virginia will implement high-standard career technical programs. My proposed budget provides another \$500,000 for the Advanced Careers Program. This program will help students pursuing a technical career receive the knowledge and skills they need to be successful. It also ensures employers will have the employees they need to do the high-level technical work necessary for so many of today’s jobs.

I will ask the State Board to place special emphasis on initiating these needed programs in regions where companies are locating—like Wood County—where our cracker will be built.

For the first time in the history of our state, teachers and principals have a voice in who teaches with them in their schools. Our bill last year made this a reality. As we continue to hold schools and teachers more accountable for the performance of their students, it makes sense they have a say in who works on their team.

We asked the State Board to study and report on allowing our school systems to hire more teachers who might not have a traditional teaching background, especially for those in hard-to-fill positions. I have reviewed those recommendations and will be proposing legislation to make certain our students have a qualified teacher leading the class.

I believe every student can learn. This has to be the expectation: Every student can learn.

Tonight I ask the State Board to implement an A through F grading system for our schools. This system has been a proven success in 16 other states, and it is a rating system we can all understand. This rating system will provide a better indicator of

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school wide achievement. I believe it will engage communities with their schools and encourage everyone to strive for excellence.

College students across the Mountain State report problems with the flow of class credits between public institutions of higher learning. This increases their financial burden and delays the completion of their degrees. States across the nation have solved this dilemma. Tonight, I ask for your commitment in making our students successful by supporting legislation to solve this credit transfer issue. I also challenge our colleges and universities across the state to accomplish this goal.

I'm always proud to highlight the accomplishments of our teachers. They are the backbone of everything that makes our gardens grow more than any ray of sun or drop of rain.

I am honored, once again, to introduce you to our 2014 Toyota Highmark Blue Cross Blue Shield Teacher of the Year. Erin Sponaugle from Martinsburg West Virginia told us she was a timid child, that she was a bookworm, an artist, and that while she loved the idea of becoming a teacher—she didn't believe she had the potential.

With encouragement from a supportive adult, along with her passion and love for learning and teaching, Erin is sharing her amazing talents with the students of Tomahawk Intermediate School. Erin reminded us in her words that: *God doesn't call the qualified...He qualifies the called.*

Please join me in honoring our Teacher of the Year, Erin Sponaugle.

Let me also take this opportunity to recognize two individuals who deserve our thanks for their continued investment in our teachers. With us tonight are Fred Earley, the President of Highmark Blue Cross and Blue Shield of West Virginia. And Millie Marshall, who is the President of the Toyota Motor Manufacturing of West Virginia and the first female President in Toyota's history. Highmark and Toyota continue to invest in our great teachers—and we are thankful for their continued support.

We should honor the work of Erin and the work done by all of our educators and public servants, not only by recognizing them, but by committing to help them prepare and educate our children—our future workforce.

This is a year of tough financial choices for our state. Our budget is strained. However, we must invest in our future—sow the seeds for tomorrow—and invest in our children and those called to public service. Therefore, I commit to funding a 2-percent pay raise for all teachers and school service personnel who invest in our children every day. I'm also asking for a modest pay increase for our state employees--who have been asked to do more with less.

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We must be vigilant and emphasize that education also includes addressing the epidemic of drug abuse. Since I launched the Governor's Advisory Council on Substance Abuse, thousands of individuals have collaborated to achieve common goals. Families across the state asked for increased availability of substance abuse services. I listened to your requests, and with the help of the Legislature, more assistance is available.

New recovery coaches are available in north central West Virginia to help support those graduating substance abuse treatment programs. New detox stabilization units will begin operating in the Northern Panhandle, Greenbrier, and Logan Counties. And programs like the Healing Place in Huntington are expanding their services to reach out to more people needing help...like Josh Morrison.

Josh grew up in Milton, West Virginia. He had an ideal childhood, loved to play sports and be with his friends. Unfortunately, Josh was diagnosed with a bone disease. He had four surgeries and became addicted to prescription painkillers. Josh's story is like so many we hear from across the state: when his pain got too bad he took another pill, then another. Josh spiraled into drug addiction. He started stealing and he ended up in prison.

Josh said in a letter, and I quote: *I was at the end of my rope and after a failed suicide attempt I found myself in jail serving a ten year sentence. I was 28 years old and I just wanted to die. My addiction had me and I had no way of beating it....then I was sent to the Healing Place of Huntington.*

Today Josh is four years clean. He manages two businesses and was recently married. Josh is a wonderful example of why we must never lose sight that every person—every life—is significant.

Please join me in applauding Josh for his great success and his courage for having the strength to be here tonight.

Last Spring we began to improve public safety and reduce prison overcrowding by passing the Justice Reinvestment Act with bipartisan support. Since that time, my administration has rolled up its sleeves to begin implementing these reforms to build a foundation that will—over time – transform the landscape of our criminal justice system for the better. I am especially proud of our administration for developing innovative, collaborative solutions that will help former inmates recover from substance abuse find a job, and be productive members of society.

Although the work has just begun, and will continue for some time, we can already see the roots of progress taking hold and the sprouts of early success. Today, I am proud to tell you since June we have reduced overcrowding in our regional jails by more than 600 individuals. We have also reduced the overall number of corrections inmates – for the first time in 16 years – by almost 300 individuals. Now, through our Justice

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Reinvestment efforts, we are moving our inmates out of Regional Jails and into placements offering substance abuse and job training services.

As most of you know, the National Boy Scout Jamboree was a highlight of last summer here in West Virginia. We welcomed more than 40,000 scouts, troop leaders, and volunteers to Fayette County's Bechtel Summit. They climbed mountains, tamed the New River, and experienced twelve unforgettable days of "wild and wonderful" adventure. In addition to enjoying and learning about our great state, the scouts also performed service projects throughout southern West Virginia.

Most important, we helped support the safety of 40,000 scouts during the Jamboree by following the Boy Scout Motto, "Be Prepared."

Recognizing that the Jamboree could overburden local health and public safety resources, I issued an executive order declaring a State of Emergency. This was the only tool available by statute to ensure adequate health and safety support for this event. It wasn't a State of Emergency—it was actually a State of Preparedness.

This "State of Preparedness" concept can be applied to future jamborees, winter storms, and any other predictable natural disaster. That is why I will be introducing a bill authorizing the mobilization of medical services, law enforcement, and equipment in preparation for emergencies. Like the Boy Scouts, West Virginia should always "Be Prepared."

I'm proud of all the men and women who served during those weeks in Fayette County and I'm also proud of those who served as volunteer leaders to the thousands of Boys Scouts with us this summer including Troy Householder of Bridgeport.

Troy is just one of the hundreds of adult volunteers in West Virginia who teach the building blocks of character and life skills to our young scouts. Troy is with us tonight along with his wife Louisa, son Corbin—an Eagle Scout, his son Carter—a Life Scout and his daughter Jena a member of the Venture Crew.

Thank you, to the Householder family for your commitment to our scouting families and improving the lives of so many across the Mountain State.

In April of 2013, I issued an executive order creating the Governor's Commission on Military Spousal Licensure to examine ways to ease the burdens faced by military spouses in obtaining a professional license when moving to West Virginia.

Based on the hard work and recommendations of the Commission, chaired by First Lady Joanne Jaeger Tomblin and Ms. Amy Hoyer, the wife of our Adjutant General James Hoyer, I will be proposing legislation providing temporary licensure options for military spouses. Spouses can begin working in West Virginia within a month of applying for a license, while going through the normal process to obtain a permanent license.

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Joanne and Amy will you please stand and be recognized on behalf of all of our men and women in uniform—and their spouses and families.

West Virginia must also be prepared to take care of our beloved veterans—those who gave when the country called. The Department of Veterans Assistance is helping veterans further their education through our higher education system.

In conjunction with the Hershel Woody Williams Medal of Honor Foundation, the Department unveiled the first ever Gold Star Families Memorial Monument. This monument located at the Donel C. Kinnard Memorial State Veterans Cemetery honors the family members of those who have lost a loved one in combat.

In tough economic times we hear the word “homeless” so often that sometimes we forget it can also describe veterans who have risked their lives but struggle to find a livelihood. Our West Virginia Veterans Home is working with the VA Medical Center’s Homeless Veterans Resource Center to provide immediate shelter to homeless veterans.

Homelessness also includes hard-working families who can’t make ends meet. It includes people with disabilities and children without support. Homelessness is devastating. We cannot turn our backs on our fellow West Virginians in need. I have revived the Interagency Council on Homelessness to bring together leaders who will work within the community to end homelessness in West Virginia.

Although my remarks tonight have focused mainly on younger West Virginian’s, it is our seniors who have paved the way for our prosperity. Our seniors have collective wisdom—they’ve seen more, done more, and learned more. With 10,000 individuals reaching age 65 each day in the U.S., the need for qualified, registered in-home care workers is increasing exponentially.

Until now, families have not had a good way to identify and research the backgrounds of providers. My administration’s In-Home Care registry will provide a starting point for families beginning their search for a provider. It will help families sort through important information—listing only providers who have passed a background check. It will include the provider’s level of training and experience. This registry will help give West Virginians the peace of mind they deserve, when searching for a provider to entrust with the care of their loved ones.

As we continue to plan we know it is more important than ever to eliminate government waste. That’s why I will be proposing legislation reforming our purchasing laws to ensure that every dollar of state money is spent with the proper oversight to achieve the best value.

Because of this commitment to a good, responsive and efficient government, I have identified a number of boards, commissions, and councils that no longer operate, but linger on the books creating ambiguity and clutter. I plan to dissolve many of these

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groups by executive order, and I will submit legislation to eliminate the rest of these obsolete boards.

As any good gardener knows it's the hard work at the beginning of each season that ensures a great harvest. Marshall University football coach Doc Holliday...knows how to grow a good team. With planning, patience and foresight, Coach Holliday transformed the Thundering Herd into Military Bowl champions. Let's recognize and congratulate our home-grown coach and his team for the big win over Maryland.

I'm proud of our team—the one right here in this chamber.

I'm proud of the work we have done—together.

I'm proud of our planning, our patience, our foresight.

I'm proud of the opportunities we now have for our children.

Tonight, I want to speak directly to the next generation of West Virginians. Our state has never had the solid financial security you enjoy today or the opportunities you will have tomorrow and for decades to come. It's now up to you. Stay in school, stay off drugs, apply yourself and find your passion. The jobs will be here for you. The present is bright. And the future is brighter.

For those who have left the Mountain State—come home. Come home to take advantage of the growing opportunities we are creating for you. Come home. West Virginia's garden is thriving and we will yield a great harvest for years to come.

Thank you, God Bless you, God bless America and God bless the great State of West Virginia.

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