



OFFICE OF THE GOVERNOR
BRUCE RAUNER

Wednesday, February 4, 2015

Governor Bruce Rauner's State of the State Address

As Prepared for Delivery

Good Afternoon.

President Cullerton

Speaker Madigan

Leader Radogno

Leader Durkin

Lieutenant Governor Sanguinetti

Attorney General Madigan

Secretary White

Comptroller Munger

Treasurer Frerichs,

Members of the General Assembly,

Thank you for your service.

To our distinguished guests and to the media, thank you for attending today.

It is an honor to stand before you.

Today marks a new beginning for Illinois.

And a new partnership between the General Assembly and the governor.

Last November, voters made it clear they want bipartisan government. They want a government where people come together to solve problems and get things done.

They don't want partisan bickering, political infighting or personal conflict to get in the way of serving the needs of the families of Illinois.

All of us were elected to do a job; to deliver real results; to serve the people of Illinois to the best of our ability.

All of us have a duty to serve ALL the people of Illinois, those who voted for us as well as those who did not vote for us.

The good Lord didn't make us Republicans or Democrats. He made us in His image to do His work, to help each other, to make the world a better place.

We all have a moral duty to serve the long-term interests of the people of Illinois – to focus on the next generation, not the next election.

I am personally committed to working closely together with each and every one of you - meeting together, solving problems together, listening and learning from each other.

Together, we will do great things for the people of Illinois. We will once again make Illinois the greatest state in the greatest nation on earth.

The task ahead of us is daunting and we have no time to waste.

At the beginning of today's session you should have received a copy of our policy agenda. It is bold, aggressive and comprehensive. It is both very necessary and very doable.

In our agenda, each of you will probably see some things you don't like.

But each of you will certainly see many things that you like a lot.

We should consider it as a whole – not as a list of individual initiatives.

We must choose to see the big picture - an overall package – that will lift up all of the people we've been chosen to represent.

With that as our common goal, there is no doubt that we can, together, as partners, get big things done.

Let us commit to doing the people's work.

Over the past dozen years, 275,000 more people decided to leave Illinois than chose to come here.

That's like the cities of Springfield, Decatur and Champaign all completely disappearing.

And over that same time period, the states around us have been kicking our tails.

The WORST performing of our neighboring states has had 6 and a half times the job growth per 1,000 people as Illinois has had.

Iowa's had more than 15 times the job growth that we've had.

Last summer, I met the Gryp family.

Michael, Andrea and their children are some of the luckier ones.

Michael lives in Illinois and wants to stay here, but after getting laid off couldn't find a job near home. Now, he must commute one hour and twenty minutes to his office in Williamsburg, Iowa.

The Gryps' loyalty and family roots have kept them in Illinois, but they wonder how much longer they can last, and whether their children can find good careers here.

And there are families like the Gryps in every community in Illinois.

It's time to give them hope.

It's time to give them the opportunity to stay.

Our top priority must be making Illinois competitive again, to grow more jobs here.

To become more competitive we must look to the structural impediments to our economic growth.

Our workers compensation, unemployment insurance and liability costs all rank among the worst in America.

Those costs add up to far more than just numbers on an accountant's balance sheet.

They impact real people with real jobs and real families.

Onesimo Guterrez is in the gallery today.

For 18 years, Onesimo has worked at the Sealy Mattress Factory in Batavia.

Recently he got a letter saying their plant is being moved to Indiana.

And the plant in Illinois is expected to close this Spring.

It is heartbreaking that what is happening to Onesimo is happening to countless others throughout the state.

Two and a half years ago, Modern Forge Company, a 100-year old, family-owned manufacturing business, began moving its operations to Indiana from Blue Island, Illinois.

Modern Forge employs 230 people. In Illinois, it paid between \$700,000 and \$1.5 million a year in workers' comp premiums. In Indiana, the same premium is \$250,000.

Modern Forge is competing with manufacturers across the country that don't have Illinois' costs.

Modern Forge needed to move to stay competitive.

Since then, they've hired 100 new Indiana workers, and today almost half of its workforce lives in Indiana.

Leaders in both political parties, including Attorney General Lisa Madigan, have advocated for much needed reforms that address the shortcomings of the workers compensation law that was passed in 2011.

Working together, we can create a common sense system that protects and fairly compensates those who are injured on the job, while also assuring that both public and private employers are not overburdened by an irrational system.

Too many people in our communities must overcome not only hurdles that state government has put in place, but also decades of hidden barriers that have caused their communities to suffer.

Approximately 80% of individuals in Illinois apprenticeship programs are white even though Caucasians make up fewer than 63% of our population.

Whatever the reason for this disparity, it has gone on for too long, and we must take specific, positive action to end this unfair situation.

We should require unions that contract with the state to have their apprenticeship programs reflect the demographics of Illinois communities, and to have their membership on public construction projects reflect the diversity in the surrounding area.

And we should create a Minority Enterprise Small Business Investment Program to assist minority entrepreneurs in startups throughout Illinois.

We must also help those workers who are barely getting by, by raising the minimum wage.

Our Economic Growth and Jobs Package increases the minimum wage to \$10 an hour over the next 7 years.

Raising the minimum wage in conjunction with improving the overall jobs climate, will make Illinois more competitive and create a booming economy while increasing incomes for hardworking Illinoisans.

As we look to make Illinois more competitive, property tax relief is one of our most pressing challenges.

Our property tax burden is one of the biggest impediments to growth, and it hurts both businesses and middle class families.

The average homeowner in Illinois pays more than three times the amount of property taxes as a homeowner in Indiana – more than an additional \$3,000 paid out of the family's budget every single year.

Take for instance Christine Dolgopol, in the gallery today.

She bought her home in 1978. At the time her taxes were \$1100. By 2013, her taxes were \$4,797.

After accounting for inflation, Christine's taxes have almost doubled, even after getting a senior exemption and almost yearly appeals.

She's not alone.

Over the past decade, the average property tax bill has increased nearly 33 percent!

Meanwhile, real family incomes in Illinois have gone down... Families have been left with less income and more taxes.

Our property taxes are out-of-control and are crushing middle class families.

Illinois' high property taxes have skyrocketed because state and local governments have been unable or unwilling to control their own spending.

We must empower taxpayers to take control of their property tax bills by giving them greater ability to control local government spending.

The time has come to give the people of Illinois the ability to drive value for their tax dollars.

Our agenda must be about empowerment, about empowering the people of Illinois to control their futures.

Empowerment means giving local voters the ability to control the collective bargaining issues in their local governments and take more responsibility for their employees' benefits. Empowerment means giving local government employees the ability to decide for themselves whether they want to join a union. Empowerment means giving governments the ability to lower costs by reforming project labor agreements and prevailing wage requirements that block true competitive bidding.

These requirements can increase the cost of taxpayer-funded construction projects by 20 percent or more.

At the Illinois Tollway, uncompetitive bidding has cost toll payers over \$1 billion since 2005.

At the Department of Transportation, uncompetitive bidding costs taxpayers more than \$100 million per year.

Reforming the prevailing wage laws could save our schools nearly \$160 million per year.

We must restructure bidding for construction projects at every level of government because reforms will save taxpayers billions – and we can reinvest these billions in even more capital projects.

Empowerment means giving taxpayers the ability to consolidate local governments to control costs.

Illinois has the most governments in the country – nearly 7,000 local units, and the taxpayers of Illinois can no longer afford all of them.

DuPage County Executive Dan Cronin is with us today. He has already achieved significant government consolidation. To date, his reforms have generated a projected \$100 million in taxpayer savings through shared

services, joint purchasing, employee benefit reforms and modifications to procurement practices.

Congratulations, Dan. You are a role model for all of us.

Empowerment means freeing local governments from unfunded mandates imposed by the state. We impose more than 280 unfunded mandates that cost local communities billions.

In the days ahead, I will be asking Lieutenant Governor Evelyn Sanguinetti to work with leaders like Dan Cronin on consolidation efforts as well as ways to reduce costs imposed on local governments.

We must also empower voters to decide for themselves whether they want their communities to become employee empowerment zones.

These zones will give employees the freedom to choose whether or not they want to join a union. Local communities – local voters - deserve this option so that they can compete with other states and other nations for new businesses and new investment.

Employee empowerment zones will increase jobs for residents, increase economic activity for local businesses and generate more tax dollars for local governments.

It's a win-win-win proposal.

By implementing these reforms, we will give taxpayers and local governments the tools they need to freeze property taxes.

And it will allow us to begin reforming our out-of-date tax code.

We have an antiquated tax system whose base is too narrow, and that makes us uncompetitive.

Let's work together to enact a competitive, 21st century tax system for a 21st century economy.

The best voter empowerment tool is term limits. Term limits overcome the power of incumbency and help bring fresh thinking to government.

Let's finally give the people a chance to enact term limits by putting that constitutional amendment on the 2016 ballot, and let the voters decide.

At the start of this session, you received a summary of certain past conflicts of interest in Illinois state government. We must eliminate this sort of political dealing.

Government unions should not be allowed to influence the public officials they are lobbying and sitting across the bargaining table from through campaign donations and expenditures. That has been federal law since 1947.

Government must never force its employees to fund activities they do not support. President Jimmy Carter prohibited that at the federal level in 1978.

While we currently ban contributions from many businesses with state contracts, some of the largest recipients of taxpayer money, like hospitals that receive millions from Medicaid, are still able to funnel huge campaign donations to elected officials.

Let's close the Special Interest Loophole, by extending the prohibition on political contributions for businesses with state contracts to all organizations with a state collective bargaining agreement, and organizations funded by entities receiving state Medicaid funds.

And, in time, we should take another step towards trustworthy government by prohibiting trial lawyer donations to elected judges, and move toward merit-based judicial reform as supported by the American Bar Association.

We will leave no stone unturned as we look to bring good government, good management practices, to Springfield. Over the past year, there has been discussion about reforming the Abraham Lincoln Presidential Library and Museum. To ensure the museum and library are the world-class institutions they deserve to be, our administration is working in partnership with Speaker Madigan on a reorganization plan, and we look to have a resolution during the Spring session.

And we've already spoken of the need to merge the Comptroller's office with the Treasurer's office.

Doing so would save taxpayers \$12 million per year and would be a fitting tribute to Judy Baar Topinka's legacy.

Let's make Judy's Amendment a reality.

Our state employees deserve fair, competitive wages - it's time to revamp how compensation works in state government.

Let's emphasize quality of work instead of simply longevity of work. Let's pay great state employees more for their excellent performance.

And those who find innovative ways to save taxpayers money deserve to earn bonuses.

As we look further for government reform and to bring best management practices to our state, our criminal justice system is one area we **MUST** focus on.

We have to both prevent crime from occurring and reform the parole system and re-entry process so that the same people are not returning to prison over and over.

The conditions in our prisons are unacceptable. Inmates and corrections officers alike find themselves in an unsafe environment.

We will hire more correctional officers to improve safety in our prisons.

We will also continue to invest in Adult Redeploy.

Since its implementation in 2011, Adult Redeploy has diverted more than 1,900 offenders into community-based programming. Congratulations to all of you in the legislature who supported Adult Redeploy. Let's continue to build on these corrections reforms.

Now, let's talk about the most important thing we do as a community - education.

I promised to increase education funding and will keep that promise. We will increase k-12 education support, which will particularly help our most disadvantaged school districts.

And our budget will increase funding for early childhood education so that more at risk children can enter kindergarten ready to succeed.

From cradle to career, our children's education needs to be our top priority.

That means we must also invest in technical and vocational training. We used to emphasize these programs in our high schools and community colleges, but those efforts have faded.

Let's end the era of cutting funding for technical training and community colleges.

Every child deserves access to excellent schools, but that's not what every child is getting in Illinois.

Too many students are trapped in failing schools or schools that are not a good fit for them.

We can give them better. We must give them better.

Lucy Reese is with us today. She lives in the Roseland neighborhood in Chicago and sends her children to public charter schools.

She made that decision because they offer longer school days, enhanced learning opportunities and variety for her kids.

Her youngest daughter has struggled in English and language arts. She currently attends Ralph Ellison Chicago Charter School, which makes sure she gets more attention in these subjects.

On the other hand, her son is a junior at Gary Comer College Prep. The high school offers a much more rigorous and disciplined curriculum - perfect for his accelerated learning style.

It's time we give every child and parent in Illinois the same choices Lucy has been able to make for her children.

Our Student and Career Success Package will lift the cap on public charter schools and give parents and students more options.

Next to being a parent, teaching is the most important job in the world. We must support our many good teachers.

That means putting more resources directly into classrooms, reforming the education bureaucracy and rolling back costly mandates.

Our education bureaucracy stands between state resources and the classroom. We must find ways to reduce it.

Our students and teachers today are overwhelmed by too many tests. We must ensure that the amount of time we test our students doesn't get in the way of high-quality instruction.

Much of the reform agenda we're outlining today has been implemented in other states. The reforms are working so well in those states that they are causing US to become even less competitive.

We must avoid slipping further behind other states in the quality of our children's education, the capacity of our economy to grow, and our ability to care for our state's most vulnerable.

It's now or never for Illinois. It's time to act.

All of us in this chamber were elected to deliver results – make choices and cast votes that are in the best interest of the people of Illinois - choices about what's best for the next generation, not the next election.

The time is NOW for all of us, Republicans and Democrats, to do big things - the right things - for the people of our Great State.

Now is the time for bold and decisive action! It is make or break time for the Land of Lincoln.

We can reclaim our proud history as a strong and vibrant state and fulfill our destiny as a beacon of the Midwest.

Illinois has a history of accomplishing big things. Yesterday, we marked the 150th anniversary of the 13th Amendment to the Constitution, which ended slavery. Illinois was the first state in the nation to ratify the amendment, put forward by our greatest statesman, Abraham Lincoln. When we believe in something, when we work together, we can change the course of history.

The year 2018 will mark Illinois' 200th birthday. In the countdown to our Bicentennial, let's come together- governor and legislators – to make the tough decisions that everyone from Chicago to Cairo and Rockford to Carbondale knows we must make.

This is our last best chance to get our house in order, to restore good government. Let's approach our 200th Year as the Great State of Illinois... as a proud people, standing tall... with eyes focused on the future.

Competitiveness must become our watchword and opportunity and compassion our goals, so that we can once again become the place people want to come to build a better life for themselves and their families.

Today marks a new beginning. I'm excited and honored to work closely with you. Together, we will get great things done for the people of Illinois. Thank you, and God bless you.