

## **Governor Steve Sisolak: State of the State Address**

*January 16th, 2019*

*As prepared for delivery*

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Mr. Speaker, Majority leader, legislative leadership, Madam President, distinguished members of the Legislature, Honorable Justices of the Supreme Court, constitutional officers, Honored Guests ...

Thank you all for joining me here tonight.

To my family - particularly our incredible new First Lady: Thank you for standing with me on this journey... and for guiding me through this next chapter.

I also want to take moment to recognize a great Nevadan who passed away recently, but left behind a legacy of fighting for the Silver State, former Governor and U.S. Senator Paul Laxalt.

The start of the year, the start of a new legislative session, is a moment for reflection — a time to think about the progress we've made.

Tonight I speak to the legislators who will make up the 80th Session of the Nevada Legislature. And for the first time in Nevada state history — and in the history of the United States — it's a Legislature that is majority women.

Tonight, we are joined by the newly-elected and appointed women who took the leap this past year — and together, made history.

Would you all please stand?

Let's give them a round of applause.

This is a milestone that's been generations in the making -- thanks to women like Dina Titus, who not only served in this legislature, but has gone on to represent us in the halls of Congress. And tonight we're joined by two of the pioneers who also helped make it possible:

Barbara Buckley, the first woman to serve as Speaker of the Assembly and Sue Wagner the first woman to serve as Lieutenant Governor in Nevada .

Barbara and Sue: Would you please stand as well?

To them...

To all the women here tonight...

And all the women who have served before — including the one and only Debbie Smith, who I know is smiling down on us...

This night belongs to you.

And as a dad of two daughters, I am especially grateful to know that every little girl in Nevada has role models in all of you. And let me just say, that includes our lieutenant governor, Kate Marshall. Kate - I look forward to working with you on behalf of the people of Nevada.

And that work is important because for the last decade our economy and our families have faced some of the hardest economic times.

Tonight, we can acknowledge the progress that's been made. And that's important to do. **But before we get lost in celebrating, we have to remember our families who haven't** \_\_\_\_\_ - who are still working two jobs, who are worried about paying for college for their kids or a medical bill for their parents.

The budget and priorities that I will outline tonight are focused on this objective: making sure that Nevada's economic recovery reaches **every** family, that our schools prepare **every** child to reach their potential, that our health care system is there for **every** Nevadan that needs it.

The time is here to ask what kind of state we want to be. It's on all of us - Democrats and Republicans alike - to reach higher than we ever have and to ensure economic success makes it to **every** dinner table in Nevada.

And so...While we have work to do, I stand before you and am proud to announce that the state of the state is full of opportunity.

Let's start with some numbers.

We are anticipating General Fund revenue of more than 4.3 billion in 2020, up nearly 3 percent from 2019. And in 2021, it's projected to rise even more — to nearly 4.5 billion.

Nevada's economic growth happened under our current revenue structure — and as they say, if it ain't broke, don't fix it. That's why this budget is presented **without any new** \_\_\_\_\_. Let me say that again. This balanced budget **does not contain any new taxes**.

While revenue is up today, our history tells us what pain an economic downturn can bring.

At the height of The Great Recession, difficult choices were made including cuts to education, medical services, and job training, at the very moment people needed them most.

Then-Speaker Barbara Buckley sponsored legislation to require the Governor to reserve one percent of our total anticipated revenue for the Rainy Day Fund.

As she put it at the time: "Creating programs in **good times** to slash them in **bad times** is senseless."

She's right. This isn't only the fiscally responsible thing to do, it's the right thing to do. Besides, how can we tell our children to save their money for a rainy day if our government doesn't even do it?

Last year marked the first time since the law passed in 2011 that Nevada lived up to that commitment...

...and today, I pledge to make this a pattern: My budget will include annual savings of \$45 million for the next two years to preserve and grow our Rainy Day Fund for those dark days when we will truly need it.

As we saw in our latest jobs report: Businesses are propelling our economy.

We now boast of being home to companies like Tesla, Google, Apple and Amazon- just to name a few. We have welcomed Hyperloop One, and a burgeoning drone industry. And we have become ground zero for the Fourth Industrial Revolution that will come with blockchain technology.

Last fall, Tesla, Blockchains LLC and other high-tech neighbors in Northern Nevada became part of what is now known as Innovation Park – a place to incubate visionary thinkers, developers, and others who will design our future.

And just last month, several of our legislators formed a Technology Caucus, to review the needs of our growing tech sector, and promote the success of these ventures.

We are also working to ensure that we give our students the skill sets required to succeed in these industries, with STEM education being more important than ever before.

And when it comes to jobs, we are now one of the fastest growing states in the nation. Over the past year, non-farm employment has increased by more than 45,000, with gains in construction and manufacturing; education and health services; trade and transportation and more.

We have our business community to thank—not just large companies whose arrival in our state makes headlines, but small businesses too – including the over 78,000 employers in Nevada with 100 or fewer employees.

As Governor, I will work to make it easier for our small businesses to thrive by streamlining complicated processes, eliminating red tape and needless regulations, and putting a Small Business Advocate in the Office of the Lieutenant Governor. Let's give our small businesses a hand!

One of those sectors is the rapidly growing marijuana industry. That's why I'm announcing that next week I will sign an Executive Order creating Nevada's first-ever Cannabis Compliance Board, which will ensure this critical part of our state's future economy is positioned to become a gold standard for the nation.

We will manage and grow this new industry strictly and fairly and in a way the State can be proud of.

But with new jobs and economic growth comes an added challenge - making sure everyone who wants to live and work here can afford to do so.

To that end, I will be supporting the recommendation to create a new program which will offer \$10 million of state tax credits per year for the creation and preservation of affordable housing.

I want to thank the Chair and members of the Committee that studied Affordable Housing this past interim for their hard work on this proposal.

This, alone, won't solve our housing crisis — but it's an important first step... and will make a real difference in the lives of low-income Nevadans who will have a safe and secure place to call home.

At the root of our affordable housing crisis lies another fundamental problem – too many Nevadans are making too little.

That needs to change and it needs to start by giving Nevadans a well-earned raise.

Even as our economy improves, too many folks are still working two jobs to get by — even more are living paycheck to paycheck.

That's why I am committed to working with the legislature — and the business and labor communities — to raise the minimum wage in our state. It's impossible for an individual, let alone a family, to live on \$7.25 an hour.

And not only that - we need to ensure **equal pay for equal work** and to find a consensus on \_\_\_\_\_ for Nevada's workers. It's the right thing to do for our families.

At the same time, I'm recommending a 3% pay increase for our state employees — whose work enables us to provide medical and social services to our people, assist new businesses; and keep our roads and highways safe.

During The Great Recession, many of them took pay cuts — or went without salary increases -- but they continued to faithfully serve Nevada. Their skills, knowledge, experience, and devotion have been invaluable to our state.

We are in a position to give our workers a raise, and we expect great return on that investment. I also believe they should be empowered to bargain collectively in the years ahead.

And to our state agencies – we must open our doors. It's time to let employees know what options they have.

And while on the subject of wages, I want to make one thing clear:

This session I will work to return prevailing wage to public construction projects--as it was before the 2015 session--including, and most importantly, for our children's schools.

Not only do prevailing wage laws support highly skilled workers in Nevada, they guarantee our children are learning in well-constructed, high quality educational facilities. Let's do this.

As we work to improve our wages and continue to focus on economic development, it's critical that we invest in a workforce that will be job ready.

That's why I plan to increase funding for graduate medical education by \$2 million per year. Because the medical students of today will be the doctors of tomorrow.

We must continue to invest in our higher education system. In addition to funding for student enrollment growth, I am recommending funding for two new buildings: a health and sciences building at the College of Southern Nevada and a new education building at Nevada State College.

When we invest in building these places of learning, we create the educators and medical professionals of tomorrow.

And I appreciate NSHE's efforts to improve our graduation rates and overall student success.

Obtaining that degree or certificate is challenging for many of our students. That's why we will increase funding for Nevada's scholarship programs to open new opportunities for thousands of Nevada's students to earn their degrees and workforce credentials.

But there's another element of higher education that too often doesn't get the respect it deserves....apprenticeship and job training programs.

Success doesn't always have to start with a four year degree. Quality job training programs, apprenticeships, business partnerships, and community college degrees can help Nevadans of all ages get the skills they need for the jobs that are out there today.

That's why I'm recommending increased funding for Career and Technical education to serve an additional 2,000 students.

So far we've talked about a number of important issues, but there is no issue more important to me than making sure every child in every classroom gets a great education.

And you know what? That starts with having a great educator at the front of the room.

These are the people we are entrusting to prepare our kids for the future. They need to be treated as the professionals that they are and respected for the job they do. Let's show them our appreciation.

But our educators deserve more than that. They deserve a raise.

It has been over a decade since the state has directly funded a raise for our K-12 educators. Tonight, I want that to change.

Legislators, I am asking you to stand with me and stand with our educators by including them in the 3% pay raise for state employees for the first time in 12 years.

Right now, too many teachers have been forced to dig into their own pockets to make sure their students have basic supplies—like markers, erasers, pencils. It's a beautiful sign of their commitment. But it's also grossly unfair.

So I am proposing additional funding to reimburse teachers for supplies they need for their classrooms — raising the total from \$100 to \$180 per teacher.

I am also including a one-time appropriation for Washoe County to correct an \$8.6 million mistake that was made in the past. But to be clear, those kind of mistakes will not be tolerated under my watch. The time for band-aids and short-term fixes is over.

I also look forward to working with Legislative Leadership to review the decades old Nevada Plan to ensure that tax dollars for education follow the student. We have to make sure our statewide funding formula is equitable for every student in every \_\_\_\_\_.

My recommended increase in funding for the New Nevada Plan will increase from \$36 million to \$70 million per year meaning that an additional **28,200 at-risk students** will receive the academic support they need, no matter what school they attend.

Additionally, I am recommending for the biennium:

\$44.7 million to ensure access to quality pre-school development programs;

\$63.4 million for Read by Grade 3.

Approximately \$100 million for Nevada's Zoom Schools.

And \$50 million for Victory School programs.

Because not only do we ask our educators to teach our students, we rely on them to keep them safe as well. The need for safer schools is a dark reality today, and we need to fund these initiatives.

I want to thank the Statewide School Safety Task Force for their hard work identifying key proposals to enhance security at our schools, including more police officers, and funding for additional social and behavioral health workers.

We cannot expect to successfully address violence and issues in our schools unless we invest in people like Arika Marquez, who is here with us tonight. Arika is a counselor at Clayton Middle School in Reno.

By doing her job every day, counselors like Arika are preventing violence, helping students, and saving lives.

Arika, please stand and be recognized for your work.

That's why a portion the 10 percent marijuana tax will go towards preventing violence in our schools.

As Governor the safety and security of our families is my most important job.

Our country is plagued by the epidemic of gun violence — something Nevadans have come to understand all too well. We are still reeling from the losses we suffered on 1 October. And **now, at long last**, we're going to take **action**.

I am working with the Legislature to implement commonsense background checks on all firearm sales in Nevada.

We will outlaw bump stocks.

And we will address the threat gun violence poses to victims of domestic violence in this state. Those subjected to restraining orders should not be allowed to buy a firearm.

Back in 2016, Nevadans voted to close the dangerous and deadly loophole in our law that makes it far too easy for convicted criminals, domestic abusers, and others with dangerous histories to buy firearms at gun shows and online with no background check and no questions asked.

It's long past time we listen to the voters, and enact these changes. Because background checks save lives.

Along with the need for a safe Nevada is a healthy Nevada.

As public servants, we have a responsibility to promote the health and wellbeing of the Nevadans who sent us here.

Let me start by saying: as long as I'm in office, Nevada will continue supporting and defending the Affordable Care Act, including all protections for those with pre-existing conditions.

That's why I am proud that Nevada has signed on to an amicus brief asking the courts to prevent the Trump administration from rolling back the Affordable Care Act's requirement that employers include birth control coverage in health plans.

As Governor, I am committed to adequately funding women's health care. Currently, Nevada ranks last in the nation in the number of women who have a dedicated health care provider. We don't fare much better when it comes to cervical cancer screenings or other forms of family planning. That's going to change.

And that's why we'll be allocating 3 million dollars per year to provide more of these life saving services statewide.

Like the life of Reno-native Ann Mackey, who in her early 20s started to have health complications, so she scheduled an appointment at Planned Parenthood. During that visit, they found early signs of cervical cancer that had gone undetected. Today, 20 years later, Ann is doing well and is certain that Planned Parenthood saved her life.

We have to make sure that quality health care continues to be offered to every Nevadan, not just those who can afford it. Our state took an incredible step when we

expanded Medicaid. It gave the chance for hundreds of thousands of Nevadans to go to the doctor and gain the coverage they need.

**My recommended budget represents the largest investment of general fund dollars to**

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Here's how.

---first, by increasing Medicaid reimbursement rates for Neonatal and Pediatric Intensive Care Units, we can provide for our youngest patients and make sure they have access to the health services they need.

---second, we'll reduce the waitlist for children with autism to get assistance

---third, we'll increase access to mental health services, upping the hours that our Mobile Crisis Units operate.

---and finally, too many individuals and families struggle with substance abuse. We can and should do more to make the healthcare system work for everyone.

People like Nikki and Kayden Yowell from Winnemucca, who are here tonight. Nikki lost her husband and Kayden lost his father to substance abuse. What Nikki and Kayden have faced is unimaginable--but it's all too common.

We can no longer allow this epidemic to plague our communities and destroy our families. It's time to fix it.

This investment will let Community Behavioral Health Centers expand from three to ten, allowing them to serve additional adults and children with substance abuse issues.

But it's not enough to just put numbers on paper.

I am committed to working with legislators, the Department of Health and Human Services, and community stakeholders to ensure this funding gets down to the Nevadans who need it.

In the coming weeks, I will create a Patient Protection Commission. Our goal will be to take a comprehensive view of health care in Nevada--to evaluate what we're doing well,

and more importantly, what we can do better including protecting Nevadans from being gouged on prescription drug prices.

Now let me turn to another important issue --

I'd like to ask all of our active military and Veterans, including Brigadier General William Burkes and Lieutenant Colonel Retired Gary Utterback who led us in the pledge to please stand and be recognized.

The plight of our Veterans is too often ignored. These are the heroes who risk their lives for our country—and our state. And yet they don't always receive the support they need when they come home.

For example, we have an estimated 5,000 underserved veterans in the Fallon and Pahrump service areas – a number that triples if we consider family members eligible for services.

And we know that Veterans – like others in rural areas – have difficulty accessing health services. They also face poverty, homelessness and substance abuse, but services are available only if they can access them.

That's why we are adding additional Veteran services officers to help them access the federal benefits they deserve – more than \$114 million in federal funds annually that will improve the quality of care and quality of life for our Veterans and their families.

We also need to look out for our fellow Nevadans who need a little help to get by.

From our elderly residents, who rely on food from Meals on Wheels to our foster families, I want you to know that you will not be forgotten.

This year, we will increase funding for Meals on Wheels by more than **\$800,000**, allowing us to feed over **8,700** seniors and eliminate the current wait list.

And then, for the over 2,000 foster family homes across our state, we're going to increase funding to help foster parents cover the cost of child care.

There's another conversation that we need to have, and it's about our criminal justice system.

We cannot continue to do the same thing and expect different results.

We can be tough on crime...and still reduce recidivism.

We can lock up violent criminals...and work to identify the low-level offenders who are ready to earn their second chance.

That's why I am recommending we add new staff who will focus on supporting mental health and substance abuse programs and handling the increased caseload in the Parole and Probation division.

This will be coupled with an increased investment in a pilot program aimed at providing education and skills training for inmates – first championed by then-Senator Aaron Ford.

In the first year of this program, over 80 percent of the inmates enrolled graduated with either credits going towards a traditional college degree or a pre-apprenticeship experience.

I'd like to recognize a special guest here with me tonight: Professor Kevin Mitchell, of the College of Southern Nevada. Professor Mitchell has years of experience teaching in the CSN prison education program and currently teaches at High Desert State Prison, which the First Lady and I recently toured. He has seen his students reintegrate into our community and start productive careers. Professor Kevin Mitchell, please stand.

This additional investment will reduce the recidivism rate, save our state tax dollars, and make our streets safer.

We are all lucky to live in the most beautiful state in the country. Hands down. But to keep it that way, we need to recognize the serious environmental threats facing our state.

Let me be clear: I will not spend a single second debating the reality of climate change. It is real, and it is irresponsible to ignore the science that proves it — and the lives it has already upended, especially across the West.

As Governor, I am committed to making Nevada a clean energy leader — not only to combat the effects of climate change for future generations, but also for the abundance of green-collar jobs we can create right now.

Nevada used to lead the nation in producing renewable energy. Sadly, we've fallen behind. Take our Renewable Portfolio Standard. We used to be number one, and now we're not even in the top ten.

That's why I strongly support the goal of achieving a minimum of 50% in renewable energy by 2030. And I know we can meet these standards without raising the cost of electricity for the ratepayers of our state. It's time to make it happen.

In 2017, the Legislature proved they have the political will to reclaim our spot as the nation's clean energy leader. When you send me that bill, **this** Governor will sign it.

Because allowing Nevada to lead when it comes to renewable energy isn't just good for job growth or energy rates, it helps preserve and protect Nevada's incredible natural beauty.

We have some of the nation's most amazing public lands in our state. These lands contribute to this state's unique beauty, connect us to our past, and are the driving force behind our thriving eco-tourism industry. We must continue to protect these irreplaceable treasures.

And speaking of treasures, let me make something perfectly clear: **Not one ounce of** \_\_\_\_\_ will ever reach Yucca mountain while I'm Governor. Not on my watch.

We will work hand-in-hand with our congressional delegation and use every resource possible to stop the federal government from turning our state into their nuclear waste dump.

One thing remains clear across all these proposals – when you invest in Nevadans the return can be immense.

And it's why I am opening a Governor's Office for New Americans — which will support our newest neighbors, help them navigate government services, build new businesses, and let them know that they are welcome here.

It will also provide assistance to DACA recipients and applicants — like a DREAMer I met on the campaign trail named Deisy.

Deisy was brought to Nevada as a kid. She didn't have documentation, but she cared for her community and worked hard.

When Governor Sandoval did the right thing and signed a bill in 2015 that allowed DREAMERS to obtain a teaching license, she jumped right on it.

Today, she's a special education teacher at a public school in Clark County, helping children with autism realize their potential.

I know Deisy is watching on tv so let's give her a round of applause.

The Governor's Office for New Americans is for people like Deisy who invest in the future of our community every day.

We need to make sure each and every voice is heard. At the Capitol. In our communities. And at the ballot box.

This past November, Nevada made clear that they support Automatic Voter Registration. — and now, it's on us to get it done.

So I look forward to making this a reality alongside Secretary of State Cegavske and the legislature.

Voting is a fundamental right, and we should be looking for even more ways to make sure eligible Nevadans can exercise it... which is why I am committed to working with the legislature and local election officials to expand early voting — and to implement same-day voter registration.

And I am committed to making sure every Nevadan is counted in our census. Because if one of us is left off, that hurts all of us.

That's why I am recommending additional funding for in-state efforts to ensure all Nevadans are counted.

The proposals laid out tonight are presented with the goal of ensuring that **every family**, sitting around **every** \_\_\_\_\_, sees the benefit of the economic recovery that those at the top have already felt.

Those in this room will not agree on everything. For example, some here might cheer for the Wolf Pack, and some might cheer for the Rebels...but we can all agree that the Golden Knights are the best hockey team in the state of Nevada...

These chambers were built to house debates worthy of the Nevadans we represent and the futures they have ahead.

But in those debates over the paths we take, we must not forget what can happen when civil discourse turns into partisan gamesmanship – it's the people who ultimately lose.

Look no further than what's happening in Washington D.C., where federal workers – including 3,000 across Nevada – have become pawns in a political battle.

Nevadans deserve better, and we owe it to them and this great institution to show the rest of the nation how it's done.

So, I have a message for **every** legislator in this chamber tonight -- whether you are a Republican or a Democrat. We've got a busy four months ahead, we've got a lot of work to do, and we're going to be spending a lot of time with one another.

I want you to know that my door is open. We need good ideas from **everyone**. That's how we work together. That's how we get things done. And that's how we build an even stronger Nevada.

Because I know that when **every Nevadan** has the opportunity to succeed, the state will reap the benefit.

That will be my mission as your Governor...

...and the chance to see it through is the honor of my lifetime.

Thank you all.

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