



* EMBARGOED UNTIL 7:00 P.M. *

Tuesday, January 26, 2010
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Text of Governor Doyle's 2010 State of the State Address

Speaker Sheridan, Speaker Pro Tem Staskunas, President Risser, Majority Leader Decker, Minority Leaders Fitzgerald and Fitzgerald, Constitutional Officers, Supreme Court Justices, tribal leaders, members of the Cabinet, distinguished guests, members of the Legislature, and fellow citizens of Wisconsin.

I stand before you tonight at a difficult time in America's history. We have been hit hard by an economic crisis – the depths of which we have not seen since the Great Depression.

Our nation's unemployment rate has soared to over 10 percent. While Wisconsin's rate is one and a half points lower – it is still far too high.

Far too many remain unemployed. Far too many are making do with a paycheck that doesn't go as far as it used to. And far too many are living with the fear that they might lose their jobs and their health care.

Let us never forget that an unemployment rate is not just a statistic. These are people who did nothing wrong. They didn't deal derivatives, manipulate Wall Street, hyper inflate the real estate market or get bonuses from big investment banks. They are our brothers and sisters, our mothers and fathers, our neighbors and friends.

Above all else, we have to look out for these people. In Wisconsin, I'm proud we haven't turned our backs on them.

We're making sure they have unemployment insurance and training to get a new start in life. And although demand is at an all-time high, we're making sure they have health care and food assistance.

We've been able to do this – and protect our most important priorities like education and health care – because we've made the deepest cuts in state spending in history. Everyone has felt the effects. We have cut state agencies by 10 percent or more. We have furloughed state workers and eliminated pay raises. We have held 3,400 state jobs vacant – 10 percent of the state workforce.

I will have to make another round of difficult cuts. But we will make these cuts as we have made them before – protecting education, health care, and public safety, and protecting the middle class against tax increases.

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While we help our citizens get through this difficult time and back to work, we must also make sure – that as the national economy comes back – Wisconsin is poised to grow and expand.

I have a year left as Governor, and I want to be very clear about what my top priority will be. I will do everything I can to help our businesses create jobs and give our workers the opportunities to get those jobs. Nothing is more important.

Yes, as we look at the state of our state, we are most certainly facing tough challenges. But our people have shown a resolve that is even tougher. THIS is Wisconsin.

I am proud to be Governor of a state where people are making tough decisions in these hard times, yet still looking out for one another.

CREATING JOBS, INVESTING IN WISCONSIN BUSINESSES

The story of Mercury Marine is a great example.

One of our flagship Wisconsin companies, Mercury Marine has provided good paying jobs to hardworking families for 70 years. With our nation's economic downturn, Mercury was facing the need to consolidate.

Mercury management made a commitment to Wisconsin. Union workers approved painful concessions. Community leaders put together a local incentive package. I called for – and you quickly passed – new tax credits for companies like Mercury that retain jobs, allowing the state to offer a strong incentive package. I want to thank Speaker Mike Sheridan, who understood the urgency of taking immediate action.

I know how tense these negotiations were. I was working with Mercury executives, union leaders and local officials around the clock.

In the end, Mercury decided to stay in Wisconsin – keeping thousands of jobs here and bringing hundreds of jobs from out of state. It shows what we can do – even in times like these – when we focus and work together toward a common goal.

Tonight, we're joined by people who deserve a lot of credit ... Mercury CEO Mark Schwabero, Machinists General Vice President Rich Michalski, Local Union President Mark Zillges, and Fond du Lac County Executive Allen Buechel.

I also want to acknowledge the efforts of Senator Randy Hopper. I was on the phone with him and others many times a day. While some – for political reasons – seemed to want Mercury Marine to leave, Senator Hopper put partisanship aside and quietly did everything he could to keep Mercury in Wisconsin.

As companies like Mercury Marine will tell you – Wisconsin is definitely open for business.

I want to thank Speaker Sheridan, Majority Leader Decker and all the legislators who passed this budget. As a result of your work, Wisconsin now has some of the strongest economic development tools in the country. We're spurring research and development through new incentives. We're giving investors new tools to create start-ups. And we're using powerful new tax credits to help manufacturers create and retain jobs.

As a result of our work, Wisconsin now ranks 30th in business taxes – well below the national average.

With the help of these incentives, over the last year, many other companies have moved their operations from other states to Wisconsin.

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When Republic Airways bought Midwest Airlines, people in Wisconsin were concerned. But with our tax incentives, we were able to help Republic establish a major airline hub in Milwaukee, retaining 800 jobs and bringing in 800 more from Colorado and New Mexico. As Republic Airways CEO Bryan Bedford said, "This was a jobs contest between Milwaukee, Indianapolis and Denver ... Taxes matter."

Among others, we helped ACCO Brands Corporation, the Herman Miller Company, Enzymatic Therapy, Actuant Corporation, and A&E Incorporated all move operations here from other states – adding hundreds of jobs.

We helped ULINE bring its headquarters – and over 1,000 new jobs – from Illinois to Pleasant Prairie.

In just the last three months, we saw 8 biotech companies relocate here ... from Minnesota, Massachusetts, Colorado and Florida ... because we've created a world class bioscience environment and opportunities for entrepreneurs to raise more capital.

One of the biggest Fox Valley employers -- Oshkosh Corporation -- won a major defense contract with the help of our tax credits. They could create or retain 2,000 manufacturing jobs to supply our soldiers with safe, innovative vehicles.

And we've brought a Spanish train manufacturer here to build high speed trains. With the Obama Administration's support, Wisconsin is poised to be the nation's leader in high speed rail manufacturing.

But despite these successes, there is more we need to do to position Wisconsin's economy for the future.

Let's pass the Wisconsin CORE Jobs Act, authored by Senators Lassa and Kreitlow. This proposal builds on my Accelerate Wisconsin plan by providing millions more in tax credits for angel and venture capital investments. It also strengthens successful programs for manufacturing, research and development, and worker training.

Let's also pass legislation to create a Regional Transit Authority in southeast Wisconsin. I want to thank the legislators from southeast Wisconsin, led by Senator Lehman and Representative Barca, who worked on this proposal with my Administration.

Make no mistake, this is a jobs bill.

Last week, I stood with CEOs of some of Wisconsin's largest employers -- Tim Sullivan of Bucyrus, Ed Zore of Northwestern Mutual, Fisk Johnson of SC Johnson, Bob Mariano of Roundy's, and Scott VanderSanden of AT&T Wisconsin.

They said a regional transit authority is critical for the future of their companies. Tim Sullivan said it best – "This is not a want; this is an absolute need for the community."

These CEOs represent hundreds of companies that employ thousands of people in southeast Wisconsin who all say this has to be done. Let's listen to them and pass this bill.

Let's also extend the expired dairy modernization tax credit to help our hard-pressed dairy farmers invest in their operations. With milk prices rebounding from record lows, these tax credits will help farmers position their businesses for future growth as the economy turns around.

In addition, we can help our agriculture industry create jobs by enacting a Food Processing Modernization Tax Credit – a strategy that has worked in other industries. This tax credit will allow companies to invest in new technologies, find savings, expand their operations, and create jobs.

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Our country will emerge from this recession and when that happens, Wisconsin is positioned for the future. We are helping our bedrock industries like agriculture and manufacturing.

But we must also seize the opportunity to grow a strong new part of our economy in clean energy.

SEIZING OPPORTUNITIES TO GROW CLEAN ENERGY JOBS

Wisconsin has no natural gas ... no coal ... and no oil. Every year, we send \$16 billion out of our state to power our homes and businesses and fuel our cars. Building a clean energy economy is an enormous opportunity to capture those dollars.

Clean energy technology and high-end manufacturing are Wisconsin's future. We have the research capacity – and we have the forests, fields and farms to be the leader in the clean energy economy.

Four years ago, we became one of the first states to enact renewable portfolio standards. These standards require a portion of our energy to be produced from renewable sources.

As a result, we've seen a rapid expansion in renewable energy production and real growth in clean energy jobs. We are one of the leading producers of ethanol in the country. And we have more than 300 companies and thousands of jobs in the wind industry.

Many businesses are already taking advantage of this opportunity as the world moves rapidly in this direction.

Tower Tech, a wind tower manufacturer in Manitowoc, didn't even exist a few years ago. But today, due to renewable portfolio standards, they employ 170 highly skilled workers.

Nature Tech in Milwaukee is an example of a great new start-up that has developed a process to make energy efficient insulation from old newspapers. It's safer because it doesn't burn, and it takes one-tenth the energy to produce compared to standard insulation.

Energy Performance Specialists in McFarland is a new company specializing in energy efficient lighting. They were so successful in reducing energy consumption at a Madison state office building that MG&E thought the meter was broken.

The Crave Brothers Farm in Waterloo represents the future of modern agriculture. Through new technologies, they're using farm waste to generate enough power for 300 homes and finding innovative ways to produce the best cheese in the world while creating clean energy jobs.

We Energies and Domtar plan to build a power plant fueled by biomass from the paper mill in Rothschild, turning wood waste into electricity and creating 550 jobs.

Companies like Virent are leading innovation in new fuels. Johnson Controls and Orion Energy have developed strong businesses based on energy efficiency. Companies like Wind Capital Group, Waukesha Electric, ZBB Energy, Helios USA, Cardinal Glass, Renewegy, and many others provide good jobs for people making solar panels, components for wind turbines and advanced battery products.

None of these Wisconsin companies would be producing these jobs without good government policy and renewable energy standards.

This is not some pie in the sky. Anyone who says there aren't jobs in the clean energy economy had better open their eyes.

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Let's quickly pass the Clean Energy Jobs Act to create new jobs in Wisconsin.

This bill will strengthen our renewable portfolio standards to generate 25 percent of our energy from renewable sources by 2025. And we'll reduce our energy consumption by 2 percent by 2015 by improving energy efficiency in our businesses and homes. I want to thank Senators Miller and Plale and Representatives Black and Soletski for working hard to develop this bill.

We will keep more of our energy dollars in our state. And we will create more than 15,000 clean energy jobs in Wisconsin ... not just in these new fields, but in construction, manufacturing, and agriculture.

Let's not let partisanship get in the way of passing this bill and making Wisconsin a leader in the clean energy economy.

But the opportunities don't just lie with clean energy companies. Wisconsin is also home to many of the country's largest and most innovative manufacturers who are finding major savings through energy efficiency. I have made it a priority to help these businesses expand these efforts.

For example, we are the only state directing 100 percent of our state energy funds from the Recovery Act – more than \$55 million – to help our biggest manufacturers bring down their costs through energy efficiency and renewable energy projects.

Companies like Kohler, Quad Graphics, NewPage, Wausau Paper, Domtar and Thilmany Paper are already creating hundreds of jobs through these energy saving efforts.

But we can do more. Tonight, I am announcing the establishment of the Wisconsin Green to Gold Fund. By streamlining existing state resources, we are creating a new \$100 million revolving loan fund for manufacturers to reduce their energy costs.

We will also help small and mid-sized manufacturers move into the clean energy economy. We will invest \$1.75 million through the Wisconsin Manufacturing Extension Partnership ... to help these smaller manufacturers use sustainable practices to save money and gain a competitive edge.

PROVIDING ACCESS TO HEALTH CARE

For the last seven years, we've protected another key priority.

Even in this tough economy – even with a big health care debate raging in Washington – we have found practical ways to help hardworking people get basic health care.

We have the 2nd highest percentage of people covered in the nation, and we are ranked 1st in health care quality.

Four years ago, I stood before you with a bold proposal to make Wisconsin America's health care leader by providing health care access to 98 percent of our citizens. I am proud that we have made it happen.

BadgerCare Plus is proof of our success. Today we are covering every child in Wisconsin. And through our BadgerCare Core Plan, we are providing health care for adults who work in low-income jobs but don't have children.

We knew our Core Plan was badly needed. We enrolled 64,000 people in the first few months, but the program had to be capped to stay within our budget.

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We are joined tonight by Tony and Pamela Camera. Last year, Tony, who was recently diagnosed with diabetes, lost his IT job and Pamela lost her job in the home health care industry. Along with their jobs, they lost their health care. Only because of the Core plan was Tony able to receive the treatment he needed to avoid serious health problems.

I have good news to report. Today, Pamela has a new job, and they've moved off BadgerCare Core. Both deeply appreciate the help, but they are happy to be opening a spot for someone else on the waiting list.

22,000 people are on that waiting list. Many have health conditions that will just get worse without treatment. And a serious medical condition could send them into bankruptcy.

So we are moving forward with BadgerCare Basic – a new, entirely self funded plan for those on the Core waiting list. It will cost \$130 a month – paid for entirely by the people who enroll. It is a basic plan. But at least people can visit a doctor, get the medications they need, and go to the hospital if necessary. And it won't cost taxpayers a dime.

Last week, I met Mary Tree of Sparta. For 37 years, she had a job with health insurance. She lost her job a year ago, and now she's working part-time. She's about to turn 59, she's on three medications, she's six years away from Medicare, and her COBRA is about to run out. She has nowhere to go.

But with BadgerCare Basic, Mary can see a doctor and get her medication.

Look, I know that without a job – or even with a low-paying job -- \$130 a month isn't easy. But it is something.

It's hard for me to imagine how someone could oppose this. But some apparently are worried the insurance companies might be upset.

Well, if I have to choose between making sure people can see a doctor and get the medication they need – at no cost to taxpayers – or worrying whether the insurance companies might be upset ... to me, that's an easy choice. I'm standing with the people of Wisconsin who desperately need health care.

HOLDING THE LINE ON TAXES

In the last seven years, we've protected our priorities – while also protecting the middle class from tax increases.

Look, I know the political games that get played with this issue. But I'm not running for office again, so let me just lay out the facts.

Eight years ago, I made a campaign pledge to get us out of the top 10 highest taxed states in the nation. People scoffed, because when I became Governor, we were ranked 4th in the country in state and local taxes. And we had not been out of the Top 10 in 22 years.

But year after year, we worked hard to hold the line. And I've lived up to my pledge. Today we rank 15th. And when you look at what we pay in both taxes and fees, we rank 24th. Our tax ranking has improved for six consecutive years – unprecedented in state history.

Today, Wisconsin's state and local tax rankings are their lowest in nearly 50 years.

Even the Republican leaning Wisconsin Taxpayer Alliance has had to grudgingly acknowledge our progress.

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We've also held the line on property taxes. I've signed the tightest property tax limits in state history.

But I know we can do more. I understand working families need further relief. We all want to provide more property tax relief to homeowners.

But every year, whenever we've tried to focus property tax relief on homeowners, we've run into language in our Constitution that prevents this. We are one of only a handful of states that can't directly help homeowners.

So tonight, I am calling on the Legislature to begin the process of amending our Constitution ... so we can direct property tax relief to where people need it the most – on their homes.

PROTECTING AND INVESTING IN EDUCATION

All of the investments we are making in our economy ... from agriculture to manufacturing to clean energy ... must be built on a strong educational system.

As I have said to you many times before, education must be our top priority.

I've told you stories about how prior generations protected education – even in the midst of the Great Depression. I grew up in a family where the University of Wisconsin was revered second in importance only to the Catholic Church ... and then only by a very small margin.

Many times I've said -- we can't tell a second grader, come back when the economy recovers, we'll give you an education then. And we can't tell high school students who have earned their way into our great university system – I'm sorry, there's not a place for you, come back in a few years.

I'm happy to say we have protected our schools in tough times – just like generations before us. We haven't made drastic cuts in education, laid off thousands of teachers, shut down kindergarten or had double digit increases in tuition – like many other states.

Instead – even in these tough times – we have invested in 4 year old kindergarten, small class sizes, and school breakfast.

We are giving more students the opportunity to go to college. Over 50,000 students have joined the Wisconsin Covenant, and we now have \$25 million a year to help Covenant Scholars pay for college.

We have nearly tripled financial aid for University of Wisconsin students since I took office. And I'm proud to say that even in these tough times, we are educating more students in our university system today than at any time in our history.

But there is more to do to help our kids compete for the jobs of the future.

We are setting high standards and requiring accountability. Parents want to know that there are real standards and they want to see how their kids compare to students around the world. And parents want someone to be accountable for seeing that their kids are getting a good education.

With our Race to the Top application, we are seizing President Obama's challenge to take our already great schools to the next level.

Let me say a word about the Milwaukee Public Schools. We had better face the cold, hard reality about MPS – we simply cannot continue to allow one group of our kids to be held back.

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I believe in the Milwaukee Public Schools. I'm often in those schools. My wife is there weekly. I have fought for and delivered for the Milwaukee Public Schools since taking office.

But the McKinsey report demonstrates that the Milwaukee Public Schools as currently operated cannot be sustained financially, and not because you as a Legislature have not provided them the funding.

The state and federal government fund 80 percent of the Milwaukee Public Schools' budget. In my seven years as Governor, we have directed more than \$5.2 billion to the Milwaukee Public Schools.

Even more important, the Milwaukee Public Schools as currently operated cannot be sustained educationally. Despite our huge state investment, test scores show Milwaukee consistently ranks at the bottom of urban districts in the country.

It is becoming harder and harder for the people who are fighting to defend the status quo.

We have great teachers and principals in Milwaukee. And we have bright students who come to school eager to learn. But what we don't have is clear, consistent, accountable leadership focused on reform.

We need a superintendent appointed by the mayor who will have a clear mission of reform and the ability to drive real change ... day after day, month after month, year after year.

Look, I understand change is hard.

I want to thank Senators Taylor, Plale, Carpenter and Sullivan and Representatives Colon, Fields, Richards and Staskunas for their courageous willingness to challenge the status quo and look out for the kids in Milwaukee Public Schools.

Only this Legislature can make this change. If you do not act now, you will be picking up the pieces of a broken school system within a few years and failing children who desperately need your help.

If we put partisanship aside ... if we don't play political games... and most importantly, if we act in the best interests of the children, not the adults ... we can take a historic step to bring strong leadership and reform to the Milwaukee Public Schools.

WISCONSIN INSPIRATIONS

As difficult as times have been, there are so many people who inspire us ... and remind us why Wisconsin is such a great place.

I am so proud of all the countless organizations and individuals across our state who have stepped up in this bad economy to meet the needs of struggling families.

Here's just one example. The Feeding America food bank in Milwaukee distributes more than 12 million pounds of food each year to 235,000 Wisconsin families. This year, demand increased by 22 percent.

We are joined tonight by three individuals who represent thousands across the state who run food banks ... who give generous donations ... and who deliver the food to people on the streets.

Please join me in welcoming and thanking ... Feeding America President Bonnie Bellehumeur, Maureen Crowley of the Benidt Foundation, and Reverend Michael Champion, who runs a food pantry out of his church – a storefront on Fond du Lac Avenue in Milwaukee.

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And of course, I couldn't talk about Wisconsin pride without talking about the Green Bay Packers. While we all wish they were still playing right now, it's an honor to have Packer and Badger great Mark Tauscher with us tonight.

When Mark injured his knee last season, many predicted it would be the end of his Packer career. But like Vince Lombardi once said ... it's not whether you get knocked down. It's whether you get up.

Like Wisconsin, Mark has worked hard to come back – and we are glad he did to cut down on those sacks. He's also showing what it really means to be a Packer ... because he's not only making a big difference on the field, but in his community as well.

Mark is dedicated to literacy. He visits schools throughout the state to promote reading, and he has started his own foundation to improve literacy in Wisconsin.

On behalf of the people of Wisconsin, Mark, let me say thank you for your extraordinary play on the field and extraordinary service to our community.

But nobody is a greater source of pride to all of us than our brave men and women in uniform who courageously serve our country ... especially those who have made the ultimate sacrifice for our freedom.

Last year, Wisconsin lost 8 soldiers ... 2 during the terrible tragedy at Fort Hood and 6 on active duty in Iraq and Afghanistan. We are honored to be joined tonight by the family of Captain Russell Seager of Mount Pleasant, who was killed that tragic day at Fort Hood, and the family of Sgt. Nikolas Mueller of Little Chute, who was killed in action in Afghanistan.

Tonight, we want to honor the sacrifice of these Wisconsin heroes ... and all those who have given their lives for our country. We owe them a debt of gratitude we can never repay.

We also want to honor those who are still serving our country ... and those who have just come home.

Last year, we had the largest operational deployment of our Guard since World War II - more than 4,000 Wisconsin soldiers and airmen. They have performed dangerous missions with bravery -- and while 3,200 of them came home this month, many still serve.

None of my duties as Governor brings me more pride than being Commander-in-Chief of our Wisconsin National Guard. Over the course of our history, and especially since the September 11 attacks, our National Guard has been asked to make enormous sacrifices. Each time, they have responded with the same professionalism and courage that makes our state and our country so proud.

Please join me in thanking the leadership of our National Guard – Adjutant General Don Dunbar and Brigadier General Mark Anderson – and four of those brave men and women who have served with honor and distinction and who have just come home:

- From the 32nd Infantry Brigade Combat Team – Command Sgt. Major Ed Hansen and Lt. Col. Leah Moore
- From the 91st Sapper Engineer Company – Lt. Dylan Ablar
- And from the 115th Fighter Wing – Lt. Col. Erik Peterson

I want to thank them – and all the men and women of our Guard and all our armed services – for going above and beyond the call of any citizen. On behalf of everyone in Wisconsin, I am proud to welcome you home as our newest veterans.

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And I'm incredibly proud that I'm Governor of a state that doesn't just say "thank you, goodbye" to our veterans, but provides them with the most comprehensive veterans' benefits of any state in the nation – including a ticket to college ... tuition free.

On Memorial Day nearly four years ago, I was proud to sign a bill that ensures our veterans have the chance to get an education -- tuition-free -- at one of Wisconsin's great universities or technical colleges. Nearly 7,700 enrolled just last school year alone.

Let me introduce two veterans who've taken advantage of this opportunity. Jason Matthys is an Army National Guard veteran who returned from Iraq in 2004. He's used the Wisconsin GI Bill to earn a Bachelor's in Secondary Math Education. And while teaching high school in Livingston, he's working on his master's in school counseling.

David Jeske is a Marine who has served three tours of duty in Iraq. He is currently in his sophomore year at UW-Eau Claire, and is pursuing a degree in finance and a minor in economics. He's involved in several student veterans' organizations and is the President of the University Veterans Club.

Jason and David, we thank you for your service and for continuing to make our state proud.

Yes, times have been tough. But this difficult time has made us focus on our most basic ... our most important priorities.

When they write the history of this time, let them say we met our generation's challenge.

We helped those in trouble ... we made health care available to our citizens ... we educated our kids ... we invested in our businesses and workers ... we seized the new opportunities presented ... and we moved boldly into the future.

Thank you all.

On Wisconsin.