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As prepared for delivery

#DESOTS

Lt. Governor Hall-Long, Madam Speaker, Mister President Pro Tem, Senate Majority Leader, Members of the 152nd General Assembly and other elected officials, Members of the Cabinet, Distinguished members of the Judiciary, invited guests, and my fellow Delawareans.

Thank you for inviting me into the chamber today.

Let me start by recognizing the historic nature of today's event.

For the first time, a female Speaker of the House is presiding over the State of the State address.

Join me in recognizing Speaker Longhurst and her leadership team – Majority Leader Melissa Minor-Brown, Majority Whip Kerri Evelyn Harris, and new JFC Chair Kim Williams.

I look forward to working with you all the rest of this Session.

I also want to take a moment to recognize two new Justices on the Delaware Supreme Court – Justice Abby LeGrow and Justice Chris Griffiths.

We have a world-class judiciary in Delaware.

Justice LeGrow and Justice Griffiths bring a new generation of leadership to our Courts.

Join me in thanking them for their commitment to public service.

And a moment of personal privilege – if I may.

I'd like to recognize my wife, Tracey, for all the hard work she's done on behalf of Delaware children over the past seven years.

Tracey has transformed the role of the First Lady, we like to call her the First Spouse – and made sure every Delaware child has a First Chance to succeed.

She has also stood by me throughout my 30 plus years in public service. And let me tell you, it's not always been easy.

Thank you, Tracey, for your support.

Before I go any further, I'd also like to recognize the Army and Air National Guard.

General Mike Berry is unable to be with us today, but he is represented by Brigadier General James Benson.

It's been a busy time for the Guard – and I think a lot about their sacrifice.

Over the past seven years, more than 1,300 Guardsmen and women have deployed to more than 50 locations around the world.

Last year, we held a deployment ceremony for more than 150 Army National Guardsmen and women from the 160th Engineer Company.

They recently returned from a military operation in Southwest Asia.

Members of that unit who were deployed are with us today.

Please join me in recognizing our citizen soldiers. They're the very best.

It's hard to believe – but this is my last State of the State Address as Governor.

And I think it's worth a little reflection.

On what we've accomplished together.

And on our unfinished business.

- First and foremost, we've helped create more than 30,000 new jobs since 2017. That's a big deal.
- For the first time in Delaware history, we've provided funding dedicated for low-income students and English learners in our public schools.
- We've given teachers a BIG raise.
- For three years running, we've implemented the largest infrastructure plan in state history. That means good jobs— building new schools, safer roads and bridges, and connecting Delawareans to the internet, up and down the state.
- And we've kept our fiscal house in order. We turned a \$400 million dollar budget deficit in 2017 to \$400 million in reserves. That's a big deal.
- We're supporting an economic resurgence in downtown Wilmington.
- We've provided paid leave for Delaware families – and raised the minimum wage to \$15 an hour. The labor market has blown through that already.
- We're building more affordable housing units – so Delaware families have a safe place to call home.
- We've reduced crime, and our prison population is down nearly 24 percent.

- We passed sweeping climate change legislation – committing to net zero emissions by 2050.
- And we're keeping our communities safe, by banning assault weapons and launching targeted gun safety measures.

These are issues that matter to Delaware families in each of your districts.

And that matter to future generations:

- Good jobs.
- Quality schools.
- Safe and affordable communities.
- A cleaner environment.
- And responsible management of taxpayer dollars.

In this last year, I'm focused on leaving the State in a better place than I found it.

We should make sure the next Governor is in the best possible position to succeed.

And we should balance the budget and make sure our investments are sustainable in the long run.

I want to thank everyone in this room for your partnership.

We don't always agree.

But working together is what we do best in Delaware.

Because of our hard work together, I can confidently say that the State of our State is strong. And getting stronger by the day.

As many of you know, I spent a lot of time on the football field. As a player and as a coach. I know, it was a long time ago.

But one thing I learned, is that the best teams leave it all on the field.

In that spirit, I want to talk about some of our unfinished business.

And the work I believe we can still accomplish together.

We've made big strides on financial management. I want to recognize Senator Paradee and Representative Carson for their good work last year, as well as our Bond Chairs, Senator Walsh and Representative Heffernan.

But, despite our efforts, we did not pass legislation to permanently control operating spending at sustainable levels.

An earlier General Assembly rejected my proposed Constitutional amendment that would have done just that.

It's really pretty simple.

Delaware can't compete in the future if we don't have our budget in order.

Right now, a future General Assembly, or a Governor, could lead us down a path of uncontrolled spending.

That would lead to higher taxes, and painful cuts.

So let's not go backwards. Instead, let's build on the progress we've made.

This year, I'm asking you to send me legislation that would make our spending benchmark permanent.

I won't be here next year. But most of you will.

Don't set yourselves up for failure.

I hope we can find common ground on this important priority for every Delaware taxpayer.

We also have a serious issue with health care cost inflation.

This year, between Medicaid and our insurance plan for state employees and retirees, we're spending nearly \$2 billion on health care alone.

Let me say that again: \$2 BILLION— with a B.

And that's roughly \$200 million more than our costs last year.

The state's share of Medicaid alone costs \$1 billion.

Those are jaw-dropping numbers.

It's almost a third of our state budget. It's only going up — and taxpayers are footing the bill.

If we don't get serious, health care spending will crowd out other investments.

Investments we all support.

Funding for public schools.

For affordable housing and child care.

And raises for state employees, and state retirees. Right now, retirees get their pay increases in the funding needed to cover their health care.

This is literally an issue we cannot afford to ignore.

We should all work together to strengthen our health care benchmark and address health care cost inflation.

Senator Townsend and Speaker Longhurst, I know you and many in this room agree.

I look forward to working together on those issues.

Of course, no issue is more important to our state's future than the quality of Delaware's public schools.

I've spent a lot of time the last seven years focused on strengthening our schools.

Especially for children who need our help the most. I know Senator Sokola and many others have been leaders on this issue over the years.

Together, we created Opportunity Funding. A program that provides additional funding for low-income students and English learners.

Our budget increases funding for this program to \$63 million.

I can assure you that it's making a real difference.

Last fall, I visited East Millsboro Elementary and spoke with a young student who had been struggling to read.

Working with a reading specialist funded through Opportunity Funding, she was improving by leaps and bounds.

That reading coach, Heather Ruark, is here with us today.

Join me in recognizing her good work.

Over the past seven years, we've also built new schools across the state.

We've spent \$1.5 billion on school construction alone.

Let me tell you: a school is much more than bricks and mortar.

It's the pillar of a community.

And nowhere is that more true than on the East Side of Wilmington, where we're building the first new school in the city in over half a century.

The old Bancroft school will be named the Maurice Pritchett Sr. Academy – after the school's longtime principal, and community icon, Maurice Pritchett.

I'm looking forward to the school opening later this year.

Students, teachers, and neighbors on the East Side will have a state-of-the-art school building they can take pride in.

Join me in recognizing members of the Pritchett family, who are here with us today.

We also launched the Wilmington Learning Collaborative to provide a hyper-focus on schools in our largest city.

For the first time, districts serving the city are working together to address the needs of Wilmington children. I also want to recognize Senator Tizzy Lockman for her work in this area as well. I know it's a priority we both share.

And finally, we have significantly expanded mental health services in our schools.

The need became even more pronounced during the COVID-19 pandemic.

I want to thank Speaker Longhurst for her leadership on this effort.

Working together, I look forward to expanding these services into high schools this year.

These are initiatives that we all can be proud of.

But it simply isn't enough.

Here's an uncomfortable truth: statewide, less than 40 percent of children are reading proficiently at third grade. And many schools fall short of that average.

Imagine if YOUR child went to a school with that kind of result.

None of us would tolerate that.

But too many children across our state are faced with this reality.

And we need to fix it.

That's why my budget includes funding for a new team of literacy coaches.

They will work with educators and district leaders to focus on the science of reading – an effective approach to teaching children how to read.

It's one of the most important things we can do.

I hope you'll join me in supporting this priority.

My budget also includes a continued focus on early childhood education.

I know this is a priority that many of you share.

Our priority is simple: create more seats for the children and families who need them the most.

The research is clear.

It shows that children who have access to quality early childhood education have better outcomes.

That includes higher graduation rates and more financial stability into adulthood.

Just 15 years ago, the state was investing next to nothing in childcare.

My budget includes more than \$135 million for childcare.

That's a big deal – and these are critical investments that will benefit our children as they grow up.

Before I leave the topic of education, I want to recognize and thank Secretary Mark Holodick for all his hard work.

Mark was a teacher, a principal, and superintendent before he took on the job as cabinet Secretary.

And his leadership has been tremendous.

Over the past 19 months, Secretary Holodick chaired the Public Education Compensation Committee.

The group studied educator pay.

And they presented a recommendation for paying our teachers what they deserve.

I'm determined to win the competition with the states around us.

We want the best educators working right here in the First State.

That's why my budget fully funds the first year of those recommendations for educators – building on the raise I signed into law last year.

If we stick to the plan, we will raise teachers' starting salaries to \$60,000 over the next four years.

Let's get it done.

I would like to take a moment to recognize our Lieutenant Governor, Bethany Hall-Long.

Lt. Governor Hall-Long has been a real partner over these past seven years. She's a nurse, as you all know. And her efforts on the ground during the COVID-19 pandemic were just tremendous.

She knows how to roll up her sleeves and get things done.

The Lt. Governor has also been a champion of science and technology and advancing STEM careers for young people in our state, particularly young girls.

Last summer I signed Senate Bill 55, creating Delaware's Rare Disease Advisory Council.

This new council will bring together the best and brightest to help support those living with rare diseases.

The effort was led by Lieutenant Governor Hall-Long, along with Senator Nicole Poore and Representative Krista Griffith.

Please join me in recognizing the Lieutenant Governor and the leaders of these efforts.

I'd like to take another moment to recognize my wife Tracey for all her good work as First Spouse, especially her work on early literacy.

Since 2017, Tracey has been focused on giving all Delaware children a "First Chance" to succeed.

Working with State Librarian Dr. Annie Norman, she helped expand Dolly Parton's Imagination Library statewide in the middle of the pandemic.

Now, more than half of eligible children are signed up for free books every month.

Again, there's nothing more important than helping our children learn how to read.

This free program will help us to do just that.

In addition, last year, Tracey led a discussion on our trauma-informed progress. And she hosted our first youth mental health summit.

It takes all of us, working together, to make sure that Delaware children have a First Chance to succeed – from birth to adulthood.

Please join me again in recognizing Tracey's great work.

Of course, one of the best ways to expand opportunity is to keep our economy strong and growing.

As the saying goes, a good job solves a lot of problems.

Good jobs help families pay the bills, buy a home, save for college and retirement – and sock away some money for vacation.

Good jobs also increase our state's revenue, and help us fund top priorities.

On my first day in office, I signed an executive order to rethink our approach to economic development.

And together, we created the Delaware Prosperity Partnership.

By every measure, it's been a success.

Just in the last two years, we've created more than 20,000 jobs.

That's a big deal.

My budget continues our investments in job creation.

In the Strategic Fund, Site Readiness, in Graduation Lab Space, and our Transportation Infrastructure Investment Fund.

We will not lose the competition with other states for good jobs.

We also have our eye on the future of Delaware's economy.

My budget again includes additional funding for the federal research projects, NIIMBL and SABRE, at the STAR campus at the University of Delaware.

Both projects will build on Delaware's strong foundation in science and technology.

They will attract more high-quality workers to Delaware and spur innovation and business development.

You all know this.

But our colleges and universities are more important than ever to the future of our economy.

At Delaware State University, Dr. Allen and his team have opened a new Early Childhood Innovation Center. The Center will train the next generation of early childhood educators.

And at Delaware Tech, Dr. Brainard remains at the forefront of job training in our state.

We still have more jobs available than we have people looking for work.

It's an issue you've heard me talk about before.

Right now, there are 31,000 jobs available, but only 21,000 people looking for work.

That requires an intensive focus on job training – and on the skills demanded by Delaware's employers.

Delaware Tech is leading on that work.

Join me in recognizing Dr. Assanis, Dr. Allen, and Dr. Brainard and their teams for their hard work and dedication to the future of our state.

We are also exploring federal funding opportunities.

And we've had success.

Last year, Delaware, Pennsylvania, and New Jersey were selected by the federal government for a hydrogen hub.

The program was funded by President Biden's Bipartisan Infrastructure Law.

The U.S. Department of Energy selected just seven proposals – out of 79 applications across the country.

And we were one of the seven.

The federal designation will bring \$750 million to the region.

Make no mistake: this is a generational opportunity to build a clean energy industry right here in Delaware. And to compete for good union jobs of the future.

We also received \$50 million in federal funding to help expand the Port of Wilmington.

For decades, jobs at the Port have been a gateway to the middle class for thousands of workers and their families.

These are the kinds of jobs our state and country were built on.

We are also increasing support for towns and cities.

- Last year, we celebrated additional funding to redevelop the once-blighted Nylon Capital Shopping Center in Seaford.
- We're building new affordable housing on the east side of Wilmington – and our Housing Director, Eugene Young, and his team are leading that work.
- And just a few weeks ago, we announced plans to supercharge the redevelopment of downtown Dover. That will help us attract workers to the area and expand economic opportunity in our historic capital city.

I know that work is important to Senator Paradee, Representatives Harris, Bush, Lynn and many others.

I appreciate your leadership and your partnership.

If we want to keep good jobs and workers in Delaware, we need to make sure families feel safe in their communities.

I know fighting gun violence has been a shared priority.

Over the past seven years, we've banned assault weapons, bump stocks and high-capacity magazines.

We've passed red flag laws and prevented straw purchases.

This year, we'll take another big step forward and pass the permit to purchase law.

Inside the administration, we've spent a lot of time on what we call Group Violence Intervention – or GVI.

We started GVI in Wilmington and have expanded the program to Dover.

Here's the truth: it's a very small number of people who are committing the vast majority of gun violence in these communities.

They are part of groups that fight with one another.

Through GVI, we are directly engaging with those individuals and the gangs and groups they're part of.

We're demanding that they put down their guns.

If they do, we will offer job training and other social services.

For those who choose the path of violence, they will be prosecuted to the fullest extent of the law. And Attorney General Jennings has been doing that.

More than 300 people have participated in GVI since it started.

Just in the last several months, we have started offering GVI services in Laurel – where we saw a spike in lethal shootings.

We are a committed partner in efforts to prevent gun violence in western Sussex County. The Delaware State Police has been instrumental in our response. And we appreciate the support of Representatives Dukes and Short and Senator Richardson in those efforts.

The future of our communities depends on it.

As we look toward the future, we can't ignore the threat of climate change.

Delaware is the lowest-lying state in the country.

Drive through some of our coastal and back-bay communities and you'll see it for yourself.

It's clear we're already feeling the effects of sea rise.

That's why we're spending more than \$30 million to harden our coastal infrastructure.

Projects like the one to raise South Bowers Road to make sure residents can get in and out of town during storms.

That's pretty important.

And I want to thank Secretary Majeski and Secretary Garvin for their leadership in this area.

Last year, many of you were instrumental in passing the most significant climate change legislation in our state's history.

House Bill 99 set ambitious – but achievable targets.

We committed to cutting greenhouse gas emissions in half by 2030. And achieving net-zero emissions by 2050. This is critical for future generations.

I want to recognize Senator Hansen, Representative Heffernan, and Representative Phillips for their hard work and leadership on this issue.

We have a General Assembly full of leaders who understand the threat of climate change. And who have the political will to take action.

Thank you for your leadership.

The transition to clean energy won't be easy.

At times, it will be controversial.

In December, DNREC finalized regulations to reduce transportation emissions in our state – a big source of carbon and other air pollution.

By 2032, the regulations require that 82 percent of vehicles delivered to Delaware be zero emission vehicles.

That will help us reach our targets under House Bill 99. And we're following industry trends across the country.

Major automakers are already committed to moving toward electric vehicles.

Our efforts will also make sure Delaware isn't left behind in this transition.

The threat of climate change is also why we're taking a fresh look at Delaware's role in the offshore wind industry.

In December, we began negotiations with offshore wind developer US Wind to bring significant benefits to our state.

And to take an active leadership role in offshore wind development.

Under terms of the agreement, US Wind would bring wind energy into Delaware.

We expect the agreement to bring more than \$100 million in benefits to our state without raising rates.

Those benefits include funding for workforce development. For dredging projects and for projects to mitigate the effects of climate change in our State Parks.

Over the next several months, I hope you'll join me in taking another big step forward.

We are pursuing legislation that will make Delaware more of an active player in offshore wind.

It will allow us to directly purchase wind-generated renewable energy. And to explore partnerships with states in our region.

And Senator Hansen – I know this is a big priority of yours.

We look forward to working together on this very important issue.

I want to end where I started – with some reflection.

It's been a great honor for me to serve as your Governor.

I believe the opportunity to serve as an elected official is the greatest privilege that a people can bestow on one of their own.

One of our colleagues who has enjoyed that privilege for 21 years is Representative Pete Schwartzkopf.

Join me in recognizing the former Speaker for his incredible service.

These last seven years haven't always been easy.

The three years of the pandemic felt more like 10.

But for me, the privilege to serve as Governor has been an incredible gift.

I got to travel to every corner of our state. And meet people where they are.

In fire houses.

In schools.

At festivals and parades.

And during tragic circumstances, as well – like fires, natural disasters, and funeral testimonials.

I've been privileged to listen to people's hopes and aspirations.

And to share in their good times – and their bad.

I've learned that the most important thing for an elected official is to earn the trust of the people you represent.

They will give you the benefit of the doubt – so long as they trust you're always trying to do the right thing.

If you earn that trust, they will follow you when times are tough.

Finally, I want to thank, Tracey and our boys, Sam and Jimmy, for the sacrifices they've made during my time in public service.

I couldn't have done it without them.

For the rest of this year, we'll continue to do the right thing.

And working together, we'll leave the state better off for generations to come.

I look forward to leaving it all on the field in this last year.

Thank you for your hard work – and your trust.

God Bless You.

And God Bless the Great State of Delaware.