

Governor Perdue State of State

March 9, 2009

Speaker Hackney, President Pro-Tem Basnight, Lt. Gov. Dalton members of the General Assembly and honored guests.

Let me also recognize my sons Garrett and his wife April and Emmett and his fiancée Sarah. And, of course, a very important man in my life. Unlike most of us, he didn't seek his position. But he accepts it, maybe it would be better to say puts up with it — and that means no home-cooked dinners – North Carolina's First, First Gentleman, Bob Eaves.

Tonight, I ask you to join me in expressing North Carolina's deepest gratitude to our nation's soldiers, sailors, airmen and Marines, Coast Guard, the members of the National Guard and Reserves - particularly those who call North Carolina their home. We send a special thank you to your families since military service is a family commitment.

With us tonight is Lieutenant Colonel Jeffrey L. Copeland and his wife June. Jeff is Commander of the First - 130th Attack Reconnaissance Battalion. He is joined by Staff Sergeant David E. Rhodes, an aircraft mechanic in Delta Company, and his wife Michelle.

After 9-11, this was the nation's first reserve helicopter battalion that was deployed serving 17 months in Afghanistan. In a week, Jeff, David and 480 other members of the unit will start a deployment to Iraq. We thank you, and all those in North Carolina's National Guard, for your service and wish you success and God's Speed in your mission.

It is a privilege and honor to be here with you tonight. I want to thank the citizens of North Carolina for the opportunity to serve this great state as your governor - and might I add, as North Carolina's first female governor.

I remember the first time I sat in this chamber as a freshman member and looked around. Then, there were just 24 women in the General Assembly. Today there are 43 women in this body. The legislative choir has a broader and stronger range of diverse voices. More points of view are being heard in state government. That is good for North Carolina.

North Carolina, like most states, has been thrown into the midst of a global economic crisis. To come through it, and we will, we must make tough decisions — choices I will make and you will make.

That is our job and our responsibility:

- To confront the difficult circumstances and deal with them;
- To move wisely, prudently and decisively;
- To do what we must do to get through the tough times, as we also position ourselves and North Carolina to seize the opportunities of the future.

That is why, as much as it is my privilege tonight to speak to this distinguished gathering, I also want to speak frankly and directly to the people of North Carolina.

Let me frame the picture for you. Families all around the state are anxious. Many have lost their jobs. Many have lost their homes. As I travel around this state, I see the uncertainty and worry in the eyes of North Carolinians.

When I made one of my surprise site visits to a state employment office, a 70-year-old man told me about how his retirement savings had evaporated. He was looking for a job when he thought he'd be headed to retirement. A woman, with her three children in tow, had lost her job and told the counselors she'd take anything. A Ph.D. who thought he was in a cutting-edge permanent career, found himself, instead, on the unemployment line.

These people are North Carolina. They are America. And as elected officials, it is our moral responsibility to work together and help our citizens restart their lives.

Now I know those of us in this chamber tonight can't fix everything. No one can. But there are things we can do. By making the tough choices, by taking decisive action to meet our challenges, we can, and will, be part of the solutions we need to move North Carolina forward.

I will do whatever it takes to:

- Pay our state's bills.
- Keep all our kids healthy and in school.
- Make sure, that when our seniors need care, they can get it.
- Keep prisoners locked up and our people safe.
- Create jobs and provide ways for those who are out of work to learn new skills.

So, let me be direct with you. This is what we must do now and for the future:

WE START BY REVIVING NORTH CAROLINA'S ECONOMY: We must go after every federal recovery dollar that is available. We need to get that money into North Carolina.

We will put our people back to work by:

- Building bridges.
- Paving roads.
- Expanding and renovating our infrastructure.
- It will take engineers, architects, contractors, technology experts and laborers of all types.

It was no joke when I said if South Carolina's governor doesn't want federal recovery funds, I'd drive a truck down to pick up his share. I know how to put those dollars to good use and help people. To those folks in South Carolina, I offer a warm invitation. "Come on up here. Stay a while." See how we in North Carolina can push forward— in tough times.

But, back to business. We will ensure that the recovery dollars are spent with maximum efficiency, transparency, and accountability. I have put a team together in my Office of Economic Recovery & Investment that will track every dollar.

With the click of a mouse, taxpayers can go to www.NCRecovery.gov and see details of our investments. You'll know where the money went, who got the contract, and when they completed the work. Soon, NC OpenBook will do the same for all state contracts and grants worth more than \$10,000. This is taking care of the people's business, North Carolina style.

But we can't rely on the federal government alone. We must do what ever it takes, our own, here in North Carolina, to create jobs, help displaced workers get new jobs, and keep families in their homes. We cannot let our citizens' dreams for a better future die.

We are already transforming our traditional industries into 21st century jobs. N.C. State is leading the nation in developing lightweight textiles that are used in the aerospace industry. This cutting-edge work helped us bring SpiritAero Systems, with 1,000 jobs.

We have broadened our traditional agriculture economy and become a Mecca for biotech, pharmaceuticals, and life sciences by uniquely bringing together government, higher education and private business. This allows ideas to springboard from the lab to the market place. Just look around. There's Quintiles, Merck, Bayer, Biogen, PPD and more.

Even as we work to grow the economy, **WE MUST ALSO TRANSFORM THE WAY WE INVEST THE PEOPLE'S MONEY:**

Starting today, it is no longer business as usual for North Carolina's budget. I want all our citizens to know it is a new day. Everything is on the table. We don't have time for talk-show political posturing or petty partisan games. Not on my watch.

We are confronted with challenges our state has not seen since the Great Depression. With a \$3 billion plus shortfall, we must be upfront and make hard, painful decisions. "Truth in budgeting" time is here. It is what we must do to balance the budget and put North Carolina on strong footing, for now and the future.

"Cutting the fat" is a cliché that does not go far enough.

In the budget I present next week we will reduce and cut state government programs and services that many, including me, know have been effective but which, in these times, we simply cannot afford.

FOR NORTH CAROLINA, EDUCATION IS THE PRIORITY: Even as we search out ways to cope with our deteriorating economic landscape, we must be sure to protect our most precious asset — our children, our future workers. So we must find ways to be inventive and engaging in the way our schools work and students learn. We must, as the saying goes, "not eat our seed corn," but continue to move forward on education to keep North Carolina competitive in the global market place.

And yes, even in these tough times... **we will increase per-pupil spending** in our public schools.

And while we will hold schools, teachers and students accountable, we will bring some sanity to North Carolina's own testing mania by eliminating duplicative or unnecessary tests.

I have reorganized our public schools, with Bill Harrison becoming both the CEO of the State Board of Education and of the Department of Public Instruction — adding accountability and clear direction to a system badly in need of both.

And, as we make sure our schools perform, we must expect no less from all our citizens. No child has permission to drop out of school in North Carolina and no teacher has permission to give up on a student. No parent has a free pass from their responsibility to be fully involved in their child's education.

And no segment of our community, particularly our business community, gets a free pass on education. Our business leaders put a lot of energy into making sure North Carolina's tax rate is competitive. These leaders need to put the same effort into helping North Carolina be the home of the nation's best educated workforce.

And we will begin my College Promise to remove financial barriers for access to higher education. In this global economy, education beyond high school is not a luxury... it's a necessity.

My efforts create a pathway, starting in pre-kindergarten, that offers courses of study that fit students' needs — all the way through vocational, community college, or college. Seamless learning, pre-K through 20, that's the goal.

And North Carolina will use technology to modernize the classroom and enable teaching to catch up with the way our kids live. Let's face it, today's students show up at school with more technology in their pockets and backpacks than they find in their classrooms. For too many students, they ignore what's on the blackboard while they are busy "tweeting" on Twitter. I see some of you doing that right now.

North Carolina's Virtual Public High School will ensure that any kid in any high school can take any class he or she needs. This levels the education playing field for students and assures educational equity.

AND, AS WE FOCUS ON EDUCATION, WE WILL ALSO WORK TO RESTORE CITIZENS' FAITH IN THEIR GOVERNMENT:

In the 21st century we must conduct the business of government in ways that bring transparency and accountability to the people. We will restore our citizens' confidence that government can help solve problems, and work efficiently without wasting tax dollars.

On my first day in office I ordered reforms to change the face of state government. At the Department of Transportation I insisted on openness and bringing professional decision-making to the process.

And some major policy decisions, like my new “zero tolerance” policy in mental health, the corrections systems and throughout government in general, will sometimes be painful because I am exposing weaknesses and individual actions that are unacceptable and wrong. I believe “zero tolerance” is how we find and correct the weaknesses that put people’s lives at risk and undermine faith in government.

I have set high expectations for myself and for everyone who works for North Carolina. We will be open, ethical, and put the public’s interest first. Taxpayers deserve no less from every state worker and I expect nothing less from every state employee. And, again my friends, these same taxpayers deserve no less from you.

As the legislature starts work on the budget and the important services that our citizens need, let me be clear about where I stand. Education is the engine that propels North Carolina’s future. It cannot — and will not— be sacrificed.

This is the time to stand up to the sweet seductions of special interests, the temptations of politically popular pork barrel spending, and end the practice of backroom dealing.

Those days are gone. We cannot afford them in these perilous times. Our first and only duty is to stand by North Carolina families. That is why we are here.

The choices we face are clear. We are each called to service, courage, and sacrifice. We have been given the privilege and the responsibility to govern during a difficult time. We have been called, quite frankly, to the responsibility... of leadership in North Carolina.

This is the time to answer that call. It is a time for the ordinary citizens in this citizen-legislature to be extraordinary leaders. And we need not look far in North Carolina to find living examples of the kind of determination, hard work and sacrifice that make ordinary people extraordinary heroes and “she-roes.”

I look to Donna Dent, one of the heroic flight attendants on U.S. Airways Flight 1549 - the "miracle on the Hudson." Donna calls herself just a "little Winston-Salem girl" who did her job. What a job this 1975 Reynolds High grad did!

She made sure every passenger got out of that Airbus 320 alive. She was the last to leave the plane with the co-pilot and pilot. Donna gave her sweater to a freezing passenger in a life boat. She did her job, willing to give her life to help others. Donna Dent — an ordinary person — who showed extraordinary leadership and courage as she did her job. She is North Carolina!

Acting courageously. The words are simple, but today's challenges are not. Three quarters of a century ago, at a time not unlike now, Gov. Max Gardner told the General Assembly: "The whole future of this state will be profoundly affected by your work here and the eventful days that lie just ahead."

So, as Gov. Gardner called on the 1931 legislature to change the way government did business, I call upon you to join me in renewing and reinvigorating our service to North Carolina — with the spirit of innovation and purpose — these times demand.

Last November, you, the voters of North Carolina gave us the opportunity to make the tough decisions that the 21st century demands. You put your most sacred trust, your votes, in us. You believed in us. You placed your futures in our hands. We must not — and we will not — let you down.

In these tough times, North Carolina must continue pushing ahead. We North Carolinians do not shy away from challenges and we do not quit.

Simply getting our economy back to what it was isn't good enough. We will make our economy stronger.

We all must have high expectations for ourselves and North Carolina's future. We all must exhibit extraordinary leadership, courage, determination, and make the tough, but right decisions.

We will move North Carolina forward even in these challenging times. And, as a new day dawns for North Carolina and America - as we come out of this global recession, North Carolina the Old Tar Heel State, will be poised to take on the world.

Good night, God bless you, and God bless North Carolina.