

The Governors Speak — 2008

An Interim Report on the State-of-the-State Addresses of 25 Governors

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Center for Best Practices

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Executive Summary and Introduction

Governors are facing challenging budget conditions this year, yet they remain optimistic about their states' economic prospects and are offering proposals to support clean energy development, improve education, and spur economic growth, according to the first 25 governors to deliver State-of-the-State Addresses for 2008.* Whereas governors last year were describing their economies as “thriving” and “expanding,” this year they were more likely to use words such as “fundamentally sound” or “fairly strong,” indicating that economic conditions are moderating. In discussing their states' budget outlook, the vast majority of governors (72 percent; 18 of 25) emphasized their efforts to reduce spending growth, and several said that revenues were lower than projected.

The governors' highest priorities in their 2008 State-of-the-State Addresses included:

Clean Energy and the Environment. Ninety-two percent of governors (23 of 25) described their policies on energy, the environment, and natural resources. This year, 84 percent (21 of 25) highlighted efforts to develop renewable energy sources, an increase from previous years. In addition, a majority of governors (56 percent; 14 of 25) emphasized the important role of green energy in spurring economic development for their state.

* This interim analysis captures the key themes of the State-of-the-State Addresses delivered by the governors of 25 states: Alaska, Arizona, California, Colorado, Delaware, Georgia, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Missouri, Nebraska, New Jersey, New Mexico, New York, South Carolina, South Dakota, Vermont, Virginia, Washington, and West Virginia. A final report to be released in March will include the remaining 2007 State-of-the-State Addresses, including U.S. territories. Information about trends over several years will be available in the final report.

Education. Ninety-two percent of governors (23 of 25) described initiatives to improve education. Sixty-eight percent (17 of 25) emphasized the important role that education plays in their state economy and in preparing children, youth, and adults to succeed in today’s global economy. The most common topics addressed were higher education, K-12 teachers, and skills initiatives and workforce development for adults.

Economic Development. As in 2007, governors remain committed to investing in the growth of knowledge-based industries, with 72 percent (18 of 25) describing initiatives to develop “new economy” advancements in high-tech fields, such as biomedicine, and new energy and fuels development.

Health Care. As in previous years, health care remained near the top of governors’ lists of challenges in 2008, with 88 percent of governors (22 of 25) discussing health care issues in their State-of-the-State Addresses. The three most prominent themes were health coverage, health care reform to bring down costs, and health care for children.

Economic Outlook and State Budget Picture

In their 2008 State-of-the-State Addresses, governors remained upbeat about their state economies, with 72 percent (18 of 25) describing economic conditions that were good or strong. In comparison, 16 percent of governors (4 of 25) described state economies that were weakening or slowing. While the percentage of governors who were optimistic about their state economic conditions remained about the same as last year, the governors' descriptions this year were more moderate. For example, governors used terms like “fundamentally sound” or “fairly strong” more frequently this year. Virginia Governor Tim Kaine said, “The Virginia economy is still expanding, but at an uncharacteristically slow rate.” In addition, many governors also mentioned the national economic challenges that may impact their states. Almost half (48 percent; 12 of 25) mentioned the housing foreclosure crisis and its effects on their states.

In contrast, many governors last year described their state economies as “thriving” or “expanding,” with some describing unemployment rates that were the lowest in their state’s history.

When discussing budget conditions, 72 percent of governors (18 of 25) this year discussed the need to reduce spending growth, and several said that revenues were lower than projected. For

example, Hawaii Governor Linda Lingle said, “Although the economy remains fairly strong, the bottom line is that since May of last year..., tax revenue estimates have declined.” Thirty-two percent of governors (8 of 25) discussed looming budget deficits or substantial challenges they faced in balancing the budget. Kentucky Governor Steven

“Although the economy remains fairly strong..., tax revenue estimates have declined.”
— Hawaii Governor Linda Lingle

Beshear said, “Because of the economic slowdown, the cooling of the housing market, oil prices and a gap between what we spend and what we earn, we are facing an unprecedented budgetary shortfall.”

Energy, the Environment, and “Going Green”

Almost all governors (92 percent; 23 of 25) highlighted their policies on the environment, energy, and natural resources—continuing a trend from previous years. This year, in line with NGA Chair Minnesota Governor Tim Pawlenty’s Initiative *Securing a Clean Energy Future*, there was a sharp increase in the percentage of governors describing plans to develop “green” sources of energy such as wind power, solar power, and biofuels (see below) as well as to address climate change. California Governor Arnold Schwarzenegger said that he would advocate for change “on climate change and low carbon fuels, energy efficiency and on clean, green technology.” In addition, a majority of governors (56 percent; 14 of 25) highlighted the important role of clean energy in spurring economic development generally for their state. For example, Colorado Governor Bill Ritter said, “The New Energy Economy has made our entire economy stronger.” The following topics were prominent in the governors’ approaches to clean energy and energy conservation:

- **Clean Energy and Power:** This year, 84 percent of governors (21 of 25) highlighted efforts to develop renewable energy sources, an increase from last year. This year, 72 percent (18 of 25) discussed proposals for wind, solar, hydro, and other renewable power sources, and 60 percent (15 of 25) described efforts to develop transportation-related fuels, such as ethanol and other biofuels.
- **Energy Efficiency and Conservation:** Sixty-four percent (16 of 25) discussed efforts to improve energy efficiency, such as programs to reduce utility demand,

This year, there was a sharp increase in the percentage of governors describing plans to develop “green” sources of energy.

“The New Energy Economy has made our entire economy stronger.”
—Colorado Governor Bill Ritter

support the construction of green buildings, and educate state residents about energy usage.

- **Climate Change and Greenhouse Gas Reduction:** Fifty-six percent (14 of 25) specifically mentioned efforts to reduce greenhouse gas emissions or combat climate change, an increase from last year. Initiatives in this area included participation in cross-state collaborations; creating new energy efficiency standards for appliances; developing new opportunities to generate and use renewable energy; creating standards to reduce emissions of harmful pollutants such as diesel exhaust; and developing research partnerships.
- **Green Energy Research and Development:** Twenty-eight percent (7 of 25) described initiatives to spur research and development of renewable energy resources, including investments in research partnerships with universities. For example, Vermont Governor Jim Douglas described the creation of the Vermont Climate Collaborative, a partnership of state, academic, business, and other organizations. Iowa Governor Chet Culver described the creation of a \$100 million dollar renewable energy research and development fund.

Other prominent topics that the governors discussed concerning the environment and energy included:

- **Land Use and Planning:** Seventy-six percent (19 of 25) discussed policies to improve environmental, land, and natural resource planning, an increase from last year. Sixty percent (15 of 25) described efforts to preserve open or green space, and 40 percent (10 of 25) described plans to improve drinking water storage or protection.
- **Traditional Energy Development:** Forty-eight percent (12 of 25) described efforts to develop and improve the burning of traditional energy resources, including oil, coal, and natural gas. None of the governors so far have described new policies for nuclear energy development.

- **Pollution and Cleanup:** Twenty-four percent (6 of 25) described projects related to environmental pollution and cleanup, including efforts to reduce air pollution, restore habitats, and clean up waterways.

Education

In this year’s State-of-the-State Addresses, ninety-two percent of governors (23 of 25) described initiatives to improve education. Sixty-eight percent (17 of 25) emphasized the important role that education plays in their state economy and in preparing children, youth, and adults to succeed in today’s global economy. For example, Idaho Governor C.L. “Butch” Otter said, “There is an essential connection between the quality of our education and the vitality of our economy.” New York Governor Eliot Spitzer said, “Without world class education, we cannot have a world class economy.” In addressing the importance of lifelong learning and training, Maryland Governor Martin O’Malley said, “We have to build a new system for educating our adults and harnessing the potential of our entire workforce.”

Higher Education. As in previous years, governors emphasized the importance of higher education in driving economic development and meeting the needs of state residents for opportunity. This year, eighty percent of governors (20 of 25) discussed the importance of higher education in providing opportunities for residents to expand their skills and qualify for high-paying jobs, driving economic development through research partnerships with business, and developing workforce skills for a knowledge-based economy.

“We have to build a new system for educating our adults and harnessing the potential of our entire workforce.”

**—Maryland Governor
Martin O’Malley**

- **Access and Affordability:** Seventy-six percent of governors (19 of 25) discussed efforts to improve access to or affordability of colleges and universities, a sharp increase from last year. The majority of governors (52 percent; 13 of 25) discussed proposals for scholarship or financial aid programs. Two governors mentioned proposals to provide or increase tax credits for college savings.

- **Technical and Community Colleges:** Forty percent (10 of 25) described proposals to improve or expand technical and community college programs, including support for workforce development programs, collaborations with four-year colleges and universities, and capital construction.
- **Higher Education Finance:** Thirty-six percent (9 of 25) recommended funding increases for college and university programs.
- **Research and Other Collaborations with Business:** Thirty-two percent (8 of 25) highlighted their efforts to support the development of research or other partnerships between higher education and business. These partnerships included research and development (R&D) in innovative industries, such as technology or biotechnology, and collaborations to improve workforce preparation.

K-12 Teachers. Seventy-two percent of governors (18 of 25) described proposals that focused on K-12 teachers, an increase from last year. The most frequently mentioned topics were:

- **Teacher Compensation:** In 2008, 36 percent of governors (9 of 25) discussed teacher salaries, with 8 proposing increases in teacher pay and 1 supporting limitations on teacher benefits.
- **Recruitment and Retention:** Twenty-eight percent (7 of 25) described proposals to recruit or retain teachers.

Skills Initiatives and Workforce Development. Increasingly over the past years, governors have addressed workforce development as a key part of their overall education strategy. This year, 72 percent of governors (18 of 25) discussed the importance of skills development programs, with many highlighting the role that community and technical colleges play in these efforts. Fifty-six percent of governors (14 of 25) proposed initiatives relating to shortages in specific sectors, with 12 focusing on health professions.

Governors also addressed the following issues regarding K-12 education:

- **School Finance:** Sixty-eight percent of governors (17 of 25) discussed school finance issues, with nine governors proposing increased funding for schools.
- **Early Childhood Education:** Fifty-six percent (14 of 25) supported or proposed programs to enhance early childhood education.
- **Accountability:** Forty-four percent (11 of 25) discussed efforts to improve educational accountability. Proposals included improved performance systems to measure school success, improved testing, and increased flexibility.
- **STEM Education:** Forty percent (10 of 25) described efforts in the schools to improve academic preparation of students in science, technology, engineering, and mathematics (STEM).
- **Student Supports:** Twenty percent (5 of 25) discussed proposals to improve or increase programs that assist students with academic preparation, including afterschool projects, extensions of the school day, mentoring and tutoring programs, and efforts to increase parental involvement.
- **High School Reform.** Twenty percent (5 of 25) of governors discussed high school redesign and improvement efforts, a sharp decrease from previous years.

Economic Development

Eighty-eight percent of governors (22 of 25) highlighted proposals to spur state economic growth. The governors' highest priorities in economic development were:

- **Innovation and Knowledge-Based Industries:** Seventy-two percent (18 of 25) described initiatives to develop “new economy” advancements in research and high-tech fields. Fifty-six percent (14 of 25) focused on energy-related development, including efforts to spur the development of cleaner energy sources.

- **Traditional Industries:** Fifty-two percent (13 of 25) discussed proposals to develop or support traditional industries, such as manufacturing, agriculture, shipping, agribusiness, fossil fuel development, timber, and rural businesses.
- **Small Business:** Forty-eight percent (12 of 25) described efforts to support small business development, particularly by working to bring down health care costs.
- **R & D and Collaborations with Higher Education:** Forty-eight percent (12 of 25) discussed proposals to support research and development, often through partnerships to bring together higher education and business.

Health Care

Health care remained near the top of governors' lists of challenges in 2008, with 88 percent of governors (22 of 25) discussing health care issues in their State-of-the-State Addresses. Many governors discussed the need to bring down health care costs for businesses and individuals. For example, South Carolina Governor Mark Sanford proposed legislation to make health care more available and affordable for small business. The three most prominent themes were health coverage, health care reform, and health care for children.

- **Health Coverage and the Uninsured:** Seventy-six percent of governors (19 of 25) emphasized the need to expand health insurance coverage. Proposals included efforts to make health insurance more affordable (particularly for low-income families and the elderly), to increase coverage for children, and to provide incentives for businesses to cover their workers.
- **Health Care Reform:** Sixty percent (15 of 25) discussed the need for health care reform. Proposals included reforming the system generally, improving health care transparency for patients, cutting costs to make insurance more affordable, addressing disparities in health care service delivery, making the system more efficient, and supporting preventative care.

- **Children:** Fifty-two percent (13 of 25) discussed health care proposals for children, focusing primarily on health insurance coverage, wellness programs, and preventive care. Several governors mentioned school programs to prevent obesity.
- **Diseases and Conditions:** Fifty-two percent (13 of 25) described proposals to impact specific diseases or conditions, including cancer, diabetes, obesity, heart disease, chronic diseases generally, substance abuse, and mental illness. Several governors discussed treatment for veterans with mental health conditions.
- **Prevention and Wellness Initiatives:** Forty percent (10 of 25) highlighted wellness, prevention, and early intervention programs focused on promoting healthy lifestyles and detecting diseases and conditions early.
- **Health IT:** Forty percent (10 of 25) described efforts to advance the use of information technologies in the health field, a sharp increase from last year. These included simplifying, streamlining, and modernizing Medicaid application processes; creating data sharing partnerships among providers; and shifting from paper to electronic medical records and transactions for greater efficiency.

Crime and Law Enforcement

Seventy-two percent of governors (18 of 25) discussed efforts to reduce crime or improve the criminal justice system. The governors' highest priorities for crime and law enforcement were:

- **Drugs:** The most prominent concern was drug abuse and related criminal activity, with more than half of governors (52 percent; 13 of 25) describing proposals in this area.
- **Prisons:** Thirty-two percent of governors (8 of 25) discussed proposals to reduce prison overcrowding, build new prisons, or reform the prison system.

- **Violent Crime:** Twenty-eight percent (7 of 25) highlighted their efforts to reduce violent crime, an increase from last year.
- **Sex Offenders and Pornography:** Twenty percent (5 of 25) described efforts to increase penalties for sex offenders, track sex offenders more effectively, or protect children from pornography, including on the Internet.

Other Prominent Themes

Homeland Security. Fifty-six percent of governors (14 of 25) described priorities for homeland security, including disaster preparedness and developing security-related information infrastructure within the United States. Thirty-two percent (8 of 25) highlighted their plans to develop security-related information technology, such as emergency communications systems and interoperable communications.

Social Services. Forty-eight percent (12 of 25) highlighted efforts to improve or expand social service programs to support children, youth, or the working poor. Eight governors described proposals to assist the working poor, including home ownership assistance and health insurance coverage. Six governors highlighted plans to improve the foster care system for children and youth, prevent child abuse, or otherwise support children in need.

Information Technology and Infrastructure. Forty percent (10 of 25) described proposals to expand Internet access or use information technology more effectively to improve government efficiency and transparency.

Veterans Benefits. Thirty-six percent (9 of 25) discussed proposals to improve benefits for veterans or the state national guard, including education, health, housing, and retirement.

Immigration. Twenty-eight percent (7 of 25) highlighted plans related to immigration issues, including efforts to reform federal immigration law, enforce federal immigration law, and document citizenship.

Source Information

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Information about trends over several years will be available in the final report. In this interim report, comparisons with 2007 were based on the State-of-the-State or comparable addresses delivered by the governors of 49 states, plus Guam and the U.S. Virgin Islands. In 2007, Louisiana Governor Kathleen Blanco did not deliver a State-of-the-State or comparable speech during the timeframe studied.

About the Author

Thad R. Nodine, Ph.D., is Vice President of the Institute for the Study of Knowledge Management in Education. His areas of expertise include public priorities for education policy; sharing and use of open educational resources online; evidence-based and performance-driven strategies to achieve better educational outcomes; and improving the ways educational systems use innovation and knowledge to advance student learning. As well as writing this annual series on the governors' State-of-the-State Addresses for the National Governors Association, Thad is co-author of, most recently: "Using Data to Improve Instruction," in *THE Journal; Anatomy of School System Improvement: Performance-Driven Practices in Urban School Districts*, a report published by NewSchools Venture Fund; and "Using External Accountability Mandates to Create Internal Change," in *Planning for Higher Education*. He can be reached at thad@iskme.org.

About the Institute for the Study of Knowledge Management in Education (ISKME)

The Institute for the Study of Knowledge Management in Education (ISKME) is an independent, nonprofit research institute that helps schools, colleges, universities, and the organizations that support them expand their capacity to collect and share information, apply it to well-defined problems, and create human-centered, knowledge-driven environments focused on learning and success. ISKME (www.iskme.org) achieves this goal by conducting social science research and evaluation, developing and sharing innovation, and facilitating knowledge sharing and field building. In 2007, ISKME was named as one of five innovators from around the world to be honored for achievement in education by the San Jose Technology Museum Awards: Technology Benefiting Humanity.

Cynthia Jimes and Anastasia Karaglani contributed to this report.