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NATIONAL GOVERNORS ASSOCIATION

Winter Meeting

Saturday, February 23, 2013

JW Marriott

1331 Pennsylvania Avenue NW,

Washington, DC 20004

Governor Jack Markell, Delaware, NGA Chair, Presiding

Governor Mary Fallin, Oklahoma, Vice Chair

Presentation by: Gregory D. Wasson, President and CEO Walgreens

1 P R O C E E D I N G S

2 (11:10 a.m.)

3 CHAIRMAN MARKELL: Good morning everybody.
4 That may be my only chance to use a gavel, so I just
5 wanted to give it a try.

6 I am Jack Markell, the governor of
7 Delaware, and I get--

8 **(Applause.)**

9 CHAIRMAN MARKELL: Well thank you, Neal,
10 that's very nice of you. Thank you.

11 **(Applause.)**

12 CHAIRMAN MARKELL: What a great way to get
13 this meeting off to a good start. So as the Chair of
14 the National Governors Association, I want to take
15 this opportunity to welcome you to this 2013 NGA
16 Winter Meeting.

17 May I have a motion for the adoption of
18 the Rules of Procedure for the meeting?

19 **(Motion made and seconded.)**

20 CHAIRMAN MARKELL: Thank you. All in
21 favor?

22 **(A chorus of ayes.)**

23

1 CHAIRMAN MARKELL: All right. Part of the
2 rules require that any governor who wants to submit a
3 new policy or resolution for adoption at this meeting
4 will need a three-fourths vote to suspend the rules
5 to do so. Please submit any proposal in writing to
6 David Quam of the NGA staff by 5:00 p.m. on Sunday,
7 February 24th.

8 I want to thank Governor Fallin, who is
9 the Vice Chair of NGA, for being here and for her
10 leadership. And I--go ahead. I heard a scattering
11 of applause there.

12 **(Applause.)**

13 CHAIRMAN MARKELL: And I want to take this
14 opportunity to welcome our newest governors. I am
15 not sure all of them are here at the moment, but I
16 would like to introduce them. And there are I think
17 seven of them, so why don't you hold your applause
18 until the end.

19 The new governor of American Samoa,
20 Governor [Lolo] Moliga. Nice to see you.

21 The governor of Indiana, Governor [Mike] Pence.
22 Nice to see you.

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1 The governor of Montana, Governor [Steve] Bullock.

2 The new governor of New Hampshire, Governor Maggie
3 Hassan.

4 The new governor of North Carolina,
5 Governor [Pat] McCrory.

6 The governor of Puerto Rico, Governor
7 [Alejandro] Garcia-Padilla. It's the third time today I got
8 to
9 use my Spanish accent, saying "Garcia-Padilla."

10 And the new governor of Washington State,
11 Governor [Jay] Inslee.

12 **(Applause.)**

13 CHAIRMAN MARKELL: So congratulations to
14 all of you. We are delighted to have you here.

15 I also want to recognize our guests from
16 the White House with whom we work very closely, the
17 Office of Intergovernmental Affairs, David Agnew and
18 Jewel James. Thank you very much for being here, as
19 well.

20 **(Applause.)**

21 CHAIRMAN MARKELL: We have a significant
22 international presence at the Winter Meeting this

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1 year. I would like to take a moment to recognize our
2 guests. We are joined today by the Mexican Ambassador to the
3 United
4 States, Ambassador [Eduardo] Medina-Mora. Thank you.

5 **(Applause.)**

6 CHAIRMAN MARKELL: Thank you. And also,
7 the Executive Secretary of the Mexico Conference of
8 Governors.

9 With us once again is Madam Li Xiaolin,
10 the President of the Chinese People's Association for
11 Friendship with Foreign Countries, whom we are
12 working with to plan another U.S.-China Governors
13 Forum in Beijing this spring. Madam Li, thank you.

14 **(Applause.)**

15 CHAIRMAN MARKELL: We are also joined by
16 the Premier of Manitoba, a delegation from the
17 Canada-United States Inter Parliamentary Group, and
18 our friends from the Brazilian Embassy and the Taipei
19 Economic and Cultural Representative Office. If
20 you all could stand, please, thank you for being
21 here.

22 **(Applause.)**

23

1 CHAIRMAN MARKELL: Thank you. Thank you,
2 very much. You honor us by being here.

3 So when I became Chair of the National
4 Governors Association in July, I began my yearlong
5 initiative. It's called "A Better Bottom Line:
6 Employing People With Disabilities."

7 This initiative focuses on the roles both
8 state government and businesses can play in advancing
9 employment opportunities for people with disabilities
10 to be gainfully employed in the labor market.

11 Now as governors we know how critical jobs
12 and employment are to our constituents and to the
13 economies of our states. And when barriers present a
14 significant segment of our population from
15 participating in the workforce, talent is being
16 wasted and our economic competitiveness suffers.

17 For individuals with disabilities,
18 employment outcomes have not improved since 1990.
19 During the recent recession, employment realities for
20 people with disabilities got even worse. Workers
21 with disabilities left the workforce at five times
22 the average rate. The median income for these

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1 workers is less than two-thirds the median wages for
2 other workers.

3 So that is why I chose this initiative:
4 "Building a Better Bottom Line: Employing People with
5 Disabilities." We can do better, and we must do
6 better.

7 An estimated 55 million Americans--that is,
8 1 in 5--has a disability. It is the largest minority
9 population in our country. And disability crosses
10 every demographic, and it is the one minority
11 population that any one of us could fall into on any
12 day.

13 Anybody who can work and wants to work
14 should have the opportunity to do so. Advancing
15 employment opportunities for individuals with
16 disabilities is the right thing to do. It is the
17 smart thing the government can do. I mean, this is
18 an issue of workforce competitiveness. It is part of
19 preparing for an aging workforce, for increasing the
20 number of veterans returning to work, and for meeting
21 the needs of businesses with skilled workers.

22 And, it makes good business sense.

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1 Employers care about the skills that an individual
2 brings to the job. It doesn't matter whether you are
3 born with additional challenges or, as in the case of
4 our wounded veterans, you acquire them later in life;
5 what matters is a person's ability.

6 That is why we are opening this 2013
7 Winter Meeting with a discussion about why employing
8 individuals with disabilities is better for
9 businesses' bottom line. We will hear in just a
10 couple of minutes from the CEO of Walgreens about why
11 employing people with disabilities has been good for
12 that Fortune 500 company.

13 And it is our jobs as the leaders of our
14 states to make sure that people with disabilities are
15 fully included in our society. That means part of
16 the competitive workforce. Making a difference will
17 not be easy, but it is most definitely worth it.

18 Employing people with disabilities means
19 improving our constituent's quality of life, bending
20 the cost curve on public benefits, and contributing
21 to workforce competitiveness. It is an incredible
22 win/win/win that cuts across party lines.

23

1 And the NGA initiative is absolutely
2 dedicated to making a difference. We launched the
3 initiative last July, and since then there has been a
4 groundswell of support.

5 Many of you have contacted me to express
6 your support and the support of your agency staffs,
7 many of whom have shared the innovative practices
8 underway in your states. We have convened
9 representatives from the advocacy community. We have
10 convened experts and business executives to inform
11 our work. And as the initiative continues for the
12 next six months, we are going to focus on educating
13 both the private sector and the public sector as
14 employers about accommodating people with
15 disabilities in the workforce, in the workplace, and
16 the benefits of doing so.

17 We are going to focus on how we support
18 state governments in joining with business partners
19 to develop strategies that promote the hiring and
20 retention of individuals with disabilities in
21 integrated employment, and we are going to focus on
22 how we establish public-private partnerships that

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1 result in increased employment of individuals with
2 disabilities.

3 Now my goal for this initiative is to
4 provide all governors with examples of best practices
5 and other resources for states to advance these
6 goals, and to achieve these goals.

7 So this coming May, the NGA will hold two
8 regional institutes to provide governors and their
9 senior advisors with an opportunity to learn from
10 each other, and to visit local companies to see
11 firsthand how successful businesses are employing
12 people with disabilities in high-skilled,
13 competitive, and integrated settings.

14 The first session will be in Pittsburgh,
15 and Governor [Tom] Corbett is going to be our host. And
16 the second session is going to be in Seattle with
17 Governor [Jay] Inslee as our host. And I encourage all of
18 you to attend and to send teams from your states who
19 work on these issues every day.

20 And finally, I want to take a moment to
21 thank several organizations that have made important
22 contributions to this initiative: Intel, Bank of
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1 America, Rescare, Bloomberg Philanthropies, and
2 Walgreens.

3 This cross-section of private sector
4 support underscores the widespread enthusiasm that I
5 have seen since the initiative began. We are pleased
6 to have this broad support, because moving the needle
7 on this issue--which is our objective--is going to
8 require shared responsibility.

9 Already, support has been demonstrated, as
10 I said, across political lines, across the public and
11 private sectors, and across communities.

12 And before I introduce our speaker, I did
13 want to mention that each of you should have gotten
14 in your rooms a bag. It is a very attractive bag.
15 It says "Building A Better Bottom Line." It was made
16 by individuals with disabilities from Bank of America
17 at a facility in Delaware. The bag is filled with
18 cookies, popcorn, dog biscuits, coffee, notecards,
19 and a number of other things, made by people with
20 disabilities from around the country. And we are
21 very grateful to many of you, to the first spouses,
22 and to many of the folks who work on your staffs for

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1 sending these items to us.

2 We really wanted to spotlight many of the
3 things that people across the country with
4 disabilities are already doing.

5 I am making special note of this because,
6 if your [state] troopers are anything like mine, they could
7 have taken your bag to their room to eat the cookies.

8 *(Laughter.)*

9 CHAIRMAN MARKELL: And if you've not seen
10 it in your room, please ask them. We actually have a
11 few more cookies available--

12 *(Laughter.)*

13 CHAIRMAN MARKELL: --but it was really
14 intended for all of you and your spouses.

15 So now it is my great pleasure to
16 introduce Greg Wasson, who is the CEO of Walgreens.
17 He has worked at Walgreens since 1988. He started as
18 a pharmacy intern. He is now President and CEO. He
19 has served on the Board of Directors since 2009.

20 Walgreens has demonstrated just an
21 incredible . . . they have been an incredible leader and
22 role model in terms of outstanding hiring and support

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1 for people with disabilities.

2 It started as a pilot program on one
3 distribution center in South Carolina. Their
4 inclusion practices have now resulted in great
5 increases in productivity and improvements in company
6 culture. The practices have now been expanded to
7 other distribution centers, and they are expanding to
8 retail centers across the country.

9 I met Greg Wasson a few months ago when I
10 was invited by Senator Tom Harkin and Congressman
11 Pete Sessions to a meeting that they were hosting for
12 business leaders up at a Walgreens distribution
13 center near Hartford, Connecticut. And Mr. Wasson at
14 that meeting was sharing with other business leaders,
15 the CEOs of UPS, and OfficeMax, and others, his view
16 that hiring people with disabilities is not about
17 charity; it's about doing what's best for the
18 business. And that is really much of the message
19 that he brings to us today.

20 We are very, very fortunate to have him.
21 And with that, I ask you to join me in welcoming Greg
22 Wasson.

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1 **(Applause.)**

2 MR. WASSON: Thank you, Governor Markell,
3 for that kind introduction. It is a pleasure to be
4 here. Although I must say, getting up at 4:30 on a
5 Saturday morning to catch a 6:00 a.m. flight, I was
6 thinking this probably was a better idea three months
7 ago.

8 **(Laughter.)**

9 MR. WASSON: But it is good to be here.
10 You know, I did get the opportunity to go down and
11 see our new store that is opening at 7th and H in
12 Chinatown just before I got here. It is going to
13 open in a couple of weeks. Maybe a humorous story, I
14 was talking to our construction folks and I wanted to
15 make sure that we had pharmacy signage in the
16 building in Mandarin. And the construction guy said,
17 yeah, we did, but we had to send the first sign back.
18 Because when we translated it, it actually said
19 "funeral parlor."

20 **(Laughter.)**

21 MR. WASSON: So we do try to fit into the
22 local community. And I invite all of you, actually

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1 if you get an opportunity, to go down there.

2 I will start by applauding all of you, and
3 certainly the National Governors Association, on your
4 initiative to improve employment opportunities for
5 folks living with disabilities.

6 I think your Better Bottom Line
7 initiative, governor, is spot on. Anyone that knows
8 me now will not be surprised that I've put my remarks
9 into three buckets for this morning.

10 First, I will give you a brief update on
11 Walgreens, and I promise I won't turn that into a
12 commercial.

13 Second, I will review our experience in
14 employing folks with disabilities.

15 And third, and most importantly, I will
16 discuss ways that I think we can work together with
17 the NGA's Better Bottom Line initiative.

18 So let me start with my first bucket first
19 by thanking all of you and your states for working
20 with us over the last several years on tackling some
21 of the nation's and your state's health care issues.
22 Today as our health care system strives to expand

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1 care and lower costs, we believe Walgreens is even
2 better positioned to help. If you have been in some
3 of our newly renovated stores, hopefully you will see
4 that we are not the old drugstore anymore. We are
5 trying to be, and we believe we are now becoming a
6 leading health care provider in communities and your
7 states across the country.

8 We have more than 8,000 stores. We are in
9 all 50 states and Puerto Rico. We have 70,000
10 health care service providers that we believe are on
11 the front line of health care. It includes more than
12 26,000 pharmacists whose time we are freeing up to
13 allow them to spend even more time providing services
14 such as medication therapy management.

15 We know that if people take their
16 medications, Governor, if they take their medications
17 properly, we can avoid billions of dollars in medical-
18 related costs.

19 We have also certified all of our
20 pharmacists to be able to provide immunizations and
21 vaccinations. We are actually now the second-largest
22 provider of immunizations and vaccinations to the
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1 U.S. government.

2 We have over 350 nurse practitioners who
3 we are co-locating in stores across the country. And
4 what we are trying to do is expand the scope of
5 services we are able to offer in communities even
6 further, beyond our pharmaceutical services, into
7 acute and episodic care, primary care, and chronic
8 care management.

9 We have over 400 health and fitness
10 centers on the campuses of large employers where we
11 are helping employers such as ourselves lower our
12 health care costs and trying to lower that bend, or
13 bend the curve.

14 We have nearly 200 medical campus
15 pharmacies in health systems across the country, and
16 we are working with many of them to help reduce
17 readmission, which is obviously a costly impact to
18 employers and government entities such as yourself.

19 And finally, we are the nation's largest
20 provider of what we call specialty injectables and
21 infused drugs, which is probably the fastest-growing
22 sector of pharmacy.

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1 So our goal is to advance the role of
2 community pharmacy compliant health care and bring
3 additional solutions to payers across the country.

4 So hopefully I didn't turn that into a
5 commercial. Forgive me if I did. With my 33 years
6 with the company, I tend to get excited.

7 So I will turn to my second bucket, and
8 that is why we made the commitment to employing
9 people with disabilities, how we are doing that, and
10 the results that we are seeing so far.

11 One thing that we do believe is that you
12 can do good while doing good business. And I think
13 this is a great example. Giving folks with
14 disabilities a chance to work is doing just that.

15 So we have recognized, as Governor Markell
16 has said, that people with disabilities are a vastly
17 underutilized workforce. These are folks who want
18 to work. They can become qualified to work in a
19 variety of positions with simple training, and they
20 have a deep-down commitment to do the best job they
21 can.

22 The fact is, a company of our size with
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1 250,000 employees in locations in just about every
2 community, we simply can't afford to overlook or
3 underestimate any talent. And frankly I don't think
4 any company can today. So that is the *why* behind our
5 commitment. Now I will walk you through the *how*.

6 Our efforts began over 10 years ago with
7 our senior vice president of supply chain and
8 logistics, Randy Lewis, who just retired and is with
9 us today--I believe over here somewhere. Randy's
10 son, Austin, is autistic and Randy has had a lifelong= dream
11 of creating a work environment that would
12 allow us to employ folks with disabilities. And he
13 convinced us that it was the right thing to do.

14 So as the governor said, we decided we
15 would start with the opening of our next distribution
16 center, which was in Anderson, South Carolina, at the
17 time in 2007. So here is how we did it.

18 We worked with the local agencies to train
19 and attract people with disabilities for employment
20 at the facility. We made sure we had the appropriate
21 training for our managers at the distribution center.

22 We committed to ensuring an exclusive
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1 workplace for people with and without disabilities,
2 working side by side. That was critical. And I want
3 to be clear--this was not charity. This was
4 business. Jobs and expectations were the same for
5 folks whether they had a disability or not.

6 All employees were held to the same work
7 standards and for the same pay.

8 We also set out to create a sustainable
9 model that we could implement at our other existing
10 distribution centers and/or roll out with our next
11 generation of centers as we opened them.

12 So as I said, we opened our first center
13 in Anderson in 2007. Two years later, with the
14 [lessons] from Anderson, we opened our center in
15 Windsor, Connecticut. Today, 43 percent of the
16 employees at Anderson and 50 percent at Windsor have
17 a cognitive or a physical disability.

18 And I can tell you, these folks have
19 absolutely proven themselves. I've got a quick
20 video, if we could play it right now, that could
21 probably tell the story a little better than me
22 standing up here.

23

1 **(A video clip is shown.)**

2 "VIDEO SPEAKER: This is not about
3 charity. We didn't lower any of our performance
4 standards. Every team member is expected to perform
5 at the same high level, same pay, same performance,
6 side by side.

7 "VIDEO SPEAKER: I need to learn from this
8 person. I need to take things from them. I may be
9 the manager, but, you know, I'm learning here from my
10 team members.

11 "VIDEO SPEAKER: He walks and he talks in
12 just a more positive way. I just know that he's
13 going to make it now.

14 "VIDEO SPEAKER: Every parent with a child
15 with a special need or autism, their hope is to
16 outlive their child by one day. And I don't have
17 that fear anymore. I don't feel like I have to
18 outlive him by one day anymore.

19 "VIDEO SPEAKER: And I said, 'Mom and Dad,
20 I want to work at Walgreens.' This is what I wanted,
21 my heart--that's where my heart was. And since I
22 came over here, I have fallen in love with this place.

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1 I wouldn't trade this place for nothing.

2 "VIDEO SPEAKER: The surprising thing is,
3 we started out wanting to change the workplace. What
4 we found out was, we were the ones who were changed.

5 "VIDEO SPEAKER: And of course to be given
6 this chance is just great for a lot of people,
7 especially with special needs, to actually, like I
8 said, basically come out, strive, be their own person
9 and not feel like they're held down by anything.

10 "VIDEO SPEAKER: He said, 'This is my first
11 check, and I took it home.' He said, 'My mother looked
12 at it and she started crying. Why do you think she
13 did that?' I said, 'I don't know. I don't know.' But
14 I did know."

15 ***(End of video clip.)***

16 MR. WASSON: So as the governor said, last
17 summer we did host our first CEO summit on employing
18 people with disabilities at our Windsor, Connecticut,
19 center. During that summit, we gave all the
20 attendees, including the governor, a tour and a
21 firsthand look at what we do. And we also shared
22 some of our results, which I will share with you now.

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1 We gathered 400,000 hours of data across
2 distribution centers and 31 job functions. This data
3 has been studied, published, and peer-reviewed. It
4 shows without a doubt that people with disabilities
5 can perform as well as or better than employees as a
6 whole.

7 Here's what we've seen: 20 percent fewer
8 accidents in the distribution centers. 70 percent
9 less workers comp costs. Lower absenteeism, and
10 twice the retention. And that's not even counting
11 the positive impact on our overall workplace culture.

12 Like Randy said in the video, we started
13 out to change the workplace, but along the way we
14 discovered that we were the ones, frankly, who were
15 changed.

16 As a result, the managers who have worked
17 at Anderson give it our highest rating. And those
18 are the folks who have gone from maybe one
19 distribution to others. Team members working there,
20 with our without disabilities, turn in the highest
21 performance in our supply chain.

22 So here is a very important point. We

1 learned that a commitment to employing people with
2 disabilities did not require automation. So that
3 meant we could do it everywhere; we could spread it.

4 On average over the last two years, one
5 out of three new hires in our 20 distribution centers
6 across the country has been a person with a
7 disability. We now employ more than 1,000 people
8 with disabilities in our distribution centers. That
9 is about 10 percent of our total supply chain
10 workforce. They earn the same compensation as their
11 typically abled colleagues.

12 Now next up, we've been piloting a program
13 around employing people with disabilities at our
14 retail locations, which we call REDI, an acronym for
15 Retail Employees with Disabilities Initiative.

16 Imagine the impact that we can have with
17 our 8,000 stores in all 50 states and Puerto Rico.
18 So we started with a pilot in Texas two years ago.
19 We have expanded it to more than 150 stores
20 throughout Texas, New York, Delaware, and
21 Connecticut. And we recently announced an expansion
22 of the program across the state of Wisconsin.

23

1 I want to thank Governor [Scott] Walker for the
2 accommodation your state has extended us just a few
3 weeks ago.

4 So altogether more than 200 folks across
5 the country have completed their four weeks of
6 training as service clerks using training developed
7 with local community agencies. Many of them
8 certainly in your states.

9 About 60 percent of the folks we have
10 trained have been recommended for hire. So these
11 folks are busting a myth that should have been busted
12 a long time ago: that people with disabilities can't
13 perform well in these kinds of public-facing, fast-
14 paced, multi-tasking jobs.

15 Our new store clerks are proving that,
16 with training, people with all sorts of disabilities
17 can do quite well in a retail environment. That is
18 encouraging.

19 Now we didn't, or couldn't, do this alone.
20 We have collaborated with state and local agencies
21 along the way, and providers that serve people with
22 disabilities. And we have worked with them to help

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1 us find qualified employees and develop the job
2 training programs for them.

3 So that leads to my third and final
4 bucket, and that's working together with states and
5 agencies.

6 There are three ways that I hope we can
7 work together to help you with your Bottom Line
8 Initiative. And by "we," I am suggesting not just
9 Walgreens but all companies that are moving in this
10 direction.

11 I think first we can share our experience,
12 including the ideas and suggestions that came out of
13 our CEO summit last summer. We can share the
14 pitfalls and the best practices that we have seen,
15 and I think we can more importantly raise the
16 visibility around the effort and, importantly, we can
17 raise awareness of the bottom line business results.
18 And that is what is critical.

19 The second way we can work together I
20 think is more tangible. I think we can help your
21 state agencies and their contractors work with each
22 other, and work with the public sector--or private
23

1 sector. I think we can identify barriers and help
2 untangle some red tape.

3 We can develop active partnerships with
4 companies. That means creating a custom-tailored
5 solution for each company and location. We found
6 this cannot be a cookie-cutter approach; each company
7 is different.

8 And I think we can help agencies identify
9 ways to be as creative and flexible as possible,
10 without breaking the rules of course, in applying
11 regulations.

12 And finally, together I think we can
13 support and encourage our schools to play a
14 significant role in this effort, which can make a big
15 difference as they help develop our youngsters and
16 their work capabilities.

17 The third way we can work together is the
18 simplest I believe of all, and that is just opening
19 doors and eyes to what works.

20 So in that light, I would invite all of
21 you to come and visit our distribution centers, and bring
22 representatives from companies in your

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1 states if you'd like. Certainly we will have team
2 members and managers that will help you, and help
3 them see the best practices and hear the best
4 practices that we have.

5 And I think the important thing is, if you
6 have companies come visit, you know, have them not
7 just bring their leadership, but have them bring
8 operators, because those are usually the ones that
9 ask the right questions, the toughest questions, and
10 we'll certainly host.

11 I had an old boss that told me years ago
12 that the best form of management is show-and-tell
13 versus just telling. And I think seeing it is
14 believing. So if you want to see for yourself how
15 employing people with disabilities can benefit
16 companies, the workplace, and the entire workforce,
17 just let us know and we will plan a visit.

18 So the reality is a true public-private
19 partnership is a win/win/win for folks with
20 disabilities, companies, and--certainly I believe--
21 states. People with disabilities who want to work
22 get a chance to work. They get a chance to earn a

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1 living and contribute to the economy. And they gain
2 independence and may become less in need of other
3 assistance programs.

4 Companies like ours get a whole new
5 pool of productive, enthusiastic, and empowered
6 talent. And for states, certainly it can positively
7 affect your economy.

8 A case in point, we're told that employing
9 people with disabilities at our Anderson Center
10 actually saved South Carolina \$1 million in Medicaid
11 services in two years.

12 So I think I am just about out of time,
13 Governor. I've probably violated the No. 1 rule
14 in business, which is don't share your trade secrets
15 with other companies--

16 ***(Laughter.)***

17 MR. WASSON: --but this certainly isn't
18 something that we think we should keep to ourselves.
19 So with all the good that we can all do for these
20 folks, our companies and the economy, that is a risk
21 that I'm looking forward to taking.

22 So if it helps your states and companies

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1 benefit, so be it. As Michelangelo said:

2 "The greater danger for most of us lies
3 not in setting our aim too high and falling short;
4 but in setting our aim too low, and achieving our
5 mark."

6 I can think of no better way for a company
7 to do good while doing good business than employing
8 folks with disabilities.

9 So thanks for the opportunity, and
10 hopefully that has been beneficial.

11 **(Applause.)**

12 CHAIRMAN MARKELL: Greg, why don't you
13 stay here. So we're going to open it up, and Greg is
14 happy to take some questions. So please, let's just
15 go ahead and get started.

16 Dan.

17 GOVERNOR [DAN] MALLOY: First of all, I want to
18 thank you, Jack, for having decided that this was
19 your personal project for your year at the helm here.
20 It is a great project, and it will have long-lasting
21 impact. Every person with disabilities who has
22 previously not been employed and who we can have

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1 employed as a result of the leadership being
2 demonstrated by Walgreens and your leadership as well
3 stands as a testament to our humanity and our
4 willingness to save ourselves some money at the same
5 time.

6 I have to say that I have visited the
7 center. I took a tour with Randy, who is a great
8 tour guide and very proud of what you all have
9 accomplished.

10 If I remember correctly, your original
11 goal was to have 25 percent of your employees with
12 disabilities. You have blown through that to 50
13 percent, and I await the day you get to 80 percent.

14 What I will also tell my fellow governors
15 is: Since I first went to the Walgreens site in
16 Windsor, we have reached agreement with three
17 additional companies to build large customer
18 fulfillment centers, one of which is an online
19 marketer of products who wasn't too happy with us
20 when we decided that they should be subject to our
21 sales tax, and now we have reached an agreement with
22 them to collect that sales tax and to build a

23

1 customer fulfillment center.

2 But my point is, every time we are having
3 a discussion about such a center, we are taking
4 people to Walgreens to see what is going on. And I
5 urge you all to come. Cathy and I would be happy to
6 put you all up at the house for a night, if you agree
7 to go see Walgreens in Windsor. It's about 20
8 minutes from the house we live in.

9 I do want to make one point. There is a
10 tsunami of folks with disabilities who were once
11 thought to be unemployable who are really employable.
12 And this issue with autism and the spectrum means
13 that we are all going to have a bigger problem to
14 deal with in very short order. And then, quite
15 frankly, if you look at the impact of the two wars
16 that we have fought and continue to fight for some
17 number of months additionally in one case, we have
18 also produced a lot of people with disabilities.

19 There is nothing better we could do to
20 honor the service of the men and women who have
21 become injured and come home with disabilities than
22 to find them a job. And there is nothing more cost-

23

1 effective than to do that and to make sure our
2 children with autism and other disabilities have a
3 job.

4 And this number on the Medicaid side is
5 extremely important, but it is all about all of the
6 other wraparound services that we are otherwise
7 providing which Walgreens in this case has stepped in
8 and has provided through a salary. So we need to do
9 all that we can to bring this about.

10 The final point: They are great partners.
11 We work with them. Our commissioners work with them.
12 We put all of our social service commissioners, and
13 instead of having them work in a silo, we meet in my
14 office on an ongoing basis. We talk about Walgreens
15 and what we are trying to get out of the companies
16 that do on a regular basis.

17 They didn't ask for much. The one change
18 that we had to make in the state of Connecticut is we
19 put a bus stop at their front door. That's it. We
20 put a bus stop at their front door. Instead of
21 having people unload themselves or load themselves
22 250 yards away, we simply agreed to bring the bus in,

23

1 having it stop right at the front door, discharge,
2 pick up people, and have them leave.

3 This is do-able everywhere. And so what I
4 want to know is when you're going to build another
5 one in Connecticut.

6 *(Laughter.)*

7 MR. WASSON: Well thanks so much for those
8 kind remarks. You know, one of the things I will
9 say, you're right, our goal was 20, 25 percent.
10 We've far exceeded that. And I think that is the
11 key, to set a high bar. Set a high goal, because it
12 just challenges and forces everyone to go out and do
13 things they didn't think were possible.

14 So thank you, very much.

15 CHAIRMAN MARKELL: Sean.

16 GOVERNOR [EAN] PARNELL: Thank you for being
17 with us. One thing really intrigued me. You talked
18 about the early stages of how you cast a vision for
19 the workplace, and set this in motion, and how it
20 actually emanated in large part from one of your
21 executive officers.

22 Could you speak more fully to how you set

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1 that vision internally? What kind of buy-in you got,
2 and how that worked really from the internal
3 perspective?

4 MR. WASSON: Yes, good question. I think
5 first and foremost you need a champion. With any
6 big-company initiative, you absolutely need a
7 champion. So a lot of that credit goes to the guy
8 that's behind me, Randy.

9 I also would say that in many cases you
10 need it to happen in operations. You need a line
11 representative that can kind of drive it within a
12 facility. Tremendous support, obviously, from
13 central HR, but it's best done in line operations, I
14 would say.

15 You know, it's interesting. It was very
16 easy to get a groundswell of momentum and support
17 because people knew it was just the right thing to
18 do. It was really more of the *How*. And once we
19 figured out the *How* and began to really put focus on
20 it, it just took on a life of its own.

21 One of the things that we are finding is
22 that a lot of the barriers, frankly, that I am

23

1 talking about we've learned that we can remove were
2 frankly, you know, some of the standard processes.

3 For example, an online job application.
4 We didn't realize at the time that in many cases we
5 were blocking someone with a disability, that may not
6 be able to navigate that, who could be a very good
7 employee from even getting the opportunity.

8 So No. 1, you have to have a
9 champion. You have to empower them. And then stick
10 it in operations, would be my perspective, you know,
11 to where they can actually get it off the ground and
12 then let it gain the momentum it did.

13 Thanks, Governor.

14 CHAIRMAN MARKELL: John.

15 GOVERNOR [JOHN] KITZHABER: Yes, good morning. I
16 also want to thank Governor Markell for putting this
17 important issue on the agenda. And, Greg, for your
18 leadership and your business.

19 I have a question that is related more to
20 your core business, but I think it is valid.

21 Obviously people with disabilities and people without
22 disabilities need medical care. And my question

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1 is, I used to practice emergency medicine, and
2 increasingly we saw people showing up in the ER who
3 didn't have emergency problems but needed some care
4 that fit their work schedule.

5 And, you know, opening health care
6 facilities in places like Walgreens makes imminent
7 sense to me. The question I have is: As you move
8 more into chronic care management--and maybe this is
9 a question for our HR people--how do you deal with
10 continuity of care, given the fact that in many cases
11 you have a person with a chronic condition seeing
12 five different physicians who don't know what they're
13 doing. If people are getting more of that care
14 there, how do you deal with that? And are you doing
15 anything with electronic medical records for these
16 folks?

17 MR. WASSON: Good, Governor. And that's
18 exactly it. We have to be--we need connectivity. In
19 my opinion, our health care system does not need
20 further fragmentation. And certainly as we begin to
21 expand our scope of services and try to allow our
22 pharmacists to practice at the top of their

23

1 profession, co-locate nurse practitioners who can
2 practice at the top of the profession, those two
3 health care professionals combined can provide a high
4 percentage of primary care in the country.

5 But we don't want to fragment. So we are
6 investing in electronic medical records'
7 connectivity. We want to be the primary care
8 physician's partner--not a separate solution. So we
9 think that access to affordable, high-quality care is
10 absolutely something that we can help the nation
11 with.

12 And to your point, IT--health care IT--is a
13 big part of that. We have to connect with the
14 physicians.

15 CHAIRMAN MARKELL: Neil.

16 GOVERNOR [NEIL] ABERCROMBIE: Over here. Aloha.
17 Thank you very much.

18 It's not clear to me, when you're speaking
19 about disabilities a little bit in the abstract or in
20 general. Can you give me an example of the spectrum
21 of disabilities that you are speaking about? I am
22 thinking of myself. As an adult, I've acquired a

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1 seizure syndrome. Epilepsy is a generic term.
2 There's very little known about it. It scares
3 people.

4 Many people who have to contend with
5 epilepsy and its arc of constant seizures to
6 occasionally find themselves in a situation where they
7 can't be employed. People are afraid to employ them.
8 Will they be able to deal with it?

9 The other spectrum. You mentioned autism,
10 but the entire spectrum of what constitutes
11 disabilities. Some has to do with limbs. Some have
12 to do with conditions that may be sporadic in nature.
13 So I am interested. What is the spectrum of
14 disability? How is the word "disability" defined for
15 you at Walgreens?

16 And then second, how do you coordinate
17 with those agencies that deal with helping people to
18 be able to contend with life? I am a member of the
19 Federation of the Blind, dealing with deaf children,
20 those kinds of things. Do you have an ongoing
21 relationship, or a contract with agencies, from
22 Goodwill to the National Federation of the Blind, to

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1 say the Epilepsy Society that may consist principally
2 of parents and researchers and people who have been
3 affected by it, as opposed to something perhaps more
4 broad-based?

5 MR. WASSON: Good question. I'll take the
6 first one, and without seeming, you know, being kind
7 of too high a level, folks with all cognitive and
8 physical disabilities we think are a candidate.

9 Now that doesn't mean we can employ every
10 single individual, or every type of disability. But
11 really what we are finding is we can indeed employ
12 many more across the spectrum than we probably even
13 realized.

14 For example, we used to have policies to
15 where, you know, the No. 1 thing in a
16 distribution center is you want to make sure you've
17 got safety in lift trucks and so forth.

18 So in the past where we may have had--to
19 your point--someone that may be missing a limb, you
20 would not have thought that maybe they were a
21 candidate, but then now we realize with the proper
22 training frankly their accidents have gone down

23

1 across the spectrum.

2 So I would say, first of all I would not
3 recommend limiting across any disability. It is
4 really the training and the opportunity to figure out
5 how you can put them to work.

6 As far as the agencies, that is probably
7 the biggest opportunity I think together we have.
8 And I think there are some great agencies out there
9 that are trying to do some great things.

10 I think some of the things we see would
11 be, many times to your point I think, we're working
12 with several agencies that focus on maybe one
13 situation, whereas it would be kind of good to kind
14 of collaborate and work together.

15 The number one thing we need as we move
16 forward, we have to find good partners. And spending
17 time with the states, and spending time with agencies
18 who can really be good partners. Because it's really
19 about the sourcing. It's the identifying.

20 We can create the training internally
21 ourselves. It's really working at finding partners
22 who can help us source and bring people in that we

23

1 can take through the certification process and
2 employ.

3 GOVERNOR MALLOY: Can I just add something
4 to that? It's important, Governor, and our approach
5 in Connecticut is, we're not asking these companies
6 to provide the social services beyond the job.

7 Now they accommodate people. But for
8 Instance, the rule is the person's got to be able to
9 get to the job themselves. You don't transport the
10 person. And this is about convincing people simply
11 to open their doors, make positions available, and
12 then the state and societies and interests, groups
13 that have interests, they need to continue to do
14 their part on behalf of these individuals in making
15 sure they get the services outside of employment that
16 they need.

17 And so we have got--we can't have
18 employers think that we're also asking them to
19 provide a full body of services. Otherwise, the
20 whole--we believe, in Connecticut, the whole system
21 breaks down.

22 CHAIRMAN MARKELL: Before I go to Governor
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1 [Jay] Nixon, let me just say I think the question that Neil
2 is asking is really at the core of what we are trying
3 to get at in this whole initiative.

4 We do have a session tomorrow where a
5 number of governors, and we invite all of you, but a
6 number of governors are going to be talking about
7 specific things they are doing in their states on
8 that point.

9 We are also going to have a panel of
10 experts. For example, one of the things that we've
11 heard, as we have been engaging with folks from
12 around the country, one thing that too many of our
13 agencies do is they will take a list of names to an
14 employer and say: Can you please find employment
15 opportunities for these people? As opposed to first
16 going to the employer and saying: Can you please
17 identify for me the skills that you're looking for?

18 And then I can go back and check to see,
19 you know, here are the people I have. They may have
20 any range of disabilities. But the focus is of
21 course on the ability rather than the disability.
22 And I can tell you that as part of our initiative,

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1 for the first part of your question, we have been
2 consulting with and informed by people covering every
3 possible disability.

4 And it has been an incredible educational
5 process, and hopefully at some point Governor
6 [Dennis] Daugaard can tell his own stories because he's got
7 really amazing insights into this, as well.

8 Governor Nixon?

9 GOVERNOR NIXON: Yes. Everyone
10 represented here also not only is involved in public
11 policy but are also significant employers.

12 As you look at this from the business side
13 toward the government side, what kind of initial
14 adapters, what kind of tasks, what kind of
15 opportunities are there? I mean, you know, literally
16 millions of people represented as employees here,
17 obviously we have to the taxpayers our fiduciary
18 responsibility very similar to that you have to your
19 shareholders and whatnot. What advice do you have to
20 us in a public sector of types of either tasks or
21 responsibility that might be quick adapters so that
22 we could be not only partners in breaking down
23

1 barriers for you, but also partners in the actual
2 accomplishment of employment of folks with
3 disabilities?

4 MR. WASSON: I think the No. 1 thing,
5 and I'm going to come back to Governor Markell's
6 point as well, the No. 1 thing with an employer
7 is to invite the agencies to come in and identify, so
8 that we can help them with the services we're looking
9 for.

10 In the retail setting, you know, we're
11 finding that we can employ folks all the way from,
12 you know, front cashier to plan-a-gramming and so
13 forth. So there's really not a limit.

14 As far as the state, as far as if you're
15 asking me how do I think you can employ folks with
16 cognitive or physical disabilities, I wouldn't limit
17 yourself. And that may sound like I don't quite have
18 the answer, but I would not limit yourself. We are
19 finding, as I said, that there are opportunities to
20 employ folks that we never would have dreamed of
21 before.

22 I will say this, that it has to be good

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1 business. To make this sustainable, it absolutely
2 has to make sense for the business. And that's the
3 reason we constantly say, and Randy in his video
4 said, it is not charity. And we want something that
5 is sustainable.

6 So I would say, just don't limit yourself.
7 Begin to identify tasks, you know, within the state
8 that you believe that you have opportunities for, and
9 then figure out and bring the agencies in, as
10 Governor Markell talked about, and said, look, these
11 may be some opportunities we're looking for some
12 help. And then let them go back out and source
13 candidates for you.

14 CHAIRMAN MARKELL: And, Jay, your question
15 is also part of the initiative focused on the public
16 sector as an employer.

17 I think Governor Fallin had a comment or
18 question.

19 GOVERNOR FALLIN: Well thank you, Governor
20 Markell, for your leadership on this issue. And it
21 has certainly brought light to a lot of issues that
22 we might not have considered as governors.

23

1 But I was intrigued by your comment that
2 you saw a 70 percent drop in your workers'
3 compensation costs, because normally you might think
4 that if someone has a disability that there may be a
5 safety cost to that. But you're actually seeing less
6 cost in your workers' compensation costs, which is one
7 of the big issues for businesses across the nation.

8 So can you talk a little bit about that?

9 MR. WASSON: Yes. And thank you for
10 bringing it up in fact. It's across the entire
11 enterprise, not just folks with a disability but also
12 our typically able folks.

13 And I think really what happens is, as you
14 begin to really look at how you can best employ, and
15 make sure that all hires are productive, you gain
16 productivity and improve safety across the entire
17 enterprise, that you may be able to transfer from the
18 lessons from, you know, what you've done to make
19 sure you can allow someone to do a specific task.
20 That just translates across the entire enterprise.

21 And that's what we talk about, the fact
22 that it is not just an opportunity to employ someone

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1 in an agency who may come in and say, hey, how can
2 you use our folks? It's really identifying the
3 needs and then really focusing on how it can help
4 your business, and then your entire enterprise
5 benefits from it.

6 CHAIRMAN MARKELL: Anybody else? Yes,
7 Dennis.

8 GOVERNOR DAUGAARD: Thank you, Governor.

9 Greg, thank you for your comments. One
10 question I wonder, and I don't know if this is to you
11 or to other governors that may be experienced in this
12 area: Do you come across employers who are worried
13 that, gee, if I open up the door to applicants with
14 disabilities and I don't hire them, then now I'm
15 worried about discrimination lawsuits? I'd rather
16 just not get into it. I don't have to worry about
17 those lawsuits, so I'm not going to open the door.

18 Do you see that at all?

19 MR. WASSON: We haven't. And we are
20 working with a lot of different employers who we've
21 brought in and let them see what we're doing.

22 You know, I think one of the common
23

1 questions we get may be, okay, if they're not
2 performing, what do you do? And I think the answer,
3 the simplest answer is always to come back with you
4 treat someone with a disability the same way you deal [with]
5 and treat a typically abled person.

6 So I think you have to be completely fair
7 and consistent across the board. But we haven't
8 really experienced that. I don't know if, Randy,
9 Governors, I don't know if any of the governors have
10 or want to bring it up, but certainly we haven't.

11 CHAIRMAN MARKELL: Anybody else?

12 *(No response.)*

13 CHAIRMAN MARKELL: Well, let's hear it for
14 Greg.

15 *(Applause.)*

16 CHAIRMAN MARKELL: So multiply this by
17 thousands, and that is the opportunity that we have.
18 And it is not just about large businesses, but I
19 think it is incredibly helpful. And I'm sure that
20 Greg won't mind when you go and tell business leaders
21 in your state that the CEO of Walgreens says this is
22 not about charity, this is about good business.

23

1 And the more we can get that message out
2 there, and Walgreens of course is not the only one;
3 it's big business, it's medium-sized, it's small, and
4 I just think we have an incredible opportunity.
5 There are so many people across this country who have
6 the desire, they have the willingness, they have the
7 ability to do the job, and too often they are not
8 given a shot. And we have a role to play. It is not
9 our role alone, but I do think that we will find
10 willing business partners across the country.

11 So we are very, very grateful to you,
12 Greg, for your leadership. We look forward to
13 continuing to work with you. And, again, I urge the
14 governors tomorrow, we've got a great session
15 moderated with Judy Woodruff where we can really get
16 into this at the next level of detail.

17 So I know a lot of you are probably
18 wondering, well, what does it mean in terms of what
19 can I do differently in my state? And that is really
20 what tomorrow is about, and it is really what this
21 whole initiative is about.

22 So let us move on to the Public-Private
23

1 Partnership Awards. This is now in its seventh year.
2 This award recognizes corporate fellows of NGA. It's
3 companies that have partnered with the state [to]
4 implement a program or a project or a service that
5 positively impacts the citizens.

6 So each fall, governors are invited to
7 nominate a corporate fellow company for work in his
8 or her state that demonstrates a significant
9 investment at the state level, to perform a public
10 good in areas such as education, health, public
11 safety, and the environment.

12 Winners are selected by a volunteer group
13 with appointments by Governor Fallin, myself, and
14 three other individuals vetted by the NGA staff. And
15 I want to thank the members of the selection
16 committee for their time and their energy and their
17 thoughtfulness.

18 Many governors nominated corporate fellows
19 for consideration. I understand the deliberations
20 were very difficult because of the high quality of
21 the nominations. One company is being selected, and
22 without further delay I would like to invite one of
23

1 our newest governors, Governor Pence, to the podium
2 to present Indiana's winning nomination for the 2013
3 NGA Public-Private Partnership Award.

4 GOVERNOR PENCE: Thank you very much,
5 Governor Markell, and Governor Fallin, my fellow
6 governors, and honored guests.

7 Let me say how
8 inspired I was by Greg Wasson's and Walgreens'
9 example of corporate leadership in a public and
10 private partnership. What a blessing that was to
11 see: doing good while doing well.

12 It is my honor today at the NGA Winter
13 Meeting to present the Public-Private Partnership
14 Award. In Indiana I like to say that we want to be
15 the worst place in America to commit a serious crime,
16 but we also want to be the best place in America once
17 you've done your time to get a second chance. And
18 today's honoree is a part of a widening Indiana
19 success story between the public and private sector
20 that is a win for taxpayers and also a win for public
21 safety and a reduction in recidivism.

22 I would like to ask Tom Barnes, Senior
23

1 Vice President of ARAMARK, to join me at the podium
2 for this presentation.

3 Within the Indiana Department of
4 Corrections, ARAMARK has pioneered a program called
5 "Into Work." The partnership focuses on two primary
6 goals. First, it addresses the state's concern, of
7 course, about dwindling funding for vocational
8 training, and leverages its expertise in preparing
9 healthy and nutritious meals within a commercial
10 kitchen model at lower cost to taxpayers.

11 But second, it empowers correctional
12 professionals by using the Into Work program to
13 increase public safety and reduce recidivism through
14 successful re-entry programs.

15 It is clear that the statistics support
16 the fulfillment of both of these goals. ARAMARK
17 provides the Into Work program at no additional cost
18 to more than 27,000 offenders and 27 facilities.

19 Since 2005, the state has saved almost \$85
20 million through this partnership for taxpayers. The
21 evidence of Into Work's success is that in January
22 2008 Indiana opted to apply a six-month credit to an

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1 offender's sentence with a successful completion of
2 the 18-month Into Work Program.

3 The sentence reduction not only reduced
4 the prison population, but it saved taxpayer
5 resources. And the recidivism statistics for Into
6 Work graduates confirmed the power of vocational
7 training and employment upon release.

8 [Of] the year 2009 Into Work graduates that
9 have been released, 7.7 percent have reoffended. And
10 in 2010, only 4.1 percent have reoffended. The
11 average across our system in the state is
12 approximately 37 percent.

13 It is a win for taxpayers, a win for
14 public safety, and a win for Hoosiers who long for a
15 second chance. And so I invite my fellow governors
16 and our honored guests to join me in offering
17 congratulations to ARAMARK for imagining and
18 implementing this successful Public-Private
19 Partnership Program in the Hoosier State.

20 ***(Applause.)***

21 ***(Award presented.)***

22 CHAIRMAN MARKELL: It is now our pleasure

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1 to hear from Governor Walker to talk about this
2 summer.

3 *(Pause.)*

4 GOVERNOR WALKER: I had to have a
5 different prop than we did in Williamsburg because
6 [Governor John] Hickenlooper ate all my cheese.

7 *(Laughter.)*

8 GOVERNOR WALKER: We'll have plenty more
9 for you there as well. I can say that because I was
10 born in Colorado Springs, so I've got a shred
11 affinity for Colorado.

12 You know, Williamsburg was obviously a
13 great time last year at the annual meeting, and
14 Tonette and I invite all of you, all the governors,
15 your spouses, your families, your staff, and all the
16 supporters here at the NGA to join us August 1st
17 through the 4th in Milwaukee, Wisconsin, for the
18 annual meeting.

19 We don't have the kind of colonial history
20 that they do across the Potomac and down the way in
21 Williamsburg, but we have a little bit of different
22 history, which is why I'm wearing my Harley jacket

23

1 here.

2 In August, the Harley-Davidson Motor
3 Company celebrates its 110th Anniversary. And so as
4 part of that, that's part of why there's a Road King
5 out there. It's not my Road King; although, I have a
6 100th edition, anniversary edition Road King that I
7 will be riding, but one of our great events during
8 the annual meeting where we do a lot of good work, but
9 we also have a lot of fun, will be at the Harley-Davidson
10 Museum.

11 And as if that wasn't enough, there will
12 be food, and entertainment, and a great time overall.
13 If you've never heard of it, take a look because it's
14 more than just a museum. It's really an interactive
15 opportunity for you, for your families, and for your
16 staff, but I've also got a challenge.

17 Now a couple of the governors have taken
18 us up on that. Both Jack and Mary are going to join,
19 and other governors are invited, but before we kick
20 off that event we're going to take off from near the
21 VA grounds on a ride. And I'm going to get my Harley
22 out, and we're going to provide bikes and safety gear

23

1 to any governors and their spouses, or others who
2 want to join us.

3 And just to make it a little bit extra
4 safer, if you haven't ridden a motorcycle before, we
5 will also provide a course for you at the Harley-Davidson
6 dealership closest to your capitol and the
7 Rider's Edge, but if you'd like to join us we're
8 going to have a ride. Some veterans are going to
9 join with us, and we will ride on in. It's a short
10 ride, so you don't have to worry about riding too
11 long.

12 But we thought it would be a great
13 opportunity to share. Again, a little different than
14 colonial history, but some good Harley-Davidson
15 history.

16 Now if that wasn't enough--

17 **(Laughter.)**

18 GOVERNOR WALKER: --on the next night, we
19 are going to be at Miller Park, the home of the
20 Milwaukee Brewers. And for those of you who haven't
21 seen that before, I know a lot of folks have great
22 stadiums in your states as well, but ESPN named

23

1 Miller Park the best baseball stadium in all of Major
2 League Baseball last year.

3 It's the only fan-shaped retractable roof
4 in all of the professional leagues out there. It is
5 a great opportunity. And we have a unique chance,
6 because we're going to be on the field for an event
7 that night. In fact, so much so that it's not just
8 enjoying Miller Park and everything that's a part of
9 it, we are literally going to be able to take batting
10 practice.

11 So a couple of former Brewers are going to
12 join us. It's a great time, again I know for a lot
13 of governors, maybe your spouses, for some of us who
14 have kids, a great chance to literally be on the
15 field itself and enjoy batting practice as well as
16 some other activities.

17 Beyond those two big events, we are also
18 going to spend another night on Milwaukee's lake
19 shore, on the shores of Lake Michigan, and we're
20 going to be at the Discovery World Museum, which is
21 literally a museum on top of Lake Michigan, where on
22 one side we've got Summerfest, the home of the

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1 world's largest music festival, and the other side
2 we've got Milwaukee's Art Museum, which is the first
3 Calatrava-designed art museum in all of North
4 America. And we're going to have a great time there.

5 So a lot of fun. . . . a lot of activity.
6 Obviously some good, important policy things we'll be
7 discussing in Milwaukee as part of the annual
8 meeting, but a lot of fun. And if that wasn't
9 enough, for not only all the governors here but for
10 your families, and staff, and others who are
11 interested, other things are going on throughout that
12 weekend.

13 The Milwaukee Air Show is going on with
14 the Thunderbirds right by where one of our events
15 will be at. And for those who want to come early or
16 stay late, Whistling Straits is one of the world's
17 greatest golf courses and is just up the way. We can
18 arrange times for you there, for those who love
19 golfing. And for those of you who have kids, or
20 grandkids, Wisconsin Dells is literally the world's
21 waterpark capital, and we can make arrangements if
22 you want to come early or stay late for that as well.

23

1 So a lot of great things. Again, we don't
2 have the colonial history. I can't tell you that
3 Patrick Henry and Thomas Jefferson stayed in my
4 residence, but I can tell you it's pretty cool to
5 hear the roar of a Harley, or to crack one of the
6 balls out of the ballpark in Miller Park, and we hope
7 that you will join us August 1st through the 4th.

8 So thanks.

9 **(Applause.)**

10 GOVERNOR [Peter} SHUMLIN: Hey, governor, I've
11 just got one question to follow up, because I think
12 you forgot an important part. You forgot to announce
13 that I'm going to be bringing down Cabot Cheddar
14 Cheese so Hickenlooper can have some edible cheese
15 while we're down there in Milwaukee.

16 **(Laughter.)**

17 That's what I was going to ask. There's
18 going to be plenty of cheese, I assume.

19 CHAIRMAN MARKELL: Well, we all look
20 forward to seeing you in Milwaukee this summer,
21 Governor Walker. Thank you very much.

22 That concludes this session. We are a
23

1 little bit ahead of schedule, which is how we
2 intended, and the governors-only session begins at
3 12:45.

4 So thank you all for coming.

5 *(Whereupon, at 12:12 p.m., Saturday,*
6 *February 23, 2013, the plenary session was recessed,*
7 *to reconvene at 9:30 a.m., Sunday, February 24,*
8 *2013.)*

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NATIONAL GOVERNORS ASSOCIATION

Winter Meeting

Sunday, February 24, 2013

JW Marriott

1331 Pennsylvania Avenue NW,

Washington, D.C. 20004

Governor Jack Markell, Delaware, NGA Chair, Presiding

Governor Mary Fallin, Oklahoma, Vice Chair

Presentation of Leaders, Speakers

Moderator: Judy Woodruff, Co-Anchor and

Senior Correspondent, PBS Newshour

Panelists:

Neill Christopher, Vice President of Manufacturing

Operations, Acadia Windows & Doors

Judith F. Heumann, Special Advisor for International

Disability Rights, U.S. Department of State

Joan M. McGovern, Vice President, University

Collaboration Community Engagement, JPMorgan Chase

Carl E. Van Horn, Ph.D., Professor of Public Policy

and Director, Heldrich Center for Workforce

Development, Rutgers, the State U. of New Jersey

1 P R O C E E D I N G S

2 (9:41 a.m.)

3 CHAIRMAN MARKELL: Well good morning,
4 everybody. I want to welcome all of you. I want to
5 thank my colleagues for joining me for this moderated
6 discussion on employing people with disabilities.

7 We began our discussion yesterday on this
8 topic during the open plenary when Greg Wasson, the
9 CEO of Walgreens, shared the story of Walgreens. We
10 thought it was very, very compelling, why employing
11 people with disabilities has been good for the
12 company and good for the company's bottom line.

13 Today I am excited to start a discussion
14 amongst governors that really takes it to the next
15 level, about how states can support businesses in
16 implementing programs to include these individuals
17 with disabilities.

18 As you will see today, advancing
19 employment opportunities for these folks is an issue
20 that cuts across partisan lines, as you can tell by
21 the governors sitting around the table now. It is
22 really about building a competitive workforce and

23

1 ensuring that everybody who can and everybody who
2 wants to work really should have the opportunity to
3 do so.

4 So the focus on today's conversation is
5 really about leadership. And as I've talked with
6 companies that have successfully increased their
7 employment of people with disabilities, I have heard
8 time and time again how important leadership is as a
9 really critical factor. The commitment has to start
10 at the top.

11 Successful efforts to employ people with
12 disabilities starts and continues with that strong
13 leadership. And as governors, we have just an
14 incredible opportunity to spur action in our states
15 to make it easier for businesses to employ people
16 with disabilities.

17 And we are very fortunate today to have as
18 our moderator one of our most prominent journalists,
19 a seasoned veteran of more than 35 years of
20 experience covering the White House and nine
21 presidential elections.

22 Judy Woodruff is co-anchor of PBS's

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1 Newshour. Her body of work includes a 2011
2 Documentary on Nancy Reagan, a 2007 project on Young
3 Americans. She also hosts her own show on Bloomberg
4 Television, "Conversations With Judy Woodruff."

5 She's a founding co-chair of the
6 International Women's Media Foundation; a former
7 recipient of the Edward R. Murrow Lifetime
8 Achievement Award; a mother of three; a disability
9 advocate; and we are just really, really fortunate to
10 have her today to moderate this session.

11 So please join me in welcoming our
12 esteemed moderator, Judy Woodruff.

13 **(Applause.)**

14 MS. WOODRUFF: Thank you very much. Thank
15 you. Thank you, Governor Markell. I am delighted to
16 be here with all of you. I am just especially
17 pleased that you are highlighting this issue: the
18 important issue of employment and work for people
19 with disabilities. And I am so glad to take part in
20 facilitating this particular discussion, coming on
21 the heels of yesterday's comments by Mr. Wasson of
22 Walgreens. And I know you had a wonderful

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1 conversation around that after he spoke.

2 I am the mother of a son with significant
3 physical disabilities since he was a teenager, so I
4 have seen firsthand how those with challenges the
5 rest of us don't have a much more difficult time
6 getting an education and getting a job, when all they
7 want to do, in my view, is to become contributing
8 members of society just as the rest of us.

9 I have yet to meet a person with
10 disabilities who has the capability of holding down a
11 job who would rather sit back and do nothing and let
12 others take care of him or her.

13 For our son, Jeff, who lives in an active
14 community designed for people with disabilities, his
15 work is at a college athletic center in Maryland
16 where he spends six hours a week keeping track of
17 student IDs, monitoring security and the use of
18 exercise equipment. It sounds like a small job and a
19 little amount of time, and he would love to work
20 more. But it is a critically important part of his
21 week.

22 He had only been working there for one
23

1 month, originally as a volunteer, when he spoke up
2 and asked when he would start to be paid.

3 *(Laughter.)*

4 MS. WOODRUFF: He got a check starting the
5 next month. And he takes his job so seriously that
6 when the college president's wife came to use the
7 exercise facility for the first time, without an
8 official ID because she had just arrived, Jeffrey
9 would not let her come in--

10 *(Laughter.)*

11 MS. WOODRUFF: --until someone vouched for
12 her. He didn't lose his job, and they laugh about it
13 today.

14 But through Jeffrey, my husband and I have
15 seen what a difference it makes in his sense of self-worth to
16 be able to perform work that is needed, to
17 have people counting on him every day, and to be able
18 to make a meaningful contribution.

19 And we do want to talk this morning about
20 how that is happening around the country, in the
21 private sector, and in the public sector.

22 We have a superb panel to help facilitate

23

1 this conversation. I want to introduce them now. We
2 are going to hear from them first, and then we are
3 going to bring all the governors in to be part of the
4 discussion.

5 First I would like to introduce Joan
6 McGovern, who is there seated to Governor Markell's
7 left. She is a vice president at JPMorgan Chase.
8 She is the Community Engagement Manager with
9 Corporate Technology, and she is responsible for
10 university collaborations.

11 Seated to the right of Governor Markell
12 and Governor Fallin, thank you to you as well as the
13 vice chair of the governors, thank you very much for
14 hosting this, to her right is Neill Christopher.

15 He is the Vice President of Manufacturing
16 Operations at Acadia Windows and Doors in Baltimore,
17 Maryland. It is a company that was founded in 1947,
18 and they have over 60 employees.

19 On your right, in the center, is Judith
20 Heumann. Judy Heumann is a Special Advisor on
21 International Disability Rights at the U.S. State
22 Department. She has spent more than 30 years

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1 advancing the rights of those with disabilities
2 internationally and here in the U.S. at every level
3 of government.

4 And our fourth panelist is seated on your
5 left. He is Carl Van Horn, Professor of Public
6 Policy and Director of the Heldrich Center for
7 Workforce Development at Rutgers, the State
8 University of New Jersey. He is a labor economist.

9 So it is a superb group of individuals to
10 help take part in our conversation today, and I want
11 to begin with you, Joan McGovern, and ask you to kick
12 it off by just talking about, from your corporate
13 perspective, what have you seen about what it is like
14 to bring people with disabilities in, the
15 possibilities, the challenges.

16 MS. MCGOVERN: Thanks, Judy, and good
17 morning, everyone, and Governor Markell, Governor
18 Fallin, NGA association. Thank you very much for
19 this opportunity.

20 I've got to say, I'm thrilled for the
21 level of focus that this issue is being given today.
22 So congratulations to everyone on that.

23

1 From 2004 to 2009 I managed an initiative
2 within JPMorgan Chase that actually reflected--took a
3 look at people with disabilities and how do we
4 reflect them across the firm, full spectrum, end to
5 end, in our products, services, policies, procedures?

6 And it started with the tone at the top.
7 Our CEO, corporate senior executives, business
8 executives, managers throughout the firm, that was
9 the directive: This is where we're going to go and
10 how we're going to do it. So from the leadership
11 perspective, they were engaged. And that was
12 extremely critical.

13 Moving forward then, several other items
14 that I took a look at, and with the support of the
15 firm, was the pipeline. What was the outreach? And
16 where were we recruiting? And what needed to be
17 enhanced?

18 From there, taking a look at hiring. The
19 focus was going to be on skills. If an individual
20 wanted a position at JPMorgan Chase and they had the
21 skills, we then wanted to engage them and see how
22 would they become a part of our culture.

23

1 Ensuring productivity. How do we
2 accommodate? What are the accommodations that would
3 be needed? What might we need to expect? And what
4 needed to be enhanced once again to ensure that those
5 accommodations in fact could be carried forward?

6 Communications. Communications internally
7 and also communications externally. What are the
8 various channels? And what did we need to do there?
9 And we moved forward on those.

10 Then, wrapping up with technology. How do
11 we ensure technology is accessible?

12 And probably most important, how do we
13 grow? And how do we broaden and retain this level of
14 employment within the firm?

15 We realized that people with disabilities
16 that were looking to have a position at JPMorgan
17 Chase, their approach is sometimes different. But
18 that difference needed to be embraced. And it was in
19 that difference that we found the huge opportunity:
20 an effective way to do business.

21 And it wasn't just a matter of bringing
22 individuals into the firm, but how do we retain them?

23

1 And actually we didn't want to have in two to three
2 months a revolving door, so it is an issue of
3 placement. The numbers come in, and then what
4 happens to the individuals.

5 No, we wanted to take a look from the
6 beginning and say how do we retain? What are the
7 retention practices that we need to put in place to
8 enhance the careers? It's not just a job. How do we
9 enhance the careers?

10 So from that moment on, we started to look
11 and say: All right, the individuals that we have,
12 people with disabilities that we do hire, have them
13 be our advocates to partner with every single policy,
14 procedure, service, business. Use them as subject-
15 matter experts within the firm with our products and
16 services and channels to our clients.

17 And along the way, what was so important
18 day to day was the job coaches through the state voc[atational]
19 rehab organizations that we dealt with. Those were
20 individuals that were able to partner and support us
21 as we continued to do business, but actually were
22 able to assist us with working with the employees

23

1 that had disabilities.

2 For your consideration today, I would ask
3 you to be smart. This is not a broad-brush
4 initiative. There's not one size that fits all
5 here.

6 So, for example, knowing the volume, and
7 also knowing the quality of your pipeline within your
8 state. If there are disability Veterans, disabled
9 Vets that may be coming into your particular main
10 large cities as they come back from the war, as they
11 come back from the Middle East, as they come back
12 into your state, work with that population.

13 If it happens to be a large population of
14 a deaf community that's within your state, take a
15 look at that and reach out and work with those
16 individuals.

17 So the ask for today would be: Focus on
18 people with disabilities. Hold focus sessions with
19 them. Take a look--for example, one of the other
20 items that we did was to look at the skills. So we
21 worked with the state voc[ational] rehab organizations and put
22 together a means where we were able to set up a

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1 statewide database where we would be able as a firm
2 to upload our positions, but then also too we were
3 able to see what were the candidates that were
4 available.

5 So it wasn't the voc rehab, the vocational
6 rehab organizations going out to the various
7 different companies; there was a one-and-done that
8 was able and made it very, very efficient.

9 Measure retention and incent on that, as
10 opposed to just placement.

11 Also, job coaches. Again, there may just
12 be an opportunity there with the, dare I say, the
13 economy. There's a possibility to take a look at
14 those individuals that have retired, those that may
15 be on unemployment, and maybe there is a way to work
16 them into the job coach pipeline in order to assist
17 the various different corporations and companies
18 moving forward, and in particular the small business
19 market.

20 Transportation, the last item I'd like to
21 speak about. That's actually from a remote access
22 perspective one of the areas that we heard

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1 individuals saying: I've been accepted for a
2 position; now what do I do? How do I get there?

3 Well we needed them to be able to cross
4 the threshold. So we had to work with the Department
5 of Transportation in some instances to make that
6 happen.

7 And then also in some other states we
8 worked with them. Instead of having a separate
9 service of transportation for individuals that have
10 disabilities to come to our employment, we actually
11 turned around and said let's take a look at what is
12 the transportation situation right now and maybe we
13 just get different types of vehicles with the taxi
14 and limousine commission that actually can be called
15 upon to be able to accommodate a person with a
16 disability.

17 So just wrapping up, candidates with
18 disabilities that can get to us, that have the
19 skills, they work.

20 Thank you for your time.

21 **(Applause.)**

22 MS. WOODRUFF: Thank you, very much. And

23

1 if I could just follow up with a quick question, how
2 many cities, or how many states was JPMorgan Chase?

3 MS. MCGOVERN: This was across the
4 country.

5 MS. WOODRUFF: Across the country?

6 MS. MCGOVERN: Um-hmm.

7 MS. WOODRUFF: All right, let's turn next
8 to Neill Christopher from Baltimore. Welcome.

9 MR. CHRISTOPHER: Good morning. Thank you
10 for inviting us back to the National Governors
11 Association.

12 We have a different story because we are a
13 much smaller employer. We have 60 employees located
14 in northeastern Baltimore County. We have been in
15 business since the late 1940s, and as our name
16 implies we make windows and doors.

17 We didn't start out to hire people with
18 disabilities. We were approached by a job developer
19 from the ARC of the Northern and Chesapeake Region
20 who answered an ad that we placed in the local
21 newspaper.

22 As an employer, we were looking for good
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1 employees. That was really our only criteria. The
2 job developer actually called me and asked: Do you
3 hire people with disabilities?

4 And I said: I'd like to think that we do,
5 but this is not a safe environment. We have machines
6 that are capable of amputation. We have pieces of
7 glass in our factory as big as the windows you see in
8 this room (indicating). We have forklifts that move
9 throughout the building.

10 We would like to think that we could
11 accommodate people with disabilities, but it's
12 probably not a safe environment. And the job
13 developer, Jan Stauffer, was very smart. She said to
14 me: Can I have 15 minutes of your time?

15 And I thought, 15 minutes is exactly the
16 right amount of time to brush her off.

17 ***(Laughter.)***

18 MR. CHRISTOPHER: So I invited her to our
19 facility. But in the meantime, from the time we made
20 the initial contact, I had gone to our saw operators
21 and the people that run the saws that cut the
22 profiles for the windows and doors and said: What do

23

1 you need to be more effective?

2 And they said, if you can have somebody
3 put in the weather stripping, the fuzzy stuff that
4 goes around your windows, if you had somebody to put
5 that in, we could fly.

6 And I remember that Jan had said the
7 people that she was bringing as prospective employees
8 liked repetitive work. And to me, that seemed like
9 it might be a good fit.

10 So we brought our first person in from the
11 ARC. Joan is right. It has to be a top-down
12 initiative. But it also has to be a bottom-up
13 initiative, because I had to get the buy-in of the
14 owners of our company. But more than that, I had to
15 get the buy-in of all the line-level workers that
16 would be working side by side with our new employees
17 who came from the ARC.

18 And they asked some very good questions.
19 They had the same concerns and the same trepidations
20 about safety, about logistics, about how would all
21 this work. But we found that the ARC was a very good
22 partner. And I will say many times today that we

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1 could not have done this without the ARC.

2 The ARC provided those important things
3 that Joan talked about: job coaches. And they
4 provide transportation. For a small company like us,
5 that is not an option. But the ARC comes in and does
6 that work for us and provides us with very capable
7 employees.

8 Our first employee was Robin Baughman.
9 She came to us in 2003 and did a terrific job, and we
10 figured, great. We hired some people with
11 disabilities. But Robin looked around and she saw
12 some other jobs in the plant, and she said I'd like
13 to try putting the hardware on the windows.

14 And that is actually a pretty complex job.
15 We have many iterations of products. And we thought
16 it might be a possibility. We waited until a little
17 bit of a slow time, and we gave her a chance to do
18 that, and she soared. She did a terrific job.

19 But now we didn't have anybody to put the
20 wool pile in the windows and doors. So we had to go
21 back to the ARC and say, hey, we need another person.
22 And the same thing happened. The process grew.

23

1 When we had at that point three people
2 from the ARC, I was approached by Jan once again. A
3 lot of our employees come from the Social Security
4 Administration's Transitioning Youth
5 Program. She said, I have a young lady that's about
6 to graduate from high school. Would you be
7 interested in hiring her?

8 And I said, sure, what high school is she
9 coming from? And she said, the Maryland School For
10 The Blind. And I said, what are you telling me? And
11 she said, well, Jess is blind but I think it might be
12 a good fit.

13 We brought Jessica in, and her mom, and
14 her dad. Her dad is an engineer. Her mom is a
15 teacher in the Harford County Schools. Very bright
16 people, all of them, very articulate. Jess is blind
17 and has developmental disabilities. And we gave it a
18 shot.

19 And remember, the job coaches are what
20 make it work. The people we had hired up to that
21 point, the job coaches had been with us for a week,
22 maybe two. With Jessica, the job coach was there for
23

1 six weeks. That had nothing to do with Jessica, and
2 it had everything to do with me, because I was very
3 concerned.

4 Finally, the ARC had to kind of trick me.
5 They said, you know we need this job coach at another
6 place. Can you give her up for just a day? I said,
7 okay, we can try this for a day. And Jessica was
8 fine. This was our concern as a manufacturer.

9 I have had the opportunity to talk to the
10 Social Security Advisory Board, and that is one of
11 the points that we were asked: What keeps companies
12 from hiring people with disabilities?

13 And I will say the No. 1 factor is
14 fear. And that is why I like opportunities like
15 this, and especially opportunities to talk to other
16 manufacturers and say: Come to our plant. Let us
17 show you how it can work. Let us show you the people
18 in our plant. Take a tour. You will notice Jess
19 because she has a yellow hard-hat so the forklift
20 operators can see her. But tell me the other five
21 people in this plant that have disabilities. They
22 can't do it. Because we have been able to mainstream

23

1 all of these employees through these job coaches like
2 everybody.

3 The people from the ARC just want a job.
4 They want an opportunity to look around themselves
5 and see another job. We have been fortunate in that
6 we are a small enough company that we can let them
7 look at other jobs, and we can give them an
8 opportunity to try it. And there has not been one
9 time in the 10 years that we have been doing this
10 where someone has not been able to achieve what they
11 thought they could achieve by looking around.

12 And that is a tremendous testimony to
13 them, to their job coaches, and to the process of the
14 ARC itself. We really very much appreciate this
15 opportunity to talk to you and to share our story
16 because the world is going to change in another way.

17 The Baby Boomers are all retiring. And
18 when we get to that, we are going to be--all of us
19 are going to be looking to hire people from pools
20 that are not being tapped now. And people with
21 disabilities are going to be one of those pools.

22 It works very well. The top-down is

23

1 important. You have to have the buy-in of
2 management. The bottom-up is important. You have to
3 have the buy-in from the people that are going to be
4 working side by side.

5 But those two things are really the best
6 part of the process. Because as I said earlier,
7 safety was a big concern. At the time we partnered
8 with the ARC, we partnered with MOSHA Consultation (OSHA in
9 Maryland) and we were looking to have a way
10 to make our workplace safer.

11 What we found is that everything we did to
12 make our workplace safer for the people with
13 disabilities made it safer for all of us. And as of
14 Friday, we have worked 2,230 days without a lost-time
15 accident. This is I think because of our partnership
16 with the ARC, and of course MOSHA consultation.

17 The other thing it did, it made us a
18 stronger company. Because it made us interact with
19 one another in ways we didn't normally interact.

20 About the time we first talked to the ARC,
21 one of the owners of the company came and brought a
22 bunch of chess and checkers sets, about 30 of them,

23

1 and said I want to put these in the lunchroom, and I
2 want people that don't normally work together to sit
3 down and play games and wire our brains differently,
4 that we can interact on a different level.

5 And that was a great exercise, but that's
6 what it was, an exercise. What we found when we
7 started to look at ways of accommodating people with
8 disabilities is that was a real exercise with real
9 benefit. And every good idea--every good idea--
10 didn't come from me, and it didn't come from the job
11 coaches of the ARC, although they were instrumental
12 in implementing them, it came from the men and women
13 that worked side by side with our employees from the
14 ARC.

15 They were the ones that found a way for
16 Jess to locate, a way from her work station to the
17 lunchroom, and to the ladies room, so she could move
18 around. They were the ones that found ways so she
19 could communicate her needs throughout the day.

20 And the third thing it did--and really the
21 best thing it did--it made us a kinder company,
22 because we cared about one another. And we started

1 caring about the people from the ARC.

2 If I'm having a tough day--in
3 manufacturing you have some--I can go out into the
4 plant and I can talk to Jess, or Jordan, or Charles
5 McGee, and I will always walk back to my office with
6 a smile on my face because they're so happy with what
7 they've done, and they're so proud of what they've
8 done.

9 I want to share one more story, if I may.
10 Jordan Barnes, a young man who's come to us from the
11 ARC, his brother is a Baltimore City police officer.
12 And he idolizes his brother. He worships his
13 brother. And what Jordan did with his first paycheck
14 was take his brother to dinner. And he was so proud
15 that he was able to do that.

16 He took his cellphone, and he had pictures
17 of his brother, and his brother's wife, now he has a
18 nephew. He's so excited about that. The best part
19 of all this is the normalcy of it. That when I would
20 sit in our company lunchroom, there are disabled
21 people at my table, there are people from Nigeria,
22 and Sudan, there are people from where our plant is

23

1 located, but it's normal. That's the way of doing
2 business, and that's been the best part of our
3 experience, how it's made us a kinder and more
4 compassionate company.

5 Thank you.

6 **(Applause.)**

7 MS. WOODRUFF: Thank you, Neill
8 Christopher, especially for those personal anecdotes,
9 which I think make your experience come to life for
10 all of us.

11 MR. CHRISTOPHER: Thank you.

12 MS. WOODRUFF: Judy Heumann, now advising
13 the State Department, but you have had experience
14 throughout government, outside government from an NGO
15 perspective. Talk about what it looks like from
16 where you are.

17 MS. HEUMANN: Thank you very much, and I
18 went over before to speak to Governor Markell and
19 tell you thank you so much for elevating the issue of
20 employment of disabled people.

21 Because as everyone has been saying
22 yesterday and today, this is really about leadership.

23

1 And leaders are the ones who have to really give the
2 direction at the state level, at the corporate level,
3 public and private sector.

4 For me, I had polio in 1949, so I grew up
5 with a disability. And we have certainly seen many
6 significant changes in the United States and around
7 the world where more disabled people are actually
8 going to school, being educated, having greater
9 opportunities to be able to enter the workforce.

10 And we are talking about people with all
11 types of disabilities. So individuals who may not
12 have graduated from high school to individuals who
13 have post-doctorate degrees. People have all types
14 of qualifications. And when we look at the issue of
15 diversity, which I think is very important, all
16 states are looking at the issue of diversity in the
17 workforce.

18 And part of the question is: How do we
19 really deliver a message that allows both employees
20 of state government and of the citizenry at large to
21 understand that we see disabled individuals with all
22 types of disabilities from all backgrounds being a

23

1 meaningful part of our workforce.

2 So what I have experienced over my growing
3 many years of work in different jobs is we need to
4 look for different opportunities.

5 In the federal government right now
6 there's something called "Schedule A." Schedule A
7 started in the Carter Administration and it is still
8 a program which is being worked on, but I think
9 Schedule A is a very important part of what the
10 federal government is doing.

11 It is overseen by the Office of Personnel
12 Management, and every agency is required to have a
13 Schedule A manager. That Schedule A manager has
14 responsibility to work with all of the hiring
15 managers within their agency. And that also, in
16 addition to giving them information on what their
17 obligations are under Schedule A, also does begin to
18 get people to start thinking about what needs to
19 happen when we are trying to get people into the
20 pipeline.

21 So at State we have been doing a number of
22 things, because we have many different opportunities.

23

1 We have a very, very big internship program with
2 hundreds and hundreds of individuals who are either
3 staying in school in high school, or through graduate
4 programs who have an interest in international work
5 apply for positions as interns at State.

6 But we decided that it was important to be
7 able to really allow disabled people to know that we
8 were including them in this mix. Because I think one
9 of the issues that we're having to deal with is,
10 while leaders may have this as a vision, frequently
11 the people that we are reaching out to in the case of
12 disabled people aren't really convinced by this.

13 They don't necessarily see disabled people
14 on your staffs. They don't necessarily see real
15 focused outreach to bring disabled people in to
16 different jobs.

17 So we decided it was important to get a
18 message out. So we have done training of hiring
19 managers. We have been increasing the number of job
20 fairs. We had a job fair in November which had about
21 150 disabled individuals of all types of
22 qualifications who came.

23

1 We had hiring managers at that job fair so
2 they could actually talk to people and potentially
3 offer jobs for people, because Schedule A enables
4 disabled people who are qualified for positions to
5 move into positions faster. So that is also a real
6 benefit for the hiring manager.

7 But we have also been doing work with
8 community colleges and universities where we have
9 been reaching out to them and to their various
10 associations.

11 There is a group called AHED, which
12 focuses with the disabled student services around the
13 United States. We have people who have gone out and
14 spoken at their meetings to let them know that we are
15 looking for people, and again we are doing specific
16 work to help ensure that disabled youth have a better
17 understanding that we are looking for them to come
18 into the job market.

19 But we are also talking to various
20 organizations that the State Department supports.
21 And like state governments, we have grants and
22 contracts with many entities, and we have also been

23

1 driving that home with the grantees and contractors
2 that the inclusion of disabled people in the
3 workforce is a critical part of the work that we are
4 doing. We are including it in language that is being
5 written when people are applying for grants.

6 And then we are going out and actually
7 meeting with people in various organizations that
8 typically were not doing work, including both the
9 subject matter of disability and disabled people in
10 the workforce.

11 We meet with the heads of the
12 organizations, and then they have to speak with their
13 staff because they are coming in to let us know what
14 it is that they are doing. That is really beginning
15 to have a permeating effect across the institution.
16 And similar work is being done in other government
17 agencies.

18 For me, I think the issue of mentorships,
19 internships, ensuring that as governors you have a
20 visible team of senior people across your agencies
21 who are responsible to report back to you about what
22 it is that they are concretely doing in whatever your
23

1 priority areas are. And, to remember the fact that
2 when we are looking at disabled individuals, we are
3 looking at people with many different levels of
4 expertise, and we are also looking at people who come
5 into the workforce or not because onset of disability
6 occurs at different stages in people's lives.

7 So there are people like myself who had
8 our disability when we were young, persons with
9 developmental disabilities, blind people, deaf
10 people, but then there are many individuals who
11 acquired disabilities for a variety of reasons--some
12 in the workforce, some while they're working, but not
13 on the job. And we want to make sure that we are
14 able to keep those people in the workforce.

15 I think that is very important that we are
16 also able to look at people who are working, who may
17 acquire a disability for whatever the reason, and
18 what are we specifically doing to ensure that people
19 are not going off on disability benefits?

20 I hear this story all the time. A person
21 who didn't have a disability, who had a job, who
22 acquired a disability, who went to someone in their
23

1 profession to say what can I do to keep my job? And
2 frequently people are told: Go on disability
3 benefits.

4 Well there are many reasons we do not want
5 that to happen. And for those people who don't want
6 to go on benefits, they figure out how to stay in
7 their job. But there are too many people who are
8 leaving the workforce because we are not holding
9 managers accountable to ensure that someone who
10 acquires a disability in fact stays in the workforce,
11 that we make reasonable and appropriate
12 accommodations to allow them to make that happen.

13 And let me just conclude by saying,
14 because we are looking at people who have
15 disabilities at different onsets, when we are looking
16 at individuals who acquired their disabilities when
17 they're younger, really involving parents early on is
18 critically important--and I mean really early.

19 So all of your states have early
20 intervention programs. It is important to be getting
21 messages to parents when their children are just
22 born, or just identified as having a disability, that

23

1 there is an expectation that their child will be able
2 to work. And, that we are really here to assist them
3 to be able to continue to get that positive message.

4 And that message is really given in the
5 messaging at the state level. So in the branding
6 that you are doing, are disabled people clearly a
7 part, and a visible part, of what's happening? And
8 if not, what can you do?

9 We are ensuring, for example, that the
10 secretary and other senior people, when they're going
11 out, that disabled people are a part of the meetings;
12 that in the speeches that they're giving on whatever
13 the subject, that we try to get disability included.
14 Because it is an across-the-board issue.

15 And then of course with people who are
16 becoming older, we want people to see that, even if
17 they're acquiring a disability, we want them to be
18 able to stay in the workforce. And for those
19 individuals who have grown up not seeing disabled
20 people as a meaningful part of the workforce, we are
21 really having to change all of our mindsets to help
22 people realize that, if they have the qualifications,

23

1 and governments and others will help people get those
2 qualifications if they need additional training but
3 have been in the workforce, that that's our
4 objective.

5 Thank you.

6 MS. WOODRUFF: Thank you. Judy, if I
7 could just follow up with one question to you, when
8 you were finishing your education did you have an
9 expectation that you would be able to find
10 employment?

11 MS. HEUMANN: So my parents were very
12 focused on my getting a job, but there weren't a lot
13 of people around me talking about being able to get a
14 job. I was lucky, and I became a client of the
15 Department of Rehabilitation in New York, and so they
16 helped me go to university, which was very important.
17 But I would say that the most job coaching I ever got
18 was when I was like in the fifth grade.

19 I was in special education classes, and
20 there was a speech therapist. And I was able to--I
21 had a lot of friends who had cerebral palsy who had
22 speech disabilities. And, I remember her name,

23

1 Mrs. Malikoff, she took me aside one day and she
2 said: You know, you should be a speech therapist
3 because you could get an MRS degree and you could
4 work in a hospital.

5 So when I was in the fifth grade I had no
6 idea what an MRS degree was--

7 *(Laughter.)*

8 MS. HEUMANN: --and that's really the
9 extent of job coaching, or job training that I got.
10 But I wanted to be a teacher. So I actually minored
11 in education, because my friends with disabilities
12 said don't tell the Department of Rehabilitation you
13 want to be a teacher because they'll only pay for you
14 to go to school to get a job in an area that other
15 people have been able to get jobs in.

16 And in New York City at that time there
17 were no people who used wheelchairs that had been
18 hired as teachers. So I majored in speech pathology,
19 to be that speech therapist--which I never was--and
20 minored in education. And then had to sue the Board
21 of Education to get my job, because I was rejected
22 because I couldn't walk, and got my job and taught

23

1 for three years in New York. And then went to
2 Berkeley and started doing other work.

3 MS. WOODRUFF: Fascinating. It's an
4 uneven course--

5 MS. HEUMANN: Even today, and I think
6 that's why the leadership issue is so very, very
7 important. Children need to start seeing themselves
8 with different disabilities in a work environment.

9 MS. WOODRUFF: It starts when they're very
10 young.

11 The fourth panelist we want to hear from
12 is Carl Van Horn. As we mentioned, professor at
13 Rutgers. He's a labor economist. He is somebody who
14 has done research on all these questions we are
15 discussing this morning.

16 Professor Van Horn, you have already been
17 working, you told me, with a number of the governors.

18 PROFESSOR VAN HORN: I have. And thank
19 you very much, Governors, for inviting me today.

20 I have had the privilege to work for most
21 of the governors of New Jersey in both parties for a
22 number of years. And so I have I think a very

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1 personal understanding of how important your role is
2 in advancing any issue in the state, and certainly an
3 issue like this.

4 I just want to start with a couple of data
5 points. I am a professor, so I want to get these out
6 on the table.

7 First is that there are millions of
8 disabled workers who are working today, but there are
9 millions more than can be working and are productive.
10 There are about 10 percent of the U.S. population who
11 reports a permanent disability, at 20 million people.

12 As has already been mentioned, we are
13 likely to see that increase as the size of our
14 population of older Americans increases. And they
15 are going to get age-onset disabilities.

16 Right now, about one in five of workers in the
17 United States is over 55, and a decade from now it
18 will be one in four. And many of those people will have
19 age-onset disabilities, whether it's hearing,
20 muscular-skeletal problems, and vision, and so on.

21 Unfortunately, as I think you all know by
22 now, the unemployment rate amongst people with
23

1 disabilities is twice the national average. But
2 perhaps more important, the labor force participation
3 rate, the percentage of them who are in the
4 workforce, is only about 21 percent.

5 Now in the U.S. population it is almost 70
6 percent. So it is obviously extraordinarily low.
7 And yet, as we've already heard today, there are
8 millions of employers who hire people with
9 disabilities and find it to be a very successful
10 experience.

11 In fact, in a recent national survey,
12 nearly one in five American employers says it has
13 hired a person with a disability, including about
14 half of the larger firms in the United States. So
15 obviously there are many productive people in the
16 workforce right today, and the kinds of testimonies
17 we have heard today are so important in overcoming
18 what I think Neill identified, which is the attitude
19 of managers about the barriers to hiring a person
20 with a disability.

21 They exist mainly between their ears
22 rather than in reality. Because once they

23

1 experience, and especially they hear from people who
2 have had successful experiences, those attitudes
3 change.

4 The other [thing] that people talk about
5 all the time is that it is difficult to accommodate
6 people with disabilities; it's going to cost a lot of
7 money.

8 Well again, in a national survey conducted
9 Recently, six in 10 employers said that the cost of
10 accommodation was zero to minimal. And those who did
11 have to make an accommodation said the average cost
12 was \$500. So it isn't actually the huge barrier
13 financially that people may think.

14 Now we have done research at the Heldrich
15 Center on what governors have done around the
16 country, and many of the governors in this room today
17 have been taking that leadership role already. And
18 so if I don't mention a state, I apologize in
19 advance; I may have forgotten somebody--and I'm sure
20 we will hear from you later.

21 But there are five areas where I think
22 governors have been very important. Of course we
23

1 have already mentioned leadership. And the
2 leadership is specifically around identifying their
3 state as an employment-first state. There are 16
4 states that have done this.

5 What that means really is to take the
6 symbolic leadership role and say that we are making a
7 public commitment to advancing an integrated
8 competitive employment for people with disabilities,
9 which is raising awareness and making sure that state
10 government agencies are working closely with industry
11 to dispel some of the myths that are associated with
12 the cost of hiring individuals with disabilities, and
13 trying to change expectations.

14 I am pleased to say that Governor [Chris] Christie
15 of our state has been one of those governors to take
16 a leadership role.

17 But even beyond that, driving down into
18 the bureaucracy of state government, it is so
19 important, and I think you've heard it already in our
20 case studies here, that state government plays such
21 an important role in coordinating services to work
22 with employers who are interested in hiring people

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1 with disabilities. And we have done a number of case
2 studies--and I am happy to make these available to
3 you through the NGA staff--of how states have
4 succeeded in working with employers who want to hire
5 people with disabilities.

6 And in almost every case, what it has come
7 down to is finding, as was suggested already by Joan,
8 a good partner for the employer to work with. In
9 some cases that was a state agency, a state vocation
10 and rehabilitation agency; a labor department. In
11 other cases, it was a community provider that
12 coordinated those services.

13 Because from the standpoint of the
14 employer, they are looking at a potentially
15 productive worker, and they are not able to or
16 interested in trying to disentangle the alphabet soup
17 of complex government programs. It is hard enough
18 for all of us to disentangle that sometimes, but if a
19 good community provider, or a good state agency plays
20 that role, those barriers that the disabled person
21 sometimes encounters can disappear right away.

22 So we did a report that was called "Ready
23

1 and Able." And really what it talks about is how the
2 workforce is there, and we have to make them able to
3 get into it. A lot of this work was supported by the
4 Kessler Foundation, which is one of the largest
5 foundations focusing on disability in the United
6 States.

7 And you heard from Mr. Wasson yesterday
8 that Walgreens was one of those that did work with a
9 community provider. And so that made them
10 successful.

11 But so this role of the governor making
12 sure that his or her subordinate agencies are working
13 together to meet those needs is absolutely critical.
14 Because employers will hire people with disabilities
15 if those barriers are lowered.

16 A third area where states have led is in
17 acting as model employers, and showing that they are
18 making the commitment themselves to hire people with
19 disabilities. And by my count, there are at least six
20 to 10 states that are already doing this. And how do
21 they do this? By providing capital funding for the
22 accommodations in state government, even though they

23

1 may be minimal; by supporting disability awareness
2 training; and of course by encouraging state managers
3 and internships and other opportunities for young
4 people to come into state government. And there are
5 a number of states that are doing that.

6 A fourth area is in the field of providing
7 incentives to encourage firms to hire people with
8 disabilities. And these come in a couple of
9 different buckets.

10 There are several states that have
11 disability employment tax credits, which support
12 wages paid to employees for child care,
13 transportation expenses, and so on. And these
14 are--there are variations on them, but the whole idea
15 of course is to give an extra boost to those
16 companies that are willing to go ahead and do that.

17 Another of course is in the area of state
18 procurement preferences for disability-owned small
19 businesses, included a lot of times along with
20 preferences for women- and minority-owned businesses.
21 And several states have done that, as well.

22 And last--and I think this is a very
23

1 interesting model--low-interest loan programs and
2 technical assistance to companies that are willing to
3 hire people with disabilities in order to make their
4 workplaces accessible.

5 In the state of Maine, for example, the
6 citizens of Maine approved \$20 million in bond issues
7 which were then let out through a competitive process
8 through their state's finance agency to help
9 especially small forms--and of course Maine is a
10 place that has a lot of very small businesses--to
11 make those extra accommodations they can't afford to
12 make on their own.

13 And last is providing a special marketing
14 of the various federal tax incentive programs.

15 So in all these different ways, governors
16 already are leading. And I think what this
17 initiative will do--I congratulate the governors for
18 doing this--will raise this to another level.

19 Because there clearly is a need. And instead of
20 looking at it just as a challenge that is difficult
21 to surmount, I think you are helping make people
22 realize this is an opportunity that can be seized.

23

1 Thank you, very much.

2 **(Applause.)**

3 MS. WOODRUFF: Thank you, Professor Van
4 Horn. Now we want to I think get as many of you
5 Governors involved in this discussion as we can. And
6 I know that a number of you, probably all of you,
7 have had a level of experience with the issues we are
8 discussing.

9 There are a couple of you, I am told, who
10 particularly have something to say. I am going to
11 turn to you, Governor [Dennis] Daugaard of South Dakota,
12 because I know you have worked with Governor Markell
13 at the experts roundtable and in some other respects.
14 We would like to hear from you.

15 GOVERNOR DAUGAARD: Thank you.

16 Yes, I was invited by Governor Markell to
17 participate with him last October in the roundtable
18 that some of you have made mention of, and that was a
19 great experience for me.

20 And, Governor Markell, I must say, I am
21 impressed and appreciate your bringing this as your
22 initiative. And it is much more than I thought it

23

1 would be. I am really impressed with the practical,
2 real, concrete suggestions that I gleaned in October,
3 and I am gleaning again today and yesterday. So
4 thanks for doing this.

5 And I am embarrassed to say that I haven't
6 done a lot as governor in this area. I want to do
7 more. And I am embarrassed to say because I have
8 some connection with that.

9 One of the things that Governor Markell
10 asked me to do is to relate a story that I related
11 last October, so I am going to do that.

12 I grew up in eastern South Dakota, near
13 the Minnesota border. There it's the flat Great
14 Plains, so flat that if your dog runs away you can
15 see him for several days.

16 **(Laughter.)**

17 GOVERNOR DAUGAARD: But it is all corn,
18 and soybean country, and it has been farm country for
19 over a century.

20 My grandparents came from Denmark in 1903
21 and bought--and they were teenagers. They got
22 married in Iowa, and then bought a small farm in

23

1 South Dakota where my father was born three years
2 later, right in the farmhouse there on that farm
3 where they had bought.

4 Dad was born profoundly deaf. He couldn't
5 hear at all. I had to laugh once when I was with him
6 at a doctor's appointment where the nurse tried to
7 take his temperature with one of those ear canal
8 thermometers, and of course Dad had no ear canal, so
9 she was very frustrated. But Dad had no hearing at
10 all.

11 He was one of four children. Two children
12 were profoundly deaf like Dad, and two were normal
13 hearing. Back in those days of course it was still
14 farming with horses. And so as I was growing up,
15 Dad would tell me about how they'd get up in the
16 morning, and they were still using oil lamps when he
17 was younger, and they would get up in the morning
18 when it was still dark. And my grandfather would go
19 out and milk the cows for milk for the household.

20 My Uncle Howard would harness the horses
21 and feed them and get them ready for the field work.
22 And Dad would feed the cattle and hogs. Then they

23

1 would come back in for breakfast. And that was the
2 beginning of their farm days.

3 Dad talked about how in those days of
4 course when they went to Dell Rapids, which was about
5 10 miles away, they would harness the horses to a
6 wagon and they would go to town and they would do
7 their business. And on the way home, about 10 miles,
8 involving several corners and turns, they really
9 could just go to sleep because the horses knew the
10 way home.

11 But that was life back on the farm in
12 those days. Dad and his sister Frieda, when they
13 were school age, attended the South Dakota School for
14 the Deaf in Sioux Falls, which was about 25 miles
15 away, too far to go in those days every day. Prior
16 to automobile transportation that they could afford,
17 they rode the train from Dell Rapids to Sioux Falls,
18 and they would live in Sioux Falls at the dorm there,
19 come home on some weekends.

20 In those days, technology was very limited
21 and there were very few services for the deaf. My
22 mother, Florence, was born in Council Bluffs, Iowa.

23

1 She was born severely deaf. She had some hearing,
2 but only if you spoke very loudly and she was looking
3 right at you and could get lip cues, or if she had
4 her hearing aid on and was looking right at you. But
5 she had severe hearing loss.

6 Mom and Dad met in their late 30s and got
7 married and settled down on our family farm. Dad's
8 parents were gone by then. And Mom and Dad lived
9 there right in the same farmhouse where Dad had been
10 born. And both of my parents taught me the value of
11 hard work, and I saw their pride in self-
12 sufficiency.

13 When I was growing up, we had a herd of
14 milk cows, Holstein dairy cows. So for me it was up
15 every morning at 5:00 to milk the cows with Dad, and
16 then back at it every evening after school.

17 The farm wasn't big enough to make a going
18 of it with just that quarter section that we had, so
19 Dad always had an off-farm job, too. And I remember
20 when the economy faltered and the cabinet-making shop
21 where Dad was a cabinet-maker closed, and Dad could
22 not find work. And I was very little, but I remember

23

1 still today how my parents argued in sign language--
2 which is very vigorous and quiet.

3 ***(Laughter.)***

4 GOVERNOR DAUGAARD: And how they argued
5 about unemployment. Dad did not want to accept
6 unemployment. Mom was worried about food on the
7 table. And ultimately Dad found a job as a janitor
8 in Sioux Falls where he ended up demonstrating that
9 same kind of loyalty to the employer, where he worked
10 for another 10 years, and my Mom also worked there as
11 a janitor for 10 years.

12 He was trying to make farm payments at the
13 time, so he would farm during the day, and work as a
14 janitor at night. And I don't know how he kept it
15 up, but he did. Both my parents knew the meaning of
16 hard work.

17 When I was growing up, technology began to
18 offer a few products to help the deaf. A microphone,
19 I am told, was hung in the crib when I was an infant.
20 So then when I would cry, it would cause a light, a
21 switch-activated light to flash in the bedroom so my
22 parents would know I was crying, or my two sisters

23

1 were crying.

2 But beyond those devices, there really
3 wasn't much more to help the deaf. They really
4 needed to help themselves. And that's true I think
5 about a lot of citizens with disabilities. I believe
6 that in this world people with disabilities often
7 develop higher levels of determination and
8 accomplishment because they have to.

9 With the support of their friends, though,
10 I think those with disabilities can dream just as we
11 all do. Whether one has disabilities or not, we are
12 all challenged to remember that everyone is a product
13 of their own aspirations. And if we aspire too low,
14 we will achieve too low. If we aspire higher, we
15 will achieve higher. And it doesn't matter whether
16 we have a disability or not.

17 Some people look at people with
18 disabilities and say he can't, or she can't. They
19 focus on the disability. And of course more
20 important for all of us, whether we have a disability
21 or not, is what's inside. Persons with disabilities
22 are no different than those without disabilities.

23

1 They are the same in the most important way. We all
2 have our own will, and a person is going to fail if
3 they think like failure.

4 When my parents were first married and my
5 mother became pregnant a year later, some people,
6 even our own family, wondered how can they raise
7 children, those two deaf people? How will the
8 children learn anything? How will they learn to
9 talk? And they were focusing on the disability.

10 They didn't realize how determined were my
11 parents. They didn't know how hard they were willing
12 to work. And my sisters and I did--we were high
13 achievers, because our parents instilled the right
14 values in us.

15 My sisters were at the top of their
16 classes and are successful in their careers, and of
17 course I went into politics--sorry, Mom--

18 ***(Laughter.)***

19 GOVERNOR DAUGAARD: My father helped Linda
20 and me when we built our home. When Linda and I got
21 married, we bought that little farmhouse from my
22 parents. They were still living. And then we moved

23

1 in with them.

2 And then we built our own home with our
3 own hands across the yard, and I would never have
4 done that if my father hadn't said: You can do this.
5 And we hired someone to dig the basement and pour the
6 foundation, but after that we did everything. We
7 framed it. We sheathed it. We installed the
8 windows. We wired it. We plumbed it. And I would
9 never have had the courage to even try that if my Dad
10 had not said we can do this, and we did.

11 When I was growing up, my sisters and I
12 were the interpreters for Dad and Mom when outsiders
13 came to the farm, or when we went out in public. If
14 Dad had an appointment with the doctor, I would go
15 and interpret. I needed to get on the phone to call
16 first, and Dad would go to the doctor's office, and
17 more often than not if I wasn't there, they would
18 have to communicate by writing on a piece of paper
19 back and forth to communicate.

20 When a television show was playing, Dad
21 would watch the pictures but the conversations were
22 inaccessible to him. If Dad wanted to contact one of

23

1 his deaf friends, I would have to call the neighbor
2 so the neighbor could walk over to the deaf friend's
3 house, see if he was home. He'd walk back home. I
4 would tell Dad, yes, Arvin's home, you can go visit
5 him. Or Dad would just take the chance and go 25
6 miles to see Arvin and find him not at home.

7 Today, if Dad were still living, I could
8 call Dad on my cellphone. I could dial a video relay
9 service and reach a relay operator. And the relay
10 operator would call my Dad's Internet protocol
11 address, and a light would flash on the top of the
12 television, and Dad would pick up the remote--and he
13 did this while he was still alive--he would push the
14 button on the remote and suddenly instead of watching
15 the CBS Evening News he would be looking at a video
16 interpreter.

17 She'd say, "Hi, Dad, it's Dennis calling.
18 How are you?" And so we could converse. I'm on the
19 phone in my car, or in my office, and Dad's in the
20 living room watching television. And of course
21 changes didn't happen overnight, and Dad had to adapt
22 to them. He couldn't watch television in his
23

1 underwear anymore.

2 **(Laughter.)**

3 GOVERNOR DAUGAARD: The point I'm making
4 here, though, and I know it seems like I'm off on a
5 tangent, but technology has provided many new tools
6 to workers with disabilities. And whether they are
7 video relay services, or electric wheelchairs, or
8 whatever they may be, a lot of technology has made
9 the world of work more accessible to citizens with
10 disability than it ever was before.

11 In South Dakota in our Custer State Park,
12 the State Game Lodge has a guest suite named for
13 President Calvin Coolidge, because in 1927 President
14 Coolidge in the days before air conditioning wanted
15 to get out of hot and humid D.C. in the summer, and
16 so he went to our Custer State Park in the Black
17 Hills. And he liked it so much he stayed for three
18 months and made it the Summer White House.

19 So one of the suites is named for Calvin
20 Coolidge. And I mention that because he said
21 something once that I think is important. In fact, I
22 cut it out and I've got it taped on my desk in the

23

1 capitol.

2 He said: Nothing in the world can take
3 the place of persistence. Talent will not. Nothing
4 is more common than unsuccessful men with talent.
5 Genius will not. Unrewarded genius is almost a
6 proverb. Education will not. The world is full of
7 educated derelicts. Persistence and determination
8 alone are omnipotent.

9 And so today we talked about and
10 recognized people like my parents who surmount their
11 disabilities and achieve success in the world of
12 work. And these are people who've worked harder than
13 most. They had to. They are people with
14 determination and courage, and I am honored when I am
15 among them.

16 We also honor their employers who know
17 that the most valuable worker is the one that is
18 loyal, dependable, and gives an honest day's work for
19 an honest day's pay, whether that worker is disabled
20 or not.

21 And these employers know that hiring
22 people with disabilities is good business. They know

23

1 that adversity builds character, and people with
2 character are good employees.

3 So thanks for giving me your time and
4 attention. I have enjoyed this panel. I have
5 enjoyed being with you last October, Jack. And I
6 thank all the employers here who open their minds and
7 job sites to workers with disabilities, because by
8 helping them you are helping yourselves, but your
9 efforts also unlock doors formerly closed to workers
10 with disabilities. And they give workers like my
11 parents a chance to live their lives so they can
12 provide for their little boys back home.

13 ***(Extended applause.)***

14 MS. WOODRUFF: Governor Daugaard, thank
15 you very much for that powerful personal story. I
16 think you could tell by the reaction how much
17 everybody was touched by that.

18 Before we move on to another governor, I
19 just want to ask you one short follow-up question.
20 And that is: Because of your own experience and what
21 you have seen and what you have lived, what is one
22 thing that you think a governor, you as a governor,
23

1 can do to make employing people with disabilities
2 more possible, more realistic for employers in your
3 state and other states?

4 GOVERNOR DAUGAARD: Well I think, and I
5 have been very impressed as I said yesterday and
6 today, with the very practical steps that are offered
7 to talk about the leadership from the top. Involve
8 people with disabilities in announcements. Identify
9 employment first as a policy that your state is going
10 to follow.

11 And by "employment first" we mean that
12 citizens with disabilities, first and foremost, the
13 best service that the government can give [them] is [to] help
14 with finding employment. And also I think what
15 Judith said earlier, to help parents understand that
16 if they have a child with disability, they can
17 inculcate in that child the notion that "I am expected
18 to work when I become an adult," instead of the notion
19 that "I'm disabled and so I can't work."

20 And it is all really in one's head. And
21 so for those with disabilities who want to work, we
22 should be racing to find them opportunities to work

23

1 because it is mutually beneficial.

2 MS. WOODRUFF: Thank you. All right, I
3 would like to turn next to Governor [Dan] Malloy of
4 Connecticut, because it's my understanding you have
5 worked with Walgreens. We heard from Walgreens' CEO
6 yesterday. Do you want to tell us a little bit about
7 your experience?

8 GOVERNOR MALLOY: I spoke about our
9 experience yesterday with the governors at Walgreens
10 and how we used that distribution center as a model,
11 a role model, and bring people in and out of there on
12 a constant basis. And we have three additional
13 centers being built nearby, and it is our hope that
14 every one will model Walgreens on that.

15 But we have taken kind of a holistic
16 approach. One of the big problems for people with
17 disabilities who can work is frequently they can only
18 work part-time. And a choice between working part-
19 time with no benefits, but causing you to lose
20 benefits that you might have under Medicaid, has been
21 a gigantic problem.

22 So we designed a particular program,

23

1 MedConnect, in Connecticut, which says if you're a
2 person with disabilities and you get a job, we're
3 still going to provide the health benefits that you
4 need if they're not provided through your employer.
5 It just makes sense. You want people to have
6 fulfilling lives. You want them to get the
7 experience that they need. You want them to have the
8 experience of working.

9 So this is a common-sense approach to make
10 sure that people with disabilities do not have to
11 choose between whether they are going to see their
12 doctor or whether they are going to work.

13 In the Walgreens situation, they provide
14 the full level of benefits. But a lot of the smaller
15 employers are not in a position to do that.

16 We also have a whole Connect-To-Work
17 program where we work with people with disabilities
18 to link them with employers that we know are willing
19 to employ them, or at least give them a shot, and
20 certainly give them an interview. It is an activist
21 program. And all of our social service agencies are
22 heavily involved in this.

23

1 We have another program ConnectAbility,
2 which works across disabilities and across all age
3 groups to remove other barriers that prevent people
4 from being able to work. We offer information tools
5 and technical assistance to job seekers, and we offer
6 to help train employers on how to interact and how to
7 employ a person with disabilities.

8 A lot of people have a desire in their
9 heart to do it, they just don't have the experience to
10 do it. So we are trying to build a system that
11 removes the barriers to those employers employing
12 people with disabilities.

13 And finally, we also have a
14 distance learning initiative in which we try to make
15 sure that people can learn from a distance, get the
16 skill set that they need, that they will then be able
17 to use in an employment situation.

18 So we have taken this very holistic. I
19 get all of my social service commissioners together
20 on a regular basis. We talk about employing people
21 with disabilities.

22 I mentioned this yesterday. Two of the
23

1 reasons that we are very interested in doing this and
2 are so committed to it in Connecticut are twofold.

3 We have seen an increase of disabled
4 veterans as a result of these two wars, and that
5 pipeline is going to continue even long after the
6 wars are over, as people get to a level of
7 rehabilitation that might allow them to be employed
8 part-time or full-time.

9 We owe it. We owe it to these patriots to
10 make sure that they have a job. And we should do
11 everything in our power with respect to that.

12 And then this other issue, and that is
13 that more people are being diagnosed with autism. We
14 know that. The numbers have gone up significantly.
15 Our training and educating of people with autism is
16 increasing on a regular basis. That means that more
17 people, even with severe autism, are going to be able
18 to work at least part-time if not full-time.

19 We have got to make sure the job pipeline
20 is there. Otherwise, what we are talking about
21 doing--and we have got to get away from this--is
22 warehousing people. And we have done that in our

23

1 country for a long period of time, and some of our
2 states, including mine, have made some real progress
3 on that, away from large warehouses to smaller
4 warehouses. But the best place to spend your day if
5 you have disabilities, if you have autism, if you are
6 a Veteran who has been injured, is in a job--full-
7 time or part-time. And it is our obligation to break
8 down the barriers that otherwise prevent it.

9 MS. WOODRUFF: All right. Thank you very
10 much.

11 I would like to turn now to Governor
12 [Terry] Branstad of Iowa who has his own--I guess--set of
13 experiences.

14 GOVERNOR BRANSTAD: Judy, thank you very
15 much.

16 First of all, I want to acknowledge Emily
17 Hillman who is a disabled business owner from
18 Independence, Iowa. She contributed coffee products
19 that are part of the goodie bags that Governor and
20 Mrs. Markell distributed. So we are real proud of
21 her and is an example of somebody who is a disabled
22 person who started her own business and is being
23

1 successful.

2 We also have embarked on a program in Iowa
3 called "The Skilled Iowa Initiative." This is
4 designed to improve middle-skill--we have a middle-
5 skills gap in our state. When the lieutenant
6 governor and I travel all throughout the state, we
7 talk to employers all the time that have jobs
8 available, but they can't find people with the right
9 skill set.

10 So we actually . . . it's a public-private
11 partnership. We've gotten some private-sector
12 business people to contribute to this, to help people
13 upgrade their skills. This program is not just
14 limited to people with disabilities, but we are
15 specifically focusing on maximizing the opportunity
16 for people to improve their skills and their
17 competitiveness, and people with disabilities are an
18 important part of this.

19 We also, our state agencies are partnering
20 and collaborating with the private sector with
21 on-the-job customized training, as well--and
22 customized to the individual's needs to help so that

23

1 they have the skill sets for those jobs that are out
2 there in the marketplace.

3 And we have some Iowa companies like
4 Casey's and Hi-V and the Rock Island Arsenal, and
5 many of our state agencies that are actively involved
6 in this.

7 Iowa also has a transition program for
8 youth with disabilities to assist them in making the
9 transition from high school to the workplace, or on
10 to higher education.

11 Iowa has expanded our opportunities, too,
12 through virtual access points for people seeking
13 employment. And we have one-stop career centers
14 throughout the State. And we also now have
15 carousels available, literally, in all 99 counties
16 and these one-stop career centers are open on
17 Saturdays so that they are more accessible to people
18 to assist Iowans with disabilities seeking career and
19 business counseling as well.

20 So we recognize this is critically
21 important. You may know that Senator [Tom] Harkin from
22 Iowa has been a real advocate, and we have worked

23

1 with his staff as well on seeing how Iowa can be a
2 leader on these very important issues for many of our
3 citizens.

4 MS. WOODRUFF: Is there--just a quick
5 follow-up, Governor, is there an obstacle to doing
6 more of what you've done? I mean, what would you say
7 is the main thing that is holding you back? Is it
8 just funding? Is it--what would you say it is?

9 GOVERNOR BRANSTAD: I think the other
10 speakers have really addressed this. You know, part
11 of it is a mindset. You've got to get people to
12 think outside the box a little bit. And hearing from
13 other employers that have had good success, I think
14 Governor Daugaard very eloquently pointed out that
15 people with disabilities often have greater
16 determination. They have less absenteeism. They are
17 just really great employees. And those businesses
18 that have had experience hiring people with
19 disabilities find that out and become really good
20 advocates.

21 So we have to really utilize those people
22 with the businesses that have had the successes. We

23

1 heard from Walgreens yesterday. As advocates to
2 convince others to try it.

3 And the experience has been good. There
4 are some of the barriers that you've heard with
5 regard to transportation and other things, and it's
6 got to be individualized. So it does vary depending
7 upon the individual and also depending upon the
8 workplace.

9 So we need to really customize it to meet
10 the needs of the individual, but also with the
11 accommodations that might be necessary. But as you
12 have heard, those often are not that expensive.

13 MS. WOODRUFF: I want to call on Governor
14 [Gary] Herbert of Utah, because I understand you have also
15 been thinking about this issue and have your own
16 experiences in Utah.

17 GOVERNOR HERBERT: Well thank you, Judy.
18 And I think we all think about it, and we are
19 thinking about it more than we have in the past,
20 thanks to Governor Markell, our Chairman. We thank
21 you for bringing this issue.

22 As I have reflected upon it, I think all
23

1 of us are touched and impacted with people with
2 disabilities--either we have them in our family; I
3 have in my family a couple with special needs
4 children. We have friends, acquaintances that we
5 work with that have disabilities. And I would
6 suggest to us all that we all have limitations, we
7 have disabilities. Some are more noticeable than
8 others, but we all are kind of in that group of
9 humanity where we are not perfect.

10 So again I appreciate this issue being
11 brought forward, and I just say Amen to all that has
12 been said already, and let me just be brief because
13 we are running out of time.

14 I have a lady that works for me as part of
15 my director of Department of Workforce Services, and
16 she has been very good at reaching out with our
17 Department of Workforce Services to those with
18 disabilities. She is a graduate of Brigham Young
19 University with a 3.9 GPA, a very smart lady, and she
20 has worked in the public and private sectors. She
21 has studied abroad, worked abroad.

22 She actually was part of Governor
23

1 [Robert] Ehrlich's cabinet here in Maryland--in the
2 neighboring state of Maryland--and actually was the
3 secretary of the first-in-the-nation cabinet-level
4 Department of Disabilities, and did some great work
5 there. She ran for lieutenant governor, actually, in
6 Maryland. She's been very successful in public and
7 private life. She moved back to Utah, and we put her
8 over at the Department of Workforce Services, and she
9 has done some great things.

10 We have in fact what's called the Utah's
11 People With Disabilities Network which she helped
12 organize, which is designed in fact to reach out to
13 the businesses, of which we have about 328 of small,
14 medium, large businesses, and helped them connect
15 with people with disabilities, actually targeting
16 hiring people with disabilities for their open
17 positions they have in their businesses.

18 They have, twice a year, a job fair. We
19 have training at the companies so that they learn how
20 to in fact deal with folks with disabilities and
21 provide opportunities in their work environment to
22 make it comfortable for them.

23

1 Chris has done a great job in reaching
2 out. She has done such a great job in fact that I
3 just promoted her to be my budget director and the
4 director of our office of management and budget.
5 Again, she set a high bar for all of us to follow
6 with what she's done in her other Department of
7 Workforce Services.

8 But her goal now is to improve Utah's
9 government efficiency by 25 percent over the next
10 four years. At the end of the day, it's not what
11 she's done, it really is kind of what she's overcome,
12 too, because she is blind. She's just an
13 inspiration, and a motivation for anybody she's
14 around. Just like Governor Daugaard's parents are,
15 and Judith, and your inspirational message, and
16 others that we know that really motivate us to do
17 more, to make sure that we're giving them every
18 opportunity.

19 I know if Chris Cox was here to talk to
20 you today, she would tell you that, one, she had good
21 role models. Her own family. People around her that
22 encouraged her. As Judith and Dennis have said, it

1 really is somewhat of a mindset.

2 The people that we've heard about today
3 have got that can-do spirit. We need to make sure
4 that they believe they can do it. But we also need
5 to say, and we believe you can, too. And that's kind
6 of that mindset and shift that we all need to
7 embrace.

8 It's not a matter of what you can't do,
9 it's what you can do. And we ought to find
10 opportunities to help them.

11 When I told Chris--and Chris's résumé I
12 was reading before I came over, it's like six pages
13 long. I mean, here's a lady who can do and is doing
14 it in remarkable ways. But she said: People with
15 disabilities are just like everybody else. You know,
16 they want to have a home, and a family, and they want
17 to be able to go out and contribute to society and
18 have a job and give back and help others.

19 And that is really the desire we all have.
20 There's no difference. There really is no
21 difference. We have differences in limitations. We
22 all have liabilities. And it's really us working

23

1 together that's the important thing.

2 At the end of this, again, I appreciate
3 Governor Markell bringing this to our attention,
4 because what we are able to do now is learn from each
5 other's best practices; probably be a little more
6 sensitive to those that we may--I won't say ignore is
7 the right term--but maybe are a little more
8 ambivalent in our activities and lives and say, you
9 know, we need to reach out more.

10 And I would suggest it's not just
11 government that needs to reach out. It's our private
12 organizations. We've got great examples of private
13 businesses who are finding ways to employ those with
14 disabilities, giving them an opportunity, and
15 improving their bottom line in the process. It's
16 win-win all the way around.

17 So again, this is a great forum for us to
18 learn from each other and I think at the end of the
19 day we are all trying to find ways to give extended
20 opportunities to those who have disabilities so that
21 they can give back to society and help us all grow
22 and progress together.

23

1 So thanks, Jack. Again, this is a great
2 discussion.

3 MS. WOODRUFF: Thank you, very much,
4 Governor Herbert. I know our time is drawing close.
5 We may have a few additional minutes.

6 Governor Markell, do you want to clarify?
7 A few more minutes. I want to make sure everybody
8 who wants to contribute to this discussion who has an
9 experience of your own that you think the others
10 would benefit from--Governor [Scott] Walker, I want to call
11 on you because I know this is an area of interest,
12 and I want to give you a chance to weigh in.

13 GOVERNOR WALKER: Well, thank you.

14 And again, thanks, Governor Markell, we'll
15 add to the circus--or the chorus, I should say, not
16 to the circus--

17 **(Laughter.)**

18 GOVERNOR WALKER: I was thinking back to
19 Delavan, where I grew up, which was the home of one
20 of the circuses. It also happened to be the home of
21 the School for the Deaf in Wisconsin. So, Dennis,
22 you actually made me tear up a little bit, not

23

1 because of anyone in my family, but both my neighbors
2 were deaf. So, thank you for mentioning that.

3 And I think, as Gary just mentioned, thank
4 you for reinforcing to all of us the message
5 that all the speakers have mentioned about how
6 powerful this is.

7 The only thing I would just add, and
8 Governor Markell and I were talking about this
9 earlier, is we've got a program in Wisconsin very
10 similar to what we heard yesterday from Greg in terms
11 of Walgreens. Walgreens is expanding in Wisconsin,
12 as well, but a program where we work with a number of
13 our hospitals where, again as Greg mentioned
14 yesterday, it's not just about finding people with
15 disabilities, finding positions for them, but rather
16 working with employers to find out where their needs
17 are at.

18 Governor Branstad mentioned this in terms
19 of Iowa, finding out where there are skill shortages.
20 In our case, some of the most exceptional jobs that
21 they found in our hospitals were areas where they had
22 incredible needs. And in particular one of the

23

1 places we toured with a number of our hospitals was
2 where they were sterilizing surgical equipment. And
3 they needed to find people without any error rate,
4 because obviously there is no error rate in there.

5 And so in working with some state and
6 other agencies, a number of our hospitals were able
7 to find people where they had a tremendous need
8 there, and in other areas regarding health care, but
9 in particular where we had people who could do
10 repetitive work, do it excellent every time, and
11 found great fulfillment.

12 It was wonderful in terms of not only the
13 work but some of the therapeutic work that was done
14 with that. And in return, the hospitals got
15 dedicated, well-prepared, well-focused employees.
16 And we heard about that.

17 The other thing I mentioned--I mentioned
18 this to Jack as well earlier--that I had the honor of
19 going out to one of our employers, who is part of it--it's
20 called in our state Take Your Legislator To Work
21 Day--but I made an exception and went out as the
22 governor as well to one of our work sites. And we

23

1 had a company in Menomonee Falls, Wisconsin, where a
2 young man named Patrick works at a company where they
3 make wristbands for festivals, or events like that,
4 or sometimes amusement parks--they'll give you a band
5 each day. And they actually do pretty amazing
6 business. It's something like a million or more of
7 these wristbands each year.

8 He coordinates all this. He makes sure
9 that it's work, that it's lined up, that it's set up.
10 He has a developmental disability, but Patrick, we
11 found from the employer, not only is it good for them
12 in terms of feeling good about doing this, they said
13 he has increased their productivity. The other
14 employees are excited. It's been a morale boost, and
15 people look forward to coming to work when he's there
16 because of the motivation he gives to the other
17 employees who may not have the same developmental
18 disability that he has but, as Gary appropriately
19 pointed out, we all have our own deficiencies one way
20 or the other.

21 But it just reinforces what we have heard
22 from a number of the speakers here today, and heard

23

1 yesterday, that it just adds tremendous value to the
2 company.

3 And so it is not just about "doing good,"
4 it's about doing well, and that is what we found in
5 Wisconsin.

6 MS. WOODRUFF: I am curious to know, what
7 does your office or the state government need to do
8 to begin to identify those employers who have certain
9 needs that can be filled by people with disabilities?
10 How does that--what is that process like? And I'd
11 like to hear from you, and anybody else who wants to
12 weight in on that.

13 GOVERNOR WALKER: Yes, I would just add,
14 and I think Dennis said this, we have learned a lot
15 of useful information. And just hearing Terry
16 actually talk about Iowa, for us it is one of those
17 going beyond just focusing on people with
18 disabilities to tying it in to what probably all of
19 us are focused on: workforce development.

20 We hear over and over again from
21 employers, whether it is in manufacturing, in health
22 care and information technology, that there are jobs

23

1 available but there are skills gaps. And to the
2 extent that we can plug in people with disabilities
3 who may have expertise, either full-time or part-time, as we
4 just heard, it's a benefit not just to
5 help people with disabilities and their families'
6 support networks, but it sounds like if we could do a
7 better job of that it would be a benefit to our
8 employers.

9 MS. WOODRUFF: Judy Heumann, you have your
10 hand up.

11 MS. HEUMANN: So I would like to say that
12 all of you are employers, and you are some of the
13 biggest employers in your states.

14 What I had said earlier I would like to
15 reiterate. That is--and some of you are doing this--it's
16 really important I think to have a team of your
17 senior people that are being held accountable. And
18 there has been a lot of work going on for many years
19 with rehab and your state departments of labor where
20 they are working more closely together with One Stops
21 and various other programs, getting information about
22 what they are actually doing and how the numbers are

23

1 moving up or not.

2 I think also looking at what you are doing
3 with the Department of Rehabilitation. It's like 80
4 percent federal, 20 percent state. Some states are
5 not meeting that match, but I think it is a program
6 that if you are really holding people accountable, it
7 is one that is really focused on working with the
8 public and the private sector.

9 And so I think it is something to look at,
10 because otherwise dollars aren't coming into the
11 state.

12 There is a new program that's currently
13 being pushed forward which some of you may want to
14 look at. It's the Promise Program. It's focusing on
15 work readiness for individuals who are in high school
16 and are on SSI, and it is currently out. So your
17 states are able to apply for it, and I would
18 encourage you to look at that, too.

19 But at the end of the day, all of you who
20 are sitting at this table are doing it not just
21 because it's an initiative of Governor Markell's, but
22 it's one that you want your state to see, [that] you are

23

1 committed to diversity and disability is a part of
2 diversity.

3 So making this a nonpartisan issue, where
4 we can year after year see increasing numbers of
5 disabled people being maintained, advancing, and
6 recruited in the public and private sector I think
7 will produce all of the results that you have all
8 discussed. So that disability is no longer kind of
9 an edge issue, but one which we discuss when we look
10 at race, and gender, and age, and other groups.

11 MS. WOODRUFF: Does anybody else want to
12 weigh in on the points that Judy just made? Because
13 I also want to hear--I would like maybe to hear again
14 from Joan McGovern, and Neill Christopher, and
15 anybody else about what's stopping this from
16 happening. What are the pressure points that we
17 should be focused on this morning? I mean, what is
18 holding it back in any place where it is being held
19 back?

20 Professor Van Horn, or Joan, or Neill,
21 you've got your hand up.

22 MR. CHRISTOPHER: Judy, I had mentioned

23

1 earlier that fear can be an issue. And I think that
2 it is our job as employers to share our success stories,
3 to get in front of any organization that we can, be
4 it local groups, PTAs, wherever we can share our
5 story. Because it's an interesting one, and it is a
6 compelling one.

7 PTAs work because we have young people
8 coming into the workforce. Any opportunity that you
9 have as employers to tell your success stories. Does
10 it always work? No, it doesn't always work. But the
11 successes very much outweigh the failures.

12 So it is our job to be the advocates. It
13 is our job to be in front of as many people as we
14 can, be it through the Internet, be it through public
15 speaking, be it by making ourselves available to go
16 and mentor someone who is thinking about hiring and
17 maybe sitting on the fence.

18 I have to say that the ARC of the Greater
19 Chesapeake Region has used me, and I've got a 100-percent
20 success rate because they come into our plant
21 and they see what we've done. And it changes
22 people's minds, which is all it's about.

23

1 I think everybody wants to do the right
2 thing, but there's always that fear. There's that
3 concern. And this was brought up earlier, one of the
4 concerns is how much will this cost? Well we're in
5 that same boat, and our cost was, as was said, less
6 than \$500. It's \$500 well worth spent. And the
7 track record of our employees with disabilities bears
8 this out.

9 They are always at their quotas. They are
10 always among the best attendees that we have in our
11 organizations. They are always happy to be at work.
12 And they are always leading the rest of us by their
13 enthusiasm and ability.

14 MS. WOODRUFF: The ARC is in all 50
15 states? Is that right? I'm not clear on that.
16 Judy, do you know?

17 MS. HEUMANN: Yes.

18 MS. WOODRUFF: That's right? Okay.

19 Governor Herbert.

20 GOVERNOR HERBERT: The question of what is
21 the obstacle, again I think a lot of it is because
22 there is a question in some minds of can they do the

23

1 work? And, you know, that's a stigma that's out
2 there that needs to be changed as we find more and
3 more how capable these folks are. And with a little
4 training and accommodations, they can be even better
5 and more productive than those who we consider not
6 disabled.

7 In Utah we have a faith-based organization
8 called Deseret Industries sponsored by the Church
9 of Jesus Christ of Latter Day Saints. They have been
10 involved in this for many, many years. Kind of
11 picture a Goodwill store, you know, used products and
12 things, but it has a lot of labor.

13 It is designed to be a training ground for
14 people that need help and work, and for people with
15 disabilities. One, it teaches them how to work, and
16 they convince themselves, hey, I can work. I can do
17 the job. So it reinforces their self-estimations of
18 their capabilities. And then it also shows to the
19 private sector world out there that folks are doing
20 the work. They've already been doing the work
21 successfully.

22 And so through about a two-year training
23

1 period of working with Deseret Industries, these
2 people transition from unemployment to private sector
3 employment because of a faith-based organization
4 stepping up and helping with the training.

5 But it teaches them that they can do it,
6 and it teaches other people that they can do it,
7 also.

8 MS. WOODRUFF: An example of all the
9 sectors working together.

10 Professor Van Horn.

11 PROFESSOR VAN HORN: I just wanted to add
12 that--and I think it has been said by many of the
13 governors--that the best way to address this question
14 is to help employers find qualified workers, which is
15 I think what all governors want to do.

16 And then, if that person happens to have a
17 disability, to make sure that that does not become a
18 barrier to that person getting a competitive job.
19 Because as we have said before, the idea that people
20 who are disabled cannot work of course is a myth, and
21 there are many qualified people.

22 And I think there is some momentum. I am

23

1 optimistic because I see not just the companies they
2 heard today, but many of the largest, especially
3 retail companies, in the United States, whether it's
4 Wal-Mart, CVS, Lowes, Sears, Toys-R-Us, they're all
5 going out and recruiting people with disabilities and
6 wanting to hire them because they know that it's a
7 successful business practice.

8 Where state governments' role and the
9 governors' role I think is to make sure that whatever
10 services are necessary to have that person get a
11 full-time or part-time job are provided. And, that
12 when the employers seeking a qualified worker, that
13 disabled workers are also a priority on the list of
14 people who are qualified to work.

15 So I am really optimistic that there's
16 some momentum here, not just because of this meeting
17 but because of what I see going on in the private
18 sector, a change of attitude, a greater sensitivity
19 to it, and a better understanding of the business
20 case because it really is an opportunity for them to
21 have productive workers and to make money, which is
22 what they're all about.

23

1 MS. WOODRUFF: And I think it is great to
2 end--Joan McGovern.

3 MS. MCGOVERN: Judy, just one last answer
4 is, just to be able to take a look at people with
5 disabilities that we bring in as employees, again
6 they work with our products and services.

7 So for example in the areas of the ATMs,
8 working with the Lighthouse for the Blind in a
9 partnership with them, also in a partnership with the
10 state agencies to enhance the products. And then
11 that becomes the demonstration that it's not just a
12 discussion but it's actually demonstrating to that
13 population that, yes, we understand your needs. We
14 value your contribution, and come work with us and
15 for us. And the same thing, as we heard earlier
16 today, with video relay.

17 There was an employee that came and asked
18 for that as an accommodation, and then took it a step
19 forward and said there's a large deaf population in
20 my community. Could we do this as a channel to reach
21 out to them, to make the type of business and the
22 type of how I work reach out to them? And it was

23

1 like, let's go for it. Let's do it.

2 And so success stories all around. But
3 thank you, again.

4 MS. WOODRUFF: Well thank you for that.

5 And I was just going to say, like Professor Van Horn,
6 it's great to end on a note of realistic optimism.
7 Because of this conversation, I think we have all
8 learned something from the personal stories that we
9 have heard and the experiences that the governors
10 have had.

11 And from those of you who were on the
12 panel, I want to thank all of you: Professor Van
13 Horn, Ms. McGovern, Mr. Christopher, and Judy
14 Heumann, thank you.

15 I throw it back to Governor Markell.

16 CHAIRMAN MARKELL: Thank you, Judy.

17 Before I close up, I think Governor [Jay] Nixon
18 had something he wanted to say.

19 GOVERNOR NIXON: Just on this topic real
20 quickly, I mean we talked yesterday at some length
21 about Medicaid and waivers and whatnot. We were able
22 to work through over about a three-year process and

23

1 get what we called Partnership For Hope, but it's
2 technically a Medicaid waiver for work training, work
3 hardening, and other services.

4 We are the only state in the country that
5 has it. If there's other governors who would like to
6 see that process and how you go through that, I at
7 least know where the tussles are through the
8 bureaucracy. It has provided us now for about 2,500
9 families, and we're going to add another 1,000
10 families to it this year.

11 We focused on folks with disabilities
12 beyond the age of 18 because of the challenge you
13 have of basically during high school ages there's a
14 lot of socialization around, a lot of training there,
15 and what we were seeing in Missouri those were
16 falling off and heading into much darker lives
17 without opportunities. So we just cleaved off that
18 18-and-above section and put together a waiver that
19 included local, state, and federal, and worked our
20 way through the process.

21 And like I said before, we will have 3,500
22 folks that had been on waiting lists for services,

23

1 all sorts of services, job coaches, work hardening,
2 physical rehabilitation services, some of those have
3 been on waiting lists for up to five, seven, eight, nine
4 years,
5 we've been able to get those down. And it is our
6 hope that within 20 months we will have that waiting
7 list down to nothing, so that those services will be
8 directly provided there.

9 It has been an incredible program for me.
10 Just a personal note, one of the first people in it
11 was a young fellow who when he graduated from high
12 school was able to, through physical training, able
13 to walk all the way around the track. And his whole
14 high school class applauded for him as he made the
15 quarter-mile.

16 High school ended. The services ended.
17 He couldn't afford them. And within a few years they
18 were carrying him up and down steps to get to his
19 bedroom. Well that fellow was one of the first guys
20 in this program and now has a job working at a
21 theater.

22 I mean, there are countless stories, but

1 the bottom line is there are ways to make it through

2

1 existing programs, and we have--anybody who wants to
2 get to me, or my policy folks, we can be helpful.

3 But there are ways to get those, and get that
4 developmental disability waiting list down.

5 The other thing we found, we had a cap at
6 X amount, I think it was \$12,000 or whatever. But we
7 found that families that were involved in the
8 process, the vast majority of them accessed far fewer
9 services than the cap because they only took what
10 they knew, because we communicated on the very front
11 that if you only take what you need, then we will be
12 able to serve more people.

13 So we have exceeded every target, as far
14 as the number of people serviced, by explaining to
15 the families that only access exactly what you need,
16 and what you can do is help others that are in line
17 behind you. And so instead of having--you know, we
18 originally thought we'd get 1,000. We got 1,500. We
19 originally thought we would get 2,000. We got 2,500.
20 We are now in a situation I think we will vastly
21 exceed 3,500 families and move that waiting list down
22 to zero.

23

1 We call the program Partnership For Hope.
2 It is actually a prevention waiver. You are trying
3 to prevent folks from having to go into institutions
4 later in life because of physical disabilities. And
5 so we have a lot of stuff on that, if people want to
6 know how to bang on the right fed's doors and force
7 them to do stuff.

8 VICE CHAIR FALLIN: Judy, thank you so
9 much for moderating this panel for us. And I want to
10 thank Governor Markell for all of his work to bring
11 an issue to light that many times is not discussed as
12 much as it should be across our nation. And we
13 certainly have heard some great examples of how we
14 can help our very special Americans, special families
15 across our nation.

16 We want to thank the companies that have
17 stepped forward to create great partnerships. We too
18 in Oklahoma have some great partnerships and great
19 programs and have made some great success in helping
20 those with disabilities be able to find great quality
21 of life, and work, and just improve the whole
22 situation of how they live their lives.

23

1 One of the things that came to light in
2 listening to all these discussions is that in our
3 state we have a very low unemployment rate. And so
4 we have a challenge between employers needing
5 employees, but yet also employees, those are
6 unemployed, looking for jobs, and how do you match
7 the two together?

8 So we established a website through our
9 Department of Commerce called OKjobsmatch.com and
10 it takes skill sets of employees who put their
11 résumés--we have about 50,000 résumés in there--and
12 puts the employers into the system itself that needs
13 skill sets.

14 One of the areas that have just come to my
15 light in thinking about all of this is we need to
16 integrate those who have disabilities with those
17 skill sets into this job match program so that we can
18 better hook up our employers with those who are
19 looking for--skill sets, and employees, and match
20 them.

21 And so thank you for some great
22 information here in how we can better integrate our
23

1 special Oklahomans into the system.

2 I just want to add one last thing. In
3 listening to Governor Daugaard's story--and I've
4 known Governor Daugaard for a very long time--but,
5 Governor, I just want to say your story about your
6 parents is absolutely remarkable, a true American
7 story of true grit, hard work, never giving up, and
8 persevering. But I want to say your parents'
9 greatest accomplishment has been producing a son who
10 is the CEO and taking care of a whole state, and that
11 is you, Governor.

12 **(Applause.)**

13 CHAIRMAN MARKELL: I certainly agree with
14 that. Let me, if I could, Judy, thank you very much.
15 I think you really helped us elevate the conversation
16 today and we so much appreciate your taking the time.

17 To all the panelists, we're very grateful
18 to you. I thought you did a great job and were very
19 insightful, and I really want to thank the other
20 governors who participated as well. I thought it was
21 really interesting.

22 The NGA staff has done a phenomenal job on
23

1 this project. We've still got several months to go,
2 and we are very excited by what's to come.

3 I also want to thank my Secretary of
4 Health and Social Services in Delaware, Rita
5 Landgraf, who is sitting back here, who has really
6 been a lifelong advocate for people with
7 disabilities. And she is actually our cabinet
8 secretary, as well as Missy Weir from my Washington
9 team.

10 I do want to take an opportunity just for
11 a moment to remind everybody about the Governors
12 Institutes that are coming up in May. One is going
13 to be in Pittsburgh, hosted by Governor [Tom] Corbett, and
14 we really appreciate that. One is going to be in
15 Washington State hosted by Governor [Jay] Inslee. And it
16 is intended for governors and senior advisors. And I
17 will tell you that the purpose of this--I mean it's
18 going to take it even one level more specific in
19 terms of very practical, tangible things that states
20 can do.

21 And I think we talked about a bunch of
22 them here. Governor Herbert was talking about that

23

1 sort of the can-do, and the expectations that we set,
2 and I can tell you one of the things that we've heard
3 over and over again, and it came up a couple of times
4 in this conversation today, is for our young people.
5 Instead of getting them prepared to sign up for
6 benefits when they're 17, get them accustomed to the
7 fact that when they turn 17, 18, they're going to be
8 able to work, and they're going to be able to
9 continue education in some cases.

10 So I think that is really important, that
11 whole expectations issue.

12 I do want--Governor Branstad mentioned the
13 work that has been done by Senator Harkin. We would
14 not be in a position to do this work if it were not
15 for the incredible leadership that Senator Harkin has
16 demonstrated over the course of time. And I want to
17 thank Indian Parado from his staff who is here today,
18 who has been extraordinarily helpful in terms of us
19 developing our work.

20 Senator Harkin has been joined in Congress
21 by a number of others. I do want to point out
22 specifically Congressman Pete Sessions from Texas,

23

1 who has been really a very forceful advocate as well.
2 They are not the only two, but they are two of the
3 real leaders in this arena.

4 We have I think an incredible opportunity
5 here. I really think we have got an incredible
6 opportunity to move the needle. I do think that
7 Governor Daugaard, by your telling your story, I mean
8 I think that story, your story, will move people in a
9 way that frankly a bunch of policy books never could.

10 And I am hopeful that the governors who
11 were here today will share that with other governors,
12 and I am hopeful--and when you combine that story and
13 the emotion behind it, the real emotion behind it,
14 and when you combine it with the very practical kinds
15 of things that we can do, I mean that's sort of the
16 Holy Grail. And I think that is what is going to
17 come out of these Governors Institutes.

18 And so I really do encourage people to
19 attend. I know it is a commitment of time, but I do
20 think in this case a day, or a day-and-a-half of your
21 time with some really practical information and
22 conversation is going to have the potential of

23

1 positively and profoundly impacting hundreds of
2 thousands of people across this country.

3 So we really appreciate everybody spending
4 so much time on it today. And that concludes our
5 special session. Thank you.

6 *(Applause.)*

7 *(Whereupon, at 11:20 a.m., Sunday,*
8 *February 24, 2013, the plenary session was recessed,*
9 *to reconvene at 9:00 a.m., Monday, February 25,*
10 *2013.)*

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NATIONAL GOVERNORS ASSOCIATION

Winter Meeting

Monday, February 25, 2013

JW Marriott

1331 Pennsylvania Avenue NW,

Washington, DC 20004

Governor Jack Markell, Delaware, NGA Chair, Presiding

Governor Mary Fallin, Oklahoma, Vice Chair

Presentation of Where Personal Responsibility

Meets Government Responsibility

Guest: Dr. Mehmet Oz, M.D., Host, The Dr. Oz Show

1 P R O C E E D I N G S

2 (9:11 a.m.)

3 CHAIRMAN MARKELL: Good morning,
4 everybody. We have got a lot to do this morning. We
5 have got a great speaker, and I want to get to him
6 quickly.

7 Before that, Governor [Terry] Branstad--Terry, you
8 had something you wanted to say?

9 GOVERNOR BRANSTAD: Thank you, Governor
10 Markell. I am circulating a petition. I want to
11 encourage the governors to join me to try to save
12 wrestling as an Olympic sport. It is one of the
13 original--

14 **(Applause.)**

15 GOVERNOR BRANSTAD: --sports, and I think
16 it is crazy to see that eliminated. I happen to be
17 from Iowa where we have Dan Gable, who is a living
18 legend, and we have young people that grow up
19 dreaming to be an Olympic Gold Medal winner in
20 wrestling.

21 Anyway, we are circulating a petition. I
22 have talked to a number of you already, but we would

23

1 love to have all the governors, or as many as
2 possible, sign on to that.

3 So please see me, and we will intend to
4 send that out in the near future to the Olympic
5 Committee, which . . . they're headquartered in
6 Switzerland.

7 CHAIRMAN MARKELL: Thank you, Terry.

8 So last year we redesigned and streamlined
9 our policy process to ensure that we are reflecting
10 the priorities of the nation's governors. This year
11 we are renewing those policies for two years so they
12 will align with the beginning of each new Congress.

13 I am going to ask each committee to
14 provide a report on its policies, and we will vote on
15 them. The packet in front of you reflects those
16 policies as adopted by the NGA Standing Committee.
17 They require a two-thirds vote of those present and
18 voting.

19 So, first Governor [Tom] Corbett is Chair of the
20 Economic Development and Commerce Committee. Can you
21 please report the Committee's policies.

22 GOVERNOR CORBETT: Thank you, Governor.

23

1 On Saturday the Economic Development and
2 Commerce Committee met to consider three policies for
3 renewal. They are EDC-01, Commerce; EDC-02,
4 Transportation and Infrastructure; and EDC-03, Public
5 Finance. And on behalf of the committee I recommend
6 the adoption of the policies *en bloc*.

7 CHAIRMAN MARKELL: Is there a second?

8 **(Motion seconded.)**

9 CHAIRMAN MARKELL: All in favor?

10 **(A chorus of ayes.)**

11 CHAIRMAN MARKELL: All opposed?

12 **(No response.)**

13 CHAIRMAN MARKELL: The ayes have it.

14 Thank you.

15 Governor Malloy--is Dan here? Is Gary
16 here, Herbert? Gary, would you as, I guess, vice chair
17 of the Education and Workforce Committee please
18 report on the work of that committee?

19 GOVERNOR [Gary] HERBERT: Thank you, Mr.

20 Chairman. I would make the motion to move adoption
21 of the following three EDW policies *en bloc*:

22 EDW-1, K-12 Education Reform; EDW-2, Child Nutrition;

23

1 and EDW-3, Building A World Class Workforce. So
2 moved.

3 CHAIRMAN MARKELL: Do I have a second?

4 **(Motion seconded.)**

5 CHAIRMAN MARKELL: All in favor?

6 **(A chorus of ayes.)**

7 CHAIRMAN MARKELL: All opposed?

8 **(No response.)**

9 CHAIRMAN MARKELL: The ayes have it.

10 Thank you.

11 Governor O'Malley? Who is the--is Brian
12 here? All right, then, let me skip for a second to
13 Governor Daugaard as Chair of the Natural Resources
14 Committee. Would you please give the policy report
15 of that.

16 GOVERNOR [Dennis] DAUGAARD: Thank you, Governor.

17 The Natural Resources Committee met
18 yesterday and voted to amend two policies and
19 reaffirm one. We unanimously recommend the three
20 policies: NR-1, Environmental Protection; NR-2,
21 Domestic Energy; and NR-3, Natural Resources. And I
22 now move that we approve them *en bloc*.

23

1 CHAIRMAN MARKELL: Okay, thank you. Do I
2 have a second?

3 *(Motion seconded.)*

4 CHAIRMAN MARKELL: All in favor?

5 *(A chorus of ayes.)*

6 CHAIRMAN MARKELL: Anybody opposed?

7 *(No response.)*

8 CHAIRMAN MARKELL: The ayes have it. And
9 Governor O'Malley, if you could, in connection with
10 your Chairmanship of your committee, I guess the
11 Health Committee.

12 GOVERNOR [Martin] O'MALLEY: It would be my honor,
13 Mr. Chairman.

14 CHAIRMAN MARKELL: Thank you. Please
15 report on your committee's work.

16 GOVERNOR O'MALLEY: Will do. On Saturday
17 the committee and Governor [Brian] Sandoval, my co-chair, we
18 passed several . . . five policies, one on Temporary
19 Assistance to Needy Families; the second on Homeland
20 Security and Emergency Management; the third on Armed
21 Forces; the fourth on Public Safety Communications;
22 and the fifth on Health. And I now move that we

23

1 approve these five policies as amended. They are
2 before all members.

3 CHAIRMAN MARKELL: All right, do I have a
4 second?

5 *(Motion seconded.)*

6 CHAIRMAN MARKELL: All in favor?

7 *(A chorus of ayes.)*

8 CHAIRMAN MARKELL: Anybody opposed?

9 *(No response.)*

10 CHAIRMAN MARKELL: The ayes have it.

11 Thank you.

12 With that, what we really came here for
13 this morning. Delaware has--you know, we are a small
14 state--but we have a few favorite sons and daughters.
15 We all know the Vice President, of course, is a
16 Delawarean. Joe Flacco played at the University of
17 Delaware, which makes it close. And Mehmet Oz is a
18 native Delawarean. And Dr. Oz is extremely well
19 respected in our state, and well beyond.

20 His wife, Lisa, is with him here today.

21 We have known each other for quite a long time now.

22 He is obviously a very familiar face as America's
23

1 doctor, Vice Chair and Professor of Surgery at
2 Columbia University. He has made a career out of
3 educating us on all facets of health, answering tough
4 questions on the *Oprah Winfrey Show*, and now on the
5 *Dr. Oz Show*. Three-and-a-half million viewers tune
6 in daily to watch the show.

7 He has authored seven *New York Times*
8 bestsellers. He has been named one of the 100 most
9 influential people by *Time Magazine*, a Global Leader
10 of Tomorrow by the World Economic Forum. The list
11 goes on and on.

12 I will also say that students in Delaware
13 are benefiting very much from his terrific program,
14 HealthCorps--I don't know if you're going to talk
15 about that today . . . you'll mention it today.

16 Dr. Oz is a great doctor, a nationally
17 renowned expert on the issues of health, and just an
18 incredible guy. Let's give it up for Dr. Oz.

19 **(Applause.)**

20 **(A PowerPoint presentation follows:)**

21 DR. OZ: Thank you, Jack. Chris just
22 reminded me to mention that I live in New Jersey.

23

1 *(Laughter.)*

2 DR. OZ: But my wife's family is from
3 Pennsylvania. I work in New York. I pay taxes
4 everywhere.

5 *(Laughter.)*

6 DR. OZ: It is a great honor to talk a
7 little bit today about a theme that I think will
8 interest many of you, because it has huge budgetary
9 implications. But I thought I would also speak very
10 personally about what you may be able to do in your
11 own lives.

12 I had the great honor of spending a few
13 hours with your spouses yesterday, which gave me a
14 lot of intel about what you guys are worried about.
15 I don't know if that came up in conversation last
16 night, but it will come up eventually in the
17 future.

18 Let me start off with a little bit of my
19 background. I am a cardiac surgeon. I still
20 practice medicine at Columbia University in New York
21 Presbyterian Hospital. And one of my specialty areas
22 is heart replacement therapy.

23

1 and in my opinion personal responsibility, meet right here in
2 the waistlines of our nation. And there are
3 a lot of reasons I say that, and I'm going to present
4 some numbers to support this.

5 But the fundamental debate actually is the
6 role of the state versus the role of the individual
7 when it comes to health. This is how many folks view
8 their citizens: slovenly lying around having a beer.

9 Yet, when we try to get state involvement
10 and try to pull those pieces together, this is what
11 it often looks like, where people are pushing the
12 door as hard as they can but the door is not opening
13 because they are not reading the sign.

14 And when we try to allow the legislative
15 solutions to some of these problems, we trip up as
16 well. So how do you find that balancing act?

17 I think there is a tightrope that's
18 walkable in a fairly safe way, but it mandates that
19 we understand a few fundamental principles about how
20 we message the health information.

21 Remember, when I speak about health--and I
22 say this on the show a lot--it's not just about

1 medicine; it's about life. Iconically, all of us

2

1 have ancestors that lived in small towns and
2 communities where there was always a leader--that's
3 what you are--and there was always a healer. And
4 that healer played an important role, not doing
5 surgery and giving you pills or herbs, but they
6 actually played a role giving you a place to be
7 heard. It's about life.

8 And it is that more holistic view of the
9 role of health that drives us, because none of us can
10 establish or expect to live in a healthy state if
11 it's not a wealthy state, but the converse is true as
12 well. You can't have true wealth if you're not
13 healthy.

14 I spent a lot of time with Oprah, as Jack
15 mentioned. I did about 80 shows with her over the
16 course of my career. And I learned a few interesting
17 insights that allowed her to be so successful, but that I
18 think will color in the lines of this debate as well.

19 First off, people do not change what they
20 do based on what they know. They change what they do
21 based on how they feel. And when we appreciate that
22 insight, we begin to think differently about

23

1 delivering certain messages. I will give you some
2 examples in a few minutes.

3 Second, the message has to be delivered
4 with caring energy, because it does matter to people
5 how they hear the message.

6 And finally, and most importantly, if you
7 remember nothing else in what I say today, it's that we
8 have to make it easy for people to do the right
9 thing. Sometimes that means passing laws, rules,
10 regulations that allow that to effortlessly happen,
11 but we have to grease the road to success so people
12 slip down it more elegantly.

13 About 20 percent extra brain energy is
14 required just to think, to come up with a new idea.
15 The reason we automate our lives is because we don't
16 want to expend that energy wastefully, so we don't
17 bother thinking. It's not because people are dumb,
18 or foolish, or misguided; it actually is our natural
19 human desire not to have to reinvent the wheel every
20 day. That is why I think we can do things to make it
21 easier to do the right thing.

22 So let me show you one slide on numbers of
23

1 mortality. This is an estimate, a pretty good
2 estimate, of premature mortality causes. Some of it
3 is genetic. Some of them are environmental. Forget
4 about those. Look at the purple part of this pie-
5 graph. That is medical access. That is the reality
6 that about 10 percent of the time if you don't have
7 access to health care, you don't have a doctor, it's
8 like having a ship full of oil pulling into a dock.
9 And when that tanker rubs up against the coastline
10 inadvertently and spews its oil across the bay, that
11 is expensive to clean up.

12 That is, unfortunately, what happens to
13 people who don't have access to care. It costs us a
14 lot more. And I am speaking about this as a
15 physician now more than in any other capacity. It costs
16 us more because it is much more difficult to pick up
17 the pieces when everything comes crumbling down.

18 The red area is a major category that we
19 are going to focus on, which is behavior. Primarily,
20 it's issues of obesity, sedentary lifestyles, and
21 tobacco.

22 Let's start off with access. On the show
23

1 we have gone around the country doing free
2 screenings. I think these are very scalable. They
3 are very affordable. They are sponsored by local
4 health care facilities.

5 They take 15 minutes. Let me show you a
6 quick video of what that experience is like.

7 ***(Video clip follows:)***

8 "VIDEO AUDIO: From our very first day, we
9 have had one simple mission for the show: To empower
10 you to take control of your health.

11 "We try to accomplish that every day here
12 in the studio. But each year, we also hit the road
13 to bring our message directly to you. This year we
14 launched our biggest program ever, helping thousands
15 of Americans get lifesaving screenings.

16 "Now, this year, we have embarked on our
17 most ambitious campaign yet. We created the 15-
18 minute physical to bring life-saving screenings to
19 everyone. And instead of focusing on just one city,
20 we are going nationwide.

21 "Philadelphia, Pittsburgh, Washington,
22 DC, Tampa, Portland, and our latest stop: Kansas

23

1 City, Missouri.

2 "Welcome, Kansas City. The Heartland of
3 America. You're going to meet folks who are scared
4 about finding out their numbers. So we've got to
5 look them in the eyes and have them trust us that we
6 can make a difference.

7 "Instead of fear, they'll leave here with
8 joy. People who could be your mother--

9 "VIDEO AUDIO: So happy you're here.

10 "VIDEO AUDIO: Father, sister, or brother.

11 "Does it hurt when I press on it?

12 "Your neighbor in need.

13 "VIDEO AUDIO: 159/100.

14 "VIDEO AUDIO: I have been neglecting my
15 health.

16 "VIDEO AUDIO: All coming together to face
17 their fears.

18 "VIDEO AUDIO: My biggest fear, nobody
19 would listen to me.

20 "VIDEO AUDIO: When the day was over,
21 1,000 people met with a doctor.

22 "And you haven't been screened in a while?

23

1 "VIDEO AUDIO: No, it's been about three
2 years.

3 "VIDEO AUDIO: Taking charge of their
4 health, some for the very first time in their lives."

5 *(End of video clip.)*

6 DR. OZ: These programs have been
7 incredibly successful, and I want to point out that
8 almost everyone who comes to these clinics has
9 insurance--I'm sorry, they have jobs. Many times
10 they don't have insurance, but they have jobs. These
11 are hardworking people who have not been able, for
12 one reason or another, to get access to care in the
13 way they would have envisioned it.

14 And in 15 minutes, it takes five minutes to
15 give you the key numbers that drive health, it takes
16 about 10 minutes to educate you about what to do
17 about those numbers, and for the rest of your life
18 you know a lot more about the major drivers of
19 longevity.

20 I am going to cover some of those for you
21 today because I want to give you some of the
22 highlights of what messages we offer, because they

23

1 are simple, they're elegant, they're seamless, and
2 they make it easier again to do the right thing.

3 Let me shift from access to tobacco usage.
4 This is a chart of the amount of total tobacco we
5 consume in this country. You notice that we sort of
6 dipped around 2002-2003, and we're slowly climbing
7 back up in part because we have other sources of
8 tobacco now.

9 And this is something I know many of you
10 struggle with, but this is how I talk about lung
11 disease. This is what a healthy, normal lung looks
12 like. See how it's fluffy and pink and you can just
13 see the vitality that would come into it when life-
14 sustaining oxygen pours through it.

15 When you tell a smoker to stop smoking--it
16 has been looked at many times--the reason it fails is
17 because you are reminding them how incompetent they
18 are. You are reminding them why they don't value
19 themselves. Because people who smoke generally got
20 addicted when they were teens, generally want to stop
21 by the time they're 30, and when you tell them it's
22 bad for them, you remind them of the fact that they

23

1 couldn't control their own destiny. So they get
2 anxious, and what do they do? They smoke. It's
3 their coping mechanism.

4 We tried to do a large trial on smokers at
5 Columbia University sponsored by the NIH. The one
6 thing they asked was that we make sure we didn't have
7 depressed people in the trial. We had to cancel the
8 trial. We couldn't find a single smoker who was not
9 clinically depressed.

10 Now the fundamental insight you have to
11 gain then is what do you do to help these folks? And
12 I would argue you have to take a couple of different
13 tacks. One is, show them what is really happening.
14 This **[indicating screen]** is what a smoker's lung looks like.

15 You can't hide from that. I don't have to
16 say it's bad for you. Just look at the darn thing.
17 At 11 o'clock you see that little moth-eaten
18 appearance? That's emphysema. The dark tarry
19 deposits, that's pretty evident as well from the
20 cigarettes.

21 And when you see that, you have a visceral
22 awareness and understanding of why this matters to

23

1 you. But the second big insight you have to offer is
2 that there are certain times when you can change
3 people's minds.

4 As a heart surgeon, I don't have a lot of
5 control what people do after the surgery. I've
6 already done my work and they are on their way. So I
7 long ago pledged I would never operate on smokers.
8 And I don't.

9 I don't say that because I dislike
10 smokers; I say it because I care about them. Because
11 what I tell them is, when you come to see me, if you
12 don't stop smoking you obviously don't value this
13 process, and we're not going to go ahead. But I can
14 work with you, and we can get you to stop. Now is
15 our moment of change.

16 And I don't remember failing in that
17 endeavor. People don't recognize that the success
18 rate for stopping smoking is about 5 percent if you
19 do it on your own, cold turkey. You can do it, but
20 it is 5 percent.

21 If you do it with the support of
22 appropriate mechanisms, including sometimes

23

1 medications, it's closer to 45 percent. And smokers
2 begin to think about it differently. The key
3 message, and I'm going to come back to this because
4 this is an important theme for us, is the reason to
5 do this is because you need to care about yourself as
6 much as we care about you. That changes the dynamic
7 of the message energetically that people are hearing.

8 It is not a finger-wagging issue. It is
9 because we care about you that we have to make it
10 difficult for you to smoke.

11 Now why does that matter? The true cost--
12 this is Cleveland Clinic data--the true cost of a
13 pack of cigarettes to your health budget is \$35 a
14 pack. That is what it really costs.

15 Forget about what's charged, and how we
16 game that; it's \$35 a pack. Smoking increases
17 absenteeism. It decreases intelligence in the
18 workforce. People who smoke have to leave their job
19 to go smoke. They recognize, they get--you know,
20 they have these beliefs, like they'll stay thin if
21 they smoke. It's true. You won't gain weight if you
22 smoke. It's not the right way to lose weight, but it

23

1 works.

2 People think they will accelerate their
3 path up the corporate chain if they smoke. Do you
4 know why they think that? It's true. People who
5 smoke bond with smokers in the executive branch of
6 their company, and they get accelerated up the path.

7 All that said and done, we have to make it
8 uncool to smoke. And it is a huge economic drain, an
9 equality drain on the workforce as well. Not hiring
10 smokers in your states we estimate, on average, reduces
11 your health care budget by about 15 percent within five
12 years.

13 So once you have that ammo, then the
14 question becomes what are you going to do about it?
15 And I would argue, one smart thing to do is to do
16 what hospitals have been able to do, and in 21 of the
17 50 states can be done now, which is you force people
18 to not hire smokers.

19 It is an uncomfortable conversation, but I
20 do think it gives you the clout to be able to
21 dramatically reduce the amount of money you spend in
22 your state on health care. And one day this will be

23

1 true I think for the state employees, as well, that
2 they won't be allowed to smoke because it's just too
3 darn expensive to cover those costs.

4 Let me shift gears to another area. This,
5 unfortunately, is a major crisis for us. And if this
6 is in fact what some of the classics looked like,
7 maybe they wouldn't be so popular. But this is a
8 modern version of what would have to have been
9 crafted if we were going to focus on this.

10 Let me start off with the ravages of
11 obesity and why I care about it. This is an aorta,
12 the major tube that courses down the back near your
13 spine that carries blood to your body, and those are
14 two kidneys. Notice the kidney on the right is big
15 and plump and robust looking. The kidney on the left
16 is shriveled like a raisin, and the blood vessel
17 going to it, you notice the clot in there, that's a
18 dead kidney.

19 You don't know this, by the way, when you
20 get blood tests normally because your body only needs
21 one kidney. But we see this progressively as a sign
22 of atherosclerosis, hardening of the arteries.

23

1 But let me bring this up in a different
2 context, because hardening of the arteries happens in
3 the kidneys, it happens in the male organ--which is
4 one of the reasons this came up in our conversation
5 with your spouses by the way: issues of intimacy--but
6 it also, because for the male it is the dipstick of
7 health. If that part of your body is not working,
8 it's not because you don't care; it's because other
9 parts of your body aren't working, either.

10 It is also happening in your brain. But
11 it especially happens here. This is the major blood
12 vessel in the front of the heart. That yellow plaque
13 we know starts when you're 18, 20 years of age. From
14 Korean War data, from killed GIs, it starts to grow
15 when you're 25, 35, 45--it ruptures **[indicating**
16 **slide]**. Did you see the plaque rupture, that yellow
17 plaque? Now you've got an open sore on the inside of
18 the major blood vessel feeding your heart.

19 Your body has to heal that cut. So it
20 forms a scab on top of it, a blood clot. And right
21 there, boom! You just saw--you just witnessed the
22 leading cause of death in your states.

23

1 Now that might be intimidating, initially,
2 the thought that it could happen so quickly. The
3 good news is, the most common time for a heart attack
4 is Monday mornings, so we're through that already.

5 **(Laughter.)**

6 DR. OZ: But the other bit of good news is
7 that once you recognize that it wasn't the plaque
8 that killed this person, it was the scab on top of
9 the plaque, you then begin to appreciate that you
10 control your destiny.

11 Literally, what you have for lunch today
12 and who you fight with this afternoon can change the
13 odds of your having a major cardiac crisis tomorrow.
14 And when we begin to appreciate that, we can make a
15 big dent in how we take care of folks.

16 And the major drivers of this are very
17 predictable. I mentioned blood pressure earlier on
18 where that person was getting their blood pressure
19 taken in the clinic. Blood pressure is such a major
20 driver of aging because it causes holes in our
21 arteries that we have to repair, and repair it with
22 plaster. What's the body's plaster? The body's

23

1 plaster is cholesterol.

2 If you have high-quality HDL cholesterol,
3 you get nice, thin spackling. You make lousy LDL
4 cholesterol, it's cheap stuff, it pours out, it
5 crumbles, and you have to form a scab like I just
6 showed you, and it kills you.

7 The ideal blood pressure, the optimal
8 blood pressure, is 115/75. Jot that down. The blood
9 pressure that most of you panic over is 140/90. The
10 life expectancy difference between those two, 10
11 years, because blood pressure is the No. 1 cause
12 of aging. Cigarettes come behind for the same
13 reason: nicotine damages the arteries, plaster has
14 to heal it, and so on and so forth.

15 That is why this slide is so important.
16 This is an image of our expected health care spending
17 at a national level. The 19.6 number is what we
18 estimate is the average growth rate over the next eight
19 to 10 years. The omental obesity--the belly fat
20 increase--is 24 percent-plus.

21 I guarantee you--Jack didn't mention this,
22 but one thing I also did, I went to Wharton Business

23

1 School when I was in med school, and I studied health
2 care finance. I guarantee you there is no way our
3 health budget will increase at that rate unless we
4 deal with omental obesity.

5 Because that process of dealing with
6 cardiovascular crises, cancer rates, and all the
7 things that go along with the weight that we're
8 carrying as a nation dramatically drive our health
9 care budget, and will increase it at least 5 percent
10 more than you think, which is why this is a national
11 security issue at a certain point if you don't deal
12 with this.

13 So what works? Why can't we lose weight?
14 Well, conventional diets depend on willpower.
15 People think I'm just going to muscle my way through
16 that. There are a dozen redundant systems in the
17 body that force us to eat.

18 How many of you--put your hands up--
19 despite being governors, how many of you can hold
20 your breath indefinitely underwater?

21 **(No response.)**

22 DR. OZ: None of you? Not a one. It's

23

1 impossible. It violates the basic understanding of
2 mammalian physiology.

3 Likewise, you cannot lose weight by trying
4 to lose weight because your biology will always beat
5 your willpower.

6 The second thing we do is we don't measure
7 the right stuff. It doesn't, frankly, matter what
8 your weight is. It matters what your waist is. If
9 your waist, which is a better predictor of your
10 health risk, is greater than half your height, that's
11 a problem. Complications start to occur.

12 Let's do the math. With my height, I'm
13 6'1" tall; 6 times 12 [equals] 72, plus 1 [equals] 73 inches,
14 my
15 height, divided in half, 36.5 inches. If my waist
16 size is more than 36.5 inches, then I am at risk
17 for cardiovascular disease.

18 The problem in our society is that men
19 after the age of 40 never buy a new belt size, do
20 they? They just slip the belt beneath the fat, and
21 they waltz around like this. And so they actually
22 mislead themselves into thinking that that 32-inch

1 waist they have is still what they're carrying around

2

1 at age 45, when truly it is significantly greater.

2 Now why, why, why, is the waist more
3 important? Because of this. Take that yellow pad
4 away. I'll come back to that in a second. See the
5 liver there in the upper lefthand corner? The gall
6 bladder is the green thing. You just had breakfast.
7 Your food is now moving through your stomach towards
8 the small intestine.

9 It will mix with the bile there, which is
10 like soap. It washes the food. As it washes the
11 food, it breaks down the small particles that allow
12 it to get absorbed through the wall of the small
13 intestine.

14 Where does that food go? It goes up to
15 the big vein called the portal vein. That vein
16 carries nutrients to the liver. If they are high-
17 quality nutrients, your liver loves it. It will
18 convert it to whatever you need.

19 But if it is junk, if it is simple carbs,
20 especially, it turns your liver to *foie gras*. As
21 your liver gets fatty, which one-quarter of the
22 population has now, you begin to do something else.

23

1 It becomes toxic. It begins to release toxic
2 cholesterol, and that yellow pad called the omentum--
3 sounds like "momentum" without the "m"--it gets
4 ponderously large as it gets pulled across the
5 screen. That's why I care about belly fat.

6 It's not the fat beneath the skin. It's
7 not the jiggly arms or the big thighs. That will
8 cost folks some dates, but that is not what causes
9 disease. What kills us is that belly fat. And that
10 is beneath the muscle. That is uniquely placed there
11 because our ancestors needed to store fat in times of
12 famine.

13 Stress is the No. 1 reason that we
14 accumulate fat there. And the reason that that is
15 true is because historically what would [cause] stress,
16 chronic stress, was a famine. We didn't have enough
17 food in the environment. You have turned on hormones
18 to force you to eat.

19 They turn on a series of hormones called
20 cannabinoids. How many of you've smoked pot?

21 **(No response.)**

22 DR. OZ: Any pot smokers?

23

1 *(Laughter.)*

2 DR. OZ: I didn't think so. So when folks
3 smoke pot, the reason they get the munchies is because
4 it turns on those same receptors in their brain. So
5 they eat things they don't even like, and they eat
6 lots of them.

7 Your constituents are doing that day in
8 and day out. They can't understand why it's
9 happening. And we actually have designed foods very
10 specifically to tap into that.

11 When you add sugar to the bliss point, you
12 actually--it's like crack cocaine for the brain. The
13 fat creates this mouthy feeling that you want to
14 have. It also helps with that warmed-over taste that
15 some people don't like. You know, there are all
16 kinds of things that have been added to our food
17 supply. Salt is probably the best example because
18 it's magical.

19 It makes everything taste a little bit
20 better than it really is. And these are properties
21 that force us to do just that.

22 Now stress is not just from the outside.

23

1 There are many things that cause stress. Foods are a
2 particular cause. Now most of you may not remember
3 this, but without any question your ability to lose
4 weight is linked to your having breakfast.

5 But Pop Tarts, sugary cereals, they don't
6 count. It actually has to be a high-fiber breakfast,
7 because you have a valve inside your intestines that
8 literally squeezes down, that shuts down the food
9 flowing through the intestinal tract that allows you
10 to hold on to food longer.

11 So having fiber for breakfast works. It
12 turns out that leptin is important. You've never
13 heard of leptin, but you will from now on. Leptin
14 sounds like leprechaun. It's the chemical your fat
15 sends to your brain to say, "Hey, I'm here. I'm here.
16 You don't have to keep eating."

17 Interestingly, some foods don't turn it
18 on. High-fructose foods don't seem to. It's one of
19 the reasons we believe--we don't know for sure, but
20 we believe that when you drink a soft drink, a soda,
21 at a meal you will not only have the drink, which is
22 160 calories, but you will eat independent of that,

23

1 not counting that, an extra 125 calories.

2 Now the entire obesity epidemic is about
3 100 calories a day. Think about it. 100 calories a
4 day is 12 pounds in a year. You multiply that by 2
5 years, that's how overweight we are, 25 pounds. So
6 these are simple little insights that you begin to
7 remember.

8 Now the biology of blubber isn't
9 supporting the use of these kinds of simple
10 carbohydrates, especially if they're adulterated. We
11 make this mistake all the time. Yogurt. A lot of
12 people think, oh, I'm going to be healthy. I'm going
13 to drink nonfat milk, or nonfat yogurt. Big
14 mistake.

15 If you take the fat out of yogurt, what's
16 left? Sugar. It's a sugar drink, if it's dairy.
17 Instead, you actually want the fat in the milk. It
18 was made that way for a reason. The milk is very
19 satiating. It seems to independently of everything
20 else calm your fat cells so they're not inflamed so
21 you don't accumulate fat.

22 They have done trials on this.

23

1 Interestingly, over and over again the 2 percent fat,
2 or even whole fat milk, seems to be better off if you
3 want to lose weight. That's why giving people diet
4 soda doesn't work. Every single trial ever done on
5 diet sodas has shown they don't help you lose weight.

6 Why? Because your brain is smart. Your
7 brain says, they gave me sweet but they didn't give
8 me calories. I'm looking for the good stuff,
9 nutrients. And so all you're doing is reminding
10 yourself to eat.

11 So the system is simple to understand, and
12 once you appreciate that, you've got to change it.
13 This is one of the best examples: ghrelin. It's the
14 hormone that makes your stomach growl when you're
15 hungry.

16 If you wait until you are hungry to sit
17 down and eat, you will probably have over the course
18 of 30 minutes three times more than you want to eat.
19 And it takes 30 minutes for the ghrelin to naturally,
20 biologically, come back to normal.

21 Well, you know, 30 minutes you can do a
22 lot of damage. So you should never sit down when

23

1 you're hungry. In fact, I would argue that every one
2 of you, as busy as you are, should never walk around
3 without nuts in your pocket. Keep them in your desk
4 drawer, in your car, wherever you are. You should
5 always have nuts.

6 And a few minutes before you go anywhere
7 where you have to eat something, put the nuts in your
8 mouth. Those 100 calories will dramatically cut down
9 ghrelin. When you sit down to eat, you won't be
10 craving the food that's in front of you anymore. And
11 many of the things you've got to speak at and attend,
12 those food sources are not the best for you anyway.

13 So these are simple little ways for us to,
14 again, nudge the biology of blubber in the right
15 direction.

16 Let me move to another category. It was
17 in that first slide when I talked about how half of
18 our health care budget is changeable, fixable.

19 Sedentary lifestyle. If you sit, for
20 every hour you sit, I should say, at your job your
21 mortality rate increases 11 percent. Now that is a
22 pretty big penalty to pay.

23

1 It turns out that sedentary lifestyle is
2 important not just because you get to move around,
3 but it is also important because it avoids frailty,
4 which is the major dagger. If I got rid of all the
5 cancer in America, in each of your states, got rid of
6 all the cancer, we would live on average 2.8 years
7 longer. That's it. A little more than two years
8 longer.

9 Why? Because what kills people is not the
10 cancer, *per se*, it's that they're too frail to either
11 weather the treatment for the cancer or recover
12 afterwards. Same for heart disease.

13 So when you go around the world looking at
14 the places where people live a long time, we find
15 that over and over again. So what do you do about
16 it? You've got to build muscle mass.

17 The way you do that is by pushing
18 yourself. Look in the wild at what happens--well,
19 before that, when you don't push yourself you end up
20 with bone problems, things like osteoporosis, shown
21 here on the right, and you have medications for it
22 but they're expensive and they don't work nearly as

23

1 well as resistance training, which is really what we
2 ought to be focused on in our communities.

3 Getting people to recognize this means
4 reminding them what they used to do. So let's take
5 that image into the wild. Here is a cheetah chasing
6 its prey. Look at the musculature and how powerful
7 it is as it chases after its meal.

8 Now watch what happens if you can go full
9 speed as well, because it's very doable.

10 *(Laughter.)*

11 DR. OZ: Ask yourself, when was the last
12 time you went at full speed? When was the last time
13 you gave it everything you had? Our bodies were
14 designed to do that. Our average fitness at age 17
15 is the same as age 65. I'm going to say that again:

16 Although we peak in our physical abilities
17 at age 27, we jump the highest, lift the most, our
18 ability to endure activities--running, jogging,
19 rowing, whatever--at age 17 is the same at 65.

20 Our species hunted its prey, not by out-
21 running them or out-muscling them; we out-endured
22 them. We had the ability to sweat and breathe in a

23

1 way that could catch them.

2 When they look at how humans used to catch
3 antelopes, after two hours the animal would fall over
4 and faint from being exhausted. We'd just come up
5 behind it and eat it. So we had that ability.

6 But we've forgotten that. And it actually
7 is in our genome. We need to chip away at the
8 external crust that holds us back.

9 So what have you all done about this? Let
10 me take you through some best practices, to show we
11 have about 200 people who work on the program and we
12 have a big medical unit. So we spent some time sort
13 of pulling together what states have done.

14 I'm going to go through some best
15 practices, and I am going to give you some thoughts
16 that I think might be actionable that you can take
17 home and begin to use, and I'll answer some questions
18 if we have time.

19 Texas had a big Texas roundup initiative,
20 fitness festivals and races, these big competitions
21 that are now organized where one company or one
22 school will fight against another company or school

23

1 and they'll compare their ratings. And all of it is
2 done online, and online training opportunities are
3 huge.

4 Now when we started the show, which I do
5 with Oprah, we started a Web business with it. And
6 that website gets about 100 million page views
7 a month now. And part of the reason that I mention
8 that is there is a voracious appetite for
9 unadulterated health information.

10 If you're not trying to hawk something to
11 somebody, trying to sell something to somebody,
12 that's the way to do it. Give them information they
13 trust.

14 So the Department of Defense approached
15 us, and we are now building the fitness portion of
16 the Army's website. This is what all our veterans
17 will be using that will allow them and their
18 families, and even the employees of the military, to
19 be able to benefit from a slew of different tools.
20 Again, no advertising on this site, just a service
21 that these veterans will get.

22 These are buildable endeavors. The

23

1 infrastructure exists here. If you do nothing else,
2 go home tonight and take the real-age test. It will
3 tell you how old your body thinks you are. Because,
4 frankly, no one cares about your chronologic age;
5 that's just there for the biography. It's how old
6 your body thinks you are, your physiologic age, that
7 matters.

8 So the real-age test based on 30,000
9 articles is a test that we have that actually helps
10 define that. Twenty-five million Americans have
11 taken it. Every single individual I think who is
12 curious about their health needs a barometer, a
13 scorecard of how they're doing.

14 These are tips. We have ways now of
15 getting people personalized recommendations, very
16 sophisticated social media tools to give you advice.
17 Because, you know what, when you get sick, what's the
18 first thing you do? You ask your friends how to
19 manage it.

20 These are tools that are available.
21 They're very scalable and they're inexpensive. And
22 the military is building them for our soldiers, and

23

1 we could use them for our state employees to start
2 with, and maybe further on down the road.

3 California has got a Let's Get Healthy
4 Task Force, designing a long-term plan. I mention
5 them because they built their own dashboard of health
6 indicators. I think you ought to think about this
7 for each of your states.

8 How we assess, how we gauge how healthy we
9 are, the numbers we're going to play against. So
10 let's figure out how we're going to get graded, and
11 then start to keep score. So that dashboard that
12 California crafted is a model for many of you.

13 You've done it. Other states have done
14 this, as well. But I think it's a very clever way of
15 being able to agree on a unified set of ideas.

16 When we do those 15-minute physicals, we
17 agree on five numbers. We're going to check your
18 blood pressure, your cholesterol, your blood sugar,
19 and how your waist is, and your weight. We know
20 those numbers.

21 We create a little biopsy of the
22 community, a punch biopsy that we then can give as a

23

1 report card back to the mayor, or the governor of
2 those states. That's why we do them.

3 And then, because those governors care
4 about the folks who live in their state and
5 appreciate the bigger scale of the issue when you're
6 not healthy, they can use that as ammo to push
7 through changes like how affordable or accessible
8 fresh fruits and vegetables are.

9 It also in California was a big issue
10 because disparities were costing them a lot of money
11 because of uncovered individuals.

12 In New York, it's more about the city of
13 New York than the state of New York, for the most
14 part, on this slide, but the smoking bans, which did
15 not hurt restaurant business; trans fats being
16 removed. But once everybody knew the rules, all the
17 restaurants shifted over to non-trans fat sources.

18 And again, we have too often socialized
19 expenses and privatized profits. And this allows I
20 think a more sophisticated way of dealing with those
21 socialized costs so we can share them more evenly.

22 Because, again, if you create rules that
23

1 everyone can follow, then they will all do the right
2 thing. Otherwise, people will cherry-pick and profit
3 accordingly.

4 The public calorie counts and the
5 avoidance of large sodas are good examples of those.
6 I personally think each state is going to have to
7 find their own way of going down this path. That is
8 why I started off the presentation with this debate
9 between the role of the public sector and individual
10 responsibility, but I think it is worth putting this
11 on the docket.

12 And if you ask Mike Bloomberg was this
13 good or bad? He'll say it doesn't, frankly, matter.
14 People are talking about it. If we're talking about
15 the impact of large sodas, that in itself was worth
16 the risk politically to get that conversation going.

17 There are many other states.
18 Pennsylvania's got its school meals that really work
19 well with fantastic improvements in some of the major
20 urban areas like Philadelphia.

21 Massachusetts-In-Motion works.

22 Iowa's Blue Zones are fabulous. The Blue
23

1 Zones are the places in the world where we live the
2 longest.

3 When you go and look at these places to
4 find out what makes them live a long time, they are
5 simple things done well. Real food. Whole food.
6 The activity that I mentioned earlier, the social
7 infrastructure. That is what Iowa is recreating.

8 Michigan's got its 4x4 tool.

9 And Oregon has got some of the best
10 coordinated care planning in the nation. And that
11 allows, of course, us to avoid unnecessary care.

12 And one little tip to all of you in your
13 messages to your consumers: it ought to be about
14 second opinions. It's not about them making
15 mistakes, or the doctors not being good; if you--and
16 only 10 percent of Americans get second opinions for
17 medical care. But over and over again we have seen
18 that roughly a third of the time, one in three times,
19 a second opinion will change your diagnosis or your
20 therapy.

21 Think about that. The difference between
22 the instance of re-operative back surgery in Boston

23

1 and Houston is 10-fold--10 times. How can the exact same
2 operation be done 10 times more often in one place
3 than another?

4 Again, maybe the number is 5, maybe it
5 should be 10 or 1, who knows, but it cannot be a 10-
6 fold difference. So second opinions are . . . and, again,
7 why don't people get second opinions?

8 "It's just a minor procedure, why would I
9 bother?"

10 Well a "minor procedure," my friends, is a
11 procedure on somebody else. If it's a procedure on
12 you, it is not "minor."

13 *(Laughter.)*

14 DR. OZ: And I think that is the mindset
15 when you message it out that people ought to keep in
16 mind.

17 All right, one of the things a lot of
18 states have done is adopt HealthCorps, which Jack
19 kindly mentioned. HealthCorps is our Children's
20 Health Education Foundation. It's in 14 states now
21 and the District of Columbia.

22 It is basically the Peace Corps. In fact,

23

1 Timmy Shriver has been very supportive and is on the
2 board of the entity, and California, when Maria [Shriver] was
3 first lady, was a big and still is a big supporter of
4 the program. But the Peace Corps was created by Sarge
5 Shriver. And the basic concept was, you take
6 energetic college kids, give them a month or two of
7 training, and then put them off in Botswana and build
8 dams.

9 We take those same energetic college kids
10 that want to give back--and there are lots of them--
11 and we put them through a month course about how to
12 teach, and how to teach about health. And then we
13 put them in school systems around the country.

14 And you know what? They teach the kids
15 about what to eat, and they share with the kids how
16 to get better exercise habits. But what they really
17 do is they give the kids mental resilience. That is
18 what health is all about.

19 The reason you should be caring about
20 health is because if people can control what's
21 happening in their bodies, they can change the world
22 outside their bodies. But if they can't even take
23

1 care of their own habits, how could they possibly
2 think they can make a difference anywhere else?

3 When kids hear that message, it resonates
4 with them. It's cool for them. It's about a kid a
5 couple of years older than them sharing insights with
6 them about the world. And all of a sudden, the big
7 conversation happens in the hallway, and they change
8 what they are going to do in their life.

9 We have touched the lives of about 40,000
10 kids every year in this country. HealthCorps is a
11 very inexpensive program. It costs about \$1 per year
12 of life per kid. I encourage you all to look into
13 HealthCorps.org. The content itself you're welcome
14 to use for free. Again, it's a 501(c)(3). It's
15 primarily privately funded with a lot of public-
16 private partnerships that we have with major states
17 that I mentioned here. But it allows us to thrive
18 and play a role and gives you a model. It gives you
19 an army of young people who are going to go home to
20 their parents, and they're going to fight with them
21 anyway, but they open the fridge up and they say,
22 "Mom, what gives?" You've got high-fructose corn syrup

23

1 in here!

2 Or, Dad, you're not going to walk?

3 Simple things that allow a conversation
4 to take place. So instead of kids being the Achilles
5 heel of our society, they become the backbone.
6 Because they are the future, and they always have
7 been the future.

8 We take organs into the schools,
9 literally, real organs. And I don't care where it
10 might be, whether it's the gym class, or it's a
11 regular class system, and we work within the
12 teachers' unions and the systems in order to get
13 these volunteers to play an active role.

14 And they live in these schools for the
15 whole year, as they take these kids through a life-
16 changing awakening of how critical, how vital the
17 temple of the soul is--the most valuable thing they
18 will ever be given.

19 How do I drive this point home? There are
20 a couple of ways of driving it home. Let me leave
21 you with a couple of action steps that might be
22 helpful.

23

1 The first is going to be a little bit more
2 fun. This is a playful path to health. You know,
3 I'm at 30 Rockefeller Center, so I am across from
4 Jimmy Fallon and right downstairs from *Saturday Night*
5 *Live*. So we have a lot of input on comedy issues.

6 Here are the five tips they came up with:

7 Change your state song to a workout
8 routine;

9 Trade a 5K option for paying parking
10 tickets;

11 I love this one--Start a potato chip buy-
12 back program similar to a gun swap.

13 **(Laughter.)**

14 DR. OZ: I think this could be big. You
15 can pay state income tax refunds in organic
16 vegetables.

17 And finally--this should please
18 everybody--you can pass a constitutional amendment on
19 marriage requiring a minimum number of sit-ups.

20 So I think there are many ways of
21 messaging this, but there are some simple tips that I
22 do think make sense.

23

1 One is, I would copy your colleagues in
2 this room, the brightest people who know how to
3 change the way we deliver health in our states, and
4 that is where we win the battle.

5 We're not going to win the battle for
6 health in Washington. We're going to win the battle
7 for health in our kitchens, in our living rooms, in
8 our bedrooms. That's where we're going to win it.

9 I think you ought to have your own health
10 dashboard, depending on what your state specifics
11 are, customized to them.

12 Business wants to play a role. I'll never
13 forget, when I first brought HealthCorps to the
14 leadership of New York, the first sort of question,
15 or my question was about the logistics, and they
16 said: Forget it. Just do it.

17 And I said, why? And they said, because
18 we don't know how to get the private sector involved,
19 and they don't know how to get involved.

20 Think about your biggest city in each of
21 your states. And one of the biggest business
22 leaders--and let's say they want to help with the
23

1 health care system, or they want to fix the school
2 system. How do they get involved? It's really hard.
3 Concerned Business Councils give people a pathway to
4 be able to help if they want to help, and they're out
5 there.

6 I want, thirdly, to use your DMV. We have
7 been asked by Governor [Chris] Christie to use the New Jersey
8 State DMV to message organ donation. So we are
9 creating PSAs to go out in a cool way, in a more
10 elegant way, in a more celebratory way, getting folks
11 to realize that organs can't go to heaven with you.
12 You know, God knows we need them here. And get
13 people to donate. It's a simple concept, and I don't
14 want to focus on that, but the thought dawned on me
15 that the DMV has a unique ability to message to
16 people.

17 You have all that information. You
18 control it. People open their DMV mail. You can
19 give them tips that actually are valuable to them
20 when you're giving them other critical bits of
21 information. Those messages, even if it's Help
22 Lines, might be valuable for folks.

23

1 And we can extrapolate from the message that
2 we're going to give on organs--which by the way I'd
3 be welcome to help any states who desire that, as
4 well--but we can move it past that into other basic
5 health scenarios.

6 Junk food-free zones ought to be a part of
7 this. And you each ought to have a Governor's
8 Olympics. And I'm not talking about a state event
9 where you have the best athletes competing, I'm
10 talking about schools. The tenth grade of one school
11 competing with the tenth grade of another school to
12 see who walks the most in that month, or that
13 calendar year.

14 You know, simple things like that that
15 allow teachers to have an excuse to talk to the kids
16 about health. And this can happen from business to
17 business as well. And when these folks celebrate
18 themselves for having walked--in HealthCorps we do
19 this by keeping all the schools competing. So a tenth-grade
20 teacher will get the kids to wear pedometers
21 and measure how much they walk. And over the course
22 of a month, they learn a lot about this.

23

1 For a dollar, actually it's more like half
2 a dollar, investment for a kid, you've got a program
3 that seems to make sense.

4 Now when you go home today, what should
5 you do? I think you ought to think about 15-minute
6 physicals. Your local hospitals will fund these.
7 They're incredibly inexpensive to run.

8 You can screen thousands of people for
9 almost nothing. And you allow a conversation to take
10 place in more of a festival-like setting. It's not
11 scary.

12 I mentioned earlier that almost everybody
13 who comes to our 15-minute physicals has a job, but a
14 lot don't have insurance. Give them a way of
15 crawling back out of the abyss of darkness and fear
16 over not having the health care they need, and give
17 them an opportunity. Because they don't have the
18 right to health, but they have the right to access, a
19 chance to get that health.

20 HealthCorps is out there. It's yours.
21 There are other programs. The First Lady, I just
22 taped a show with her that's going to air on Thursday

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1 for the Let's Move Program.

2 You know about these, but HealthCorps is a
3 version of this. It's inexpensive. It's customized.
4 And you should own it. It should be your program in
5 your state modified as you need it to be. And that
6 is why we built it to be malleable. It's a widget
7 that you can insert.

8 I don't think you ought to hire smokers.
9 I know it's hard to do. Twenty-one states in this
10 country allow private companies not to hire smokers;
11 twenty-nine don't. I appreciate that you have all
12 been through this and this conversation. It is, from
13 my perspective, indefensible for us to spend 15
14 percent more money at the same time to let people
15 hurt themselves.

16 We have to be smarter than this. For
17 every complex solution--rather, for every complex
18 problem there is an easy solution--it's usually
19 wrong. In this case, we actually have a solution
20 that is going to be complex but that will work, which
21 is to find out ways of making it at least legal in
22 every one of the states in America for employers not

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1 to have to hire a smoker. And if it is messaged
2 right: I care about you. I am here for you. I will
3 pay for your smoking cessation. I want to hire you,
4 but I can't do it if you're doing this. I think that
5 message will actually resonate, as opposed to the
6 finger-wagging fear that many have.

7 And finally, keep nuts in your pockets.

8 So, thank you very much.

9 **(Applause.)**

10 CHAIRMAN MARKELL: Questions?

11 **(No response.)**

12 CHAIRMAN MARKELL: I know we could do this
13 for a very long time. It was actually tremendous,
14 but we've got to get moving in a few minutes. Are
15 there one or two questions?

16 **(No response.)**

17 DR. OZ: I'll start calling on people. I
18 can tell you--do you want me to tell you what I told
19 your spouses? So just so you're well-armed, one of
20 them--I did not bring this up--one of the women asked
21 about the singlemost important thing to do for
22 longevity that was easy.

23

1 And I said: Without question, more sexual
2 activity. And then they started asking very pointed
3 questions about that. So we started delving into the
4 reality of 80 percent of the time when there's
5 erectile dysfunction, it's physical, not mental. We
6 got past all that. Then they started asking me
7 about, you know, what the real numbers are.

8 So I said the average American is intimate
9 once a week. If we could go from once a week to
10 twice a week, which is very achievable for this
11 highly performing group of individuals, we would
12 actually increase your life expectancies three years
13 and it would be a lot more fun.

14 **(Laughter.)**

15 DR. OZ: So that's your goal I think when
16 you go home. Go from once to twice a week. It
17 should be very, very sustainable.

18 **(Laughter.)**

19 DR. OZ: Jack, thank you very much.

20 CHAIRMAN MARKELL: Thank you.

21 **(Applause.)**

22 CHAIRMAN MARKELL: I think it is fully
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1 appropriate that that be the last word of our
2 conference.

3 *(Laughter.)*

4 CHAIRMAN MARKELL: So I want to thank
5 Dr. Oz. That was tremendous. Every time that I hear
6 you, I get new insights and very actionable ones as
7 well. So we really appreciate it.

8 So we have got to leave because the buses
9 are going to leave promptly at 10:05. So please
10 proceed directly to the Avenue Grill. Board the
11 buses there.

12 I want to remind everybody of Milwaukee,
13 August 1 through 4. I know the Walkers are working
14 very hard to make it a lot of fun, and I am sure we
15 will have a great program there.

16 I want to thank all of the folks who have
17 come for the last couple of days. I think it has
18 been a very productive conference. When we do
19 adjourn, I would ask that the audience, if you could
20 stay in your seats while the governors get out of
21 here, because we are on a really tight timeline to
22 get to the buses to get over to the White House.

23

1 So great to see everybody, and with that
2 we are adjourned.

3 Thank you.

4 *(Whereupon, at 9:58 a.m., Monday, February*
5 *25, 2013, the last plenary session of the conference*
6 *was adjourned.)*

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