

# GOV. PETER SHUMLIN'S INAUGURAL ADDRESS

Inaugural Address of Governor Peter Shumlin

January 6, 2011

Mr. President, Mr. Speaker, Mr. Chief Justice, Members of the General Assembly, distinguished guests, fellow Vermonters:

Thank you. It is an honor to stand before you today.

Thank you, Governor Douglas, for 38 years of exemplary public service to the Green Mountain state. We are grateful for your hard work and sacrifice on our behalf and to Dorothy and your family for sharing so much of your life with us.

Thank you to Brian Dubie for your service as Lieutenant Governor for the past eight years. While Brian and I had a spirited campaign this fall, I am proud to call Brian my friend; we are united in our love for our state and the constituents we serve.

Since my election in November, I have had the honor of joining Governor Douglas and our Congressional delegation in welcoming home our soldiers from Afghanistan after the biggest deployment of National Guard troops since World War II. We are so proud of you and thrilled to have you home. Our hearts go out to our Gold Star families who have made the ultimate sacrifice to our state and nation. Today, joining Adjutant General Michael Dubie in the gallery are veterans of the wars in Afghanistan and Iraq: Brigadier General Jonathan Farnham, Captain Cathy Cappetta, and Chief Master Sergeant Steven Zappi. Also joining them is Command Sergeant Major Michael Datillio, who is retiring after 44 years of service to his state and his country. Please join me in recognizing these brave women and men – and all the Vermonters who have served in our armed services in Afghanistan, Iraq and elsewhere abroad.

I am grateful to my loving family and friends for your faith and support; and to all who worked so hard to make this moment possible. Above all, thank you Vermonters for giving me this opportunity to serve you as Governor; I am both honored and humbled.

That I stand before you today as Vermont's 81st Governor was improbable, and no one can attest to that better than my mom and dad, who are here today. My mom reminded me again on election night that it often seemed more likely in my grade school years that I would struggle to find a job than to run for office. As a kid who learned differently, I remember well in second grade being called into the principal's office with my parents to have them be told what I already knew, but hoped beyond hope that they would never find out: that with all the good efforts of my teachers they could not teach me how to read; that the prospects of my being a successful student and going onto college were unlikely, but they would do the best they could. That was not a great day.

I had a single teacher who believed in me. Her name was Claire Ogelsby; she later became Vermont's teacher of the year. Her husband Mac and daughter Molly are here today. Claire would be here too had she not lost her battle with cancer a year and a half ago. After her long day at school, Claire loaded me in her Willy's Jeep and took me to her log cabin deep in the woods on Windmill Hill Road in Westminster West. In the warm weather we sat on her lawn; in the cold weather we huddled around the wood stove; and slowly and creatively she taught me how to read. What I remember best about Claire was no matter how difficult the challenge; no matter how innovative she had to be or how hard she had to work, she never gave up on me and therefore neither did I.

I share that part of my life today because we are living in difficult times and we need to be creative to overcome our challenges. Let me be clear about the fiscal reality that our great state faces at this moment. After several years of making necessary but painful spending cuts, we are still confronted with a \$150 million shortfall in the next fiscal year. Our economic challenges are real, and so is my firm commitment to address them responsibly and swiftly – with hard, sometimes painful but sustainable choices. There is no easy or popular path ahead.

While I am bound and determined to put Vermont on a sustainable spending path this year, balancing the budget is not our biggest challenge. All across our state, too many Vermonters are living in fear: fear that they might lose their jobs, face another pay cut, fail to keep their home, send their children to college, afford health insurance or a secure retirement. That fear knows no political party; it has lost patience in finding solace in political slogans and false promises, it takes no more comfort from a tea party rally in Tallahassee than it does from a bickering government in Washington, DC. Vermonters wonder: is anyone in government listening? Can we let go of the political speak, stop playing pretend, face the facts, and arrive at a common purpose?

From Bennington to Burlington, Guilford to Guildhall and Stamford to Swanton, our state is uniquely united in what we wish for. Vermonters want jobs and a brighter economic future for themselves and their children.

The guiding principle for my administration's work is simple: we will commit ourselves every day to making the lives of Vermonters more economically secure. With the same fortitude and creative determination that Claire showed in her zeal to teach me and other students who learned like me, one student at a time, I believe in Vermont's opportunity to replace fear with a bright economic future, one job at a time. A clear vision for job growth and a bold plan to deliver that vision is what Vermont needs right now.

The last Putney boy to become Governor, almost three quarters of a century ago, was George D. Aiken, whose wife Lola joins us here today. Governor Aiken also had a bold vision for Vermont's job growth that he shared with this Joint Assembly as he bid farewell as Governor. He said, "Vermont is one of a few states that can sell four feet of snow and twenty below at a profit."

Aiken delivered those words at the dawn of the Vermont snow rush, as chainsaw toting men carved ski trails and second home sites into Green Mountains as rugged and majestic as Vermonters themselves. From Killington to Jay; Stratton to Stowe; Mount Snow to Mad River Glen; Aiken articulated a plan that remains a potent economic force almost 75 years later.

As we close out the first decade of the 21st century, Aiken's world of predictable winters, with twenty below and four feet of snow has been slowly but certainly melting away from us. It's at Aiken's home at Vermont's southern border; at the soil he tilled; the maple trees he nurtured; the ponds he adored; that his horticulturalist's eyes would gaze in stark amazement at the magnitude of change. The Elm and Butternut are all but gone, the buckthorn is choking out the young hardwood saplings, and many of the ponds that once bubbled with life are now empty waterways.

While leaders across America, influenced by the extraordinary economic power of oil, coal and automobile companies, equivocate about climate change, we must not. That our planet is warming at an alarming rate is undeniable. But I raise this not to engage in an abstract discussion of climate science. I raise it because I believe Vermont's economic future will be determined by how we respond to this challenge. We will provide the brainpower, make the products, and seize the job opportunities a lower carbon economy requires.

Vermont's diversified jobs future is bright. Manufacturing, deployment and production of renewable energy and efficiency, tourism, technology, and agriculture are all sectors of our economy with potential for unlimited growth.

As we work to put Vermonters back to work, one job at a time, let us always be mindful that government does not create jobs; entrepreneurs do. What government must do is to make the necessary infrastructure choices that are essential to job growth for this new era.

This agenda consists of five goals: expanding broadband, containing health care costs, educating our work force, providing tax fairness and credit for emerging businesses, and supporting a renaissance in Vermont agriculture. It is big, it is ambitious, and it is achievable if we view it as our common purpose.

Today I am launching Connect VT, an initiative to deliver by 2013 my promise of high-speed Internet access and cell service to every corner of our state. If not confronted, our connectivity deficit will relegate us to an economic backwater. Vermont lags behind the developing world and ranks 46th among the fifty states in connectivity. Governor Aiken, when facing an equally daunting challenge of bringing electricity to every last mile of this rural state, in the 1930's, launched a strategy he called "Initiative and Cooperation."

Listen for a moment to the words he wrote in August 1939, about that effort: "A few weeks ago I pulled the switch that started the current flowing through a cooperative electric line that is bringing the blessings of light and power to hundreds of farms and homes in another Vermont community-homes which, in the past, had been almost completely isolated from urban civilization."

Seventy-two years after Aiken wrote those words about the need to bring Vermont out of its isolation, we must display the same foresight to confront an equally daunting isolation. The spirit that led Aiken to bring Vermont out of the darkness is the same innovative cooperation that is called upon today from our private sector telecommunications providers, the Vermont utilities, regulators and our citizens, if we are to deliver the new electric current of the modern world to Vermont. We have \$410 million in private, federal, and bonded capital to be strategically deployed. These resources present Vermonters with a once in a life-time opportunity to “initiate and cooperate” by completing the build out of the Smart Grid, broadband and mobile phone service in a collaborative marriage of the telecommunications and electrical utility sectors to create one shared broadband infrastructure for Vermont.

We will not and cannot compete and prosper in the global economy until and unless we deliver on this promise. We all know success won't be easy, but Vermonters elected me on my pledge to get tough things done, and we will. Indeed, we are too small to fail.

The rising cost of healthcare for Vermont's middle class and small businesses provides an equally daunting threat to economic prosperity. Just ten years ago our little state was spending \$2.5 billion a year to stay healthy. Today we spend over \$5 billion. That increase represents an enormous hidden tax on families and small businesses across our state. If left untethered, the rising cost of health insurance will cripple us.

That's why we must create a single-payer healthcare system that provides universal, affordable health insurance for all Vermonters that brings these skyrocketing costs under control. Let Vermont be the first state in the nation to treat healthcare as a right and not a privilege; removing the burden of coverage from our business community and using technology and outcomes-based medicine to contain costs. By doing so, we will save money and improve the quality of our care.

Some will say it can't be done. The special interests; insurance companies, pharmaceutical industry, medical equipment makers; the same lobbyists that spent hundreds of millions of dollars to make sure that real reform withered in Washington can be expected to exercise their will to protect their enormous profits.

Others will say reform will destroy our existing healthcare system. But logic suggests – and our experience shows - that our current system is unsustainable; that underfunded reimbursements starve our doctors and hospitals; that duplication, waste, inefficiencies and rising costs will drive more rural providers into bankruptcy and destroy our quality of care, which is the very best in the land. I ask the defenders of the current system to explain how small businesses, municipalities and taxpayers can sustain double digit premium increases year after year.

Shortly we will receive plans from Dr. William Hsiao to help us design a health care system that Vermonters can afford. I've assembled a healthcare team that will invite providers, consumers, businesses, municipalities, insurers, and our congressional delegation to the table to help Vermont

build a sensible healthcare system. I call upon single payer supporters to resist the temptation to oversimplify the challenge. I call upon skeptics to challenge us, but to join us at the table. I call upon Vermonters to join together with the common purpose of our state once again leading where others dare not go; universal, affordable, quality healthcare that follows the individual and is not tied to employment.

In a democratic society, educating our citizens is our single greatest obligation. I hereby call for an end to the war of words launched from Montpelier that pits property tax payers against our children, teachers, principals, and school board members, and invite instead a respectful conversation on how to create the best education system for our future; how to produce the best workforce for the jobs we've just discussed. We take pride in Vermont's quality education system that is the envy of the rest of the country. Let's build upon our success by doing even better. The objective is simple: every Vermonter must have the same opportunity for success that Claire Ogelsby made possible for me; economically, intellectually and socially.

Part of achieving that success is ensuring that our children don't grow up in poverty. Almost one in three Vermont children live in low-income households. Without proper nutrition, quality early education, or a stable home, these children too often enter kindergarten far behind their peers, and the spiral begins. They are more likely to drop out of school, abuse substances, and become statistics later in life. We can make a difference in their lives, and we will.

We can also do better at ensuring the success of all of our students in school. While we are rightfully proud of our outstanding education system, we are not delivering what is required for every student. Time spent in class does not measure acquisition of skills. For those who quickly demonstrate clear levels of achievement, let's accelerate their path to enriched programs in that area of study. For students who do not learn in traditional ways, let's support creative approaches that may be outside the four walls of our classrooms.

From early education to higher education; from dual enrollment to technical school; we have the most innovative offerings in the country. Our challenge is to break down the silos into a seamless system that allows each individual learner to integrate the array of programs that inspire lifelong learning.

Of course, education extends beyond our schools and to our workforce. Herein lies a great challenge. At a time when Vermonters are facing unemployment and underemployment, many of our jobs creators can't find qualified employees, and it's government's responsibility to help fix this problem. Let me be specific: right here in the chamber today we have representatives of businesses who are looking for qualified employees. IBM in Essex is looking; GE in Rutland is looking; Vermont Circuits in Brattleboro is looking; Sonnax in Rockingham is looking. Our job is to have a pool of applicants trained and ready to work.

It should be the policy of the state of Vermont that learning never ends. Working together in a partnership with our educational community we will close the gap between those Vermonters who want work and our job creators who have work to do.

At no time in my memory has the future of agriculture in our state had more potential to grow and make money, despite the extraordinarily difficult times facing our dairy farmers. Vermont still produce over 60 percent of the milk in New England, and our dairy community is as unified and focused as I have ever seen it. Working together with our Congressional delegation – the best in the country – we will continue the fight for fair prices for our dairy farmers.

The renaissance in Vermont agriculture is rooted in the growing concern by consumers across America about where and how their food is produced. Consumers are increasingly demanding locally grown, chemical-free, high quality food. We must take Vermont's strengths – buy local, farmers markets, farm to plate, Vermont Fresh Network restaurants – and expand our view of local to everything within 200 miles of Vermont, which includes Manhattan, Boston, and Montreal. Investing in processing and bottling facilities, combined with a dynamic marketing effort for Vermont quality foods, will bring our farmers the value-added price that they deserve for a hard day's work, and they will prosper.

Finally, my jobs agenda will expand the ability of emerging enterprises and businesses to access capital and credit when they need it the most. If our Green Mountain State can be recognized by young entrepreneurs as the innovative leader in financing and venture capital for micro-businesses when banks say "no," small businesses will thrive.

Let me give you an exciting example of what I mean by innovation in financing and venture capital. The EB-5 program, championed in Congress by Senator Leahy, is an established means of generating capital that is creating jobs. Thousands of them, right here in Vermont. We must take this program to levels not imagined by its creators. EB-5 gives us a vehicle not only to raise essential capital, but also to spread Vermont's stellar reputation from one end of the globe to another. We have a pioneer in this effort, Bill Stenger, of Jay Peak, deep in the Northeast Kingdom, who joins us today. Bill has plumbed this federal program to its fullest potential. Through this initiative he has created over a thousand new jobs in the highest unemployment area of the state that would not otherwise exist.

Let me say one last word on my economic priorities. Our choices about taxes directly impact job growth. Vermont's tax challenge is not that our burden is not high enough; it is that our tax burden is too high. We must develop a tax policy that grows our customer base and grows wealth. The upcoming report from our tax commission will help us in this task. Our patchwork of broad based taxes that have accumulated over the years, combined with overburdened property taxes, require our attention. But let me be clear: as we tackle the difficult challenge of balancing our budget, we must not and cannot succumb to the idea that Vermonters have the capacity to pay higher taxes

right now. In order to grow jobs and be more competitive with neighboring states, we must resist the temptation to raise broad-based taxes.

I am the first to acknowledge that this action plan is ambitious, and I have not mentioned many of my administration's other priorities: reducing recidivism for non-violent offenders; rebuilding our roads and bridges; reforming our campaign finance laws; and making government more transparent. You will be hearing more about these and other initiatives in the near future.

Our obstacles are many, and our challenges are daunting. The change we are proposing this afternoon is transformative and systemic. It will not happen quickly or easily. Yet as I stand here today to begin a new era of government in Vermont, I remember Claire Oglesby and the many Vermonters who embody her belief that we can overcome adversity with courage and creativity. Vermonters are a rugged people with an abundance of spirit and toughness.

Each day is another day in which we can excel.

We must intensify our individual efforts to nurture the health and well being of our state and its people.

Together we can be bold.

Together we must be bold.

Let's begin now.

Thank you.