

Governor Peter Shumlin
Second Inaugural Address
January 10, 2013

Mr. President, Mr. Speaker, Mr. Chief Justice, Members of the General Assembly, members of our National Guard, fellow Vermonters:

Thank you for the opportunity to serve as your governor for another term. It is an honor to serve, and every day I am grateful for this extraordinary privilege.

I am also humbled to be joined today by the best Congressional delegation in America. Senator Leahy, Senator Sanders, and Congressman Welch, we welcome you to the State House and thank you for your service to our great state.

I am so proud to be governor of Vermont. There is so much to celebrate about our state. Since our founding, Vermont has always been a national leader. First state to abolish slavery. First state to mandate public funding for universal education. First state to pass civil unions, and the first to pass marriage equality without a court mandate. We enjoy the nation's lowest unemployment rate this side of the Mississippi, and this year we were once again ranked the healthiest state in the nation.

All of us here today, in this gem of a state house, on this glorious Vermont day, know this: Vermont is the best state in the country for quality of life. The best place to live, work, and raise a family.

The state of our state is healthy, resilient, and strong.

We are blessed to live here, and we care deeply about our shared future.

Today I will diverge from tradition and focus this speech on one theme: an education system that grows Vermont's prosperity. My goal – and the single objective of my administration – remains to grow jobs and incomes for working Vermonters. Our education system, from pre-kindergarten to higher education, is the state's greatest economic development tool. Our kids routinely test above the national average, and excel in a wide range of disciplines. We have a great system that we must make even greater.

To stay on top, Vermont must follow the steps of our predecessors, who refused to be led by history, but instead had the courage and imagination to shape it. If we stand by, if we fail to innovate, and if we refuse to change, we will slip behind.

We stand on the shoulders of leaders who, at defining times, chose to be bold. As we continue our slow recovery from a devastating recession and a devastating storm, I believe Vermont is again poised to lead.

We are on the right path. We are focused on getting Vermont off our addiction to oil and building renewables, and we now have more high tech green jobs per capita than any other state. We are delivering on our promise to grow prosperity by connecting every last mile of Vermont to high-speed Internet access by the end of this year. We are implementing the first common sense single payer health care system in America, where health care is a right and not a privilege and where we contain unsustainable rising health care costs.

We are adding jobs. Employers across the state, who just two years ago might have been contemplating another layoff, are looking for well-trained and skilled workers. Our incomes are slowly rising. In 2011, Vermont was the only state in the union where incomes actually rose after a decade of stagnation.

But it's not enough. The seventh lowest unemployment rate, when you are struggling to find a job, is not low enough. Four percent income growth is better than the rest of America, but for too many Vermonters who are working a job or multiple jobs and still struggling to pay their bills, it's not enough. Enjoying one of the fastest economic growth rates in the northeast is better than where we used to be, but for so many moms and dads like me who want their kids to live and prosper here at home, it's not enough.

Now here's the irony. The true challenge that I hear day in and day out, as I log mile after mile as your governor traveling Vermont, is this: at the same time that so many Vermonters need to make more money to make life work and at the same time that so many families seek to bring their kids and loved ones back to Vermont, our employers, from border to border, are eager to find workers with the right educational skills, and they have good money to pay.

Go with me for a moment to our deep south, where in Brattleboro, second generation business owner Norm Schneeberger at GS Precision is manufacturing world-class machine parts for the

aerospace industry, and laments that if he could find enough engineers and trained machinists, he could grow his workforce by 25 percent this year alone.

Drive over the mountain to Bennington, which has become ground zero for the composite revolution, where Plasan Carbon Composites is building auto body parts that are lighter, stronger, and more energy efficient than their steel predecessors, and they need trained technicians to meet a growing worldwide demand.

GE Rutland, manufacturing aeronautics parts that power nearly every plane flying in the world, struggles to bring in engineers and computer technicians.

Green Mountain Power is turning Rutland into the solar capital of New England, opening their Energy Innovation Center in the heart of downtown and building solar farms to power the region. This will create more green jobs needing skilled workers.

Travel east over the mountain to Windsor County, where in Woodstock NatureShare is making apps for iPhones and looking for trained computer technicians.

Head to Chittenden County, where the cry for qualified workers turns more to a roar. IBM has more than a dozen openings for high-paying, entry-level technicians with a two-year degree and basic math skills. They can't fill them.

MyWebGrocer and Dynapower are growing and hiring. Dealer.com, which is now employing over 600 Vermonters with big plans to continue expanding its workforce, needs skilled workers to fill their high-paid jobs.

Add to that list Mylan Technology in Franklin County, Concept 2 rowing in Lamoille County, UTC Aerospace Systems in Addison County, Global-Z in Bennington, Mack Molding in Arlington, North Hartland Tool Corporation, Superior Technical Ceramics in Franklin County, New England Precision and Wall Goldfinger in Orange County. The need for skilled workers goes on and on.

Perhaps that need is best embodied in the Northeast Kingdom, the area of our state that for generations has struggled with chronically high unemployment rates and low incomes, where Bill Stenger and Ari Quiros continue to shine a beacon of hope, opportunity and future prosperity.

For Bill and Ari, investing \$250 million, and creating 5,000 new jobs over the past 5 years while they built a world-class resort at Jay Peak, is not enough. They are moving on to Phase II, a project of unprecedented ambition, which partners with Senator Leahy's EB-5 program and my administration to grow prosperity in other regions of the Kingdom with \$600 million in new investment, creating 10,000 new jobs.

Some of those jobs will be at AnC Bio, a South Korean company that conducts cutting edge stem cell and artificial organ research and will be looking for scientists and other well-paid technicians. Menck Windows is a German manufacturer of the highest efficiency windows in the world; they will be adding 500 jobs. A world-class resort that will be built in downtown Newport on beautiful Lake Memphremagog, will need hundreds of workers, as will the revitalization at Burke Mountain.

I will be traveling with Bill and Ari to South America, Asia and other ports to help secure capital for this project, and in the months ahead, additional announcements of job opportunities are likely to be forthcoming as they are secured.

Time does not allow me to recite the hundreds of other creative, entrepreneurial ventures, large and small, in value added agriculture, food systems, health care, technology, manufacturing, travel and tourism, energy, education, services, retail and the trades that bless our little state right now. I remain unfailingly optimistic about Vermont's economic future. But to ensure our success, we must embrace change in the way we both view and deliver education. The rapid change that is required of us is not optional; it will define our success or deliver our failure.

Let's face facts for a minute: these opportunities for prosperity, from our southern border to Canada, result from the way technology has transformed Vermont's economy and our lives.

Think about how technology has changed our daily lives: paying our bills, shopping, communicating online, texting and tweeting our way through the day, managing our finances, keeping tabs on our kids.

Technology allows computers to create products that a decade ago, even five years ago, didn't exist. It has created a connection to a larger world that allows many more people to do business from Vermont that would not have been possible in the pre-tech world.

That same technology has dramatically changed the tools available for teaching and learning. It has changed the nature of work. The high school degree that brought success and a lifetime job in the

old economy, ensures a low-wage future in the tech economy. Success in the new economy depends on an educated workforce with skills beyond high school in science, computer technology, engineering and math.

I ask you: is Vermont prepared to meet this challenge? Are we ready to harness this opportunity so critical to our future prosperity?

The plain truth is, we are not.

Look at the facts: current estimates show that sixty-two percent of job openings in the next decade will require post-secondary education. Sixty-two percent. Yet only about forty-five percent of Vermont students who begin ninth grade continue their education past high school, and that percentage drops as family incomes decline.

Now don't let these facts diminish our accomplishments. Together, we have done innovative and cutting edge bipartisan work with school funding in the past decade and a half that you deserve to be proud of. Vermont took a regressive property tax that funds our most important obligation in a democratic society and made it equitable and progressive, giving every child in Vermont an equal shot at resources while preserving local control.

Now, some like it and some don't, and we could debate it until the cows come home, and I'm sure you will. But in doing so, we ignore the next opportunities that will define our future prosperity. Keep in mind that we spend more money per pupil than all other states in the country except for two. We spend more than 50 percent above the national average, and K-12 spending in Vermont has grown faster over the last decade than in any other state in America.

But the following simple fact ought to alarm all of us: with the vast amount of money that we spend per pupil in Vermont, we have failed to move more low-income Vermont kids beyond high school.

Now is the time to take a good education system in Vermont and make it the best. To get us there, let's take action on the following four areas.

First, it is long past time for us to put our money where our mouths have been, and strengthen our commitment to universal early childhood education.

Let's remember, while 90 percent of a child's brain is developed in the first 36 months of life, only four percent of our education dollars nationally are spent during this critical time. The evidence is overwhelming: the earlier we invest in our children, the healthier, more productive lives they will have. Taxpayers win too, since every dollar we invest in early childhood education saves seven dollars in the future.

Today, I propose to make the largest single investment in early childhood education in Vermont's history. We will redirect \$17 million from the state's Earned Income Tax Credit to make high quality childcare affordable to hardworking lower-income Vermonters. There is no bigger obstacle to Vermont parents who want to work or advance than the high cost of quality childcare. This bold action will nearly double the state's contribution to childcare for low-income families.

My administration will also ensure financial support to communities that initiate publicly funded preschool programs where they do not now exist. Our budget will include resources for first year start up costs, after which communities offering pre-school programs will be eligible for reimbursement through the education fund.

I will invite all early childhood stakeholders to a summit to build and embrace our vision for the success of our children and their families. I have also directed the Agency of Human Services to implement an integrated plan for health promotion and prevention, beginning before birth, to ensure that all children reach their full potential.

We can do more to ensure that all our children are healthy and prepared to learn. When Sue Maguire was principal at Bennington's Molly Stark elementary school, she took the resources she had available, leveraged them where she could, and provided her students a full service health center right at the school. The center provides pediatric, psychological, dental, nutrition and pre-school services on site. I have asked Sue to work with my Secretary of Human Services and my Secretary of Education to bring that same ingenuity to schools across the state.

It is well past time, to move aggressively on early childhood education - words are nice - action is better, let's take it, together.

Second, students can't learn when they are hungry. Yet, too often, we ask hungry kids to learn. While some low-income Vermont kids are eligible for free school lunch under federal guidelines, others have family incomes just high enough that they are forced to pony up cash they don't have to eat lunch.

We must fix this problem for the thousands of low-income Vermont students who can't afford to pay for lunch. I propose that the state covers the shortfall left by the federal government, and makes free lunch available for all low-income students, including those who are currently only eligible for reduced prices. Whenever possible, these lunches should be made from local Vermont farm grown food, since we know that Vermont farmers grow the healthiest food in the nation.

This is a common sense, reasonable proposal that I will include in my fiscal 2014 budget, and I ask for your approval.

Third, we must make education more accessible and affordable for all Vermonters. To help move more poor kids beyond high school, I ask you to pass two provisions that you have heard me speak about before.

The first is dual enrollment. Over the past five years, state funding has provided limited access to Vermont high school students to get a head start on gaining expensive college credit by enrolling in for-credit college courses while they are in high school. In my budget, I will propose doubling the funding to expand access to this important program. I urge you to adopt a system in which the money follows the student and all Vermont students have access to this important program.

Let's also authorize an early college initiative aimed at expanding the number of students who simultaneously complete their senior year of high school with their first year of college. For more than a decade, 40 students a year have done this at Vermont Tech, where they concentrate on science and technology with great success. Having only 40 kids in this program is a paltry number.

Let's open this program to all interested Vermont seniors, with the money following the student.

Next, we know that the level of college debt being amassed by Vermont's students and their families is oppressive. This crisis requires us to address affordability with new vigor, particularly for those students who pursue degrees in the disciplines of the new economy.

We also know that one of the challenges we face is keeping young Vermonters in Vermont. So today, I say to the graduating class of 2013: if you make a commitment to our state, then our state will make a commitment to you. We want you in Vermont, we need you in Vermont, and we are ready to be bold in keeping you in Vermont.

I propose the Vermont Strong Scholars Program. It's a simple program, and here's how it works: if you enroll in any public institution of higher education in the state of Vermont and graduate with a degree in a STEM field, we will give you a helping hand to stay and work in Vermont by paying you back, over the course of five years, for your final year of tuition. Or if you graduate with an Associate's Degree in a STEM field, we will pay you back over three years for your final semester of tuition.

I urge the legislature to approve this proposal and give young Vermonters a break on their higher education bills while helping us build prosperity together right here at home.

Next, I commend the Vermont State Colleges and the University of Vermont for working hard to hold down tuition increases for next year, and I propose to increase the state's appropriation for the Vermont State Colleges, VSAC, and UVM by three percent, to be used entirely for financial aid and scholarships for Vermonters.

This is how my affordability plan would work at UVM: my budget increase will be sufficient to hold all entering Vermont students harmless from next year's three percent tuition increase. If Vermont students want to take advantage of the world-class education they can get right here in the Green Mountain State, I want to do everything in my power to help them do just that.

But buying back tuition increases for Vermonters is not enough. We must also identify savings to guarantee affordability for our students and their families and the survival of UVM and our State Colleges. President Sullivan and Chancellor Donovan enthusiastically agree and are initiating a joint planning process, reporting to us on their progress.

At the same time, former interim UVM president John Bramley has been engaged to implement the eleven recommendations of the group I appointed last year to find ways to strengthen UVM and the State Colleges. I ask that we all work in partnership with John to adopt that report.

Finally, we must do a better job of focusing the education of our children - from grade school through college - on career readiness. We can do a better job of personalizing educational opportunities and integrating technology, career training and internships with traditional classroom education.

I propose that Vermont's schools develop Personal Learning Plans that travel with each student from elementary through their senior year. These plans would help guide each student's education and also tie educational goals to career opportunities, making school more relevant. The key to this proposal is to increase our students' individual options while fostering a connection between school and career.

We must also address our poor performance in math. While we have impressive successes to celebrate in other disciplines, Vermont falls off the rail in high school math. The 2011 NECAP results tell the tale: 68 percent of students in grades 3 through 8 are proficient in math. When they take the test in 11th grade, only 36 percent are proficient. Let me repeat that: 36 percent.

This is as alarming as it is unacceptable, but unfortunately, no one should be surprised. Currently, algebra is required in only 47 percent of Vermont high schools, and geometry in only 31 percent. We can fix this without spending one additional dime. Today, I reiterate my call to require that all 9th graders take algebra and all 10th graders take geometry. Math skills in the new economy are more important than ever before.

We must also do more to utilize our 17 career and technical education centers around the state that provide opportunities for students and adults who need to update skills to advance their earning power.

I propose using the centers as the foundation for Vermont Innovation Zones throughout the state. Our current funding system does not encourage centers to match the needs of regional employers. These Innovation Zones will focus on areas of education and professional opportunity that fit the needs of their region.

For instance, let's go back to the opportunities on the horizon in the Kingdom: the need to fill the high-tech, high skill jobs that will soon be available. Under my proposal, high schools and tech centers in the Kingdom would become an Innovation Zone and would be able to shift current generic course requirements to focus on those that provide the training the region needs. For example, the

Kingdom may choose to focus heavily on engineering, hospitality, and health care courses that would result in Kingdom jobs for Kingdom kids.

We have the tools available now to connect students and adult learners with new opportunities, but we can do a better job of ensuring these opportunities suit the needs of the region.

I recognize that today I have asked a lot of our schools, teachers, administrators, parents, and children. I pledge to work with you to ensure what I know is our shared goal: that everyone has access to education, throughout their life, regardless of who they are or how much money their parents make, and that they can keep learning and keep developing their skills for the economy of Vermont's future.

To Vermont's business community: we can do great things together to grow jobs, but employers can't afford to stand by idly and pretend that government can meet this challenge without your full partnership.

I call on employers to engage with the educational system at all levels. Open your businesses to our schools. Let our students interact with your employees, so they can see how they use their education every day. Invite teachers and guidance councilors in to experience a deeper understanding of what their students need to succeed. Engage high school and college interns. And provide opportunities for your employees to go back and further their education.

At this moment in our history, we must focus particular energy on workforce development, but it should not be lost that the broader mission of our schools is to produce educated citizens prepared to engage in their civic responsibilities, each to their individual potential. This includes making a living but also making a life for themselves.

My vision for Vermont education is clear: let's offer – from birth to cap and gown, and beyond – the knowledge, creativity, civic lessons, and career opportunities every Vermont child deserves. Fulfilling this vision will require all hands on deck. And here's the good news: this is what we do best in Vermont. In challenging times, we find common purpose.

From business leaders to teachers, administrators to elected officials, we are in this together. I am proud to say that Vermont understands this, and always has. I mentioned earlier that Vermont was

the first state to mandate public funding for education. Vermont – and this governor – places the highest priority on education. There is no greater responsibility that we have as elected representatives than ensuring that our children have the best education available in the country.

The Vermont that I envision for the future is one where the companies I mentioned earlier, from border to border, are thriving with Vermont-trained and Vermont-educated workers. It is a future in which our kids can expect their top quality education to open a world of opportunity, right here at home. It is a future in which these students – as well as adults – are fluent in math and science and are using the latest technology to learn and then to work. It is a future in which the greatest dilemma facing Vermont businesses is not how to find a good Vermonter to hire, but how to choose among an abundance of qualified Vermonters.

And it is a future in which Vermont is once again showing the nation what it takes to innovate, create new opportunities to grow, and lead. This future is within our reach if we have the courage and creativity to seize it.

Thank you.