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STATE OF ALABAMA

2021 STATE OF THE STATE ADDRESS

EMBARGOED UNTIL THE GOVERNOR'S DELIVERY

My Fellow Alabamians:

I am speaking to you tonight just outside the old House Chamber in the Alabama State Capitol. Previously, other governors and I have used that historic chamber to kick off a Joint Session of the Alabama Legislature for the State of the State address.

Tonight, however, is different, just like 2020 was different from every other year in memory. Instead of addressing the 140 members of the Legislature in person, the Capitol building is empty tonight.

Because of COVID-19, our legislators have appropriately taken the added precaution of social distancing in their respective chambers as they prepare for the formal start to their Regular Session.

To the men and women of the Legislature, let me begin with a word of heartfelt thanks.

Thank you for working with my Administration and me as, together, we have looked for good ideas and solutions to the challenges and demands of this past year.

And, I know I speak for every elected leader throughout the state when I say we all owe the people of Alabama a debt of gratitude for their willingness to work with us as we have navigated one of the most challenging years in our state's history.

Make no mistake, this time last year things were different...much different.

At 2.7 percent, Alabama had the lowest unemployment rate in our state's history. We were seeing economic prosperity all around and, we were dealing with the wonderful problem of more jobs than people to fill them. During the past 12 months, Alabama – like the rest of the country – had no choice but to deal with one giant challenge after another.

In addition to social unrest and a polarizing national election, we also had eight federal disaster and emergency declarations in the state, including a hurricane, a tropical storm and floods from one end of the state to the other. So, make no mistake, there were no tears shed when we bid goodbye to 2020 a month ago.

While the year tested both our patience and perseverance, it never once tested our faith.

Despite all that was thrown at us, Alabamians remained grounded and kept our resolve. You never gave up.

And while COVID-19 has proven to be a worthy adversary with no regard for class, race or gender, the disease has shown us just how much more we can accomplish if we work together.

Many small businesses, retailers and restaurant owners utilized curbside service to keep their doors open, ensuring their employees could continue receiving a paycheck and their customers could be served in a safe way.

Also, our health care workers and first responders proved their mettle as they helped fight the virus and keep us safe.

Y'all, none of this has been easy.

Whether it was delaying an election, a wedding or a funeral...or wearing a mask and practicing social distancing...this disease created obstacles we all had to overcome.

But it is also revealed the "Angels Among Us," as my friend Randy Owen and the Band ALABAMA would remind us back in 1993, a song written for the challenges of a different time, nevertheless, highlighting the beauty of neighbors helping neighbors even as we all get through life's darkest moments.

One of those dark moments came just last week...with the deadly tornado that hit Fultondale and Center Point. We continue to pray for those who lost so much and renew our pledge that we will be with them as they pick up the pieces and start to rebuild.

While there are too many people to thank tonight, I would be remiss if I didn't make one exception by singling out the tireless efforts of our state health officer, Dr. Scott Harris.

There is no question that there are many things we would do differently if only given the chance. Dr. Harris has been a dedicated professional since day one and he and his team's top priority has always been to do what is in the best interest of all the people of our state.

While we are still living in a challenging year, I can report with confidence that things are getting better! As the supply of vaccine increases and is in more arms, the end of COVID-19 is closer than ever before.

My fellow Alabamians, my prayer – and our goals – for 2021, is not just to get back to where we were. Instead, I want us to look ahead with confidence toward where we aspire to be.

It's time to set big goals and lay out a bold vision for the year ahead.

The foundation for this agenda begins with a respectful, honest relationship with this Legislature. I have found it helpful to shoot straight, treat everyone with respect and establish our priorities with a realistic timeline for what is possible and what is not.

We have also ended a crazy year by maintaining all functions of state government without exception. Moreover, there was no reason to even mention "proration," or reducing state services.

Thanks to the online sales tax that was implemented in 2017, our state's receipts remain in the black despite an extremely challenging year for retail. And instead of talking about raising taxes, one of the first bills I want the Legislature to pass is a measure that will ensure everyone who received CARES Act dollars will not pay one penny in state income taxes on that relief.

After all, these monies were meant to tide people over until the economy recovered; it was never meant as an opportunity to grow the state's bank account.

Another bill that is a top priority is to renew our economic development incentives that we have used for years to build such a strong, diverse economy. The pipeline of new companies looking to come to Alabama is full, and these tax credits help ensure we are competitive enough to get them.

I am also grateful the Legislature is poised to enact legislation that will prevent our business and medical communities from frivolous lawsuits that might come because of COVID-19. They and our legal community worked to make this happen.

These are just the first of three priority bills that I hope the Legislature will send to me within the first couple weeks of this new session. When they do, I'll be sure to sign them into law without hesitation.

Ladies and gentlemen, compare this with the discord and division of what we have seen coming from our Nation's Capital. Sadly, the contrast is striking.

I'd like to again offer my sincere thanks to the members of the Legislature for designating how we were going to get \$1.8 billion of Federal CARES Act money into the hands of those who needed it the most.

I'm also proud of all the departments in my Administration for how they responded to the pandemic.

For example, the finance department worked within the parameters of the legislation to make sure every penny was spent wisely.

And whether it was our initial "Revive Alabama" small business grant program that got more than \$96 million to nearly 8,000 small business owners, or the Revive-Plus program a few months later, which approved close to 11,000 applications and distributed more than \$198 million, our mission was clear and simple... this money never belonged to the state, it always belonged to the people of Alabama.

I am especially proud that these grants went to 941 veteran-owned businesses and more than 4,100 minority-owned businesses. I'm also grateful we found ways to help our state's non-profits, faith-based entities, agribusiness and other groups. We were also able to replace critical funding into our state's unemployment insurance trust fund in order to minimize the impact on employer payroll taxes as much as possible.

While 2020 presented a host of challenges, the year also gave us opportunities to do some big things such as work with the Legislature to pass the Public School and College Authority Bond.

This \$1.25 billion investment sent money to every K-12 school system, and to all of our two- and four-year colleges.

The proceeds of this bond will be transformational for years to come.

Whether it was assisting Tallassee High School replace a 92-year-old building or UAB's new genomics facility or a new medical school at the University of South Alabama, these projects – and others – will have a lasting impact on future generations of Alabamians.

Few areas were more challenged in 2020 than our education system. In fact, our teachers and students were among the first who were affected by COVID-19.

Last March, when we entered a state of emergency, we announced our schools would be closed to in-person instruction until we could wrap our arms around what was happening. Little did we know the remainder of the school year – and the current one – would be challenged.

Utilizing CARES Act dollars, we invested more than \$434 million into our classrooms with \$70 million going directly to local systems for the purpose of limiting the spread of COVID-19 in our schools.

Another program we championed was what we called ABC for Students where we allocated \$50 million for low income families to receive internet through this current school year for remote learning.

While many parents, students and teachers struggled through this form of instruction, they all deserve praise for having the determination and patience to keep working to get it right.

As a result, my budget proposes a two percent pay increase as a way to express our state's gratitude to our teachers who rose to the challenge during an unprecedented time for our state.

I will also recommend that our state employees receive this same increase. As the old saying goes "the time is always right to do what is right," and we should express our thanks for these dedicated public servants who keep our state running.

Moving forward, we will continue to emphasize what we know works - a focus on our nationally-recognized Pre-K program, a solid foundation of reading and STEM education, while also providing teachers with the tools they need to teach our students.

I continue to believe that our students need to get back to the classroom as soon as possible. Across the board remote learning was always intended to be temporary. Take it from a former economics teacher, nothing replaces in-person instruction and, unfortunately, during COVID-19, many students have fallen behind.

Catching our students up won't happen overnight or during the traditional school hours.

As such, I am urging all our schools to partner with community organizations in your local area; this will be more important than ever before to be innovative and create new opportunities for summer and after school programs.

Another place where COVID-19 exposed a weak link in our state's infrastructure was in the area of broadband and internet connectivity.

Thankfully, the Legislature is already committed to working to address this deficiency, and I look forward to continuing to partner with them to assist internet providers to extend service for the underserved areas of our state.

And just last week, I partnered with C-Spire for their \$500 million dollar investment in Alabama over the next three years. This investment will provide broadband to one hundred thousand homes and businesses in our state and create 250 jobs.

These investments and the commitment of elected leaders, will make great headway in this critical area of infrastructure.

Last year, we funded – and will soon open by May 2021 – three new crisis centers to serve as a safe place for those needing mental health services. Established along the I-65 corridor in Mobile, Montgomery and Huntsville, these centers were meant to serve as pilot programs with the intention of expanding into more communities as soon as possible. With strong leadership in the Department and in partnership with the Legislature, we are providing a wide range of new tools to divert individuals from hospital emergency rooms and local jails.

Tonight, I'm pleased to propose a \$46 million investment to expand 96 beds at the Taylor Hardin facility in Tuscaloosa and another \$6 million for an additional crisis diversion center.

Building upon the personal commitment of Governor Lurleen Wallace, my Administration will maintain our commitment to provide critical evaluation and treatment of our most vulnerable population regardless of their present circumstances.

A year ago, Alabama's record low unemployment rate was 2.7 percent. However, that number grew to 13.3 percent by April 2020.

By December, our unemployment rate was back down to 3.9%, the lowest since the pandemic began. The economic foundation we have built in Alabama over the past several years has proven to be solid, making our economic recovery a key reason why I am so optimistic for the future.

With help from the Department of Commerce, our businesses showed resiliency and flexibility as many manufacturers pivoted to make face masks and PPE in the early days of the pandemic. Now, Alabama companies are making the vials for the vaccine and expanding operations within the state to provide masks nationwide.

There is reason for continued hope in our economic growth. One sector of our economy, Alabama's auto industry, hasn't been slowed by the pandemic.

In 2021, Mazda Toyota in Huntsville will hit an important milestone of hiring around 3,000 production workers, and their suppliers are hiring thousands more.

Hyundai is also making a major investment this year at its Montgomery facility to introduce two new models to its Alabama production lineup – the Santa Cruz crossover and the Tucson SUV.

Honda is launching the mass production of the next-generation Ridgeline pickup, and Mercedes-Benz is now ramping up to build two new electric vehicles at its plant in Vance, propelling continued growth in the automotive supply chain in communities such as Jasper, Muscle Shoals, Greenville and Alex City.

Last year, I worked closely with the Legislature and strong corporate partners to launch a commission focusing on entrepreneurship and innovation called "Innovate Alabama," which is designed to help both individuals and

startup companies. Special thanks goes to Dr. Condoleezza Rice, an Alabama native, who serves as chair of the Innovate Alabama Advisory Committee.

Alabama has always been at the forefront of developing new technologies to make our country and world a better place but, now, we are engaging our state's trailblazers to come up with new ideas and policies that will support entrepreneurship, economic development and jobs for the future.

When I became governor in April of 2017, I threw my support behind an effort to rebuild our state's infrastructure...our roads, bridges, and even our State Port needed significant upgrades.

On my second day on the job, I publicly supported the Legislature's efforts now known as "Rebuild Alabama." My fellow citizens, if you are traveling down a road or highway and see a blue sign that says "Another project to Rebuild Alabama," that is proof of your tax dollars being spent wisely and transparently to improve safety, increase efficiency and support commerce.

In the first year of this program, Alabama invested over 127 million new dollars in Cherokee, Limestone, Madison, Autauga and Tuscaloosa counties on projects to provide interstate connectivity and much needed repairs.

Additionally, 27 city and county projects were announced just last year. This is on top of other local projects and ongoing repairs all over the state.

Friends, it doesn't stop there. Tonight, I'm proud to announce we are moving forward with a project that other governors have talked about but, until now, no one has been able to do. Later this year, we're going to turn the shovel on a long discussed four-lane Highway 43 from Thomasville to Tuscaloosa.

This will provide interstate connectivity and economic development opportunities for many rural counties in Alabama's Black Belt between the cities of Mobile and Tuscaloosa.

I am also pleased to announce plans to connect two more rural counties with four-lane access in Geneva and Fayette counties – and plans for others are under development.

Folks, our roads are the arteries of Alabama's commerce. These projects are just a few of the many that we'll use to open doors of opportunity to all our people.

We all know that we can't have safe roads without having State Troopers patrolling them. In 2020, the Alabama Law Enforcement Agency was able to recruit, train and graduate 123 new troopers. They have also added sworn personnel to our waterways and Gulf Coast.

I would be remiss in not acknowledging the challenges our men and women in blue face every day and thank them for their service and sacrifice they make to keep us safe. We can never say thank you enough.

One of the most critical issues facing our state is the dire condition of our prisons.

It is no secret that the Department of Corrections has faced significant challenges that are a result of decades of neglect. Resolving these require a multi-faceted strategy and immediate action. The cornerstone of our ongoing efforts is the Alabama Prison Program – a bold undertaking to replace the state's aging and failing prison infrastructure with safe, new, sustainable and affordable men's prisons.

I have signed a lease on the first two of these prisons – to be located in Escambia and Elmore counties – and I am pleased to say that we soon will complete our negotiations with the developers whose proposals qualified them to construct new prisons. Not only will these modern facilities improve prison conditions and safety for both Alabama’s correctional staff and inmates, they will also be designed to accommodate inmate rehabilitation. Rehabilitated inmates are much less likely to reoffend and much more likely to become productive, contributing members of society when they are released. It is incumbent upon all of us to make this investment which will, over time, help make all our communities, and all of us, safer.

We will also continue to move forward with criminal justice reforms, and I am grateful to have the support of so many in the Legislature as we seek to improve our criminal justice laws.

Since 1999, over 180 gambling bills have been introduced in the Alabama Legislature. However, you’ve not had a chance to make your voice heard.

Last year, I asked the people of Alabama to trust me to gather all the facts on what has been endlessly debated in our state but never adopted.

My first action was to establish a working group of some of Alabama’s most distinguished citizens to present us the facts so we can make the most informed decision possible.

I’m proud of the work of this group, and they have delivered a comprehensive analysis of both the benefits and drawbacks of expanded gambling.

I’ve never been an out-front champion on this issue, but I have always believed that the people of Alabama should have the final say.

If established in an accountable and transparent manner, good can come from this effort. The current system only costs the state money and you, the people, don’t benefit in any way.

I am confident the Legislature will be thoughtful and deliberate as they debate this issue. But let me be absolutely clear, this must be a transparent process – with no deals being cut under the table.

If something does not pass the smell test, I’ll sure let you know.

I look forward to working with the men and women of the House and Senate to give Alabamians an opportunity to decide, once and for all, if a different approach to gambling is in the best interest of our state.

As I reflect on all that happened during this past year, one moment that rises above the rest was the honor and privilege our state extended to the late Congressman John Lewis. Although he represented Atlanta in Congress, this Pike County native never forgot where he came from. With his passing, he was given the distinct honor of being the first African American to lie in repose in our State Capitol.

After marching across the Edmund Pettus Bridge in Selma as a young man, John Lewis went on to become a legendary leader for civil rights alongside other giants of the movement like Dr. Martin Luther King, Jr. and Rev. Fred Shuttlesworth.

To honor his final wishes in this way was simply the proper thing to do. It was incredibly moving to see people of all races, religions and political parties stand in line for hours to pay homage to, as he called himself, the “boy from Troy.”

To quote John Lewis, “Every generation leaves behind a legacy. What that legacy will be is determined by the people of that generation.”

I hope that as Alabama continues to make progress, we remember the lessons of history.

We must consider our challenges ahead as more than momentary struggles and view them in the lenses of our legacy. Remember, there is nothing we cannot achieve when we work together.

My fellow Alabamians, good night. May God continue to bless each of you and the great state of Alabama.