



# **The Governors Speak — 2008**

## **A Report on the State-of-the-State Addresses of the Nation's and U.S. Territories' Governors**

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*Prepared by the Institute for the Study of Knowledge Management in Education  
For the National Governors Association Center for Best Practices*

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## **Executive Summary and Introduction**

Governors are facing challenging budget conditions this year, yet they remain optimistic about their state's economic prospects and are offering proposals to support clean energy development, improve education, and spur economic growth, according to the state-of-the-state addresses for 2008.\* Whereas governors last year were describing their economies as “thriving” and “expanding,” this year they were more likely to use words such as “fundamentally sound” or “fairly strong,” indicating that economic conditions are moderating. In discussing their state's budget outlook, 60 percent of governors (22) emphasized their efforts to reduce spending growth or promote government efficiencies. Several governors said that revenues were lower than projected.

The governors' highest priorities in their 2008 state-of-the-state addresses included:

**Clean Energy and the Environment.** Eighty-nine percent of governors (40) described their policies on energy, the environment, and natural resources. This year, 80 percent (36) highlighted efforts to develop renewable energy sources, an increase from 76 percent in 2007 and 60 percent in 2006. In addition, a majority of governors (56 percent; 25) emphasized the important role of “green” energy development in spurring economic development generally for their state.

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\* This analysis captures the key themes of the state-of-the-state or comparable addresses delivered from January 1, 2008, to March 7, 2008, by 45 governors, including the governors of American Samoa, Puerto Rico, and the U.S. Virgin Islands. State-of-the-state or comparable addresses were not available for other U.S. territories and for these eight states: Arkansas, Louisiana, Montana, Nevada, North Carolina, North Dakota, Oregon, and Texas.

**Education and Skills Development.** Ninety-six percent of governors (43) described initiatives to improve education. Sixty-four percent (29) emphasized the role that education plays in their state economy and in preparing children, youth, and adults to succeed in today's global economy. The most common topics addressed were higher education, K-12 teachers, and skills initiatives and workforce development for adults.

**Economic Development.** As in 2007, governors remain committed to investing in the growth of knowledge-based industries, with 71 percent (32) describing initiatives to develop “new economy” advancements in high-tech fields, such as biomedicine, and new energy and fuels development.

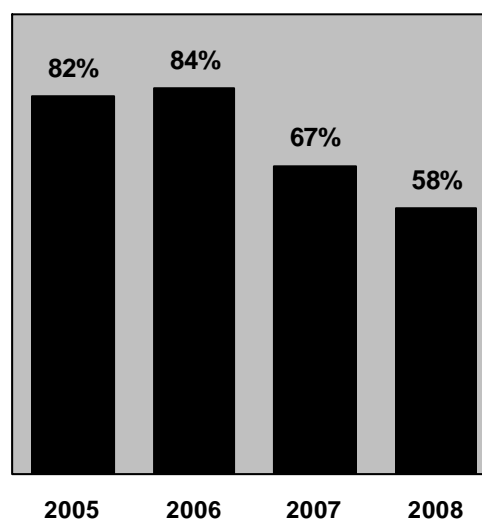
**Health Care.** As in previous years, health care remained among the top of governors' challenges in 2008, with 93 percent (42) discussing health care issues in their state-of-the-state addresses. The three most prominent themes were health coverage, health care reform to bring down costs, and specific diseases and conditions.

## **Economic Outlook and State Budget Picture**

In their 2008 state-of-the-state addresses, most governors remained upbeat about their state economies, with 58 percent (26 of 45) describing economic conditions that were good or strong. In comparison, 18 percent of governors (8) described state economies that were weakening or slowing. The percentage of governors who portrayed their state economic conditions in positive terms, however, showed a decline from previous years (see figure).

In addition, even those governors who were optimistic about their economies this year were more moderate in their descriptions compared with previous years. For example, governors used terms like “fundamentally sound” or “fairly strong” more frequently this year. Virginia Governor Tim Kaine said, “The Virginia economy is still expanding, but at an uncharacteristically slow rate.” Minnesota Governor Tim Pawlenty said, “Our state is strong even as we are challenged by circumstances.” And Rhode Island Governor Don Carcieri said, “The state of our state is at a tipping point.”

**Percentage of Governors Describing State Economy as Good or Strong**



Source: State-of-the-state addresses.

In addition, many governors also mentioned the national economic challenges that may impact their states. Forty-four percent (20) discussed the housing foreclosure crisis and its effects on their states.

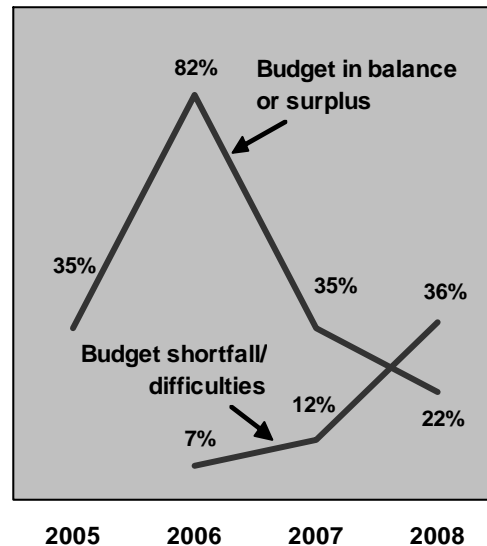
In contrast, many governors last year described their state economies as “thriving” or “expanding,” with some describing unemployment rates that were the lowest in their state’s history.

When discussing state budget conditions, 36 percent of governors (16) described looming budget shortfalls or substantial challenges they faced in balancing the budget, a sharp increase from previous years (see figure). Several governors said that revenues were lower than projected. Hawaii Governor

Linda Lingle said, “Although the economy remains fairly strong, the bottom line is that since May of last year..., tax revenue estimates have declined.” Kentucky Governor Steven Beshear said, “Because of the economic slowdown, the cooling of the housing market, oil prices and a gap between what we spend and what we earn, we are facing an unprecedented budgetary shortfall.” In comparison, 22 percent of governors described state budgets that were in balance or with a surplus, a decline from previous years (see figure).

In addressing their budget situations, governors favored spending reductions rather than tax increases. Sixty percent of governors (27) discussed plans to reduce spending growth or promote government efficiencies. Twenty-two percent (10) said that they would not favor tax increases, and 69 percent (31) proposed tax cuts or incentives, primarily to support economic development and to help state residents make ends meet

**Percentage of Governors Describing...**



Note: Some data not available for 2005.  
Source: State-of-the-state addresses.

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

during difficult economic conditions. Twenty-nine percent (13) proposed property tax reductions. In contrast, four governors supported tax increases.

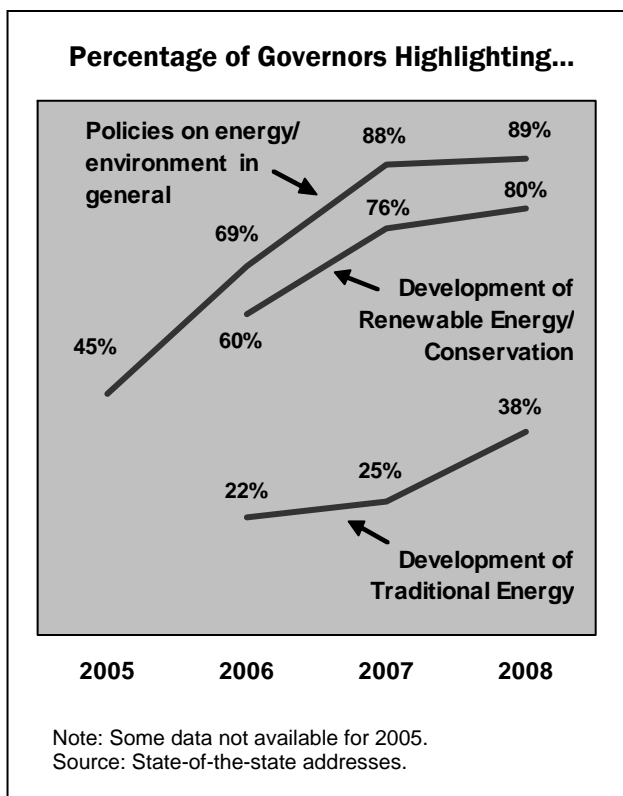
## Energy, the Environment, and “Going Green”

Almost all governors (89 percent; 40 of 45) highlighted their policies on the environment, energy, and natural resources—about the same as last year but an increase compared with previous years (see figure). This year, in line with NGA Chair Governor Tim Pawlenty’s Initiative “Securing a Clean Energy Future,” there was an increase in the percentage of governors highlighting their plans to develop “green” or renewable energy

sources, such as wind power, solar power, and biofuels (see figure), and addressing climate change. Likewise, there was an increase in the percentage of governors discussing the development or use of traditional energy resources (see figure).

In addition, 56 percent of governors (25) highlighted the importance of clean energy in spurring economic development generally for their state. Colorado Governor Bill Ritter said, “The New Energy Economy has made our entire economy stronger.” California Governor Arnold Schwarzenegger indicated that he would advocate for change “on climate change and low carbon fuels, energy efficiency, and on clean, green technology.”

The following topics were prominent in the governors’



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

approaches to clean energy and energy conservation:

- **Clean Energy and Power:** This year, 80 percent of governors (36) highlighted efforts to develop renewable energy sources. Sixty-four percent (29) discussed proposals for wind, solar, hydro, and other renewable power sources, and 51 percent (23) described efforts to develop transportation-related fuels, such as ethanol and other biofuels.
- **Energy Efficiency and Conservation:** Forty-nine percent (22) discussed efforts to improve energy efficiency, such as programs to reduce utility demand, support the construction of green buildings, and educate state residents about energy usage.
- **Climate Change and Greenhouse Gas Reduction:** Forty-seven percent (21) specifically mentioned efforts to reduce greenhouse gas emissions or combat climate change, an increase from last year. Initiatives in this area included participation in cross-state collaborations; creating new energy efficiency standards for appliances; developing new opportunities to generate and use renewable energy; creating standards to reduce emissions of harmful pollutants such as diesel exhaust; and developing research partnerships.
- **Green Energy Research and Development:** Twenty-nine percent (13) described initiatives to spur research and development of renewable energy resources, including investments in research partnerships with universities. For example, Vermont Governor Jim Douglas described the creation of the Vermont Climate Collaborative, a partnership of state, academic, business and other organizations. Iowa Governor Chet Culver described the creation of a \$100 million dollar renewable energy research and development fund.

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



- **Land Use and Planning:** Seventy-three percent (33) discussed policies to improve environmental, land, and natural resource planning, an increase from 61 percent in 2007. This year, 53 percent (24) described efforts to preserve open or green space, and 36 percent (16) described plans to improve drinking water storage or protection.
- **Traditional Energy Development:** Thirty-eight percent (17) described efforts to develop or improve the use of traditional energy resources, including oil, coal, natural gas, and nuclear energy. Mississippi Governor Haley Barbour was the only governor to discuss nuclear energy development.
- **Pollution and Clean Up:** Twenty percent (9) described projects related to environmental pollution and clean up, including efforts to reduce air pollution, restore habitats, and clean up waterways.

## **Education**

In this year's state-of-the-state addresses, 96 percent of governors (43) described initiatives to improve education. Sixty-four percent (29) emphasized the important role that education plays in their state economy and in preparing children, youth, and adults to succeed in today's global economy. For example, Idaho Governor C.L. "Butch" Otter said, "There is an essential connection between the quality of our education and the vitality of our economy." In addressing the importance of lifelong learning and training, Maryland Governor Martin O'Malley said, "We have to build a new system for educating our adults and harnessing the potential of our entire workforce."

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

**—Maryland Governor  
Martin O'Malley**

**Higher Education.** As in previous years, governors emphasized the importance of higher education in driving economic development and meeting the needs of state residents for opportunity. This year, 80 percent of governors (36) discussed the importance of higher education in

providing opportunities for residents to expand their skills and qualify for high-paying jobs, driving economic development through research partnerships with business, and developing workforce skills for a knowledge-based economy.

- **Access and Affordability:** Fifty-six percent of governors (25) discussed efforts to improve access to or affordability of colleges and universities, about the same percentage as last year (57 percent). Forty-four percent (20) discussed proposals for scholarship or financial aid programs. Two governors mentioned proposals to provide or increase tax credits for college savings.
- **Community and Technical Colleges:** Thirty-three percent (15) described proposals to improve or expand community and technical college programs, including support for workforce development programs, collaborations with four-year colleges and universities, and capital construction.
- **Research and Other Collaborations with Business:** Thirty-three percent (15) highlighted their efforts to support the development of research or other partnerships between higher education and business. These partnerships included R & D in innovative industries, such as technology or biotechnology, and collaborations to improve workforce preparation.
- **Higher Education Finance:** Thirty-one percent (14) recommended funding increases for college and university programs.

**K-12 Teachers.** Sixty-nine percent of governors (31) described proposals that focused on K-12 teachers, an increase from 55 percent in 2007. In 2008, the most frequently mentioned topics were:

- **Recruitment and Retention:** Thirty-one percent (14) described proposals to recruit or retain teachers, with seven governors proposing financial incentives to teachers.

- **Teacher Compensation:** Thirty-one percent (14) discussed teacher salaries, with 13 proposing increases in teacher pay and 1 supporting limitations on teacher benefits.
- **Teacher Training:** Twenty-seven percent (12) described efforts to improve or expand professional development for teachers.

**Skills Initiatives and Workforce Development.** Increasingly over the past years, governors have addressed workforce development as a key part of their overall education strategy. This year, 69 percent of governors (31) discussed the importance of skills development programs, with many highlighting the role that community and technical colleges play in these efforts. Fifty-six percent (25) proposed initiatives relating to shortages in specific sectors, with 15 focusing on health professions and 12 focusing on teacher training.

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

- **School Finance:** Sixty-two percent of governors (28) discussed school finance issues, with nine governors proposing increased funding for schools.
- **Early Childhood Education:** Forty-seven percent (21) supported or proposed programs to enhance early childhood education.
- **Accountability:** Forty-seven percent (21) discussed efforts to improve educational accountability. Proposals included improved performance systems to measure school success, improved testing, and increased flexibility.
- **STEM Education:** Forty percent (18) described efforts in the schools to improve academic preparation of students in science, technology, engineering, and mathematics (STEM).

- **High School Reform.** Twenty-seven percent (12) discussed high school redesign and improvement efforts, a decrease from 53 percent in 2007 and 58 percent in 2006.
- **Student Supports:** Twenty-two percent (10) discussed proposals to improve or increase programs that assist students with academic preparation, including after-school projects, extensions of the school day, mentoring and tutoring programs, and efforts to increase parental involvement.

## **Economic Development**

Ninety-three percent of governors (42) highlighted proposals to spur state economic growth. The governors' highest priorities in economic development were:

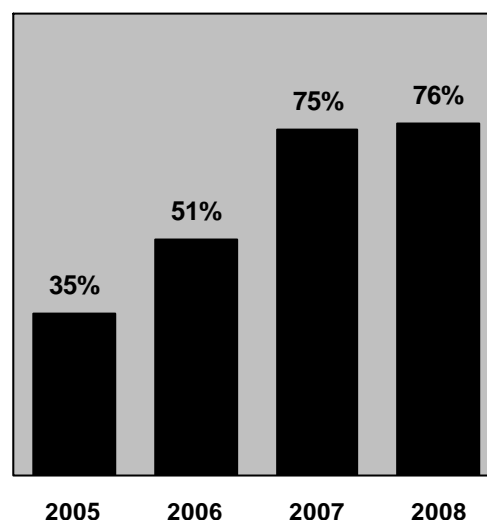
- **Innovation and Knowledge-based Industries:** Seventy-one percent (32) described initiatives to develop “new economy” advancements in research and high-tech fields. Fifty-six percent (25) focused on efforts to spur economic growth through the development of “green” energy sources.
- **Traditional Industries:** Fifty-three percent (24) discussed proposals to develop or support traditional industries, such as manufacturing, agriculture, shipping, agribusiness, fossil fuel development, timber, and rural businesses.
- **Small Business:** Fifty-three percent (24) described efforts to support small business development, particularly by working to bring down health care costs.
- **R & D and Collaborations with Higher Education:** Forty-seven percent (21) discussed proposals to support research and development, often through partnerships to bring together higher education and business.

## Health Care

Health care remained near the top of governors' lists of challenges in 2008, with 93 percent of governors (42) discussing health care issues in their state-of-the-state addresses. Many governors discussed the need to bring down health care costs for businesses and individuals. For example, South Carolina Governor Mark Sanford proposed legislation to make health care more available and affordable for small business. The three most prominent themes were health coverage, health care reform, and specific diseases and conditions.

- **Health Coverage and the Uninsured:** Seventy-six percent of governors (34) emphasized the need to expand health insurance coverage, about the same percentage as last year, but an increase from previous years (see figure). Proposals included efforts to make health insurance more affordable (particularly for low-income families and the elderly), to increase coverage for children, and to provide incentives for businesses to cover their workers.
- **Health Care Reform:** Fifty-six percent (25) discussed the need for health care reform. Proposals included reforming the system generally, improving health care transparency for patients, cutting costs to make insurance more affordable, addressing disparities in health care service delivery, making the system more efficient, and supporting preventative care.
- **Diseases and Conditions:** Forty-nine percent (22) described proposals to impact specific diseases or conditions, including cancer, diabetes, obesity, heart disease,

**Percentage of Governors Discussing Expansion of Health Coverage**



Source: State-of-the-state addresses.

chronic diseases generally, substance abuse, and mental illness. Several governors discussed treatment for veterans with mental health conditions.

- **Children's Health:** Forty-seven percent of governors (21) discussed health care proposals for children, focusing primarily on health insurance coverage, wellness programs, and preventive care. Several governors described school programs to prevent obesity.
- **Prevention and Wellness Initiatives:** Forty percent (18) highlighted wellness, prevention, and early intervention programs focused on promoting healthy lifestyles and detecting diseases and conditions early.
- **Health IT:** Thirty-six percent (16) described efforts to advance the use of information technologies in the health field, a sharp increase from last year. These included simplifying, streamlining, and modernizing Medicaid application processes; creating data sharing partnerships among providers; and shifting from paper to electronic medical records and transactions for greater efficiency.

## **Crime and Law Enforcement**

Sixty-seven percent of governors (30) discussed efforts to reduce crime or improve the criminal justice system, a decrease from the 75 percent who discussed these issues last year. The governors' highest priorities for crime and law enforcement were:

- **Drugs:** The most prominent concern was drug abuse and related criminal activity, with 38 percent of governors (17) describing proposals in this area.
- **Prisons:** Thirty-three percent of governors (15) discussed proposals to reduce prison overcrowding, build new prisons, or reform the prison system.
- **Violent Crime:** Twenty-seven percent (12) highlighted their efforts to reduce violent crime.

- **Sex Offenders and Pornography:** Eighteen percent (8) described efforts to increase penalties for sex offenders, track sex offenders more effectively, or protect children from pornography, including on the Internet.

## **Other Prominent Themes**

**Transportation.** Seventy-six percent of governors (34) described efforts to improve transportation in their state, an increase from 41 percent last year. In 2008, 29 percent (13) discussed public transportation, and many highlighted efforts to improve highway congestion and develop infrastructure.

**Information Technology and Infrastructure.** Forty-seven percent (21) described proposals to expand broadband access or use information technology to improve security or government efficiency and transparency.

**Social Services.** Forty-two percent (19) highlighted efforts to improve or expand social service programs to support children, youth, or the working poor. Sixteen governors described proposals to assist the working poor, including home ownership assistance and health insurance coverage. Seven governors highlighted plans to improve the foster care system for children and youth, prevent child abuse, or otherwise support children in need.

**Homeland Security.** Forty percent (18) described priorities for homeland security, including disaster preparedness and developing security-related information infrastructure within the United States. Twenty percent (9) highlighted their plans to develop security-related information technology, such as emergency communications systems and interoperable communications.

**Veterans Benefits.** Thirty-eight percent (17) discussed proposals to improve benefits for veterans or the state national guard, including education, health, housing, and retirement.

**Ethics and Transparency in Government.** Twenty percent (9) described proposals to support ethics reform or transparency in government. Six governors specifically mentioned ethics or campaign finance reform.

**Immigration.** Sixteen percent (7) highlighted plans related to immigration issues, including efforts to document citizenship and reform or enforce federal immigration law.



## **Source Information**

This analysis captures the key themes of the state-of-the-state or comparable addresses delivered from January 1, 2008, to March 7, 2008, by 45 governors, including the governors of American Samoa, Puerto Rico, and the U.S. Virgin Islands. State-of-the-state or comparable addresses were not available online for other U.S. territories and for these eight states: Arkansas, Louisiana, Montana, Nevada, North Carolina, North Dakota, Oregon, and Texas.

Comparisons with 2007 were based on state-of-the-state or comparable addresses delivered by 51 governors, including the governors of Guam and the U.S. Virgin Islands. Louisiana Governor Kathleen Blanco did not deliver a comparable address within the timeframe studied.

Comparisons with 2006 were based on state-of-the-state or comparable addresses delivered by 45 governors, including the governor of Puerto Rico. State-of-the-state or comparable addresses were not available online for other U.S. territories and for these six states: Arkansas, Montana, Nevada, North Carolina, North Dakota, and Texas.

Comparisons with 2005 were based on the state-of-the-state or comparable addresses delivered by 51 governors, including the governors of American Samoa and Guam. Louisiana Governor Kathleen Blanco did not deliver a comparable address during the timeframe studied.

## **About the Author**

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

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

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

*Cynthia Jimes and Anastasia Karaglanı contributed to this report.*