



## State of the Commonwealth Address

Governor Andy Beshear

January 4, 2023

President Stivers, Speaker Osborne, Members of the General Assembly, Lieutenant Governor Coleman, constitutional officers, justices of the Kentucky Supreme Court, General Lambertson, former Governor Steve Beshear and former First Lady Jane Beshear, First Lady Britainy Beshear, Will, Lila, – and to all the Kentuckians watching from home – good evening.

Tonight, I'm proud to report that, despite everything we have been through – including a pandemic, tornadoes, flooding, ice storms, a polar plunge, temporary but tough inflation and even a war in Europe – the state of the commonwealth is still strong, and our future is bright.

We enter 2023 with hope and optimism, after setting record highs in economic development and record lows in unemployment.

That means that 2023 provides us a special opportunity for this state and for this legislative session to change everything for the better; to be the generation that puts aside partisanship and ushers Kentucky into a new era of prosperity.

Tonight, I want to talk first about how we are Kentucky tough, and how we have navigated historic challenges.

Then, I want to focus on the extraordinary potential we have, in this decisive moment, to lift up all of our people and all of our families.

Since day one, my administration has focused on the worries that Kentuckians feel every day:

“Do I have a good-paying job?”

“Can I take my kids or my parents to a doctor when they're sick?”

“Are my family and my community safe?”

“Are my kids getting the very best education?”

These are the worries of a parent. I know; I am one.

But I have faith in God and faith in us. I have faith that we, the people of Kentucky, can, will and are addressing each of these worries. And we're doing it together.

In the face of some of the greatest challenges imaginable, time and time again Kentuckians showed up for one another.

Scripture tells us that we are to love our neighbor as ourselves. And that's exactly what folks across this commonwealth have been doing.

Last year, I delivered this address just weeks after the deadliest tornado outbreak in our history hit our western region. We lost 81 Kentuckians. This year, historic flooding devastated communities in our eastern region, taking 44 more lives. And just around 10 days ago, a polar plunge hit the entire state, killing four people. That's on top of the nearly 17,700 Kentuckians we've lost in the pandemic.

As a community, we've experienced pain and grief at a level not many can comprehend.

But God is good, even through the most difficult tragedies; and we can always see His work in the response.

What fills me with hope and pride is how Team Kentucky has responded to all of these challenges. We got through them, and we got through them together.

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We continue to be thankful for the Kentucky State Police, Fish & Wildlife officers, and the Kentucky National Guard – the best national guard in the entire country.

Joining us tonight are rescue helicopter pilots Sergeant Zach Lusk and Captain Brad Austin, from KSP, and Sergeant First Class Jeremy Lowe and Tech Sergeant Cole Kyser from the Kentucky National Guard.

We also have Lieutenant Robbie Spears, of Pikeville, and Conservation Officer Bobby Owens, of Hindman, from Fish & Wildlife, who led boat rescues throughout the region.

I am convinced that the emergency rescue efforts during the flooding were the best the nation has ever seen, with more than 1,300 Kentuckians rescued. That's 1,300 Kentucky lives saved!

So, to each of you and to your colleagues: The commonwealth loves you and thanks you.

Along with these great individuals, first responders throughout the state and across the country came to help. And some of those first responders join us this evening.

Battalion Chief Adam Sorrell and Captain Ryan Hogsten are here with us from the Lexington Fire Department. They were originally dispatched to Hazard, but when they got to Breathitt County, they knew that is where they were needed most.

Adam and Ryan and the entire Lexington Fire Department Swift Water Rescue Crew put their lives on the line to rescue 130 Kentuckians and assisted in missions that saved more than 2,000 lives.

Stand up and let us thank you for your heroic work and all the first responders that helped during the flooding.

In response to the flooding, we immediately secured a federal disaster declaration to speed resources to the region.

We set up the Team Eastern Kentucky Flood Relief Fund, which has now raised over \$13 million.

I called a special session, and together we made over \$200 million of state funds immediately available to the region.

Mr. President, Mr. Speaker, bill sponsor John Blanton, I want to thank you for your leadership on this and thank everyone in the General Assembly for putting the people of Kentucky first. This wasn't a bipartisan act; it was a non-partisan act.

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During and after the floods, we opened up our state parks to people who'd lost their homes, just like we did in the West.

With help from Louisiana, we are providing intermediate housing in travel trailers for nearly 700 Kentuckians until they can secure reliable, permanent housing.

Tonight, we are joined by Trinity Shepherd, who runs Jenny Wiley State Resort Park, along with some of his co-workers. Trinity and his team, some of whom were heavily impacted by the flooding, put their own needs aside and helped our families who lost everything.

Trinity, we want to thank you and every Parks employee for caring for our fellow Kentuckians time and time again.

And as we headed into the holiday season, the First Lady once again launched a toy drive – the Eastern Kentucky Toy Drive – to give the children who lost so much in the floods a reason to smile at Christmas.

Once again, the toys poured in, and the kids left with boxes upon boxes of gifts for Christmas.

Will, Lila, your mom is a special person. Britainy, I love you. Thank you for everything you do for the children of Kentucky.

The task that remains is the long-term rebuilding. Unquestionably, it will be one of the most difficult re-builds that our nation has ever seen.

Our mission is to move our families out of the floodplain and out of harm's way. But doing so gives us a chance to reimagine our communities, to go beyond just rebuilding, and to set the stage for future growth.

We have the chance to build new homes, community centers, senior apartments, maybe even new schools, along with strong, modern, resilient infrastructure that will help the entire region.

And here's the best part: There is enough land – both to rebuild and to attract new jobs.

Thanks to the generosity of Shawn and Tammy Adams, we are doing just that. Right before Christmas, we were able to announce that the first high-ground community will be created in Knott County. We will use donated funds, as well as state and federal money, to build new homes, schools and a community center, along with strong, modern infrastructure.

This will be just the first of many communities like this that the state will build along with local governments and private-sector partners in the areas most affected by the flooding.

Shawn and Tammy are here with us tonight. Y'all chose to make a difference for your community by helping us create a new, safer neighborhood for those who need one. You said you hope it will be named Olive Branch to symbolize peace. Thank you both for showing us what it means to truly live out our Kentucky values.

We want the people of Eastern Kentucky to know that we love you. We care about you. And we're going to be there for you, every step of the way, as long as it takes.

And for those in the West affected by the tornadoes, we know there is much work left to be done. We remain committed, and we look forward to celebrating each milestone with you.

Last year, I got to introduce you to Kara McKnight and her family. Just months after losing her brother in a car accident, Kara's home was taken by the tornadoes. I met her at the Christmas celebration at Pennyrile Park, where Lila and I loaded Kara up with toys.

Since then, every time I'm in Western Kentucky, I see Kara and her family. I've gotten to know them and have closely followed their recovery. Tonight, I'm proud to report that the McKnights are finally in their new home, and Kara even got to design her own room.

Every family impacted by the tornados or the flooding deserves that moment when they walk into a new, safe home.

Kara, Jason, Ashley and Jett are watching from their new living room tonight. I want to thank them for their strength and for showing us both healing and better days are possible.

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I am extraordinarily proud of how our people have responded to crisis after crisis. But tonight, I think we are ready to turn the page; to no longer focus on the difficulties of yesterday, but to embrace the promise of tomorrow.

In the Book of Psalms, we're told: "Weeping may linger for the night, but joy comes with the morning."

The joy of that morning – that promise of a better Kentucky – means that our children and grandchildren never have to leave this state to pursue their dreams, because no matter how big they dream, they can chase every dream right here; a tomorrow where people don't move from our state, but to it; where people and businesses choose Kentucky.

This promise of a better future has never been brighter, as our commonwealth has emerged from the pandemic as a national economic leader.

Every day, we are winning, with company after company picking us. Picking Kentucky.

In 2021, we had the best economic development year on record, with the largest total investment and most new jobs ever announced. With the books closed on 2022, I can announce we have now secured the best two-year period for economic growth in state history.

During my administration, we have now announced more than 800 private-sector new location and expansion projects totaling \$24 billion in investments. And the best part: the creation of 42,600 full-time jobs!

I'm proud to say these aren't just any jobs, they are really good jobs. In 2022, our average incentivized wage was \$26.78 before benefits; that's an 11.5% increase over 2021. That means the past two years have been our second and third best years ever for new wages.

What I love about these successes is that they are spread all over the state. Just look at:

- Flash Steelworks investing \$12.1 million and creating 250 new jobs in Bell County.
- Jackson Purchase Distillery investing more than \$17 million and creating 24 new jobs in Fulton County.
- Atlas Machine and Supply Company creating 78 new jobs in Breckinridge County.
- OI Glass with its \$239 million investment, creating 140 new jobs in Warren County.
- Ford Motor Company investing another \$700 million and creating 500 new jobs in Jefferson County.
- Fidelity Investments creating nearly 875 jobs, and White Horse Freight creating 455 new jobs in Kenton County.

- Catalent Pharma Solutions investing more than \$171 million and creating 262 new jobs in Clark County.
- Trader Joe's East Incorporated investing nearly \$260 million and creating 876 new jobs in Simpson County.
- Covenance Manufacturing investing \$25.6 million and creating 350 new jobs in Owen County.
- Mega Corp Logistics creating 250 new jobs in Campbell County.
- Summit Polymers Incorporated investing \$37.5 million and creating 218 new jobs in Anderson County.
- Legacy Metals creating 100 new jobs in Christian County.
- Double D Group, investing \$41.5 million and creating 200 new jobs in Muhlenberg County.
- Columbia Brands USA creating 175 new jobs in Henderson County.
- The Kentucky Whiskey Company investing more than \$21 million and creating 30 new jobs in Ohio County.
- Hollobus Technologies Incorporated creating 150 new jobs in Calloway County.
- Osmundson Manufacturing Company investing \$12.5 million and creating 80 new jobs in Graves County.
- Emerald Energy in Magoffin County with a \$1.4 million investment, creating 25 new jobs.
- Revolutionary Racing investing \$55 million create nearly 200 new jobs in Boyd County.

How about that?

And it's because of this commitment, I was proud to stand for election as co-chair of the Appalachian Regional Commission, and I'm proud to report that today I was elected unanimously.

My promise is we will continue to create great jobs all through Appalachia and beyond.

Now, a big part of our economic story – and a big part of our future economy – is tied to our electric vehicle revolution.

Through bold leadership, we are supercharging the automotive industry for the future.

In April, we announced the biggest economic development project for 2022 and the second-largest project in state history: That's Envision AESC's \$2 billion, 2,000-job battery facility. In August, we even broke ground on this amazing project at Bowling Green's Transpark.

And last month, we officially broke ground on the game-changing BlueOval SK Battery Park in Hardin County. Ford and its partner SK On are investing nearly \$6 billion and creating 5,000 new jobs at the Glendale megasite, making it the biggest economic development project in state history!

Joining us tonight, we have Justice Dingle, Envision AESC's director of operations in Bowling Green, as well as Jiem Cranney, chief financial officer of BlueOval SK.

Because of these great projects, Kentucky has cemented its status as the electric vehicle battery production capital of the United States of America! Thank you both!

And thanks to those gentlemen, we are already seeing other large investments to build out our EV supply chain, and to do it in Kentucky.

In September, we announced Ascend Elements' \$1 billion investment in high-tech battery recycling and production, which is bringing 400 jobs to Hopkinsville.

That was the second-largest announcement for all of 2022, and it stands as the single largest investment Western Kentucky has ever seen.

Because of this project, we won't have to rely on China for a single ounce of lithium. We are protecting our national security and we're getting it done right here in Kentucky.

This project is also personal to me. This amazing plant will be built just about 26 miles from Dawson Springs, a town that was nearly wiped off the map by the tornados. It's a community I deeply love. This plant will ensure that town and its families not only survive, but thrive.

So, Kara, I know you are watching at home. Study hard, because some of the most technologically advanced jobs are setting up just down the road from your new home. No pressure.

Tonight, it's also appropriate to toast the success of our signature bourbon and spirits industry. In 2022, Kentucky's bourbon and spirits industry had its best-ever year for growth, investing \$2.1 billion and creating 700 new jobs.

We welcomed new bourbon investments and new jobs in Laurel, Nelson, Marion, Washington, Bracken and Bullitt counties, just to name a few.

2022 will also be remembered as the year we took major steps in health care.

Health care is a basic human right. It's also a basic building block of Kentucky's economy. The health care industry is one of our leading employers, and it created 1,550 new jobs just in 2022.

During the height of the pandemic, our hospitals and our health care heroes proved just how important they are, and together we saved tens of thousands of lives.

In recognition, we passed legislation that has provided more than \$2 billion to Kentucky hospitals.

This helped facilities across the state keep their doors open and helped lay the groundwork for some amazing new opportunities.

These opportunities included breaking ground on Norton Healthcare's new hospital in West Louisville, the first hospital in the West End in over 150 years. I am proud that with us tonight is Dr. McCants of Norton Healthcare, who also led vaccination efforts in the West End during the pandemic to ensure every family had access. Dr. McCants, thank you and the entire team at Norton.

Other projects include the new UofL South Hospital in Bullitt County, the new Appalachian Valley Autism Center in Prestonsburg and the institution of the PACE program, which will keep many seniors who need extra help in their own homes, improving their health and their quality of life.

Alongside all this new job growth, in 2022, we also set records for the lowest unemployment rate in state history, three separate times, as well as set the record for the longest stretch of unemployment below 3.9%.

Our fiscal house is also stronger than ever.

My administration is expected to post the four largest budget surpluses in the commonwealth's history. We have the largest rainy day fund ever, and we reported the highest annual revenue growth rate in 31 years. Put simply: We are winning and bringing new prosperity to every corner of the commonwealth, leaving no one behind.

That's why we are working hard to help Kentuckians who have fallen out of the workforce secure good-paying jobs. Not by kicking folks who are down, but by lifting people up.

The parable of the Good Samaritan starts with a person suffering on the side of the road, on the ground. And in that parable, the person we're supposed to emulate doesn't kick him or threaten him or cut his benefits. He lifts him up.

So, let's live our faith and values, and apply lessons that the Bible teaches us, of forgiveness, healing and goodwill.

We are called to forgive. To provide second chances. So, in November, I joined the Justice Cabinet and Kentucky Chamber of Commerce to announce new programs aimed at transitioning people from incarceration to employment. Folks, this is a win-win. We fill jobs with willing employers and make our communities safer, because an employed Kentuckian is far less likely to reoffend.

Second chances are also needed for Kentuckians fighting addiction. From launching a program to help employers guide their workers to addiction services when in need, to establishing



Recovery Ready Communities, we're creating pathways to help more people struggling with addiction.

We are also called to improve the health of our people. A person has to be healthy enough to work. That's why in October, I announced expanded Medicaid coverage that includes dental, hearing and vision.

Again, it's simple: If we want you to go to work, you have to be able to see to drive to work. If you want to be safe on a job-site, you have to be able to hear the instructions.

We are called upon to provide opportunity for our children, and never to hinder them. That's why together we've now invested about \$245 million over two budgets to renovate and rebuild career and technical centers in high schools all over the state.

See, this is how we build a workforce: By being the Samaritans who lift people up.

We are also working to make sure our families feel safe in their homes, workplaces, schools and communities.

In order to create a better, safer commonwealth, we must have enough police, sheriff's deputies and state troopers. That is why, together, we provided Kentucky State Police with significant raises. This action has slowed, if not stopped, early retirements, and application numbers are increasing.

We raised training stipends for all Kentucky law enforcement across the commonwealth, helping communities that are also providing necessary raises.

And we created a Military to Law Enforcement Program to help local law enforcement agencies hire more service members.

Let us never forget: These are the heroes who put their lives on the line every day, and we lost far too many of them in 2022. We grieve with the families of these brave heroes who made the ultimate sacrifice last year.

Let us always remember their sacrifices and continue to support these families.

To our law enforcement community: We love you, we support you and we need you.

Keeping our families safe also requires us to face new realities, that far too many violent crimes are being committed by juveniles.

So, we are expanding early intervention services, with a goal of providing educational opportunities, mental health counseling, addiction treatment and wrap-around services before a juvenile commits a serious crime.

But the reality is, we are currently housing the most violent population of juveniles in recent memory in our juvenile justice facilities.

Our juvenile justice system was put into place 20 years ago and it was not designed to handle these violent offenders. This has put our workers as well as the young people housed in these facilities in danger.

Because of this, we are currently implementing significant reforms.

First, we are putting in place higher-security facilities for those charged with the most serious crimes. This will allow us to keep both our workers and other youth safer. And it will allow lower-level offenders to access more services without disruption.

Second, we opened our first female-only Juvenile Detention Center to better protect female youth.

And third, we will be asking the General Assembly for help in the form of higher salaries, upgrades to our facilities and for necessary changes to state law.

Another part of keeping our communities safe is ensuring the roads and bridges our families travel across are safe, and that our water is clean and drinkable.

In many ways, we are in our Eisenhower moment, investing more in infrastructure than ever before.

We have some major results on major projects to be excited about – ones that have been talked about for decades, including the I-69 corridor; Kentucky Highway 30 from Booneville to London; the Minnie-to-Harold Connector in Floyd County; and the Mountain Parkway Expansion.

And earlier today, Senator McConnell and I joined the President to celebrate the more than \$1.6 billion in federal funding to build the Brent Spence Companion Bridge!

This is what happens when people work together: President Biden; Senators McConnell, Portman and Brown; Ohio Governor DeWine and myself; along with many local officials, businesses and this General Assembly, which budgeted dollars that greatly helped our application. Leaders have talked about, even promised this project for decades. Now, we are getting the job done – and without tolls!

Together, we have also worked together to make the largest public sector investment in expanding high-speed internet.

We delivered on projects to bring clean drinking water to nearly 85,000 homes, with every single county receiving funding.

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Folks, through hard work, our commonwealth has become a leader, and the rest of the nation has noticed. In fact, Kentucky led the entire country in new job creation in August, and we tied for the lead in September.

But it's not enough just to get to the top, we have to stay on the top. That takes work. And it takes investment. So today, my state representative, Derrick Graham, filed bills that should serve as a roadmap to where we need to go and a blueprint on how we continue to build.

The first bill contains our Education First Plan, which begins with a 5% pay raise for every public school educator.

Passage of this bill is both vital and necessary to address Kentucky's shortage of nearly 11,000 public school teachers.

As a parent of two public school students, I know the impact of not having an English, a math or a science teacher. I sat beside my children during distance learning, just like so many of you.

The simple fact is you can't address learning loss without enough educators. Put another way: You can't catch a kid up in math without a math teacher.

Addressing our teacher shortage absolutely requires a pay raise. Just over the last year, Kentucky dropped from 42nd to 44th in teacher pay.

We must act. Failure to do so harms our children and undermines public education.

It is also time – no, it is way past time – for universal pre-K.

Universal pre-K helps young parents rejoin the workforce, while also ensuring every child is kindergarten ready.

Our Education First Plan also provides more funding for educational resources, mental health support for our students and a loan forgiveness program for our teachers.

Together, let's make Kentucky a shining example of how to treat both educators and our students.

Treating people right also dictates that in this session, this General Assembly finally legalize medical cannabis.

Far too many Kentuckians are suffering from life-threatening and chronic conditions, like our veterans with PTSD, or Kentuckians with cancer.

That is why I issued my executive order. It allows people to get the help they need without fearing a misdemeanor.

I recently heard the story of Chasity Harney. Chasity is a mother and wife from Kenton County, who in 2019 was diagnosed with stage 4 cancer at the age of 40.

In addition to surgeries, chemotherapy and radiation treatments, Chasity was also prescribed, in her words, “every form of pain pill there was.”

But like a lot of people, Chasity found the medications brought her little relief. Chasity found real relief from medicinal cannabis oil.

Chasity could not be here with us tonight, but I want to thank Chasity for her bravery and for sharing her story with the commonwealth. It’s going to help a lot of people. Let’s pass medical cannabis for Chasity and for every other person out there suffering!

We are also filing legislation to legalize sports betting.

We are filing legislation to provide additional raises for our state workers and to provide a 1.5% pension increase for retirees in the state employee retirement systems. It has been 10 long years since the last increase, and inflation has hit our retirees hard.

With our record surplus, we should also invest more in our pension systems. I have proposed shoring up the state employee retirement system with a \$100 million investment and another \$100 million would pay down the unfunded liability of the Teachers’ Retirement System.

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As Kentuckians, we share the values of faith, family and community.

And if we double down right now, lead with our values, and push politics aside, there is nothing that we cannot achieve. Our future is brighter than it’s ever been.

So, if we stop trying to move to the right or to the left, and instead choose to move forward, we will turn these two amazing years of historic progress into decades of lasting prosperity.

This General Assembly has the opportunity to make great progress on each of the issues we have discussed tonight, and you have the funding to do it.

If we can find our way to do what is right for the people of Kentucky, then we will be the generation that changes everything for the better – the generation that ushers in that new era of prosperity.

And we will be the generation that ensures every child born in Kentucky can stay in their community if they choose, because every opportunity is available to them right here at home.

As a dad of a 12- and 13-year-old, whom I love more than life itself, nothing is more important to me.

God bless the Commonwealth of Kentucky. We love you. Good night.

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