

Good afternoon, and thank you for joining me today.

Thank you Senate President Courtney, after more than 40 years of public service, your imprint on Oregon will not be forgotten. Congratulations to new House Speaker Dan Rayfield, and a warm welcome to all of our new legislators — you are in for quite a ride.

It is my incredible honor to, one last time, follow our tradition of addressing Oregonians at the start of the legislative session, and lay out the critical issues facing our state and how we are working to address them.

I stand here today at a pivotal moment for Oregon. Since I took office seven years ago, the world has fundamentally changed. Oregon has undoubtedly faced some of the most challenging times in our state's history: the beginning of a global pandemic. Wildfire seasons that have increased in intensity, with devastating impacts to match. Historic floods, ice storms and heat waves brought on by a worsening climate crisis. And divisions that have deepened across our country in ways we have never experienced before.

Despite these difficult times, Oregon has also fundamentally changed for the better. We have accomplished some incredible work over the past few years. We've shaken up the status quo. Oregonians — more than ever — have come together to weather these storms, and our state is better for it.

Our economy is stronger than it was before the pandemic.

Family incomes are on the rise.

The unemployment rate is near record lows.

And as we continue to recover from the pandemic, together, we are building a just and equitable Oregon.

Collaboration, a deep love for Oregon, and our collective determination to continue making our state a better place for everyone have led to our successes every step of the way.

Just a few months ago, I sat in a conference room with representatives from Oregon's timber and environmental industries. These two groups could not be more opposed. For fifty years, they have been challenging one another with ballot initiatives and fights in the Legislature. The "Timber Wars" of Oregon are not an urban legend; they were real.

The meetings I convened in October were the product of more than two years of work to chart a collaborative path toward meaningful, science-based forest management.

I remember showing up for that final week of negotiations thinking that my team, as the facilitators to these conversations, had pushed the discussions to the limits. Even at 10:30 on that Friday night, I honestly wasn't sure if everybody would be driving home empty handed.

Sure enough, in the early hours of the morning, these Oregonians came together and reached an agreement. As one of them said, "There's no reason to fight forever on these issues." That doesn't serve anyone.

The result? A historic agreement to update the Forest Practices Act that will ensure Oregon continues to have healthy forests, fish and wildlife, as well as economic growth for our forest industry and rural communities. Issues of paramount importance to all of us who call Oregon home.

It is the perfect example of the “Oregon Way” — coming together and finding common ground. Innovating to build resilience. All in service to the state we love.

Over and over, I’ve seen the power of collaboration and innovation during my time as Governor.

- We increased the graduation rates for Oregon kids by 8%, and while it took almost 30 years, we finally invested in our education system. The Student Success Act is making targeted investments in K-12 schools, with the goal of helping our kids graduate from high school with a plan for their future and the tools to compete in a global economy.
- And to invest in an education system that truly serves Oregon children from cradle to career, we expanded early learning programs as well, so that more rural families, families of color, and those with low incomes would have access to Pre-K in the critical early years of brain development.
- We have reduced the number of children in foster care by 11% to just over 5,000 kids — our lowest number in 16 years — by investing dollars to connect families with resources earlier and more effectively.
- In 2001, then-Senator Bev Clarno and I co-sponsored Senate Bill 770, which codified our government-to-government relationships with the nine federally recognized Tribes. As Governor, I’ve worked with tribal leaders to strengthen these relationships, so Oregonians can continue to learn from the people who have inhabited this special place since time immemorial.
- We passed the state’s largest transportation package, making a 10-year investment in Oregon’s roads, rail, bridges and ports.
- Now, more than 95% of Oregonians and 100% of our children have access to health care coverage. And because of our state’s commitment to equity, we continued coverage during the pandemic to ensure access to quality health care during a time when people needed it most.
- We also led the nation by passing the most comprehensive reproductive health legislation in the country, expanding access to reproductive health services for all Oregonians.
- During an era when state after state is rolling back voting rights, we were the first in the nation to pass our automatic voter registration bill, serving as a model of voter access for the country.

And yet, we had no idea how important collaboration and innovation would be until COVID-19 changed everything.

We have over 5,000 COVID infections and more than 1,000 people with COVID in our hospitals today — this is the impact in Oregon of the Omicron wave that has swept the world. And while this is indeed one of our more difficult chapters of the pandemic, Oregon continues to prevail. From its onset, managing the pandemic has required aggressive and decisive actions to preserve the health and safety of our communities. And Oregonians stepped up for each other to truly make a difference. Thank you.

I'm so pleased to see the "Oregon Way" with the Legislature as well. I called five special sessions since the pandemic hit to address critical issues like providing assistance for our businesses, balancing the state budget, and getting urgent rent relief out the door for families in need.

Quite frankly, because of our work together, Oregon has fared better than most.

- We remain third in the nation for lowest cumulative case counts. If our response to COVID matched that of the average state, more than 4,000 Oregonians wouldn't be with us today.
- We continue to be among the top states for getting shots in arms and administering boosters.
- And all three branches of government came together to get money to renters in need. In less than a year, we have helped more than 90,000 Oregonians stay safely in their homes.

That's not to say it hasn't been hard. It has been utterly heartbreaking at times. We've buried friends and family. Our kids have suffered through remote learning. Our home grown small businesses, which are the heart and soul of Oregon's economy, navigated challenges unlike ever before. We've missed precious moments visiting with grandparents and other vulnerable loved ones.

However, even with all we've lost, we can see a path forward.

We have an opportunity before us. Our economy is strong, and we must keep it humming. Most importantly, we have to make sure that every Oregonian feels it.

While our unemployment rate is nearly as low as it was before the pandemic, too many Oregonians have struggled to find good paying careers. Employers are having difficulty hiring.

There are glimmers of hope, like higher wages for those hardest hit by COVID. But, we also know that more and more workers are dissatisfied with their jobs, and too many are facing burnout.

In order to make transformational change in our state, we need to lift up the communities that have been left behind.

And let's be honest, the families who have faced discrimination and barriers to economic opportunity for generations. Simply due to who they are, where they live, or the color of their skin.

In my last year as Governor, I view every day, every moment, as one more opportunity to focus on the big and bold work we still have to do. For Oregon's working families.

I am dedicated to building a strong workforce for Oregon.

I will bolster that workforce by providing access to child care so that parents can go to work knowing their kids are cared for.

And I will marshal my colleagues to once again make a significant investment in affordable housing.

These three investments work together to ensure every working family can thrive.

As always, my eyes are set on giving our children a future that is brighter than the one we inherited from our parents.

And, it is not lost upon me that we also have a unique moment, right now, to leverage record resources and funding to achieve this vision.

Let's get this done.

Building a strong future for our kids and working families means removing the roadblocks that prevent them from reaching their full potential, and putting the pieces in place to build fulfilling careers.

High wage careers — not just “jobs.”

Every single employer I talk to is having a hard time hiring the workers they need. You can literally see and hear this — with “now hiring” signs hanging in store windows, and stories of interviews conducted on the spot.

In the spring of 2020, I launched my Racial Justice Council to center our work in the voices of those most impacted by systemic and institutional racism. What became very clear was that an underlying theme touched every single issue the RJC focused on: our workforce system was broken. Even today, in the middle of Oregon's strong economic recovery, the doors of opportunity remain closed for too many families—particularly Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, Tribal and people of color; people with low incomes; and those living in rural communities.

But the truth is, herein lies an opportunity: to connect Oregon's people to Oregon's jobs.

So, I directed my team to work with the Racial Justice Council, as well as business leaders and workers, to develop a comprehensive package that would seize this moment and open up pathways to a workforce of the future; one that reflects the face of Oregon and meets the needs of our communities, businesses and industries.

Future Ready Oregon is a \$200 million package that invests in job training with a focus on three key industries in need of skilled workers: health care, tech and manufacturing, and construction.

However, we must do more than give people particular job skills. At the heart of Future Ready Oregon is the idea of “earn and learn.” We need to help Oregonians create a career ladder. We need to take an entry-level job, like a Certified Nursing Assistant, and provide the skills to advance to careers in paramedicine, nursing, or health care administration. That's turning a job into a career.

Future Ready Oregon will help people like Ada (ah-da), who was born and raised in Astoria. Ada loves the water, loves working on Oregon's beautiful coast, and plans to become a maritime engineer, helping build ships.

Growing up, Ada's household was just her and her mom. When her mother was forced out of work due to an injury, Ada needed to start working to support their household. Picking up night shifts at a local cannery, she struggled to balance her high school and trade work — all while working hard to make rent and pay the bills. She often got little-to-no sleep, and she found herself with almost no time to complete her homework. So Ada went to the GED program advisors at Clatsop Community College and explained her situation.

They connected her with Oregon's Youth Development Division and NW Oregon Works, and with their support, she was able to both earn her GED, and learn new skills in her trade, all while gaining access to rent assistance and a computer to complete her school work.

Earning that GED set Ada on the course to achieving her dreams. She is now a student in a Seamanship Program, learning the skills needed to truly take her career to the next level as a maritime engineer.

In Ada's own words: "Being a first generation student, daughter of an immigrant mother, the hope I was given was extremely appreciated."

The building blocks of Future Ready Oregon can be summarized in three key investments:

First, we will surge an immediate \$92 million to the programs we know are currently working — like Constructing Hope, which helps Oregonians get back on their feet with no-cost construction training and career advancement support.

Second, we will drive innovation through flexible grants to community-based organizations that uniquely target the industries I just mentioned. Like OCHIN, who is providing technology training for people in their own communities with a goal of placing them in good-paying jobs in health care. Centered in equity, this program meets people where they're at, whether you are a single parent, veteran, or a person living with a disability. This is a win-win.

And last, we know Oregonians cannot be successful and productive in our economy without meeting their basic needs, like stable housing and child care. We will be launching navigators across the state to make sure Oregonians in our job training programs have what they need to succeed. That could mean financial help with school tuition. It could mean providing software programs to help someone complete their coursework. It could be assistance with transportation or housing. We are asking Oregonians: What do you need to stay on your career path and land that good-paying job? We will help.

Done right, Future Ready Oregon will set us on a course to greater prosperity and equity for all.

One thing we know people need in order to get back to work is consistent and accessible child care. Child care is a basic necessity — it is just as critical to our economic recovery as infrastructure. For working parents, child care is infrastructure. That's why, alongside Future Ready Oregon, I'm working with the Legislature to pass a \$100 million investment that will expand child care access to serve more families, and provide professional learning opportunities and higher compensation to develop and retain our providers. I will also continue

to advocate for additional federal investments in our youngest, so we can ensure that every family has access and every single child has care.

Even with these investments, we also know one of the greatest barriers to showing up to work, or sending your kids to school, is dealing with the impacts of houselessness. It is a vicious cycle that must end — one that requires good paying jobs and affordable housing.

You can see the housing crisis everywhere in Oregon — from Coos Bay to Ontario and back again.

Since 2000, single family home prices have tripled in Portland. Rent in Portland has gone up 25% in the last five years alone. But this is not just a Portland issue. Statewide, nearly half of all renters pay more than a third of their income to rent.

With supply not keeping up with demand, the home-buying market has become a feeding frenzy of cash offers and bidding wars well above asking price. Would-be first time homeowners are priced out of homeownership, putting more pressure on rentals. In downtown Portland, million-dollar condos rise on the same city blocks where people huddle over open fires to stay warm.

There is no avoiding the fact that these two issues are undeniably linked — a lack of affordable housing and some of the highest rates of people experiencing homelessness. In Oregon, today, missing one paycheck can be the difference between going to bed in a home with heat and running water, or sleeping unsheltered.

We have invested more in affordable housing, homelessness prevention, and rental assistance in my tenure as Governor than any other administration. With our local partners, we paid out more than \$400 million in rental assistance last year alone to keep more than 36,000 families housed. We have approached unprecedented challenges with innovative solutions — like Project Turnkey, a collaborative effort to turn hotels into safe shelter space.

And yet, as we can all see, it is still just a drop in the bucket. We know that on any given night more than 15,000 people remain without a home in Oregon — and more than half of them are living unsheltered. In every tent you see — in a city park, under a highway overpass, along a river — is a person — a person who deserves a warm, safe, dry place to call home.

I will level with you: Housing affordability and homelessness are not issues we can solve overnight. This crisis has been decades in the making, and in the last two years it has only worsened due to the pandemic and natural disasters. Thankfully, we have strong partnerships with local governments and a broad range of community-based organizations to implement solutions we know can help.

And with the resources we currently have available at the state and local level, we have an opportunity to make a real difference.

There's an old saying in politics: Don't tell me what your values are. Show me your budget, and I'll tell you what your values are.

This session, I am asking the Legislature to join me in supporting an additional \$400 million investment in affordable housing.

Because we have so much more work left to do.

Let me tell you about one person who is doing the work: Misti. A few years ago, Misti left an unsafe home in Klamath Falls, so that her three teenage boys could grow up in a safer environment.

At the same time, she was struck with severe medical issues, undergoing several major surgeries that left her unable to work.

Unfortunately, Misti lost her apartment, and bounced from one place to the next. Time and again, she ran into bureaucratic barriers and people who didn't understand the trauma she had experienced. Even while homeless, she kept her kids in school, and eventually connected with a community action agency and caseworker. One step at a time, she found a home, took classes, got her GED. Today, she is a case manager helping veterans, wildfire survivors, and others experiencing homelessness in Klamath and Lake Counties.

As we make investments in housing and services to prevent homelessness, we're investing in people like Misti. From her own experience of homelessness, to helping other people back into homes of their own.

Addressing this crisis is not just about investing resources. It's about fixing a system that has been rigged against working families, particularly families of color. We must keep our eyes fixed on the deep racial disparities in housing stability and homeownership caused by decades — centuries — of racism in housing policies in this country.

And, we must address the intersection of housing and health needs. Expanding access to behavioral health services and substance use disorder prevention, treatment, and recovery is critical. I will continue to partner with the Legislature to finalize significant investments in behavioral health this year.

This, all of this, is the work we must carry forward, in my last year, and under the next administration. And we must continue to act with urgency.

If the housing crisis is the most pressing issue in our communities today, then climate change is the crisis that threatens our very way of life — today, tomorrow, and for generations to come. As leaders, we are charged with leaving our children a better world than the one we inherited.

If we are truly honest with ourselves, that is not the trajectory we find our planet on right now. If you've sat down recently with young climate leaders, like I have, they will tell you so to your face.

Every year I have been Governor we have seen more extreme weather than the last. We have experienced unprecedented devastation, from historic drought, to expansive flooding, to a deadly heat dome and massive power outages from winter storms. And the effects of every one of these extreme weather events were felt across the Oregon landscape. Climate change is a hammer hitting us in the head.

Over the past two years, we've invested hundreds of millions of dollars and called upon Oregonians to help one another prepare for, respond to, and recover from climate-related disasters. Thank you to our National Guard, local police, and fire teams who helped evacuate

people during emergencies, and our first responders for stepping up. We are grateful that you all answered our call for help, but I wish you didn't have to.

We must act now, decisively, to lower carbon emissions, transition to clean energy sources, and ensure a just transition for our historically-underserved communities.

Because I've seen firsthand how climate change directly impacts our people, our family businesses, and Oregon's iconic produce.

I am proud of the progress Oregon has made since I became Governor.

We have led the nation in proving it is possible to address climate change and grow our economy, at the same time.

In 2020, Oregon closed our last coal power plant — decades ahead of schedule. We have created a comprehensive approach to tackling the climate crisis that can serve as a model for others around the globe. We have set targets to reduce our carbon emissions. We've established one of the most aggressive timelines in the nation for transitioning to 100% clean energy sources. And we have expanded rebates and access for electric vehicles and infrastructure.

What I'm most proud of is how Oregon approaches these challenges—through an equity lens. With a focus on our communities hardest hit by climate change: rural communities, people with low incomes, and people of color.

We've come together before to make investments like the ones I just outlined. And those investments are a big part of the reason that Oregon was able to weather the last two years of turmoil better than most of the country. No one needs any proof that investments like these work. We just need the will to put our differences aside and focus on that which is greater than ourselves — and greater than our political aspirations. For the success of our state and everyone living in it.

As I enter my last year as Governor, I still have moments where it feels surreal to have sat in this office and guided our state through a global pandemic. While COVID-19 may have defined these times, it doesn't need to define our lives.

Oregonians have worked together to prevent the worst impacts of this virus. Now, we must transition from a rolling crisis into a sustainable posture that supports our workers, businesses, and health care industry.

I have always believed that it is the Governor's job — and government's role — to serve every Oregonian, no matter who they are, where they come from, or how they vote. That is our job as public servants.

As leaders, we're charged with leaving the world a better place than we've inherited. As adults, we strive to pass the torch to our kids so they can succeed as the next generation on a higher plane of life.

These will not be the last challenges our state faces, but I sure hope those that follow can learn from how we navigated them.

To all the future Governors of our state. To the elected leaders who will come next. To our future business and community leaders, and youth who will follow our footsteps. Let me leave you with this: find the opportunity, even in times of crisis. Especially, in times of crisis.

That's how we continue on this journey of transformational change for Oregon. That's how we pursue justice. That's how we heal divides and collaborate in ways that serve our state. That's how we honor this beautiful place we call home.