

**Governor Asa Hutchinson**  
**State of the State Address**  
To the 93rd General Assembly  
February 14, 2022

Arkansas House of Representatives Chamber

12:45 p.m.

Thank you, Speaker Shepherd; Senate Pro Tem Hickey; Lt. Gov. Griffin; Mr. Chief Justice Kemp and Justices of the Supreme Court; and Members of the General Assembly.

It is an honor to stand before the joint chambers today for my 8th and final State of the State speech.

For that reason please allow me a moment of personal reflection.

The opportunity to serve and lead the state I love has been the highest privilege of my public career.

As you know, I was raised on a farm on the Spavinaw Creek near Gravette. I was the youngest of six children born to John Malcolm and Coral Hutchinson. They were married in the Great Depression and understood tough times; they did not have college degrees but they valued learning and encouraged me to pursue my dreams and, most importantly, to have faith and trust in our Creator who reigns sovereign in the affairs of man.

But the most important person in my life is the girl I was so crazy about that I hitchhiked from Fayetteville to Memphis on the weekends to see her. Susan has celebrated every victory with me and walked with me through every trial. Let me introduce my sweetheart of 48 years and the First Lady, Susan Hutchinson.

Susan has devoted time, energy, and her voice to helping the abused and neglected children in our state.

My family is important to me, and I am grateful, my son and namesake is here, Asa Hutchinson III.

Today, I am also grateful for the partnership of the General Assembly. Every once in a while we disagree, but all in all, we have worked together and accomplished a great deal for the people of our state. Our work together has not been for the weak of heart but it has been transformative and will impact generations to come.

Seven years ago, I took office with the desire to improve the quality of life in Arkansas by improving education, increasing our manufacturing, preserving our outdoor heritage, and supporting our farmers.

I wanted to be the jobs governor, and through the work of Mike Preston and the Arkansas Economic Development Commission and our many partners, we've had historic success.

We now have the lowest unemployment ever at 3.1% and a record number of Arkansans working.

We have signed 556 incentive agreements that created 25,000 jobs.

81,000 more people are employed now than when I took office in 2015.

On my first day in office, I called the CEOs of six companies. One of those companies was Sig Sauer.

A year later, they opened a facility in Jacksonville employing Arkansans and continue to grow.

The long list of companies that have expanded or moved to Arkansas represents billions of dollars of investment.

This is a sampling of the companies that have moved here or expanded

- Cynergy Cargo in Crossett.
- Nestle in Jonesboro.
- Aerojet Rocketdyne in Camden
- Trex in Little Rock.
- EnviroTech in Helena-West Helena.
- Vexus Boats in Flippin.

- Canoo in Bentonville.
- Resolute Forest Products in El Dorado and Glenwood.
- West Rock Coffee in Conway.
- Riceland in Stuttgart.
- Mars Petcare in Fort Smith.
- Drax in Russellville,
- Tractor Supply in Maumelle

Last week we broke ground on the largest economic development project in state history. The U.S. Steel announcement on the construction of a new steel mill in Osceola. This is another calling card for our state.

It means:

- A \$3 billion investment with more than 900 new high-paying jobs;
- Mississippi County will be the Number 1 steel-producing county in the nation.
- And this would not have been possible without the support of the General Assembly in passing legislation necessary to win the project. Thank you.

But there is more. In Arkansas, we support our military bases and their missions. That is why we worked so hard to bring in the F-35 pilot training mission to Ebbing Air National Guard Base in Fort Smith. This will be an economic boon for Western Arkansas for decades to come.

But another reason that we have been successful in job creation is that we made it a priority to cut taxes.

When I came into office I promised to cut middle-income taxes by \$100 million. People said it couldn't be done. Well, we did it in the first year. Then we went on to provide tax relief to every Arkansan. We have lowered the individual income tax rate from 7.0% when I was elected to 5.5% this year. And there is more to come.

These reductions return money from the government coffers to the hard-working Arkansans who need this money to pay for the increasing costs of providing for their family. They need fuel to get to work each day and tax cuts allow them to have more money in their pocket to invest or spend on the necessities of life.

The cumulative total of these annual income tax reductions over the past seven years exceeds \$1 billion.

We did this while also giving teachers raises, increasing funding for education, and creating a record \$1.2 billion reserve fund.

In addition, we saw the need for improved roads and highways in Arkansas, so we met the challenge by doing the heavy lifting of passing the largest highway funding plan in history.

We saw the need of our foster children and we gave them HOPE.

We wanted a more efficient and responsive state government, so we transformed it from 42 departments down to 15. We have reduced the number of state employees by over 2,000 since 2015.

We navigated our way through a pandemic and we kept our schools open because we knew our children needed to be in the classroom. I knew in Arkansas every business was essential, so we never sheltered in place or stopped producing.

These businesses are not only essential for our families but also for the world. We produce and the world depends upon us.

In the spirit of comity and friendship, the General Assembly and the Executive Branch came to an agreement on most issues during the last two years; and when we disagreed, well we just disagreed. But that did not stop the goodwill or our ability to work together.

Now, let me pause and recognize 3 representatives of public servants who have sacrificed and endured extraordinary hardship to get us through this pandemic.

Let me introduce Juanita Ellison. Juanita was a senior in high school in Camden when she decided she wanted to teach school. She earned a degree at Southern Arkansas University. She

taught at Camden Public Schools and then moved to Jacksonville where she teaches K-5 special education.

Juanita Ellison is a dedicated teacher and she represents all of our teachers who have gone the extra mile to help our students.

Please join me in recognizing Juanita Ellison and saying thanks to our teachers across Arkansas.

Next, I want to introduce Emily McGee who is a critical care nurse in the ICU unit of St. Bernard Regional Medical Center in Jonesboro. Emily was the director of critical care and oversaw the expansion of critical care at the hospital during the pandemic.

Emily represents our health care professionals who we all celebrate as heroes during the last two years. They serve us every day. Let's express our thanks and God bless you.

Our third and last special guest is Trooper Zenda Staab of the Arkansas State Police. Zenda was an Assistant Basketball Coach before she joined the State Police. She is also an MP in the Arkansas National Guard.

Without going into all the details Zenda took heroic actions in 3 separate incidences in order to save lives. In one instance, Zenda initiated the pursuit of a stolen car. When the suspect crossed over to drive against traffic on a four-lane highway, she executed a U-turn and stopped him head-on with her cruiser. The suspect was traveling 70 mph. Before the stolen car stopped spinning, she was out of her seatbelt, out of the car, and drawing her weapon. The actions of Trooper Staab, at great risk to her own safety, kept the public safe and saved lives.

Please recognize Trooper Staab. She represents all those in law enforcement that risk their lives every day for our safety and to enforce the rule of law.

Thank you to Juanita, Emily and Zenda for your service.

Before we move into the future, let's spend a moment reflecting on history. In 1956, the Eisenhower administration laid out a bold plan to change the way Americans moved. The Interstate Highway System connected all parts of America, even previously remote states like Arkansas. This concept was bold at a time when many Americans traveled interstate by train. Investment in the interstate system helped create unprecedented growth in travel, business, and tourism. Without our interstates, companies like Walmart, J.B. Hunt, and FedEx may never have

grown into the business titans they are today. President Eisenhower wisely saw where the future of mobility was heading, and his vision made America a leader in that future.

Now, let's talk about our own future. You have supported our students by giving them opportunities in computer science education that make Arkansas a national leader. Tens of thousands of more students have an opportunity to choose a path that will make a difference in shaping the world and will provide them with a high-paying job.

But now, Arkansas is in a unique position to lead in future technologies that will change our world.

Today, I am challenging Arkansas to lead in this world of innovation by focusing on the future of advanced mobility. This focus includes autonomous vehicles, upward mobility platforms, electric vehicles, and modes of transportation that do not exist today but could be the dream of an Arkansas student right now.

Why Arkansas?

We have always led in transportation from entrepreneurs like J.B. Hunt who started hauling rice hulls from Stuttgart to NWA; and Sheridan Garrison who started Arkansas Freightways that is now FedEx Freight; and also Steve Williams of Maverick Transportation.

We all know that the success of our transportation industry is critical to the economic future of Arkansas. And to position our state for the future we must act today because the future of supply chain deliveries will be different tomorrow from the trucks on our road today. So, let's keep leading.

This past year between the Delta variant surge and Omicron, I was able to make an economic development trip to Israel. I spoke at the Prime Minister's Mobility Summit. I was preceded on the stage by the Israeli Transportation Minister who announced that they hope to get a bill through the Knesset to allow the piloting of autonomous vehicles.

Well, I was the next speaker following the Minister and I announced that Arkansas passed a law in 2019 (2 years ago) that allowed the piloting of autonomous vehicles. Further, the pilot program was successful, and we are now using fully automated vehicles delivering goods from the warehouse to the retail store. It was a proud moment for Arkansas. But to accomplish this, it

took the work of the General Assembly, the Arkansas Department of Transportation, and the leadership of the private sector. In this case, Walmart and Gatik.

We have also recruited the headquarters of an electric vehicle manufacturing company, Canoo; and in south Arkansas, Standard Lithium is piloting the production of a critical element in the supply chain for electric vehicles. In eastern Arkansas, we produce the steel that is required for the battery casing in electric vehicles. So, we are in a good position to shape the future from Arkansas.

In order for us to lead, we need to have electric charging stations across the state. Arkansas is scheduled to receive \$54 million over the next 5 years from the federal government for electric charging station infrastructure. Quite frankly, this needs to be accelerated. Oklahoma already has it in place and we may need to devote state dollars to get it done more quickly.

As governor, I won't be here for the end of the story but together we can write the first chapter. Today, I am announcing the creation of the Arkansas Council on Future Mobility. The Advisory Council will be charged with identifying state laws and regulations that create a barrier to the development and enhancement of electrification, autonomous vehicles, drone delivery, and advanced air mobility in Arkansas. It will examine workforce training, accessing federal funding, and will make recommendations before the next general session of the legislature.

In the future, you will have choices to make. You will have the opportunity to remove regulatory burdens and to pass legislation to advance new modes of transportation that will keep Arkansas in the lead. I encourage you to build on the private sector success we have in Arkansas and allow innovation and new technologies to bolster our future. The businesses that drive these innovations in mobility will be leaders in the future economy. I want these companies to find a home in Arkansas and for our state to be a leader in future mobility.

Of course, the reason we are here is the Fiscal Session of the General Assembly. So, let me discuss the budget that has been presented.

The budget before you includes increased funding for education, health care and public safety. It includes stable funding for the victims of crime through the Crime Victims Reparations program. It provides funding for child abduction response teams and for 2 new drug courts. And even with those spending priorities, we will continue to have a healthy surplus.

Most importantly, this session will be remembered for our support of law enforcement.

Because of your advocacy and hard work, I am able to announce support for the \$5,000 one-time payment to every county and city-certified law enforcement officer. This will be one-time payment from our surplus effective June 30 when the fiscal year ends. It is designed to reward and incentivize those dedicated officers who keep our streets safe and our homes protected. The total costs of this initiative in support of law enforcement will be approximately \$45 million.

Next, you passed Act 786 of 2021 to create the Public Safety Equipment Grant Program. This was one of the recommendations of the Task Force on the Advancement of Law Enforcement that I convened after the murder of George Floyd and the subsequent nationwide protests. The Task Force wanted to increase trust between police and our communities and to improve the training, equipment and pay for our law enforcement officers.

The grant program has received applications for funding to purchase everything from body cameras to bulletproof vests. We have about \$5 million in equipment requests from cities and counties but we don't have \$5 million to cover those grant requests. I recommend \$10 million of one-time funding from our June 30 surplus to adequately fund the \$5 million in applications and another \$5m for new requests.

Currently, our law enforcement is underfunded, underpaid, and underappreciated. The actions of this General Assembly to fund more, pay more, and to appreciate more will send the unmistakable message that in Arkansas.....we support and value our law enforcement partners.

As part of this effort, our budget will significantly increase the pay of our state troopers. Col. Bill Bryant has been a star in leading the State Police and the troopers are deserving of a more competitive salary. The troopers not only patrol the highways but their SWAT units are regularly deployed in crisis situations across the state. They back up local law enforcement in the response and investigation of violent crime. I am very proud of their dedication and professionalism. So, while some across the country advocate for reducing police funding, we are doing the opposite. We are increasing support and affirming that the first duty of government is public safety.

I also challenge our counties and cities to step up to the plate and do more. Police funding must be a priority at every level.



Currently, we have a record back up of state prisoners in our county jails. This limits the counties and cities in their capacity to enforce local laws. This backlog must be remedied and for that reason, I recommend another one-time investment from our surplus to fund a new 498 inmate prison facility.

Let me emphasize that this need for a new facility is not a reflection of a change in incarceration policy. It is simply the fact that we have a growing state. We are growing in projections of 1.4% percent.

My finance team led by Secretary Larry Walther conservatively estimates that we will have a \$500 million surplus on June 30. We have sufficient room to address these urgent public safety needs.

And, yes, if this surplus continues to grow then there will be an opportunity next year to return part of the growing surplus to the taxpayers.

As to the state of our state, I am grateful to say that Arkansas is leading. We are leading in computer science education; technology innovation; agriculture; tourism; job creation; and support for veterans and law enforcement. Sure, we have more to do but our state is blessed.

And our nation is blessed as well. I think back in my lifetime and I can recall the division and protests of the Viet Nam War; the turmoil of Watergate; the assassinations of Presidents and civil rights leaders; and the bitter political fights in Washington. If you simply concentrated on those tragic moments in our history then you might be discouraged about America. But I also remember and lived through the Berlin airlift; the Cuban Missile Crisis when our leaders stood tall against a Soviet threat; I witnessed Neil Armstrong land on the moon to win the space race and I saw the fall of the Berlin wall. I observed from a very personal standpoint how we all came together as a nation after the 9-11 attack.

These moments in history remind us that leaders make a difference and that we can do more, and earn the respect of the world when we are united and when we are following the better angels of the American spirit.

Leaders can appeal to the instincts of fear or they can lead with hope. In today's world and, yes, in Arkansas, let's join together to bring out the best of our fellow citizens. I have never been

more hopeful and optimistic about the future of our state. Let's work with courage to unite, inspire and lead with hope.

Thank you. May God bless the state of Arkansas and give us the courage to keep America strong, united, and free.