

# GOVERNOR BILL RITTER, JR.

## STATE OF THE STATE ADDRESS

Joint Session of the 67<sup>th</sup> Colorado General Assembly  
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### Introduction

Good morning. Two years ago, I stood outside this Capitol and delivered my inaugural address, sharing my belief in the sacred trust we hold with the people of Colorado.

“It is a solemn duty to serve as an elected official,” I said then. “We hold a sacred trust with the people who elect us. We must honor that trust through our hard work, and through our commitment to an open and honest relationship with the people of this state. Every day we must work to maintain the trust conferred upon us by the oaths we swear this morning.”

Serving as governor has only reinforced my belief that holding public office is indeed a sacred trust; a trust relationship not only with those who voted for us, but for *all* of the people of our house districts, our senate districts, and yes, of the entire state. Elections determine who has the privilege to serve, and with this privilege comes the responsibility to honor this trust relationship, which dictates that we serve for all.

Today, as we, and the rest of the country, navigate this global economic downturn, honoring that trust relationship is more important than ever before. It’s important to families who need health care, to small businesses struggling to meet payroll, and to students juggling multiple jobs to pay for college. It’s important to all those who live at the margins, who are unemployed, or under-employed, and who need a safety net until the turnaround comes, and it will come.

In this legislative session, in this tough economy, we’ll need to make tough choices, we’ll need to collaborate and listen to one another as we chart a Colorado way forward. Our challenges need more than just Democratic ideas or Republican ideas. We need uniquely Colorado ideas.

Adversity is nothing new to Colorado, and neither is resilience. After last May’s tornado, the people of Windsor pulled together and found a way to rebuild. Just like the people of Windsor, the people of Colorado will come together and overcome this economic crisis. And like the Windsor High School Marching Band, which will represent Colorado at President-elect Obama’s inaugural parade, our state will march ahead.

Yes, we face many obstacles. But a new president and a new year bring the promise of change and opportunity. Together with the new administration, together with our new Senators and our entire Congressional delegation, we will create a stronger partnership with the federal government and work side-by-side on the challenges we face.

President Groff, Speaker Carroll, honorable members of the House and the Senate, thank you for allowing me to deliver my third State of the State Address here in this chamber.

I look forward to working with all of you and your new leadership team. With Terrance Carroll as your Speaker, you have made history two years in a row. With Representative Curry and Senator Penry in leadership, you will have strong voices not just for the Western Slope, but for all of rural Colorado.

To our many distinguished guests: Lt. Gov. O'Brien, Treasurer Kennedy, Attorney General Suthers and Secretary of State-designee Buescher ...

Mayor Hickenlooper, newly-elected county commissioners, tribal chairs, members of the Supreme Court and Board of Education ...

To members of my Cabinet, members of the public and all those outside this chamber, thank you for this privilege.

And especially to my wife and Colorado's first lady, Jeannie ... thank you for everything you do for the people of Colorado, and for our own family. Two of our four kids, Tally and Sam; my mother, Ethel; and many of my siblings are here this morning, too.

### **Achievements**

The path forward will require tough choices and great cooperation. We are feeling pain. But Colorado is still better off than many other states because we've made smart investments and steady progress the past two years, progress that will help us weather the immediate storm and create sustainable economic growth for the future.

In my first State of the State, I said the New Energy Economy must be our calling card to the future. In two short years, we've created thousands of jobs, quadrupled our wind power and made Colorado a global research leader. We introduced the New Energy Economy to our president-elect and the rest of the country, and now we're introducing it to the entire world.

We've launched the boldest education reforms in decades, because we should give every child the chance to walk through the same doors of opportunity that you and I walked through.

We've crafted an economic-development strategy geared toward knowledge-based industries of the future. And through our Jobs Cabinet and community colleges, we are aligning the needs of businesses with workforce development and training programs.

We're providing greater protections for Colorado's air, land, water, wildlife and communities.

We're reforming Colorado's health care system, enrolling 30,000 more uninsured kids and 10,000 working parents in Child Health Plan-Plus and Medicaid.

We're greening government, and saving on energy costs.

We're making state government work better for taxpayers, taking a more common-sense approach and saving hundreds of millions of dollars, including \$600,000 simply by renegotiating cell phone contracts. \$600,000 may not sound like a lot, but every dollar counts.

We're making Colorado safer through our crime-prevention and anti-recidivism initiatives, which will save taxpayers tens of millions of dollars.

And we're making government more modern and transparent by putting more services online – and soon, working with Treasurer Kennedy's Office and Representative Marostica, we'll have the state's checkbook online.

We have, together, Democrats and Republicans, made our state stronger.

### **Economic Challenges and Opportunities**

Over the past two years, I've seen the promise of Colorado in every corner of our great state, in classrooms, in research labs, in rural and urban Colorado alike. I've been all across this vast state, because every place and every person in Colorado matters.

I also know that every place and every person in Colorado is, one way or another, affected by the downturn. Mothers and fathers are losing their jobs. Members of my own extended family have been laid off or otherwise seriously affected.

We can't underestimate the pain a family feels when there's a job loss. It affects everything, every decision ... from being able to pay for groceries or new clothes to being able to afford health care or college.

I know what it's like to grow up in a family affected by layoffs. My dad was a dry-land wheat farmer, and he also was a construction worker and heavy equipment operator. There were winters when there wasn't work to be found. There were times when my mother put dinner on the table using food stamps for me and my 11 brothers and sisters.

This session, we must do everything we can to help those who are struggling, to keep Coloradans in their jobs, and to keep families in their homes.

The federal government recently approved our \$34 million Neighborhood Stabilization proposal to help communities and families recover from foreclosure. I look forward to working with Senator Carroll and Representative Ferrandino on our plan to help struggling homeowners get their finances in order and avoid foreclosure.

Families and businesses throughout Colorado are facing challenges they haven't seen in generations. Families are making different decisions, setting different priorities, and sacrificing. Just like every family in Colorado, we'll need to make tough choices here in the Capitol as well.

Over the next 120 days, our collective focus must be on protecting businesses, creating jobs, and managing the budget. I will look at everything we work on this session through the lens of the economy – of what's responsible now and what's best for the long run.

### **Fiscal Responsibility**

Our first order of business will be to prudently manage the budget.

We made steady progress in 2007 and 2008 in education, health care and human services. As we now undertake the hard work of budget-cutting, we must try to protect those gains and position ourselves for a quick recovery.

Since early fall, we've taken a number of steps to shore up our fiscal house: imposing a hiring freeze, stopping several new construction projects and halting non-essential spending requests.

Since then, I've directed my department heads to find even deeper cuts, and next week, my budget office will begin presenting the JBC with the first round of recommended reductions.

Senator Keller, I look forward to working with you, the JBC and the legislature on what will be a collaborative and bipartisan effort. We'll work to protect life, safety and public health, and we won't abandon our obligation to provide safety-net services.

However, we will touch many other important public services. This will be hard on the public and hard on public servants like those of you here today: lawmakers, judges, mayors, county commissioners and school board members.

Unlike the previous recession, our options are more limited this time. Therefore, *everything* will be on the table. We'll look at base budget cuts, cash-fund transfers, program changes and the state's reserve. We've asked state employees for their ideas, and we will ask them to sacrifice, too. As I announced before, employee compensation will be part of the solution.

As I've said before, a budget is a moral document that should reflect our values. We've used the budget the past two years to set Colorado on a forward path. Now, in these tough times, we must focus on the bare fundamentals and delay some investments we know will make Colorado stronger.

Delay does not mean forever, and we can't stop thinking about long-term investments in human and physical capital – in education and research and innovation – because those are the things that will help us rise up quicker than ever, and stronger than ever.

There is also an opportunity here – a chance to address TABOR and the constitutional and statutory straightjacket that makes modern, sensible and value-based budgeting an impossibility. Last year, former House Speaker Romanoff started the conversation, and we need to keep it alive. We need to talk about life after Ref C – whether and when to extend it. We have a chance to find a better way forward, a Colorado way forward.

### **Economic Development**

Despite our challenges, Colorado's economy is still in better shape than many other states. We're fourth in the U.S. for venture capital funding, fifth for creating new companies and first for women-owned businesses. We have one of the best-educated workforces in the country, and among the highest concentrations of scientists, engineers and high-tech workers.

We've crafted a focused economic-development strategy that will help us protect what we've got and pave the way for future growth. We're holding small-business finance forums around the state. We're partnering with Mayor Hickenlooper and other local officials to jump-start the metro area's economy.

When I and the nation's governors met with President-elect Obama in November, he said it would take courage and a strong federal-state partnership to get America back on the path to long-term prosperity: "Any true solution will not come from Washington alone; it will come from the White House and the State House working together every step of the way."

My administration is helping to design the president-elect's economic recovery package from the bottom up.

We're also working closely with your Committee on Job Creation and Economic Growth. Thank you Senators Schwartz, Heath and Vigil and Representatives Rice and Marostica for sponsoring our job-creation and economic-growth bills.

By reviving the Colorado Credit Reserve Program, we can give thousands of small businesses vital access to credit and capital. Here's an example: Sid Huddleston runs a sporting good shop in Pueblo. He sells soccer uniforms, and every winter he gets a short-term loan to get through the slow part of the year.

Sid is a Vietnam War veteran. He's never been denied a loan before, until now. He's depleted his retirement savings, and if he doesn't get help soon, he'll have to close his doors for good. The Credit Program could be the answer for businesses like his.

By enacting House Bill 1001, the job-creation tax credit I announced last month, we can level the playing field with other states when it comes to attracting new companies and new jobs.

Colorado has never been able to compete against other states in terms of incentives. This job-creation tax credit won't just be a new tool in the toolbox – it will be *a whole new toolbox*. Just the fact that we're considering this incentive has put us back in contention for yet another New Energy Economy wind manufacturing plant.

### **New Energy Economy**

Two years ago, I talked about the New Energy Economy as a way to build wind farms in wheat fields and make our universities research leaders in renewable energy. Today, our New Energy Economy is not just creating a culture of sustainability, it's fulfilling the promise of a new energy future and a new economic future for all of America.

I'm working with our congressional delegation and the incoming Obama administration to ensure the federal recovery package includes funds for transmission lines and other clean-energy projects.

The New Energy Economy is a place where we must keep creating new jobs, new innovations and new opportunities. This session, we also must continue bringing the New Energy Economy home for ordinary Coloradans.

We'll be introducing legislation with Representative Merrifield and Senator Carroll requiring that all new single-family homes come with a "solar-ready" option. Today, homebuyers already have choices when it comes to countertops, paint colors and flooring. People should have similar options when it comes to sustainability.

I'm equally excited about another of Senator Carroll's proposals, the Renewable Energy Financing Act, which will facilitate financing for residential and business clean-energy projects.

My office also is working with Treasurer Kennedy, Representative Andy Kerr and Senator Schwartz on a plan for wind and solar projects on schools in rural Colorado. This will help reduce schools' energy costs so they can focus their dollars where they belong – in the classroom.

And we are moving forward with Representative Apuan on proposal that would require home-sellers to disclose their energy bills for the past 12 months, to help prospective buyers anticipate their monthly expenses.

My thanks to lawmakers on both sides of the aisle for sponsoring and supporting these bills.

My thanks also to Colorado's traditional energy sector, which is a key part of our New Energy Economy.

We have some of the richest natural gas reserves in the nation. We must ensure Colorado's natural gas continues to meet America's energy needs today and serves as a clean-burning bridge fuel for tomorrow. That's why I'm working with industry and others to include funds for gas pipelines in the federal recovery package.

This session, I'm asking you to finalize rules, passed unanimously by the oil and gas commission, to improve the quality of energy development in Colorado. I'm proud of the commission's work. They listened to every interested party and found the right balance. With these rules, Colorado companies and Colorado workers can successfully drill for natural gas, while our air, land, water, wildlife and communities are protected.

## **Transportation**

Transportation funding also will be a big part of the federal economic recovery package.

For every billion dollars of transportation construction, we protect or create at least 35,000 jobs. We've put together a list of 160 shovel-ready highway, transit and aviation projects, worth about \$1.4 billion. The federal piece of this is vital. It will create immediate jobs and help us build a modern transportation system for the future. But it's just a first step. Those are just one-time dollars.

We have a much bigger problem. We're trying to run a 21<sup>st</sup>-century transportation system on a 20<sup>th</sup>-century funding model that's no longer sustainable.

Even with federal recovery dollars, we don't have the resources to repair the 126 structurally deficient bridges in Colorado. We don't have the resources to maintain aging and congested highways. And we don't have the resources to give commuters the transit choices they demand and deserve.

This session, even in this tough economy, we need to find a new way forward. Eighteen months ago, I convened a bipartisan transportation panel to examine the problem and offer solutions. The panel has done its job; now it's time for us to do ours.

Over the past few months, my administration has been building a bipartisan coalition of business, civic and government leaders to support an omnibus transportation bill called FASTER – Funding Advancements for Surface Transportation and Economic Recovery.

This bill will establish a new transportation vision for the future – a vision that creates jobs, a vision we can implement in stages, and a vision that’s both bold and realistic about what we can afford. This will take political courage and strong leadership, because this will not be free. It will require asking people to invest more in a down economy.

For the short-term, we’ll need to put safety and maintenance first, by looking at fees and bonding to fix old bridges and old roadways. For the mid-term, we’ll need to be even more creative, looking at public-private partnerships and other financing options. And for the long-term, we’ll need to craft a sustainable funding formula that’s responsible, fair and affordable.

I look forward to continuing the dialogue this session, and I offer my thanks to Representatives McFadyen and Rice and Senators Shaffer, Gibbs and Penry for their leadership on this pressing issue.

## **Education**

While investments in the New Energy Economy and transportation are essential, the best economic strategy is an education strategy.

Colorado already has a lot to brag about, including one of the best-educated workforces in the country. But we can – we must – do better. Our achievement gaps are still too wide. Too few Colorado kids are graduating from college, and for the past 10 years, we’ve made virtually no measurable improvements in student learning.

The P-20 Council, under the wise leadership of Barbara O’Brien, continues to offer thoughtful reform proposals, and you will see several of those ideas this session. We also will continue to implement Senate Bill 212, the bipartisan Colorado Achievement Plan for Kids, among the most progressive reforms in the nation.

Certainly, it’s hard to talk about funding new reforms in a bad economy. But we can’t shortchange hope. So this session we will bring you a statewide concurrent-enrollment plan that will give high school students an opportunity to earn college credits while finishing high school.

Colorado currently has a handful of different laws governing concurrent enrollment. In fact, many of you voted in favor of Senate Bill 148 in 2007. Now it’s time to take this effort to the next level.

We are proposing a comprehensive, statewide approach that will guide high school students who are taking college courses. This is an efficient student-centered concept that will give kids a reason to stay in school *and* accelerate their progress toward degrees and workforce-readiness.

It sets high, rigorous standards while keeping college affordable and accessible. It addresses two of my major education goals: cutting the dropout rate in half and doubling the number of college degrees earned by Colorado students.

Now, more than ever, we must focus on policies like this, which will help us rebound from the downturn and put us back on the path to prosperity. Thank you, Representative Merrifield and Senator Williams, for carrying this bill.

## **Health Care**

Health care is also an area where we must stay focused. Fortunately, President-elect Obama has made health-care reform a priority. He knows state health-care plans and safety-net providers must be part of the recovery package, because, as more people lose their jobs and health insurance, that's a cost burden all of us must shoulder.

Over the past two years, we've made steady progress in Colorado with our Building Blocks to Health Care Reform initiative. This year, my health agenda will focus on a new strategy to move more than 100,000 Coloradans off the rolls of the uninsured.

For the past eight months, my office has worked closely with hospitals across the state on a strategy to bring in more federal Medicaid funding – significantly more – without requiring additional general fund appropriations. The process is simple and already in use in several states.

Hospitals would pay a fee based on their patient revenue. This revenue would then be used to leverage matching federal dollars. Finally, the new resources would be used to reduce underpayments to hospitals – stabilizing their rates – and to provide coverage to our most vulnerable populations.

My thanks to the Colorado Hospital Association, Bill Lindsay, Don Kortz, Senator Keller and Representative Riesberg, for their leadership on this plan.

During these difficult economic times, when more and more families are struggling to access health care, our provider fee partnership with the hospitals is a bright light that will not only help the uninsured, but slow the escalating cost of health care for struggling businesses as well.

## **Conclusion**

As I said at the start, we must honor our sacred trust with voters by working together to make the tough choices that lie ahead. We must overcome these challenges for the short-term and aggressively pursue new opportunities for the long-term, opportunities that can have national and international impact.

In addition to my travels throughout Colorado, I've visited solar plants in Spain, seen shrinking polar ice sheets in the Arctic, and breathed the polluted air in China. These experiences are sharp reminders that Colorado companies can, and already are, addressing issues like climate change and clean energy. Investing in Colorado technologies and innovations will create a better future here at home, and also around the globe.

And this isn't just about *investing* in the future. This is about *inventing* the future – and not just a new energy future, but a new medical future, a new aerospace future, a new technology future.

This is not about yesterday. This is about seizing the opportunities of today to realize the possibilities of tomorrow. When I was in Japan a couple months ago, I was reminded of something the politician Youzan Uesugi said 200 years ago, “The government of now exists to prosperously link the nation of our ancestors to that of our children.”

Those who came before us here in Colorado were wise enough to plant wheat fields, stake their mining claims, carve railroads and highways through the mountains, and build Denver International Airport. Even in a global economic crisis, you and I – the government of now – must realize the next great opportunity that will link us to our children and our grandchildren.

One hundred years from now, I want Coloradans to look back and see this as the turning point – the point when we set aside partisan politics and worked together as Coloradans and built a New Energy Economy, a modern transportation system, and the country’s best education system.

In his election night remarks, President-elect Obama reminded us of the words of Lincoln: “We are not enemies, but friends ... Though passion may have strained, it must not break our bonds of affection.”

We will need to work together as responsible leaders to make the difficult choices necessary to weather this storm. We must not give in to partisan politics. We must not let cynicism win out over hope. We must not let fear win out over faith.

Future generations will look back to see if we let petty differences stand in the way of steady progress, if we looked past our own differences to rebuild the economy, to put people back to work and to get this state and this country moving again.

The people of Colorado are counting on us to govern well. We have been given the privilege of serving, the responsibility of charting a clear path forward. Let’s make good on the Colorado Promise, together.

Thank you, and may God bless Colorado.