

2017 STATE OF THE STATE ADDRESS

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DENVER — **Thursday, Jan. 12, 2017** — Gov. John Hickenlooper today delivered his annual State of the State address. The governor's remarks focused on the economy, education, transportation and budget challenges.

Here is the text of the speech as prepared:

I couldn't sleep last night, so I thought about delivering this speech as a tweetstorm....

But I heard you were going to be here anyway...

Don't worry...you'll be home in time for dinner.

President Grantham, Speaker Duran, Members of the General Assembly, Lieutenant Governor Lynne and her husband Jim, Justices of the Colorado Supreme Court, Attorney General Coffman, Treasurer Stapleton, Secretary of State Williams, Southern Ute Chairman Frost, Ute Mountain Ute Councilwoman Plentyholes, the State Board of Education, Denver Mayor Hancock, other elected

officials in attendance, my hard-working cabinet and staff, my amazing wife Robin, my fellow Coloradans...

We thank our veterans and their families for their sacrifice and service.

And we thank the members of the Colorado National Guard...nearly 400 of whom are deployed overseas, defending our democracy...

We recognize our Department of Public Safety, which last year helped mitigate 43 forest fires along with local first responders...

Any one of these small blazes could have grown into the next catastrophic wildfire...thank you.

And we want to recognize our neighbors and heroes in law enforcement who we've lost over the last two years: Trooper Cody Donahue, Trooper Jaimie Jursevics, Trooper Taylor Thyfault, Corporal Nathan Carrigan, Deputy Derek Geer, and Marine Corps Captain Jeff Kuss.

Some of their families have joined us today. We ask that they stand so we can show our support and love.

Let's honor their memory by making our state a better place, because that's why they served.

It's no secret that we've just been through one of the most toxic political campaigns on record.

Regardless of who you supported, we can all agree: last year was divisive.

But we'll soon have a new president, and it is clear that the new administration and Congress seek a different relationship between the federal government and the states.

In the early 20th century, Justice Louis Brandeis popularized the idea that states are the laboratories of democracy. And in the coming years, we expect more responsibility to be directed our way.

But in Colorado, we've always been trailblazers.
And now, more than ever, we need to move forward, chart our own course, and focus on results.
Because Colorado deserves our best efforts. And history has its eyes on us.
In 2011 when we started, Coloradans were hurting. Over 200,000 people were unemployed, and countless more were UNDER-employed.
Six years, and almost 400,000 new jobs later, we have one of the lowest unemployment rates in Colorado's history and the state of our state is STRONG.
We're the number one state for business and careers, we have the best workforce, and we're one of the best states for innovation.
More people attend cultural events in Colorado than any other state, more skiers and snowboarders choose Colorado, we are the best place for outdoor recreation, and we're home to seven professional sports teams and some of the greatest college teams, not to mention the world champion Denver Broncos.
Colorado's future is bright.
And like anywhere with a strong economy, we have our challenges.
With an aging and insufficient infrastructure, lagging recovery in certain areas, and a growing cost of living, that future is too far out of reach for too many.
Today, we won't frame solutions in partisan terms.

We are called to these chambers to tap into our state's deep reservoir of ideas no matter where they come from, and demonstrate that an accountable government solves problems, stimulates growth, and improves lives across Colorado.
This morning, we talk about solutions. Tomorrow, working together, we begin to make them happen.
We've had a lot of conversations about where we're going, but not enough about how we get there.
We have 725 days left together, and as the late, great, Muhammad Ali said, "Don't count the days, make the days count."
Every bill we write, negotiate, and sign. Every time we enter this building. Let's make our days count.
As we evaluate each solution, let's ask ourselves: Does it keep our communities safe? Does it help those unable to care for themselves? Does it create good-paying jobs? Does it help small business? Does it improve quality of life?
Thomas Jefferson said that the future of the country is in the West.
It was true at the turn of the 19th century, and it's true today.
But that promising future didn't just happen on its own. Our founders invested in railroads, farms, and people.
Today, 8 of the 10 fastest growing economies in the country are west of the Mississippi.

The best state for jobs, the best state for business, and the best place to live.

And we want to be the best of the West and of the nation.

To do all this we need to invest in our future. We need a comprehensive focus on infrastructure that supports not just transportation, but also broadband, education, healthcare, and our environment. These are not luxuries. Infrastructure investments lead to jobs. And quality of life starts with a good job. If we want to be the best, we need to lead in Colorado. One way to get started is right before us. Talking about the hospital provider fee on the second floor of the Capitol is about as popular as the Oakland Raiders. BUT it's a sensible way to solve some of our problems, though it won't solve all of them. Let's see if we can take a fresh look at the hospital provider fee itself, and see if it can be modified as a vehicle to control costs, to build more transparency and accountability and better serve rural clinics and hospitals. We can free up the money we already have, from existing revenue, to begin building the infrastructure we need to support our growth. Over the next decade, Colorado has \$9 billion dollars of unmet transportation needs, and that need will only grow. Voters are tired of us kicking the can down the road, because they know it's going to land in a pothole.

In our neighboring state of Utah, infrastructure investment is a priority. Utah has about half as many people as Colorado but invests four times what we do to expand their road capacity every year. It's economics 101: smart investments in infrastructure create jobs and strengthen the economy. Two years ago, on the west steps of the Capitol, we said it was time for a continuous third lane on I-25 from Wyoming to New Mexico. This past summer, working with local officials, we secured \$15 million in federal funds to help build a new express lane from Fort Collins to Loveland. And just last week, CDOT leveraged funding to start the planning process to add a third lane from Castle Rock to Monument. This means that the required planning will be completed in under three years. These are good first steps, but the cost of construction to bring I-25 into the modern world is still over \$2 billion. That's more than CDOT's total annual budget, which is almost entirely dedicated to maintenance. We're already squeezing every penny out of our transportation revenue but efficiencies can only get us so far. With the gas tax unchanged since 1992, more fuel efficient cars and normal inflation: it's basic math. It's a funding problem.

We've had this debate for too long.
If talk could fill potholes we'd have the best roads in the country.
But the General Fund cannot adequately support the demands of core government services and capacity improvements in transportation.
There are some who believe we can pay for our infrastructure needs through cuts alone. But that can only happen if we demand major sacrifices from Coloradans.
If that's what you want, introduce that bill. Make that case.
Tell us who loses healthcare or what schools have to close to add a mile of highway.
Coloradans share our desire to make these investments.
They know that our future economy demands a modern infrastructure.
Let's examine all our options. Whether it's new revenue, simplifying or replacing old tax streams, or a combination of both.
We can find a solution that clearly spells out to Coloradans exactly what they're getting and how the money will be spent.
And how that funding can benefit rural and urban communities, support local needs and statewide projects, and balance transit options with highway expansions.
Lincoln once said: "I am a firm believer in the people. If given the truth, they can be depended upon to meet any national crisis. The great point is to bring them the real factsand beer."

Let's decide what we take to voters in November, and let's make our case to the public. Infrastructure is more than laying new roads and expanding transit: it's running the fiber and deploying new technologies for reliable, affordable internet in every part of the state. Businesses should be able to open their doors wherever they want; especially in smaller communities. Every school, hospital, clinic and home should have high speed internet. In rural Colorado, only 7 in 10 households have access. Tonight, somewhere in one of these communities a high school student will sit in a parked car outside her town library. She'll huddle over her laptop, face glowing from the screen as she tries to finish her paper, because it's the only place she can get wifi. This isn't right. Today, I'm announcing the creation of a broadband office to help us get from 70% to 85% coverage by the time we leave office and 100% by 2020. We'll work with industry and local civic leaders; people like Katelin Cook, Rio Blanco County's economic development coordinator who recently helped Meeker and Rangely become some of the very first rural giga-bit communities in the entire country. She is here with us today.

In 1936, a Republican U.S. senator from our neighboring Nebraska championed the Rural Electrification Act to run the power lines that made countless family farms across the country more competitive.

Fiber optic cables are today's power lines for farmers, ranchers and rural small businesses.

These entrepreneurs helped pull us out of the Great Recession. Now, we need to pull together for them.

We need to make sure they're fairly connected to other counties and countries. If they can't play on a level field, our economy suffers and we all lose.

Thousands of Coloradans' careers have shifted beneath their feet, but there are still thousands of new jobs that need to be filled, many of which don't require college degrees.

But they do require skills, knowledge, and expertise.

We need to include pathways not just to four-year degrees but also to technical training and skills certificates for the many jobs in Colorado that require advanced skills like cybersecurity training.

Last year, when we created the National Cybersecurity Center--which is already a national leader in this critical area--we learned from industry that less than half of the 10,000 job openings in this field require a university degree.

Cybersecurity isn't just about high profile breaches against big business and federal agencies. Anyone with information or money to steal is at risk, and hackers are reaching through new windows and doors every day.

Colorado Springs is known as the place where world-class olympians train. Now, it is becoming a world-class destination to train our cyber workforce.

And even beyond cybersecurity, there is increasing demand for technical skills.

From high school students wanting to work as apprentices--to the many Coloradans who want a new career--either from passion or necessity--these jobs should be available for everyone.

If we do this right, there should be an opportunity for thousands of Coloradans to acquire skills either in classrooms or on the job that are career-focused and transferrable to different industries in the future. In the last 18 months, foundations, corporations and the federal government have joined our cause and provided more than \$15 million in grants to fund innovative public-private partnerships like Skillful and CareerWise Colorado, helping students and job seekers develop new skills for new careers. Today, we are a national model for matching education with skills based training. Sean Wybrant is Colorado's Teacher of the Year. He has been teaching for 11 years at Palmer High in Colorado Springs, as he said, to "change the world." And he's changing it by focusing on the one-third of our kids who won't go on to four year or two year colleges. He's preparing the next generation for the career and technical jobs of tomorrow. Tim Kistler is the Superintendent of the Peyton School District in El Paso County, where he helped open the Woods Manufacturing Program in an empty middle school. It teaches students cutting edge skills needed in the woodworking industry. We thank both Sean and Tim for helping to close the skills gap, and for making sure all students realize their potential.

good job.

Closing the gap means giving students a solid foundation for success at every step of their education, as they move from preschool through K-12, toward college, certificate, or apprenticeship and onto a

Part of that work includes a common sense plan to fund education.

The constitutional budget constraints for school finance are the thorniest part of our fiscal thicket.

This July, the Gallagher Amendment will cause property taxes for schools to drop by \$170 million.

In addition to addressing transportation, Speaker Duran, President Grantham, and minority leaders Guzman and Neville: let's get our best minds together and find a way out of this thicket that respects taxpayers and gives all of our children the education they deserve.

From Towaoc to Julesburg, from Dinosaur to Campo, we are working to support business and stimulate growth.

We have one of the best economies in the country, but some rural communities struggle.

That's why we have invested significant resources and focused all cabinet agencies in an effort to fully realize the expansion of our economy across the entire state.

Last summer, Blueprint 2.0 announced their support for initiatives that local communities identified: from tourism promotion and outdoor recreation, to tiny homes and affordable housing.

Our small towns represent a fraction of our total population, but they are a crucial piece of the fabric of our economy, and when small communities flourish, the whole state benefits.

We have improved access to the outdoors, partnered with local government and communities to improve and ultimately complete and connect 16 priority trails across the state.

Outdoor recreation generates 313,000 jobs in our state and over \$34 billion in economic output, much of it in rural Colorado.

It is also one of the top reasons businesses and talented workers choose to come here.

As part of our Colorado the Beautiful initiative this summer we'll be launching an interactive statewide trails map that will--for the first time ever--pull together over 20,000 miles of Colorado trails managed by over 100 local, state, and federal agencies.

Anyone hiking or biking will be able to see where they are and where they're going on a map, take photos along the way and share those photos with others on the same trail.

This is one piece of our vision to get kids outside and exercising.

And thanks to the generosity of people like Jake Steinfeld--a nationally recognized fitness expert-three schools in the state will have a chance to win a brand new \$100,000 dollar fitness center to help students get fit and stay healthy.

We want everyone to experience the beauty of our entire state, and we also want to make sure all regions have access to these tourism dollars.

We can't wave a magic wand to diversify the economy throughout the state, but if we work together, we can support growth in any community that wants it.

We're asking to establish a point person on the ground for rural economic development issues to expedite and speed resources to communities that need them:

In communities like Montrose where Colorado's Job Training helped Al Head, here with us today, and his employees at Western Skyways; a company that re-manufactures one of the finest piston engines in the aviation industry, and markets it worldwide.

It's why we have programs like Rural Jumpstart: to encourage companies to move into rural areas.

Companies like Prostar Geocorp and its employees in Grand Junction, where they provide geospatial intelligence software, and just last year won the APEX award for entrepreneurship.

It's why we partner with small business owners and farmers on energy efficiency programs:
People like dairy farmer Mary Kraft from Morgan County, who will save up to \$5000 a year in expenses, allowing her to focus on her bottom line.
Please join me in recognizing Al and Mary
And promoting growth means allowing these companies the chance to compete equally on the global stage.
They can't afford tariffs or trade wars.
Some may think job training and rural incentives aren't glamorousand there certainly aren't legions of lobbyists for the thousands who are unemployed or underemployedbut it's how we build on our momentumand engage the rural economies at the same time.
Our economic engine should be strong enough to pull everyone. Anyone willing to work hard enough should have a fair shot at a good paying job.
We're bullish on partnering with rural economies on every intractable issue: from broadband to job trainingto our energy economy and clean air and water.
With the support of both Republicans and Democrats, we have quadrupled the amount of energy we get from wind and sun in recent years
Costs of these technologies are dropping like a rockwhile the clean energy industry provides jobs to over 60,000 Coloradans.
We've protected thousands of acres of open lands and riverswhile we've become one of the best states in the country for natural gas production

...We have put the energy needs and costs of hard working Coloradans before any special interest agenda or false promise. Clean, safe, and affordable Colorado-made energy is the best approach. Colorado has led the country on moving to cleaner energy sources... we can--and working together-we should have cleaner air at little--or no--additional cost to consumers. When we come together, we create an environment that's good for business and people. Likewise, in the first year of Colorado's water plan, we made progress on every measurable goal. ...The Water Conservation Board has a strong funding plan to ensure we stay on track...so farmers can keep feeding millions...while we protect our environment. And as with all of our infrastructure, Colorado should lead... ...because we all know states are the laboratories of democracy. We are relentlessly innovative--in the face of challenges old and new... Several years ago...Colorado voters asked us to be the nation's laboratory for marijuana legalization. ...Many of us in this room...myself included...had serious doubts. But we rolled up our sleeves, and though it's still in the experimental phase, we are trying to create a reasonable and efficient system for a new industry while responding to health and safety challenges. We enacted new safety protections making edibles less enticing to kids...requiring that they're

contained in safe, childproof packaging.

We've dedicated \$7 million this year to educate youth, their parents, and trusted adults about underage use.
But loopholes in our home grow and caregiver laws have helped fuel abuses of our system and a continuing black market
when we ended alcohol prohibition 84 years ago, we worked hard to wipe out organized crime
We should develop common-sense guard rails around our home grow and caregiver laws so that we can end organized crime here, as well.
We've also requested \$6 million to provide financial resources to local law enforcement to increase training and detection, shut down illegal grows and prosecute criminals.
Almost two thirds of Americans now live in a state that has legalized marijuana in some formwe're showing that a state can craft a responsive regulatory frameworkthat works.
In 20 years when historians look backthey'll see how Colorado led the way in creating a responsible and accountable industry
And they'll look back on how we used this new revenue
not just to improve our schools and regulate the industry
but also to address some of the unintended consequences of legalization.
There's no question that marijuana and other drugsin combination with mental illness or other disabling conditionsare essential contributors to chronic homelessness.

Tax revenue from marijuana sales can and should be used to help those who fall through the cracks
including hundreds of homeless vets
helping them find stable, supportive housing.
And we will also help provide training so they can find and keep jobs
This is a problem across the state, from the Western Slope to the Eastern Plainsand a national problem, too.
This investment will not only change the lives of those most affected by substance abuse
it will save the state money.
We currently spend more than \$40,000 per person to perpetuate lives of misery among the chronically homeless
But for less than a third of that we could invest up front in housing, wraparound supportive services and job training.
In every booming economy in the countrylike ourshomelessness of all types is a growing concern.
Across our state, on almost every rung of the economic ladder, Coloradans are being priced out of housing they can afford.
We have a housing crisis, plain and simple.
Many families are stuck or held down.

Too much of their income goes to rent
and homeownership is too far out of reach.
Too many people and not enough units adds up to unaffordable rents and skyrocketing home prices.
I've said it before: we need more affordable housing.
Part of the answer is the construction defects legislation we almost passed last year and we WILL pass this year.
There has to be a compromise that balances homeowner protections for faulty construction and still allows developers to build affordable housing throughout Colorado.
And this isn't the only pocketbook issue we need to address.
Our prosperity doesn't amount to a hill of beans if Coloradans can't afford health insurance
if they're not healthy enough to work or enjoy this great state
We committed to making Colorado the Healthiest State in the nation.
And we've made great progress in this goal:
Since 2011 we've helped over 600,000 people get basic health insurance, and 94% of Coloradans now have coverage.
We believe that basic health care is a right, not a privilege

and thanks to the tireless work of our health cabinet and legislators, expanded coverage means more people will seek the right care in the right place, at the right time.
We all save money when people stay healthy or get treatment in doctor's offices instead of emergency rooms.
Over the last six years we've launched transformative programs to control our Medicaid costs.
We're emphasizing preventive care and giving people the tools to manage their diseases
And with the leadership of Lieutenant Governor Donna Lynne, we will address underlying drivers of health care coststo make it more affordable.
That's a lot of good news, but we all know actions in Washington could threaten the progress we've made.
I think most of us would agree that the last thing we would want is Congress making all of our decisions around healthcare.
If changes are inevitable I will fight for a replacement plan that protects the people who are covered now and doesn't take us backward.
We look forwardto working with all of you to pass commonsense proposals to increase transparency, provide more choices, cover more people, and lower the cost of health insurance for all Coloradans.

We've made important strides in mental health by expanding access to coverage, integrating primary care and behavioral health.

Being the healthiest state means caring for our bodies...and also our minds.

But behavioral health demands our attention at all points...

and not just as one-off efforts when problems get too big to ignore.

There is remarkable consensus around the issue.

From doctors to legislators to patient advocates to sheriffs...nearly everyone is in agreement on how we can improve behavioral health outcomes for Coloradans.

Let's not leave it to be addressed in our jails, and emergency rooms, and prisons.

Let's use this momentum to bring together the work we've already begun to create a comprehensive, statewide behavioral health plan that makes our system easier to navigate, more efficient, and more responsive.

In everything we do--from building our infrastructure to incentivizing businesses to creating jobs to being the healthiest state in the country, we can always be better.

Much of what government does can be measured.

And by evaluating our results, we can make government more efficient, more effective and more responsive.

That's why two months ago we released the Governor's Dashboard--the latest step in our goal in making Colorado the most accountable state in the country.

Think of it as the scoreboard that shows how government is performing--on clean rivers and streams, quick service at the DMV, or job placement at our workforce centers.

It's an easy way for Coloradans to see where we've been...where we're going...and how we're going to get there.

We're also using technology to make life easier for our customerswe've hired the country's first digital transformation officer, and later this year we'll be combining a number of services across multiple agencies into a single, easy to use app.
Yes, history has its eyes on us
In Colorado, we know how to get things done
And acknowledge the limits of a government that shouldn't attempt to solve every problem
In Colorado, we ignore a system that tries to force us into cornersleft or right, urban or rural.
Because we operate in the space betweenwhere compromise isn't a dirty wordwhere success comes from listeningwhere we embrace the wisdom and experience of everyone in our state.
It's the space where disagreements are a starting point for change
and problems are just opportunitiesin disguise.
In this space, and in this building, we don't serve political parties.
We don't serve special interests.
We serve Coloradans.
Giddyup. Let's get to work.

Thank you. God bless the State of Colorado.