## Governor Bill Owens State of the State Message 2003 \*Governor may deviate from prepared remarks

Lieutenant Governor Norton, Speaker Spradley, President Andrews, Members of the Cabinet, Honorable Senators and Representatives, my fellow Coloradans:

It is a great pleasure to be greeted this morning by Colorado's first woman speaker. We know that Lola Spradley is one of the most effective legislators ever to serve in this body. And we know that she'll wield the gavel with a fair and firm hand. Speaker Spradley, congratulations.

The Senate has a new leader as well. We congratulate Senate President John Andrews, who also happens to be my Senator.

While one party may possess the levers of power, one party does not possess a monopoly on good ideas. Good lawmaking, after all, is about the ability to craft effective solutions.

And that is my commitment to you this morning. To work with you – Democrats and Republicans alike. And that commitment begins with the four new floor leaders who serve in this General Assembly.

I look forward to working with Senator Norma Anderson and Senator Joan FitzGerald; Representative Keith King and Representative Jennifer Viega.

We also this morning welcome another leader to the chamber. A familiar face to most of you, but in a new role. I'm proud of the new partner I have in the executive branch. And she will be, an effective partner with you in developing important legislation for Colorado. Please welcome Colorado's new Lieutenant Governor, Jane Norton.

Taking nothing away from John Andrews and Keith King, it's a pleasure to take note of the fact that so many talented and effective women are leading Colorado.

And I want to mention one more.

For the past four years, Colorado's First Lady has been a tireless advocate for so many causes. From promoting literacy to keeping children away from drugs and alcohol, she has made a profound difference in the lives of so many Coloradans. Ladies and gentlemen, please welcome a great First Lady, Frances Owens.

Ladies and gentlemen, we meet at a time of challenge, not of crisis. We meet at a time when we are called to work together.

A simple goal, the constant search for common-sense solutions to the problems that face Colorado, must be our continuing focus this session. Over the past four years, that is what we have done, tackling the unmet challenges that had lingered for many years. Challenges such as making our schools more accountable, and improving our transportation system.

To accomplish this and much more, we harnessed the bounty of a robust national economy. Today, with our



And, I ask that – this year -- we do engage in a dialogue about how best to balance Colorado's budget. The Constitution gives us no choice; we cannot spend more money than we have.

Friends, we can and we must overcome this challenge. To do this, we must treat Colorado's budget the way a Colorado family deals with its household budget.

Families do this by setting priorities. By putting off the extras until times get better. By pulling together.

By working together, whether Democrat or Republican. Whether liberal, moderate or conservative. We have to do this because we are all Coloradans.

And I emphasize the latter point.

Last year, when Colorado's revenues were down 13 percent, I received a budget that boosted spending by 7 percent.

From that day to this, my Administration has worked to balance the budget. Most state agencies are reducing spending by 10 percent. We are in many instances using this as an opportunity to make government more efficient and affordable.

At the same time, we have protected K through 12 education funding and many programs affecting the state's most vulnerable citizens. And we have limited the cuts required from Medicaid and public safety.

We are keeping our commitment to Colorado's core priorities. To address the needs of the poor, Medicaid spending has reached record levels of over \$1 billion. As we continue to fully fund elementary and secondary education, we are also investing more than \$700 million in higher education.

My point to you is this: while we are tightening our belts, we are not abandoning our key investments.

But a simple fact remains – we are required by our Constitution to balance the budget.

I ask you to work with me this session to craft a common-sense budget that fits our revenues.

Last year, we worked together and forged a strong, long-term solution to Colorado's transportation challenges. Let's recapture that same bipartisan spirit as we face this year's fiscal challenges.

I very much appreciate the efforts of the members of the Joint Budget Committee to work with our Administration this year, under the leadership of its Chairman, Senator Dave Owen.

As we work together, we must avoid the too-easy answer of asking more from Colorado taxpayers. Some have said we should change Colorado's system of tax limitation. Some say now is the time to roll back the fundamental protections that the Taxpayer Bill of Rights gives Colorado taxpayers. The goal? Taking more money from the paychecks of Colorado families to spend more on government.

I believe that far from being a straightjacket for Colorado, TABOR is an economic bulletproof vest. While other states spent their way through the 1990s, and are now raising taxes to pay for their spending, Colorado was better prepared for the revenue downturn that we face.



While our budget will shape many of our conversations, it will not stop us from taking steps that are needed to keep Colorado moving forward.

Step one is sparking growth in our economy and creating family-sustaining jobs. At the national level, the President has offered a common-sense plan to jump-start the economy by allowing families and small businesses to keep more of their money.

After all, it is the private sector – not the government sector – that is the source of the quality jobs that draw a top-notch workforce.

Here in Colorado, we must take steps to improve our economy.

As many of you know, Colorado received \$142 million from the federal government last spring in unemployment insurance funding. And while there have been many proposals to spend this money, I believe only one makes sense: using it to provide benefits for unemployed workers.

This means keeping it in the Unemployment Trust Fund, where my Administration has protected these funds since we received them, so that these funds can be used by Colorado's unemployed workers as they need them. This also has the added effect of delaying an unemployment tax increase on Colorado's businesses.

That's a win-win situation for Colorado's workers and our economy. We provide assistance to those who need it, and we delay a tax increase on those who create jobs.

To spark economic growth, my administration has identified \$19 million that can be used for a number of very worthwhile endeavors.

I propose that we use it. Let's invest an additional \$10 million in tourism promotion to give one of Colorado's most important industries the extra help it needs.

Let's invest \$7 million in economic development grants to bring companies to Colorado or help existing employers grow and create new jobs. We'll target a healthy chunk of these dollars toward rural communities – to help agriculture and to help Colorado.

And, finally, let's invest the remaining \$2 million in increasing our promotion of Colorado agricultural products. We're all "Colorado Proud" of the products that are grown here in our state. These additional resources will help our farmers increase sales at a very difficult time for their \$5 billion industry.

While other states are raising taxes in difficult economic times, Colorado can work to attract companies that are seeking far more tax-friendly environments.

Every doctor takes an oath to "first, do no harm." That should be our economic oath, too. Colorado, like every state, has reams of rules and regulations. Many are necessary to protect our fellow citizens. Others, I am convinced, can tie the hands of entrepreneurs with needless red tape and stifle job creation.

It's time to put these rules and regulations under a microscope. Determine which ones are helpful, and which are harmful before they get on the state's books. Our goal is to renew a bipartisan effort on regulatory



aggressive steps to help Colorado businesses compete in today's global economy.

A strong economy begins with a strong, well-educated workforce. The only path to opportunity for every Coloradan travels through a quality school system.

Ensuring full funding for our public schools has been a success that we have achieved together in each of the past four years, even before the voters approved Amendment 23. Building on Governor Romer's strong start with world-class academic standards, we have created a school accountability system that is being recognized as among the best in the nation.

In crafting this system, we have looked to the experience of so many of you who have worked in our education system. Men and women who know first hand the challenges of sparking excellence in the classroom.

I'm thinking of legislators like Lynn Hefley, Steve Johnson, Moe Keller and Suzanne Williams, all of whom are current or former teachers. We also value the experience of members such as Keith King, Nancy Spence and Abel Tapia who have served on school boards.

We have put your knowledge and experience to work in our education reforms, and I thank you. And, for that same reason, at the heart of our effective reforms is the spirit of our educators. Men and women who are meeting the challenge of excellence. Professionals who aren't afraid to be held accountable to parents and taxpayers for their school's performance.

When we put this new system in place, we said it would challenge our most troubled schools to improve. It did. And it worked.

Last month, we unveiled this year's school accountability reports. Nearly three-quarters of the schools that received unsatisfactory ratings in 2001 have improved and moved out of that category. The best news is that today we have eleven thousand fewer students attending unsatisfactory schools than we did a year ago.

Our work has become an example that other states are following. President Bush's Education Secretary came to Colorado and called our reforms "the envy of the nation." And, just last week, we were one of just five states honored by the President as having a model accountability system in place that's working for the children of Colorado.

Friends, that's progress. I thank each of you, Democrats and Republicans, who worked with us to put this system in place. I thank the educators – particularly at Denver Public Schools – who have made accountability work for their schools and their students.

Now that the system is showing results, we must stay the course. The old voices of the status quo have not been stilled. Too much testing, they say. Or the stakes are too high, they say.

Can there be any higher stakes than improving the future for all of Colorado's children? We cannot falter in this task, or weaken our resolve. Our reforms are working. Colorado educators are making them work for the children.

We will continue on this path to progress – because Colorado's children deserve no less.



decision to pursue higher education.

Today, Colorado invests more than \$700 million in our public higher education institutions. Those dollars support the tuition for thousands of our fellow citizens. But, for many Coloradans – particularly low-income men and women – the fact that these dollars are there, for them, is simply not real.

Our Blue Ribbon Commission on Higher Education has recommended that we change the funding equation. I agree. We should allow the dollars to follow the student to the public college or university of his or her choice. Let's create, this year, the College Opportunity Fund.

A student may choose a community college, a state college or one of our public universities. But this puts the choice and the opportunity in their hands. No strings attached. It tells them that there is up to \$18,000 waiting for them to claim to pursue a brighter future in higher education.

A brighter future for our farmers and ranchers – indeed all of Colorado – depends on all of us focusing, this year, on our water policy.

It's no secret that 2002 was the driest in Colorado history. In fact, scientists tell us that this is perhaps the worst drought in 350 years. The drought hit our farmers and ranchers hardest, since they use 85 percent of Colorado's water supply.

Despite these challenges, we should all be proud of how Colorado responded to the drought. Water restrictions were obeyed, and water managers worked quickly to improve their water delivery systems. The General Assembly responded as well. During the Special Session, you passed legislation to ensure that communities would receive emergency water supplies, while farmers were aided in their well irrigation.

Some sat that new water storage fuels growth. Let me suggest, respectfully, that this position is mistaken. When we increase the supply of water, we lower its cost for those who use it. Eighty-five percent of Colorado's water fuels agriculture, not subdivisions. By lowering the cost of water we are protecting the 50 percent of Colorado's land area that is agricultural open space.

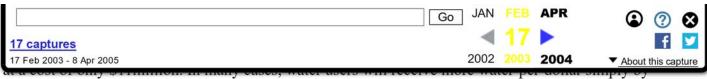
Let us continue to make flexibility and cooperation the cornerstone of Colorado's water policy. I offer the following suggestions designed to face our current drought and better prepare for future drought cycles:

We must increase Colorado's efforts to conserve water. Let's ensure that all Colorado communities operate under sound water conservation plans. Where feasible, let's encourage water reuse.

We must launch a Statewide Water Supply Initiative. This initiative will survey all major water users in the state, and determine future water needs. It will then identify water projects that can respond to those needs.

We must examine innovative ways to save more of Colorado's water. If we want to protect Colorado's entitled water from California's lawns, we must identify a method to store our share of the Colorado River's water.

We are especially appreciative of the efforts of Colorado's former attorney general – and the current Secretary of the Interior – Gale Norton. Secretary Norton has taken the strong steps to protect the use of water from the Colorado River. She deserves our thanks.



improving the facilities they already own.

Ultimately, our communities and irrigation districts need the financial capacity to pay for these much-needed projects. There are several ways we can do this. For example, the voters can approve bonding through a referred measure. The Water Resources and Power Development Authority could utilize the revenue resources of the Colorado Water Conservation Board. Or other state bonding authorities could play a role. But we must offer this help, particularly to the smaller communities throughout our state.

But if you cannot send me a compromise on water storage that will protect our agriculture and open spaces, there is no doubt in my mind that the voters will demand a voice, and an opportunity to provide financing where the General Assembly could not. And I would join them in that effort.

As you know, two decades of state water practices along the South Platte River have been blocked in state court. This is a serious situation that not only affects our farmers and ranchers. It affects communities and schools as well. I look forward to working with you to ensure that we can find a solution to this problem in a legislative conference room as opposed to in a courtroom.

We are fortunate here in Colorado to be part of the world's most innovative health care system. We also know that the best health care system is, by its nature, an expensive health care system. Yet these high prices threaten too many Coloradans' access to the system. Too many of our residents do not have health insurance, and those who do face daunting increases in their premium costs.

Families in our rural communities often struggle to find a doctor or medical provider who is convenient and accessible. Too many doctors are buried in paperwork. Frivolous lawsuits increase the cost of health insurance and threaten patients' access to medical care. Moreover, our businesses are faced with skyrocketing health insurance costs that crush jobs. And damage the competitiveness of Colorado companies.

These are complex problems with no easy answers or silver bullets. And, the fact is that there is a limited amount of effective action we can take at the state level. But, what we can do, we must do this year.

Let's work together this year to make health insurance more affordable, particularly for workers at small businesses.

We've already proven that we can get the job done on health care. We've worked together to give nearly 46,000 lower income children access to affordable health insurance and to get women diagnosed with breast or cervical cancer the timely medical treatment that can save their lives. Most recently, Republicans and Democrats came together to provide prenatal care to low-income women.

This issue calls us again to work together. One of the Lieutenant Governor's greatest assets is her ability to pull different groups together to reach consensus on difficult issues. I have great confidence that she will bring together businesses, consumers, insurance companies and providers to reach a common-sense solution to this difficult problem.

On these efforts, the Lieutenant Governor will have the benefit of working closely with Speaker Spradley, Senators Hillman, Johnson and Owen, and Representatives Clapp, Hefley and Weissman – all of whom have worked hard for health insurance reform.



We can realize this reformed system by taking the following six steps:

- · We need to trust Coloradans. Let's give them the choices and empower them to purchase a lower-cost, basic health plan that best suits their needs, and not what the government says they need;
- · Remove government mandates and red tape that unnecessarily drive health insurance costs to an unaffordable level;
- · Provide a truly *independent* analysis of the effect that any new benefit mandate would have before we impose them on health care consumers;
- · Allow small businesses to band together so they can leverage their purchasing power, ease their administrative burden and have more choice.
- · Discourage lawsuits that have no merit, which will make health insurance more affordable and ensure that Coloradans have access to specialty care; and,
- Encourage more competition and choice by making it easier for insurance companies to return to Colorado's reformed insurance market.

As we all know, not just the cost of health insurance, the cost of auto insurance is soaring. We're seeing double-digit increases in just the past year, as high as fifteen percent or more. Today the average auto insurance premium is more than \$750. Put a few teenagers in your house, as I have in mine, and your rates are well "above average."

This year, we need to put the brakes on these out-of-control insurance costs.

Nearly three decades ago, we started down the road of a "no fault" system that has two goals: keep costs down and keep claims out of court. After thirty years, this is a dead-end road.

When I was a member of the state Senate in the early 1990s, Colorado had relatively affordable insurance rates, ranking 35<sup>th</sup> in the nation. Today, we are the eighth most expensive. We've jumped over 27 states in just a decade.

How did we arrive at this point?

Today, Colorado mandates personal injury protection, which is really health insurance for those involved in auto accidents. This mandated coverage is simply too broad, going well beyond those covered by even the most generous health insurance policy. Colorado consumers have been required to pay for hot tubs, treadmills, weight loss programs and aromatherapy. Auto policies should provide a path to repairing injuries, not a gift certificate to a fancy spa.

As a result of this excessive, mandated coverage, Colorado has the second highest benefit level in the country, trailing only New York.

For the sake of all Colorado motorists, let's bring some sanity back to the auto insurance system. Last year I signed into law legislation to extend Colorado's current system one more year. I will not do so again. Leaders in Colorado's business, healthcare and auto insurance industries have been working for several



the health care field. We should insist on citizens citing specific damages and injuries resulting from an auto accident before they go to court. And we should offer consumers more affordable policies that provide medical treatments without expensive non-traditional therapies. These, and others the group may suggest, represent a U-turn away from soaring rates and toward reasonable, affordable auto coverage.

But make no mistake. The time for action is this session. I will not allow another extension of the no fault system without reform that will reduce costs for consumers. Our system is broken. Now is the time to fix it.

Together, last session we faced the growing scourge of methamphetamine that is infecting communities throughout Colorado. We gave law enforcement strong new tools to stem its manufacture, and those tools are working.

We made progress. But, friends, we have more work to do, particularly to protect innocent children who have done nothing wrong. When law enforcement raids a meth lab, in nearly half the cases, children are present. What type of future will these children have if their parents are more concerned with cooking an illegal drug than with cooking their son or daughter a decent meal?

I ask for your support for new legislation to expand the definition of child abuse under criminal and civil law to include manufacturing meth in the presence of a child. Ladies and gentlemen, if there was ever an example of child abuse, this is it. I'm pleased that these bills have been introduced with bipartisan sponsorship. I urge you to help me find the funding this year to address this urgent need for Colorado's children.

There is more we can do this session to protect Colorado's children.

To protect innocent children from the exploitation of pornographers, we must close one, broad loophole. Today, an individual can traffic in child pornography and, as long as he doesn't make any money on the transactions, Colorado can't use the full force of our laws against him. That's wrong. For the exploited child, whether there is a commercial transaction involved is utterly irrelevant.

I ask you to eliminate the loophole that requires trafficking in child pornography to have a commercial purpose.

Ladies and gentlemen, protecting children reminds us all that one of the most essential functions of government is public safety.

Today, Colorado lacks a uniform legal standard for the issuance of a right to carry permit. I propose that, this year, we create one.

Both the Denver Post and the Rocky Mountain News have editorialized that this patchwork of laws must be changed. I agree with them. This year is the year that, together, we must create a uniform shall-issue "right to carry" standard this session.

Ladies and gentlemen, it is an unfortunate fact that corrections takes up about 8 percent of our budget. I wish it were not so.

In the early 1990s, our state faced fiscal challenges. Then, as now, there were calls that we spend too much



In 1990, I wrote an opinion piece in the Rocky Mountain News on the myth that Colorado cannot afford to build new prisons. Here's what I wrote:

"I believe we cannot afford not to build the prison's Colorado felons so clearly deserve...The costs to society of releasing that felon, in terms of increased police and court costs – not to mention pain and suffering – is often substantially greater."

My views have not changed and will not change.

Our duty is to the law-abiding, not the law breaking. It is to the innocent families, not to the felons who prey on them.

We will not release criminals early for fiscal reasons. We will work with you to build new prisons to house criminals. We will keep our commitment to protect the people of Colorado.

Our mission in this challenging year is to remember the people who have honored us with the chance to represent them in public office. These men and women ask us to come to this historic building and conduct the people's business.

They ask us to keep them safe. To provide a quality public education for their children. To build a transportation system that is worthy of a great state. To make auto and health insurance affordable and accessible.

To do this, and much more, they ask us to remember that, of itself, the government has no money of its own. To do the people's business, we are entrusted with the people's money. And we must meet our fiscal challenges with that simple, but profound truth in the forefront of our discussions.

Ladies and gentlemen, we will meet these challenges. Colorado has met challenges in the past and we overcame them. With unity of purpose, and common sense. With new ideas, and a reliance on age-old values.

Together, as Coloradans, let us renew our commitment to achieving great things for our great state. And, together, as Coloradans we proclaim, with certainty and with hope for a bright future for all our people, that the state of our state is sound.

May God bless each of you. May God bless America. And may God bless Colorado.

Thank you.