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Governor Bill Owens State of the State Address

January 8, 2004

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Lieutenant Governor Norton, President Andrews, Speaker Spradley, Members of the Cabinet, Attorney General Salazar, Treasurer Coffman, Honorable Senators and Representatives, Mayor Hickenlooper, distinguished guests, my fellow Coloradans:

The convening of our Legislature each year celebrates our freedom and our democratic system of government. A system, created by patriots, that has served America well for more than two centuries. A democratic system that inspired people around the world to embrace the right to liberty that God gives to all people.

A few weeks ago, members of the Baghdad City Council visited Colorado. I had the chance to talk with these courageous men. We met the day after American soldiers had captured Saddam Hussein.

One said this: "Governor, we just want to thank America for our freedom."

Today, I want to thank the thousands of Coloradans who wear our nation's uniform for our freedom. And I particularly want to thank those 126 state employees who have been called to duty since September 11, 2001. Eighty-three remain overseas. They left their homes and families to keep America safe.

With us today are four veterans who fought with coalition forces in Afghanistan and Iraq. State Trooper Steven Hodge served for the past nine months in Saudi Arabia and Iraq as a Sergeant in the U.S. Army. Steven Baker works for the Department of Corrections, and served in Afghanistan as a sergeant in the Special Forces. Gail Wallace, a correctional officer, served overseas as a Master of Arms in the Naval Reserve.

And Jason Belmont, also of the Corrections Department, served in Iraq as a Corporal in the U.S. Marines.

To the four of you, and to all those Coloradans who sacrifice for our freedom, thank you. Welcome home.

Today, Colorado is back. After years of tough times and tight budgets.

We're back. And we are getting stronger.

Our revenue forecasts are up substantially. And the economic signs are promising.

For example, even during tough times, Colorado is still ranked among the top five states in the nation for economic development in 2003, according to the Corporation for Enterprise Development.

Retail sales are up. Colorado personal income is up – the ninth best in the country. While inflation is just 1.7 percent.

It was President Bill Clinton who said, "Ignore the headlines. Follow the trend lines."



And how about the stock market? While the Dow was up 25 percent in 2003, what about Colorado?

The Bloomberg Index for Colorado stocks was up 41 percent last year. That's a great reflection on the health of Colorado-based companies.

And, because we worked together and maintained our fiscal course, we're making further gains in this recovery.

As Colorado's economy strengthens, we also must remember that one of the magnets for companies – and good jobs – is the fact that Colorado's fundamentals are so solid.

Colorado is the fourth most desirable state in which to live, according to a national poll.

Twenty-four of our ski resorts were listed in the top 50 in the world by Conde Nast Traveler magazine.

We're one of the healthiest states in the nation, and the least obese.

We're also proud that our capital city is the third most literate city in the nation. Joining us this morning is Denver Mayor John Hickenlooper. John, welcome.

The Mayor and I have developed a close partnership, and a strong friendship. And it's one that's producing dividends for Denver and for Colorado.

Soon after his inauguration, the Mayor and I led a joint economic development trip to California's Silicon Valley. We pitched venture capital firms on what a great place Colorado is in which to do business.

It paid off. We learned this week that a Colorado high tech company will more than double its workforce this year after receiving nearly \$10 million in venture capital. Mr. Mayor, the CEO of Roving Planet credits our visit with introducing these California venture capitalists to Colorado companies. Real jobs brought home to Colorado. John, thanks for all you do.

Let me be clear. There is no such thing as good enough. Not while I'm governor. We have more work to do. On transportation. On our schools. On our environment. We're never satisfied, and we can always do better.

But today, as we look forward to a year of promise, I tell you that the state of our state is sound.

One of the best examples of the energy and the hard work that defines Colorado is our Lieutenant Governor.

In the past year, Jane Norton has embraced the job of Lieutenant Governor with vigor, effectiveness and compassion.

One of the signature issues she is focused on is helping the more than 700 Colorado children who are available for adoption – who need good homes – in our child welfare system.

We know that there are good parents and good homes waiting for these children. Our challenge is to help these children find the loving home they deserve. The Lieutenant Governor has appointed a Committee to Promote Adoption, which will recommend ways to remove those hurdles that discourage adoption.



Yet sometimes in the midst of our daily debates over policy and priorities, we sometimes forget to step back and look at what we have accomplished.

Let me report on some of the successes we achieved by working together.

First, health insurance. With the leadership of Speaker Lola Spradley and Senate Majority Leader Mark Hillman, we enacted legislation to expand access to health insurance. By offering a solid, basic policy, we give employers the chance to offer workers basic health care protection when before they could afford to offer none at all.

The numbers are coming in. And the rates for health insurers basic plans are dropping. A survey by the Division of Insurance shows rates down as much as one-third for the basic plans. That's good news for families who haven't been able to afford health insurance. And it's great news for our small business owners, who know that offering their workers health coverage increases their competitiveness.

Second, auto insurance. Last July, we changed from a no fault to a tort system. As a result, premiums are dropping. I know that from comparing policies on the three cars we have in my own family.

The average annual cost of a liability policy – which meets all the state requirements – dropped 27 percent. And those drivers who purchased a full policy saw almost a 15 percent reduction.

I also look forward to working with you this year to address the serious problem of uninsured motorists on our roads. A reform measure dealing with uninsured motorists has attracted bipartisan sponsorship in both houses, and I want to thank Senators Hillman and Veiga, and Representatives Fairbank and Jahn for your leadership.

And speaking of transportation, we should be proud of how we have improved Colorado's transportation system. Over the past five years, we have dramatically – and effectively – increased our investment in transportation.

Let's look back at the past decade. In the five years before I took office, CDOT spending averaged \$617 million per year. In the last five years, our spending on transportation has doubled to over \$1.2 billion.

The result? We have accelerated badly needed projects all across Colorado.

We have made a real difference. Without bonding, T-REX wouldn't have been completed until 2017. Today, this project is more than half completed and is on schedule to be wrapped up just two years from now -- eleven years early.

But it's not just T-REX. We focused on 28 key projects statewide that have benefited from bonding. Just a few weeks ago, we marked the completion of another one of those priority projects. We finished the Mousetrap – years earlier than would otherwise have been possible.

Another way we keep Colorado on the right track is through GOCO and the preservation of open space. GOCO has invested, on average, more than \$14 million annually on land preservation. As a result, my administration has been able to play a critical role in helping to preserve nearly 360,000 acres over the past five years.



Range.

But, as Referendum A fades in our rear-view mirror, our water challenges remain. Even with some good news on our snowpack, forecasters tell us that the Front Range will need a wet spring to avoid water shortages and fire danger.

I heard often during the debate over Referendum A that "there is no disagreement about the need for more storage." It was just, some said, that Referendum A wasn't the best way to address the issue. I am eager to hear new ideas for addressing what everyone recognizes is a need for more storage. One point is clear: we can't develop a plan for a single county or region and think that we're developing a statewide water policy.

Ladies and gentlemen, just like water policy, our fiscal policy affects every family in Colorado.

I am proud that, together, we have faced the worst fiscal challenge in more than a decade. And our taxpayers are the winners.

We didn't even think about raising taxes, because our Constitution wisely constrains us. I wouldn't sign a tax increase anyway. And, friends, because we couldn't take the easy road that other states took, we are recovering – without raising taxes.

How did we succeed? We found savings. We acted like any Colorado family with financial challenges. It wasn't easy.

Let's not forget how far we've come to make this happen.

In 1998, prior to my administration, legislators in both parties decided to spend Colorado's surplus. That's fine if you do it once. Problem is, they did it twice. In the same year. It was House Bill 1414 and as Casey Stengel said, "you can look it up."

Those who voted "yes" included, by the way, a number of ex-legislators who now serve in my Cabinet.

The problem was that when the economy slowed, we had to repay the surplus to refill the hole. A \$927 million hole to be exact. And you and I were handed the shovel. We filled it. It was tough.

But in the middle of a recession, and within the constraints of TABOR and Amendment 23, we paid off almost a one billion dollar debt we inherited. Members of the Legislature, give yourselves a hand.

And we did it within the Constitutional limits that are built into our budget process.

Those who favor more state spending have criticized TABOR for more than a decade. But a fair examination of TABOR shows that it is not — and has not been --the major reason behind our budget challenge.

It is important to remember that Colorado has not had a TABOR surplus since the 2000 fiscal year. Even if TABOR didn't exist, Colorado would still have had budget shortfalls in recent years – just like 42 other states. Forty-two states that don't have TABOR on their books.

I believe that the spending restraint that is at the heart of TABOR in fact prevented Colorado from falling into the budget hole that devastated other states, most notably California.



top of that, we put almost a quarter of a billion dollars into the State Education Fund – dollars that would otherwise have gone into the General Fund.

Let me make two points. First, fully funding public education has been, and continues to be, one of my central priorities. In my first two budgets – prior to Amendment 23 – I insisted on more than fully funding education. And we did so.

But, second, by requiring – for example -- an 11 percent jump in education spending, while overall spending went down 4 percent, Amendment 23 took virtually all the new revenue.

Would education continue to get a healthy share? As long as I'm governor, absolutely.

Should education be guaranteed double-digit increases when other spending is going down? In my opinion, no.

That's my view, and I think the fiscal facts support it.

But, there is also another fact. About half of you, give or take, think that TABOR is the problem. And about half of you think than Amendment 23 is the problem. But changing our Constitution requires a two-thirds vote. Followed by a vote of the people.

We are not going to change TABOR or Amendment 23 by themselves. If the will exists to address this complicated issue, it will take compromise and collaboration. I am happy to be part of those discussions.

But, whatever we do, changes will not likely affect this year's budget. My budget proposal, which I submitted to you, increases spending 5.8 percent. We would increase our investment in key areas, including higher education, public safety, tourism and services to our citizens.

We will increase the Medicaid appropriation by 5.4 percent. This will eliminate the cap on enrolling new children in CHIP. It will also reinstate pre-natal care for low-income women.

Our budget would boost financial aid to college students. Put more State Troopers on the job to protect us. Promote Colorado tourism. Reduce wait times at driver license centers.

And fund the Tony Grampsas Youth Services grants.

I look forward to working with the Joint Budget Committee and this Legislature to craft a budget that meets our priorities, protects our taxpayers and helps grow our economy.

One of the keys to growing our economy is our tourism industry. Last year, we worked together and invested \$9 million in tourism advertising and marketing. I want to report to you on your investment.

It worked. Visitors to Colorado-dot-com – our tourism website -- have jumped 200 percent. Inquiries from major markets around the country jumped as much as 40 percent. Visits to key tourist destinations are seeing double-digit increases. The holiday ski season was one of the best in years. And bookings for next summer are way up as well.

Clearly, what we did made a difference. And I thank you.



Fact: the insurance companies collected nearly \$1 million more in fees than they invested in venture capital.

Fact: the state auditor could not verify the CAPCO companies' claims about the alleged number of jobs created.

Fact: Nearly half a million in taxpayer money went to lobbying fees. I guess that at least supports "job retention."

Friends, all of us here are for economic development. But what separates us from the CAPCO advocates is that we want economic development for Colorado. We want new jobs and new companies on the West Slope, not the West Side of Manhattan. We want innovation in the Tech Center, not Rockefeller Center.

We can't mend this program. We must end this program.

I have seen a number of proposals to focus the tax credit dollars in ways that would produce real benefit for our taxpayers and our economy. Let's move quickly to reach a consensus. I'll be a strong partner, standing with you in this effort.

One of the best ways we can improve our economy is by protecting our environment. Three hundred days of sunshine a year. The breath-taking beauty of the Rocky Mountains. World-class recreation in our mountain communities.

Over the last twenty years we have made huge improvements in our air and water quality. But we all know there is more to be done.

For the challenges ahead, we need to improve and modernize our air and water regulatory system. This year, we are proposing a new environmental permitting process. With this reform, we can build new partnerships with communities and companies and work with them to minimize bureaucratic requirements and ensure stronger environmental protection. This means we can reduce pollution faster. The result? A cleaner environment and a healthier Colorado with less bureaucracy and paperwork. Our goal is to protect and enhance the quality of life of all Coloradans.

One of the greatest bipartisan testaments to Colorado's commitment to innovation is education reform. It was started by a Democratic Governor and continued by this Republican Governor.

We enacted landmark school accountability legislation with strong support from both parties.

Ladies and gentlemen, our children have a brighter future because we, together, demanded a better public school system. And when our children succeed, Colorado succeeds.

Colorado has seen an 84 percent drop in the number of minority students attending "unsatisfactory" schools over the past two years. That, friends, is real progress.

And it didn't happen all by itself. Our accountability system gives parents the information they need and encourages them to get involved in their schools. It challenges our educators. It rests on a powerful proposition: that which we measure we can improve.

A few weeks ago The Education Trust praised Colorado for our public reporting of teacher quality and



community – to breathe new life into schools that were, by anybody's definition, in trouble.

Some said "labeling" a school as unsatisfactory would so demoralize teachers that they would just give up. That they would turn away from those schools most in need.

I never believed that. A good teacher is tenacious. A good teacher doesn't give up. A good teacher pushes, and prods and fights for results.

These are exactly the kind of educators who have created success stories in our schools. We are particularly proud of Denver Public Schools. Please welcome Janice Spearman, the principal at Columbine Elementary School, which earned the Governor's Distinguished Improvement Award this year. We're also pleased to welcome DPS Superintendent Dr. Jerry Wartgow.

This year, we propose improving the Student Accountability Reports that have been a catalyst for success for many of our public schools. With our new reports, we'll show how students are improving from grade to grade, giving parents the kind of information they really need. We'll follow students year to year. These reports will be better for parents, for teachers and for our students.

Accountability is a pillar of reform. So is school choice.

We're proud that Colorado is already home to public school choice. We're proud of our charter schools as well.

Colorado's charter schools have been at the forefront of our system of public education. And while most school districts have recognized charters as new, innovative and valuable additions to public education, some districts, though, have unfortunately developed a "just say no" policy toward charters. That is wrong. It's unacceptable.

I am encouraged by the efforts of House Majority Leader Keith King and Rep. Terrance Carroll to provide more alternatives – more choice – for those seeking to form charter schools. I hope to sign legislation this session that allows for alternative chartering authorities.

I am also proud that Colorado enacted the first statewide school voucher plan since the U.S. Supreme Court ruled that vouchers are Constitutional.

Last year, a Denver judge put our school choice program on hold. I believe that the judge was wrong.

We will fight that decision.

Our education reform journey will not be complete until children and families have the widest possible choices in education.

This year, we have the opportunity to expand school choice to children with special needs. These children require costly, focused services. But they often have the fewest number of educational choices. I congratulate Rep. Nancy Spence for introducing legislation to bring school choice to those special needs children who need choice the most.

We must bring this same commitment to bold and innovative reform to our colleges and universities.



And nothing less will do for higher education.

Let's get the job done this year. The principles we embrace are clear. We must empower students and put real financial power in their hands. We must protect them from unchecked tuition increases. And we must give our institutions more flexibility while placing them on a stronger financial footing.

Let's establish the College Opportunity Fund this year to place real dollars in the hands of Colorado students. Let these dollars follow students to the college or university of their choice. Let's make the dream of higher education more tangible – more real – for Coloradans.

I also hope we can reach a consensus on enterprise status for universities. But I will not give unlimited authority to colleges and universities to raise tuition. Students and their families are not ATM machines. Send me an enterprise bill that protects our students and our taxpayers, and I'll sign it.

Our college and university students are the future of Colorado. They have their whole lives ahead of them.

That's why a recent tragedy affected us so deeply.

On a cold January night in Fort Collins, a murderer impersonated a police officer. He caused Lacy Miller, a 20-year-old young woman, to pull her car over. She thought it was a traffic stop. This coward preyed on her trust. And he brutally murdered her.

This was an unspeakable tragedy. There wasn't a parent in Colorado – myself included – who didn't view this crime as their worst nightmare.

Because of the bravery and the strength of Lacy's mother – Colorado is working to make sure that no other family suffers the way that this family has suffered. Last year, we strengthened the penalties for impersonating a police officer. This year I hope we take another step forward and target the illegal use of police equipment, such as red and blue police lights. I want to thank Representative Bob McCluskey and Senator Steve Johnson for sponsoring this legislation.

With us this morning is Wendy Cohen, Lacy Miller's mother. Wendy, we'll put this new law on the books this year. For Lacy.

The story of Lacy Miller, and other victims of violent crime, reminds us that there is no more basic function of government than providing for our safety. We protect Coloradans because of the courage and dedication of the finest law enforcement personnel in America. And we also protect our state by putting criminals in prison.

Our corrections system works because of the men and women who staff our institutions. This is tough and dangerous work. We remember the loss of Eric Autobee, a corrections officer who was brutally murdered by an inmate who today sits on death row.

Our corrections system works best, though, when it is about correcting, not simply incarcerating.

Changing the lives of inmates requires helping them to change their values. They must value life. Become one who builds and contributes, rather than one who destroys and takes. To accept accountability for one's actions. And one's own life.



from this program, which helps inmates change those attitudes that have led to negative consequences.

And we plan to bring the Horizon program to Colorado this year. It's working well in Florida. Open to inmates of all faiths, the program creates a faith community within a prison. One built on mutual respect and support. One in which inmates learn the values that will make them good citizens upon their release.

This is a bright light of hope and opportunity in a system where we normally hear about darkness and despair.

We need to find new ways to solve old problems. That's the message that came out of the report on how we must reform our civil service system.

We have just changed our calendars over to 2004. But in our civil service system, it's still 1918.

It's simply wrong to have a system in place that takes six months – or longer – to fill a state job. Which means we often lose some of the best and brightest candidates who just aren't willing to put their lives on hold for half a year waiting for the possibility of working for the state.

And it's wrong to have a system in place that sometimes puts the protection of poor employees above the public interest. Let's face it: a system that keeps such people in place rewards bad conduct and diminishes the vast majority of our state employees who take pride in their jobs.

Let me thank former Governor Dick Lamm for co-chairing the reform commission. And Representative Rosemary Marshall and Senator Norma Anderson for giving your time and talent as commission members, as we work to follow Denver's lead in reforming our personnel system.

Friends, Medicaid now takes 21 percent of the state General Fund budget, while Medicaid premiums have more than quadrupled since 1990. I'm pleased to tell you that Colorado has become a national leader in implementing new programs which reduce costs while improving the quality of care.

This General Assembly, in your foresight, provided the framework for us to develop innovative programs, such as Disease Management and consumer-directed care. We've seized this opportunity and I'm proud of the results. That's why I believe we can and should go further.

Last month we invested \$1 million to enhance and expand a state program that empowers Medicaid recipients with disabilities to direct their own home care services. They hire and supervise their own attendants. Set their own attendant schedules and determine what services the attendants provide. Consumers thus become more self-sufficient, gain a greater sense of personal responsibility and lead healthier lives.

Let's work together this year to expand this idea to Coloradans with developmental disabilities. It's the right thing to do for these men and women, and, ultimately, for our state budget.

The energy of reform is alive in Colorado. We embrace new, bold ideas. When we see problems that have been ignored for years – and in the case of civil service reform, for decades – we face them head on.

Together, we haven't been deterred by steep, rocky paths. We climbed together. And we have seen how great the view is from the mountaintop.

But we have many more mountains to climb.



right solutions for Colorado.

Doing the people's business requires us to achieve much in this 120-day session. The clock is ticking. Let's get to work.

Thank you. God bless you. And God bless Colorado.



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