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# State of the State Address 2001 Governor Bill Owens January 11, 2001

President Matsunaka, Speaker Dean, Lieutenant Governor Rogers, Attorney General Salazar, Secretary of State Davidson, State Treasurer Coffman, Honorable Senators and Representatives, distinguished guests, my fellow Coloradans ...

It is with great honor that I report to you this morning that the state of the state remains remarkably strong.

Colorado boasts the best-educated workforce in the country. We continue to create jobs at a great pace, giving us the distinction of ranking fourth in the nation in job creation throughout the 90's.

The Corporation for Economic Development reports that Colorado has the strongest economy among all 50 states, receiving "A's" in all categories.

We raised our ranking last year from "B" to "A" both in human resources, which measures education spending and performance, and in equity, which measures the distribution of wealth.

Our streets are the safest they've been in more than a decade and families in Colorado earn among the highest salaries in the nation. And, with the 43 tax cuts I've signed into law since January 1999, these families get to keep more of their hard-earned money.

The General Assembly should be proud that it passed the largest tax cut in Colorado's history – almost one billion dollars in annual tax relief that Colorado's families are able to spend on their needs, not the government's.

Of course Colorado did not escape its share of challenges during the past year. Our communities on the eastern plains face severe drought. Forest fires ravaged our mountains.

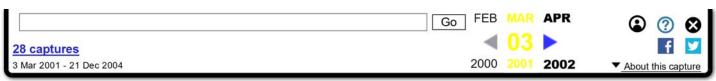
And too many of Colorado's children continue to be raised in a culture that tears down virtue rather than builds up character.

Friends and colleagues, I want to welcome all of the returning legislators, as well as the new members of the General Assembly. I once sat where you now sit, and know the thrill of introducing your first bill.

But most importantly, I know how to work with all members of the legislature, from both sides of the aisle, to get the people's business done.

Two years ago when I delivered my first State of the State Address, I outlined what I thought we needed to do to better Colorado – better it economically, socially, and morally – to give our children and grandchildren a society that they deserve.

I think we have done a good job working together to see that we did just that. Yes, there has been some disagreement, there has been some partisanship.



And we are well on our way. Working together we have begun building our transportation future while providing economic opportunities for the entire state.

We have done this by passing our billion dollar bonding proposal through this legislature and then seeing it overwhelmingly approved by the people, and also by committing \$50 million dollars from last year's general fund to improving the state's roads and highways.

And we have done all of this without increasing taxes.

Of course, not everything was that easy. I understand that what is often characterized as politics – as representing a political disagreement – really reflects honest differences of opinion over policy.

There is no question that one of the most important – and indeed debated – package of bills to come before the legislature last session was our public school reform plan. Education is an emotional issue – one about which every person in this room cares deeply.

And, there is also no question that – on some of the details of the plan – there was division primarily along party lines.

But I want to specifically single out Senators Jim Dyer and Rob Hernandez, former Senator Gloria Tanner and Representatives Abel Tapia and Frana Mace for their constant efforts to reach common ground and who kept in mind that making our schools better for our children is what this debate is all about.

It was on November 19, 1863 that Abraham Lincoln surveyed the wreckage of the Civil War battle at Gettysburg. Looking around that battlefield, where brother fought against brother and neighbor against neighbor, he didn't see a people divided, he saw unity.

He didn't see hopelessness, he saw hope. He didn't see emptiness, he saw opportunity. Abraham Lincoln saw a downpayment on what he called "a new birth of freedom."

Across America this past fall, hard fought elections took place, from the presidency to the state house. But the time for partisan politics is past.

If Abraham Lincoln could see opportunity coming from civil war, I know that we in Colorado can unite around the opportunity of a future bright with hope.

Let's focus on what Lincoln called "the better angels of our nature."

Let us work together to protect Colorado's precious natural landscapes, and manage our growth wisely.

Let's work together to ensure that Coloradans' hard-earned tax dollars are spent efficiently and not wasted.

Let's work together to see – as we face redistricting – that the end result is seven districts that are as competitive as our state's demographics and the federal constitution allow.

And let us work together to put children first when spending tax dollars on education.

Let us, as Lincoln said, "dare to do our duty as we understand it."

#### **GROWTH**



Friends, last year I discussed some steps along the path of Smart Growth we needed to take. I am pleased that the legislature took many of them.

We created the Office of Smart Growth and provided grants for regional planning around the state.

We approved tax credits to encourage building more affordable housing. We put in place incentives to encourage development within our already developed cities and towns rather than more sprawl.

We must continue along this path. We must respect Colorado's longstanding tradition of local communities controlling their own destiny. We must recognize that parts of Colorado are booming while other communities are losing population.

And it is time that we finally pass major reform of our land use laws.

We know that all sides of the growth debate must work together and, yes, all sides must compromise. Senator Ed Perlmutter and Representative Joe Stengel continue to bring all sides together, and I look forward to working with them on growth reform.

We must also require comprehensive planning in our high growth and high population areas. And these plans must be enforceable.

It is time for us to be creative and find alternatives to resolve the issues that arise when two cities or a city and a county have plans that don't mesh. Neighboring jurisdictions should work together on their plans, and if they come to a stalemate, it is proper for the state to provide mediation.

But friends, let me be very clear. Our local communities must plan for their growth while protecting private property rights.

Friends, last summer I asked a blue ribbon panel of Coloradans to examine what more we should do to better protect Colorado's open spaces, farms and ranches. You have seen their report.

They made some important recommendations that I ask the General Assembly to act on, including strengthening the conservation easement tax credit, so that we encourage the private preservation of valuable ranches.

Legislation sponsored by Senator Dave Owen and Representative Lola Spradley will make the conservation easement an even more valuable preservation tool, while also respecting private property rights.

We must create a pilot program for water trading, banking and exchange in Colorado.

Representative Diane Hoppe is carrying a bill that will allow farmers and ranchers to lease their water rights, thereby realizing some of the value of their assets without permanently severing this water from the land.

I support this bill and hope the legislature will as well.

And this legislature should seriously examine whether or not the voters should be asked to give Great Outdoors Colorado the authority to bond. This option would give GOCO the flexibility it needs to act quickly on once-in-a-lifetime land preservation projects.



Friends, we will make decisions this year that will affect the lives of our children for decades to come, and we must take this responsibility seriously.

That is why last September General Colin Powell and I signed *Colorado's Promise*. We are one of only three states in the nation to be a model *America's Promise* state. General Powell was joined by five U.S. Presidents of both parties to rally America behind five promises for our children – promises which ensure that children have:

- caring adults in their lives as parents, mentors, tutors and coaches;
- safe places with structured activities in which to learn and grow;
- a healthy start and healthy future;
- an effective education that equips them with marketable skills;
- and an opportunity to give back to their neighborhoods through community service.

In each of these areas Colorado is making progress, but we still have more to do.

We must focus on the well-being and stability of families in Colorado. At the same time, we must recognize that too many children are growing up without a family – without stability.

Thus, I support Senator Marilyn Musgrave's efforts to work with state agencies to find alternatives to the foster system – alternatives that would provide these children with the safety and stability they so desperately need.

As part of our efforts to ensure that children have a healthy start, I began the process of reforming the Children's Health Insurance Program. This is an important part of Colorado's safety net for low-income children, but it wasn't working well.

In August, with the concurrence of the Joint Budget Committee, I announced a premium holiday. This action gave us time to implement a more effective premium structure that encourages increased enrollment.

Today, CHIP is more affordable and easier to enroll in than ever before, resulting in a significant increase in applications over the last year. And with new easy-to-understand applications in English and Spanish, we've further reduced the barriers to providing health insurance for low-income children.

I look forward to working with Senator Doug Linkhart on improving CHIP and seeing that Colorado's low-income children have access to affordable health insurance.

Another problem we are running into is the fact that state mandates placed on health care policies continue to cause health care costs to rise.

I want to thank Senator Mark Hillman for his efforts on a bill that will allow insurers to offer more affordable policies, free of costly state mandates.

While working to improve health care for our children, we also must work to improve their mental and emotional well being.

It was William James who said, "The greatest discovery of any generation is that a human being can alter his life by altering his attitude."



when reaching out to the community for help.

I strongly believe that Colorado should continue to enlist the faith-based community to help provide cost-effective social services that work.

# **CRIME/JUDICIARY**

A large part of our families and children agenda is ensuring that all Colorado families feel safe.

Since taking office, I have signed a number of public safety bills including a "two strikes and you're out" rule for child molesters, DNA testing of all felons, and a new law that immediately revokes the parole of a parolee caught carrying a gun.

I believe we should do more. DNA testing today allows us to solve murder, rape and other violent crimes decades after the crime is committed. It is time to remove the statute of limitations on such crimes.

We should do all we can to catch, prosecute and lock-up rapists and other violent criminals, whether they committed the crime ten days ago or ten years ago.

We must also take steps to increase the penalties for those who engage in identity theft. Crucial to our prosperity are the economic opportunities created by on-line commerce and the Internet.

Our citizens must feel safe that they can conduct business on-line without people stealing personal information.

I believe we must also do more to protect our children from hate, pornography and violence on the Internet.

It seems clear to me that any computer used by a child in a Colorado public school or public library should include filtering software to limit our children's access to hate, pornography and violence on these publicly-funded computers.

Our libraries don't use taxpayer funds to buy hate magazines or pornographic magazines – they shouldn't use taxpayer funds to allow access to the same material on-line.

In my first State of the State address, I promised to take steps to reduce the amount of bureaucratic red tape in Colorado's judicial system. Last year, my Task Force on Civil Justice Reform reported that Colorado's judicial system is approaching a crisis due to a serious shortage of trial court judges.

Case filings in Colorado's trial courts have grown by 85% since 1980, yet the number of new district court judges has increased by only 12%.

Some judges now routinely decide more than 400 cases in a single year. And it can take four years or more for the parties in a civil lawsuit to get a jury trial. For a growing number of Coloradans, justice delayed is indeed justice denied.

That's why I support legislation to create 24 new District Court judgeships. I want to thank Senator Ed Perlmutter and Representative Shawn Mitchell for sponsoring this legislation.

Besides strengthening our courts, it is time to reform Colorado's administrative law system. Administrative



problems that are seriously undermining public confidence in our administrative law system.

That is why I support legislation sponsored by Senator Andy McElhany and Representative Tambor Williams to consolidate ALJs into a new Division of Administrative Justice where they can be better trained and more accountable to the public.

Let me also thank Chief Justice Mary Mullarkey, the Colorado Supreme Court, and the State Judiciary for all they do to bring justice to Colorado.

Since becoming Governor I have made 33 judicial appointments. These are tough judges who care as much about the victims' rights as those of the criminals. While these appointments do not require Senate confirmation, I have more than one hundred other confirmations awaiting action in the Senate.

I have nominated men and women to the state's boards and commissions who will work hard for all Coloradans. When I was in the state senate, I took seriously my responsibility to confirm appointees.

But I also – as a Senator – acknowledged that it is the Governor who appoints. That is why – in the six years I served in the Senate – I voted to confirm 264 of Governor Romer's appointees, while voting against only two. I trust that the Senate will extend to me the same courtesy I extended to Governor Romer.

On another subject, several years ago, the General Assembly allowed elected officials to have a choice in our state retirement plan, choosing from either PERA or a defined-contribution plan. Many of you who are new legislators have just made that choice for the first time.

However, that choice is denied to all but a few of us in Colorado state government. If it is good enough for us, why isn't it good enough for all state employees? Therefore, it is time to provide persons newly-hired in state government with the same choice in retirement plans we enjoy.

Passing laws only for ourselves while not extending the benefit to other state employees is wrong.

I look forward to working with Senator Dave Owen on this important legislation.

## TAX RELIEF

Now I would like to turn to the issue of tax relief for Colorado's families.

I am very proud of our record in providing tax relief. Since becoming Governor, the legislature has passed and I have signed the most important tax relief package in Colorado history. Coloradans today are paying nearly a billion dollars less in taxes annually than they were two years ago.

We have permanently cut the income tax rate – twice – while also permanently lowering the sales tax rate.

These cuts of the income and sales taxes accounted for 86% of the permanent tax relief taxpayers received from their legislature and their governor.

In addition, we have eliminated the marriage penalty, lowered vehicle registration fees, increased the elderly pension exclusion, and provided an income tax credit for long-term care insurance – all while we have twice increased the earned income tax credit for low-income Coloradans.



money – not ours.

Now some have said that we *cannot* provide more tax relief. With the passage of Amendment 23 and its effect on the capital budget, many assume tax relief is off my agenda for this session. This morning I am putting tax cuts back on the agenda.

Each year, the state uses estimates from the Census Bureau to determine the population growth rate in order to calculate the state's TABOR tax revenue limits. After an actual count during the 2000 Census, we've discovered that they undercounted the state's population throughout most of the nineties.

What does this mean for the budget? It means that we suddenly have almost \$300 million dollars available for spending next year.

The state is receiving this windfall only because of a change in Census Bureau estimates – a change that gives us an opportunity to provide more much-needed taxpayer relief to all hard-working Coloradans, while also investing in our critical transportation infrastructure.

I am therefore calling on the legislature this year to continue to provide tax relief. I will leave it up to you to decide which taxes to cut, as long as they are broad-based and fair to all Coloradans.

On the subject of saving money, I know that everyone has been affected by the recent increases in heating bills.

Those being most hard hit are our low-income citizens who are struggling to live on a strict budget and cannot afford a heating bill that goes from \$50 to \$100 to \$200 or more in one month.

Efforts are underway across the country – at every level of government – to do something about these increases for the long term.

I look forward to working with this legislature, the Public Utilities Commission and our counties and municipalities to explore options with regard to power plants and transmission facilities that we need in the future so that all families in Colorado will not be saddled with out-of-control energy bills.

Colorado *must* have the energy infrastructure in place sufficient to ensure reliable and affordable energy to meet our current and future needs.

But there are steps that can be taken in the short term to help Colorado families who are struggling the most.

We should use a portion of our Severance Tax Trust Fund surplus – on a one-time basis – to help offset utility bill increases for low and middle-income families through the Low-Income Home Energy Assistance Program.

I want to thank Senator Rob Hernandez and Representative Jim Snook for spearheading this effort, which will help offset high heating bills for 70,000 struggling families in Colorado this year.

## **EDUCATION**

Ladies and gentlemen, *the* most important issue facing us is the last issue I want to discuss with you this morning. That issue is how best to improve our public schools so that every child is guaranteed what I regard



necessary, but not always easy. It is, in fact, usually difficult, or it would have been done long ago.

Friends, I believe that our public schools are well on the way to improving. I have heard many times from educators and parents across the state that standards and accountability are already working.

Why? Because we've made it perfectly clear that every Colorado child has a right to an education that includes being able to read, write and do basic mathematics.

Unfortunately, we still have too many of our young people who cannot read at grade level moving through our schools. We have too many students who cannot write and who cannot grasp the fundamentals of math, much less understand how all three will impact everything they do for the rest of their lives.

Let me share with you a few numbers that prove this point. Based on the CSAP tests given to date – tests written right here in Colorado, by Colorado educators, based on Colorado standards – we now know that almost one third of our third graders are not proficient in reading.

We know that 60% of our fourth graders are not proficient in writing, and more than half our eighth graders are not proficient in science.

We also know that 51% of our fifth graders and an incredible 65% of our eighth graders are not proficient in math.

We need to look at where we were, where we are and where we are going. It is a struggle, there is no doubt about it – the contrast between the old education system and the new, between passing and failing, between ignorance and education.

Yet this is a struggle we must confront head on. It is not going to be easy. There are those who are well meaning who simply do not understand that in a changing world, only those who are prepared academically will be successful.

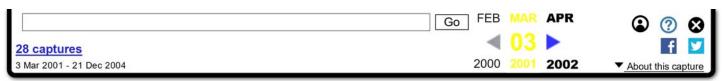
On January 14,1993 then Governor Roy Romer stood at this very podium and stressed the importance of standards and accountability for our public schools.

Governor Romer said, "Each year no issue is more difficult for all of us than the funding and reform of our public schools. Perhaps that is because there are no simple solutions. We have to start with setting clear standards for what students should know and be able to do. This is the most important step we can take, because it drives everything else in educational reform."

On January 13, 1994 Governor Romer – again at this very podium – renewed his call for standards saying, "Standards are particularly important because they give parents and students a yardstick to measure their academic progress, and they give all of us the ability to hold schools accountable for making sure students are learning."

And in 1995 Governor Romer told those of us in the legislature that the best way to improve the productivity and results of the public education system was "to maintain our commitment to clear, rigorous standards for student performance."

From this call to arms during Governor Romer's tenure came the creation of the Colorado Student Assessment Program – CSAP – and the beginning of more accountability for our public schools.



The keystone of my education reform plan was based on a simple premise – seeing that *every child* in Colorado has a quality teacher, a safe school and an education that prepares them to succeed. You have heard me say it many times – we must leave no child behind.

That is why I insisted that a large share of Colorado's tobacco settlement be devoted to elementary school literacy. Through *Read to Achieve* – sponsored by Senator John Andrews and Representative Abel Tapia – we are beginning the largest literacy effort in Colorado history.

Our goal is to make sure every child can read at or above grade level when they enter the fourth grade.

Just last month I announced that 408 elementary schools would be receiving \$27 million dollars in third-grade reading grants from *Read to Achieve*. And let me tell you something that I found interesting – one school received a grant to fund a single student. That truly sums up what I mean when I say that every child counts.

This year we must stay the course. This year we *will* stay the course. While there are a few technical changes we need to make to last year's school reform package, the plan itself is not only sound, it is essential if we want to change a school system where too many of our children are left behind.

Annual testing makes sense. Giving schools three years to improve before requiring new management makes sense – any longer and a child's elementary school years may be lost. And accountability makes sense. Parents want to know about the academic performance, teacher quality, safety and use of taxpayer dollars at public schools.

Ten or fifteen years from now I don't want another Governor standing here delivering a state of the state address saying we have to deal with an education crisis because his or her predecessors didn't act.

Friends, there is one person in particular who *did* act and I want to take this opportunity to thank Senator Norma Anderson for her leadership on education. It is not news to anyone in this chamber that Norma fought what was, at times, a tough battle.

Norma, thank you for all you have done for Colorado's children.

Of course, unless schools are given the resources to do their job, accountability means little. That is why I am proud that the budget I have submitted to the General Assembly included full funding for K-12 education. My budgets have increased education funding by more than \$590 million dollars.

And you know, fully funding education has not been easy.

In fact, it had not been accomplished once in the entire decade prior to my Administration. And yet, the three budgets that I have submitted not only fully fund K-12 education, but have enough additional dollars for our schools that we have made up a significant portion of the K-12 funding shortfall of the previous decade.

Ladies and gentlemen, we should be proud of this record. But with this new investment in our schools must come change. Coloradans are investing more than ever before in our schools, and we have a right to expect – even to demand – an improved educational system for our children.

With the passage of Amendment 23, voters have said they want us to continue on this course. But the amount of money we provide to K-12 education is not the sole yardstick by which our commitment should be



percentage point over the next ten years.

In addition to this spending, all other new monies provided by the Amendment, can only be used for "accountable education reform, for accountable programs to meet state academic standards, for class size reduction, for expanding technology education, for improving student safety, for expanding the availability of preschool and kindergarten programs, for performance incentives for teachers, for accountability reporting, or for public school building capital construction."

Friends, those words are now in our state Constitution. As elected officials we swore to uphold the Constitution. Therefore, we have a responsibility to ensure that money from Amendment 23 is spent in these categories. That is the will of the people.

When those who supported Amendment 23 took their case to the voters, they didn't say "give us these dollars and we'll just pass them along to fund business as usual."

They didn't say, "give us these dollars and trust us," and they certainly didn't say, "give these dollars to the school bureaucrats and hope for the best."

No, ladies and gentlemen, the proponents were very specific with the language of the ballot initiative passed by voters, clearly spelling out particular areas where those new funds should be spent.

Therefore, I ask this General Assembly to pass responsible, targeted increases in education funding that will actually help the children – though not necessarily the administrators.

I support local control and my proposals – with the exception of reducing class size and special ed funding – give the funds directly to school principals to decide how best to use them. What could be more local than that?

We must provide schools with funds to purchase new textbooks so that every child has reading, math and science books that are accurate and up-to-date, while also freeing parents from burdensome textbook fees.

We must give a helping hand to our lowest-performing schools that are trying to improve by providing them with grants to help in their turnaround efforts.

We want all children to go to school ready to learn so we must measure the effects of full-day kindergarten on the achievement level of low-income children.

I am pleased to be working with Senator Rob Hernandez on a bill to establish full-day kindergarten pilot programs at our most challenged elementary schools.

We must also address the inequality that exists between children who attend public neighborhood schools and children who attend public charter schools.

It is simply wrong that children who attend public charter schools must have their buildings paid for out of their school's operating funds, while children in public neighborhood schools have their school paid for out of additional, separate, capital funding.

We have two unequal standards at work here and this session we must begin the process of giving our charter students the equality they deserve.



That is why I have proposed teacher pay incentives that would reward exemplary teachers with merit pay bonuses, while offering recruitment bonuses to encourage our best teachers to teach in challenged schools and in hard-to-recruit subjects like math, science and special education.

Again, this money would go directly to principals, as they are the ones who best know which teachers are working hardest day in and day out to educate our children.

Finally, I want to discuss with you the critical issue of reducing class size. For years the education community has called for lower class sizes. We have been told repeatedly by virtually every school board, by every school principal and certainly in every mill levy election that we must reduce class size.

Under Amendment 23, every school in Colorado will receive funding increases of inflation plus an extra one-percentage point in funding each year for the next ten years.

We have two choices – we can either let those funds be absorbed in the base with no discernible outcome, or we can direct these dollars toward small class sizes – a priority of parents and, at least until now, educators.

It is certainly reasonable to ask that, over the next decade, schools use this new funding first to reduce K-3 class size to 17 students.

For those schools already enjoying small class sizes, they will receive the same new funding as those schools that don't, and then will have the flexibility to direct that money toward other areas to improve student achievement.

I want to emphasize that we are making great strides in improving the educational future for our children in both K-12 as well as in higher education – especially in high technology.

In March, I proudly launched the Colorado Institute of Technology – an institution that combines the best concepts of academia and the private sector.

CIT is a groundbreaking effort to double the number of graduates in technology-related majors. CIT is a collaborative partnership of CU, CSU, the Colorado School of Mines, Metro, DU and our community colleges.

No education initiative across the nation compares to its scope and mission which is to unite the technology and education communities, and to expand pre-technology learning in elementary, middle and high school.

I asked Colorado's technology community to support this initiative. They have done so already, committing \$41 million dollars in private capital to our efforts.

I am convinced that this effort will lead to better jobs and higher-paying jobs for Colorado's citizens.

Ladies and gentlemen, think for a moment what those who will sit in this historic chamber will say about us one hundred years from now. How did we begin the journey of the greatest century this state will ever enjoy? Did we take those issues that have divided us for decades and finally have the courage to solve them? Or, did we shrink from the challenge, preferring business as usual?

Friends, I intend to face these issues and work together to solve them. We have a lot of work ahead of us. Let us begin now.



Mary McLeod Bethune who, like all of us, believed that what we do today is for those who will live tomorrow.

Bethune said, "I leave you love. I leave you hope. I leave you the challenge of developing confidence in one another. I leave you a thirst for education. I leave you respect for the use of power. I leave you faith. I leave you racial dignity. I leave you a desire to live harmoniously with your fellow man. I leave you finally, a responsibility to our young people."

Thank you, God bless you and God bless the great State of Colorado.