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STATE OF COLORADO  
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STATE OF THE STATE SPEECH

I. INTRODUCTION

LAST YEAR WAS MY FIRST YEAR AS GOVERNOR OF COLORADO. IT WAS, IF YOU WILL, MY ROOKIE YEAR. IT WAS AN INTERESTING YEAR, A CHALLENGING YEAR. IN FACT, I HAVE TO ADMIT I ENJOYED IT.

I SAID IN LAST YEAR'S STATE OF THE STATE THAT I WOULD WORK WITH YOU, THE GENERAL ASSEMBLY. I THINK THAT I HAVE KEPT THAT PROMISE. IN SOME CASES, I PROBABLY SHOULD NOT HAVE COOPERATED. FOR EXAMPLE, I NEVER SHOULD HAVE ALLOWED THE \$50 MILLION IN HIGHWAY FUNDS TO BE ELIMINATED. NOW EVEN THE HIGHWAY LEGISLATION REVIEW COMMITTEE IS RECOMMENDING THAT THE FUNDS BE RESTORED.

BUT I KEPT AN OPEN LINE OF COMMUNICATION WITH YOU. THAT WAS IMPORTANT. AND I PLEDGE TO CONTINUE THAT OPEN DOOR POLICY. I STILL FEEL AT HOME ON THE SECOND FLOOR.

THIS YEAR ESPECIALLY WILL REQUIRE ALL OUR GOOD WILL AND COOPERATION. IT APPEARS THAT THIS MAY BE A TOUGHER YEAR: REVENUES ARE DOWN; IT'S AN ELECTION YEAR; ; YOU WANT TO MAKE IT A SHORT SESSION. I UNDERSTAND THOSE CONCERNS. HOWEVER, THE FUTURE OF COLORADO IS MORE IMPORTANT THAN THE NEXT ELECTION. WE MUST FACE THE TOUGH ISSUES NOW AND NOT WAIT UNTIL NEXT YEAR.

THIS WEEK, I'VE HAD TO FACE SOME DIFFICULT DECISIONS AS GOVERNOR. BECAUSE OF SLOWER GROWTH THAN EXPECTED, THE STATE'S REVENUES WILL FALL ABOUT \$33 MILLION SHORT OF PREVIOUS ESTIMATES. THEREFORE, I HAVE ORDERED ADDITIONAL CUTS AND SAVINGS ON TOP OF AN ALREADY TIGHT BUDGET TO MAKE UP THIS SHORTFALL.

AS YOU KNOW, RATHER THAN ACROSS-THE-BOARD CUTS, I'VE ASKED MY DEPARTMENT HEADS TO FIND SPECIFIC CUTS IN THEIR BUDGETS. THE CUTS WILL BE SUBMITTED TO ME BY JANUARY 11TH. AFTER REVIEWING THESE PLANS, I WILL IMMEDIATELY ADVISE THE LEGISLATURE OF THE CUTS I INTEND TO MAKE.

NO PROGRAM IS SACRED. WE NEED TO LOOK AT EVERYTHING STATE GOVERNMENT DOES AND DETERMINE IF IT IS NECESSARY. BUSINESS AS USUAL JUST ISN'T GOOD ENOUGH. WE'LL MAKE THE HARD DECISIONS AND ASK THE TOUGH QUESTIONS. I WILL ASK IF EACH PROGRAM IS NECESSARY.

WE NEED TO MAKE THESE CUTS NOT ONLY BECAUSE OF HARD BUDGETARY REALITIES, BUT ALSO BECAUSE WE MUST SHOW WE CAN RUN THIS GOVERNMENT EFFICIENTLY. PEOPLE MUST BELIEVE IN OUR EFFICIENCY BECAUSE WE WILL

BE ASKING THEM TO INVEST IN OTHER PROGRAMS TO PREPARE COLORADO FOR ITS FUTURE.

AND NOW LET ME TURN TO COLORADO'S FUTURE, SINCE THAT IS THE PRINCIPAL TOPIC OF TODAY'S ADDRESS.

THE CRITICAL ISSUES TO COLORADO'S FUTURE ARE ECONOMIC DEVELOPMENT, EDUCATION AND QUALITY OF THE WORKFORCE, INFRASTRUCTURE AND ENVIRONMENT.

LET ME BEGIN WITH ECONOMIC DEVELOPMENT.

## II. ECONOMIC DEVELOPMENT

A YEAR AGO, IF WE HAD SAID THAT THERE ARE THREE BIG HITS, U S WEST, SEMATECH, AND SSC, AND SAID THAT A YEAR FROM NOW WE WERE GOING TO HAVE ONE, BE A FINALIST FOR THE OTHER, AND HAVE BEEN THE RUNNER-UP FOR THE THIRD, PEOPLE WOULD HAVE LAUGHED AT US. BUT, WE HAVE DONE THAT. THIS IS A VERY SIGNIFICANT ACHIEVEMENT FOR COLORADO.

COLORADO'S ECONOMIC DEVELOPMENT EFFORT IS MOVING FAST. OUR FIRST ORDER OF BUSINESS WAS TO CHANGE COLORADO'S BUSINESS IMAGE, TO TELL THE NATION -- AND THE WORLD -- THAT COLORADO IS OPEN FOR BUSINESS. WE HAVE GOTTEN THE MESSAGE ACROSS. PEOPLE ARE HEARING US NOW.

WE'VE BUILT AN ECONOMIC DEVELOPMENT ORGANIZATION. WE HAVE SPECIALISTS WORKING TO GET EXISTING BUSINESSES TO EXPAND WITHIN COLORADO AND NEW BUSINESSES TO START OR RELOCATE IN COLORADO.

WE HAVE RECOGNIZED THAT MOST OF THE JOBS CREATED IN THIS STATE ARE CREATED BY SMALL BUSINESSES, INCLUDING BUSINESSES OWNED BY WOMEN AND MINORITIES, AND WE HAVE FOCUSED OUR EFFORTS TO HELP THESE BUSINESSES. DURING THE PAST YEAR, WE CREATED SPECIAL OFFICES TO ASSIST SMALL BUSINESSES AND WOMEN- AND MINORITY-OWNED BUSINESSES TO PROVIDE INFORMATION AND TECHNICAL ASSISTANCE TO BUSINESSES THROUGHOUT THE STATE.

IN ADDITION, WE HAVE OPENED AN INTERNATIONAL TRADE OFFICE AND FOREIGN TRADE OFFICES IN TOKYO AND TAIWAN TO RECRUIT BUSINESSES FROM ABROAD AND PROMOTE COLORADO PRODUCTS IN FOREIGN MARKETS.

WE HAVE STARTED DOWN THE RIGHT TRACK. WE HAVE CREATED AN ECONOMIC DEVELOPMENT ORGANIZATION, HIRED TOP-FLIGHT TALENT, BEGUN TO MAKE COLORADO KNOWN AS A PLACE TO DO BUSINESS, AND BEGUN PROVIDING TECHNICAL AND FINANCIAL ASSISTANCE. BUT WE ARE JUST BEGINNING.

WE MUST FORM AN OFFICE OF ECONOMIC DEVELOPMENT. THIS STATE NEEDS A GROUP OF PEOPLE FOCUSING EXCLUSIVELY ON ECONOMIC DEVELOPMENT, NOT SPLITTING THEIR TIME AMONG OTHER IMPORTANT FUNCTIONS. WE NEED ENTREPRENEURS TO WORK WITH ENTREPRENEURS. THOSE STATES WITH STRONG ECONOMIC DEVELOPMENT PROGRAMS ALSO HAVE STRONG ECONOMIC DEVELOPMENT ORGANIZATIONS. COLORADO NEEDS TO ESTABLISH ONE ALSO.

THE OFFICE WILL NOT BE A SEPARATE DEPARTMENT BUT WILL BE LOCATED IN THE GOVERNOR'S OFFICE. IF THE PEOPLE IN THAT OFFICE DON'T PRODUCE OR ARE NOT RESPONSIVE TO THE BUSINESS COMMUNITY, I WANT TO KNOW AND I WILL MAKE CHANGES.

THE OFFICE OF ECONOMIC DEVELOPMENT WILL NEED SUFFICIENT FUNDS TO DO ITS JOB. LAST YEAR, BECAUSE WE WERE STARTING A NEW INITIATIVE, WE HAD LIMITED GENERAL FUNDS AND RELIED ON MINERAL IMPACT FUNDS TO PAY FOR THE STAFF AND MUCH OF THE ECONOMIC DEVELOPMENT ACTIVITIES.

HOWEVER, WE SHOULD NOT CONTINUE TO USE THESE IMPACT FUNDS TO PAY FOR AN ON-GOING PROGRAM OF STATE GOVERNMENT. THE MINING INDUSTRY IS HAVING PROBLEMS, AND THE MINERAL IMPACT FUNDS, WHICH ARE BASED ON MINING REVENUES, ARE DECLINING. FURTHER, LOCAL GOVERNMENTS NEED CONTINUED SUPPORT FOR LOCAL INVESTMENTS, WHICH THE IMPACT FUNDS PROVIDE.

THEREFORE, I WILL BE ASKING YOU TO GENERAL FUND THE ECONOMIC DEVELOPMENT PROGRAM. I ASSURE YOU THAT I AM GOING TO RUN A LEAN ECONOMIC DEVELOPMENT SHIP -- WE ARE GOING TO USE FEWER DOLLARS AND GET EVEN BETTER RESULTS.

THIS YEAR WE NEED TO BUILD ON WHAT WE ARE DOING RIGHT. WE HAVE STARTED TO BROADEN THE RURAL ECONOMIC BASE BY INCREASING FOOD PROCESSING OPPORTUNITIES FOR AGRICULTURAL PRODUCTS. WE NEED TO EXPAND THOSE PROGRAMS. SIMILARLY, WE HAVE STARTED PROMOTING COLORADO TOURISM AS A YEAR-ROUND MARKET. OUR HUNTING, FISHING, SKIING, AND GOLF PROMOTIONS MUST BE EXPANDED.

I INTEND TO FOLLOW UP PERSONALLY WITH EXECUTIVES FROM THE STATE'S LARGEST CORPORATIONS TO CONVINCING THEM TO EXPAND THEIR BUSINESSES IN COLORADO AND TO SPREAD THEIR INVESTMENTS AND JOB OPPORTUNITIES THROUGHOUT THE STATE.

OUR ECONOMIC DEVELOPMENT PROGRAM IS GAINING NATIONAL RECOGNITION. THE STRATEGIC PLAN IS READY. THE ORGANIZATION AND FUNDING WILL SOON BE IN PLACE. THE PERSONNEL ARE ON BOARD AND OPERATING EFFECTIVELY. I PREDICT THIS WILL BE A GOOD YEAR FOR THE STATE'S ECONOMIC DEVELOPMENT EFFORT.

### III. EDUCATION AND QUALITY OF THE WORKFORCE

OUR ECONOMIC DEVELOPMENT STRATEGY IS COLORADO'S SHORT-TERM, DIRECT RESPONSE TO THE INCREASINGLY COMPETITIVE NATURE OF OUR WORLD. AS I SAID LAST YEAR, WITH 50 OTHER STATES COMPETING WITH US IN THE WORLD ECONOMY, WE HAVE TO GET OUT AND SELL THE STATE, THINK STRATEGICALLY AND WORK HARDER THAN THE OTHERS.

BUT LET'S STEP BACK FOR A MOMENT AND TAKE THE LONG VIEW. WHAT IS THE MOST IMPORTANT COMPONENT OF OUR LONG-TERM ECONOMIC PROSPERITY? IT MUST BE OUR PEOPLE, OUR GREATEST RESOURCE. THE QUALITY OF OUR

WORKFORCE WILL ABSOLUTELY DETERMINE OUR SUCCESS AT COMPETING IN THE WORLD ECONOMY.

LET'S LOOK AT THE TRENDS THAT AFFECT THE MAKEUP OF THAT WORKFORCE. THERE IS SOME GOOD NEWS. COLORADO LEADS THE NATION IN THE PERCENTAGE OF RESIDENTS OVER AGE 25 WITH FOUR OR MORE YEARS OF COLLEGE, AND IN THE PERCENTAGE OF STUDENTS GRADUATING FROM HIGH SCHOOL. OUR WORK ETHIC IS STRONG. OUR LABOR FORCE PARTICIPATION RATE IS ALMOST THREE-QUARTERS OF OUR ADULT POPULATION, AMONG THE HIGHEST IN THE NATION FOR BOTH MEN AND WOMEN. WE RANK WITHIN THE TOP FIVE STATES FOR LOW ABSENTEEISM AND HIGH PRODUCTIVITY.

NOW LET'S LOOK AT SOME SOBERING FACTS. WHILE OUR CURRENT WORKFORCE IS COMPETITIVE, WE ARE IN FOR SOME HARD TIMES IF PRESENT TRENDS HOLD.

FIRST, THE LABOR FORCE, LIKE THE GENERAL POPULATION, WILL GROW VERY SLOWLY OVER THE NEXT 15 YEARS. THE ENTRY-LEVEL LABOR POOL OF 16 TO 24 YEAR-OLDS IS SHRINKING AND WILL REPRESENT ONLY 16 PERCENT OF THE POPULATION IN 1995. MEANWHILE, THE PROPORTION OF THE ENTRY LEVEL LABOR FORCE MADE UP OF WOMEN AND MINORITIES WILL INCREASE SUBSTANTIALLY. WOMEN, MINORITIES AND RECENT IMMIGRANTS WILL ACCOUNT FOR MORE THAN 80 PERCENT OF THE ADDITIONS TO THE LABOR FORCE BETWEEN NOW AND THE YEAR 2000.

SECOND, THE ECONOMY WILL CONTINUE TO SHIFT FROM THE GOODS-PRODUCING SECTOR TO THE SERVICE SECTOR. SERVICE INDUSTRIES NOW EMPLOY 24 PERCENT OF OUR WORKFORCE AND WILL CONTRIBUTE THE LARGEST NUMBER OF NEW JOBS IN THE FUTURE. HIGH TECHNOLOGY WILL GROW AS A FORCE IN COLORADO'S ECONOMIC FUTURE, DEMANDING WORKERS WITH STRONGER ANALYTICAL AND COGNITIVE SKILLS. THE RAPIDLY INCREASING PACE OF CHANGE WILL REQUIRE WORKERS WHO HAVE STRONG BASIC SKILLS AND CAN ADAPT TO NEW WORK DEMANDS.

AND HOW WELL-PREPARED WILL OUR CITIZENS BE FOR THIS DEMANDING ENVIRONMENT? TWENTY-THREE PERCENT OF OUR STUDENTS DROP OUT BEFORE HIGH SCHOOL GRADUATION. FOR MINORITY STUDENTS, THE PERCENTAGES ARE VERY DISCOURAGING: 40 PERCENT OF BLACK YOUTHS AND 50 PERCENT OF HISPANICS DROP OUT.

THIRTEEN PERCENT OF ALL 17 YEAR-OLDS AND 41 PERCENT OF MINORITY STUDENTS ARE FUNCTIONALLY ILLITERATE. AMONG ADULTS, 16 PERCENT OF WHITES, 44 PERCENT OF BLACKS AND 50 PERCENT OF HISPANICS ARE NON-READERS.

THE PROSPECTS FOR POORLY EDUCATED WORKERS ARE BLEAK. ONLY 21 PERCENT OF ALL PERSONS WITH LESS THAN 12 YEARS OF EDUCATION ARE EMPLOYED. IN 1984, 47 PERCENT OF THAT GROUP WHO DID FIND JOBS WORKED AS LABORERS, OPERATORS OR FABRICATORS -- LOW-WAGE JOBS THAT ARE ON THE DECLINE IN OUR ECONOMY.

WE CONTINUE TO HAVE SIGNIFICANT PROBLEMS WITH DRUG AND ALCOHOL ABUSE AND TEENAGE PREGNANCY. THESE PROBLEMS SERIOUSLY AFFECT OUR WORKFORCE PRODUCTIVITY AS WELL.

ALL THIS ADDS UP TO TROUBLE. WE'RE LOOKING AT A MORE DEMANDING WORK ENVIRONMENT, AND A SHRINKING WORKFORCE WITH A GREATER PROPORTION OF WORKERS WHO WE CAN PREDICT WILL HAVE TROUBLE ADJUSTING TO THE INCREASED DEMANDS MADE ON THEM.

WE'VE GOT TO IMPROVE THE QUALITY OF OUR WORKFORCE. HOW TO BEGIN? OBVIOUSLY, THE FIRST AND MOST IMPORTANT STEP IS EDUCATION. WE NEED TO LOOK CLOSELY AT HOW WE EDUCATE OUR PEOPLE -- FROM PRE-SCHOOL THROUGH COLLEGE, AND BEYOND. EDUCATION IS A LIFELONG ACTIVITY.

RESEARCH AND OBSERVATION SHOW THAT PRE-SCHOOL EDUCATION IS VERY, VERY IMPORTANT. THE PERIOD FROM BIRTH TO AGE 5 -- THE FIRST 60 MONTHS -- IS PERHAPS THE MOST CRUCIAL TIME IN OUR YOUNGSTERS' LIVES. ALL THE DATA TELL US THAT A CHILD'S FUTURE IN SOCIETY IS WRAPPED UP IN THESE MONTHS. OUR INABILITY TO REACH AND IMPROVE THE LIVES OF AT-RISK CHILDREN DURING THESE CRUCIAL MONTHS WILL COST THEM -- AND US -- DEARLY LATER ON.

I KNOW THAT YOU, THE GENERAL ASSEMBLY, ARE AWARE OF THIS FACT. THE LEGISLATIVE INTERIM COMMITTEE RECOMMENDED A PILOT PROGRAM THAT WOULD FUND PRE-SCHOOL FOR 2,000 AT-RISK YOUNGSTERS. THE COST WOULD BE \$3.4 MILLION, \$1.7 MILLION IN STATE FUNDS MATCHED BY THE SAME AMOUNT FROM LOCAL SCHOOL DISTRICTS. I ENDORSE THIS PROPOSAL. BUT I DO NOT THINK IT GOES FAR ENOUGH.

I BELIEVE WE MUST ADDRESS THE WHOLE CONTEXT OF A CHILD'S LIFE TO REALLY HAVE AN IMPACT. THEREFORE, I RECOMMEND A PROGRAM THAT INCLUDES THE PRESCHOOL COMPONENT BUT ALSO USES "WRAPAROUND" FUNDS TO PROVIDE FULL-DAY QUALITY DAY CARE FOR THESE CHILDREN. THE FUNDS WILL COME FROM A COMBINATION OF SOCIAL SERVICES AND FEDERAL JOB TRAINING PARTNERSHIP ACT SUBSIDIES, CONTRIBUTIONS, DONATED TIME AND A SLIDING FEE SCALE FOR THOSE WHO CAN AFFORD TO PAY.

I ALSO BELIEVE THIS PROGRAM MUST EVENTUALLY BE EXPANDED TO INCLUDE ALL AT-RISK YOUNGSTERS, OF WHICH THERE ARE ABOUT 20,000 IN THE STATE. THIS WILL MEAN SUBSTANTIAL COSTS, AND I UNDERSTAND IT WILL HAVE TO BE PHASED IN OVER TIME. I WILL WORK WITH YOU TO SEE THAT THIS IS DONE.

PRE-SCHOOL IS ONLY THE FIRST STEP. NEXT IS REFORM OF OUR KINDERGARTEN THROUGH TWELFTH GRADE -- K-12 SYSTEM. WE ARE NOT STARTING FROM SCRATCH. WE HAVE A GOOD SYSTEM. ON STANDARDIZED TESTS COLORADO SCORES WELL ABOVE THE NATIONAL AVERAGE. COLORADO'S COLLEGE-BOUND STUDENTS RANK FIFTH NATIONALLY ON COLLEGE ENTRANCE SCORES.

BUT WE CANNOT BE CONTENT. THE HIGH SCHOOL CLASS THAT WILL GRADUATE IN THE YEAR 2000 ENTERED KINDERGARTEN THIS FALL. THESE FUTURE HIGH SCHOOL GRADUATES WILL ENCOUNTER AN INCREASINGLY COMPETITIVE ENVIRONMENT. WE'VE GOT TO DO BETTER AT EDUCATING ALL OUR YOUNGSTERS TO PREPARE THEM FOR THE WORLD OF THE FUTURE.

FIRST, WE NEED TO ENABLE THE TEACHING PROFESSION TO BECOME MORE PROFESSIONAL. THIS MEANS PAYING TEACHERS PROFESSIONAL SALARIES, REWARDING EXCELLENCE AND ENCOURAGING PROFESSIONAL DEVELOPMENT AND A LONGER WORK YEAR.

THIS TOUCHES ON ONE OF THE THEMES OF THIS ADDRESS -- ACCOUNTABILITY. OUR TEACHERS MUST FEEL THEY ARE MORE VALUED THAN AT PRESENT. AND IN RETURN, TEACHERS MUST BE MORE ACCOUNTABLE FOR THEIR PERFORMANCE. WE NEED TO UPGRADE TEACHER CERTIFICATION STANDARDS, ADOPTING THE PROPOSED NATIONAL STANDARDS. AND WE NEED A MERIT PAY SYSTEM THAT REWARDS PERFORMANCE.

WE NEED MORE ACCURATE ASSESSMENT MECHANISMS TO MEASURE STUDENT PROGRESS NOT ONLY ACADEMICALLY, BUT IN KEY INDICATORS SUCH AS ATTENDANCE AND GRADUATION RATES. AGAIN, WE NEED ACCURATE DATA AS A BASELINE AND TO ESTABLISH ACCOUNTABILITY. WE'VE GOT TO FACE UP TO HARD FACTS ABOUT THE PERFORMANCE OF MINORITY STUDENTS, SO WE CAN GIVE THEM THE NECESSARY HELP. SIMILARLY, WE'VE GOT TO USE THE STATISTICS TO ENCOURAGE WEAKER SCHOOLS AND DISTRICTS TO TRY HARDER.

WE ALSO NEED TO STABILIZE THE EDUCATION FUNDING BASE. WE NEED TO MOVE AWAY FROM EXCESSIVE RELIANCE ON LOCAL PROPERTY TAX BY RESTRUCTURING THE STATE EQUALIZATION FORMULA.

AND THE PRIVATE SECTOR HAS TO GET INVOLVED MEANINGFULLY IN THE EDUCATION SYSTEM. ONE COMPONENT OF THE PACKAGE I INTEND TO PRESENT WILL BE A GOVERNOR'S CHALLENGE FUND THAT WILL ALLOW THE PRIVATE SECTOR TO CONTRIBUTE DIRECTLY TO INNOVATIVE EDUCATIONAL PROGRAMS DESIGNED BY SCHOOLS AND DISTRICTS.

FINALLY, WE'VE GOT TO FIND A WAY TO GET PARENTS MORE INVOLVED IN THEIR CHILDREN'S EDUCATION. IN JAPAN, PARENTS GET INVOLVED PERSONALLY, MAKING SURE A CHILD HAS EVERYTHING HE OR SHE NEEDS TO SUCCEED. IN THIS COUNTRY, AND IN THIS STATE, PARENTS OFTEN DON'T PARTICIPATE AT ALL IN THE EDUCATIONAL PROCESS. THIS MUST CHANGE.

THESE ARE JUST A FEW IDEAS AMONG MANY THAT WE WILL BE DISCUSSING OVER THE NEXT MONTHS. I INTEND TO FOCUS LIKE A LASER BEAM ON K THROUGH 12 EDUCATION THIS YEAR. THERE IS NO MORE IMPORTANT ISSUE FOR COLORADO, AND YOU WILL SEE A SUBSTANTIAL PART OF MY TIME AND ATTENTION DEVOTED TO IT. I AM LOOKING FORWARD TO WORKING WITH ALL OF YOU ON IT.

LET ME NOW MOVE TO THE HIGHER EDUCATION SYSTEM. HERE WE ALSO HAVE A FINE SYSTEM WORTHY OF PRAISE. HERE TOO WE WILL SURELY FAIL IF WE ARE NOT BOLD. WE NEED A SYSTEM OF HIGHER EDUCATION THAT IS AMONG THE BEST IN THE NATION. WITHOUT IT, A STATE LIKE OURS CANNOT THRIVE.

ALTHOUGH THE INCREASED 1987-88 APPROPRIATION WAS A MAJOR STEP FORWARD, FUNDING REMAINS A KEY ISSUE IN HIGHER EDUCATION. WE STILL SPEND 12 PERCENT LESS PER STUDENT THAN THE NATIONAL AVERAGE. TO ACHIEVE THE NATIONAL PROMINENCE THAT WE NEED, FUNDING LEVELS MUST BE

INCREASED. I AM ADVOCATING AN INCREASE OF \$30 MILLION FOR THE NEXT FISCAL YEAR.

RATES OF POSTSECONDARY EDUCATIONAL ATTAINMENT FOR MOST MINORITY GROUPS LAG SIGNIFICANTLY BEHIND RATES FOR WHITES. SINCE THE GREATEST GROWTH IN THE WORKFORCE IN THE NEXT TWENTY YEARS WILL TAKE PLACE AMONG THESE SAME MINORITY POPULATIONS, OUR COLLEGES AND UNIVERSITIES NEED TO INCREASE THEIR MINORITY ENROLLMENT.

WE MUST MAKE EXCELLENCE THE CENTRAL VALUE OF OUR HIGHER EDUCATION SYSTEM. I WILL ASK THE COMMISSION ON HIGHER EDUCATION AND THE GOVERNING BOARDS TO DEVELOP AN ENDOWED CHAIR AND GRANT PROGRAM WITHIN THE CURRENT STATUTORY EXCELLENCE PROGRAM. THIS SO-CALLED "STEEPLES OF EXCELLENCE" PROGRAM WILL PROVIDE MATCHING FUNDS TO GOVERNING BOARDS FOR ENDOWED CHAIRS OR PROGRAMS AT COLORADO'S COLLEGES AND UNIVERSITIES.

SIGNIFICANT INCREASES IN FUNDING MUST BE BALANCED BY EFFICIENCY AND ACCOUNTABILITY. THE HIGHER EDUCATION COMMISSION IS DEVELOPING A HIGHER EDUCATION ACCOUNTABILITY PROGRAM.

KEEPING OUR WORKFORCE COMPETITIVE GOES BEYOND THE TRADITIONAL CLASSROOM. IT ALSO WILL REQUIRE A JOB TRAINING AND RETRAINING PROGRAM THAT IS REponsive TO OUR CHANGING ECONOMY. STATE AGENCIES, LIKE THE DEPARTMENT OF LABOR AND EMPLOYMENT AND THE GOVERNOR'S JOB TRAINING OFFICE, AND COMMUNITY COLLEGES MUST WORK WITH BUSINESSES TO TRAIN WORKERS FOR THE JOBS BEING CREATED BY OUR ECONOMIC DEVELOPMENT ACTIVITIES. THESE RESOURCES MUST BE FAIRLY ALLOCATED ACROSS THE STATE TO ENSURE THAT BOTH RURAL AND URBAN AREAS HAVE THE SKILLED WORKERS NEEDED FOR ECONOMIC GROWTH. WE ALL MUST BE WILLING TO CHANGE INSTITUTIONS AND PROGRAMS TO CLOSE THE GAPS BETWEEN DEMAND AND SUPPLY IN OUR WORKFORCE.

WE SHOULD ALSO PROVIDE TRAINING AND ON-THE-JOB ASSISTANCE FOR POTENTIAL WORKERS WHO ARE RECEIVING WELFARE AND FOR DISLOCATED WORKERS ON UNEMPLOYMENT TO ELIMINATE THEIR DEPENDENCE ON PUBLIC PROGRAMS. THE SUCCESS OF COLORADO'S SELF-SUFFICIENCY PROGRAM BEING DEVELOPED BY THE DEPARTMENT OF SOCIAL SERVICES AND UNEMPLOYMENT INSURANCE WORK PROGRAMS BEING DEVELOPED BY THE DEPARTMENT OF LABOR AND EMPLOYMENT WILL DEPEND ON THE SUPPORT OF TRAINING AGENCIES AND THE BUSINESS COMMUNITY.

FOR THOSE CITIZENS PAST SCHOOL AGE WHO ARE ILLITERATE, A PUBLIC/PRIVATE PARTNERSHIP IS GROWING THAT WILL DEVELOP PROGRAMS TO TEACH READING SKILLS. THE STATE DEPARTMENTS OF EDUCATION AND LABOR AND EMPLOYMENT HAVE BEEN WORKING WITH BUSINESSPEOPLE ACROSS THE STATE TO PROMOTE LITERACY AND HELP CREATE IN-HOUSE PROGRAMS IN LARGER COMPANIES. SO FAR, FUNDING HAS COME EXCLUSIVELY FROM THE PRIVATE SECTOR. I WILL SUPPORT LEGISLATIVE PROPOSALS TO PROVIDE FOR STATE FUNDS TO BE CONTRIBUTED TO THIS EFFORT.

NOW LET ME TURN TO OTHER PROGRAMS THAT VITALLY AFFECT THE QUALITY OF OUR WORKFORCE. THE "COMMUNITIES FOR A DRUG-FREE COLORADO" PROJECT

HAS MADE GREAT STRIDES IN UNITING STATE AND LOCAL COMMUNITY EFFORTS TOWARD DRUG AND SUBSTANCE ABUSE PREVENTION. THE PROGRAM APPROVES PROPOSALS AND DISTRIBUTES ALL FEDERAL ANTI-SUBSTANCE ABUSE FUNDS IN COLORADO. IN ADDITION, WE'VE RAISED ONE AND A HALF MILLION DOLLARS IN PRIVATE DONATIONS TO SUPPLEMENT FEDERAL FUNDS.

THE GOVERNOR'S INSTITUTE ON TEENAGE PREGNANCY IS WORKING ON A NUMBER OF PILOT PROGRAMS, LIKE THE ONES RECENTLY FUNDED IN BENT, CROWLEY AND OTERO COUNTIES, TO REDUCE TEEN PREGNANCY THROUGH BETTER EDUCATION.

FIRST IMPRESSIONS, THE EARLY CHILDHOOD INITIATIVE HEADED BY MRS. ROMER, HAS BEEN VERY INVOLVED IN THE PRE-SCHOOL ISSUE, BUT THEIR EFFORTS EXTEND TO ALL ASPECTS OF A CHILD'S LIFE DURING THE FIRST 60 MONTHS -- NOT JUST EDUCATION, BUT THE WHOLE GAMUT OF ISSUES CONCERNING THE PHYSICAL AND PSYCHOLOGICAL WELL-BEING OF CHILDREN.

ALL THESE PROGRAMS REFLECT OUR CONVICTION THAT COLORADO'S PEOPLE ARE AND MUST BE OUR GREATEST RESOURCE. WE MUST INVEST IN THEM. THE RETURNS IN TERMS OF PRODUCTIVITY, COMPETITIVENESS AND QUALITY OF LIFE WILL BE GREAT.

#### IV. INFRASTRUCTURE

LET ME TURN NOW FROM PEOPLE TO BRICKS AND MORTAR. WITHOUT AN ADEQUATE INFRASTRUCTURE, WE CANNOT CAPITALIZE ON THE ECONOMIC OPPORTUNITIES WE ATTRACT.

A NEW AIRPORT IS A VITAL PART OF THE STATE'S INFRASTRUCTURE. MANY OF YOU HAVE HEARD ME USE THIS EXAMPLE BEFORE, BUT IT IS WORTH REPEATING. ON MY TRIPS TO OTHER PARTS OF THE WORLD, ONE OF THE THINGS PEOPLE UNDERSTAND IMMEDIATELY IS HOW IMPORTANT COLORADO'S LOCATION IS TO TRADE AND BUSINESS TIES. IN CHINA I WOULD USE A MAP TO POINT OUT WHERE COLORADO SAT IN THE CONTINENTAL U.S., HOW IT WAS EQUIDISTANT BETWEEN THE PACIFIC RIM AND WESTERN EUROPE. AND INVARIABLY, THE LEADERS WITH WHOM I SPOKE WOULD WANT TO KEEP THE MAP. THEY CLEARLY UNDERSTOOD THE IMPORTANCE OF COLORADO'S LOCATION.

WE MUST EXPLOIT OUR UNIQUE POSITION AS A NATIONAL AND WORLD CROSSROADS. THAT IS WHY THE NEW DENVER AIRPORT IS SO IMPORTANT. IT IS VITAL TO THE ECONOMY OF THE WHOLE STATE.

WE NEED TO BUILD THE NEW AIRPORT AS QUICKLY AS WE CAN. LET'S NOT EQUIVOCATE ON THIS. THE TIME IS PAST WHEN WE CAN PRODUCTIVELY DEBATE WHERE THE AIRPORT SHOULD BE OR WHO SHOULD RUN IT. THE LOCAL JURISDICTIONS ARE MAKING PROGRESS TOWARD RESOLVING THE OUTSTANDING ISSUES INVOLVING RUNWAY CONFIGURATION, NOISE, AND ACCESS ROAD ALIGNMENT. THEY NEED TO BE ALLOWED TO CONCLUDE THEIR NEGOTIATIONS.

THE AIRPORT SHOULD BE BUILT ON THE SITE IDENTIFIED IN ADAMS COUNTY. AN ANNEXATION ELECTION WILL TAKE PLACE SOMETIME THIS YEAR. I CALL



UPON THE VOTERS OF ADAMS COUNTY TO HELP COLORADO BY APPROVING THE AIRPORT ANNEXATION. IT'S TIME TO PUT LOCAL AND PARTISAN CONCERNS ASIDE AND GET THIS ONE GOING.

THE OTHER CRUCIAL ISSUE RELATING TO THE NEW AIRPORT IS HOW WE SHAPE THE GROWTH IT WILL BRING. WE MUST MAKE EVERY EFFORT TO CONSTRUCT A HIGH QUALITY GATEWAY TO THE STATE. THIS IS ALL MANY TRAVELERS WILL SEE. IT CAN BE A TACKY, SECOND-RATE STRIP OF COMMERCIAL DEVELOPMENT, OR IT CAN REFLECT A HIGHER VISION OF OUR STATE. THIS IS AN OPPORTUNITY FEW GENERATIONS HAVE. WE HAVE IT NOW. LET'S NOT SQUANDER IT.

NOW LET ME TALK ABOUT ANOTHER CRUCIAL TRANSPORTATION NEED -- OUR HIGHWAYS. RURAL COLORADO ROADS NEED UPGRADING TO ELIMINATE SAFETY HAZARDS AND TO REPAIR LONG-NEGLECTED SURFACE CONDITIONS. MAJOR TRAFFIC CONGESTION PROBLEMS ON FRONT RANGE HIGHWAY SYSTEMS NEED TO BE SOLVED.

TO ACCOMPLISH THESE AIMS, I AM PROPOSING THAT TOGETHER WE DEVELOP A STATEWIDE MOBILITY PROGRAM WHICH WILL PREPARE US FOR THE 21ST CENTURY.

THIS PROGRAM WILL START WITH MORE EFFECTIVE USE OF THE RESOURCES WE ALREADY HAVE. ALREADY, THE DEPARTMENT AND THE HIGHWAY COMMISSION HAVE FROZEN THE MAINTENANCE BUDGET FOR THE COMING FISCAL YEAR. THE DEPARTMENT IS COMMITTED TO DOING ALL ESSENTIAL MAINTENANCE ON THE PRESENT ANNUAL BUDGET AND WILL USE THE NORMAL ANNUAL INFLATION INCREMENT OF \$3 TO \$4 MILLION FOR NEW CONSTRUCTION INSTEAD. ALSO, I HAVE DIRECTED THE DEPARTMENT AND THE COMMISSION TO CONTINUE THEIR REVIEW OF DEPARTMENT OPERATIONS TO ENSURE THAT THEY ARE AS EFFICIENT AS POSSIBLE.

IN ADDITION, THE HIGHWAY COMMISSION AND THE DEPARTMENT HAVE DECIDED TO REALLOCATE \$10 MILLION OF CURRENT RESOURCES TO RESURFACE 400 MILES OF HIGHWAY SYSTEM ANNUALLY -- AN INCREASE OF 25 PERCENT OVER THE PRESENT RESURFACING PROGRAM. THIS WILL BE ACCOMPLISHED BY NEW MANAGEMENT INITIATIVES AND INCREASED DEPARTMENTAL PRODUCTIVITY.

THE MAJOR THRUST OF THE STATEWIDE MOBILITY PROGRAM IS IMPROVING THE HIGHWAY SYSTEM'S CAPACITY AND SAFETY NEEDS. THESE NEEDS COULD BE MET BY BUILDING 30 TO 40 MAJOR PROJECTS THROUGHOUT THE STATE. THE ESTIMATED COST OF THESE PROJECTS IS \$950 MILLION, OF WHICH \$235 MILLION OF CURRENT RESOURCES WILL BE ALLOCATED TO THESE PROJECTS. THE REMAINING \$715 MILLION WILL HAVE TO BE FUNDED FROM NEW REVENUE SOURCES.

THESE PROJECTS REPRESENT OVER 250 MILES OF ROADWAY IMPROVEMENTS THROUGHOUT THE STATE. EXAMPLES OF PROJECTS THAT WOULD BE SLATED UNDER THE PLAN ARE LONG OVERDUE IMPROVEMENTS TO STATE HIGHWAY 82 FROM BASALT TO ASPEN, WOLF CREEK PASS, BERTHOUD PASS, HIGHWAY 50, INTERSTATE 70 AND REPAIR AND RECONSTRUCTION OF SEVERAL CRITICAL INTERSECTIONS, INCLUDING THE "MOUSETRAP" IN DENVER.

WE ALSO NEED TO STABILIZE FUNDING FOR THE HIGHWAY USERS TRUST FUND. WE NEED TO DO THIS TO STOP THE DECLINE IN HIGHWAY "BUYING POWER" RESULTING FROM INFLATION AND A DECLINING RATE OF REVENUE GROWTH. THE PLAN WOULD ELIMINATE THE CURRENT PRACTICE OF USING HIGHWAY DOLLARS TO FUND OTHER STATE ADMINISTRATIVE PROGRAMS BY CAPPING THIS DIVERSION OF FUNDS AT THE 1988-89 LEVEL.

I BELIEVE THAT EVERYONE RECOGNIZES THE NEED FOR IMPROVED ROADS STATEWIDE. I WILL BE WORKING WITH YOU AND OTHERS THROUGHOUT THE STATE IN THE NEXT 90 DAYS TO DEVELOP A CONSENSUS AROUND A SPECIFIC REVENUE PACKAGE. I BELIEVE WE MUST MOVE AHEAD THIS YEAR. WE CAN'T DECLARE A MORATORIUM JUST BECAUSE IT'S AN ELECTION YEAR.

IN ADDITION TO THE STATE HIGHWAY SYSTEM, WE HAVE OTHER TRANSPORTATION NEEDS TO ADDRESS. THE DENVER METRO AREA NEEDS A RELIABLE AND AFFORDABLE MASS TRANSIT SYSTEM TO RELIEVE CONGESTION AND REDUCE AIR POLLUTION. LOCALITIES STATEWIDE ARE UNABLE TO MAINTAIN THEIR EXISTING SYSTEMS AND BUILD NEEDED NEW CAPACITY BECAUSE OF DIMINISHING REVENUES. FINALLY, PUBLIC/PRIVATE COOPERATIVE VENTURES THAT ARE ATTEMPTING TO COMPLETE THE BELTWAY AROUND DENVER ARE STRUGGLING TO ESTABLISH AN ADEQUATE FUNDING BASE.

COMPLETING THESE NEEDED TRANSPORTATION PROJECTS WILL REQUIRE COOPERATION. THAT WORD IS ANOTHER THEME OF MY TALK TODAY. WE LIVE IN A NEW ERA WHEN PUBLIC WORKS AND OTHER PUBLIC PROJECTS ARE GOING TO BE MORE DIFFICULT TO FUND AND BUILD. LOCAL GOVERNMENTS NEED THE STATE'S HELP IN FINISHING PROJECTS THAT BENEFIT THE STATE AS A WHOLE.

TO HELP GET THESE PROJECTS GOING, I WILL CONVENE A TRANSPORTATION ROUNDTABLE CONSISTING OF LEGISLATORS, REPRESENTATIVES OF INDEPENDENT TRANSPORTATION AUTHORITIES, LOCAL OFFICIALS AND BUSINESS LEADERS TO COORDINATE THE PLANNING FOR THESE PROJECTS. BUT WE NEED NOT WAIT ON FUNDING THE STATE SYSTEM. THAT NEEDS TO BE DONE NOW.

LET ME QUICKLY TALK ABOUT PRISONS. WHEN I RAN FOR GOVERNOR, I NEVER THOUGHT I WOULD BE ADVOCATING PRISON CONSTRUCTION WHEN THERE ARE OTHER MORE IMPORTANT INVESTMENTS NEEDED FOR OUR FUTURE. HOWEVER, WE HAVE AN INMATE OVERFLOW PROBLEM WHICH WE MUST ADDRESS. RIGHT NOW, WE ARE UNDER COURT ORDER TO TAKE BACK STATE PRISONERS NOW HOUSED IN THE DENVER JAILS.

I HAVE PROPOSED BUILDING TWO NEW PRISONS, ALONG WITH A NUMBER OF OTHER MEASURES TO REDUCE THE BACKLOG. LET'S JUST DO IT THIS YEAR AND GET IT OVER WITH. THAT IS THE ONLY WAY TO GET ON WITH CONCENTRATING ON COLORADO'S FUTURE.

SINCE WE NEED TO BUILD AND OPERATE THESE PRISONS, I PROPOSE THAT WE BE INNOVATIVE AND EFFICIENT. I WANT THESE PRISONS DESIGNED AND BUILT IN THE MOST COST-EFFECTIVE MANNER. I WANT TO EXPERIMENT WITH PRIVATIZATION OF SUPPORT SERVICES SUCH AS FOOD SERVICE, MAINTENANCE AND MEDICAL CARE. IF THE PRIVATE SECTOR CAN PERFORM THESE FUNCTIONS BETTER, THEN THEY SHOULD BE ALLOWED TO DO SO.

V. ENVIRONMENTAL QUALITY

AND NOW, LET ME TURN TO COLORADO'S GREATEST ASSET, AFTER ITS PEOPLE. THAT IS THE NATURAL ENVIRONMENT. TO PROTECT OUR QUALITY OF LIFE, THE PUBLIC HEALTH AND OUR COMPARATIVE ECONOMIC ADVANTAGE, WE MUST PROTECT OUR ENVIRONMENT.

MAINTAINING ENVIRONMENTAL QUALITY TAKES HARD WORK, CAREFUL PLANNING, COMMITMENT AND WILL. WE NEED TO WORK FULL-TIME ON SPECIFIC TASKS AT THE SAME TIME THAT WE ARE PLANNING LONG-TERM.

NEXT WEEK I WILL ANNOUNCE THE BEGINNING OF A PROCESS -- THE ENVIRONMENT 2000 PROCESS -- TO PLAN FOR COLORADO'S ENVIRONMENTAL NEEDS IN THE 21ST CENTURY. I WILL INVITE EVERY COLORADAN WHO CARES ABOUT THE FUTURE TO PARTICIPATE.

SINCE LONG-TERM PLANNING MUST BE COUPLED WITH IMMEDIATE ACTION, I WILL RELEASE AT THE SAME TIME A DRAFT ENVIRONMENTAL AGENDA OUTLINING WHAT WE NEED TO DO NOW TO PROTECT OUR ENVIRONMENT. LET ME TOUCH ON THE MOST IMPORTANT PARTS OF THAT AGENDA.

FIRST, WE'VE GOT TO CLEAN UP OUR AIR. TODAY, THE FRONT RANGE EXPERIENCES SOME OF THE NATION'S HIGHEST LEVELS OF CARBON MONOXIDE AND PARTICULATES, AND SOME OF OUR MOUNTAIN COMMUNITIES SUFFER FROM UNHEALTHY LEVELS OF PARTICULATES.

WE CANNOT LET THIS CONTINUE. CLEANING OUR AIR IS ONE OF THE MOST IMPORTANT INVESTMENTS WE CAN MAKE IN OUR FUTURE, AND IT IS ONE OF MY TOP PRIORITIES AS GOVERNOR.

ALREADY WE HAVE MADE GREAT STRIDES TOGETHER. WE'VE IMPLEMENTED THE OXYGENATED FUELS PROGRAM, BEGUN A MILLION-DOLLAR STUDY OF THE BROWN CLOUD, IMPROVED OUR AUTOMOBILE INSPECTION AND MAINTENANCE PROGRAM, EXPANDED WOOD BURNING BANS, MADE PROGRESS TOWARD MASS TRANSIT IN DENVER AND LOBBIED FOR A FEDERAL CLEAN AIR ACT WHICH MEETS OUR UNIQUE AIR QUALITY NEEDS.

MOST IMPORTANT, WE HAVE COME TOGETHER IN A BIPARTISAN COALITION. WE HAVE TAKEN POLITICS OUT OF THE CLEAN AIR DEBATE. BUSINESS LEADERS, ENVIRONMENTALISTS AND POLITICIANS OF ALL PERSUASIONS HAVE TAKEN RESPONSIBILITY FOR CLEANING OUR AIR. WE'VE DONE THIS BECAUSE WE ALL REALIZE THIS IS A FUNDAMENTAL ISSUE FOR THE FUTURE OF THIS STATE.

WE HAVE TWO OPTIONS. WE CAN HIDE FROM THE ISSUE AND HOPE NO ONE NOTICES IT. OR WE CAN FACE THE PROBLEM STRAIGHT ON AND DO SOMETHING ABOUT IT. WE CAN BECOME KNOWN, NOT SO MUCH FOR OUR PROBLEM, BUT FOR OUR BOLD EFFORTS TO SOLVE THAT PROBLEM.

IT IS CLEAR WHICH OPTION WE MUST CHOOSE. I WILL CONTINUE TO PUSH FOR CONCRETE PROGRESS AGAINST AIR POLLUTION. WE NEED TO FOLLOW THROUGH WITH THE OXYGENATED FUELS PROGRAM. WE NEED TO GIVE THE AIR QUALITY CONTROL COMMISSION AUTHORITY TO ACT ON THE RECOMMENDATIONS

MY BLUE RIBBON DIESEL TASK FORCE WILL MAKE TO EXPAND THE EXISTING DIESEL FLEET SELF- INSPECTION PROGRAM. AND WE NEED TO FACE SQUARELY THE RESULTS OF THE BROWN CLOUD STUDY AND IMPLEMENT STRATEGIES TO CONTROL SOURCES WHICH THE STUDY SHOWS ARE MAJOR CONTRIBUTORS TO OUR VISIBLE POLLUTION PROBLEM.

LET ME PAUSE HERE ON ANOTHER THEME OF THIS ADDRESS -- EQUITY. ONE OF OUR "DOME ON THE RANGE" TRIPS THIS YEAR WAS TO CRAIG. THE PEOPLE THERE HIT ME WITH TOUGH QUESTIONS ABOUT WHETHER I WOULD ALLOW DENVER'S POLLUTION PROBLEM TO BE SOLVED BY TAKING THEIR JOBS.

I ANSWERED THEM DIRECTLY. I SAID THEN, AND I SAY NOW, THAT AIR QUALITY IS VERY, VERY IMPORTANT. WE WILL DO WHAT WE NEED TO DO TO SOLVE IT. BUT WE WILL NOT ALLOW A FRONT RANGE PROBLEM TO BE SHIFTED TO OTHER PARTS OF THE STATE JUST BECAUSE THAT IS THE EASY SOLUTION. WE WILL EXPLORE ALL THE POSSIBILITIES AND DO WHAT IS FAIR. THAT IS WHAT WE ARE ABOUT AS A STATE.

AND IF WE ARE EVEN CONTEMPLATING ASKING PEOPLE OUTSIDE THE FRONT RANGE TO HELP SOLVE THIS PROBLEM, WE MUST BE ABSOLUTELY SURE PEOPLE ALONG THE FRONT RANGE ARE DOING EVERYTHING WITHIN THEIR OWN POWER. CITIES AND COUNTIES IN METRO DENVER MUST DO THEIR PART. JUST TWO NIGHTS AGO, THE CITY OF FEDERAL HEIGHTS ADOPTED A NO-BURN ORDINANCE, JOINING DENVER, BOULDER, LAKEWOOD, AURORA, GREELEY, WESTMINSTER AND ARVADA IN ACCEPTING RESPONSIBILITY FOR THIS PROBLEM AND BECOMING PART OF THE SOLUTION. I WANT TO THANK THESE CITIES FOR THEIR ACTIONS AND CALL ON OTHER DENVER METRO CITIES -- NORTHGLENN, THORNTON, ENGLEWOOD, LITTLETON, BROOMFIELD AND OTHERS -- TO JOIN THEM.

AND LOCAL GOVERNMENTS CAN DO EVEN MORE. THEY CAN SYNCHRONIZE TRAFFIC LIGHTS AND CONTROL IDLING AND SMOKING VEHICLES. THEY ALSO CAN CLEAN THEIR STREETS MORE FREQUENTLY AND USE MORE DURABLE SAND ON THEIR STREETS. THESE STRATEGIES MAY SOUND TRIVIAL, BUT TOGETHER THEY COULD GIVE US SIGNIFICANT AIR QUALITY GAINS.

IN THE LONG RUN, WE MUST COME TO GRIPS WITH THE EFFECTS OF TODAY'S DECISIONS ON THE AIR OUR CHILDREN WILL BREATHE IN THE FUTURE. HOW WE PLAN AND DEVELOP WILL DETERMINE OUR LONG-TERM AIR QUALITY. AS THIS SESSION PROGRESSES I HOPE WE ALL WILL WORK TO UNDERSTAND THIS.

I MENTIONED THE BROAD SUPPORT WHICH HAS DEVELOPED AROUND AIR QUALITY ISSUES IN MY FIRST YEAR IN OFFICE. WE MUST BRING THAT SAME COOPERATIVE SPIRIT TO BEAR ON OTHER ENVIRONMENTAL ISSUES.

COLORADO NEEDS THE AUTHORITY TO SET STANDARDS FOR POLLUTANTS WHICH THREATEN OUR DRINKING WATER BUT WHICH ARE NOT NOW CONTROLLED BY THE FEDERAL GOVERNMENT. PROVIDERS OF DRINKING WATER ALSO NEED THE ABILITY TO RECOVER FROM POLLUTERS THE COSTS OF WATER TREATMENT CAUSED BY THEIR POLLUTION.

SOME OF THE GREATEST THREATS TO OUR ENVIRONMENT COME FROM SITES LIKE THE ROCKY MOUNTAIN ARSENAL, ROCKY FLATS AND THE LOWRY LANDFILL.

COLORADO NEEDS TO GET ON WITH STABILIZING AND CLEANING UP THESE SITES AS WELL AS ENSURING SOUND ENVIRONMENTAL MANAGEMENT IN THE FUTURE.

WE MUST IMPROVE OUR ABILITY TO MONITOR THE CLEANUP AND OPERATION OF THESE AND OTHER HAZARDOUS SITES. WE ALSO MUST ESTABLISH A STATE SOLID WASTE MANAGEMENT PROGRAM WHICH ENCOURAGES RATIONAL PLANNING TO HANDLE EVERYDAY GARBAGE, WHICH EVENTUALLY WILL OVERWHELM US IF WE DON'T PLAN PROPERLY.

OF COURSE, WE CANNOT BE CONCERNED ONLY WITH REGULATING. WE NEED TO WORK TO DECREASE THE BURDEN OF ENVIRONMENTAL REGULATION ON OUR BUSINESSES AND EMPLOYERS.

TAKE THE MINING INDUSTRY AS AN EXAMPLE. MINING HAS BEEN AN UNSTABLE INDUSTRY SIMPLY BECAUSE OF THE NATURE OF THE MARKETS. THE STATE SHOULD NOT INCREASE THAT INSTABILITY THROUGH REGULATION.

THIS MONTH, I WILL SIGN AN EXECUTIVE ORDER STATING COLORADO'S COMMITMENT TO THE MINING INDUSTRY. THIS ORDER WAS FIRST SUGGESTED AT THE MINING SUMMIT IN LEADVILLE IN NOVEMBER. IT WILL ADDRESS INDUSTRY CONCERNS ABOUT REGULATION AND TRANSPORTATION COSTS AND WILL DIRECT STATE AGENCIES TO PROVIDE TECHNICAL ASSISTANCE IN AREAS WHICH BENEFIT THE INDUSTRY.

I ALSO SUPPORT EFFORTS TO STREAMLINE THE STATE'S MINE HEALTH AND SAFETY STATUTES AND TO REDIRECT STATE GOVERNMENT ACTIVITIES AWAY FROM INSPECTIONS AND ENFORCEMENT, WHICH THE FEDERAL GOVERNMENT ALREADY COVERS, AND TOWARD TRAINING AND TECHNICAL ASSISTANCE.

IN ALL REGULATED INDUSTRIES, INCLUDING MINING, WE NEED TO CONTINUE TO MAKE THE REGULATORY STRUCTURE MORE EFFICIENT AND RATIONAL. WE WILL CONTINUE THE JOINT REVIEW PROCESS, WHICH HELPS MINERS AND OTHER DEVELOPERS MAKE SENSE OF OUR PERMITTING PROCESS. WE ALSO HAVE ESTABLISHED AN ENVIRONMENTAL INFORMATION CENTER -- A SINGLE PLACE IN STATE GOVERNMENT WHERE ONE CAN GO TO OBTAIN INFORMATION ON ALL OUR ENVIRONMENTAL RULES AND REGULATIONS.

NONE OF THIS WEAKENS ENVIRONMENTAL PROTECTION. IT SIMPLY RECOGNIZES OUR OBLIGATION NOT TO SMOTHER INDUSTRY WITH REGULATION. I WANT COLORADO TO BE A MODEL OF EFFICIENT REGULATION, OF MAXIMUM ENVIRONMENTAL PROTECTION AT MINIMUM COST TO INDUSTRY.

FINALLY, COLORADO MUST EXPLOIT ITS COMPARATIVE ADVANTAGE IN OUTDOOR RECREATION.

WE NEED TO CONTINUE OUR NATURAL AREAS PROGRAM, WHICH USES LAND EXCHANGES AND OTHER METHODS TO PRESERVE UNIQUE AND IMPORTANT NATURAL ASSETS. WE NEED TO ESTABLISH A STATE OPEN SPACE PROGRAM WHICH GIVES TECHNICAL ASSISTANCE TO LOCAL GOVERNMENTS AND INVOLVES THE PRIVATE SECTOR IN PRESERVING NATURAL AREAS AROUND OUR URBAN CENTERS.

WE ALSO MUST WORK WITH PRIVATE LANDOWNERS TO IMPROVE WILDLIFE HABITAT. WE WILL INSTITUTE NEW PROGRAMS TO PROMOTE FISHING AND PROVIDE ACCESS TO WILDLIFE FOR ALL COLORADANS AND THEIR GUESTS. AND WE NEED TO PROMOTE RIVER RECREATION CORRIDORS, LIKE THE PROPOSED STATE PARK ALONG THE ARKANSAS RIVER FROM LEADVILLE TO PUEBLO. THESE ALL ARE STEPS WE SHOULD TAKE TO IMPROVE OUR ENJOYMENT OF COLORADO AND TAKE ADVANTAGE OF THE TREMENDOUS ECONOMIC OPPORTUNITIES IT PROVIDES.

## VI. OTHER ISSUES

LET ME QUICKLY ADDRESS SOME OTHER IMPORTANT ISSUES THAT DESERVE IMMEDIATE ATTENTION.

FIRST, COLORADO EXPERIENCED A TRAGEDY IN AUGUST WHEN A 14,000-POUND BOULDER HIT A TOUR BUS ON BERTHOUD PASS, KILLING 8 AND INJURING 15. A SPECIAL INVESTIGATIVE COMMISSION ISSUED ITS REPORT WHICH RESULTED IN CHANGES TO HIGHWAY DEPARTMENT PRACTICES.

BUT CERTAIN OBLIGATIONS TO THE ACCIDENT VICTIMS STILL REMAIN. WE MUST FOLLOW THROUGH WITH OUR COMMITMENT TO HELP THEM. I WILL BE ASKING THE LEGISLATURE TO JOIN WITH ME IN SETTING UP A SPECIAL COMMITTEE TO STUDY RAISING THE GOVERNMENTAL IMMUNITY LIMITS AND APPROPRIATING FUNDS TO COMPENSATE THE BUS ACCIDENT VICTIMS, SINCE THEY ARE SUBJECT TO THE CURRENT LIMITS. THE LEGISLATION APPROPRIATING THESE FUNDS SHOULD ALSO ALLOW STATE FUNDS TO BE MATCHED BY FUNDS FROM PRIVATE SOURCES. THE STATE CAUSED THIS TRAGEDY. THE STATE MUST DO WHAT IT CAN TO MAKE UP FOR THE LOSSES SUFFERED.

ANOTHER AREA OF CONCERN IS THE INDUSTRIAL BANK PROBLEM. ESTIMATES SUGGEST THAT THE INDUSTRIAL BANK GUARANTEE FUND WILL NOT BE ABLE TO REPAY DEPOSITORS, EVEN AFTER THE BANKS ARE LIQUIDATED. THE HOUSE AND SENATE LEADERSHIP HAVE JOINED ME IN WORKING WITH A TASK FORCE TO REVIEW THE INDUSTRIAL BANK PROBLEM AND REPAYMENT PROSPECTS. IF FULL REPAYMENT FROM THE FUND IS IMPOSSIBLE, I WILL BE ASKING YOU TO APPROPRIATE UP TO \$5 MILLION FROM UNCLAIMED PROPERTY FUNDS TO REPAY THOSE WHO LOST MONEY. THE STATE SHOULD ASSIST DEPOSITORS BECAUSE THE INDUSTRIAL BANKS ARE REGULATED BY STATE LAW AND THE STATE ESTABLISHED A GUARANTEE FUND TO PROVIDE ASSURANCE FOR DEPOSITORS IN THESE BANKS.

ANOTHER AREA WE WILL NEED TO ADDRESS THIS SESSION IS MEDICAL MALPRACTICE INSURANCE. THE INCREASE IN RATES IS DRIVING PHYSICIANS FROM RURAL AREAS, WHERE THEY ARE DESPERATELY NEEDED. THE SPEAKER, THE SENATE PRESIDENT AND I JOINTLY APPOINTED A TASK FORCE TO LOOK AT POSSIBLE SOLUTIONS TO THE PROBLEM. THAT GROUP WILL PRESENT THEIR RECOMMENDATIONS TO ME AND TO THE GENERAL ASSEMBLY ON JANUARY 20TH. AFTER EVALUATING THE TASK FORCE'S RECOMMENDATIONS, WE NEED TO COME UP WITH SPECIFIC PROPOSALS TO SOLVE THE PROBLEM.

THERE ARE OTHER AREAS BESIDES PRISONS, WHICH I ALREADY MENTIONED, WHERE THE PRIVATE SECTOR MAY BE MORE COST EFFECTIVE THAN GOVERNMENT IN PROVIDING NEEDED SERVICES. I WANT TO EXPERIMENT WITH PRIVATIZATION WHERE IT IS APPROPRIATE. I WILL APPOINT A COMMISSION OF PROMINENT BUSINESS PEOPLE TO EXAMINE PRIVATIZATION OF STATE FUNCTIONS AND RECOMMEND WHAT SHOULD BE PRIVATIZED. I WILL ASK THE COMMISSION IN MAKING THEIR REVIEW TO EXAMINE ALL THE RELEVANT FACTORS, INCLUDING SUCH THINGS AS COST AND WHETHER CURRENT STATE EMPLOYEES WILL BE ADVERSELY AFFECTED.

I DON'T WANT TO CONCLUDE THIS ADDRESS WITHOUT RECOGNIZING THE STRIDES WE'VE MADE IN THE HUMAN SERVICES AREA THIS YEAR. IN NOVEMBER I APPOINTED A 20-MEMBER TASK FORCE TO DEVELOP A SELF-SUFFICIENCY PROGRAM AIMED AT PROMOTING FAMILY INDEPENDENCE AND ECONOMIC OPPORTUNITY FOR THE DISADVANTAGED.

COUPLED WITH THIS INNOVATIVE PROGRAM, THE DEPARTMENT OF SOCIAL SERVICES HAS MADE SIGNIFICANT STRIDES IN EFFICIENCY, BETTER COLLECTIONS AND COST-CONTAINMENT. THEY'VE DEVELOPED A FIVE-YEAR PLAN TO DOUBLE CHILD SUPPORT COLLECTIONS. THEY'VE IMPOSED NEW ADMINISTRATIVE CONTROLS IN THE MEDICAID PROGRAM TO REDUCE EXPENDITURES BY \$3 MILLION THIS YEAR AND \$5 MILLION NEXT YEAR. THEY ARE PROPOSING CHANGES TO REGULATIONS TO PROVIDE BETTER PRE-NATAL CARE, WHICH REDUCES COSTS. FOR EVERY DOLLAR WE SPEND ON PRENATAL CARE, WE SAVE EIGHT DOLLARS ON LATER MEDICAL CARE.

FINALLY, I AM INCREASINGLY CONCERNED ABOUT THE USE OF ILLEGAL DRUGS AND THE VIOLENCE INVOLVED IN DRUG DEALING. JUST IN THE PAST WEEK THERE HAVE BEEN SEVERAL DRUG-RELATED SHOOTINGS. WE NEED TO ADDRESS THIS PROBLEM. WITH MY SUPPORT AND ENCOURAGEMENT, THE DEPARTMENT OF PUBLIC SAFETY HAS FORMED A NEW OFFICE OF CRIME PREVENTION AND EDUCATION. I WILL PROPOSE LEGISLATION TO CLARIFY THAT THE STATE PATROL CAN CONTINUE ITS WORK TO CONTROL DRUG TRAFFICKING ON THE HIGHWAYS. I ALSO ADVOCATE CONTINUED FUNDING OF 10 COLORADO BUREAU OF INVESTIGATION AGENTS TO ASSIST LOCAL DRUG ENFORCEMENT EFFORTS. FINALLY, TO STOP THE INTOLERABLE VIOLENCE, I ADVOCATE THE ADDITION OF FIVE CBI AGENTS TARGETED SPECIFICALLY AT DRUGS AND DRUG VIOLENCE.

## VII. CONCLUSION

I'VE TOUCHED ON SEVERAL THEMES IN THE COURSE OF THIS ADDRESS. LET ME REVIEW THEM. I SAID WE MUST CONTINUE TO MAKE ALL PARTS OF THE STATE GOVERNMENT ACCOUNTABLE. THAT MEANS CUTTING LESS IMPORTANT PROGRAMS IN THE RECISION. IT MEANS MAKING K-12 AND HIGHER EDUCATION MORE EFFICIENT AS WE GIVE THEM MORE RESOURCES. IT MEANS KEEPING THE PRESSURE ON THE HIGHWAY DEPARTMENT TO USE ITS FUNDS RESPONSIBLY.

ANOTHER THEME IS COOPERATION. WE'RE ENTERING AN ERA WHEN EVERYTHING WILL BE MORE COMPLICATED. WE'VE GOT TO WORK WITH ONE ANOTHER. WE ARE DOING THIS IN MANY AREAS. IN AIR POLLUTION, WE'VE GOT

REPUBLICANS AND DEMOCRATS PULLING TOGETHER. IN ECONOMIC DEVELOPMENT, THE BUSINESS SECTOR IS WORKING WELL WITH GOVERNMENT. ON THE AIRPORT AND ROAD BUILDING, THE STATE AND LOCAL GOVERNMENTS ARE BEGINNING A PARTNERSHIP THAT PROMISES TO BE FRUITFUL.

A THIRD THEME IS EQUITY. WE ARE NOT GOING TO SOLVE THE AIR POLLUTION PROBLEM ON THE BACKS OF CRAIG COAL MINERS. THAT WOULDN'T BE FAIR. THE INDUSTRIAL BANK DEPOSITORS RELIED ON THE STATE TO PROTECT THEIR ASSETS. TO FAIL TO HELP THEM WOULDN'T BE FAIR.

FINALLY, AND MOST IMPORTANT, I'M HERE TO PREACH THE HOMELY VIRTUES OF HARD WORK, DISCIPLINE, COMMITMENT, AND COLLECTIVE WILL. WE ARE A SMALL STATE, AND WE JUST NEED TO TRY HARDER.

WHAT COLORADO BECOMES WILL BE MORE DEPENDENT ON OUR COLLECTIVE DISCIPLINE AND COMMITMENT -- OUR COLLECTIVE WILL -- THAN ON ANY OTHER FACTOR.

TRUE, WE ARE INFLUENCED BY THE NATIONAL DEBT, THE BALANCE OF TRADE, THE PRICE OF OIL AND THE PRICE OF WHEAT. BUT THESE ARE INSIGNIFICANT WHEN MEASURED AGAINST THE IMPACT OF OUR COLLECTIVE WILL.

LET ME REPEAT WHAT I SAID LAST YEAR TO END MY STATE OF THE STATE: I'M OPTIMISTIC ABOUT OUR CHANCES FOR SUCCESS BECAUSE I'M CONFIDENT ABOUT OUR STRENGTHS.

AND LET ME REPEAT MY INVITATION TO JOIN IN THIS EFFORT. TOGETHER, WE CAN SHAPE THE FUTURE.