

9039.14/1992

C.2

COLORADO STATE PUBLICATIONS LIBRARY



3 1799 00103 2796

Return to  
State Publications Library  
201 East Colfax Avenue, Room # 314  
Denver, CO 80203

STATE OF THE STATE

COLORADO GOVERNOR ROY ROMER  
JANUARY 9, 1992

THANK YOU.

I AM PLEASED TO REPORT ON THE STATE OF THE STATE.

COLORADO HAS DONE WELL OVER THE PAST FIVE YEARS. THAT  
HASN'T BEEN BY ACCIDENT. COLORADO HAS HAD A PLAN.

FIRST, TO CREATE AN ECONOMIC CLIMATE THAT SAYS TO  
THE REST OF THE NATION THAT COLORADO IS OPEN FOR  
BUSINESS AND THAT WE ARE AGGRESSIVE IN OUR JOB  
CREATION EFFORTS.

SECOND, TO PUT IN PLACE THE INFRASTRUCTURE TO  
SUPPORT A PROSPEROUS ECONOMY -- ROADS, AIRPORTS,  
WATER, WASTE FACILITIES, TELECOMMUNICATIONS.

THIRD, TO PROTECT THE ENVIRONMENT OF THIS PLACE --  
ITS AIR, LAND, AND WATER -- AND TO NURTURE AN ETHIC  
THAT SAYS WE WILL LIVE IN THIS PLACE IN A WAY WHICH  
WE CAN SUSTAIN THAT ENVIRONMENT.

FOURTH, TO MAKE THE INVESTMENTS WE NEED TO MAKE IN  
OUR PEOPLE TO PRODUCE A WORKFORCE WITH THE SKILLS  
AND KNOWLEDGE BASE TO COMPETE IN THE ECONOMY OF THE  
21ST CENTURY.

THIS COLORADO PLAN HAS BEEN THE RIGHT PLAN. IT HAS  
WORKED AND WILL CONTINUE TO WORK FOR COLORADO.

LET'S LOOK IN MORE DETAIL AT WHAT WE'VE DONE WITH THE  
COLORADO PLAN SINCE WE STARTED FIVE YEARS AGO.

FIRST, ECONOMIC DEVELOPMENT. WE BEGAN IN 1987 WITH A  
SERIOUS RECESSION IN COLORADO. WE NOW HAVE ONE OF THE  
STRONGEST ECONOMIES IN THE NATION. WE REDUCED  
UNEMPLOYMENT FROM 8.7 PERCENT TO 5 PERCENT. WE MOVED  
FROM A NET JOB LOSS OF OVER 10,000 IN 1986 TO A NET JOB  
GAIN OF MORE THAN 29,000 IN 1991. WE INCREASED PERSONAL  
INCOME FROM \$46 BILLION IN 1986 TO \$52 BILLION IN 1991,  
AN INCREASE OF 13.3 PERCENT, AFTER ADJUSTING FOR  
INFLATION.

WE'VE SEEN REGIONAL ECONOMIC BENEFITS IN THE UPPER ARKANSAS RIVER VALLEY, IN GRAND JUNCTION, IN DURANGO, IN COLORADO SPRINGS, IN FORT COLLINS. WE HAVE DONE WELL BECAUSE WE WORKED AT IT TOGETHER AND WE HAD A PLAN.

SECOND, INFRASTRUCTURE. WE INVESTED IN OUR INFRASTRUCTURE. WE RAISED MONEY TO SUPPORT OUR SURFACE TRANSPORTATION SYSTEM. WE FUNDED MAJOR IMPROVEMENTS AT REGIONAL AIRPORTS THROUGHOUT THE STATE, WITH A NEW INTERNATIONAL AIRPORT UNDER CONSTRUCTION. COLORADO HAS BECOME A MAJOR TELECOMMUNICATIONS CENTER. WE PARTICIPATED IN THE DEVELOPMENT OF THE COLORADO CONVENTION CENTER AND BUILT VISITOR WELCOME CENTERS AT OUR BORDERS. THESE HAVE BEEN GOOD INVESTMENTS.

THIRD, ENVIRONMENT. WE RECOGNIZED THAT COLORADO IS DEFINED BY ITS UNIQUE LAND, WATER, AIR AND WILDLIFE RESOURCES. THIS IS A PLACE OF BEAUTY, AND WE RECOGNIZED THAT WE MUST PRESERVE AND ENHANCE THIS PLACE TO ENSURE OUR QUALITY OF LIFE.

TO ENHANCE THAT QUALITY OF LIFE, WE WORKED TO CLEAN UP MILL TAILINGS IN GRAND JUNCTION AND DURANGO. WE ATTACKED AIR POLLUTION WITH CUTTING EDGE STRATEGIES LIKE OXYGENATED FUELS AND BROWN CLOUD STUDIES. WE CREATED PARKS AND OUTDOOR RECREATION OPPORTUNITIES SUCH AS THE UPPER ARKANSAS RIVER PROJECT.

FOURTH, HUMAN CAPITAL. WE KNEW THAT TO BUILD THE QUALITY OF LIFE AND THE STRONG ECONOMY WE WANT, WE HAD TO INVEST IN OUR PEOPLE, OUR FAMILIES, OUR EDUCATION, OUR HEALTH, AND OUR SKILL LEVELS.

WE'VE MADE PROGRESS, BUT WE HAVE MORE TO DO. IN 1987 WE CREATED THE FIRST IMPRESSIONS PROGRAM TO FOCUS COLORADO'S ATTENTION ON EARLY CHILDHOOD DEVELOPMENT. WE CREATED COMMUNITIES FOR A DRUG-FREE COLORADO TO CONFRONT DRUG ABUSE HEAD-ON. WE PASSED A SCHOOL FINANCE ACT IN 1988 TO EQUALIZE EDUCATIONAL OPPORTUNITIES, REDUCE PROPERTY TAXES, AND FUND INCREASES FOR INFLATION. WE IMPLEMENTED REFORMS IN TEACHER TENURE, TEACHER CERTIFICATION AND A LICENSURE PROCESS FOR TEACHERS AND ADMINISTRATORS. AND, DURING THE PAST SPECIAL SESSION, WE CREATED THE COLORADO ACHIEVEMENT COMMISSION TO GET AT EDUCATIONAL REFORM.

WE'VE MADE PROGRESS, BUT WE ARE NOT DONE. AS WE LOOK TO THE YEARS AHEAD, WE FACE A WORLD OF RAPID CHANGE. THE PEOPLE OF COLORADO ARE ANXIOUS ABOUT WHAT THAT CHANGE MEANS.

THEY ARE ANXIOUS ABOUT THE FACT THAT THEIR WAGES HAVE NOT INCREASED IN REAL TERMS. THEY ARE ANXIOUS ABOUT WHETHER OR NOT THEIR CHILDREN WILL HAVE THE OPPORTUNITIES THEY HAD. THEY ARE ANXIOUS ABOUT WHETHER OR NOT THEY CAN AFFORD HEALTH CARE. THEY ARE ANXIOUS ABOUT WHETHER OR NOT THEY ARE EVER GOING TO BE ABLE TO AFFORD TO BUY A HOME, AS THEIR PARENTS DID.

IT IS OUR RESPONSIBILITY TO TURN THAT ANXIETY FROM FEAR TO HOPE.

IN ECONOMIC DEVELOPMENT, INFRASTRUCTURE, AND THE ENVIRONMENT WE ARE PICKING UP THE PACE. I DELIVERED A MAJOR ADDRESS ON OUR ECONOMIC DEVELOPMENT PLAN TWO DAYS AGO AT THE CITY CLUB, AND WE WILL DISTRIBUTE A COPY OF THAT SPEECH TO YOU LATER BECAUSE IT'S IMPORTANT FOR YOU TO KNOW WHAT WE ARE DOING AND TO BE A PART OF THAT PLAN.

ALSO, I WILL GIVE A MAJOR ADDRESS ON THE ENVIRONMENT WITHIN THE NEXT FEW WEEKS. TODAY I WILL MENTION BRIEFLY OUR ENVIRONMENTAL AGENDA AND OUTLINE SOME CRITICAL WORK WE NEED TO DO THIS AREA.

IN TERMS OF THE QUALITY OF OUR AIR, WE MUST PASS A NEW CLEAN AIR ACT THIS SESSION. THAT NEW ACT MUST ALLOW US TO GO BEYOND THE MINIMUM FEDERAL REQUIREMENTS TO ADDRESS PROBLEMS UNIQUE TO COLORADO. WE ALSO NEED TO ADOPT AIR TOXIC REGULATIONS, AND WE MUST MAKE POLLUTION PREVENTION AN INTEGRAL PART OF HOW WE MANAGE WASTE IN COLORADO.

IN TERMS OF OPEN SPACE, PARKS, AND WILDLIFE, THIS YEAR WE MUST RESOLVE THE FUTURE OF THE ROCKY MOUNTAIN ARSENAL AND DESIGN AN URBAN PARK AND WILDLIFE CORRIDOR ALONG CLEAR CREEK, MAKING BOTH THESE PLACES ENVIRONMENTAL JEWELS FOR COLORADO. WE ALSO MUST CREATE A PLAN FOR THE FIRST STATE PARK IN ALL OF SOUTHEASTERN COLORADO, AND TO CONTINUE TO WORK WITH THE GREAT OUTDOORS COLORADO!, THE CITIZENS' COMMITTEE TO DEVELOP OPTIONS FOR LONG-TERM FUNDING OF OPEN SPACE, PARKS, AND WILDLIFE THROUGHOUT COLORADO.

AND IN TERMS OF WATER, THIS YEAR WE ALSO WILL CONTINUE TO WORK WITH FRONT RANGE WATER PROVIDERS ON OPTIONS FOR FURTHER COOPERATION AND TO DEVELOP LONG-TERM CERTAINTY FOR THEIR WATER SUPPLY. AND THE DEPARTMENT OF NATURAL RESOURCES IS EXAMINING WAYS OF DEALING WITH THE PROBLEMS ASSOCIATED WITH THE DRYING UP OF AGRICULTURAL LANDS IN THE LOWER ARKANSAS VALLEY AND ELSEWHERE.

LET ME TURN NOW TO THE FOURTH PART OF THE COLORADO PLAN. IT IS THE INVESTMENT WE NEED TO MAKE IN HUMAN CAPITAL, INCLUDING BOTH KNOWLEDGE AND SKILL LEVELS.

THE MOST IMPORTANT DETERMINANT OF OUR FUTURE IS THE SKILL LEVELS OF ANY PEOPLE, AND THE KNOWLEDGE THEY HAVE ACQUIRED. ONE HUNDRED YEARS AGO, THE WORLD WAS LEAD BY THOSE NATIONS WITH THE RICHEST RESOURCES. TODAY, THE NATIONS THAT HAVE THE HIGHEST SKILL LEVELS ARE LEADING THE ECONOMIC MARKET PLACE.

SUCCESS COMES TO THAT SOCIETY THAT CAN TAKE A NEW IDEA AND TURN IT INTO A PRODUCT OR A SERVICE AND BEGIN TO DESIGN IT, TO MANUFACTURE IT, TO DELIVER IT, TO MARKET IT, TO SERVICE IT. THOSE ARE THE ECONOMIES THAT ARE WORKING. AND IN THIS RACE, WE, THE UNITED STATES, ARE NOT DOING AS WELL AS WE DID 50 YEARS AGO.

LET ME PROVIDE YOU WITH EVIDENCE OF THAT FACT. ALL WE NEED TO DO IS TO LOOK OUR TRADE DEFICIT. WHY ARE TAIWAN, JAPAN AND KOREA PILING UP TRADE SURPLUSES? IT'S BECAUSE THEY'RE MORE PRODUCTIVE, BECAUSE THEY HAVE HIGHER SKILL LEVELS AND BECAUSE THEY'RE PRODUCING BETTER QUALITY PRODUCTS AND SERVICES AT A LOWER COST, AND BECAUSE THEIR WORKERS HUNGER FOR THE GOOD LIFE.

OUR CHALLENGE IS TO REGAIN OUR PRODUCTIVITY AS A NATION AND AS A STATE. EVEN THOUGH ALL OF THE ELEMENTS OF THE COLORADO PLAN -- THE JOB CREATION, THE INFRASTRUCTURE, THE ENVIRONMENT -- ARE IMPORTANT, THE MOST CRITICAL OF ALL IS THE WAY IN WHICH WE DEVELOP OUR KNOWLEDGE BASE, OUR SKILL LEVELS, AND THE QUALITY OF OUR EDUCATION AND TRAINING SYSTEMS. THEREFORE, THE MOST IMPORTANT BUSINESS OF COLORADO IS EDUCATION.

LET ME GIVE YOU A PERSONAL ILLUSTRATION TO HIGHLIGHT HOW OUR PRODUCTIVITY IS SLIPPING. MY FAMILY SELLS JOHN DEERE HEAVY INDUSTRIAL EQUIPMENT IN THREE STATES. DO YOU KNOW WHO MAKES THESE LARGE EXCAVATORS FOR JOHN DEERE? HITACHI. YOU KNOW THE TOUGHEST COMPETITION WE HAVE IS CATERPILLAR. AND DO YOU KNOW WHO MAKES THE EXCAVATORS FOR CATERPILLAR? MITSUBISHI. WHY HAVE TWO PREMIER U.S. MANUFACTURING CONCERNS TAKEN JAPANESE PRODUCTS, PAINTED THEM YELLOW, AND PUT THEIR DECALS ON THEM AND SOLD THEM? IT'S BECAUSE THEIR SKILLS ARE HIGHER THAN OURS IN THAT AREA AND THEY PRODUCE A HIGHER QUALITY PRODUCT.

LET'S THEN LOOK AT HOW WE CAN INCREASE OUR SKILL LEVELS AND OUR KNOWLEDGE BASE. I WANT TO DISCUSS FOUR BASIC AREAS --- FAMILIES AND EARLY CHILDHOOD DEVELOPMENT; THE K-12 SYSTEM; HIGHER EDUCATION; AND HEALTH CARE.



FAMILIES AND CHILDREN

WE MUST ASK OURSELVES WHAT WILL IT TAKE TO GET EVERY YOUNG CHILD READY FOR SCHOOL.

WHEN THE NATION'S GOVERNORS SAT DOWN WITH PRESIDENT BUSH TO ESTABLISH EDUCATION GOALS FOR THIS COUNTRY IN SEPTEMBER 1989, OUR FIRST STEP WAS TO RECOGNIZE THAT ALL EDUCATIONAL SUCCESS DEPENDS ON THE CHILD ENTERING SCHOOL READY TO LEARN.

THAT'S A POWERFUL IDEA. IT MEANS THAT EDUCATION AND ECONOMIC SUCCESS ARE TIED DIRECTLY TO HEALTH CARE, NUTRITION, THE STRENGTH OF THE FAMILY AND OUR ABILITY TO BE GOOD PARENTS. IN FACT, IF WE LOOK AT THOSE SOCIETIES WHICH ARE OUT-PRODUCING US, WE FIND THAT THEY ARE NOT ONLY EDUCATING THEIR CHILDREN BETTER, BUT THAT THEY ARE RAISING HEALTHIER CHILDREN TO BEGIN WITH.

THEREFORE, OUR FIRST AGENDA ITEM OUGHT TO BE TO IMPROVE PRENATAL HEALTH CARE AND ENSURE IMMUNIZATION OF OUR CHILDREN.

1. PRENATAL CARE AND IMMUNIZATIONS

EACH YEAR WE HAVE ABOUT 3,000 COLORADO WOMEN WHO DO NOT RECEIVE THE PRENATAL CARE THEY NEED. THEY ARE FALLING THROUGH THE CRACKS BECAUSE THEY ARE NOT ELIGIBLE FOR MEDICAID AND THEY DO NOT HAVE PRIVATE INSURANCE FOR PRENATAL CARE AND DELIVERY.

AS A RESULT, THE CHANCES OF THESE WOMEN DELIVERING LOW-BIRTHWEIGHT BABIES ARE HIGH. THE CHANCES THAT THESE BABIES WILL HAVE LONG-TERM DISABILITIES ARE HIGH. THE CHANCES THAT THESE BABIES WILL NEED SPECIAL EDUCATION AND LONG-TERM CARE OF SOME TYPE ARE HIGH. WE SHOULD WORK TO PREVENT THAT.

SIMILARLY, MANY MAJOR, DANGEROUS CHILDHOOD ILLNESSES, LIKE MEASLES, ARE PREVENTABLE. YET, JUST THIS PAST YEAR IN COLORADO, FOUR OF EVERY 10 COLORADO TWO-YEAR-OLDS WERE NOT IMMUNIZED AGAINST PREVENTABLE DISEASES.

LATER IN THIS SPEECH I WILL DISCUSS THE STEPS WE WILL TAKE TO PROVIDE ADDITIONAL ACCESS TO PRENATAL CARE AND IMMUNIZATIONS. HAVING HEALTHY CHILDREN IS THE FIRST AND MOST ESSENTIAL PRECONDITION TO SCHOOLING.

2. PARENTS AS FIRST TEACHERS:

SECOND ONLY TO HEALTH AS A DETERMINANT OF A CHILD'S ABILITY TO LEARN AND BE PRODUCTIVE IS THE ABILITY OF THE MOTHER AND THE FATHER TO BE NURTURING PARENTS.

THIS IS AN AREA THAT I CARE VERY DEEPLY ABOUT. AS A SOCIETY, WE NEED PARENTS TO BE RESPONSIBLE, LOVING, AND EFFECTIVE.

WE ALL KNOW PARENTING IS AN AWESOME RESPONSIBILITY, AND THAT BABIES DO NOT COME WITH AN OWNER'S MANUAL, A WARRANTY, OR A 1-800 NUMBER. IN OUR INCREASINGLY URBANIZED SOCIETY, PARENTS ARE BURDENED WITH PROBLEMS THAT THEY DIDN'T USE TO FACE.

LET ME USE MY OWN LIFE AS AN EXAMPLE. IN HOLLY, I HAD GRANDPARENTS LIVING ON EITHER SIDE OF OUR HOME WHO COULD ASSIST MY PARENTS THROUGH THEIR EARLY YEARS OF LEARNING HOW TO PARENT A CHILD AND ASSIST THEM IN THIS PARENTING PROCESS. WE HAD A COMMUNITY THAT HAD A SENSE OF SHARED RESPONSIBILITY FOR ALL CHILDREN IN OUR TOWN.

BUT TODAY MANY OF US LIVE IN A SOCIETY WHERE WE DON'T EVEN KNOW THE PERSON ACROSS THE STREET. THE EXTENDED FAMILY MAY BE HUNDREDS OF MILES AWAY. BOTH PARENTS OFTEN WORK -- SOME BY CHOICE -- BUT USUALLY BECAUSE IT NOW TAKES TWO INCOMES TO DO WHAT WE USED TO DO WITH ONE SALARY.

WE NEED TO PROVIDE COMMUNITY SUPPORT FOR PARENTS SO THAT THEY CAN DO THE BEST JOB THEY CAN.

THE BEST WAY TO DO THIS IS THROUGH LOCAL COMMUNITY ACTION. IN CANON CITY, THERE IS A WONDERFUL PUBLIC-PRIVATE PARTNERSHIP THAT BEGINS WORKING WITH NEW PARENTS EVEN BEFORE THE MOTHER AND CHILD LEAVE THE HOSPITAL. THE PROGRAM BRINGS SUPPORT INTO THE PARENT'S HOMES IF THEY WANT IT AND WORKS WITH THEM TO GIVE THEIR CHILD THE VERY BEST START IN LIFE.

IN ENGLEWOOD, THE SCHOOL DISTRICT FEELS SO STRONGLY ABOUT PARENTS AS THE FIRST TEACHERS THAT IT ESTABLISHED A FOUNDATION TO REACH OUT TO NEW PARENTS AND HAVE THEM BECOME PART OF THE SCHOOL COMMUNITY WELL BEFORE THE CHILD ENTERS KINDERGARTEN.

WE KNOW SUCH PROGRAMS REDUCE CHILD ABUSE, INCREASE THE SELF-ESTEEM OF CHILDREN, AND MAKE THEM BETTER LEARNERS IN SCHOOL.

I SUGGEST THAT WE NEED TO MAKE IT A PRIORITY IN OUR BUDGET TO FOSTER SUCH EFFORTS IN EVERY COMMUNITY OF THIS

STATE. HOW? LET'S ESTABLISH A PARENTS AS FIRST TEACHERS PROJECT THAT WILL PROVIDE INCENTIVES AND ASSISTANCE TO LOCAL COMMUNITIES TO DESIGN AND OFFER THEIR OWN EFFECTIVE PROGRAMS TO REACH OUT TO PARENTS OF YOUNG CHILDREN.

### 3. EARLY CHILDHOOD EDUCATION

THE NATIONAL COMMITTEE ON ECONOMIC DEVELOPMENT, A PRESTIGIOUS GROUP OF CEOs, HAS IDENTIFIED EARLY EDUCATION AS ONE OF THE MOST COST-EFFECTIVE STEPS WE CAN TAKE TO PREVENT LATER FAILURE. THESE BUSINESS LEADERS ESTIMATE THAT FOR EVERY DOLLAR WE INVEST IN EARLY EDUCATION, WE SAVE \$3 - \$6 IN COSTS DOWN THE LINE IN TERMS OF INCREASED INCOME AND DECREASED NEED FOR SERVICES SUCH AS SPECIAL EDUCATION AND WELFARE. THESE ARE SAVINGS WE SHOULD NOT MISS.

COLORADO'S OWN PILOT PRESCHOOL PROJECT HAS MADE GREAT IMPROVEMENTS WITH AT-RISK FOUR YEAR OLDS.

THE COLORADO FORUM, A GROUP OF CONCERNED BUSINESS EXECUTIVES, HAS CONCLUDED THIS PROGRAM IS ONE OF THE BEST DEALS GOING IN STATE GOVERNMENT. THE PROBLEM IS THAT THIS IS ONLY A PILOT PROGRAM FOR 2,700 CHILDREN. NOT EVEN 30 PERCENT OF ELIGIBLE CHILDREN CAN ACTUALLY PARTICIPATE.

I PROPOSE THAT WE ADD 2,750 CHILDREN PER YEAR FOR THE NEXT THREE YEARS UNTIL ALL THE 10,000 ELIGIBLE COLORADO CHILDREN ARE ENROLLED.

### 4. QUALITY ASSURANCE IN EARLY CHILDHOOD CARE AND EDUCATION:

IF WE WANT THE GREATEST PAYOFF FROM EARLY EDUCATION, WE MUST RECOGNIZE THAT SUCCESS DEPENDS NOT ONLY ON REACHING THE CHILD IN THE FIRST FIVE YEARS, BUT ON THE COMPETENCY OF THE TEACHER, APPROPRIATENESS OF THE CURRICULUM, AND PARENTAL INVOLVEMENT.

QUALITY EARLY EDUCATION HAPPENS IN A VARIETY OF PLACES - PUBLIC PRESCHOOLS, PRIVATE CHILD CARE CENTERS, AND FAMILY CHILD CARE HOMES. YET, THERE IS NO STANDARD OF QUALITY THAT IS CONSISTENT ACROSS THESE SETTINGS. WE NEED SUCH A STANDARD. THE COLORADO ACHIEVEMENT COMMISSION HAS MADE THIS ONE OF ITS PRIORITIES.

### 5. RESTRUCTURING:

FINALLY, WE NEED TO TAKE A HARD LOOK AT THE WAY STATE GOVERNMENT SERVES FAMILIES AND CHILDREN. WE HAVE INHERITED A HUMAN SERVICES STRUCTURE THAT IS ANTIQUATED.

I HAVE INSTRUCTED MY CABINET TO PRESENT A RESTRUCTURING PLAN TO ME BY FEBRUARY 1. THIS REVIEW INCLUDES THE DEPARTMENTS OF INSTITUTIONS, SOCIAL SERVICES, AND HEALTH. WE ARE PREPARED TO ELIMINATE A WHOLE STATE DEPARTMENT IF THAT IS WHAT IT TAKES. I KNOW A NUMBER OF YOU IN THE GENERAL ASSEMBLY HAVE BEEN INVOLVED IN THIS PROCESS. I WILL BE COMING BACK TO YOU TO ASK FOR YOUR HELP IN GETTING LATE BILL STATUS TO IMPLEMENT THIS PLAN.

I NOW WANT TO ADDRESS THE K-12 SYSTEM. WE HAVE TWO CHALLENGES -- EDUCATIONAL REFORM AND ADEQUATE FUNDING.

FIRST, EDUCATIONAL REFORM. WE ARE ALREADY ENGAGED IN SUBSTANTIAL REFORM IN THIS STATE.

THE REFORM OF THE DENVER SCHOOL SYSTEM THAT IS PRESENTLY UNDERWAY IS A RADICAL CHANGE.

THE EXPERIMENT IN THE USE OF NEW TECHNOLOGY IN TEACHING IN DELTA IS CREATIVE REFORM.

MORE THAN 75 SCHOOLS FROM AROUND THE STATE HAVE PARTICIPATED IN OUR CREATIVE SCHOOLS PROJECT AND HAVE BEEN WORKING WITH CHANGE AND REFORM.

WE HAVE PASSED NEW LAWS RELATING TO TENURE, PROFESSIONAL LICENSING OF TEACHERS, AND ALTERNATE CERTIFICATION. WE HAVE INITIATED CHANGES THAT HAVE ALLOWED PARENTS CERTAIN FORMS OF CHOICE AS TO WHERE THEY SEND THEIR CHILDREN TO SCHOOL. WE HAVE INITIATED COLORADO 2000, A STATEWIDE EFFORT TO MOTIVATE ALL MEMBERS OF THE COMMUNITY TO TAKE RESPONSIBILITY FOR THE EDUCATIONAL SYSTEM AND TO GET INVOLVED IN A MEANINGFUL WAY.

EVEN THOUGH WE HAVE INITIATED A NUMBER OF REFORMS, WE HAVE MUCH MORE TO DO. I WANT TO SHARE WITH YOU A SUMMARY OF A COLORADO EDUCATION REFORM AGENDA. IT IS OFFERED AS A PLACE TO BEGIN AND I INVITE YOUR AMENDMENTS AND ADDITIONS.

FIRST: STANDARDS

WE MUST REACH FOR HIGHER STANDARDS OF EDUCATIONAL ACHIEVEMENT IN THIS STATE. WE MUST INITIATE A STANDARDS



BASED EDUCATION SYSTEM IN COLORADO. WHAT DO WE MEAN BY EDUCATIONAL STANDARDS? LET ME GIVE YOU AN ILLUSTRATION.

I AM A PILOT. TO GET A PILOT'S LICENSE, TO REACH THAT STANDARD, THERE ARE CERTAIN THINGS I NEED TO KNOW AND BE ABLE TO DO. IT MAY TAKE ME 36 HOURS OF TRAINING OR IT MAY TAKE ME 46 HOURS OF TRAINING. WHAT IS FIXED IS WHAT I NEED TO KNOW AND BE ABLE TO DO. WHAT IS VARIABLE IS HOW LONG IT TAKES ME TO GET THERE. QUITE OFTEN IN PUBLIC EDUCATION WE REVERSE THAT. WHAT IS FIXED IS HOW LONG WE SIT IN THE SEATS, AND WHAT IS VARIABLE IS WHAT WE KNOW AT THE END OF THE PERIOD.

WE HAVE A HISTORY OF EDUCATION IN THIS COUNTRY WHICH RELATES TO WHETHER OR NOT YOU'RE ABOVE OR BELOW AVERAGE. LET ME ASK, DO YOU WANT TO FLY WITH A PILOT WHO IS ABOVE AVERAGE? I DO NOT. I WANT TO FLY WITH A PILOT WHO HAS MASTERED HIS CRAFT. THAT IS WHAT STANDARDS BASED EDUCATION IS ALL ABOUT.

NOW LET ME USE ANOTHER ILLUSTRATION, THAT OF A POLE VAULTER. IF WE ARE IN A COUNTRY THAT BELIEVES THAT 15 FEET IS AS HIGH AS YOU CAN POLE VAULT, ALL OF US ARE GOING TO AIM FOR 15 FEET. HOWEVER, IF WE'VE BEEN VAULTING 15 FEET FOR YEARS, AND SUDDENLY REALIZE THAT THE WORLD HAS ARRIVED AT A NEW STANDARD AND IS JUMPING AT 19 FEET, WHAT DOES THAT SAY TO US? IT SAYS WE MUST IMPROVE OUR PERFORMANCE IF WE ARE TO COMPETE SUCCESSFULLY. THEN THAT'S THE MARK THAT WE SHOULD GO AFTER. OUR CHALLENGE IN EDUCATION IS TO CLEARLY ARTICULATE WHAT A CHILD SHOULD KNOW AND BE ABLE TO DO, BASED UPON WORLD CLASS STANDARDS.

THE DEPARTMENT OF EDUCATION AND THE BOARD OF EDUCATION IS GIVING LEADERSHIP IN THIS AREA. THE COLORADO ACHIEVEMENT COMMISSION, WHICH YOU CREATED, HAS AS ITS FIRST PRIORITY, THE CREATION OF STATEWIDE EDUCATIONAL STANDARDS. THAT IS AN ESSENTIAL FIRST STEP IN EDUCATIONAL REFORM.

#### SECOND: ASSESSMENTS AND TESTS

THE SECOND STEP, AFTER WE ARRIVE AT STANDARDS, IS FINDING WAYS TO ASSESS OUR PROGRESS AGAINST THOSE STANDARDS.

WE HAVE A HISTORY OF TESTS AND MEASUREMENT WHICH IS TOO SIMPLISTIC, BASED ON STANDARDIZED MULTIPLE CHOICE TESTS. THEY OFTEN TEST ISOLATED BITS OF INFORMATION. THEY DO NOT ADEQUATELY TEST WHAT IT IS THAT A YOUNGSTER NEEDS TO KNOW AND BE ABLE TO DO.

LET ME GIVE YOU ONE OTHER ILLUSTRATION OUT OF MY OWN LIFE.

AGAIN, AS A PILOT. ONE OF THE EXAMS I'M GIVEN IF I'M FLYING AS A STUDENT WITH MY INSTRUCTOR OVER DENVER, IS WHEN THE INSTRUCTOR TURNS OFF THE GAS IN THE PLANE. THE ENGINE STOPS, THE PROPELLER STARES ME IN THE FACE. HE SAYS, "LAND IT." THAT IS TRULY A PERFORMANCE TEST, IT PUTS MIND ON TASK VERY QUICKLY. THIS TEST CHALLENGES A STUDENT TO TAKE ISOLATED BITS OF INFORMATION AND TO ORGANIZE THEM AND TO REASON FROM THEM AND TO ACT. IT IS A TEST THAT PREPARES US FOR THE DECISIONS WE MUST MAKE IN THE WORKPLACE.

WE NEED TO DEVELOP BETTER FORMS OF ASSESSMENT AND USE THEM TO IMPROVE INSTRUCTION, TO SHOW STUDENTS THE LEVEL OF ACHIEVEMENT REQUIRED, AND TO MEASURE THE SUCCESS OF OUR EFFORTS.

#### THIRD: CURRICULUM MATERIALS & TEXTBOOKS

AFTER STANDARDS ARE ESTABLISHED, IT IS ESSENTIAL THAT THE MATERIALS USED IN THE CLASSROOM AND THE TEXTBOOKS BE ALIGNED TO THE NEW STANDARDS. THE TEXTBOOKS MUST HELP THE STUDENT GET TO THE NEW STANDARDS. THEREFORE, A NEXT STEP OF REFORM AFTER STANDARDS AND ASSESSMENTS IS UPGRADING OUR CURRICULUM MATERIAL AND TEXTBOOKS TO DO THE JOB. THIS IS SOMETHING THAT IS A LOCAL RESPONSIBILITY BUT THERE'S MUCH TO BE GAINED BY THE STATE WORKING TOGETHER TO SAVE COSTS IN THIS AREA.

#### FOURTH: TEACHER TRAINING

THE FOURTH STEP IN REFORM IS TO INCREASE THE CAPACITY OF TEACHERS TO TEACH TO THE LEVEL OF THE NEW STANDARDS. IT IS OBVIOUS THAT IN MATH, FOR EXAMPLE, WE ARE NOT TEACHING TO THE LEVEL OF WORLD-CLASS MATH STANDARDS. WE NEED TO IMPROVE OUR TEACHER TRAINING FOR OUR NEW TEACHERS AND TO PROVIDE INSERVICE TRAINING FOR OUR EXISTING TEACHERS SO THAT THEY CAN REACH TO THAT NEW LEVEL OF PERFORMANCE.

ALL FOUR OF THOSE ITEMS OF REFORM ARE UNDERWAY, UNDER THE JURISDICTION OF THE COLORADO ACHIEVEMENT COMMISSION. THESE REFORMS WILL NOT PRODUCE RESULTS OVERNIGHT, IT WILL TAKE TIME FOR RESULTS TO SHOW. WE CAN'T WAIT UNTIL REFORM IS DONE AND THEN FINANCE EDUCATION, WE'VE GOT TO DO IT SIMULTANEOUSLY.

#### FIFTH: EDUCATIONAL INCENTIVE AND INNOVATION FUND

AS THE NEXT STEP IN REFORM, WE SHOULD CREATE AN EDUCATIONAL INCENTIVE AND INNOVATION FUND IN COLORADO. I PROPOSE THAT WE TAKE 1 PERCENT OF ALL STATE MONIES THAT ARE SET ASIDE ANNUALLY FOR K-12 EDUCATION, AND CREATE THIS FUND. OUT OF \$1.2 BILLION TOTAL STATE SPENDING ON K-12, 1 PERCENT WOULD AMOUNT TO \$12 MILLION. I'LL LEAVE IT TO THE LEGISLATURE TO DESIGN THIS FUND AND DESIGNATE WHO SHOULD MANAGE IT, BUT I WANT TO OUTLINE WHAT THE FUND SHOULD BE USED FOR. IT SHOULD BE USED AS A TOOL OF REFORM. IT SHOULD BE USED TO PROMOTE AND IMPLEMENT INNOVATION AND NEW IDEAS IN EDUCATION REFORM IN LOCAL SCHOOLS AND LOCAL DISTRICTS THROUGH MATCHING GRANTS. IT ALSO SHOULD BE USED TO PROMOTE THE USE OF NEW TECHNOLOGY IN THE EDUCATIONAL PROCESS.

SIXTH: TECHNOLOGY

AS A SIXTH ITEM OF REFORM, WE OUGHT TO HAVE AN INCREASED AND IMPROVED USE OF TECHNOLOGY IN THE EDUCATIONAL SYSTEM. AS I'VE STATED, ONE OF THE USES OF THE INNOVATION FUND SHOULD BE TO DEVELOP PILOT PROJECTS IN THIS AREA.

SEVENTH: PARENTS

WE NEED TO GET PARENTS INVOLVED IN EDUCATION IN A MEANINGFUL WAY -- INVOLVED IN THE MANAGEMENT OF THE SCHOOL SYSTEM; INVOLVED IN THE LIFE OF THE STUDENT IN HIS OR HER STUDIES AND SCHOOL ACTIVITIES; AND INVOLVED IN THE ACCOUNTABILITY OF THE SCHOOL SYSTEM. I PROPOSE THAT IT BE DONE IN AN ORGANIZED FASHION IN EVERY COMMUNITY IN THE STATE.

YOU MAY ASK HOW CAN WE ENCOURAGE OR CAUSE THIS TO HAPPEN IN EVERY COMMUNITY? SIMPLY REQUIRE THAT AS A PRECONDITION FOR ANY COMMUNITY OR SCHOOL TO APPLY FOR A PORTION OF THE INNOVATION FUND, THEY FIRST MUST HAVE A COMMUNITY PLAN WHICH ENGAGES PARENTS, BUSINESSES, AND OTHER COMMUNITY AGENCIES IN ACTIVE PARTICIPATION IN THE LIFE OF THE SCHOOL, WHICH COMMITS THEM TO TAKE RESPONSIBILITY FOR THE EDUCATIONAL OUTCOMES IN THEIR COMMUNITY.

EIGHTH: BUSINESS GROUPS

WE SHOULD ALSO HAVE A BUSINESS-EDUCATION PARTNERSHIP IN EVERY COMMUNITY IN THIS STATE. BUSINESSES CAN BRING A LOT TO THE TABLE. THEY CAN FIRST BRING THE EXPERIENCE OF

THE WORLD OF WORK TO THE SCHOOL. THEY CAN BRING TO THE SCHOOL INFORMATION ON THE SKILL LEVELS THAT ARE GOING TO BE REQUIRED. BUSINESSES CAN PROVIDE MENTORING PROGRAMS AND OTHER ASSISTANCE IN THE EDUCATIONAL PROCESS. THEY CAN BRING TECHNOLOGY THAT BENEFITS THE SCHOOL.

NINTH: OTHER LOCAL AGENCIES

THERE ARE MANY OTHER LOCAL AGENCIES, BOTH PUBLIC AND PRIVATE, WHICH AFFECT THE LIFE OF THE SCHOOL AND ITS ABILITY TO WORK SUCCESSFULLY. MANY OF THESE ARE THE STATE SOCIAL SERVICE AGENCIES THAT ARE CONCERNED ABOUT FAMILIES AND CHILDREN. THESE AGENCIES NEED TO BE ORGANIZED AND COORDINATED SO THAT THEIR EFFORTS ARE SUPPORTIVE OF THE ACTIVITIES OF THE SCHOOL AND ARE INTEGRATED IN THE SCHOOL'S LIFE.

TENTH: COLORADO 2000

IN OUR DISCUSSION OF THE ROLE OF PARENTS, BUSINESS GROUPS AND LOCAL AGENCIES, WE HAVE AN IDEAL VEHICLE FOR THE IMPLEMENTATION OF THIS LOCAL ACTION IN WHAT WE HAVE JOINTLY DEVELOPED AS COLORADO 2000. IT IS A GRASS-ROOTS MOVEMENT OF THOSE COMMITTED TO EDUCATIONAL CHANGE AND EXCELLENCE. IT IS NON-PARTISAN. IT HAS THE SUPPORT OF THE PRESIDENT OF THE UNITED STATES. IT HAS THE SUPPORT OF THE LEADERS OF THIS LEGISLATURE OF BOTH POLITICAL PARTIES, AND OF THIS GOVERNOR. WE SHOULD USE THE START THAT WE HAVE MADE IN COLORADO 2000 TO IMPLEMENT EDUCATIONAL REFORM AT A LOCAL LEVEL.

WE SHOULD ALSO USE COLORADO 2000 AS IT IS ORGANIZED IN EACH LOCAL COMMUNITY AS A VEHICLE FOR THE USE OF INNOVATION FUND I HAVE DESCRIBED.

ELEVENTH: ANNUAL FINANCIAL STATEMENT OF SCHOOL DISTRICTS

UNFORTUNATELY, THE ANNUAL FINANCIAL STATEMENTS OF SCHOOL DISTRICTS ARE BASED UPON A PROFESSIONAL FORMAT THAT IS UNINTELLIGIBLE TO THE AVERAGE CITIZEN. I ASK THAT YOU WRITE A LAW THAT REQUIRES AN ANNUAL ACCOUNTING AND REPORT OF ALL SCHOOL DISTRICTS TO BE WRITTEN AND FORMATTED IN A WAY THAT ORDINARY CITIZENS WITHIN A COMMUNITY CAN UNDERSTAND. I ASK THAT IT BE PREPARED SO THAT THERE ARE PERFORMANCE MEASURES THAT INFORM CITIZENS OF THE EDUCATIONAL EFFECTIVENESS OF DOLLARS SPENT, INCLUDING THE COST OF THE ADMINISTRATION OF THE SCHOOL OR DISTRICT.



TWELFTH: RESEARCH & DEVELOPMENT

THERE ARE CERTAIN ISSUES THAT REQUIRE MORE RESEARCH AND INVESTIGATION BEFORE WE CAN WISELY MAKE POLICY CONCERNING THEM. THEY ARE: THE LENGTH OF THE SCHOOL DAY AND SCHOOL YEAR, AND WHETHER OR NOT THE FOUR DAY SCHOOL WEEK IS REALLY AS PRODUCTIVE AS THE FIVE DAY SCHOOL WEEK.

ALSO IN THIS CATEGORY ARE THE BEST METHODS OF EVALUATION AND COMPENSATION OF PERSONNEL AND WHAT ARE THE NEW FORMS OF MANAGEMENT OF SCHOOLS THAT SHOW PROMISE.

THE COLORADO ACHIEVEMENT COMMISSION AND THE STATE DEPARTMENT OF EDUCATION, THE STATE COLLEGE AND UNIVERSITY SYSTEM, AND EDUCATORS IN THE FIELD SHOULD ALL BE ENGAGED IN THOROUGH INVESTIGATION AND RESEARCH IN THESE AREAS.

THIS IS A SUMMARY OF AN EDUCATION REFORM AGENDA FOR COLORADO. WE HAVE BEGUN IT. WE MUST SEE IT THROUGH.

HIGHER EDUCATION

HIGHER EDUCATION HAS BEEN A MAJOR CONCERN OF MINE SINCE MY EARLIEST DAYS IN THE STATE LEGISLATURE. WE ALL MUST RECOGNIZE THAT THIS STATE'S COLLEGES AND UNIVERSITIES -- SOME OF WHICH ARE AMONG THE FINEST IN THE COUNTRY -- ARE CRITICAL PARTNERS IN OUR EFFORTS TO MEET THE NATIONAL EDUCATION GOALS.

BUT WE MUST ALSO ACKNOWLEDGE SOME WARNING SIGNS THAT OUR RELATIVELY PRODUCTIVE POSTSECONDARY SECTOR IS AT RISK; ENROLLMENTS ARE GROWING, WHILE FUNDING IS DROPPING.

- o AFTER A DIP IN THE MID-1980s, ENROLLMENTS HAVE INCREASED BY MORE THAN 17 PERCENT -- MORE THAN 50 PERCENT IN THE STATE'S HIGH-DEMAND COMMUNITY COLLEGES. COLORADANS RECOGNIZE THE IMPORTANCE OF A COLLEGE EDUCATION IN OUR INCREASINGLY COMPLEX ECONOMY.
- o ALTHOUGH THE PEOPLE OF COLORADO MADE SIGNIFICANT GENERAL FUND INVESTMENTS IN THEIR POSTSECONDARY SYSTEM IN THE LATE 1980s, IN THE PAST TWO YEARS REAL GENERAL FUND SPENDING HAS DROPPED -- INFLATION-ADJUSTED PER-STUDENT FUNDING IS NOW AT ITS LOWEST POINT IN EIGHT YEARS.

WE CANNOT TURN OUR BACKS ON THIS VITAL SYSTEM FROM WHICH SO MANY OF US HAVE BENEFITED. WE MUST CONTINUE TO INVEST IN ACCESS TO QUALITY HIGHER EDUCATION IN COLORADO.

AND I URGE YOU TO WORK WITH ME TO MAKE THE COLORADO COMMISSION ON HIGHER EDUCATION'S "INCENTIVES FOR IMPROVEMENT" BILL A NATIONAL MODEL FOR ENCOURAGING INNOVATION AND STRENGTHENING ACCOUNTABILITY IN THIS SYSTEM.

I NOW WANT TO DISCUSS HEALTH CARE AND THEN CLOSE WITH A DISCUSSION OF SCHOOL FINANCE.

HEALTH CARE: IT IS A NATIONAL PROBLEM, BUT WE CAN'T WAIT FOR A NATIONAL SOLUTION. OUR SYSTEM IS IN CRISIS. WE SEE THIS CRISIS IN THE GROWING NUMBER OF COLORADANS WITH NO HEALTH INSURANCE. WE SEE IT IN EXPLODING MEDICAID COSTS WHICH ARE SEVERELY CRIPPLING THE STATE OF COLORADO. WE SEE IT IN THE TROUBLE BUSINESSES HAVE IN PROVIDING INSURANCE TO THEIR EMPLOYEES AND STILL STAYING COMPETITIVE.

EXCESSIVE HEALTH COSTS ARE A SERIOUS THREAT TO THIS COUNTRY. THIRTEEN CENTS OF EVERY DOLLAR WE EARN GOES TO HEALTH CARE. BY THE END OF THE DECADE, IT COULD BE 17 CENTS. WE CAN'T TOLERATE THAT AND MAKE THE OTHER PERSONAL AND PUBLIC INVESTMENTS WE'VE TALKED ABOUT.

THEREFORE, WE MUST MAKE A COMMITMENT TO FUNDAMENTAL HEALTH CARE REFORM IN COLORADO. SUCH REFORM MUST HAVE SIX COMPONENTS -- UNIVERSAL COVERAGE, COST CONTAINMENT, PRENATAL AND CHILD HEALTH, MEDICAID REFORM, INSURANCE REFORM, AND RURAL HEALTH CARE. LET ME OUTLINE EACH BRIEFLY.

1. UNIVERSAL COVERAGE. IT IS SIMPLY UNACCEPTABLE THAT, IN 1992, NEARLY HALF A MILLION COLORADANS HAVE NO HEALTH INSURANCE. IT'S A MAJOR FAILURE OF OUR SYSTEM. ANYONE WHO NEEDS A DOCTOR SHOULD BE ABLE TO SEE ONE, REGARDLESS OF ABILITY TO PAY.

WE MUST COMMIT NOW TO FINDING A WAY TO ENSURE THAT ALL COLORADANS CAN GET THE BASIC, MEDICALLY NECESSARY, COST-EFFECTIVE HEALTH CARE THEY NEED. IT'S NECESSARY. IT'S A HUMAN RIGHT. AND IT'S ACHIEVABLE.

THEREFORE, I WANT YOU TO JOIN ME IN DIRECTING THE HEALTH POLICY COUNCIL, CREATED AT THE SUGGESTION OF THIS GENERAL ASSEMBLY IN 1990, TO STUDY THE ALTERNATIVES FOR ASSURING UNIVERSAL COVERAGE AND REPORT BACK TO US BY MAY.

I SUGGEST THE COUNCIL EVALUATE EACH ALTERNATIVE BASED ON THE FOLLOWING CRITERIA: HOW WELL DOES IT CONTAIN COSTS; HOW WELL DOES IT PROVIDE BASIC COVERAGE; HOW EQUITABLE IS ITS FINANCING MECHANISM; WHAT INCENTIVES DOES IT PROVIDE FOR HEALTHY LIFESTYLES; HOW WELL DOES IT ADDRESS THE PROFESSIONAL SHORTAGE CRISIS IN RURAL COLORADO; AND MORE. AFTER THE ALTERNATIVES ARE EVALUATED, WE MUST GO TO THE PEOPLE OF THE STATE AND ASK FOR THEIR INPUT. BY THE 1993 SESSION PERHAPS WE WILL HAVE REACHED A CONSENSUS FOR A COLORADO SOLUTION TO THE PROBLEM OF ACCESS.

2. COST CONTAINMENT. THE SMALL BUSINESS ADVISORY COMMITTEE ON HEALTH INSURANCE HAS RECOMMENDED THAT I ESTABLISH A COST CONTAINMENT COMMISSION AS A FIRST STEP TOWARD HEALTH CARE REFORM. I WOULD LIKE YOU TO JOIN ME IN ESTABLISHING THIS COMMISSION. I UNDERSTAND THAT SENATORS SCHROEDER AND REPRESENTATIVE SCHAUER HAVE A BILL TO DO THAT, AND I HOPE WE CAN WORK TOGETHER.

LET'S SET A GOAL TO CUT MEDICAL INFLATION IN HALF BY 1994, AND TO BRING IT IN LINE WITH THE GENERAL INFLATION RATE BY 1996.

IN ADDITION, THERE ARE SOME STEPS WE CAN AND SHOULD TAKE RIGHT NOW TO CUT COSTS.

IN 1987, WE SUSPENDED THE HOSPITAL CERTIFICATE OF NEED PROGRAM. I THINK THAT WAS A MISTAKE. WE'VE SEEN AN EXPLOSION OF COSTLY AND DUPLICATIVE SERVICES SINCE THEN. LET'S REESTABLISH THE CERTIFICATE OF NEED. FORTY STATES HAVE SUCH PROGRAMS. LET'S LEARN FROM THEM AND SEE WHAT WE CAN DO TO MAKE IT WORK HERE.

NEXT, LET'S MANDATE A UNIFORM HEALTH INSURANCE BILLING FORM THIS SESSION. IT'S A COMMON-SENSE STEP WE CAN TAKE RIGHT NOW.

NEXT, LET'S DRAFT A BILL THAT PROHIBITS HEALTH CARE PRACTITIONERS FROM REFERRING PATIENTS TO SERVICES IN WHICH THESE HEALTH CARE WORKERS OR THEIR FAMILIES HAVE A FINANCIAL INTEREST.

AND LET'S DIRECT THE CHIROPRACTIC BOARD TO STUDY OVER-UTILIZATION AND ABUSE OF CHIROPRACTIC SERVICES.

I KNOW I'M TREADING ON VESTED INTERESTS HERE. THAT'S DELIBERATE. FUNDAMENTAL REFORM MEANS WE NEED TO OPEN ALL THE DOORS AND SEE WHAT'S INSIDE.

3. PRENATAL AND CHILD HEALTH. I'VE ALREADY DISCUSSED

THIS WITH REGARD TO THE NEED TO BETTER SUPPORT FAMILIES AND CHILDREN. LET'S MAKE A COMMITMENT TO OUR CHILDREN BY PROVIDING PRENATAL CARE AND IMMUNIZATIONS.

IN REVIEWING THE OPTIONS FOR HEALTH CARE REFORM, I WANT THE HEALTH POLICY COUNCIL TO GIVE THE HIGHEST PRIORITY TO HOW WE CAN BEST PROVIDE THESE SERVICES FOR PREGNANT WOMAN AND INFANTS. I WANT THEM TO ADVISE US THIS SESSION SO THAT WE CAN ACT NOW.

4. MEDICAID REFORM. IN MY SEPTEMBER ADDRESS TO THIS ASSEMBLY, I LAID OUT SEVEN STRATEGIES TO FURTHER CONTAIN MEDICAID COSTS. SINCE SEPTEMBER, THANKS TO THIS LEGISLATURE AND THE STATE SOCIAL SERVICES BOARD, THESE SEVEN STRATEGIES HAVE LARGELY BEEN IMPLEMENTED.

IN SEPTEMBER, I ALSO DIRECTED THE DEPARTMENT OF SOCIAL SERVICES TO REPORT ON ADDITIONAL MEDICAID COST CONTAINMENT STEPS WE COULD TAKE. THAT REPORT HAS FORMED THE BASIS FOR PRODUCTIVE DISCUSSIONS BETWEEN THE DEPARTMENT OF SOCIAL SERVICES, MEMBERS OF THE HEWI COMMITTEE AND THE JBC. THERE SHOULD BE MORE PROPOSALS COMING TO YOU THIS SESSION, INVOLVING MANAGED CARE, CO-PAY, SERVICE LIMITS REVIEW AND COMPETITIVE BIDDING. I ENCOURAGE YOU TO GIVE SERIOUS CONSIDERATION TO THESE.

AS YOU KNOW, I HAVE APPOINTED DR. PATRICIA NOLAN TO HEAD THE COLORADO DEPARTMENT OF HEALTH. DR. NOLAN HAS BEEN MEDICAL DIRECTOR OF THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM, THE AGENCY THAT ADMINISTERS MEDICAID IN ARIZONA. I KNOW THAT SHE WILL BRING EXPERTISE TO US WHICH WE WILL BE ABLE TO USE IN THIS AREA.

5. INSURANCE REFORM. I HAVE ASKED JOANNE HILL, THE COMMISSIONER OF INSURANCE, TO WORK WITH YOU TO IMPLEMENT THE RECOMMENDATIONS OF THE SMALL BUSINESS ADVISORY COMMITTEE ON HEALTH INSURANCE TO HELP ENSURE THAT SMALL BUSINESSES CAN GET AFFORDABLE HEALTH CARE COVERAGE.

I ALSO HAVE ASKED THE COMMISSIONER TO REPORT TO ME ON FURTHER STEPS WE CAN TAKE TO LEVEL THE PLAYING FIELD IN TERMS OF ACCESS TO AND COST OF HEALTH INSURANCE. SPECIFICALLY, I'M INTERESTED IN REQUIRING ALL INSURERS TO USE A MODIFIED COMMUNITY RATING SYSTEM IN ORDER TO SPREAD COSTS MORE EVENLY AND TO HAVE AN OPEN ENROLLMENT PERIOD AT LEAST ONCE A YEAR.

AND WE NEED TO STEM THE GROWING PROBLEM OF INSURANCE FRAUD AND ABUSE. I UNDERSTAND THAT THE INSURANCE



COMMISSIONER IS WORKING WITH THE ATTORNEY GENERAL ON THIS SPECIFIC ISSUE.

6. RURAL HEALTH. THE SHORTAGE OF PRIMARY CARE PROVIDERS HAS REACHED CRISIS PROPORTIONS IN RURAL COLORADO. MORE THAN HALF OUR COUNTIES ARE DESIGNATED AS FEDERAL HEALTH CARE PROFESSIONAL SHORTAGE AREAS. A NUMBER OF COUNTIES HAVE NO DOCTORS AT ALL. MANY DOCTORS IN RURAL AREAS DO NOT ACCEPT MEDICAID PATIENTS. WE CANNOT LET THIS SHORTAGE CRIPPLE THE ECONOMIC DEVELOPMENT OF THESE RURAL AREAS.

I INTEND TO ASK THE COLORADO MEDICAL SOCIETY AND THE UNIVERSITY OF COLORADO HEALTH SCIENCES CENTER TO JOINTLY ADVISE THE EXECUTIVE BRANCH AND THE HEALTH, EDUCATION, AND WELFARE COMMITTEES OF BOTH THE HOUSE AND THE SENATE ON WHAT IS THE MOST COST-EFFECTIVE PLAN FOR ADDRESSING THIS PROBLEM, INCLUDING THE POSSIBLE USE OF SCHOLARSHIPS FOR MEDICAL STUDENTS THAT WOULD BE FORGIVEN UPON SERVICE IN RURAL AREAS.

WE NOW NEED TO DISCUSS HOW WE FINANCE OUR EDUCATION NEEDS.

WE NEED \$150 TO \$200 MILLION TO EQUALIZE EDUCATIONAL OPPORTUNITIES, TO FILL THE GAP CREATED BY PROPERTY TAX RELIEF, TO PAY FOR THE INFLUX OF NEW STUDENTS (INCLUDING ALL ELIGIBLE PRE-SCHOOLERS), TO PROVIDE MODEST INFLATIONARY INCREASES, AND TO FUND THE \$12 MILLION INNOVATION FUND.

IN MY BUDGET PROPOSAL, A COPY OF WHICH WILL BE DELIVERED TO YOU THIS AFTERNOON, THERE IS NO REQUEST FOR INCREASED FUNDING FOR THE PUBLIC SCHOOLS. I DID THIS VERY DELIBERATELY TO MAKE THE POINT THAT WE CAN NOT PAY FOR STATE SUPPORT OF PUBLIC SCHOOLS AND ADEQUATELY FUND THE OTHER SERVICES OF STATE GOVERNMENT WITH OUR CURRENT REVENUE BASE.

THE ORIGINAL GOALS OF THE SCHOOL FINANCE ACT WERE TO BRING THE LOW SPENDING DISTRICTS OF THIS STATE UP TO AN ACCEPTABLE LEVEL, AND AT THE SAME TIME CREATE A UNIFORM PROPERTY TAX LEVY THAT REDUCED THE RELIANCE ON PROPERTY TAX AS A FUNDING SOURCE.

WE HAVE ACCOMPLISHED THOSE INITIAL GOALS. WHAT REMAINS TO BE DONE IS TO PAY FOR THEM. WE HAVE ACHIEVED THEM ON BORROWED TIME AND BORROWED MONEY. EVERYONE KNEW WHEN THE

ACT WAS ADOPTED THAT ADDITIONAL STATE FUNDS WOULD BE NEEDED TO IMPLEMENT IT. THE AMOUNT NEEDED WAS MORE THAN THE TOTAL AMOUNT OF REVENUES THE STATE COULD EXPECT IN ANY ONE YEAR. THAT SITUATION IS TRUE TODAY.

IF THE WILL TO RAISE THE NECESSARY FUNDS DOES NOT EXIST, THEN WE HAVE ONLY THREE OPTIONS:

- DRAMATICALLY CUT STATE FUNDING FOR PUBLIC SCHOOLS AND REVERSE THE REAL PROGRESS WE HAVE MADE IN EQUALIZING EDUCATIONAL OPPORTUNITIES IN COLORADO;
- DRAMATICALLY CUT OTHER SERVICES TO PAY THE STATE SHARE FOR PUBLIC SCHOOLS; OR
- RETREAT FROM THE GOAL OF REDUCED PROPERTY TAXES AND LET THEM RISE TO FILL THE GAP.

THESE ARE NOT ACCEPTABLE OPTIONS TO ME, AND I WILL WORK WITH YOU ON THE FAIREST METHOD TO RAISE THE REVENUE NECESSARY TO MAINTAIN THE GOALS WE AGREED TO A FEW SHORT YEARS AGO.

I HAVE NOT OUTLINED A SPECIFIC FUNDING PACKAGE TODAY, BECAUSE I KNOW THERE ARE A NUMBER OF IDEAS ON BOTH SIDES OF THE AISLE ABOUT THE BEST WAY TO RAISE THE MONEY AND MAKE THE CUTS, AND I WANT TO WORK WITH YOU ON THAT.

BUT I AM SAYING HERE THAT I AM WILLING TO STEP UP TO THE PLATE WITH YOU AND TO RAISE THE REVENUES TO REPLACE THE TAX BASE WE DROPPED. THAT IS A CRITICAL COMMUNICATION FOR US TO HAVE WITH ONE ANOTHER AND WITH THE PEOPLE OF COLORADO.

**RECEIVED**

JAN 23 1992  
COLORADO STATE LIBRARY  
State Publications Library