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STATE OF THE STATE COLORADO GOVERNOR ROY ROMER AS DELIVERED JANUARY 8, 1998

Roy Romer
Governor

Senator Norton. Speaker Berry. Senator Feeley. Representative Snyder. All the Members of the General Assembly. Fellow Coloradans. I would introduce members of my family, but it would take half the day as you well know. I welcome them also.

Before I forget this, on your desk is a very good summary of our budget this year, and I'll mention a couple of other things that are on your desks.

I am glad to be here.

This is the 12th time I've come before you to report on the State of the State.

It is the last such speech I will give-in this century. But I think a four-year sabbatical would be very refreshing.

I'm thoughtful about these past 11 years.

You know, we've made tremendous progress.

When we started, our economy was in trouble.

What did we do? We declared Colorado "open for business." We used our advantages to attract new business and new jobs and made some key investments.

Today, we enjoy the results of those efforts—a diverse economy, a record high growth, record low unemployment, and unparalleled economic opportunity.

We now are one of the premier economies in the nation—perhaps even of the world.

Colorado is not just the best place to work, it's the best place to live.

We should feel good about this. And we should be proud that we did this together—the people of Colorado, businesses and unions, the General Assembly, local governments, this administration, Republicans, Democrats and Independents.

We've done well. But there is more to do.

And also the next 10, 15, 20 years it is not going to be like the last 10. This is a critical fact we need to absorb.

As I approach this speech, I'm trying to look at a larger picture. I'm trying to step back from the day-to-day details of how many prisons to build or how to fill the potholes.

And I am trying to look at history and see what trends are unfolding that are changing our world and how we need to comprehend those trends and strategize because of them.

Let me put this in perspective.

At the dawn of the 19th century, we were an agrarian society and our future depended on exploring and settling and expanding a frontier.

At the dawn of the 20th century, we were becoming an industrial and urbanized society, and our future depended increasingly on centralized manufacturing.

Now during those important periods of history, wise leaders crafted public policies—railroad land grants, rural electrification, the agricultural extension service, land grant colleges, the GI bill, Social Security—that met the challenges of the time.

But now, as we approach the dawn of the 21st century, our economy is radically changing, it's based upon an information age and it's going to be driven by ideas, skills and knowledge.

In the past, we had a resource based economy.

Now, we have an idea based economy. All you need to do is look at the daily papers. Just look at them; they are crammed full. Look at NASDAQ, the stock exchanges, look at where the new employment is coming. You can look at my John Deere tractor business. You can't work there unless you really know what computers are like.

Where once our economy moved at the speed of a horse, a train, a car and then an airplane, today, our economy moves at the speed of an idea.

And while the speed of a train, a car, or plane are all limited by physical technology, the speed of an idea is limited only by the mind's ability to think and to comprehend.

So what are the large public policy questions—comparable to rural electrification or land grant colleges—that we face now?

It begins with this. It's how we develop people with ideas, skills and knowledge. Most any economist will say that.

Now, where does that lead us?

It leads us to our first priority, early childhood.

We begin to learn ideas, skills and knowledge at earliest age. Science confirms what many parents already understand—that the experiences of a child from birth to age 6 are absolutely the most critical to the development of that child's ability to think creatively, to work in a team with others and to function effectively in society.

We know that stress and adverse environments damage the developing brain and that those effects can last a lifetime. But think about the implications of this.

Studies show that children who do not get enough nurturing and stimulation have serious intellectual deficits by 18 months of age, and that full reversal of these deficits may not be possible. In many cases, preschool teachers can tell you which children in their classrooms are likely to graduate from high school.

Well, there's another radical change in our lives. Ironically, at the very same time that this information age puts a premium on the development of the skills and knowledge of our youngsters in the 0-6 years, more and more of our parents have to leave home and go to work.

It's a strange thing. These two trends are converging in history and are causing a crises. I'm not making a judgment here about both parents going to work. I'm just trying to describe a new reality for our families.

During the most important years of development, on any given day, 48 percent of young Colorado children spend some or all of their day outside the home in the care of someone other than their parents.

The proportion of young children with employed mothers jumped from about 7 percent in 1940 to 43 percent in 1980 to 63 percent in 1996, and I tell you it's going to go to 85.

This represents a radical change in how children are being raised.

Parents work hard. They want the best for their children. But it isn't always easy.

Let me read a clip that I got in the last couple of days. It's out of the New York Times News Service and it's from in Florida. Let me read it:

At five the other morning Marlene Garrett had her 11-month old baby in her arms and was guiding her with two other sleep dazed children ages three and four through the darkness to the babysitter.

“Momma has to go to work to buy you shoes”, Mrs. Garrett told them. She had just that day moved up the economic ladder, from a job selling sneakers at \$5.25 an hour to a job at the bagel café for \$6 an hour. Her shift started at six in the

morning and she did not want to be late. Seven blocks on foot and then she was hugging her children and handing them over to Vivian, a Bohemian woman who works nights at the laundry. Now Vivian's small apartment was clean but sparsely furnished. There were no toys or books in sight, just a television that the children spent most of the next 10 hours watching. For this, Mrs. Garrett scrapes together 50 bucks a week. A little less than half the cost for just one child in most licensed day care centers. Mrs. Garrett hurried down the stairs and set off to work three miles away. The family car had died a month ago.

"It breaks my heart leaving them there." Said Mrs. Garrett who arrived in Florida from Jamaica in 1989, "I want them in a learning environment but its the best I can do right now, its an emergency situation."

That doesn't represent every child but it represents far, far too many and I think we all know the impact of that upon the development of a child's mind and character.

The two historic trends I've talked about—the move from a resource based economy to an idea based economy, and the new reality of the working family—present us with enormous policy challenges that we must tackle head on—in our families, in the private sector, and in government.

And let me just say one more item. If that wasn't enough, we've been passing welfare laws that say you also have to go to work and leave your child. Now I supported those laws as most of the people in this room did, because we thought we were doing the right thing and I think there was a correctness about what we did.

What I'm trying to say is that this is the first priority of Colorado. The challenge we have is, what are we going to do approach strategically this problem?

Let's begin by reaffirming our commitment to the goal of making Colorado "the best place to raise a child" in the nation.

Together, we have worked on a bipartisan basis. Among other accomplishments, let me list a few:

- we have served over 30,000 at-risk kids in the Colorado preschool program, to get them ready for school;
- we have created child care tax credits and an income tax check-off to help improve the quality of child care;
- we have streamlined and improved child care licensing;
- we have made it easier for parents to get good information about child care providers and facilities;
- we have strengthened community decision making by block-granting child care money to counties; and

- we have an innovative approach to encourage and help fathers be more involved in the lives of their children.

One of our proudest and most creative achievements, I believe, has been Bright Beginnings. Under the guidance of Brad Butler, the former chairman of Proctor and Gamble, we've built Bright Beginnings into a thriving, volunteer-based effort in cities and towns across the state where newborn children are welcomed into our communities.

Bright Beginnings has also increased private sector involvement in creating family-friendly workplaces.

We need to build on the good work we have done, and reaffirm our commitment to children being our top priority.

But we need to do more. We need a collective response in the public and private sector to this dilemma of child care.

How are we going to do it?

It needs to be driven by the free market. The government has an important role. But we've got to think through and drive this solution through the free market.

How can we do that? Let me lay out five or six points.

First, for the free market to work parents have got to have the right information to make the right purchases. Let's be honest about it; we need to assist parents in identifying what good child care is. Parents need good information, we need to use the resources of the private sector to help parents to be good consumers and be able to identify high quality early education programs for their children. By one measure, only one in five kids in child care is receiving a quality experience. Doug Price, president of First Bank of Colorado, is leading an exciting private sector initiative, called "Educare," which is one example of how we can work in this area. I really am optimistic about what that group will do. But we need to begin by getting the right kind of understanding as to what is good care, quality care and assisting parents to know how to purchase it and where it is located.

Second, we need to help child care providers, both public and private, improve quality. We need to set some quality standards—not just minimum rules and regulations—for child care facilities. And we need professional development and training for child care workers so that they adequately understand the growth and development of young children and how to nurture them.

I support legislation to create a voluntary child care credential that recognizes professional achievement and expertise.

We have a tremendous job to do here to extend through distance learning the opportunity for child care workers to achieve these skills.

Third, we need to increase the availability of space, the availability of quality child care. This is a serious issue for infants, toddlers, special needs children, and for those who must work weekends and nights. Right here in Colorado, 177,000 kids need child care, but the current system can only care for 130,000. And remember, on top of what we already need, we're adding 40,000 more children to the system because of our welfare-to-work program.

Fourth, we need more resources. Again I'm trying to lay out a structure in which the free market can work here, you need good information, you need to find a way to improve the quality, help providers get that done. You need to be sure we've got the quantity, the access there. But you've got to be able to afford it. How can we help here? We need to get more resources into the system, both to parents and to communities to provide accessibility, quality and affordability. The President of the United States helped a good bit in the last couple of days by the new initiatives he has suggested. And I hope Congress will look kindly upon them.

By virtue of the strength of our economy, we have a budget surplus, as you well know. Now all of us have ideas about what to do with that surplus, and I will speak more about that later in this speech. But families with young children ought to have the first crack at that surplus.

Two years ago, we created a state child care credit for families with incomes of \$60,000 or less. Under that law, the average qualifying family in Colorado can claim between 10 and 50 percent of their federal child care credit against their state income tax liability.

To provide middle and low income families with more help to offset child care expenses, I propose we increase this tax credit to equal the full amount families receive on their federal taxes, and make it refundable so that more families can take advantage of it.

Let me underscore that. This would put \$26 million a year into the pockets of families to help them with their child care expenses. And it is critical that you underscore the fact that it would be a refund to families even if they didn't owe the tax liability.

In addition, I propose that we extend the current business tax credits available only in enterprise zones to all businesses statewide who invest in child care programs and facilities in their communities, or for their employees.

I understand that there is legislation that will be introduced through the Children's Legislative Ad Hoc Committee, to create an Early Education and School Readiness Program. This program will direct new funds to communities and will give them the flexibility to use these funds to improve program quality, to help with teacher training and more. I think that's a good idea. We ought to explore together appropriate funding levels and sources for this program.

I've earmarked \$2 million again this year in Community Development Block Grant monies to help communities build or renovate child care centers.

There are at least 10 separate federal funding sources for early education programs. It's actually common to see, in one building, children segregated into classrooms according to funding programs. I ask you, why would we want poor kids, kids with special needs, and kids with working parents segregated pattern? It's not good for kids and it's not an efficient way to spend money.

We need to actively seek waivers from all of these separate federal programs so that communities can pool these resources to meet their specific needs. You Republicans can applaud on that one. That's one of your items. All right.

Fifth – and this is the most important element of our child care plan – we need to help local communities coordinate their efforts. Let me just speak about that. Let's take the imaginary community of Holyoke or any other community in Colorado. I need to redo that sentence, don't I? Let's leave Holyoke and let's just take an imaginary community. See any time I get to a word that's close to Holly, I kind of clam up.

Right now we have the federal and state government in that community with the TANF monies for daycare, we've got Head Start, we've got the Colorado Preschool Program, and we've got some categorical stovepipes coming down from the federal government and we've got program after program that is not related to government in that community.

What we need to do is to bring the power structure of that community together. Who would it be at the table? It would be the child care advocates, it would be the employers, it would be the police and fire chief, it would be those who represent schools, those who represent the church community in very large numbers. They would set at this table and say, "OK, what is the need in our community?" And they would do an inventory and they'd say, "what is the present capacity?" And they'd say, "woops, it isn't adequate. Now you take that assignment and you take that assignment." And then they would say, "What is the present affordability?" And employers would talk about it, the welfare folks would talk about it, those who fall within the gap need to be considered.

Wouldn't it be wonderful if that community then could take those resources and let the left hand know what the right hand is doing and orchestrate all those multiple resources together and provide a comprehensive approach to child care in that community?

Now you see what really hurts is when I call somebody in to repair my refrigerator or my airplane, I'm paying them \$25 or \$35 an hour. But when someone takes their child over to a child care center, that employee gets paid \$6.25.

I value the children more than I do the refrigerator but the terrible dilemma is this ; most experts say that quality child care costs \$8,100 a year and I believe it. We only have about \$4,800 to \$5,000 in a purchaser's hand. How do we close that gap? We've got to do it with some volunteerism, we need to reach into that community after we have that council there and say, "folks we can't do it with dollars alone. We need your help seniors, we need your help the church community."

We need to get at this on a community basis. This is not a left or right ideological program. This is devolving this thing down to a community level. That's a conservative principle. It is using the free market to make it work. That's a conservative principle. It is getting parents the information they need to make good purchases and it is helping those providers get their employees trained.

We can do this, we can do this. I heard this morning that Gov. Wilson in California put hundreds of millions of dollars on the table for infrastructure and child care. God bless him, he's going the right way.

I've got to get on with the speech because we're limited to an hour, but I feel this very strongly. There's one last thing I'll say before I leave this issue of what is quality child care. Let me give you two words: Warmth and responsiveness. When you put a child in a setting, that setting needs to be one of warmth and it needs to be responsive to that child.

And you know, I didn't get to use this any where else in this speech, it's Plato. Plato on this subject:

'You know that the beginning is the most important part of any work, especially in the case of any young and tender thing. For that is the time in which the character is being formed and the desired impression more readily taken. Shall we just carelessly allow children to hear the casual tales to be devised by casual persons or to receive into their mind ideas for the most part that are the very opposite of those which we wish them to have when they are grown up?'

Think of the kids staring at a television 10 hours a day. Folks, this is a crisis and it doesn't need to be. We can do something about it. I ask you to join and support this program of making this the first priority of Colorado.

I've talked about child care. But there is another issue that affects our children's ability to learn and grow. And that's health care.

We've made some progress here. But not enough.

86 percent of Colorado's two-year olds are immunized—that's higher than the national average.

Last year, our school-based health centers provided 30,000 kids access to basic health care and prevention services.

And Colorado was the first state in the nation to submit for federal approval a child health insurance program, called the Children's Basic Health Plan.

But with Colorado's prosperity, it is unacceptable, it is unacceptable to have 180,000 of our children—mostly in working families – who still do not have health insurance.

And it's unacceptable that many children don't get the dental care they need—in large part because our Medicaid reimbursement rates are too low.

I think it is a scandal that we can only pay 30 percent reimbursement of costs for dental healthcare in this state given the affluence we have in our economy.

Now, here's what we can do.

First, the new Federal Balanced Budget Agreement provides Colorado up to \$42 million in matching funds to improve children's health.

I propose that we accelerate the Children's Basic Health Plan to provide insurance for 25,000 more children this year, and follow through with plans to cover at least 45,000 children next year. I urge you to allocate \$5.2 million from the General Fund this year to match available federal dollars.

This program—a model for other states—focuses on prevention. Its goal is to provide comprehensive services, using managed care and existing public and community health infrastructure.

Second, I support legislation to expand Medicaid coverage by modifying the asset test and covering all children up to 100 percent of the federal poverty level.

Third, I propose to develop a network of dentists, non-profit organizations, and community health care providers to better coordinate available resources to serve children who don't have access to dental care.

Fourth, we should increase reimbursements for dentists providing services to Medicaid children, and we should expand Medicaid to give our poorest children dental care.

With a state investment of \$1 million, we can access another \$1 million in federal funds, and provide much needed dental care to Colorado's children.

I don't know about you, but I can't work if I've got a tooth that's just blinding me with pain. And I think children can't think and grow and educate themselves. It's just a very very inefficient way to try to expect a child to develop themselves if we can't give them adequate dental care.

Fifth, I propose a modest investment of \$600,000 to fund a pilot program for prenatal and early childhood home visitations by nurses for 300 at-risk families.

And sixth, we should double the number of children who have access to school-based health centers.

One final point in this area. On your desks you will find an Investment Prospectus published by the Governor's office. To those of you who invest in stocks or bonds, it will look familiar.

This Prospectus, however, is unique. It's about kids. It tells us that we ought to invest more in prevention programs early in a child's life. It shows, in stark terms, the long-term costs of inaction—poor health, foster care, child welfare, special education.

I urge you to read it. If we make smart investments today, we will save the state money in the long-run.

Now I'd like to talk now about K-12 education.

I've talked about child care and how important that is. And I've talked about child health.

But to move toward an economy where skills, knowledge and ideas are paramount, we have got to work on public education.

We have been focused on this for several years, and we have taken some steps toward lasting reform. Today, all 176 of our school districts have implemented high academic standards—developed by parents, teachers, business people and others—for each grade in reading, writing, math, science, geography and history.

We now can say to every kid “this is what you need to know, and this is what you need to be able to do.”

Now with the fourth grade reading and writing assessments completed last year, we now have, for the first time, an accurate measure of where our kids are—not compared to other kids in other states, but compared to where we think they need to be to succeed in the new economy.

And now we know that too many of our kids do not meet these standards. We know that less than 50 percent of our fourth graders write as well as they should, and just over 50 percent read as well as they should.

That’s sobering news. But I welcome it because, for the first time, we have an objective measure of how we’re doing.

To meet the challenges of an economy driven by skills, knowledge and ideas, we have to do better.

So today, let’s dedicate ourselves to this goal: every school in Colorado will improve its own performance by at least 25 percent in fourth grade reading and writing over the next three years.

We have as much to do for our public schools over the next 10 years as we have done for our economy over the last 10 years.

I know that many schools and districts are already working hard to improve achievement, and I applaud their efforts.

But how do we help each school reach this goal?

We need to make standards a part of the routine of the school day. We need to improve and encourage teacher training and professional development. We need to engage parents more effectively in the classrooms and the work of their kids.

We need to make sure that schools and libraries are connected to the Internet, opening students to a world of opportunities, choices and ideas.

We need school-to-career programs, to bring knowledge of the workplace into classrooms.

We need to provide adequate funding—a 3 percent increase for all schools this year, and more to those schools that prove a commitment to high standards. More on that in a moment.

In short, we need to do everything we can to help every kid in every school in every district.

But accountability must begin somewhere. And it must be in each school and in each district in the state.

What must each school do? Parents look to us and ask, “What are you doing to improve my child’s schools? How do you know the money is being spent wisely?”

Let’s answer these questions by requiring each school to meet the goal of raising achievement by 25 percent in 3 years. Each school should develop a plan of action, a blueprint for making improvements, something that will give parents confidence that a program is in place and that progress is going to be made.

Now any school that creates that plan, which is voluntary for them to do, by June 30 of this year, I propose they get an additional funding increase of one-half percent. This is a small but important incentive and this will bring the total funding increase up to 3.5 percent for all districts which file improvement plans. Let me underscore, there is no approval of these plans, these plans are to be approved at a district level, but they need to have a plan and it needs to be filed.

The plan ought to outline ways that schools will:

- align curricula and classroom materials to standards. It doesn’t make any sense to have standards and not have the working materials align to the standards;
- inform parents about the district’s standards and state assessments to help them truly understand what their kids should know and be able to do;
- provide enhanced professional development for teachers; and
- it should realign schedules to focus more time on teaching the most important subjects.

I want schools to get all the help they need during this three year period so that they don’t fail to make that goal. I believe that the state Department of Education should provide specialized technical assistance, including help from a “mentor teacher corps,” helping schools become more efficient to free up their resources for teaching.

But this is not about plans and reports. It’s about looking each parent in the eye and saying, “Your school and your child is not going to be left behind.”

Now if we commit to help them get this job done, if after 3 years, a school or a district is unable to improve performance, I believe strong measures are in order. I believe that the state must have the ability to demand accountability and change local school management authority. Removing accreditation, as allowed by current law,

may not be enough. We may need the ability to go farther, to remove local management.

I am very respectful of local control. But if school districts cannot improve the education of their students, someone else must. Our kids in school deserve nothing less.

Now, there are some who believe that we can solve our problems in public schools simply by reducing bureaucracy and giving teachers more discretion to discipline unruly kids.

I think those are valuable goals. But we should not be under any illusion that that's going to get us where we need to go.

I know that this is an election year, and that bumper sticker slogans about tough problems are inevitable.

But Colorado's parents and kids deserve something better than that.

To summarize, we need to push standards and assessments hard. We need to make sure it is done on the local level. We need schools to change their ways, to improve student achievement, and provide extra help to those who need it. And we need to attach financial incentives to performance, and consequences to non-performance.

To help launch us toward our goal of 25 percent improvement, and to help focus and guide our future policies on K-12 education, I want to announce that, in partnership with business and education groups and the board of education and the legislature, I will host an education summit in February. At that summit, we need to take a comprehensive look at improving student performance.

I intend that the summit address other key, long-term education issues. What are some of those issues?

- High school drop-out rates.
- Extended school days and school years, especially for those students who need extra help. This costs money, and in this time of budget surpluses, it may be time to look hard at making this investment.
- Before and after-school programs. When both parents are working, does it make sense for kids to be released to the streets at 2 and 2:30 to go hang out some place?
- and the importance and proper place of non-academic learning – like art, industrial arts, and other “hands-on” subjects.

Well, that is what I propose that we do in K-12. Now, having looked at early childhood and at K-12, let's turn briefly to higher education. There are some very interesting things that have occurred there in the prepaid tuition fund. You're familiar with it.

On adult literacy, it's obvious in a workforce that's down to a 3.5 percent unemployment rate, we need to make the wise investment in adult literacy. It's just a crucial investment.

Workforce development, this is an absolutely crucial area if our economy is to prosper. We have made some real gains in this area and again I refer to the written speech and budget book.

The one key area I want to talk about in higher education is what technology is going to do. There is an absolute revolution in terms of the way we're going to learn beyond high school. We used to talk about institutions and teaching, we've got to reverse that paradigm. It's now students and learning. We're going to learn about all kinds of places in the world, we're going to learn it in all kinds of ways.

We now have digitized course material with which you can sit in front of a computer or CD-ROM and it can take you inside the Parthenon; it can show you the statues. It can say "write an essay now about the comparison artistically of this one to that." You can be wired with the other 24 students in the class and the professor can simultaneously look at every one of your communications. He can give a test and can see what it is that you understand and what you don't. He can get instantaneous feedback. Virtual reality is here in education and in the next five years there is going to be an explosion.

Let's take libraries. In the budget process, remember how many dollars we put into libraries. We're going to have a library in one location in which 50 universities will be plugged in electronically. You won't buy 50 sets of periodicals. It is a revolutionary time, and we have an instrument called Western Governors' University. It is absolutely mind-blowing. 17 states, 17 governors have created it and it will be a distribution network for existing course work, it'll cross state boundaries, cross the barrier of tuition and will be a great facilitator in access to existing courses.

But the exciting thing about WGU is that it will also develop a certificate of competency, so that independent of the course you will be certified as to whether you know what you're supposed to know. The free market will come into higher education and in a way it has never done before. Right now if you want to take your kid to college, you go to the library and you look and all you see is input, how much it costs, how restrictive is admission, how many Ph. Ds.

If we ever get a certification of competency, separate from those who provide the course, then you can look at outputs. And once you begin to look at outputs, you no longer buy brand names, you buy results. And that's where the economy of knowledgeable buying will come to play. One of the greatest barriers of the average family to the good life is access to education beyond high school. What I'm really talking about is the equivalent to the JD Powers survey about educational quality and price.

Let me turn to technology. You have on your desk a brochure entitled Colorado Connect.

I've been doing a lot of thinking about technology and meeting with CEOs and I just want to say that this document, Connect Colorado, explains some of our current efforts to use technology to make government work better, and to connect better with our citizens through an improved information systems. One example is the Colorado Homepage. Another is the effort to connect our schools to the information highway.

We have started down this road, we have more to do.

I have asked for \$20 million to improve the ability of our schools to enter the information age.

Growth and quality of life.

So far this morning, I've talked about the new economy, child care and health, education and technology. I think all of you know that in the area of quality of life we have made some gains, but we have more work to do.

Crime.

Frankly, despite our population growth, statistics show that our streets and neighborhoods are safer today than they have been in many years.

That didn't just happen. We have taken an iron-fist approach to crime—especially juvenile crime. The policies we have implemented together—banning guns in the hands of kids, funding community efforts to prevent crime, and passing tougher sentences for adult and juvenile offenders—are working.

But there are still some serious issues that must be addressed. We have been shocked recently by several outrageous hate crimes in Colorado. By hate crime, we mean a crime against someone motivated solely by a victim's personal characteristic, such as race, age or gender.

Our statutes here are strong. But I want to make two changes to make them stronger.

First, I believe we should add hate crimes to the list of aggravating circumstances in death penalty cases.

Second, I believe that the definition of hate crimes should be extended to include crimes motivated by the sexual orientation of the victim. Too many of Colorado's gay and lesbian citizens face such crimes each year, and we should provide this added protection to them.

We know in the long run the solution to crime involves more than just getting tough on criminals. We know that it is much less expensive and so much better to prevent crimes before they happen.

One of the best things we have done in this area is the Youth Crime Prevention and Intervention program. In a similar vein, we should expand our prevention efforts to include increased alcohol and drug treatment as well as other programs which have proven track records.

Environment.

I think that you all know the importance of the environment to this state. I've always said the future of Colorado will be determined by two things: how well we raise our children and how well we keep our place, our environment.

It is just a critical asset. We have made some real gains in our Smart Growth movement. We have in process 74 recommendations that are being implemented.

What is really encouraging is what is happening in the local government area. They are acting. Let's use the examples of Larimer and Weld counties and the cities of Fort Collins, Greeley, and Loveland. They're using tools to ensure they don't become just one city. The San Luis Valley has also done some creative work and we need to continue to think about how we can support that effort.

Let me speak about clean air for a moment. Twenty years ago we violated clean air standards 170 each year. In this past two years, we didn't violate those standards once. We did it largely through local initiatives and efforts and we should be proud of this. We need to continue these efforts in light of our future growth.

In the metropolitan area, for instance, local governmental, business and community leaders are developing the "Blueprint for Clean Air"-a long-term, comprehensive, locally-driven plan to reduce the Brown Cloud over the next 10 to 20 years. This is precisely the kind of bottom-up, local solution that we need to support.

I want to turn to transportation.

Our most pressing growth issue is in transportation and its time for some straight talk.

Transportation is critical to our economy and to the quality of our lives. Yet we are falling behind. We have not kept up with growth of our population and the number of cars on our roads.

We have 500,000 more people on the road than we did five years ago. It's harder to get to work, and the time spent stuck in traffic is time not spent with families.

We know we have a serious problem. And, we have come to consensus that we have at least \$13 billion of unfunded need—\$8 billion at the state level and \$5 billion at the local level. And folks, that's a very conservative figure. Let me tell you it's conservative. Our needs are much greater than that number. But that amount of need that we're focusing on is \$13 billion.

Together we passed Senate Bill 1. That was a tough battle. None of us were totally happy with the bill. But we accomplished some fundamental things.

- We put approximately \$850 million into transportation over the next five years to begin the job.
- And, we decided that some of that funding should be used in a flexible way, used with other methods, beyond roads, of moving people and goods across the state. While roads are the primary concern of our rural areas, we simply cannot solve our problems in the urban areas by roads alone.

We have started the job. The people want us to finish it.

Here's what we need to do.

First, because we must move ahead where we can to solve our traffic congestion as quickly as possible, I took action several weeks ago that I thought was important.

We stepped up to the plate in state government and let Washington know that we intend to secure federal funding for highway improvements and light rail along I-25 from downtown Denver to Lincoln Avenue in Douglas County.

People are often at a dead stop on that road. We have to act and we have to act now.

We did that by pledging state money to secure \$355 million in federal funding for that corridor.

Second, under our current system, transportation planning in the metro area is too separate from land-use and other community planning. Local community officials are responsible for just about every other related issue in their jurisdictions. They need to have more say in how transportation is organized. That's why we must reform the governing board of RTD. It's about smart planning. It's just totally unwise for those who make decisions about land use not to have some access to the decisions on transportation.

I know that a number of you in this room have been thinking along these same lines, and I'd like to look forward to working with you on that restructuring.

Of course, the transportation situation in Denver is only part of a larger, statewide issue. We made a good start at statewide investments last year with Senate Bill 1. But that is just a start.

Here, I want to be very clear. In the past, when our economy was not as strong as it is today, we could not always afford to make needed transportation investments. But today, when our economy is so strong, we can afford to make these investments, and I think we must do so.

The pressures on our transportation system are in large part the result of strong economic growth. The budget surpluses we expect over the next five years also are the result of that strong economic growth.

Now look, let's be clear about the real source of this surplus. It's not a "TABOR" surplus, it is a growth surplus.

Now when times are good, we should use part of this growth surplus to invest in transportation. In Holly, when we had a good year, we fixed the barn and we bought a new tractor. We invested in good times to protect our future.

I strongly believe we must use a portion of the growth surplus to make key public investments that will keep the economy strong and enhance our quality of life in the future.

I know a lot of you have very specific proposals for the growth surplus. I'm not going to make a specific proposal right now and I'm doing that so that I can work as cooperatively and in bipartisan way as possible with you. I think you know, I come out with a Romer plan and it gives everybody something to shoot at. So I just want you to know that I'm willing to work with you.

I've recruited Larry Kallenberger to work with local communities on a listening campaign as a part of this process of deciding how to deal with that growth surplus. This sort of process served us well in our Smart Growth efforts and I believe it can

help us craft a better proposal for people to vote upon.

Now my basic attitude about the growth surplus is this—some should be returned to individuals for their own use, and some should be used for collective investments in critical areas like transportation, schools and technology.

Wh're about at the end, I've got to go off text and talk to you about this. This is the most serious question that I think you may wrestle with this session. Let's be very honest about the facts . The facts are we've got \$8 billion need at the state level, we've got \$5 billion need at the local level. What have we applied to that? We've applied 5 years of Senate Bill 1, that's \$850 million.

Now let's talk sense. There are some in this room who would say we're going to fund all of that out of the general fund. Add up how much general fund money it takes to get to \$8 billion or \$13 billion if you're going to include the local share. You do \$100 million a year beyond Senate Bill 1 in 20 years that's \$2 billion. You do \$200 million that's \$4 billion. You do \$400 million a year, that's \$8 billion.

Now look, I attended a meeting of the capital building committee and they were thinking about financing prisons because they didn't have enough money in the budget to fund prisons and higher education buildings right now, and that's before you start spending that one two or four hundred million dollars for highways.

Folks we have a state that's on the threshold of greatness. You know that. What's going to get us there? Primarily it's educating the young, those in school and higher education. It's ideas, skill and knowledge, but we're not there yet. Did you see this morning about the comparison of Colorado with the nation in terms of our per capita contribution to public schools. We're not there yet on the dropouts. We're not there yet in terms of the quality of educational experience that we may need to have.

Now, for God sakes, you don't even need to make the decision. All I'm asking you to do is to refer it to the people so that they can make a decision.

I used to serve in this body. When I served up here people took responsibility for their own actions. Several years ago the people spoke. They spoke through the TABOR amendment and what did they say? They said ,“we want a vote, we want to vote when you increase taxes.” Now look, let's keep faith with that. But do you think that they were wise enough when they passed TABOR that they really understood that they were fixing in the 6 percent limit that you had done by statute? They didn't have a clue. They didn't vote on the 6 percent limit, they didn't even understand it. They didn't know there was going to be ratcheting down effect of the Gallagher Amendment that is going to frustrate local jurisdictions' efforts to support schools and push their costs onto the state budget.

It is crazy for us to think that you can turn to an initiative passed years ago and be able to react to the world now. It's kind of like sending a ship across the ocean and saying, "this is all the fuel you've got to use, we don't care whether you hit a storm or not, we're going to tell you that's all you've got." Folks, why don't you find a way that you can trust the people again and ask them whether or not we're going to be a mediocre state, or whether we're going to be a great state.

Now what kind of judgment is it that makes you sit here and say we're not even going to give them a chance to give us their opinion? That is arrogance of the first order in my mind. I had another paragraph in here about a fiscal chastity belt which I'm not going to use because my staff wouldn't let me. But let me tell you, let me tell you I am proud to be the governor of this state. I'm proud of it. People envy us. We've got the best economy in the nation, we've got the best place to live in the nation. Do you think we're going to keep that with that fiscal straight jacket around us?

The people want a chance to revisit that issue, the people want a chance to say, "give us an opportunity to restate our values of how important it is to raise a child 0-6, how important it is to keep health for all children, not just the members of my own family. How important it is to open up higher education."

Can I give you this illustration. You know we're entering into an age in which you need to have more skills. If we had a 50 percent increase in higher education tuition just over night and they went to the school and paid their tuition, you know what would happen? You've got to reduce the general fund by the amount of the tuition. That's the way the amendment works. Now that is stupid.

Now if you haven't got my point, I'll stay and talk a little longer.

Let me conclude.

This morning, I've talked about the relevance and importance of early childhood issues, public schools, higher education, the beauty of Colorado, and the quality of life we enjoy. I've talked about the investments we need to make, particularly in infrastructure and transportation.

But in closing, I want to return to what is the first priority, and that is how we as a community called Colorado can create the best place for a child to be born and grow.

Let me tell you a story that happened to me this week as I wrote this speech. A person I've already honored, Brad Butler-who has been a great leader for us all in the area of children-has cancer. I invited him to the speech, but he is in the operating room this morning. I went to his home on Tuesday afternoon and spent some time with him and he has given me permission to share this with you.

I sat down in a chair across from Brad in his living room, and he began to talk to me about the immediate need, because of his health, to find new leadership for Bright Beginnings.

He described his health, he described how far the cancer had spread, and asked if I would be a part of his memorial service.

Now in my awkwardness to express the feelings I have for him, I said, "Brad, you have had a streak of bad luck."

He interrupted me and said, "No, Roy, my luck has not been bad – it has been very good."

Then he went on and he began to describe the beauty of his relationship to his children, to his grandchildren, to his wife Erna and he described the joy it had been for him to help Colorado on the crusade for children.

He handed me some writings that he had recently prepared for his children and grandchildren, about some of the experiences in his life, so they would know him better and know what shaped his character.

Now why do I tell you this story? It is about character.

It is important to create an environment where young children can learn skills, knowledge and creative intelligence.

But it is much more important to create an environment where they can acquire the traits of character displayed by a person such as Brad Butler—traits of character like honesty, compassion, courage, a work ethic, delayed gratification, self-control, to be a sharing member of a community, and to serve a larger purpose than your own personal desires.

Children, when they are born into this world, are innocent and they're full of hope. Traits of character don't come with them. They get that from us, the adults in their lives. Thus, the importance of our improving the early childhood experience in Colorado.

Our dream, our goal then, is not just to have the best economy, it's not just to be the most beautiful state to live in, but to be that place where the best human beings can grow.

My dialogue with Brad did not end Tuesday because he was in the hospital this morning in a surgical room. He sent a note to me by his son. It's classic Brad, I'll read it to you:

"Dear Roy: There are very few people I would trust to use my situation and my feelings in a public message. I'd be too concerned that they'd make it maudlin, self-serving or self-pitying. But you feel free, I trust you. Make our neighbors realize that we can not only regain much of what we've lost in time and cause, but we can be better than we have been."

Let me close then because when I read that, I grabbed Tennyson's Ulysses which I used about six years ago. Let me close with this.

Come, let's join in this quest.

In the words of Ulysses,

Come, my friends.
'Tis not too late to seek a newer world.
Push off, and sitting well in order smite
The sounding furrows; for my purpose holds
To sail beyond the sunset, and the baths
Of all the western stars, until I die.
It may be that the gulfs will wash us down;
It may be we shall touch the Happy Isles,
And see the great Achilles, whom we knew.
Tho' much is taken, much abides; and tho'
We are not now that strength which in old days
Moved earth and heaven, that which we are, we are, -
One equal temper of heroic hearts,
Made weak by time and fate, but strong in will
To strive, to seek, to find, and not to yield.

Thank you very much.