

# 2019 State of the State Address

Gov. Doug Burgum

January 3, 2019

(written speech differs in some areas from actual address as delivered)

Good afternoon! And thank you all for that warm welcome!

Lieutenant Governor Sanford --- Governor Schafer --- Mr. Speaker --- distinguished members of the 66th Legislative Assembly --- Chief Justice VandeWalle and justices of the Supreme Court --- fellow elected officials --- tribal leaders --- cabinet members --- First Lady Kathryn --- my children Joe, Jesse and Tom --- Second Lady Sandi --- family and friends --- fellow citizens of North Dakota --- welcome, and thank you all for joining us today.

It's truly an honor for Brent, Kathryn and I to serve the citizens of North Dakota. We're filled with gratitude every day for the opportunity to make a difference for our state and its citizens.

As we enter this chamber, filled today with the three branches of government and leaders of our sovereign tribal nations, one can't help but reflect on the incredible progress we have made --- and the unlimited potential that lies ahead when we all work together.

One hundred thirty years ago this coming November, President Benjamin Harrison signed North Dakota into statehood.

That same year, George Eastman --- after buying 21 camera patents from David Houston of Hunter, North Dakota --- created a photography revolution with a flexible rolled film camera ---called Kodak.

North Dakota's population was roughly 190,000 people.

After growing rapidly to 680,000 people in 1930, our population shrank --- and did not break that record until 2011.

Last year, our state grew by more than 4,900 people. That's like adding 14 Arthurs in one year --- incredible!

And the U.S. Census Bureau estimates our total population now surpasses 760,000 --- for the first time in state history.

It's easy to understand why a scarcity mindset may still invade our thinking --- given that many of our citizens had direct experience with our decades of out-migration and rural depopulation --- and are subjected to constant claims that "things are getting worse."

The facts clearly show otherwise.

Extreme global poverty has been cut in half over the last 20 years.

Seventy-five percent of the world now lives in middle income countries.

Global life expectancy is up to 72 years --- the highest it has ever been.

Across the globe, we've seen dramatic decreases in deaths related to disease, war and natural disasters --- and dramatic increases in access to clean water and electricity, literacy, food production, internet access and immunizations. Abundance --- by nearly every measure --- is on the rise.

Yes, the world is getting better and better --- and doing so at a rapid pace.

Why does this matter to North Dakota? For two reasons.

First, a world with improving health and increasing incomes will consume more energy - -- more food --- and more technology. The world will need more and more of what North Dakota has.

Second, it matters in the context of the United States --- and North Dakota's role in the world.

As American citizens, we all are blessed with freedom of religion --- freedom of speech - -- the right to assemble --- the right to own property --- and the right to bear arms.

Each of our 50 states is a laboratory of democracy. We have an administration in D.C. that understands the states created the federal government --- not the other way around.

And in North Dakota, we can choose our own destiny.

#####

Today, the State of the State is that we stand at the cusp of a new era in North Dakota's history.

And by harnessing the courage to dare greatly --- we will cultivate a prosperous future for generations to come.

With action --- we will shine.

We truly live in a state of abundance --- with the humility to understand that much of our good fortune is derived from our God-given natural resources --- namely our soil --- water --- coal --- wind --- gas --- and oil.

Combining these resources with the power of human ingenuity has allowed us to build and grow a dynamic and increasingly diversified economy.

This private sector prosperity has allowed us to build and maintain a strong foundation in K-12 and higher education --- investing in our No. 1 resource --- the young people of North Dakota.

Right now, we can make smart, bold investments with long-lasting impacts --- while delivering a fiscally conservative and structurally sound budget that improves transparency --- replenishes reserves --- and does this all without raising taxes!

Yes, life is good here --- and yes, we can make it even better.

According to U.S. News and World Report, North Dakotans enjoy the best quality of life in the nation.

The magazine said our small towns “promote a positive social environment --- in which people are not only supportive of one another --- but they are able to engage in their communities --- and feel that they are making a difference.”

The same applies to our bustling and growing urban areas. In North Dakota, everyone has a chance to make their mark --- to make a difference --- and to truly be legendary.

We’ve been one of the five fastest-growing states percentage-wise since 2010 --- growing by 13 percent --- and we’re expected to retain our rank as the fourth-youngest state.

Earlier this year we were ranked the best state for millennials, with our low unemployment ---affordable housing --- and nation-leading increase in wages since 2007.

And North Dakota again made the list of 10 Best States to Start a Business.

Taxable sales and purchases for July, August and September were up 18 percent compared with the same period last year. That’s the highest year-over-year percentage increase since the third quarter of 2012.

In fact, year-over-year taxable sales and purchases have increased every quarter since April 2017. Once again, North Dakota is on the grow.

Our economy isn’t the only place where our health is improving --- North Dakota moved up five spots from No. 18 to No. 13 in this year’s America’s Health Rankings by United Health Foundation --- including ranking 1st in air quality.

Our oil and gas producers continue to shatter production records. Daily output has

increased to a record 1.39 million barrels per day in October --- strengthening our position as the nation's No. 2 oil producer.

We also produced a record amount of gas in October --- an incredible 2.56 billion cubic feet per day --- which is nearly double what we were producing in June of 2014.

We rank 6th in overall energy production --- proving to the world that energy production and environmental stewardship aren't mutually exclusive.

A good example is the intelligent Pipeline Integrity Program, or iPIPE --- a public-private partnership studying emerging technologies to detect and prevent pipeline leaks. Six projects have been funded so far, showing exciting and promising results. Again, this is happening because we believe innovation --- not regulation --- is the best way to solve complex challenges in a digital age.

Adding value to our enormous natural gas production is a tremendous opportunity. Converting gas to plastics or fertilizer --- using gas to heat commercial-scale greenhouses for year-round local food production --- converting gas to electrons to be exported on transmission lines --- or reinjecting gas back into the ground as part of enhanced oil recovery --- each of these represents a billion-dollar business opportunity.

Substantial progress on gas capture is in our near future --- with billions of private capital being invested in mid-stream processing and gathering pipelines --- but more capacity will be needed as our gas-to-oil ratio continues to grow. And we must ensure our regulations incent --- versus discourage --- capital investment.

Our lignite industry continues to innovate and invest --- providing essential baseload electricity to the grid --- despite long-term economic and regulatory uncertainty created by over-reaching federal policy in the previous administration.

Project Tundra --- which aims to capture carbon dioxide that can be used to revitalize old oil wells --- was recently awarded the largest grant in the history of the Lignite Research Council, \$15 million.

This partnership between the Energy and Environmental Research Center at UND --- lignite --- and the oil and gas industry --- is transforming power plant emissions to a marketable, value-added commodity.

Our agricultural producers --- who are among the best and most productive in the world --- continue to invest in new technology and precision farming and ranching approaches --- despite volatile prices and uncertainty with international markets.

It's exciting to see evolving partnerships between industries adding value and developing new markets --- such as Marathon converting their Dickinson refinery to renewable biofuels and providing a huge new value-added market for North Dakota

soybeans.

Advancing these core industries requires teamwork and collaboration. That's why our budget proposal dedicates nearly \$200 million for continued research in agriculture --- oil and gas --- and lignite.

Our farmers and ranchers can compete with anyone, anywhere --- if given a level playing field. For consistently providing this nation and the world with a low-cost, high-quality food supply --- they deserve our deepest gratitude.

#####

We continue to make great progress on the five strategic initiatives outlined in this chamber two years ago.

In 2017, we set out to transform education in North Dakota. Our goal: to ensure our K-12 and higher education systems are best equipped to adapt to new technologies and delivery methods --- and prepare students for success in the fast-changing digital economy.

Two task forces created by executive order have published their final reports and recommendations --- outlining a bold path forward for K-12 innovative education --- and calling for stronger accountability and appropriate scale in higher education governance.

On each of these 15-member task forces, legislative members service with distinction -- - on the K-12 Innovative Education Task Force, Rep. Cindy Schreiber-Beck and Sen. Don Schaible --- and on the Task Force for Higher Education Governance, Rep. Mike Nathe and Shannon Roers Jones, and Senators Brad Bekkedahl and Joan Heckaman. - -- Thank you for your service.

In addition, we supported establishing the K-12 Innovation Academy. This partnership -- - between public entities and private philanthropy --- supplies concrete strategies for transforming education- -- while also creating a statewide network to advance best practices and community-led initiatives.

We've also expanded opportunities for communication--- collaboration --- and meaningful engagement with each of the sovereign tribal nations within our borders.

Our Indian Affairs Commission hosted two well-attended conferences this past year on strengthening government to government relationships and partnerships --- bringing together tribal leaders --- federal --- state --- and local officials.

Thanks to the Legislature --- Lt. Gov. Sanford, Tax Commissioner Ryan Rauschenberger, Indian Affairs Executive Director Scott Davis and I had the unique opportunity to serve on the interim legislative Tribal Taxation Issues Committee ---

which I was honored to chair.

The committee had productive discussions with all of the tribes. As a result --- House and Senate leaders plan to co-sponsor legislation to allow the governor to enter into separate agreements with individual tribes --- to administer sales and use taxes and wholesale taxes on alcohol and tobacco.

To have these bills co-sponsored by legislative leadership sends a strong --- and welcome signal --- of collaboration and improved relations.

As we continue to engage with the tribes in discussions about oil and gas tax revenue distribution --- law enforcement --- behavioral health --- and other priorities, we will do so with mutual respect and the understanding that we are all North Dakotans.

In that spirit of mutual respect, we're honored to announce that the Governor's Office will begin to display the flags of the five tribal nations with whom we share geography --- alongside our state and national flags --- outside of the Governor's Office in Memorial Hall.

As a state, we can reach our fullest potential only if all people have the opportunity to reach theirs.

Addiction and mental health issues also can keep us from reaching our fullest potential.

Our state suffers from a behavioral health crisis, which carries significant negative impacts for our people --- our families --- and our economy.

First Lady Kathryn has been an incredibly courageous leader in addressing head-on the disease of addiction --- with the goal of eliminating the shame and stigma of the disease of addiction so we can normalize the conversation like we do around any other chronic --progressive --- and ultimately fatal disease.

Her courage and example are inspiring others to share their stories --- to seek recovery --- and to celebrate its hope and power. Please join me in thanking her.

With Kathryn's leadership, we created the Office of Recovery Reinvented to promote these efforts with help from behavioral health professionals and community and tribal leaders.

In October, more than 1,200 people attended our second annual Recovery Reinvented summit in person or online --- sharing best practices and further lifting the veil of shame and stigma.

We're also seeing progress with Free Through Recovery --- a program that provides effective, community-based behavioral health services to help those involved with the criminal justice system and struggling with addiction.

This is a tangible outcome of last session's collaborative justice reinvestment efforts --- led by members of the legislative, judicial and executive branches.

By moving \$7 million upstream last session, this Free Through Recovery partnership between the Department of Corrections and Rehabilitation and the Department of Human Services has provided access to care coordination --- recovery services --- and peer support to over 500 people so far.

One of those people is Jyssica Noble. Like many who become trapped by the disease of addiction, Jyssica's struggles with opioid addiction landed her in jail --- left her homeless and --- brought her to the brink of death.

Thanks to Cass County's drug court program, she was referred to Free Through Recovery.

When she relapsed, her peer support specialist --- care coordinator --- and probation officer helped her back on the road to recovery.

As Jyssica told Kathryn and I in our recent face-to-face conversation --- she said, "These people cared, and I haven't had that."

You can find Jyssica's powerful story of recovery on our website --- and we're happy to have her here with us today. Please join me in recognizing Jyssica for her courage and commitment.

Justice reinvestment is just one great example of the power of reinventing government.

Citizens today expect government to safeguard their personal information and its financial assets from increasing cyberattacks --- while also providing a user-friendly digital experience.

North Dakota can be a world-class leader in technology. Our goals include lowering costs ---improving cybersecurity --- and streamlining online services to improve the citizen experience across agencies --- and ensuring members of Team ND have the tools to do their jobs effectively and efficiently.

To accomplish this, we're creating a unified IT Shared Service organization.

Already, we have aligned the backend systems of 31 state agencies, saving more than half a million dollars in product --- hosting costs --- and the number of staff it takes to do the work.

But we still have over 400 organizations that touch our statewide network --- each responsible for their own cybersecurity --- a nearly impossible task that is full of risk.

We're calling for incremental investment of \$16.4 million to centralize cybersecurity --- and help protect against approximately 5.6 million cyberattacks per month. We know that even one breach or financial attack by a bad actor could be far costlier.

Our budget also calls for \$174 million to fund 24 IT projects that will support 19 agencies and improve public safety --- citizen-government interactions --- and voting integrity.

This is the critical infrastructure for an interconnected world --- and a necessary investment to protect our citizens' data.

Communities representing more than half a million North Dakotans are engaged in one or more of the Main Street Initiative's three pillars --- exploring what they can do to build healthy, vibrant communities --- with smart, efficient infrastructure --- to attract a 21st century workforce.

Participation continues to grow, with 61 communities large and small engaged so far --- from Grand Forks to Williston --- and Regan to Robinson.

Those who have participated in one of our 45 Main Street listening sessions report positive results --- experiencing greater engagement from their community members --- and increased momentum on community projects.

In the southwest, more than 150 community members took part in Helping Hettinger Day, a communitywide improvement project.

In north-central North Dakota, Rugby high schoolers launched a video project highlighting the history and importance of their remaining downtown buildings --- building momentum for local improvement efforts.

And in the southeast corner, Hankinson just renewed their Renaissance Zone --- and has 53 Renaissance Zone projects.

Based on input from our visits --- we've launched the Main Street Community Leaders Peer Network to share best practices and promote learning on MSI-related topics.

And we've targeted federal block grant dollars to fund 15 projects totaling over \$2.3 million for Main Street development --- public facilities --- and services.

We will continue to provide tailored technical assistance --- share best practices --- and help communities empower and engage their youth and young leaders.

In Grand Forks, which received one of our Main Street Excellence Awards, the Young Professionals group is leading the charge on Main Street. Young people have been appointed to civic boards, and scholarships have been awarded to both high school and college students with Main Street ideas.



Our first-ever Main Street Summit hosted more than 650 people last February, and we're already planning our second summit for Oct. 30-31 --- so save the date!

#####

We've made great progress these first two years, but our journey has not been without its bumps.

A perfect storm of circumstances tested our resolve during our first year in office ----- from protests --- to crashing commodity prices --- to historic drought --- to the stalled Fargo-Moorhead diversion project, now moving again after last week's permit from Minnesota --- to having to close the largest budget gap in state history.

Thanks to the unbreakable spirit of our citizens --- the hard work of our state agencies -- - and the foresight of our elected leaders to plan for a rainy day, our state is stronger than ever.

That strength springs first and foremost from our North Dakota citizens --- and also from the courage of our elected officials who serve them at all levels of government --- including those newly elected legislators here today.

For their dedication and willingness to serve --- would all 18 of our newly sworn-in legislators please stand and be recognized. Welcome to the Capitol!

Congratulations as well to our statewide elected officials who earned the opportunity to continue their outstanding service to our citizens: Attorney General Wayne Stenehjem -- - Agriculture Commissioner Doug Goehring --- Secretary of State Al Jaeger --- Tax Commissioner Ryan Rauschenberger --- Public Service Commissioners Randy Christmann and Brian Kroshus --- and Supreme Court Justice Lisa Fair McEvers.

We also congratulate our newly elected House leadership --- Rep. Pollert and Rep. Boschee --- and returning Senate leaders, Sen. Wardner and Sen. Heckaman. Thank you all for your past and future leadership in your respective chambers.

We look forward to working with all of our leaders here in Bismarck --- across the state -- - and in our nation's capital --- with Senator Hoeven, Senator Cramer and Congressman Armstrong --- to reach our fullest potential and make the most of our opportunity to Empower People, Improve Lives and Inspire Success.

#####

Our state is ready to go to the next level because of the tremendous progress made in the last two years.

Our forward-looking agenda is focused on solving our workforce challenges ---

increasing accountability and budget transparency --- investing in our people --- and investing in our future.

Our economy continues to grow, but workforce remains our Number 1 gating factor for economic growth. Now is the time to redouble efforts to equip our workforce with the skills needed to prosper in the digital economy.

We can start by dedicating \$30 million in Legacy Fund earnings --- with a 1-to-1 match -- for career academies like the very successful collaborative between Bismarck Public Schools and Bismarck State College.

Each day, nearly 1,400 high school and college students at the Career Academy are receiving quality education in high-wage, high-demand technical careers that align with post-secondary education.

Students can choose pathways and earn scholarships in areas such as health science -- engineering--- electronics --- IT automotive technology --- aviation --- carpentry --- and agriculture.

We need to copy this Career Academy model across our state. This is one time in education where we want everyone to know --- it's OK to plagiarize.

Great jobs that move our economy forward --- with less debt for students and families --- is a winning formula.

Strategic investment into our higher education system will ensure our institutions are producing career-ready students and meeting market demands.

Investing \$40 million of Legacy Fund earnings into the successful and proven North Dakota Higher Education Challenge Fund --- which requires a 2-to-1 match from philanthropic sources --- will yield a total of \$120 million for primarily scholarships but also endowed chairs and classroom instruction equipment.

Another key to solving our workforce shortage is making it easier for people from other states to transfer their skills to North Dakota.

The state's Workforce Development Council --- revitalized last year --- recently delivered a report providing more than three dozen recommendations --- and identifying our current occupational licensing approach as one of many potential barriers.

Today, we have over 80 licensed occupations in North Dakota --- governed by more than 60 boards, agencies and commissions.

Gov. Schafer asked the legislature in 1995 to join him to "refine, rethink and reinvent" the state's myriad boards and commissions. We re-issue that invitation today.

Consider this example: While an airman from the Minot Air Force Base was deployed to the Middle East, his wife wanted to become a registered dental assistant.

She returned to her home state of California and completed a program there --- at a tuition cost of \$16,000 --- earning her accreditation.

When she returned to North Dakota to reunite with her husband after his deployment, she was advised that to become certified, she would need to take multiple national exams costing more than \$700.

After she completed those exams, she was informed that her California license wouldn't be recognized --- and that to be recognized in North Dakota, she would have to retake the entire 10-month course --- without being able to transfer credits.

The U.S. Department of Labor has awarded us a \$450,000 grant to study the licensing system so we can remove unnecessary barriers. Building off the great work already done by the Legislature, this study will continue for the next three years --- with early work focusing on high-demand occupations.

We're pleased to see proposed legislation that would grant occupational licensing reciprocity to military spouses. Making North Dakota more military-friendly is key to solving our workforce shortage.

Our budget proposes a 100 percent state income tax exemption on military retirement pay to encourage more veterans to stay and work in North Dakota.

We should thank our veterans for their service not only with our words --- but with our actions --- as they certainly have earned it.

And let us always remember that since 9-11, we've had North Dakota National Guard members continuously deployed in harm's way, defending our freedoms. I would ask that both our veterans and active duty servicemen and women please stand and be recognized.

For North Dakota to remain competitive and reach its fullest potential, we need robust and innovative institutions of higher education.

Technologic and competitive forces are challenging the approaches --- practices --- and business models of higher education like at no time ever before in its history.

The need for stronger governance boards --- with appropriate capacity to focus on the varied missions of our two-year, four-year, and research institutions --- is more apparent than ever.

Our current single-board system of governance was created in 1938 --- when our entire system had less than 8,000 students.

This one-board, eight-person model is woefully ill-matched in terms of board bandwidth to address the complex governance challenges at hand with 11 far-flung institutions --- more than 45,000 students --- and the explosion of competition and change from online and non-traditional education.

Those who oppose the Higher Ed Task Force's recommendation to thoughtfully consider a multi-board alternative simply because it creates additional boards --- should recall that our successful K-12 governance system includes 175 school boards with over 1,000 board members.

I am entirely confident a multi-board model can be achieved with a zero-dollar fiscal note --- and paid for through realignment of resources at the institutions and system office --- and therefore it is not a line item in our budget.

Many strengths of the current system will be retained, including common course numbering and credit transferability. And like today, appropriations would remain within the purview of the legislature.

Stronger boards, with more mission focus, will lead to deeper accountability --- increased responsiveness --- and enhanced results from our institutions of higher learning.

#####

State government as a whole also had to become stronger and more nimble as we confronted economic and budget downturns the past three years. Now is the time to increase budget accountability and transparency --- so we are prepared to meet the next challenge head-on.

As we pledged two years ago, we have refined the revenue forecasting process with half a dozen changes to improve accuracy and ensure the most efficient use of taxpayer resources.

We fulfilled another goal by using technology to make state spending more transparent online. Now, visitors to OMB's website will find a more user-friendly experience --- with clear visual displays of budget data --- vendor contracts --- and other financial information about state government.

Our budget proposal also brings a new level of transparency to how oil tax revenues support our day-to-day operations. Instead of transferring oil tax revenues into the general fund from a labyrinth of sources, we're proposing a direct \$1 billion transfer to support general fund expenditures.

Our No. 1 priority was to restore structural balance in the general fund by bringing ongoing spending in line with ongoing revenues --- and living within our means. The last

two budget cycles, we relied on transfers to cover substantial general fund revenue shortfalls. That's like drawing money out of your savings account to balance your checkbook --- not a sustainable way to manage finances.

\$1 billion is completely and easily doable. --- Why? Because this is the average amount of oil tax revenue transferred to the general fund over the past four bienniums.

It's a conservative and sustainable amount --- even when oil prices crashed during the 2015-17 biennium, the state still collected \$2.9 billion in oil tax revenue --- and we expect to collect close to \$5 billion this biennium.

Being more transparent will improve our state's bond rating --- which lowers the interest rate for local political subdivisions who borrow through the state for infrastructure projects.

It is also imperative that we replenish our reserves. Our budget transfers \$315 million to help fill the Budget Stabilization Fund to its maximum level. Taxpayers --- and our most vulnerable citizens --- deserve this peace of mind.

Our team members in state government also deserve a higher level of financial security. That's why we've proposed an infusion of \$265 million into the pension fund to help us close our \$1 billion unfunded liability gap and save taxpayers hundreds of millions of dollars down the road.

Investing in team members' salaries and health benefits also will ensure we can continue to attract and retain the talent state government needs to deliver the services our citizens expect.

Recognizing employees for outstanding performance is one of the true joys of this job. I'd like to recognize several of our Governor's Award winners here today who exemplify the citizen-first focus of Team North Dakota. These employees have all gone above and beyond.

So, Holly GOG-ler from the National Guard; Trooper Jenna Clawson HUE-brights; Gary Vetter and Chad GUM-ringer from ITD; Michelle GAY-et from Human Services; Jen INE-rem from DOT; and Carla Valentine, Holly Holt and Sarah Lee from our national award-winning Main Street Dashboard team, please stand and be recognized for excellence in public service.

Thank you for all that you do --- and we'll keep pushing for a 4-and-2 percent salary increase, with room to go to 4-and-4.

#####

Every North Dakotan deserves the opportunity to live a life of happiness and good

health --- both physical and mental. To address our behavioral health crisis, we must invest significant resources in evidence-based and cost-effective programs.

To that end, we've proposed spending more than \$19 million across the continuum of care --- and increasing funding from \$7 million to \$11.5 million to expand Free Through Recovery services to those beyond the criminal justice system.

Millions more for substance use voucher services and expanded treatment and programming in our corrections system will improve outcomes and help move people into the workforce and keep them working.

Approaches to caring for the most vulnerable among us continue to evolve --- and we must evolve as well.

We should invest more in home and community-based services for older adults and persons with physical disabilities and behavioral disorders, including addiction, mental illness and brain injury.

While the recent trend has been toward community-based services and away from institutional services, we still need the latter to serve certain at-risk individuals --- and in doing so, we are committed to improving the quality of care.

Building a new State Hospital and Clinic in Jamestown with \$35 million from Legacy Fund earnings will not only achieve that goal --- but also allow us to repurpose the existing State Hospital as a minimum-custody correctional facility for men --- resulting in consolidated facilities and significant operational efficiencies.

We also have a responsibility to ensure that the men and women in our correctional facilities are receiving equal treatment --- and access to medical and rehabilitative services. Currently, a strong argument could be made that we are falling short in that endeavor.

We believe the right thing to do for our female correctional residents -- and taxpayers -- is to relocate women's prison services from New England to the Missouri River Correctional Center south of Bismarck.

Two years ago, I shared my strong belief that North Dakota's schools can be the best in the world --- if we empower educators to lead the transformation of their classrooms and cut the red tape that stands in their way.

We must promote policies that compensate our educators well --- and provide the incentives that help kindle the fires of curiosity and innovation.

That's why, in addition to a proposed 2-and-2 percent increase in the K-12 funding formula, helping to raise teacher salaries --- we propose up to \$10 million to create the Teacher Incentives for Leadership in Education, or TILE, program.

TILE would provide funding for professional development or leadership opportunities that advance district initiatives --- much like an extra duty contract.

TILE is one of the key policy recommendations from the Innovative Education Task Force.

We also know that funding isn't enough --- we must redesign core elements such as graduation requirements, to support the cultivation of choice-ready students.

We stand behind our educators in their work to develop our state's most precious resource: our students.

#####

Past governors and legislatures have established a legacy of strong investments in infrastructure.

We aim to build on that legacy, proposing nearly \$1.5 billion for roads --- essential water projects --- and airport infrastructure --- as well as the \$174 million for technology investments.

With the Legacy Fund, we have an opportunity to create a new kind of infrastructure legacy.

Infrastructure is a top priority for our administration, and this is the largest piece of our plan for Legacy Fund earnings.

By investing \$55 million into an infrastructure revolving loan fund, we can leverage an estimated \$370 million in borrowing power.

Imagine --- a source of super low-interest loans for local political subdivisions to support everything from street paving and sewer replacement --- to flood control projects and water treatment plants.

With an additional \$25 million investment in the school construction revolving loan fund -- leveraging \$165 million --- we can drive a total of \$535 million in construction.

Our communities will benefit for generations to come.

At the same time, we must continue efforts to diversify our economy --- embracing emerging technology such as unmanned aircraft systems, or UAS.

With the Northern Plains UAS Test Site and Grand Sky technology park in Grand Forks, we're already positioned as a national leader in UAS development.

It's why the federal government chose North Dakota as one of 10 sites nationwide for its pilot project to determine how best to incorporate UAS into the national airspace.

By investing \$30 million in a statewide UAS infrastructure network, we can cement our status as a proving ground for UAS. This air traffic control system for drones flying beyond line of sight will also support commercial operations --- including automated farming --- precision agriculture --- and monitoring of essential energy infrastructure such as pipelines and transmission lines.

Now, to the legislators here today, I ask you to envision --- in a few short years, sitting at the ribbon-cutting for the new Theodore Roosevelt Presidential Library and Museum at the entrance to Theodore Roosevelt National Park.

You will have become a part of history --- a member of the 66th Legislative Assembly whose actions made that day possible. Getting ready to listen to remarks from four or five living U.S. presidents honoring the incredible life and legacy of one of our nation's greatest leaders.

As proposed, the \$50 million in Legacy Fund earnings for the library and museum is a 2-to-1 match. Meaning every dollar will be matched by two dollars from other sources, such as federal, foundation, local or individual private donor dollars.

Challenge grants like this can spur decisive action from donors --- and enable faster and larger commitments of resources from partners and collaborators.

Already, this proposal has received statements of support from the Theodore Roosevelt Conservation Partnership --- the National Trust for Historic Preservation --- and Theodore Roosevelt V, the president's great-great grandson.

Also pledging their support for the project are the National Park Service --- the Theodore Roosevelt Association --- the National Park Foundation --- and Theodore Roosevelt National Park.

That is why, given the timing with the strong support from this federal administration, we urge the Legislature to take up the work on this proposal without delay.

Swift passage will send a powerful message to all potential partners that the North Dakota Legislature understands both the lasting significance of this project --- and that the opportunity window for capturing this coveted prize for North Dakota is open right now.

The TR Library and Museum meets all of the criteria we set forth for Legacy Fund projects.

It will have regional, state and national impact.



It can be leveraged with partnerships to expand the impact of Legacy earnings.

And it sets North Dakota apart --- while creating positive impacts for our economy and workforce.

This --- and all of our Legacy Fund proposals --- will have lasting impacts beyond our current generation.

#####

Roosevelt's vision for America was, in his own words, not "a life of ignoble ease" --- but rather the pursuit of a "strenuous life."

A life built upon sweat and toil --- and the courage to be in the arena, versus a critic on the sidelines.

The strenuous life is what stitched the cultural fabric of North Dakota.

From the strong and lasting cultures of the indigenous tribes whose lands and sovereign nations coexist within our borders --- to the earliest immigrant pioneers who settled here.

Regardless of our background, how we view ourselves determines much of our path in life. If our heads are filled with self-defeating talk, our life paths will reflect this.

The same applies to us as a state --- and especially to our roles as elected leaders. If we see ourselves and our state as too small --- too distant --- and too cold --- we will fall short of our potential.

We must continually remind ourselves that being a North Dakotan is a choice --- a powerful and compelling choice.

A choice open to anyone who shares the spirit of self-reliance and self-respect --- who feels the connection to our land and water and wildlife --- who lives with the daring spirit of a pioneer.

Who embraces challenges and hardship --- who builds trust and community --- who lives with gratitude for our many blessings.

And while we are abundant in resources, we need more people willing to take risks --- to push forward --- to care deeply -- and to dare greatly.

As our recently departed former President George H.W. Bush said, "Be bold in your caring --- be bold in your dreaming --- and above all else, always do your best."

This Sunday, January 6th, marks the 100th anniversary of the passing of Theodore

Roosevelt.

By immersing himself in the rugged, beautiful and untamed Badlands, he transformed himself into a bold and fearless leader --- whose later actions transformed our nation and our world.

As we stand at the cusp of this new era, let us seize this opportunity for North Dakota to transform our image of ourselves --- to reach beyond any doubts and self-imposed limitations.

Now is the time to dream bold dreams --- to build those dreams --- and to create lasting legacies.

Thank you. May God bless you --- the United States of America --- and the Great State of North Dakota.

#####