

Governor Doug Burgum
2022 State of the State Address
February 16, 2022
Fargo Theatre

Good morning. Good morning, everyone. Thank you for being here in person and thanks for those that are watching online. I want to say welcome to everybody. First Lady Kathryn, my sons Joe and Tom, my daughter Jesse who is watching online, my sister Barbara and the other Burgums in the family. I think everybody knows, as Brent said, when you're serving in these roles today, whether it's city commission, county commission, state legislator, any elected official the last two years, you're not in this thing alone, you're in it and your family's with you. So again, I want to say thanks to my amazing family and a special welcome. Now I've got a son who's engaged. So welcome, Simone. Looking forward to the June wedding. So way to go. Congratulations.

We've had an incredible year of progress in North Dakota, and people that are here been watching and listening. Lots of exciting announcements related to value-added energy, value-added agriculture, economic development. And of course, right at the forefront, pushing tirelessly to get these projects over the finish line has been one person. A lot of people work to make all these happen, but I've got to tell you, Lieutenant Governor Brent Sanford, and all these things that are happening and all these announcements, he's at the front, he's behind the scenes, or he's leading the way making it happen. We've got the best Lieutenant Governor in the nation. Let's give it up for Brent Sanford.

As we settle into the year 2022, I think everybody here understands that the world today is a complex, changing dynamic and there are conflicts between regions and powers and superpowers and countries all over the world that at any moment may boil over. And here at home, our nation, as we come out of COVID, everything's emotionally charged and politically divided. In D.C., we know we've got an administration that's pursuing regulations and policies that actually create headwinds for our two largest industries, energy and agriculture.

And mainstream and social media seem to be at the forefront of everyone's thinking. They're competing for all of our attention all the time. And these are businesses that are driven by advertising supported models. Whether it's social media, mainstream media, they are competing for all of our attention. And the best way to get us to click on something or view something or try to pay attention to something is to convince us what we should be fearing the most, what we should be afraid of, what we should be most shocked about, and that creates a dynamic for the whole country.

But right here in North Dakota, in the reality, on the ground, it's different from what you may see either nationally or internationally. In North Dakota, examples even this week, where we can

get together quickly and easily and frequently get all the people together in the same room and on the same page and make things happen.

Hardworking North Dakotans know that we're in the business of feeding and fueling the world. And as such, we're not in competition with our friend, our neighbor, the person we've never met on Facebook. We're in competition with other states, and our state is in competition with other nations. We're competing for talent and for workforce. We're competing to retain our youth and our adults. We're competing for the capital investment to help our state reach its fullest potential.

To be a North Dakotan in 2022 means that we're living in a land of incredible opportunity. Ours is clearly a state that's been blessed with abundant natural resources and some of the richest and most productive soil. We cherish our wide open spaces, the beauty of our diverse landscapes, our endless skies and our stunning sunsets. Regardless of the temperature outside, it's always beautiful in North Dakota. We value our God-given freedoms, perhaps like no other state, and we honor those who fight to protect them.

It's no wonder that in 2021, why North Dakota was ranked in the top five for the best state to live, the best state for families, and the best state for business friendliness. We've also earned top 10 rankings in the best state for millennials, the best state to retire, the best state to start a business, and the best state for taking care of our natural environment with some of the cleanest air and water in the nation. And certainly at the end of the day, what matters, perhaps most, is many sites have agreed that North Dakota is one of the happiest states in the nation. Let's give yourselves a hand for all of that.

Our population in North Dakota grew faster than all but three other states during the decade between 2010 and 2020, and families from near and far are finding incredible opportunities within our borders.

Among those, one great example, Miguel Delgado and his wife, Jessica Morales, they're from the U.S. territory of Puerto Rico. And Miguel earned, like many people in North Dakota have done, an animal science degree in 2014. A friend invited him to take a vacation in Mandan, North Dakota. He instantly fell in love with the land and the scenery. He found a job at a local cattle ranch and decided with Jessica to move to North Dakota.

After the pandemic hit, one evening they were sitting with friends and they decided that North Dakota needed an authentic, Latin bakery. Miguel felt that he could recreate his family's generational recipes. The couple did what entrepreneurs and risk takers do, they invested everything they had to launch El Coqui Bakery in south Bismarck in November 2020 with co-owners Jossef Feiner and Dyna Mena.

Today that business is thriving. Miguel, Jessica, Jossef and Dyna are busy running a bakery and they couldn't be here today, but we know they're watching online. So please join me in

welcoming them as some of the more than 100,000 new residents that have decided in the last decade to call North Dakota home. Welcome.

The 2020 census also revealed that we're now the fourth-youngest state. This is a complete reversal from when we were one of the oldest states. We've got a number of students that are here in the room. Again, thank you to the Governor's Band and Choir. And we want to give a shout out to them for helping us be one of the youngest states in the nation. And so we want to give a shout out to them. But as I hear myself saying that, technically, I guess your parents had a hand in that, anyway, but let's give them a hand for helping us do that.

And we gave you one example of a startup, but businesses are booming in North Dakota. Last year, we registered more than 30,000 new businesses, well, last two years, 30,000 new businesses in the last two years.

And on the big scale level, in the past year alone, we've seen announcements and transactions totaling more than \$7 billion in capital investment in our energy industry, over \$2.2 billion in announcements about projects coming for value-added agriculture, and there's been over \$12 billion invested in North Dakota across bio-manufacturing, unmanned aircraft systems, and other technology-based businesses. That is total investment coming into North Dakota, across energy, ag, and new, emerging technology businesses of over \$21 billion.

This isn't happening by accident. This massive investment, it's accumulation of years and decades of intentional effort by our state leaders to build a stable business tax and regulatory environment and to build a business friendly North Dakota. So all of you that are here, particularly all the elected officials, current and past, you're all part of that. Give yourselves a hand for that incredible work.

Yes, we think of North Dakota as our Field of Dreams, but that Field of Dreams is becoming a reality. We're attracting remarkable levels of investment. We're creating tremendous opportunity for today's workforce and for future generations.

Today, the state of our state is strong and it's growing stronger by the day because of our unshakable faith in the unlimited potential of North Dakota and its people.

Last year we saw again several historic challenges for our state, but North Dakotans showed that as always, we're up to the task.

Regardless of the peaks and valleys of the ongoing global pandemic we know that keeping our schools open for in-person learning is the best for our students. And kudos to all of our teachers and administrators for making that happen. Let's give those teachers a round of applause.

We've encouraged people to visit with their trusted medical providers about vaccines. Vaccines, statistically, remain the best defense against COVID. They drastically reduce the need for hospitalization. And as evidence of our focus from the beginning of protecting the most vulnerable, our skilled nursing residents and our staff are boosted and vaccinated at rates well above the national average. And at the same time we will, and we will continue to push back when the federal government overreaches into personal liberty and individuals' personal health decisions, or if they're overreaching into the rights of private business owners. Washington needs to be reminded, the states created the federal government, not the other way around.

And during the nearly two years of this battle against the invisible enemy, the COVID virus, the pandemic has stretched our health care facilities and their personnel to their limits.

Our state's nurses, doctors, hospital and clinic staff, long-term care workers, first responders and others, even as we're here today, they continue to save lives through their tireless efforts. Our state agencies and local public health units have supported them with everything from medical supplies, technical assistance, case reporting, offering and supporting with mass testing events, vaccine clinics, and all of this to help reduce the burden on the health care system so the health care system can take care of not just COVID, but all the health needs of the citizens of North Dakota.

And on the front line of that, of course, is our nurses. And so to honor the incredible efforts by the state's over 22,000 licensed nurses, we're declaring this week Nurses Week in North Dakota. Please join me in sharing our deepest gratitude for the truly lifesaving work of all of our state's nurses and the heroes of this pandemic.

Of course, North Dakotas are not just known for our resiliency. I think it's a source of pride for people that live here. And last year, Mother Nature tested us like never before with the worst drought conditions recorded in our state's 133-year history.

Using our whole-of-government approach we provided over \$6 million in water supply and transportation aid to keep livestock herds watered and fed, leaving no stone unturned to help our farmers and ranchers.

For the first time in recent memory, our state's firefighters fought intense wildfires in every single month of the year, 2021. Believe it or not, just last month, it marked the one anniversary of a massive January prairie fire along the North Dakota-South Dakota border that kicked off what would become the driest winter on record for our state.

And who could forget last April when windswept flames threatened to engulf our state's top tourist attraction, the city of Medora, and forced the city's evacuation. We rapidly deployed our 'Always Ready, Always There' North Dakota National Guard. They jumped in their helicopters, they flew west with 600-gallon water buckets to stop the fire and save Medora. And they

collaborated, incredible collaboration among local, state, and federal agencies. They not only saved the city, but they also saved the historic Chateau and the Burning Hills Amphitheater.

This winter, these firefighters are finally getting a well-deserved break after responding last year to an unprecedented 2,199 fires that consumed over 122,000 acres. That's more than triple the annual number of wildfires in the previous five years. And we're so honored and pleased to have some of those firefighter leaders that are here with us today, Ryan, Kyle, Jeff, Josh, Lee, Jimmy, and Rod. These heroes along with all of our state's firefighters who worked together all year to protect lives, prevent millions of dollars of property damage across the state, have our deepest appreciation. Let's have those firefighters stand. Let's give them a big hand. Thank you for everything you've done.

And while smoke and flames make wildfires noticeable by virtually anyone, makes for great photos for the press and the papers. Our state continues daily, to face a far less visible threat. And it is a threat. It's largely out of the public eye, but there continues to be a war on our state and our country led in many cases by state-sponsored cyberattacks. When I say state-sponsored, we're talking China, Russia, Iran, North Korea, leading the pack.

Last year, the state of North Dakota defended against 4.5 billion, yes, that's billion with a B, 4.5 billion attacks on state government. That includes K-12, higher education, and anybody else that's touching our state network. That's more than double the number of attacks from two years ago. We have set up automated defense systems that stop most of those attacks. But our small set of team members at NDIT still had to handle over 50,000 cyberattack incidents last year.

More must be done to protect our citizens trusted information and our way of life. Cyberattacks, ransom attacks, all too common these days. It makes cybersecurity education more important than ever. We can and should be, we came close in the special session, we need to get it over the finish line, but we can be the first state in the nation to adopt computer and cyber science graduation standards for everybody in K-12 through college, through graduate school. Our PK-20W initiative, which reflects every student from kindergarten through Ph.D., has already won awards for its statewide approach to computer science and cyber education in workforce training.

And speaking of awards, last weekend we held the first ever Cyber Madness Tournament in North Dakota. And I want to say congratulations to the team from James Valley Career & Technology Center. These are high school students from Jamestown, Montpelier, Gackle-Streeter school districts. They put their test against teams from all over the state. They put their skills to work. They came out on top. They won the competition. That team is here today. Please help me in congratulating Coach Heinert and team members, Jordan, Collin, Karl, and Mason.

So cool. Did you guys have fun at Cyber Madness? Fun to come out on top? That's awesome. I love that you got class B and class A schools all working together on the same team. Was there anybody from Jamestown or was it all class B kids? One? Okay. All right. They let one class A kid

in. The First Lady's happy, Jamestown was represented. There we go. Good job. Her home school. Anyway, but that's our future. Defending our state, defending our nation. Thank you.

We are also the first state to authorize central, shared service approach to cybersecurity across all aspects of state government. And our state network has 252,000 daily users. We have over 400 entities. That gives us a surface area that's equal to a Fortune 50 company. Last spring, we signed milestone legislation that helped us defend against cyberattacks. We also invested more than \$15 million to enhance the state's cybersecurity software initiatives, and thank you legislature for that, but we're still facing huge risks.

It is our duty as a state government to protect our citizens' data and their digital livelihoods. In the 2023 session, looking ahead to that, we've got to advance additional investments in cybersecurity defenses.

In November, we worked really closely with the legislature on a super successful special session. It's only the 16th special session in our state's history. We passed in five, quick days, historic tax relief. We strategically invested hundreds of millions of dollars of federal funding, not in filling budget holes. We invested it in important projects with high return on investment with matching dollars that will help drive our state forward. And the legislature completed the legislative redistricting.

Thanks to the legislative leadership and the strong starting point that came out of the work that we did with the legislators, and Brent and I, with the work and all the agencies on the Accelerate ND plan, again, that special session wrapped up in just five days, limiting the cost to taxpayers and probably the most productive five days in the history of the state in a legislative session.

Now, a lot of credit goes to the legislative leaders. Three of those legislative leaders have since announced that their current term in office will be their last. Senate Majority Leader Rich Wardner of Dickinson, House Majority Leader Chet Pollert of Carrington, Senate Minority Leader Joan Heckaman of New Rockford. They have all served their constituents and they've served all of North Dakota with dignity, they've served with grace, they've served with compassion, and they've served with courage. Replacing these fine public servants will not be easy and they'll be dearly missed, we'll miss working with them on behalf of our citizens. They're here today. Please join me in thanking Senator Heckaman, Representative Pollert, and Senator Wardner for their exceptional service.

That may be the last time you see Chet's face, because you're just going to see the back of his head on a motorcycle heading out of here. That's what he's got planned. So we wish you well, thank you. Thank you, Chet. Thank you Rich. And thank you, Joan.

Across our work in state government, of course it's a priority that we continue to engage with our tribal partners. Our tribal partners are sovereign nations with which we share geography. The tribal enrolled members are also citizens of North Dakota, and it's our job as elected leaders in North Dakota to serve all citizens of North Dakota.

Last year, we reached an agreement with MHA Nation over the sharing of tax revenue on wells that straddled the edge of the Fort Berthold reservation. This settlement helped take care of an unresolved tax agreement with the Three Affiliated Tribes and added that. In October, Chairman Fox and I, that was a great point of collaboration.

In October, there was more. Chairman Fox and I signed what could be the first of what we hope will be many, including with all the tribes, mutual aid agreements with our tribal nations, allowing the nearest available law enforcement officer to respond to an emergency call, regardless of jurisdiction.

Folks, it's 2022. It's America. A 911 dispatcher in our state should not have to ask someone if they're an enrolled member or not before they can determine which law enforcement agency can respond to an emergency in their home. This MOU that we signed with MHA, which MHA spans five counties, takes care of state, county, local, tribal. Everybody in law enforcement's protected. Everybody knows how to make it work. All the tribes can benefit from this kind of agreement. I want to thank everybody on the North Dakota Highway Patrol team that helped make that happen.

The legislature also advanced a bill that would allow all tribes to sign collaboration agreements with the North Dakota IT Department to enter into agreements with the tribes to assist them with cybersecurity response. This is also super important because our networks are integrated. We've celebrated victories together with our tribes, but there's so much more work to be done. But I can tell you from the meetings that we've had in the last six months, the spirit of collaboration is alive and well between the state of North Dakota and the tribes.

We all have a common desire to work for solutions to the challenges for the benefit of all North Dakotans, including the tribal members living across our great state. These are our neighbors and our fellow citizens.

Living in the land of the free and the home of the brave is something for which I know that we're all grateful. In North Dakota, we value and respect police officers who enforce the law, and we value and respect military service members who defend our most cherished freedoms. As some states, and some of the iconic major cities of our nation, in the last two years have somehow chosen to tolerate lawlessness, they've chosen to defund their police, North Dakota and our cities, we've been backing the blue. Last April, I had the privilege of signing legislation that provides health insurance benefits to the spouse and children of any emergency responder whose life is taken in the line of duty.

And we pray for the safety of our North Dakota National Guard soldiers that are stationed both at home and abroad. And when I say at home, I mean including in Texas, securing our southwest border. The states have stepped up to address this incredible border crisis that the current administration apparently refuses to even fix or even acknowledge. And we're showing our appreciation for our National Guard soldiers and airmen with more than just words. We fully funded the National Guard Tuition Assistance Program. We've approved dollars to lease land to expand the training range at Camp Grafton. And we've worked with lawmakers to exempt military retirement pay from state income tax, because those who serve their country have already paid society's tab.

We also extended the exemption to surviving spouses because we know when a family member serves in the military, so does the family. These are small acts of appreciation to honor the courageous service of our military servicemen and women. It helps promote workforce participation. It will help those that have served in the military in North Dakota to choose to perhaps retire here. And it puts us on a path of our goal to make North Dakota the most military-friendly state in the nation.

I'd now like to ask that all current service members, all military veterans, anybody who served in the police forces, or currently serves the police forces, to stand up, so we can express our unending gratitude to all of you. Thank you for your service. I see Chairman Fox standing up over here, U.S. Marines. Native Americans serve at a higher level than any other group in the country. Thank you and thank everybody else.

Just as law and order is essential to safe, healthy communities, so is infrastructure. Not only the physical infrastructure such as roads, bridges, and flood protection, but also the infrastructure that supports strong workforce, strong families, and strong communities. Both of these types of infrastructure are necessary for us to thrive. Let's take a look at the huge strides we've made this past year and where we need to do more in the future, especially on workforce.

We entered 2021 with a bold proposal to our legislators: to pass the largest infrastructure bonding package in state history. Listening to the warnings of economists and reading the writing on the wall, seeing all the federal money being printed, we predicted that inflation would soar over a year ago with a massive influx of federal government spending, and also inflation because I have to say, the current administration's misguided economic policies, which are driving energy prices up.

Turns out we were right, unfortunately. But last week, we learned that inflation had climbed to the fastest pace in 40 years, up a staggering 7.5% from a year earlier. And North Dakotans are feeling the pinch. As inflation rises, so does the cost of borrowing money and higher interest rates.

That's why we pushed so hard to pass our historic bonding bill last spring. That swift action, those bonds have already been issued, low interest rates have been secured. They're taken at a time when interest rates were at a historic low. This is going to save, the legislature taking action last year is going to save tens if not hundreds of millions of dollars as we upgrade our roads and bridges, build new flood projects, and finish the ones we've started, work on water supply projects for our citizens.

And we are wisely using the Legacy Fund earnings, not the principal, the earnings, to pay off those bonds, so we don't have to use \$1 of taxes of the state citizens. This was a financially conservative thing to do. We thank our legislators for embracing the tool of bonding at this strategic time.

With the costs of goods, services, and materials rising, we've moved quickly to get the biggest bang on our federal dollars that have come through. And while some states were waiting until their regular session, our legislature acted. They moved quickly. With a special session, we deployed those ARPA dollars in November. And we're avoiding some of the corrosive power of inflation and putting ourselves at a competitive advantage over states that have yet to act on their federal aid. That's smart. It's conservative, and it's really great in terms of how we're doing cash management.

In this biennium alone, we've made a record level of strategic investments in infrastructure, \$2.3 billion. That brings our five-year total in our administration to over \$6 billion invested in physical infrastructure.

And this of course, right here, since we're in Fargo, we need to mention the \$435 million bonding package for the Fargo, Moorhead, West Fargo, Horace, Harwood area diversion project. That enabled the project officials, that bonding, to close the contractor agreement, lock in lower pricing through a private-public partnership. In fact, the U.S. Army Corps of Engineers has estimated that because of that action taken last year, and now the bidding with the private-public partnership completed, without that the diversion would've taken until 2042, 15 years after what is now the estimated completion date. That cost of taking 15 years longer would've been \$330 million more.

Instead, the diversion is now 35% complete. Substantial completion is slated for spring of 2027, reducing catastrophic flood risk to a metro area that includes over 20% of the K-12 kids in our state, over 25% of the current hospital capacity in our state, over \$25 billion of property value, and an entire university and 55 and growing K-12 schools. This protection, protecting this metro area, this couldn't have happened without the work of our legislature, without the work of city and county leadership across the border into Minnesota. Wouldn't have happened without the work and collaboration with the state of Minnesota and their governors. And it wouldn't have happened without the hard work of our Congressional delegation, especially Senator John Hoeven, who helped secure the federal funding that completed the whole project.

By completing this project faster, we're reducing risk. We're saving homeowners thousands of dollars each. Cumulatively, it's tens of millions of dollars annually being saved that will no longer have to go towards flood insurance in the metro area. And we're protecting all of this property value, all the hospitals, everything I've talked about. So it's really incredible, but so many people in this room were involved in that. But I do want to say one other thing because I look around the room and I know there's people here that I've been with, and we've been shoulder to shoulder. And we've been stacking sandbags for the last – my lifetime in Fargo. So anyway, I'd just like to say I think I've done enough stacking of sandbags. So I want to thank everybody that was involved in this, to say thank you. It's about time we got this thing done.

Before Governor Guy passed away in his 90s, and he'd grown up in Amenia, my dad grew up in Arthur, they knew each other from college at NDSU. They were in the same fraternity. They knew each other. They both signed up for World War II at the same time in a line in Casselton at the gym. He asked me about 15 years ago to go out to lunch, and when I was just working here in Fargo. And what he wanted to talk about was, and it was after we'd had some big floods in Fargo, and he wanted to talk about, hey, you know in the '30s, there was a drought. It was an extended drought. The city almost ran out of water. He'd been working on Garrison Diversion as governor from 1960 to 1972. He's like, "That's something that has to get done."

This legislature has committed an additional \$50 million for the Red River Water Supply Project. It's going to provide emergency water supply to central and eastern North Dakota. And we're talking about providing water to 40% to 45% of the people in the state. We're talking about the entire Red River Valley and everything that's outside of the Missouri River Basin. It's a huge piece of our economic engine. But we're going to have this backup water supply. It's only been promised, it's been pursued, it's been planned, for six decades. It's going back to the '60s.

We're finally getting ready to have a drop of Missouri water cross the continental divide and come to the eastern part of the state. This is why we went through the pain of flooding the land, the tribal lands, the state lands, flooded all of this great bottom land in the Missouri River, which everybody loves now for fishing, but all that flooding of all that acreage was meant to provide a million acres of irrigation and water supply for the rest of the state. That was the vision of Garrison Diversion. It wasn't all about fishing. We love the fishing, but it's not a million acres, we're irrigating about 11,000 acres.

There's not been a drop of water come to the east. We finally have a chance to get this thing done, that along with NAWS to get Missouri River water up to the north central part of the state, Minot and the Souris River Basin. These are huge things. The legislature understands this. They're investing in this infrastructure. And this will provide more certainty and resiliency for our farmers and ranchers in the rest of our state. They know they can rely on the abundant clean water supply provided by the Missouri. And like flood protection for Fargo, these water supply projects, super critical. It's about time. Give yourselves a hand for helping to make this happen. Way to go, team.

And of course, these days in addition to the physical infrastructure of water projects, bridges, highways, whether it's telehealth, behavioral health, education, connecting every combine and every tractor, we have got to have the world's leading broadband access. And we continue to position ourselves in that way. State lawmakers committed an additional \$45 million in federal funds for building out our broadband infrastructure. We already led the nation before that \$45 million investment. We literally were the best in the country in terms of when the pandemic hit, we could reach 99% of our students had an access to internet at home. That was higher than any other state in the country. We can be the first state in the nation to achieve 100% broadband access.

And we're not talking dial up speeds. We're talking gigabit type speeds. Why does that matter? It levels the playing field for everybody as a citizen, and for students, and it levels the playing field for our small communities where people can now literally work from anywhere for almost any company in the world, regardless of geographic or demographics. It is a huge advantage. We're in the front. Let's keep building on our lead. Let's make it happen. Way to go, North Dakota.

But as we invest in all this future, some people might say, "Wow, where are all the dollars going?" But I want you to know again, working with the legislature, we're also saving for the future.

Thanks to conservative budgeting, prudent fiscal management, our state's reserve funds are in better shape than they ever have been. The rainy day Budget Stabilization Fund sits at \$750 million. In Century Code, that's its cap, that's as filled as it can fill. The Strategic Investment and Improvements Fund will have an unobligated balance of more than \$900 million, unobligated balance in just a cash checking account by June of 2023 if the current oil prices continue. And based on the current conservative forecast, and I say conservative because we've been tracking ahead of that the first eight months of this biennium, the Legacy Fund will have nearly tripled in value in just eight years by the end of this biennium, from \$3.3 billion in 2015 to \$9.3 billion.

These reserve funds and our strategic use of federal funding has allowed us to provide historic tax relief during this special session. We approved an estimated \$211 million in income tax credits, allowing approximately half, half of North Dakotans, get to keep their hard earned money. The people that were working during the pandemic were the people that have income tax to pay, they get to keep their money in their pocket. We also have permanently eliminated the state income tax on Social Security income, saving our seniors nearly \$15 million over the next two years.

We know that when it comes to taxes though, our citizens are concerned about property taxes. Property taxes are locally levied. This is the thing that hits many of our citizens the hardest. And the state has been for the last decade trying to do their part to lessen that impact. The current

budget includes \$175 million in local property tax relief because the state continued to cover the cost of county social services that used to be done by local property taxes. The state also is providing \$1.2 billion in property tax relief through a school funding formula this biennium. That's this biennium, \$1.2 billion that would only a decade ago have been paid locally is now being paid by the state.

But we still have a problem. With inflation coming, with people moving to North Dakota, with supply chain issues, property valuations are rising, home prices are going up, inflation is driving properties up. When property values go up, valuations go up. And unless a school district, a city and a county, or a park district, unless they lower their mill rate, unless they lower their tax rate, their revenue's going to go up. So as citizens, we can have local officials say, "We didn't raise your taxes," but they're getting more revenue with inflation. And everybody calls their state legislator and says, "Do something about property taxes."

We have to fix the problem at the local level. It's up to all of us as North Dakota residents to ensure that when we're doing these local property tax dollars, to ensure that when we're doing this thing, that we're giving feedback to those locally elected leaders, and that they're making smart decisions, and that they're being used effectively and as efficiently as possible at the local level.

We've made progress on tax relief, but we can't stop there. We need to continue finding ways to simplify our tax code. We need to create a better business tax environment, particularly now when we're competing. We need to make sure that we're cutting red tape and cutting regulation to make sure that people that want to live in our state can. And we have to make sure that any attempt at state-funded property tax relief actually finds its way to the citizens, rather than being slowly eroded through property value increases, fiscally uneconomic premature growth of public-funded infrastructure on the edges of our city.

This economics piece is simple. Private capital that flows to an area in any city where there's existing infrastructure is a winner for all taxpayers. Public capital projects on the Greenfield edges of our communities literally do not pay for themselves and cost taxpayers money. This is a lesson we need to learn at all levels of government. Continued smart tax reform is the key priority over the next 10 months. Our administration will work with the state tax commissioner, OMB director, key legislators, to work to bring meaningful tax reform proposals to the 68th Legislative Assembly in North Dakota.

We've got the smarts, the brains, and the people and the dollars to be able to fix this. And it starts with how we design our communities. Our citizens work hard for their money. We should work even harder at government to make sure that we aren't taxing them, that we're not taxing them unnecessarily and that we're not designing cities that aren't sustainable financially into the future.

The adversity that past generations overcame on these unforgiving plains has been passed down as the North Dakota work ethic that we know today.

Our farmers and ranchers take great pride in their productivity, and they should. In spite of that record-breaking drought, a global pandemic, a federal administration that seems bent on opposing our state, our farmers and ranchers have continued to show the way and why they lead in feeding the nation. As of this last year's harvest, North Dakota continued to lead the nation in edible beans, canola, flaxseed, and of course, very sweet that we lead in honey. Remaining the top five, barley, chickpeas, oats, sugar beets, rye, sunflowers, and wheat. Corn, wheat and soybeans are still our top three crops.

And our citizens have always been innovators. Our farmers have always been leaders. They've always been driving their productivity forward.

And this can be seen by the Grand Farm project here in Cass County. Just this week, along with over a dozen legislators that were present, we announced that Grand Farm will receive a \$10 million grant. And this is something that had been proposed in our Accelerate ND, the legislature approved it in November. It's going to be matched with private dollars to take at a national and international level for this area to lead the world in autonomous ag technology.

The opportunities for collaboration using the Grand Farm vision, tying together NDSU, our Extension, which touches every county in the state, the huge private sector investments that we have in agriculture and agriculture automation and investment in technology here in our state. We've got a potential to transform agriculture here at home, and at the same time, address the workforce challenges that face the agriculture industry. Our leadership in ag tech, it doesn't stop there.

Bushel, an ag tech software company located right here in Fargo, is a leader in digital infrastructure for the grain industry. Their technology has led to the largest network of growers and grain buyers in the United States. Currently, more than 60,000 farmers, 2,000 grain handling facilities in the U.S. and Canada are utilizing Bushel's innovative technology.

In 2020, with the support of Commerce's innovation and technology loan fund, Bushel was able to expand even further and add additional team members. Bushel's CEO and co-founder, Jake Joraanstad, was helping lead this charge. He's not able to be here in person today. But Bushel's vice president of product, Dane Braun, and director of engineering, Nathan Joraanstad, are here to represent the company as an example of how North Dakota can lead in ag tech. Let's hear it for Dane, Nathan, and Jake, and the entire Bushel team. You guys should watch out. The last time we announced a company at the State of the State, six months later it got bought for \$9.6 billion. But you guys are on a good roll, way to go.

Our ag industry can thrive without a healthy energy – our ag industry, I'm sorry, can't, cannot thrive, especially today, without a healthy energy industry to provide stable baseload power, reliable natural gas, propane and other fuels. And then also, they fuel those value-added plants, but it's also that energy is the value-added feed stock for creating fertilizer.

Likewise, on the flip side, our energy industry needs a healthy ag industry to survive. Agriculture creates markets for our energy products and value-added products. We today support a \$632 million and growing ethanol market in North Dakota across four plants, and that creates a local market for over 180 million bushels of corn. Never before like we are right now, ag and energy need each other. And we're so uniquely positioned compared to almost any other state because we've got these two powerhouse industries, ag and energy. And they can work together.

But what's happening to both of them, nationally there's a movement of capital away from traditional investments in both ag and energy. These investments are based on what's called ESG, environmental, social, or governance metrics. They're driving more than \$45 billion – not million, sorry. Not B, T. \$45 trillion in capital away from our two largest industries at a time when we need it most, when those industries need to be innovating, ESG is a form of regulation. It's a form of shareholder pressure, which is taking that innovation away.

According to the projections from the United Nations, global food production is going to need to double by 2050 to meet the demands of a growing global population, both for bodies and increase in need of protein.

Likewise, our energy industry is vital for ensuring our future survival. Our nation is losing baseload energy production at a time when we need uninterrupted power. And again, the policies are trying to disrupt the things that have allowed us as a nation to never worry when we flip on a light switch because we've all spent our whole life knowing that without even thinking about it, we've had the best grid in the country.

So Lieutenant Governor Sanford and myself and legislators and dozens of other people worked last spring. There was a dozen bills passed by the 67th Legislature to support ag and energy production. Bills that created the new Ag Diversification Fund, the Clean Sustainable Energy Fund. These were historic and they're a great start. We recognize that there's even more opportunity in North Dakota. That's why in May of last year, we announced a goal of making North Dakota the first carbon neutral state in the nation by the end of the decade.

Of the 50 states, ours is the best positioned to help our nation and the world transition to a carbon constrained future. And at the same time, providing reliable, resilient, affordable, clean energy for our children and grandchildren. We can do both. In North Dakota, it is "and," not "or." We don't have to give up stable baseload. We don't have to give up destroying our economy. We don't have to ask OPEC to produce more energy to lower the price of gas at a pump in North Dakota and across our country. We can produce that here today.

Our goal that we have of 2030 will involve no new mandates. It will be achieved purely through innovation, not regulation. By focusing on innovation over regulation, we can harness the geologic jackpot under our feet in North Dakota to capture and store far more carbon than we currently produce.

It makes total sense. We've got the technology. We've created the regulatory framework. The legislature on everything from pore space to unitization to becoming the first state in the nation that could authorize and permit a Class VI well for CO2 storage. We have the things in place. That's why the capital is coming here now like we've never seen it, because of the work that the legislature's done, the work that Lynn Helms and his team has done, Dave Glatt and his team has done. We're in a position where we can attract ESG dollars for the first time instead of driving them away. And that \$45 trillion is headed our way because we can solve problems today, not in the future.

We are already global leaders in producing food and fuel efficiently. North Dakota ranks 10th in the nation in reducing carbon intensity from energy production over the last 20 years. With our technology, ag producers are gaining more efficiency with more than an eight-fold increase in row crop yields over the last century.

Potential synergies between ag and energy keep coming together. Last year, they came together in one project in perfect harmony, as a great example. After months of working behind the scenes, we were able to announce that ADM, a fantastic global company in ag and in energy and in fuels, will be building North Dakota's first dedicated soybean crushing plant and refinery at Spiritwood, 10 miles east of Jamestown.

This \$350 million soybean crush and refining complex is going to create 70 permanent jobs, process 150,000 barrels of soybeans a day, roughly one quarter of our state's soybean production. It creates a huge local market for soybean growers, improves their profitability, reduces our dependence on having to ship soybeans in raw form to foreign competitors that we may be in trade wars with. We can add value to it right here. So not only it's a win for ag producers, it's also a win for the oil refiners, and it's a win for the environment.

The soybean oil, this is a market that's going to be driven by oil, not by meal. Soybean oil taken from that plant at Spiritwood will be shipped to the Marathon Refinery in Dickinson to be refined into renewable green diesel. It'll be sold into such states as California at a huge premium, maybe as high as \$1 a gallon, to meet their fuel standards.

So let's just stop for a second. We got a soybean that we used to grow, put on a train, ship it and export it. Now we have a soybean. We take it, we process it, we turn it into soybean oil. We take it and we process it again, turn it into green diesel in Dickinson. We're adding value to that same soybean three times, not once. This is how we keep tripling our economy. We can do this over and over and over again.

We have a diverse portfolio of over 50 different types of farm commodities in North Dakota. We can grow just about anything. We know we've got over 800 years' worth of lignite coal. People say so what? We decarbonize it, which we're doing right now, and it's one of the greatest baseload sources ever. More than 26 billion barrels of recoverable oil, over 38 trillion cubic feet of natural gas, and with the sixth-best wind resource in the nation. The all-of-the-above energy approach, we are truly positioned to both feed and fuel the world.

When we talk about having the jackpot of geology, look at those numbers. It is incredible. We should get up every day and just pour gratitude out of ourselves that we were all North Dakotans sitting on top of this soil and these God-given resources. And now we've got the innovation to take advantage of them and do things that others around the world would only dream of doing. But this all-of-the-above requires balance. Government has got to figure out when the time is to get out of the way. We've got to figure out a way to ensure a level playing field so that the federal government trying to pick winners and losers across energy sources, as opposed to trying to support those that are doing the most to get rid the CO₂. Our baseload sources must continue to thrive.

Last summer, we were pleased to announce that a buyer had been found for Coal Creek Station. An entrepreneur, a risk taker, a North Dakota company. This is our largest power plant. Not only has this saved 300 jobs at the plant itself at Coal Creek, but it's saving over 500 jobs at Falkirk Mine. It also ensured that over 1,100 megawatts of baseload will remain on the grid. That's not only good news for us and for Minnesota, who gets 45% of their electricity from North Dakota, but it's good news for Dallas, Texas the next time it gets cold in the South.

This deal wouldn't have happened if we didn't have what we've been talking about. If we didn't have the associated carbon capture project that the state's been working on for over a decade, if we didn't have the regulatory framework, and we didn't have the ability to put our largest standalone wind farm right next there to also take wind energy and push it down that direct current line. This all-of-the-above energy approach is working.

There are so many people to thank on this, starting with the entrepreneurs and engineers. Loren Kopseng, Stacy Tschider from Rainbow Energy, for their vision, for their tenacity, overcoming 20 different things that were put in front of the place. Al Christenson from Great River Energy for his instrumental role. But leading the charge again on this example, Lieutenant Governor Brent Stanford. So let's give everybody a hand for making this thing happen. Way to go.

We are already well on our way towards meeting our carbon neutral goal for 2030. In December, we approved the first round of grants from the Clean Sustainable Energy Fund that the legislature created this last year. The approved projects from that first grant round will sequester 18 million tons of CO₂. That represents over 31% of our current annual production. So we're off to a good start. But we know that we have the room to store so much more. We can store 252 billion tons of CO₂ in North Dakota. That's 4,400 years of our state's annual carbon production. But why stop with North Dakota? We have an enormous opportunity not just to store our own carbon, but to store our neighbors' carbon. We can store the entire nation's CO₂ for the next 50

years if people could figure out how to get it here, which is why it's exciting that we've got groups working on building CO2 pipelines to bring that CO2 here for us to store it 7,000 feet underground safely.

Since announcing the goal around carbon neutrality, we've seen this massive increase in the flow of capital to North Dakota. I have to say that we knew that it would unleash capital. It's coming in at a faster rate than even we expected. In fact, our Department of Commerce has now engaged in over \$30 billion of identified projects where people have indicated an interest in coming to our state to invest in value-added energy or value-added ag.

These projects are coming here because we embrace innovation. They're coming here because of our business friendly environment. They're coming because of our geologic storage capacity. They're coming here because of the energy that we have that they can use to run their plants. And they're coming here because we're the first state in the nation that actually can permit a Class VI well and store it and pay the landowners for that CO2. That's all innovation.

It's time for us to keep our foot on the accelerator. Not only take advantage of this incredible competitive advantage we have on carbon storage, but use it to enhance our oil production by more than 8 billion barrels. We can have carbon neutral and carbon negative oil companies in North Dakota. We can use it to grow year-round food and greenhouses like the projects at MHA, seven football fields in size. They're going to use excess heat, they're going to take CO2, they're going to put it into the greenhouse. Things will grow faster. And we can use that natural gas that we have today that we're flaring as feedstock for manufacturing, and we can and use it for all kinds of other projects.

We are positioned to lead the world in this entire new developing industry around the carbon storage markets. It's time for us to take that lead and usher in an entire new, never seen before economic development phase for North Dakota.

What's the result for the average citizen when we do all this? It leads me to another challenge for us as policymakers. Let's design a state where we have a shot at becoming the No. 1 among all 50 states in per capita GDP. GDP, gross domestic product. It's a measure of the total aggregate amount of economic activity in a state divided by the number of people. We have a huge chance to be able to do that, and we're well on our way to becoming No. 1 with these \$30 billion of projects.

If you take the last year alone, \$350 million, the crush plant we talked about in Spiritwood; \$350 possibly going to \$700 million, corn wet milling plant in Grand Forks; \$2.8 billion gas-to-liquids complex that's been announced for Williams County; the hydrogen hub near Beulah, which could be several billion dollars; \$1.9 billion data center announcement that I was at in Williston a couple weeks ago; \$4.5 billion carbon capture pipeline and storage project running from Iowa to North Dakota. Last year, we were fourth in the nation in GDP. We were behind Washington,

Massachusetts, and New York. We have an advantage. Small number of people, huge number of resources. With all of these projects that are in this development pipeline, we have a shot at doing it. Let's put that as a goal. Let's go make it happen.

Our manufacturing sector is also thriving. Tens of millions of dollars in new investment being launched last year. Garage door manufacturing, making sand for the oil fracking processes. Our manufacturing success story that we know of all of these, there was one that was the most fun of all of our manufacturing this year. Everybody loves it. North Dakota, now the world's favorite snack product, Dot's Pretzels.

Dorothy Henke took a special treat that she made for her family and friends, brought it to a Pride of Dakota event in Williston. Ten years later, an idea that started in Velva is now known around the world. Her success led to the acquisition of Dot's Pretzels by Hershey Company for a combined purchase price of \$1.2 billion this last fall. That's a new record for a Pride of Dakota company, by the way. Dorothy's not here today. She's busy making pretzels, but she's watching online. So join me in congratulating Dorothy and her entire team in celebrating her success. Way to go.

As we continue to diversify the economy through biosciences, technology, and unmanned aerial systems, the sale of Fargo biotech leader Aldevron to Danaher for \$9.6 billion certainly put North Dakota's biotech industry on the global map.

We continue to be the nation's proving ground for UAS technology. Grand Sky tenants and partners employ 187 people actually at the park, which houses aircraft. Now with the new refurbishing of the Global Hawk project, with the federal government, and Northrop Grumman, there's aircraft over \$2.5 billion coming to Grand Forks to be refurbished. We're rolling out even more of our statewide Vantis network. This is the air traffic control system for UAS, allows operations beyond visual line of sight. That innovation, again, begun over a decade ago. Supported by the legislature, tied in with the University in North Dakota, tied in with federal. That investment of nearly \$50 million. The sky is truly the limit it for that exciting industry. Over 40 UAS startup companies now around Grand Forks.

Our No. 3 industry, tourism, has become even a more important sector during the pandemic. People are getting out and about. Arts, culture, community events, along with outdoor activities are attracting visitors as citizens seek more experiences in new places and in the open air of nature. We've seen this like no place in our Parks and Rec Department. Comparing to 2021, the last normal year of tourism, pre-pandemic 2019, 42% jump in visitation. Increases from all other 49 states in terms of increased number of visitation to North Dakota.

We're also excited that our state is going to have another destination to promote when the Theodore Roosevelt Library and Museum opens in Medora on July 4th, 2026 is the target opening. That's the 250th anniversary of the Declaration of Independence. A 93-acre site's been acquired by the TR Library Foundation through the great work of our CODEL and others from the federal government. Generous donors have given more than \$100 million to the project so

far. And again, our CODEL worked at the federal level, they secured \$39 million to fix and enhance the scenic road loop in Theodore Roosevelt National Park. So between the national park, the Medora Foundation, the library, the repaired road and other enhancements, our state's top tourist attraction will be bigger and better than ever in the years ahead.

It takes vision, passion, and dedication to create places of adventure. Sometimes we think about big checks and state government, the federal government, but this is a great story of an individual and his determination. Nick Ybarra and his wife, Lindsey, they've done just that. Nick fell in love with the Maah Daah Hey Trail. It's an incredible 144-mile, single-track hiking, biking, and horseback trail through the heart of the Badlands. It connects the north and the south units of Theodore Roosevelt National Park. When he heard and saw that the U.S. Forest Service was no longer maintaining the trail, he didn't sit back. Nick and his family dedicated themselves to saving the Maah Daah Hey and turning that track into an adventurer's dream.

Nick literally went out when it was a 110-mile trail and mowed it by hand multiple times a summer. I had a chance, I ran into him at a campground in western North Dakota, and I said, "Man, you must be Nick Ybarra. Is it true that you really drove a DR self-propelled mower the whole 110 miles?" And he said, "No, that's not true." And I said, "Oh, wow. Okay. Well, that makes me feel better because I thought that was incredible." And he said, "It's 220 miles. I had to get back home." So anyway, this is an individual. But Nick, they created the Save the MDH. People are donating to that. The donors and volunteers now working, 500-plus people showed up last year for some of the bike races. But I want to say thanks to individuals like Nick and his wife, taking the initiative to keep this important trail alive.

All of us that love the outdoors and are outdoorsmen know that hunting and fishing are the heritage in North Dakota. Both continue to be major draws that help drive tourism dollars and in-state tourism dollars. Last fall, North Dakota became the first state in the nation to utilize electronic posting to bridge the gap between landowners and hunters. This spring, North Dakota Game and Fish will also make us the first state in the nation, this is exciting, 100% online licensing. Way to go. You can get your license from home. Way to go, Game and Fish. Good job.

If you're not into fishing and you think that Minnesota equals fishing, check out any of the lakes in North Dakota. When you go there, you're going to see a bunch of Minnesota license plates. Why? Because our Game and Fish continues to manage a record number of fishing lakes with stocking 448 bodies of water. That's a 200% increase in the last 22 years. Over this period of time, total fishing license sales have increased by more than 50,000 annually in our state.

Hunting and fishing are big businesses in North Dakota. They contribute significantly to Main Street in our small rural communities. They're supporting the skilled workforce, they're supporting economic diversity. So again, that's really key.

Our state parks contribute to this. A lot of times, people that want to fish are staying at a state park. They've been major contributors to the quality of life and the vibrancy, especially with their neighboring communities. And as I said, last year, record attendance again. 97,241 campsite

rental nights in 2021. I want to thank the legislature. They put together, in capital funding, the most money that we've ever seen to help upgrade and fix and restore roads and toilets and infrastructure within our state parks to make them more appealing to our citizens. Thank you, legislature, for that.

But we can do more to promote and utilize our state's natural treasures while still preserving them for future generations. Enhancing our outdoor recreation opportunities is a tool to recruit new people who want to live in North Dakota, families that want to come here and raise their kids. Workers that want to work here, and not just work here for two weeks and head home, to come here and stay here. Engaging in outdoor activities is one of the things that can be a competitive advantage for us. We also know it's got benefits for our physical, our mental, and our emotional health. So I want to say, again, grateful to legislature for supporting all of these outdoor investments. We encourage our public and private partners to continue investing in the North Dakota outdoors. There's going to be opportunities to do that through matching grants and through foundations. So stay tuned for more news there.

Our economy is growing, as we've talked about, and our infrastructure is second to none. Rainy day funds are full. Pretty good spot to be in. But now we've got to also direct our folks and resources to the infrastructure that really is the core of our state. And that's what can we do to support strong families and strong communities.

We, as a state, invest as much in education as just about anyone, as close to 50% of our general fund goes between K-12 and higher ed. But our people need support and they need increased flexibility and workforce mobility. Our citizens deserve high-quality education for all ages, from early childhood education all the way through higher education to adult retraining. And our families, to be able to work, they need to have affordable and reliable child care. Our communities need behavioral health resources and amenities for all generations.

Thanks again to the work of the 67th Special Assembly and the Accelerate ND plan, we've already started this important work. Three months ago, we signed over \$250 million, including matching requirements, that were dedicated to addressing our workforce needs. These funds will advance the connection between workforce and education through career academies across our state. Already, the State Board of Career and Technical Education has awarded a combined total of \$20 million into three initial grants to career centers in Dickinson, Minot, and Watford City. And just this week, the review committee recommended allocating the remaining \$68 million for career academies in other cities across the state.

Nearly \$40 million will be used, \$40 million additionally, to create the first polytechnic, or hands-on training center, in North Dakota at Bismarck State College to build programs and curriculum to meet the needs of both students and their future employers. Millions more will be directed to regional workforce ideas and solutions through grant programs approved by the legislature. And nearly \$20 million will be used to make progress on reliable child care.

This is just the beginning. Over the next year, our administration will continue to work with businesses, associations, and licensing boards to cut red tape. We can and must be dedicated to creating the most open and transferable occupational licensing system in the nation. In a state like we are, where we're located and its rural nature, we have to make it easier. Easiest would be great. We have to make it easier, not harder, to come work in North Dakota than other states. Flexibility will not completely solve our workforce challenges, but it'll make a big dent.

We've seen tremendous success in the past with the automation tax credit that the legislature provided businesses with, supports needed to change unwanted jobs into automated processes, and reskilling team members for dependable long-term careers. The first year that that automation tax credit came was in 2013. 107 businesses have benefited over that timeframe.

I'm recommending that in 2023, the legislature, we double down on this tax credit. We make it the most ambitious and most expansive workforce tool yet. The combination of removing the red tape for licensing, increasing support for automation. And that automation, whether it's manufacturing, whether it's warehouses, whether it's in biosciences or manufacturing, whatever it is, we have an opportunity to be training the people that can run the automation, as opposed to doing the mundane jobs.

That's going to create a better and higher-paying career for people here, and we're not going to have to be completely capped always on our growth by the number of people that want to move to North Dakota. We should actually be the leader in automation in the nation. It's one way for us to be having to fight less for all the people that may want to live someplace other than North Dakota. So automation is key to our long-term success.

(Robot enters stage) Wow, speaking of automation. Well, they knew I might be running out of water by now. Thank you. I want everybody to meet Otto, made by the NDSU robotics club just in the past week. Go Bison. Take a spin so they can see your logos there, Otto. Isn't that nice? Anyway. Oh, there's a nice note here. Okay. There's a couple of notes here as a matter of fact. The first one says ... Oh, it's from Kathryn. Oh, that's so nice. "Hi sweetie, you're doing a great job. Remember to hydrate." Okay. "Love Kathryn. Go Bison." So that's great. And then there's another note here. This is actually from Mayor Mahoney. "We knew the governor would run long, so we not going to be ticketing anybody in downtown Fargo." So thank you, mayor. And let's give it up for the NDSU robotics team and Otto. Thank you. Take a bow. Pops a wheelie on the way out. Sweet. That's nice.

We know that for the good people of North Dakota to thrive at work, they need to know that their family is safe, their family's happy, their family's healthy. And that increasingly means having access to quality affordable child care.

The child care industry is the foundation of the success of every other business. It allows tens of thousands of North Dakota parents to participate in the workforce. As the pandemic has illustrated, both here and across the nation, shortages of affordable child care can impede the success of our employers, hurting productivity and forcing parents to exit the workforce in ways that threaten our economic growth. Child care challenges are felt by families and by the providers as well. The average cost of infant child care in North Dakota now is more than \$9,000 per year. Yet many providers struggle with razor-thin margins. This creates an unstable business model. The parents can't pay more and providers can't make less.

Our administration recognizes the importance of this industry to North Dakota's families, its businesses, and the economy, and we're taking action. That's why in the last six months, we've announced over \$117 million in federal funding to support the child care sector in our state. And yesterday we announced that we have expanded eligibility for child care assistance by increasing household income limits to include more working families.

In the coming months, we'll launch a series of business roundtables to talk with business leaders, child care providers, and families across North Dakota about the challenges regarding lack of quality, affordable and accessible child care. And in April, we're going to launch a workforce retention initiative that will allow child care providers to provide extra dollars to the employees who do the everyday work of caring for kids. In May, we'll roll out ND3, a partnership with North Dakota employers who want to offer child care benefits to their employees. And this summer, we'll finalize a comprehensive strategy to ensure that North Dakotans who want to work, that they'll have access to quality, affordable child care.

Along with the supports for businesses and affordable and reliable child care for families, our state must also offer the highest quality education, from preschool to college. More than 48% of the state's \$4.9 billion general fund is dedicated to K-12, career and technical and higher education. Teachers delivering that education deserve our gratitude and support for their dedication and commitment to our students, especially during these last two years. With the proper resources, supports and efforts, these teachers will ensure that our students will be choice ready. And by choice ready we mean they're ready for college, they're ready for a career, or they're ready for the military. And they will have those choices. It's then up to our higher education institutions to focus on individual student needs while preparing the workforce for the high-demand careers in North Dakota.

Our universities are making great progress, but we can't slow down. We must increase certificate and student-centric programs. We must be better at aligning our degree offerings with the needs of North Dakota businesses.

And to assist in this effort I am pleased to announce that this week's North Dakota five community college presidents have signed a memorandum of understanding with Western Governors University to provide streamlined and seamless transfer to WGU's online college courses. North Dakota was one of the people that signed the original charter for Western Governors University. And the person that signed that is sitting right here in the front row,

former Governor Ed Schafer. It was at a meeting 25 years ago. A concept came up that said, wow, there's going to be this new thing called online education, how can we be more competitive? WGU is one of the leaders in the nation in terms of the number and the breadth of the programs we provide. It's time that we rekindle that partnership, enhance our offering for students of all ages. Thank you, Ed Schafer, and thank you, WGU.

Our families, educators and businesses can't solve the workforce problem alone. In previous addresses, I've noted that people are deciding where to live first and then find their career. While this is still true, the pandemic has added a new element. Now people can actually keep their current employers and work remotely and move to the community with the supports and the amenities that are best for their family. Virtually every major tech firm in the country has said, "If you work for us, you can work from anywhere." This is our chance to get kids that maybe left our state working for one of those big companies to come home. But we have to have the amenities in the community, and we've got to have the child care, all of those things that are happening.

Meanwhile, back at home, we've got businesses that are, across the nation they're closing, businesses across our state are all limiting their business hours. Have any of you gone anywhere to get a cup of coffee or buy something and not seen a "help wanted" sign? Businesses are literally begging for workers. I mean, a small business owner told me yesterday that, hey, when you start spending your whole marketing budget on trying to hire people, there's something wrong with that model.

And there is no silver bullet here. There's actions that we can take. And we have to stay focused on families, committed to supporting flexibility and automations we talked about, dedicated to quality education. People will move to the states where there's great education. They will move to the place where they know they can get great child care.

We have to remain steadfast on supporting families, and we've got to build and design communities that are differentiated. We have to get private capital to go to existing infrastructure. We have to make the cities interesting, culturally and arts and everything else that's going on. This is the way we keep our kids here and our grandkids here. But it's also the way we keep the grandparents here. We've got a lot of people retiring at 55 and moving to Florida and Arizona. It's not just keeping kids here. It's keeping everybody here.

So other states can just sit back, do nothing, and they have in-migration. We have to have in-migration exceed out-migration, because we constantly have young people and old people leaving. So we've got work to do. Building communities with amenities, activities, recreation, places to gather. Reinvent the public square as opposed to, hey, we're all just going to get and shout each other on online. Get together in person. This way, North Dakota can compete with other states in the world for workforce.

Citizens and employers now demand access to these amenities as well, like arts and programs, culture events, and festivals. We see this working in some of our communities, and those

communities are thriving. Others around the state, when I travel to some of the smaller communities, they seem ready to accept what they've seen their whole life, which is decline in population, population moving away. They seem ready to accept that. They're operating that somehow that they simply hope the community will be around for the next generation. We cannot rely just on hope. We can't just settle for the status quo.

And here's an inspirational story of an individual, a North Dakotan who didn't rely on the status quo. Maxum Mostad. He didn't. He was nine years old. He was from Langdon. He was an avid skier at Frost Fire near Walhalla in the beautiful northeast corner of the state, in the tree-covered Pembina Gorge. His favorite thing was to be snowboarding. What did he hear two years ago? Maxum was concerned that Frost Fire may not be open for the season. So what did this fifth-grader do? He took matters in his own hands, opened a lemonade stand, held a bake sale, raised \$3,000 to help ensure that Frost Fire could be open that year.

He saw a problem. He found a solution. He took action. He took courage. He didn't let anybody tell him that no, this won't work. He did it not only for himself, but he did it for the whole community and for everybody else that loves the sport. Maxum and his family are here with us today. I want to say thank you, Maxum, having the vision, the caring, and building your community with your own two hands. Let's give it up for Maxum. Way to go, guy. Bet you were bummed when Shaun White didn't get gold, but we were all watching.

Communities today face challenges far beyond new amenities. Our society is in a behavioral health and addiction crisis. Overdose deaths nationally last year topping 100,000 annually. This is the epidemic that was happening underneath the pandemic. It didn't go away. Our state is making progress on addressing this crisis through our great Department of Human Resources and the small, but mighty Recovery Reinvented team. And while we're making great strides, there are still areas of our state where more help is needed.

Jonathan and Nicole Franklin of Harvey, North Dakota. They know this all too well. After a game of pickup basketball at the local Armory, Jonathan was visiting with a group of high schools. He realized that four of the parents of the kids that were there playing ball had died by suicide. These were people that he knew from his own school days in Harvey. No counseling center in town, Jonathan and Nicole, a licensed clinical social worker and a therapist, they took matters into their own hands.

They purchased and rehabbed a vacant building on Harvey's main street. They launched the Mosaic Wellness Center. Now children and adults have somewhere local to go for counseling services. We're grateful to have such caring community members in our state. And while the Franklins' story is unique, the need for more mental health and addiction services across North Dakota is not. Behavioral health must continue to be a top priority. We've got to keep expanding critical behavioral health services. We've got to be reaching those in need sooner, and we've got to reach them closer to home. And we've got to support telehealth as part of this

solution, including telehealth from providers that may not have a physical location in our state. Collaborating with the legislature, the state has provided resources for schools to support behavioral health needs of students and to help prevent the tragedy of suicide.

We've increased funding to improve access for addiction programs. We've expanded behavioral health crisis services to all regions of the state. And we've launched new recovery programs that include supportive housing. But there's more to be done. And we'll continue to meet these challenges through collaboration, through innovation and action.

One way we ask you to join us in this is to encourage you to save the date and join us for the next Recovery Reinvented, November 10th at Alerus Center in Grand Forks. This last year, there was over 800 people in-person and close to 3,500 people watching online, including people watching from all of our corrections facilities across the state.

Recovery Reinvented began with First Lady Kathryn bravely sharing her personal story of recovery. Five years later, Recovery Reinvented continues to inspire individuals across North Dakota and the nation to find hope in recovery, and to most importantly, eliminate the shame and stigma of addiction.

Our great Human Services Behavioral Health team continues to drive program innovation that leads our nation. But this Saturday, February 19th is a very special day. I'd like you all to join me in congratulating and thanking, for her courage and passion, for her living one day at a time as our first lady reaches her 20th year sobriety birthday, this Saturday. Congratulations, Kathryn. And that's harder than you think, staying sober and being married to me. That's a hard thing to do, but congratulations. Wow.

North Dakotans have always been dedicated to solving problems, creating communities that will support and inspire future generations.

We are innovators as North Dakotans, like Jake from Bushel, like Dorothy from Dot's.

We help each other, like Jonathan and Nicole supporting their neighbors and those children in Harvey and their need.

We help our neighbors, like the firefighters that we introduced earlier.

And we help our neighbors and even people we don't know, like the first lady courageously reducing stigma.

We're community builders as North Dakotans, like Maxum at Frost Fire, and like Nick Ybarra on the Maah Daah Hey Trail.

Positive, inspiring efforts like these are happening across our state every single day, countless selfless North Dakotans who are focused on creating and advancing solutions. They believe in themselves. They believe in our youth. They believe in the goodness of their neighbors and their communities.

But often today, these incredible selfless efforts fall under the radar. They're drowned out by the noise of the angriest post on social media or the hottest trending "outrage" or "be afraid" story that may not even be relevant to North Dakota, may not even be true. But that noise drowns out the goodness of North Dakotans.

Nearly a century ago, Dr. Henry J. Moore, he had a powerful, audacious vision to plant a massive garden right on the international border as the symbol of peace and friendship between the United States and Canada. Last August, we continued the friendship and dedication to peace with an announcement of a \$5 million legislative approved grant that was then matched by our Manitoba neighbors. And we had a chance to celebrate that at the border with the premier of Manitoba. This July 14th will mark the 90th anniversary of the dedication of the Peace Garden. In 1932, some 50,000 people traveled from all over the two countries to celebrate that groundbreaking. And if you saw that picture up there, you could see that they had a very good parking attendant at that event too. I don't know if they kept the Canadian cars in Canada and the U.S. cars in the U.S.

But we know that United States and Canada didn't agree on everything 90 years ago, and we still don't agree on everything today. But we can learn a lesson from those efforts to focus on what unites versus focusing on what divides us.

Edward Everett Hale, the 19th century author and historian, is credited with saying, "Coming together is the beginning; Keeping together is progress; Working together is success."

We can work together in North Dakota to overcome division. We can work together to break through the noise. We can work together to attract new residents to our state. And we can work together to entice the youth and adults and grandparents alike to stay and build a better life here. We can work together to build relationships that aren't based on judging and labels and assumptions, but build relationships that are based on curiosity, on humility, on gaining understanding and mutual respect.

And we can do a better job, all of us, of telling our North Dakota story, that we have incredible opportunity. And not just telling this story to outsiders that we're trying to move here to put value at it, but we got to tell a better story of telling it to our own children and grandchildren right here. They are our state's future.

The common thread that reflects our heritage, that reflects who we are as North Dakotans, is that we – and this is what will differentiate us against all other places as we compete for this talent and capital. If we're the state that puts our youth – and I'm talking child care, youth, pre-K, kids in school, college kids – when we put our youth, and then when we put our communities,

ahead of ourselves, we can create an amazing future. That's happening right now in some communities in North Dakota.

When we do this, we will keep growing stronger by the day, because that's what will represent our truly unshakable faith in the unlimited potential of North Dakota and its people.

So let us leave here today and unite together. Let's unite with courage. Let's unite with gratitude. And let's do that in our spirit of Empowering People, Improving Lives and Inspiring Success.

Thank you. God bless you all. God bless the Great State of North Dakota. God bless the United States of America.
