



Office of the Governor

Doug Burgum  
GOVERNOR



## State of the State Address

January 3, 2023

Sixty-five million years ago, what is now our home state had evolved into a large, subtropical delta where dinosaurs like triceratops and tyrannosaurs battled to the death amid a lush environment of woodlands, swamps and ponds.

Yet here we are, sixty-five million years later, as North Dakotans, benefiting mightily from our incredible jackpot of geology that was set in motion all those eons ago.

Our spectacular geologic history led directly to the rich deposits that gave us our abundant oil, gas and coal resources, as well as our newest billion-dollar jackpot, our vast, unrivaled, underground CO<sub>2</sub> storage capacity.

And far more recently, ice age era glacial deposits in central and eastern North Dakota created the nutrient-rich soils that support our enormous crop production and our vast pasturelands.

In today's global uncertainty, our energy and food security make us the envy of many.

Today the State of our State is one of strength and infinite opportunity, blessed with our abundant natural resources, inherent freedoms and industrious, caring people.

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Mr. Speaker, Lieutenant Governor Miller, distinguished members of the 68th Legislative Assembly, Majority and Minority Leaders, Chief Justice Jensen and justices of the Supreme Court, fellow elected leaders, tribal leaders, cabinet members, First Lady Kathryn, family and friends and all fellow citizens of North Dakota, welcome, and thank you for joining us today, whether it's online, over the airwaves or in person.

Chief Justice Jensen and Chairman Azure, we are grateful for your thoughtful words this morning in your respective Judicial and Tribal addresses, and for your dedicated service to all citizens of North Dakota and for your courageous leadership of the Turtle Mountain Band of Chippewa.

As we enter the seventh year of our administration and our fourth regular legislative session, Kathryn and I remain deeply humbled and honored to continue serving ALL the citizens of North Dakota.

And we are very excited to welcome the 39<sup>th</sup> lieutenant governor of the State of North Dakota, Tammy Miller. Welcome Tammy!

We're also deeply grateful for the six years of dedicated service by Lt. Gov. Brent Sanford, whose positive impact on the lives of North Dakotans will be felt for generations to come. Please join me in thanking Brent and Sandi for their lifetime of service and wishing them all the best in the future.

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From the earliest indigenous inhabitants of these lands to the pioneers of modern agriculture, our success in North Dakota has always come from the strength and resiliency of our people.

We are only two weeks since the official "first day of winter," yet some cities like Bismarck already have received an entire season's worth of snowfall – over 51 inches, a record for the last three months of any year. This on top of the April snow-and-ice storm that dropped 40 inches of snow during spring calving across North Dakota and knocked out power to tens of thousands of residents, making it the fifth-most costly disaster on record and the largest since the 2011 flooding.

The April storm, the Veterans Day storm, the mid-December blizzard, the whiteout conditions that stalled Christmas travel plans – North Dakotans have handled it all with grit and resiliency.

At the state level, we've seen incredible, round the clock, life-protecting efforts from our Department of Transportation snowplow drivers, Highway Patrol troopers, State Radio dispatchers and Department of Emergency Services personnel.

Our DOT had over 350 snowplow operators working across our expansive state to clear 8,500 road miles after April's storm event. In the harshest conditions, these operators may be found leading the way so rural volunteer ambulances and first responders can reach those in need of help.

With us today representing these dedicated state team members, we have Michelle Fender-Nagle, who serves as a snowplow operator in NDDOT's Valley City East Section.

Michelle, we are grateful for you, for your courage, your skill, and your determination through not just these recent storms, but for your **34 years of service** keeping North Dakotans safe and keeping our economy going. Please join me in thanking Michelle and all our state and local plow operators!

You may also recall as our first powerful winter storm began on Nov. 9. Darkness fell, temperatures dropped, and a dangerous freezing rain coated I-94.

North Dakota Highway Patrol Trooper Alex Breitbach (BRIGHT-bock) was driving east that evening just past Jamestown when he observed a semi-truck jack-knifed across the westbound lanes, nearly blocking the entire road. He turned around in the median and flipped on his emergency lights to warn other traffic.

As he walked up to the semi to check on the driver, Trooper Breitbach (BRIGHT-bock) could hear another truck coming behind him. He quickly jumped over the median cable barrier and watched as a semi smashed into his squad car. But it wasn't over. During the next several minutes, seven additional crashes involving 18 vehicles occurred at that location before additional first responders could arrive on scene.

Through it all, Trooper Breitbach went from vehicle to vehicle, putting himself in great danger as he checked on crash victims and directed them to safety. Incredibly, no lives were lost, and no one was seriously hurt.

This is just one example of the types of incidents that North Dakota's finest, the North Dakota Highway Patrol and other first responders experience every day, risking their lives to help and protect others. To Trooper Breitbach, who is here with us today, and all our first responders, we say **thank you** for your service and bravery.

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The unprecedented start to the winter season has strained resources at every level of government. This historic weather calls for prompt action. With the sponsorship of

Senator Terry Wanzek and Representative Mike Brandenburg, we can expedite \$20 million in emergency snow removal grants to be awarded to state, local and tribal governments who have already exceeded their average snow removal budgets. As state leaders, we have an opportunity to act quickly to relieve pressures in communities across the state. Let's make this one of the first bills to reach my desk!

Our citizens also endured a year of near-record inflation that put a strain on household budgets, with higher prices on everything from eggs and flour to gasoline and automobiles. We're grateful to this Legislature for passing a historic bonding bill in 2021 that allowed us to avoid inflation and take advantage of lower interest rates and construction costs, thereby saving millions of taxpayer dollars on roads, bridges, water projects and other critical infrastructure.

We've made great progress on DOT's 10-year infrastructure plan, investing \$318 million so far this biennium to rebuild aging roads and bridges and our executive budget proposes an unprecedented \$2.4 billion to accelerate our work. We can also build on the work done on water infrastructure last session by investing over \$600 million to advance flood protection and our regional and critical water supply infrastructure across the state.

We continue to make strides toward our goal of becoming the first state in the nation to reach 100% access to fast, reliable broadband. Of the funds allocated from the American Rescue Plan Act for broadband grants, there are projects proposed to install 1,100 miles of fiber connecting 2,150 unserved and underserved addresses across the state.

Having smart, efficient infrastructure, healthy, vibrant communities and a stable tax and regulatory environment are key to attracting capital and talent to North Dakota.

In less than two years, we've had over \$1 billion of private sector investments in new soybean processing plants announced. Remarkably, these three processing plants will have the capacity to process roughly 75 percent of our state's current annual soybean production, adding value to this key commodity and creating new and closer markets for our farmers.

Increased global demand for sustainable biofuels in agriculture, transportation and aviation represents a huge growth opportunity for North Dakota and expanded opportunities for collaboration between our two largest industries, ag and energy.

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In case you were still shoveling out when the word came in, we received some good news just before Christmas: Our state's population hit an estimated all-time high of 779,261 residents as of July 1, 2022, rebounding from the slight population dip we saw in 2021.

This slight bump from our 2020 census count can be attributed to a lot of little bumps – of the baby kind. North Dakota had 2,800 more births than deaths in the 12 months ending June 30, and the number of births was up over the previous year. In fact, only Utah had a higher rate of births per capita than North Dakota.

Our record population speaks to the abundant opportunities and exceptional quality of life we enjoy in North Dakota. The 106,000 residents we've added since 2010 is the equivalent of adding another Grand Forks AND another Minot!

Or, if that's too difficult to imagine, it would be the same as adding another 328 Arthurs!  
**(laughter)**

And we remain one of the nation's fastest-growing states – up 16 percent since 2010, faster than all but six other states.

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Turning to the future, we are faced with unprecedented opportunities to improve the lives of North Dakotans. This legislature has an historic opportunity to diversify our economy, invest in infrastructure, build healthy, vibrant communities, support research and innovation, transform education, improve government services, create tourism destinations, and address our workforce needs.

Together, we begin this journey from a position of strength. Our combined reserves are the highest in state history. Our general fund revenues are running 23 percent, or over \$700 million ahead of forecast. Our oil tax revenues are running 60 percent, or over \$1.5 billion ahead of forecast.

We have the nation's second-lowest unemployment rate at 2.3 percent (behind Utah). Our three largest cities – Bismarck, Fargo and Grand Forks – were among the Top 5 metropolitan areas in the entire nation for having the lowest unemployment rates in October.

Now is the time for strategic investment in our state's future!

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North Dakota continues to successfully engage on an all-of-the-above approach that harnesses oil, gas, coal, hydroelectric, renewable fuels, wind and solar. On a per-capita basis, only Wyoming produces more energy than we do in North Dakota.

Yet tapping our abundant resources, creating jobs, transforming our communities, our state and our nation only happens when risk-takers, entrepreneurs and innovators invest their capital and talent in our state.

Entrepreneurs like Harold Hamm, who grew up the 13<sup>th</sup> child of sharecroppers in rural Oklahoma and founded Continental Resources in 1967 when he was just 21 years old. Harold and Continental helped lead the horizontal drilling revolution that began over 25 years ago – a game-changer that unlocked our vast state and tribal shale oil reserves and changed the course of our entire economy.

Harold is widely recognized as the person who led the charge to lift America's 40-year-old ban on exporting U.S. crude oil in 2015. Getting this archaic federal ban lifted directly benefited every Bakken producer and mineral owner, including the significant mineral acreage ownership held by State of North Dakota Trust Lands for our schools and universities.

The oil and gas industry employs thousands of North Dakotans and has produced billions of dollars in tax revenue that supports the state, tribal nations, counties, cities, townships, school districts, hospitals, parks and airports through a variety of funds, including our more than \$8 billion Legacy Fund and most of our \$5.7 billion Common Schools Trust Fund, which will have provided \$1.8 billion to K-12 public schools in the decade ending in 2025.

Selling more clean U.S. energy to our friends and allies, versus forcing them to buy dirty energy from our adversaries, is the single most powerful change the U.S. could make today to drive American strength up and enhance global stability. Through their operations in North Dakota since 2003, Continental has invested billions of dollars of private capital towards U.S. energy independence and helped create what we, and the world, now know as the Bakken.

We are deeply grateful for the investments by Harold and other industry leaders in North Dakota who have underpinned our current prosperity and who also help ensure a secure energy future for our nation and our allies. We are deeply honored to have Harold Hamm here in person today, representing the incredible positive impact that he,

Continental Resources, and the North Dakota oil and gas industry have had on every single North Dakotan. We thank you, Harold, your family and your entire Continental team!

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Providing a viable path forward for coal has been a priority, and we were thrilled to provide assistance to the sale of Coal Creek Station to Rainbow Energy Center last year. It was a victory not only for the hundreds of workers at Coal Creek and Falkirk Mine and the region, but for every North Dakotan who expects the lights to turn on when they flick the switch and the heat to come on when they turn up the thermostat.

It was a victory for U.S. energy security, national security and grid reliability. And it wouldn't have happened without people like Loren Kopseng, Stacy Tschider, Al Christianson, Brent Sanford, the Industrial Commission and all the local, state and federal officials – including this legislature –all who fought tooth and nail to keep Coal Creek. The North Dakota Lignite coal industry provides affordable, reliable baseload electricity and keeps the lights and heat on during bitter cold like we've seen this season. So, let's give all of them, and yourselves, a hand!

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Our bedrock industry, agriculture, continues to lead the nation in several categories. We rank first in production of spring wheat, durum wheat, canola, flaxseed, all dry edible beans, pinto beans, dry edible peas and **honey**. We rank second in rye, sunflowers and lentils; third in sugar beets, oats and barley; and in the top dozen states for corn, soybeans, potatoes and chickpeas.

Our farmers and ranchers battle every day to provide food security for our state, country and world. They fight through challenging weather, through droughts and fires, blizzards and floods.

They innovate and expand the use of technology to boost yields and are implementing resilient and regenerative farming and grazing practices. They work through burdensome red tape pushed down from the federal government.

These farm and ranch families are the backbone of our rural state, and the work they do is feeding the growing world, and for that, we all should be grateful.

But despite their unwavering dedication and leading in so many of these crops, including a growing abundance of feed for livestock from our many new value-added ag processing projects, we stack up way short when you compare our animal agriculture output to neighboring states. For example:

We're 23<sup>rd</sup> in cattle and calves on feed; South Dakota is 7<sup>th</sup> and Minnesota is 8<sup>th</sup>.

We're 35<sup>th</sup> in milk cows; Minnesota is 7<sup>th</sup>.

We're 24<sup>th</sup> in hogs and pigs; Minnesota is 2<sup>nd</sup> and South Dakota is 10<sup>th</sup>.

Consider this:

North Dakota's record year for cattle and calves was in 1975 with 2.6 million head, compared with less than 1.9 million head today.

Our record year for dairy cows was 1934, when we had 701,000 cows. Now we have only 15,000. We are importing milk into North Dakota.

Hogs peaked in 1943 at just over 1.1 million. Now we have less than 150,000.

We must ask ourselves, what do other states have that we don't?

Other states, like South Dakota, have carve-outs in their family farming laws that smartly allow nonrelated parties to pool capital for animal agriculture operations like feeding livestock and poultry, operating a dairy and for pork production.

Here in America's heartland, we love our freedom. But when it comes to making business decisions, in North Dakota, apparently that freedom applies to everyone, in every industry, except our farmers and ranchers. It's time to change that.

We know our farmers and ranchers can compete with anyone, anywhere, anytime, **IF** they're given a level playing field. Right now, the field is so uneven when it comes to capital access and capital formation. We can level it, and we can do it wisely and with smart environmental stewardship. Plus, the economics of animal agriculture increase land values and are helping rural communities to grow and thrive.

I urge this body to change the long downward trajectory of animal agriculture in North Dakota and do away with this archaic law as it applies to ownership of animal agriculture operations, including poultry. Let's take the handcuffs off our ranchers and

livestock producers. Let's allow animal agriculture to flourish in North Dakota once again. We need Farm Freedom legislation, and we need it **now!**

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Just as we are leaders in ag and energy, North Dakota can lead the nation in carbon capture, utilization and storage and reshape energy policy for this country.

Today, we're on our way toward achieving carbon neutrality as a state by 2030, thanks to our extraordinary capacity to safely store over 252 billion tons of CO<sub>2</sub>, or 50 years of the nation's CO<sub>2</sub> output.

And in the process, we can help secure the future of our state's two largest industries, energy and agriculture.

We were the first state to establish the legal and regulatory framework for carbon capture, utilization and storage, or CCUS, in 2009.

Now we're in a spot to lead the nation in this emerging industry, because we can permit our own CO<sub>2</sub> storage wells at least five times faster than the EPA. Wyoming is the only other state with this authority.

We also allow landowners to get paid for their underground pore space if a supermajority agrees to it. Finally, we have long-term liability protections for the companies, who have to pay into a fund that the state can use to monitor the wells long-term.

Because of this foundation, we are already the nation's CCUS proving ground. In July, Red Trail Energy, the ethanol plant near Richardton, became the first working Class VI CO<sub>2</sub> storage well in the nation, now safely capturing and storing over 500 metric tons of CO<sub>2</sub> per day. And several projects in the works will capture over 20 million tons by 2026.

If you support our ag and ethanol industry, our oil and gas industry, our coal industry, you should absolutely support CCUS.

But don't take my word for it – take your own. The Legislature has written its support for carbon storage into state law.

Chapter 38-22-1 reads, quote: "It is in the public interest to promote the geologic storage of carbon dioxide. Doing so will benefit the state and the global environment by

reducing greenhouse gas emissions. Doing so will help ensure the viability of the state's coal and power industries, to the economic benefit of North Dakota and its citizens. Further, geologic storage of carbon dioxide, **a potentially valuable commodity**, may allow for its ready availability if needed for commercial, industrial, or other uses, including enhanced recovery of oil, gas, and other minerals." End quote.

And the infrastructure that is built for moving CO<sub>2</sub> can be utilized in the future for enhanced oil recovery, or EOR – injecting carbon into rock and shale formations to draw more oil out.

One North Dakota company has led the way on EOR for decades. Since October 2000, Dakota Gasification Company, a subsidiary of Basin Electric Power Cooperative, has been safely capturing and transporting CO<sub>2</sub> – **over 40 million tons of it** – to Weyburn, Saskatchewan, for enhanced oil recovery in the Canadian oil fields.

Let me repeat that: We've had a CO<sub>2</sub> pipeline, 205 miles long, operating safely in western North Dakota for over 20 years.

In enhanced Oil Recovery, by putting more CO<sub>2</sub> down the hole than is produced by the barrel of oil that comes up, you can create carbon-negative oil.

This year, in North Dakota, carbon-negative oil production has been achieved by Denbury Resources in Bowman County – a trailblazer in enhanced oil recovery – using CO<sub>2</sub> piped in from Wyoming.

The EERC estimates North Dakota could potentially produce between 5 billion and 7 billion barrels of **carbon-negative oil** by using CO<sub>2</sub> for enhanced oil recovery.

New federal incentives for storing CO<sub>2</sub> or using it for enhanced oil recovery will drive billions of dollars toward the bottom lines of our ag, coal and oil and gas industries. This, combined with our vast storage capacity and our forward-looking policies, is why we have billions of dollars of projects knocking on our door in North Dakota.

Our state has reinvested hundreds of millions of dollars of oil and gas tax revenue into the development of CCUS technologies. And we continue to increase that investment through programs like our new Clean Sustainable Energy Authority smartly created by this assembly in the 2021 session.

As North Dakota and the energy industry are re-investing in innovation, the Biden administration is trying its best to live up to the president's campaign guarantee that he

will “end fossil fuel” – from defying federal law by refusing to hold required oil and gas lease sales on federal lands to threatening oil and gas companies with new taxes on “excess” profits, which flies in the face of free market economics.

Our current federal energy policy is driving up inflation, empowering foreign dictators, literally enabling wars, weakening our economy, threatening the U.S. dollar as the world’s reserve currency, and is bad for the environment.

In North Dakota, we know better, and that’s why we’ve proposed investing \$500 million between this biennium and next to capitalize the Clean Sustainable Energy Loan Fund. This infusion, along with \$50 million for grants through the fund, will support clean energy projects such as carbon capture, which represents a path forward for baseload coal power through **innovation over regulation**.

We saw it with the saving of Coal Creek Station thanks to the future carbon capture component of that project, and we continue to strongly support what will be our largest demonstration of carbon capture at Minnkota Power Cooperative’s Milton R. Young Station near Center.

Continental Resources also has committed \$250 million to the Summit Carbon Solutions pipeline, which will capture the CO<sub>2</sub> and enhance the economics of over 30 ethanol plants and their farmer customers across five states.

Today, we’re pleased to have with us the visionary leaders of these businesses which are showing our nation the way with projects working today: Red Trail Energy CEO Gerald Bachmeier, Basin Electric CEO and General Manager Todd Telesz, and Denbury CEO Chris Kendall. I also want to recognize Minnkota President and CEO Mac McLennan, who wasn’t able to make it due to the weather. Thank you and your entire teams for investing to keep North Dakota at the forefront of this emerging industry and secure the future of our ag, oil and gas and coal industries.

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I’ve talked about our top two economic sectors, agriculture and energy. Now let’s look at another of our top industries, tourism and recreation.

We need to expand our existing tourism offerings and sharpen our focus on developing destinations – those unique attractions and amenities that really drive visitors and potential new residents and workers to our state.

As announced last month, our budget includes more than \$51 million to improve and expand our state parks and recreation sites, including a new campground at the Pembina Gorge, planning for upgrades at Lake Metigoshe and new cabins across our state parks. We're also proposing a \$50 million Destination Development Fund to be matched by private or non-state sources to build or expand unique attractions.

We have asked ourselves for generations, how do we keep our young people here? Well, part of the answer is creating vibrant communities, attractions and recreation. Young people and families are looking for places to live based on the amenities in the communities and region.

When we leverage public dollars to drive private investment, amazing things can happen. And they're happening right now with the Theodore Roosevelt Presidential Library. The history making catalytic \$50 million endowment approved by the 2019 legislature, which is being held by the State Land Board, has already been leveraged to drive over \$100 million in private investment.

In 1883, Theodore Roosevelt first arrived in the Badlands. 120 years later, starting in 2003, there was another individual who arrived in North Dakota whose grit, resilience, hard work and determination has changed North Dakota and our nation, and we have already recognized him today – Mr. Harold Hamm.

Harold is "in the arena" for North Dakota, our nation's energy independence and making America stronger on the world stage.

And so, it is fitting, that with deepest gratitude, that here, today, in these chambers, where the TR Library endowment was brought to life, we make the first public announcement that Harold Hamm has completed a gift of \$50 million to the Theodore Roosevelt Presidential Library Foundation!

This interactive, state-of-the-art, world-class facility is more than just a building.

This is a vision that will be a catalyst to greater learning and understanding, an institution built to last and to share Roosevelt's principles of leadership, citizenship and conversation.

Harold, on behalf of all North Dakotans, we thank you and your family for this incredible gift, and for all you have done for our state and its future!

With this momentum, we have a golden opportunity, working and partnering with the National Park Service, to reimagine what is already our state's most visited place, Painted Canyon Visitor Center. Built in the 1960s, this outdated cinder block rest stop with breathtaking views is now only open for about 6 months a year. Working in partnership with NDDOT and NPS, the National Park Foundation, and local partners, we have an opportunity to create a 12-month facility and far exceed the 1 million visitors record set in 1972.

Painted Canyon Visitor Center will inspire visitors of the Theodore Roosevelt National Park to learn more about why of our 63 National Parks, only ONE is named after a person, versus a place. And how TR's vision for national parks was for the "benefit and enjoyment of the American People." And as partners, North Dakota will have an opportunity to "tell the North Dakota story" to the millions of visitors stopping to enjoy one of the most spectacular unspoiled views in all of America.

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When telling the North Dakota story, it cannot be done without highlighting our military members. Included in the executive budget is a public/private Military Museum, right here on the Capitol grounds connected to the Heritage Center. The inspirational service and sacrifice of our military members is deserving of a peaceful setting where current and future generations of North Dakotans can learn about and reflect upon the incredible legacy of those men and women in uniform.

It's fitting that the North Dakota National Guard is leading these efforts for a North Dakota Military Museum.

In 1898, just nine years after North Dakota became a state, eight companies of the 1st North Dakota Infantry Regiment volunteered for duty during the Spanish American War and Philippine Insurrection.

Among them, nine soldiers from the 1<sup>st</sup> North Dakota Volunteers earned Medals of Honor for their actions at San Miguel and San Isidro where 25 scouts crossed a burning bridge to rout more than 600 insurgents entrenched on the opposite shore.

North Dakota, with immense pride in the heroism of its National Guard regiment, adopted, as its state flag, the image of the regimental flag carried by the 1st North Dakota Infantry in the Philippines.

North Dakota citizens have served honorably in every conflict and at every call of the President, including members of our tribal nations who serve at a higher rate than any other ethnic group. Their actions, accomplishments, the uniforms they wore, the equipment they operated, the planes they flew, the ships they sailed, their sacrifices of life and limb in defense of our state and nation – these are all threads in the fabric that has made North Dakota “Legendary.”

The North Dakota Military Museum would preserve the incredible history and legacy of our legendary service men and women, and it deserves our support. Would those who have served, or are currently serving in the military, please stand to receive our gratitude for your service.

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In addition to tourism and our other top industries, we’re working every day to **diversify our economy** and make it less reliant on commodity markets.

Our status as the nation’s proving ground for Unmanned Aircraft Systems continues to grow. I’m excited to announce that last week, the Federal Aviation Administration granted initial approval to allow one of our private sector partners to fly a drone, beyond visual line of sight, using Vantis, our first-of-its-kind air traffic control network for UAS operations.

This approval is a critical step that validates the state's investment and years of work to bring drones to commercial sectors in a safe and economic way. Other states are reaching out to us as a leader in this technology. To build on this momentum, our budget proposes a \$30 million investment in Vantis and \$7 million for the Grand Sky UAS business and aviation park in Grand Forks.

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Just as we compete with other states in business sectors like ag, energy and tourism, our communities also must compete with other cities across the country for capital and talent.

To help make our state and communities even more attractive places to live, we’ve proposed an Energize Our Communities plan to help cities attract new residents and help retain our youth and existing workforce. These investments include \$40 million to support more affordable, available housing and promote in-fill development, especially in blighted and rural areas.

We know attracting workforce to North Dakota requires communities with assets that meet the needs and wants of future residents.

Renaissance Zone is the most successful state program ever created by the legislature for reducing overall property taxes by incentivizing smart efficient use of existing infrastructure and is utilized by over 60 communities of all sizes statewide. After 23 years of success, it is time refresh this program with Renaissance Zone 2.0 legislation.

On behalf of these North Dakota communities, I am calling on this assembly to bring forward legislation to reinvigorate the Renaissance Zone program by allowing additional flexibility and re-entry into the program and to reduce red tape and barriers to having projects approved.

This matters, because incentivizing the full utilization of existing infrastructure versus subsidizing brand new expensive and non-economic green field edge infrastructure with state dollars is a true path toward reducing property taxes and municipal water bill burdens.

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Keeping our communities safe should also be a priority, and we know our law enforcement agencies are working at every level to do just that. We can show our support for them – and that North Dakota truly does “back the blue” – by providing a \$5 million fund for matching grants that law enforcement agencies can use to drive workforce recruitment and retention strategies and provide much-needed equipment to protect those officers who put themselves in harm’s way to protect us all.

And when we ask our law enforcement to put themselves in harm’s way, the state must always stand behind them. Unfortunately, that has not always been the case. Current state law requires that an officer serve within the state for at least five years before they can be considered for a worker’s compensation claim through WSI if compensable work injury is not proven – if not, the presumption is that it was a pre-existing condition that caused the injury. This needs to change and change today. Let us stand today and let every officer in North Dakota and every prospective officer across the country know that if you serve in North Dakota for five days, five months or five years, we will stand with you, your family and all of your brothers and sisters in uniform.

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Just as we support our men and women in blue, North Dakotans support our educators, whether in public school, private school or home school. The men and women who dedicate themselves to educating our youth are heroes. And they do this not for fame and glory but to make a positive impact on the lives of their students. Please join me in thanking our educator heroes.

The past six years, these educators have helped North Dakota make significant progress in education policy.

Whether it's the innovation waiver that allows local schools boards to redesign the school experience, or the Learn Everywhere policy that allows students to earn credit outside of the school walls, or being the only state in the nation with a learning continuum – better known as the Graduation Pathway – for all public schools.

North Dakota has created layers of flexibility that allow our public system to determine the most effective ways to support a student-centered learning environment.

Now our students need every school district to take advantage of these transformative opportunities. The door to how each district and school can innovate is wide open. And together, parents, teachers, superintendents, and school board leaders are empowered to step up to make that happen.

While flexibilities exist for public schools to approach school differently, students and parents may not have some of the choices they want or need to match the best learning environment to the individual needs of the learner.

We intend to partner with interested legislators including Representative Michelle Strinden to explore opportunities to expand parent options. Whether it be through virtual school choice, public-to-public enrollment flexibilities, or allowing students greater autonomy to engage with the Center for Distance Education, parents and students need to be at the table for discussions on connecting the learner with the instructional environment or approach that best fits the person and family.

In addition to ensuring our students have a solid foundation for life, we also must address our workforce challenges, and our institutions of higher education are key pieces to the puzzle.

As national and state enrollment trends decrease, it's vital we provide our institutions the resources to respond to workforce needs more rapidly. We urge the legislature to

advance the proposed \$10 million innovation workforce grant to provide the resources necessary to quickly create programs that respond to those needs.

Our research universities also are teaming up with 11 universities in five states (ND, SD, WY, MT and ID) on the Regional Technology and Innovation Alliance. Our administration will work with this alliance and our regional governors to ensure we succeed in our pursuit of federal research grants to advance the next generation of technology and reduce our nation's reliance on foreign adversaries for critical technology such as microchips.

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Through the First Lady's courageous leadership in openly sharing her own story of her long battle with the disease of addiction, and of her nearly 21 years of recovery, she has inspired thousands of others still trapped in the disease of addiction, and their loved ones, that the dream and hope of recovery exists for all that act.

Since 2017, with passion and dedication she has focused the mission of Recovery Reinvented around ending the shame and stigma that surrounds this chronic brain disease – thus removing the social barriers that prevent people from reaching out for help and accessing vital treatment and recovery resources.

With courage and passion, she is leading a movement that is changing the narrative, the policies, and the approaches to dealing with the health crisis of addiction in North Dakota and beyond. If anyone you know has been affected by the disease of addiction, please join me in thanking our incredible First Lady, Kathryn Helgaas Burgum.

Critical to supporting individuals with the disease of addiction are peer support specialists, who use their lived experience to assist others on their journey to recovery and wellness.

There are currently 819 trained peer support specialists across the state. One of them is here with us today and has an incredible story of how she was able to transform her life and is now helping others do the same.

She is not only a mother in long-term recovery, but she has also faced an uphill battle rebuilding her life after many years of substance use, felony records and fighting for her legal right to parent her children again.

She said, "To me, Recovery means I can wake up and know that I have surrounded not only my children, but myself, with positivity, love, health and stability, and that I can support others in reaching their recovery goals, too."

Her incredible story of resilience and recovery is one of many. This individual is currently working as the Peer Support Administrator for the Behavioral Health Division at ND DHHS. Let's celebrate her inspiring journey and the continued passion of all 819 peer support specialists who are saving and transforming lives across North Dakota. Kristy Johnson, please stand so we can recognize you and your important work!

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We continue to prioritize tribal engagement with the five sovereign tribal nations with whom we share geography as one of our five strategic initiatives. In June, we signed an agreement between the North Dakota Highway Patrol and Spirit Lake Nation, similar to an existing agreement with MHA Nation, that enhances emergency response by allowing the closest available peace officer to respond to an emergency call for service until the agency with primary jurisdiction arrives and assumes the lead.

When someone in distress calls 9-1-1, they shouldn't have to worry that the response time to their emergency will depend on whether they're a tribal member or not. We are **all** North Dakota citizens, and in this state, neighbors look out for each other.

The fifth Strengthening Government to Government Partnerships and Relationships Conference will take place June 21st and 22nd at the Bismarck Event Center. While collaboration with our tribal neighbors has never been stronger, there is still much work to be done. We come to all of this work in a good way, with an open heart, and respect for the resiliency of our tribal neighbors who often remain entangled in very broken federal systems for health care and education.

I want to congratulate those tribal chairs and council members who recently won their elections: Chairman Jamie Azure of the Turtle Mountain Band of Chippewa Indians, Chairman Mark Fox of the Mandan, Hidatsa and Arikara Nation, and Chairman J. Garrett Renville of the Sisseton Wahpeton Oyate, who couldn't be here today because he's being inaugurated in just a few short hours. We also recognize Standing Rock Sioux Tribe Chairwoman Janet Alkire and Spirit Lake Nation Chairman "Big Doug" Yankton, who continue to dutifully serve their constituents. Thank you all for your partnership and outstanding leadership.

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Across our nation, businesses, governments, schools, churches, nonprofits and other employers are all struggling to hire and retain workers.

Our most recent report showed 16,000 open and available job openings in November. And because employers typically don't post all of their job openings at the same time, we estimate the actual number of jobs is at least twice that many – more than 32,000 open jobs.

That's the equivalent of more than two job openings for every man, woman and child in Jamestown.

These open and unfilled jobs are a reminder of our need to make good on our commitment to provide the appropriated \$88 million in matching funds for private-sector investment for the designated career and technical centers across the state, so construction can begin this spring. Even if that means advancing funds from the Bank of North Dakota until federal funding is released.

It means following through on the recommendations of the Workforce Development Council and providing \$20 million for a competitive Regional Workforce Impact Grant program.

It means investing in child care to make it easier for North Dakotans, especially young families, to participate in the workforce.

It means investing in automation by expanding the successful automation tax credit, incenting industries to adopt automation through matching grants, and investing in a workforce transition training program to retrain and upskill citizens pursuing new opportunities through automation.

And we can double our investment in the Native American Scholarship program, building on private sector efforts to expand educational and employment opportunities for tribal members across North Dakota.

In addition to investing in North Dakotans who already live here, we need to step up our efforts to recruit residents to our state. Because even if every high school and college graduate from North Dakota, and everyone on unemployment or formerly incarcerated took an open job, we still wouldn't come close to filling all our job openings.

As part of our comprehensive workforce initiative, the Department of Commerce has refreshed and expanded its “Find the Good Life in North Dakota” workforce attraction campaign. This marketing campaign drives those interested in relocating into a pipeline that connects job seekers with community champions.

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To make our state a more attractive, affordable place to live and give us an advantage as we compete for workers, we can and should adopt the lowest flat-rate income tax in the nation.

The income tax relief plan proposed in our budget will eliminate the state individual income tax for three out of five taxpayers. The remaining income taxpayers will see their liability reduced by roughly one-quarter to one-half, allowing North Dakotans to keep more of their hard-earned money to offset expenses and invest in their families and communities.

I want to again thank Rep. Headland, Sen. Meyer, Sen. Kannianen, Rep. Bosch, Rep. Dockter and Commissioner Kroshus for their partnership and leadership on this proposal, which will put us on a path toward eventually zeroing out our individual income tax and joining the eight states that have no individual income tax.

Inflation and rising interest rates are eating away at family finances. Consumer prices in November were up over 7% from a year ago. Let’s show our working families in North Dakota that we understand their struggles by expediting this income tax relief legislation and making it one of the first bills to be signed this session.

We understand and share the concerns about property taxes. And we’re happy to sit down with anyone and discuss ways to **actually reduce** property taxes – not **subsidize** them with state spending that only encourages local spending and grows local government.

In the meantime, we have an income tax proposal that is a **real reduction** in taxes because it reduces the amount of tax revenue government collects. This will help us recruit and retain workers.

We also fully support the proposal coming from Sen. Meyer to exempt active-duty military pay from individual income tax. Military service members are choosing to domicile in states where they don’t have to pay state income tax, including Minnesota, which affects our own North Dakota National Guard and our border communities.

We've worked hard to make North Dakota the most military-friendly state in the nation, including exempting military retirement pay from income tax. Let's keep that momentum going and do the same for our active-duty men and women in uniform.

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In May of 1974, a shaggy-haired high school senior in Arthur, North Dakota, was writing his high school graduation speech and was listing the world's problems: inflation, political scandal, pollution, overpopulation, the energy crisis, wars, and seemingly endless shortages. It was rather ironic, he mused, that in this world of "space age technology" and automation, that all the problems he listed were man-made.

Looking back now, it's incredible how many of those problems we're still facing today. But as 18-year-old me said then, and still believes today, I prefer not to think of them as problems, but as challenges. Humans created these challenges, and humans can solve them.

And in North Dakota, we are better positioned than perhaps any other state to tackle some of these persistent challenges facing our nation and world, such as energy and food security.

Working together, we can grasp this moment and make a positive difference for our citizens and our state.

Together, we all have an opportunity to fulfill our powerful purpose: to **empower people, improve lives and inspire success** – so that our state, our communities and our citizens can reach their fullest potential.

Yes, it truly is a great time to be a North Dakotan. Yes, we are blessed with an abundance of natural resources.

But we have something, that doesn't require a supply chain, it doesn't require billions of dollars to unlock, and it is more powerful than any innovation. It is infinite, and it is free. What I am talking about are the aspirational values that can solve any problem, create greater understanding, and relieve the pain that so many in the world feel today.

Going forward, let us all strive to employ:

The **curiosity** to learn from those who are different from us.

The **humility** to know how much we don't know, and the humility to admit our prior beliefs may be wrong.

The **courage** to Think Boldy, Care Deeply, Live Passionately, and Dare Greatly – taking North Dakota to new heights.

And finally, the unlimited free resource of **gratitude**, which is rooted in love. We all know the words of faith, hope, and love, and greatest of these is love.

We are all here today because we love this state, let us remember to love one another as well.

God Bless you all, and God Bless the Great State of North Dakota and the United States of America.