

Governor Doug Burgum
2024 State of the State Address
January 23, 2023
Dorothy Stickney Auditorium, Dickinson State University

Good morning,

Thank you for that warm welcome and thank you for being in person and for all of those people that are watching online or listening remotely. We say thank you for joining us for the 2024 State of the State. You've all been thoroughly welcomed already this morning but I want to give a special shout out to a few people and of course I got to start with First Lady Catherine and our family members. She's here with her sister Julie, her cousin Lisa and then and then watching online, the rest of our extended families and our sons, Joe and Tom and our daughter Jessie and all of our extended families and; I think any of you, there's a lot of elected officials here but you know when you serve your family serves with you and so I want to be sure to at this time to thank them for all their support these last seven years and then today's a special day because it's Jesse's birthday. And so we need on a one, two, three all of you are going to yell "Happy Birthday Jessie," and she's going to hear that and it'll be the largest group that's ever in her lifetime yelled Happy Birthday at the same time. To start off with a North Dakota Guinness World Record. Here we go on 3...1,2,3 Happy Birthday Jessie! Way to go you guys, that's fantastic.

And you saw her here on stage but how grateful am I to have such an outstanding partner and Lieutenant Governor Tammy Miller.

She's such an asset for the state of North Dakota and we had a historic year in terms of milestones and progress, but I gotta tell ya, her background in finance and private sector leadership as the CEO of a company with over 4,000 people operating in 29 states.

You rarely get people like that that leave the private sector and join and she first, as Chief Operating Officer of the state of North Dakota, and now as lieutenant governor, has made a huge difference. As we work to transform government and treat taxpayers like the customers that they are. So, I want to, just as you gave her a warm welcome, but I want to personally say thank you Tammy Miller for your great leadership.

And kicking us off today after the great band great music. We had President Steve Easton here from Dickinson and DSU. Want to thank you for hosting us. I've seen a lot of clever ways to try to impress the legislature that you need more money for improvements. But pulling the plug right as we were getting here. I think President Easton that was brilliant. OK.

And for legislators you may want to you may want to look at the electrical back here, Tammy didn't think it'd pass code. So, there're probably some upgrades that could be made but here we are in Dorothy Stickney auditorium. The namesake as you know, this is the name that person

after she was the second Rough Rider Award winner in the state of North Dakota back under Governor Guy. She won the state's highest honor for our citizens back in 1961. She was a Dickinson native, and of course her success as a Broadway actress. So it's an honor to be on a stage and in a hall named after one of our Rough Rider Award winners.

Mayor Scott Decker, the Dickinson City Commission, Stark County commissioners, Dean Franchuk, the whole group you guys, fantastic job legislature. Kicking us off today Mike Lefor, Senator David Hogue here, our majority leaders, our minority leaders Zach Ista and Kathy Hogan. Statewide electeds you've all been recognized.

Thank you all for your important leadership. And of course, they're not here today. They're busy working in DC but I do want to say how fortunate are we as a state to have Senator Hoeven, Senator Cramer and Congressman Armstrong, three people that are in strong and powerful positions in DC, they're all good at their jobs as legislators. They're advocates for our state constantly. They help push back on the federal government. So let's say thanks to our CODEL right now.

And we've got our Supreme Court, most of them right here, Chief Justice Jensen and the other justices, and some District Court justices. We have three great branches of government in our state and we do collaborate, we do work along and over my time and seven years in office. I think just due to the demographics of retirements is the major reason, but we have set a record that few people know about. I've had the honor of now appointing 20 different district judges and two Supreme Court judges. For an example you know, sometimes if you look back in history, sometimes a governor in four or eight years in office might appoint two to four, we've done 20.

And the process has been an important one and we're going to touch on behavioral health later. But I just want to share with everybody right now as part of appointing 22 judges, you get to interview about 75 different people that have come up through the judicial system. And one of the questions I always ask them is how much of your job as a judge advocate, a prosecutor, a defender working in our system in North Dakota, cause that's where most of them come from, or if they've been in private practice, you know, working with as a criminal defense work. I said how much of your work would go away if we could eliminate behavioral health and the disease of addiction? I've never heard an answer below 75% of the work. So think of what we spend as a state and as a nation in our judicial system, dealing with the downstream problems of something that we can work to fix up, so keep that in the back of your mind when we're talking about behavioral health. We're making some progress. I'm sure we're not investing enough on that end of the thing. We do a nice job on the back end, but I do want to say to our court clerks, our administrators also around our judicial districts, they work tirelessly behind the scenes they never get recognized enough. They keep the wheels of justice moving efficiently and effectively in these districts across our state. And so let's say thank you to all of those frontline workers in the judicial system too.

And since this is a day for reflection, I mean think about it I appoint 22 people and it is a duty and it's an honor to do that. And then after I appoint them then everybody calls them, Your Honor.

Think about that. Okay. All right.

Due to legislative budget cuts in the governor's office, I write all my own jokes. So this is all you're gonna get, okay? There's nothing that's going to be better than that. So, dad jokes, but I did learn this last week.

How do you know when a dad joke, How do you know when a joke becomes a dad joke?

It becomes A-Parent

All right. Okay, we're done here.

We have a lot of gratitude for our tribes. The toughest elected job in North Dakota, of any elected official, is being a Tribal Chair and I can tell you that for sure. But we've got great elected tribal chairs right now their tribal councils Spirit Lake Nation Chairwoman Lonna Street, Standing Rock Chairwoman Janet Alkire, also a veteran, Mandan Hidatsa, and Arikara Chairman Mark Fox, Marine veteran, Turtle Mountain Band of Chippewa Chairman Jamie Azure, Sisseton-Wahpeton Oyate Chairman Garrett Renville, incredible folks.

And we've made so much progress together on the seven years we've been working one of our top objectives in our administration has been state and tribal relationships, understand, build mutual understanding, build respect, the collaboration that we've had, historic, tax revenue sharing compacts, which the late Dwight, was a senator, he was a cook, was at his service last Friday. MHA came to his prayer service and gave him the star blanket for the work that he did, to his family, for the work that he'd done on making sure that we had fairness and equity and those tax agreements. The gaming compacts which we negotiated last year, alcohol tax agreements that had been going on for 20 years, public health and agreements that improved emergency response, our ability the legislature's given our NDIT to work with the tribes on cybersecurity because our tribes were being attacked with rans- you know, through ransomware from foreign entities, but we look forward to building on all of this progress that we've had with the five tribal nations. We share geography with them, but I remind everyone, yes, they're enrolled members of tribes that are sovereign nations, but every single one of them is also a North Dakota citizen.

It is our responsibility and duty to serve alongside with them and from a government-to-government standpoint, I would just say, encourage all of you to join in are strengthening government-to-government relationship. This is our main tribal conference we have it's going to be in June 25th and 26th. You're all invited every elected every agency. We have great turnout from all of you. And I just want to say when we've had federal partners come because they're a key part of it. They all say this is the best government to government, tribal, the state conference

in the country. Don't miss it. It's coming up in June, you'll learn a lot and you'll build some great relationships. And if you're in the private sector, there's economic opportunities as well.

We're also grateful today for the tremendous and dedicated cabinet leaders, that we have, we got, it's so important when you're leading, and credit sometimes goes to the governor and lieutenant governor, but you can't get any of these things done unless you have, unless you've got people that are driving in the same direction. It has been such an honor and incredible to work with these cabinet leaders that we have. And then we've got five, two that joined in the last year, OMB director, Susan Sisk, who we're very much looking forward to working, she's off to a super strong start. And one of the commitments that we have for 2024 from our office is we are digging in as hard as ever on our strategic planning process with all of you. Over 75 agencies will be there and the budget process that follows that. We are committed to delivering. I will be delivering a budget address next December. Before I, before the end of my term. We've got 327 days left we will be delivering the best budget the state has ever received and that means it's going to be better than the last one we did. So we are super committed to that process to make sure that you've got the very best starting point in the legislature to make smart investments to keep our state moving forward.

So thank you Susan Sisk, but our NDIT director, Kuldip Mohanty, he's been on the ground and running now the last year, this is a huge challenge. We've been under invested. We've got massive transformational things going on. And I want to say thank you to him for his leadership and all the collaboration we've had there.

And then we have three new commissioners that started last week. One that was an external hire and two that were internal, but Commissioner Wayne Salter is here, he was a deputy in Texas much larger job, much bigger thing, moving here to lead HHS which is our, our, our largest agency in terms of budget and people. Indian Affairs Commission Executive Director, Brad Hawk, who's been part of our team for a long time, he's taking over. And of course, congratulations to DOCR director, Colby Braun, he spent time here in the West, in Dickinson, in New England. He knows our system, he's going to be fantastic, and so again for those five new ones, let's give them a hand and say thank you to all of them.

And of course we got a small, but mighty, little governor's office team. All totaled about 16 people. We're not a big agency, but we pack a wallop and get a lot done because that's the p- of the team that we have. They work around the clock they work seven days a week. They're all amazing and I know like every one of them, like me, we're going to be running through the tape next December 14th, not coasting to the finish line. So get ready for things that are going to be announced throughout this year that aren't even being announced today because we're going to keep driving our agenda forward.

We did make historic progress working with all of you, the leaders, the tribes the legislation, the judicial branch across so many things. And some of the things that we've accomplished had been long standing seemingly intractable issues. We've identified and implemented together,

common sense solutions, where none could be found before and these are really benefiting our citizens in a huge way. And some of you in this room had a huge thing to do that. I mean, just pick one which we didn't even talk about last year during the session at all because we solved it, but the FM Area Diversion which is protecting over 25% of our healthcare, 25% of our, of our K-12 students, an entire university that the state owns, over \$60 billion of property value will be protected by that, was completely stalled and stopped by the state of Minnesota for 53 reasons. They said here's the 53 reasons you can't get a permit, but we work together. We got it done. We went through, we solved all 53 things with a joint process with Minnesota and now we've got a route and it's being built. And by 2027 we're going to have about 250,000 people that don't have to worry about buying sandbags anymore and that is going to help the economic growth continue in that, in that market.

Pension Reform, Mike Lefore was up here, I gotta tell you, that's been tried and tried and tried. It happened this year. We reduced \$1.9 billion of unfunded liability. We met the obligations, completely. Of our 53,000 current team members and retirees they're protected. And now we have a 401K style plan that's gonna allow us and our cabinet leaders to actually go out and recruit young people to work for the state of North Dakota. And so, way to go Mike Lefore for having the courage to take that on. Good job!

Primary seatbelt. This has been tried I think since 2000, and we lose more than 100 people a year, every year, to offroad deaths in our country. We have a goal of saying, you know, there's no acceptable number other than zero. I mean, it's not like oh, we got it down to 75, I mean, if it's 75 it's still a son or a daughter, niece or nephew and somebody you know, one is too many. And the work that we can do with DOT, the HP, Human Services, because a lot of these are impaired driving issues, but it took a legislator like Dean Rummel of Dickinson is one of the ones that helped drive and get this thing done to have the courage to say what, and we got it passed. So, we were one of the last states to have a primary seatbelt law. And, and, I'm a freedom and liberty guy, but I'm also someone who likes to save lives. And guess what?

There's nothing in the Constitution that says you can drive, you actually need a license, you need to be qualified, and you need to not be impaired and you have to be qualified to do it. It's not like the right to vote, that's guaranteed basically to everybody, ready to drive is like, that's something you, you, apply for and you get a skill to do that. So it's okay if we say if you want to be doing that you've got to achieve these, achieve these things. So good job. We got it done. That's gonna save lives.

Corporate farming. We've got the most out, we had the most outdated corporate farming laws in America. We had killed animal agriculture in our state compared to South Dakota, Minnesota, Iowa and Nebraska. Like I mean, killed. I mean, you take a look around here. I mean, we're still doing sheep Research at NDSU. And we were down to, ya know, almost no sheep herds in the state. We were doing dairy research at NDSU, and we had less. We had like 12,000 dairy cattle in our state. We were importing milk into the state of North Dakota. We had one North Dakota entity that was running a dairy in Oregon, where they could actually do animal agriculture and

they had 35,000 dairy cattle, a North Dakota company, in Oregon. And we, in the whole state, had 12,000. So I say we killed an industry. We killed it. We ran it right into the ground. We got that law passed. Last spring thanks to Representative Paul Thomas from Velva, he was courageous. We drove through this, we carved out and said, "Hey animal agriculture, we're going to protect family farming."

We still have the strongest protection for family farmers in the nation. Corporations can't own land here. Foreign corporations can't own land here. If you and I wanted to start a farm together and you're not related to me, second cousin or closer, we couldn't start a farm together here. So we've got the tightest protections of family farmers. We can do that, save our tradition and still open up the door for capital to flow into that. And already since that law passed, we have several down in the Wahpeton area, 12,000 head, dairy farms that want to build on our side of the river instead of the Minnesota side or in the South Dakota side we're bringing capital back to animal agriculture, which will save our communities. So that's fantastic.

And then of course, interest rates are super high right now. But guess what, we had some smart leaders and a couple years ago, we said "wow, maybe it'd be a good time to borrow some really cheap money, do some bonding and take some of these big projects." You know, like the diversion, like Minot flood, like Red River water, take those off the table, so that the money that would flow into our, our spending for things like infrastructure, water infrastructure wouldn't compete with all these smaller size, the mega projects off the table. So, \$680 million bonding package in 2021, supported infrastructure upgrade, didn't raise taxes at all, took advantage of historic low interest rates. That would not have happened without Senator Rich Wardner who's sitting right down here in the front, pushing through that bill.

And then this last year, a record \$515 million income and property tax relief package with a prime sponsor being Craig Headland, who's always been a champion. He and I are completely aligned. We still need to get North Dakota down to zero income tax. Talk a little bit more about that later. But thank you, Craig, for being such a strong, strong proponent of lower taxes in our state.

So with all that, that's just a few of the things. I mean, I could go on and on but I'm gonna tell you, we got, we've got, we have so much work that is not done. We got big challenges that lie ahead. And our biggest challenge that we face right now in our state is workforce. We made significant headway last session, to tackle one of the biggest barriers to workforce participation. Because the legislature came to understand that the thing that was holding us back when we got 30,000 jobs open in our state, and every restaurant, and every manufacturer, and practically every farmer and certainly every oil company in the state does not have enough workers and we don't have enough teachers and enough nurses. That we needed to make sure we're investing in workforce infrastructure. What does workforce infrastructure look like today?

Well, one of the things that looks like is childcare, because if you've got too educated parents that are here, or two educated parents that want to move here. We had, we had a legislature last

year that told me personally, that they finally had got a spot where both of their kids, who were career folks, were living in South Dakota, and they were gonna come home because they were starting a family. And they wanted to be close to the grandparents. And they were going to come back to their hometown, couldn't find a childcare slot but had one in South Dakota. Didn't move back home.

It matters.

And so that's one thing. Now the next thing we have to go after, we got, we've made progress on childcare is housing. This will be another big lift cause you're like, "Oh, that's not the government's job." Its workforce infrastructure, and we've got to create the right kind of incentives for the private sector to bring capital in to help solve these problems. So we got to continue to work as one across all these silos of state government. That's something that Tammy and I work on. The cabinet leaders are getting so good at it right now.

And all these things and when we fight back on federal overreach like what we've done on this, the BLM drilling, and what we've done on Waters of the USA and the 20 other rules that are currently being jammed down on us by the federal government, and I say a rule, a rule could be 800 pages. You don't understand the amount of time and energy that Drew Wrigley, the AGs office, our office, NDIC, the Land Board. I mean, these boards, I mean, we're like the "Defend Sovereign State Rights Boards and More," because these rules are actually trying to take away the power of the state and move it towards unelected bureaucrats in DC.

So we've got to keep fighting back on that. We'll do that but we've made great progress in attracting capital and investment to our state. That's how we grow, and investment and also investment in workforce. And we do that with the things that we're all doing right now. Reduce income taxes, cut red tape, like we've done so much, we cut, we passed, this legislature passed 50 out of the 51 red tape reduction bills we sent them last year. That's fantastic.

And then of course, we're building healthy, vibrant communities so that we can compete against every other state because guess what, every one of those job titles I talked about, if you're a teacher, if you're a nurse, if you're working in manufacturing, if you can weld, if you can do anything, if you can, if you can drive a combine, if you can work on a drilling rig, guess what? You can get a job anywhere in this country because they've got jobs open in virtually every industry. So we're, we're in a competition like never before. There's 10 million jobs open in America. 10 million, and some people move to states just because it's warm. We haven't quite sold that yet...on our thing, but we've got to compete in other ways.

And so, one of the ways that we compete is we focus on innovation over regulation. We prioritize innovation all the time in our office. We get together we go innovation, not regulation. People come to us, "we need a rule to stop some person from doing that," we're like, "how about we have an innovation so they never have to do it in the first place." We want to unleash our state's full potential. Innovation is forward looking. Regulation is backward looking.

By the time you get the rule in place, a federal rule, these federal rules, by the time they get in, then pretty soon you're gonna be like "well who's going to implement that, well who's gonna monitor to make sure that that company is actually following that rule?" I mean, take like a thief hatch in the oil thing, like the federal government's like, 'oh, we got to stop this issue." Well, then what, are we gonna have a government agent, in a pickup, with a clipboard, driving around Western North Dakota, trying to make sure someone's following it? And it takes like the federal government, eight years to go from an idea, to implementation, to enforcement. Eight years!

Moore's law, we've ripped through, you know, four evolutions of Moore's law, where you're doubling the power of a computer chip at half the price. And by the time you get out there, and they're paying a federal employee to drive around in a pickup to do some monitoring. We could just be tracking all that electronically, digitally and remotely. And you pick satellite, internet, upload, whatever. You want data? Then data that's collected automatically is accurate and fast and remote and cheap. Data that's collected by humans is high cost and inaccurate.

So innovation, the regulation, not only when you make the rule, but the downstream cost raises the cost of almost every product in America, and so our state needs to hold high innovation not regulation. That's part of our path going forward. The innovation opportunities have never been greater! Now with AI and with the power of natural language computing. It is unbelievable what we can do to transform the way we think about it. I mean, it's super exciting time.

But we've got to do a better job of telling North Dakota's story because one of the things that that Kathryn and I learned this last year when we were traveling around the country, sharing the amazing story of North Dakota, it's such an honor to represent the state, is that the rest of the nation does not understand us. I mean, not even like they don't understand us, like...its like a blank spot in their mind or they've never met anybody from your state before and probably because of our brand. Literally, because we have the word "north" in North Dakota. The one thing for sure that someone's going to bring up who's never been here, whose going to talk about how cold it is.

And then of course as North Dakotans, we go "yep, yeah, sure, you betcha, its super freezing." You know... "Ah, when we were kids, ya know, we all froze walking to school," you know the old, "uphill both ways." 50 below wind chill, tell them about all the times. You know, all of these things, your cat froze, brought it in and thawed it out. It's like that.

I mean, we just we just play right into it when we do that, but here's the thing is we have to understand more than ever in my lifetime. I've worked with people working for me in 120 countries. I've had people working for me that didn't have the right to vote, didn't have a right to free speech, didn't have the right to assemble. I also had customers and team members working all around the 50 states. I've known it before I became governor that we had a good thing going on here. But when you see what's happened to the rest of our country, and you see what's going on here in North Dakota, we have the best of America right here. We absolutely do.

And one thing that we do know that we do, is that we feed the world. We are incredible! We're the top producer. We should make sure that every K-12 student and every university student in our state, in our system, understands and could recite this list, because you say "ya know, what do you do in North Dakota?" Well, hey, how about we feed the world! I mean, look at this. Top producer of nearly a dozen commodities. We're in top five, another eight commodities. And then corn and soybeans were just shooting up the thing. Soybeans, Cass County was the largest soybean producing county in America a couple of years ago. That wasn't even possible when I was a kid. And now we went from you know, just during this last administration of ours, we've gone from zero soybean processing plants to now we got one open and two more on the way that's close to a billion dollars of capital investment and value-added AG just around one crop, just around soybeans. And of course now when we see what's going on with corn, what's going on with our ethanol industry and the future, that's never been brighter. So that's fantastic.

And then energy. Now I met people that literally, "North Dakota, you guys are an energy state?" They did not know we're an energy state! How can we have people in America who drive a car, heat their homes when they turn on the switch, not know that we're the ones that are providing a big chunk of that. We're you know, we're the nation's number three oil producing state, we have a chance to get back up to number two if we keep going, but how many people, how many school kids would be able to say how many oil wells we have in North Dakota? Would anybody answer that we got 18,733 wells? That's a record, and it's going up every month. It's going up every month and then the permits that we're getting right now. When I hear people say, "oh, we gotta ban drilling on federal land." I've met people that said that, they've they got some image of a 1950s Rock Hudson movie in black and white with oil flying all over and everybody's like covered with oil, and its spewing out on the ground and they're like, "Oh, we're gonna do that on federal land, we're gonna ruin everything." And I tell them that three quarters of the well permits we're offering right now in North Dakota that are being signed, they're not. The traditional Bakken well was two miles down and two miles over, 75% of the new permits two miles down, three miles over. We could be drilling on BLM land today from three miles away, sending a check to the federal government to help reduce the deficit, and no one would ever set foot on BLM land.

So we have to tell our story. We got to tell our story. The oil industry today is so efficient, so effective and so safe and so smart, and so environmentally friendly compared to any other nation. North Dakota does it better than anyone, and we're losing a battle, perhaps nationally, but we're losing a battle. Some people when they say your energy state, we're the bad guys. "Oh, you guys do fossil fuels...oo-ick." It's like, oh no, we're actually helping stabilize the world so we don't have to buy energy from Iran and Iraq and, Russia and Venezuela. You know, who then use that oil money to support terrorism. No, we've got to tell our story here. And then some people, even in our state, yeah they know we produce oil. How many people knew that in November that we set a record natural gas production record for North Dakota? 3.5 billion, billion, not million, billion cubic feet per day. Per day. 3.5 BCF billion-cubic-feet per day. Unbelievable.

In what we can do to clean natural gas to help heat homes, create electricity, create fertilizer, all the things that we can do. These petroleum projects are amazing things that they can do. But we're also, we've always been an all above energy state. And it doesn't matter whether it's our incredible coal fired electricity plants, which are all driving towards, you know, carbon sequestration and zero CO2. And that baseload power is going to help save the nation because every other state is shutting down their baseload prematurely at a time when the demand for electricity goes up and up and up. And it won't be because of this fantasy about electric cars. It will go up, demand for electricity, for everything else, including demand for data services, because all of the stuff that's coming with AI and the ability to transform every job and every company and every industry through AI requires a lot of power to run those data centers. And we should be building more of those in North Dakota.

But biofuels what's happening right here in Dickinson? Ethanol, other renewable fuels you know, hydro from Garrison dam, you know, all of the above energy strategy, our wind portfolio, we're providing energy cheaper and cleaner than anyone else. Would it surprise any of you when someone says, "oh, what's going on in North Dakota," to tell somebody we got the lowest average price of electricity in the nation to customers from all segments, in North Dakota. Better, cheaper, faster here more reliable than anyplace else in the world? Best of America? Here we go, this is one thing. Energy. Best of America, North Dakota.

How about our military? Americans should know that our Air Force bases, and our North Dakotans should know, that our Air Force bases and the North Dakota National Guard play just super outsized roles in protecting our nation's freedom. We have a lot of people that "yeah, you got an airbase, we don't really know what goes on up there." How about how about the fact that we're, you know, operating at Minot, two of the three legs of the nuclear triad. We got a missile wing and we got a bomber wing, those two things. How about the fact that UND, and not UND, but at Grand Forks Air Force Base, and there's been a lot of conjunction with UND, but at the Grand Forks Air Force Base, they've got a new mission. The Global Hawks are flying out of there, the Global Hawks are all being refurbished there. It's like \$4 billion of refurbishment with the largest unmanned aircraft in the world. Some of these they got 83-foot wingspans, they're massive. They fly for 24 hours. They leave Grand Forks, they fly to the Pacific and fly back. Who knows that that's going on? Isn't that, I mean, that's exciting and interesting. I mean, we are such a leader in unmanned aerial systems, both commercially and otherwise. And then of course, the city of Minot, they won the prestigious Barksdale trophy for going above and beyond to support airmen and their families.

I did have a trick question, ya know, this last year I was out at a national reporter and was trying to think that they could trick me about the nuclear triad cause they thought oh, "he's not going to know what that is." Asked me. He's like, "hey, well, you know of the three legs the nuclear triad, which one's your favorite?" And it was a complete, like, "we underestimate North Dakota," this guy probably doesn't even know what I'm talking about. So, I'm just gonna embarrass him on a national program. And I said, "well, we're the only state that's got two out of three legs, we

got the bomber wing and the missile wing, but," I also said, "you know, my favorite might be the third, we got the U.S.S. North Dakota, one of the largest nuclear submarines in the world and we got this Lake Sakakawea, it is so big if we can get the U.S.S. North Dakota in Lake Sakakawea just moving back and forth. We will have three legs of the nuclear triad!

And that would be fun. Kathryn and I had a chance to be on that incredible boat. I had a chance in September to be in Portsmouth for the change of command. But it's such an honor for our state to be connected with that particular, one piece of the US Navy, and a great relationship between that boat, and I know many legislators have met the commander when he's here during the legislative session. We should keep that relationship going.

Natural Resources, wow. The best of America. The gifts that we have been given. I mean, if you want to get up every day and be grateful for something, be grateful for what God has given us in terms of natural resources. I mean, we have been so richly blessed, with the soils that we have across our state and all that agriculture. That only happens because of, you know, the rich land that we've been given. The record amounts of oil and gas production, that's our geology, and we've got so many other things that we can do here and we've gotten these, you know, diverse landscapes.

We've got stunning sunsets, and I think people ought to know that...our sunsets are best in America. We don't have any of these pesky mountains that block the thing. There's no, you know, trees that are blocking your view of a sunset. And I don't even get Minnesota. Minnesota has got like five different cities have got statues of Paul Bunyan, and you can barely see the guy, cause there's so many trees. It's like he did all of his best work in North Dakota, and we're so humbled we don't even have a statue for him. I mean, it's just like, we're just like, gone. Finished the job. Bye trees.

But with that, I mean I'm sure it's the sunsets, but how cool is this? We spent over the majority of my lifetime and for some people if you'd been born in the 1930s and you know lived up until this last decade, you would have spent virtually your entire life in the only state in the nation that was losing population. 49 states grew between 1930 and 2005. One of them shrank North Dakota, we had less population in early 2000s than we did at the end of the Depression. And people say wow, how did that happen? And I used to say, "it was a team effort." But I was helping trying to battle that back in the 1980s for some other people on Vision 2000. But here we are, and with our natural resources and with innovation and what's the private sector investment that came in the western part of our state where people least expected it. That's what drove this. And then it's continued, that's help, the revenue coming off the oil and gas industry which is a huge, massive input which affects our health care, our education, our roads, our water projects. We have been able to leverage that industry to improve every corner of our state. There isn't a school kid, there isn't a living person in our state that hasn't benefited from the oil and gas industry in this state. And because of that people are saying, "wow, these guys got good infrastructure, they got a good school, they got great cities, maybe I'll move there.

Maybe I'll move home because there's opportunity." So, we've got young people that are staying and they're of family age.

We went from having one of the lowest birth rates to now having one of the highest, but we set a new all-time high record of population. This last year we broke through, we've never been higher than 780,000, ever. Now we're at 784,000. Last year, an all-time record high population. Let's keep that going. And if you guys have got kids and grandkids that are raising families, just tell them, "keep it up, way to go." Way to go. That's helping on this thing.

We're now the fourth youngest state. We have the third happiest workforce in the nation, and we've been as high as second a couple times in the happiest workforce, and then Hawaii is ahead of us, I don't get that at all. But we're number two in labor force participation. We've got states that we're competing with that people are still on the sidelines from the pandemic. We got people that are working, and they're working two jobs, people in North Dakota know how to work.

And then on these rankings, you know, we also have got, not only have we become younger and happier. We've also now become the second best state to raise your family. Tell everybody you know, as part of this thing, tell them your story. Tell people, this is the best place to raise the standard. Best in America. We have safe cities, we have great schools. You want to raise the family? Do it here! And guess what? We were just recently named, thank you legislature, thank you any NDDOT, thank you State Water Commission, second best infrastructure in the state. And that includes also of course our infrastructure related to what we've invested in, our high-speed bandwidth and broadband. We've got among the best broadband infrastructure.

Number two in education and childcare, amazing. And then now, a new one that just came out, best state for business friendliness. This is like the best place, one of the best places, to do that. And another thing along with business friendliness, we are also named by Forbes magazine, second year in a row, best state to start a business. Best state to start a business. And I've been involved in business startups in North Dakota, and I'm telling you it's a lot better now than it was in the 1980s because we actually care and we actually got examples and we got mentors and we got programs that help people. And one of the reasons why it's the best place to start a business is our failure rate is lower. We've got in some things three out of four new startups actually survive! That's way higher than other states. So, way to go North Dakota!

Anyway, thanks to conservative budgeting, efficient operations, strong revenues and a ton of investment by the private sector that creates all this wealth. Guess what? Our state is in the best financial shape it has ever, ever, been.

On June 30 we closed out the 21-23 biennium with a record general fund ending balance of nearly one and a half billion dollars. That's a billion with a B. For people not familiar with the budgeting process, normally, you know, when you plan a budget, you try to end the budgeting process with you know, \$50 million, you know, \$75 million, create a little cushion in there. \$1.5 billion above, that was our ending balance. And so we had an estimate that it was going to be

high, and then it ended up about \$300 million higher than that. So, you know, when we were back in the special session, I mean you've got this much cash around, one of the things you might say to yourself is, "hey, maybe we should give some of that back to taxpayers through tax relief." We tried through the special session. We had a bill that got through one of the chambers, \$91 million, ran into a roadblock. We didn't get it done, but we should keep going.

To be competitive in attracting and retaining workforce, which is our number one job to keep our state growing and thriving. To keep our businesses open to attract capital, capital, you know, workforce used to follow capital. You know, they'd be like, company would announce we're opening up the big plant here and then everybody would move there to get a job there. I've been on the phone. I was on the phone with the head of ADM, they got 40,000 employees and they operate in like 80 different countries. His board has already approved \$350 million for a soybean plant in Jamestown. And I'm like we got this deal I get on the phone with them. And he's like, can we hire 75 people in Jamestown? We got a plant in Velva, we're having a hard time hiring there...can we actually get workforce there?

Capital follows workforce.

It used to be exactly the other way around, workforce will follow capital. We've got to solve the workforce problem every possible way we can, and if we solved it for the energy industry, if we had more fracking crews, all those numbers for all those reserves I just showed you would be higher, a lot higher. All the companies that work in North Dakota, we've only got 39 rigs operating right now. We should have 60. It's a workforce issue.

So we can celebrate that were at record high, but I want to make sure that everybody understands that we are not where we could be, if we solved workforce we can be even much higher.

So to be competitive, one of the simplest things we could do, we've got the money to do it, is to get to zero income tax. And why does that matter? Well, you know, part of it matters because we're competing against states that have zero income tax. But these dollars that are in the ending fund balances, think about like your checking account, like at the end of the year, "wow, we ended up with more in our checking account than we thought." We have reserves, think of those as a savings account, and our reserves have never been higher. Our reserves, I mean get this, just so you know, the Budget Stabilization Fund and the Strategic Investment and Improvement Fund, which I affectionately call Checking Account II, General Fund II. We'll have a proposal to make that whole thing just go away and have the money go into the general fund and we need to get rid of that whole shift thing, and some people are applauding from the treasurer's office.

But anyway, this is dollars that just flows in. But look at this, look at the scale of this compared to where we were when we took office, and this is a reflection of the thing. And you go around to all the other reserves that we have stacked up, these are just a couple of them. We've got so much cash in so many different places, that it's seven times more than we took them when we

took office. And then in terms of the trust funds, because that slide right there is seven times larger, but does not include trust funds, including the Legacy Fund which didn't even really exist 10 years ago. And now the Legacy Fund gets a giant check every month, 30% of our oil tax revenue goes into that, and remember oil taxes, for those that aren't paying close attention, we take it off the top.

I mean if you don't make any income as an individual, you don't pay income tax, if you're a farmer and you don't have an income, you don't pay income tax. If you're an oil company, we take 10% of your revenue, not 10% of your income. It's a revenue tax we're doing. So that as long as we're producing those 18,000 wells, there's money coming in every month and growing and growing. It's going to blow through, it'll blow through \$10 billion before we get the next summer on the Legacy Fund.

And the Common Schools Trust but now sits at over \$6.1 billion, and last year with the legislature, we're kicking \$500 million, a payment out of that trust fund for common schools that goes out, that helps reduce property taxes, that just happens without anybody paying attention. We do so much to reduce property tax already in our in our budget. But anyway, we predict that we're going to end the current budget cycle in June 2025 with an unobligated general fund balance of \$518 million. And then here after six months through December, we're already running \$154 million ahead. We're 11% ahead of forecast just through the first six months. So things are cooking along and that's great.

North Dakota, we're hiring. We found out this morning, just in today, that we are tied with Maryland for the lowest unemployment rate in America, 1.9%. So thank you to all of our private sector folks that are hiring.

We talked about we talked about new business startups and a great place to start a business this is how an economy stays vibrant, 8,000 new businesses registered to open in North Dakota in 2023. And so we are going to continue to have demand. We know that we when we talk about jobs, and officially there might be you know 14,000-15,000 in Job Service, the numbers always double. We know that because if you got your health care organizations, we survey them, they might post for five nursing positions and they just leave it posted forever versus paying to post 100 positions, but most of them might have 10 or 20 times more positions open than what they're posting. So we've got this big, again, workforce challenge.

So I've gone through the whole thing to get to this point right here and this is where you're supposed to say, "the state and the state is..." and then every other, I went through almost every other governor's like, "oh, our state of state we're stronger, stronger than ever, strongest, unbelievably strong."

The state of our state. We're underestimated.

That's the state of our state. We are so good at so many things, and we've never been stronger financially, economically, people wise, we've never been stronger. But the state that we're in

right now, I mean the state of state is, we're underestimated. Were underestimated by people externally, and we have to change that cause the way we get capital and we get people to move here, people underestimate how beautiful it is. They underestimate that we have great weather, they underestimate everything about us. And we have to tell our story differently because we're competing. We're competing, we got to tell our story differently and better.

So what we're going to shift gears right now and something we want to do is honor those that serve. And we're honoring those Americans that we know in North Dakota, another thing that makes us best in America is we cherish our God given freedoms and we honor those who risked their lives to protect our safety and preserve our liberty. We do that, right now not everybody in our country is doing that. In this past year we were reminded that sometimes that service demands ultimate sacrifice.

The whole state of North Dakota I know kind of stood frozen when they saw the news that on July 14 that Fargo police officer Jake Wallin was fatally shot, and he was fatally shot when he was courageously taking action towards an assailant who had ambushed and critically injured two of his fellow officers, Andrew Dotas and Tyler Hawes. Who I've had the honor of meeting, along with a bystander. Karlee Koswick, who just moved to North Dakota three weeks earlier to get her PhD at NDSU. So we had one person shot and killed, two people that have taken multiple gunshots down, we got a citizen that's injured, seriously. And Officer Zach Robinson, Fargo Police Department, takes action, puts himself at risk to neutralize the shooter in saving countless other lives. That individual that was doing the shooting at 1,300 rounds in his in his vehicle. Attorney General Wrigley knows all about this case. But we came very close to having something that would have put us on a much different level of national news but in our state, best of America. Wow. Our men in blue, they responded.

And then last month, sadly, Mercer County Sheriff's deputy Paul Martin was tragically killed by a vehicle crash when he was trying to protect his community from danger.

And if we move to the military side, this is not a fatality, but it's still a tragedy. On Christmas Day, a Langdon native army pilot, Garret Illerbrunn. He suffered a serious, serious, head injury in a one-way drone attack, like a kamikaze drone attack, on a U.S. military base. He wasn't flying the helicopter at that time, he was at a base taking incoming fire, but we're thankful that Chief Warrant Officer Illerbrunn has been transported back to United States with that head injury. They only put people on sedation. He's breathing on his own, he's opened his eyes. I talked to his dad Brad again last night. He's there at Walter Reed with the Garrett's wife and Garrett's mother and other family members. And I did share with him that I was going to share this with all of you today, and I'm just ask that all of you join Kathryn and I, and everybody in North Dakota, and let's hold Garrett in our prayers for a full recovery. These are people that are serving our country and fighting for our liberty.

As wars erupt around the world, we're reminded of course that freedom isn't free and we should be grateful not just on military, you know, honoring days, law enforcement, Memorial Day,

Veterans Day Peace Officers Memorial Day, we do a great job on all that, but we got to make sure that we're doing that every day. And so right now, if we have anybody that has served any active military, any veterans, anybody that's in law enforcement, either past or present, if you could just stand right now and give us a chance to say thank you to you.

But as we've said, in addition to our words and our applause, we got to make sure that we are showing gratitude for law enforcement and military with our actions and that's why the legislature this last year did such a great job. We're all in it together. We've made huge strides towards reaching our goal, as a state, towards being the most military friendly state in the nation. And when you look at the percentage of people in this audience that stood up and are also serving in here because you're an elected leader, that just that makes my heart burst with pride for all of you, for continuing to serve in the way you're serving.

But we've taken steps over the last few years, we've exempted military pay state income tax, we've expanded tuition assistance for Guard members, we've cut red tape for military childcare providers so that they can get, ya know, if their DoD license works they don't have to reapply redundantly in North Dakota.

And of course, contributing to our communities, North Dakota is home to nearly 13,000 active duty Guard and Reserve service members, who with their families, make just countless positive contributions to our communities. And as the National Guard in North Dakota, the motto says, "always ready, always there." They're there when we need them in a crisis and high performing organizations only exist if they have high performing leadership. And we're very, very fortunate that leading our North Dakota National Guard these past eight years, Major General Alan Dohrmann. Whether it's soldiers serving at the southern border, who I've had the honor to go down and visit multiple times, or airmen protecting our skies around the nation's capital or serving overseas. Maj. Gen. Dohrmann's leadership has ensured that our Guard members are well trained and well prepared for their mission. And so if Gen. Dohrmann is here and any of the Guard leadership, I want to just see if I can see him and say thank you for being here. There you go about to stand up, sir. Thank you so much.

Our dedication to military is unwavering, that progress could not have been accomplished without the work of Task Force MIND., that's Military Issues in North Dakota, chaired by none other than Lieutenant Governor Tammy Miller. But there's still more work to be done. We want to keep the soldiers on top of our mind because in the coming months we want to double down, in the months, to be not only the most military friendly state for soldiers and their families, but we also want to keep driving across other issues. We are going to establish a cross agency military friendly working group, working with North Dakota National Guard to support the Task Force MIND, developing proposals related to health care, childcare, licensure and more. To have those ready for the next legislative session so we can keep moving towards being the most military friendly state in the nation. We will leave no doubt that North Dakota is and will forever be the place where this is the best place to be a military member.

But one thing we have to do, is we have to take care of those members after they're out of the military. And this 2024, we want to make sure that we're doing the right thing, and we've got a lot of work to do on this front, on the post traumatic things that happen. Every year, in our country, suicide, completed suicides, take the lives of over 6,000 veterans and military members in the United States. Even at times like this, when we're in conflict, we're losing more people every year from the military to completed suicides than we are to actual combat; and as Maj. Gen. Dohrmann often reminds us, the veterans are often left without the behavioral health and medical support services they need to manage their invisible but very real scars.

So, for this reason, yesterday I signed the proclamation, declaring 2024 as the Veteran and Military Suicide Prevention and Awareness Year. This proclamation is inspired by and developed in conjunction with the American Legion's "Be The One" program, to clearly connect with veterans who are struggling with the thought of suicide. We're honored to have here today with us, leaders of the North Dakota American Legion, Commander Clarence Carroll III, Vice Commander Jacob Volk and Adjutant Don Herrly, they're here along with other members, if the three of you could please stand and be recognized. Thank you for all the work that you are doing.

We're looking forward to collaborating with the American Legion, building off the governor's challenge led by North Dakota CARES and partnering with all military and veteran organizations to leave no veteran behind. And these individuals have bravely answered the call for their country when they served, and in North Dakota we need to know that each veteran will know that the citizens of our state and our government, in the state, is behind them and that we have their backs.

One thing that we can all do right now, to immediately start raising awareness for our veterans and our citizens alike, because we've got issues with non-military behavioral health and suicide as well. But we need to expand the marketing of the 988 suicide crisis line. This is a valuable, accessible, free resource which can be called or texted anytime. So effective immediately, what we're doing across the governor's office and every cabinet agency that we have in the state. We're going to display the 988 icon on the front page of those web pages that will link people to the resources that we need. So that we can just have awareness everywhere, people know what to do in an emergency, to call 911. People do not yet know that 988 is the place you call if you know someone who's in need for a behavioral health issue. You can, even if you've got an inkling of a concern, you could call this number. So, we want to encourage state agencies government entities and businesses, the private sector, to follow suit and proudly display this 988 icon because it's going to share that you care about the people in the state and you care about our veterans, help raise awareness around suicide! Let's destigmatize the fear of asking for mental health support because that's one of the problems we have.

On the behavioral health side, the challenge of behavioral health are prevalent in all parts of society, not just in the veterans population. That's why we've made behavioral health and addiction from the start, seven years ago, one of our five strategic initiatives. Who knew that

when we started that, seven years ago, that now we'd be facing a crisis of mammoth proportions that didn't even exist than. I mean, we've lost, you know, well, in the last three years under Joe Biden's administration each year has been a new record of overdose deaths, and now we're we've passed through, well past the 300,000 mark, in the nation; and so we've lost the equivalent of five Vietnam's to overdose deaths in the last three years. With over 120,000 in 2023, so over 300 people a day that we're losing, it's just unbelievable.

But what we're focusing on here in North Dakota, one of the things that we have focused on is, Free Through Recovery. It's substantially increased recovery support services for individuals that got involved with the criminal justice system, which we talked about earlier, it's the most expensive way to treat a behavioral health problem is in incarceration. Sometimes it's necessary if you get violent crime, but there are times when what we need to be doing is having the services up front that keep people from getting in a situation where they've got to conduct property crimes to pay for their addiction.

This program that we have right now, Free Through Recovery, currently has more than 1,700 participants in it. And it serves nearly 6,300 individuals through 57 care coordinated providers. And what this is doing is reducing recidivism. If we can get people who've been in the criminal justice system, related to addiction, and we get them out, and then we can keep them out, and help them, you know, get a job, get a place to live, get a driver's license, the social determinants of health. We keep them out now we've got more people in the workforce. We've got more people connected with their family and their kids, and we're spending less money on the back end on incarceration. So it's a win for everybody.

Substance Use Disorder Vouchers. 7,000 individuals have access to these Substance Use Disorder Vouchers program. Thank you, legislature, \$18 million to help support this. This is a drop in the bucket compared to what we pay on the back end for DOCR and for all of the county and city jails around the state. In our in our whole justice system we talked about, it could be 75% related to addiction and behavioral health.

We didn't have enough providers in our state.

We have rural areas where there's not anywhere close to enough providers. So the program that came up was let's take people with lived experience, who can help others attain and stay in recovery. And now we have 1,000 Peer Support Specialists, over half of them have gotten criminal justice, interaction, a.k.a., they're likely a felon. These are people that might have been unemployable and they're actually now working and have a job keeping other people sober, keeping other people in recovery, and keeping other people out of an expensive solution which is back at criminal justice.

Recovery housing is another issue because we have people say one thing you can do in this country, we say, oh no discrimination. Man, if you got a felony wow, we can discriminate where you work, we can discriminate where you live. There's all kinds of it. It's like there's no such thing anymore of, hey, I've served my time and now I've paid my debts to society. Because if you got a

felony, and about 30-40% more things today are a felony than they were when I was a kid. So you can get a felony pretty easily today in a lot of ways, and then you end up with this thing where you're stigmatized your whole life.

But 670 people that have been served through recovery housing assistance since May 22. Got 11 providers, 30 recovery homes, again, this is working to help keep people back in a productive way and be the better neighbors, as opposed to you know, trying to make better prisoners.

Behavioral health workforce. We've made great strides through access and services to people facing addiction. We know that our state's behavioral health providers are increasingly challenged by workforce shortages. So in addition, the peer support specialist program we're also working with the coming months, we're going to work with the university leaders, the health care system, private sector to help solve this critical issue. The Office of Recovery Reinvented in partnership with North Dakota's HHS will be helped by facilitating conversations and strategic planning efforts across the state regarding behavioral health workforce specifically. And expect legislators to see some new legislation coming to help solve that particular problem.

Recovery Reinvented, unbelievable what this has done. It's made great strides to eliminate the shame and stigma of addiction in North Dakota, and we survey addiction in North Dakota, the stigma of addiction, we know we've made progress. More than 21,000 people have participated in Recovery Reinvented events over the past seven years, and joining this movement, to help individuals find hope and recovery. And now it's time to ensure that when people seek help, they've actually got the workforce in place to help them, that goes back to the workforce piece.

But there's one person that made a huge difference for this. It was somebody who had the courage to stand up and share her story that people across the state and across the nation, and when she tells her story, it moves people. I watched it, I know that she has saved lives and changed lives by doing that. She's going to be celebrating her 22nd year in recovery after decades before that of struggling with the disease of addiction, but her incredible work to drive policy and create better solutions for folks has been amazing. So again, if you could please help me welcome the most courageous first lady in America, Kathryn Helgaas Burgum.

We know that addiction doesn't discriminate. It affects every family, every community and every sector of government, especially law enforcement officers, they deal with the far-reaching impacts of addiction on every single shift. Just ask any one of our Highway Patrol, ask anybody that's in blue, that this is what they're dealing with, that's the same as with the courts.

It's important that we support the men and women in uniform who protect our communities we've backed the blue with our words, but again, backing with our actions. We did that by expanding worker's comp, providing hiring and retention bonuses. We exempted law enforcement retirement pay from state income tax, and we've helped offset the cost of routine medical exams. And our efforts are not going to end there because in addition to law enforcement, we've got other people in our state, in our rural state. We want to bring forward a plan to support all our law enforcement officials across North Dakota making this the premier

place to work in law enforcement, where law enforcement is respected. Other parts of the country are defunding their police. Let's be the place where we respect law and order and respect those people that do it; and let's get those people to come and go to work here. Let's make a profession that is respected. Every time someone in my family sees someone working in law enforcement we say one thing.

Thank you. Thank you for your service.

Every time we see them, we've got to thank them. And think about that, think about Fargo last year, someone might have thanked him, the next day they weren't going to be around to thank, they literally, they really are that thin blue line.

But we've got to extend this to our emergency responders, our firefighters, our EMTs, the EMS, our peace officers and others. We have neighbors every day in North Dakota who put on their firefighting gear, they drive an ambulance, they buckle up in a squad car.

They all deserve our gratitude.

In North Dakota, so much is volunteer still. In North Dakota we have over 3,500 licensed emergency medical services personnel. We have nearly, and a lot of them work in these rural locations for free! They're volunteers, nearly 7,000 volunteer firefighters in our rural firefighting, 7,000. We only have 685 full-time firefighters in the state, we have 10 times as many people who volunteer to go help save their neighbors. And if you're a firefighter these days, most of your calls are not fires. Most of your calls are EMS related. Sometimes as high as 80% is medical related for firefighters, so we're grateful for the service and if there's people here today, if there's EMS personnel, if there's firefighters, if you have today or before volunteered for your local fire department stand up and let's just say thanks to all of you, because I'm sure there's some of you here.

Here in Stark County we had one of these incredible individuals in a sort of, the best of America kind of guy. Joe Wanner served as chief for the Gladstone Fire Department for 45 years. 45 years volunteering. Serving the citizens of his community and surrounding communities and risking himself to put others safety ahead of his own. But as with many heroes like Joe, he didn't stop there, he was active in local Homeless Coalition, the Eagles Club, Knights of Columbus, Lions Club, other local and state organizations. And sadly, his family and his community lost Joe to a battle with brain cancer last July, but not before he had received the Stark County Spirit of Excellence award. We know that Joe's with us in spirit today and we're honored to have here with us, back in the center of the auditorium, we got Joe's wife, Renee, two of their three children, Jeremy and Allison, their families, Joe's mother, Ruth. They're all here in the audience today, but as symbolically, just not only for Joe and his family for being here and his incredible service to Gladstone, but this kind of story happens over and over and over in our state.

This is the best of America.

Thank you Wanner family. Thank you, Joe Wanner. Thank you all the volunteers, let's give them a hand.

We want to take action on our ideas. That's been the theme of this whole session. And we would encourage if you're a first responder or you're related to one or you know, someone's family member, if there's a better way for us, and I say as the state government, the state legislature, there's a better way for us to support men and women in uniform. Whether it's law enforcement firefighters, first responders, please call, email, write the governor's office. We're going to take your ideas, we'll share them with our legislative partners, we'll turn them into legislation if needed to do and we're going to keep doing what we've been doing. We'll cut red tape, we'll get rid of the restrictions you need, and we'll pass laws that will help support what all of you are doing. So keep those ideas coming.

We want to, you know, support workers, not only for their physical health but also for the safety of the overall health of the community. And one of the ways that we do that, of course, is with accessible, affordable and quality child care, and our states strong balance sheet put us in a position to make these incredible strategic investments. And one of the biggest obstacles of workforce, which I talked about earlier and still remains, is child care availability, affordability and quality. \$66 million alongside of the federal funds went into the North Dakota child care initiative. This is workforce infrastructure. Thank you legislature for doing that.

What's happening with that investment, now more than 4,800 working families have received help with childcare costs just in the first six months of this biennium, more than 300 childcare business have benefited from grants and incentives, helping their businesses. Think of that, close to 5,000. When we talk about trying to solve our issue with 30,000 jobs open, we put a huge dent in it with this child care thing because we got 5,000 people that maybe came back into the workforce.

And other things we're doing to support workforce, for the first time North Dakota Job Service budget included funding to support the H2A visa program for temporary ag workers. If you're in farming you know how critical and how important this is to support our farmers and ranchers. Some others may not know you can get confused and caught up, you know, in all this discussion about immigration but we have had in some cases for decades, H2A visa workers from countries such as South Africa, like these guys pictured here, come to North Dakota every harvest season and in an incredible 46% increase from just two years before, they come back. They work for the same family, same farm families. You've talked to farmers across our state, we would not have gotten the crop off the last few years if it weren't for the H2A workers. And so we've got to make sure that we keep that pipeline of people that come here and work seasonally, and have got the CDL, they've got the equipment, they know how to drive the big machinery. They're key to what we're doing in our state.

And Commerce this last year established the Office of Legal Immigration to help attract international talent, because we've got a great pipeline of workers but we want to make sure

that we've got the visa piece figured out and we've got a pipeline of people coming that can help our farmers and particularly our ag workers on H2A. So this office earned a coveted spot in the skilled immigrant inclusion program, which provides technical assistance from international experts. So that's off to a great start.

Career academies. This is a big one, Rich Wardner and others fought hard for this stuff. We've kept our word and making sure that funding would be available to keep construction on track for the 13 career academies where students will be able to pursue these high demand careers in the trades, healthcare and technology and others. One of those examples is right here, Southwest Area Career and Technical Education, students from seven high schools around this region and Dickinson State utilize the state of the art facility that helps students identify interests and build skills to identify and enter the workforce more quickly.

We have one of those here today. But Lance Koskovich, senior at Dickinson High, has been enrolled in the CTE academies welding automotive tech and diesel tech programs and through these experiences, Lance has developed valuable skills and identified his career path of becoming a welder, which we need! Were short of those all over the state. Last fall, he was placed with Fisher industries here in Dickinson to earn credit while on the job. He's still getting his education, but he's getting paid and he's earning credit. To be able to build that relationship with a local employer and now he's gained the support to send him to North Dakota State College of Science next fall to earn a degree in welding technology. So now he's got a local company, Fisher, willing to help pay him to go get further education. But it's working, these partnerships between companies and our education system filling that gap between K-12 and higher ed. And I want to just say thank you for him being here, Lance is here, CTE director Aaron Anderson is here. They represent more than 25,000 students around the state that are taking advantage of these things. Lance is right here. Let's give him a hand. Stand up, where are you Lance, he's right there.

Transforming education is our next topic. But what Lance's story shows us is that when teachers and educators and state leaders use innovative approaches to create experiences outside the traditional classroom, students thrive, businesses win our economy wins. And just over 10 miles away Jana Schweigert, she's been a music teacher at South Heart public school for 18 years, but look at her unconstrained innovation, her dedication to students and passion for her subject, which happens to be music. She was just selected as one of the, nationally, one of 50 band directors who "Make a Difference," by the School Band and Orchestra magazine, national magazine. One of the things that she's done is brought together 300 students from over 13 different schools to create a massive marching band.

And I'll skip the story about me having to go to the music camp up at the border, because I wanted to go to football camp but my mom wouldn't let me go to football camp unless I went to music camp. I'll save you that whole long thing, but anyway, that's the reason why I'm not playing a trumpet solo today.

We have, but anyway, she's a fierce advocate for students, it's such a cool idea that she's done that to bring together all of these schools. She's here with us today. Where are you Mrs. Schweigert? And congratulations, go ahead and stand up, national recognition for what she's doing.

We got a taskforce that we put together for retention and recruitment of teachers. We know that these careers are rewarding, that the people that teach change lives, they make a difference, but we also understand the challenges that teachers are facing. And that's resulted in a workforce shortage and last fall we created a Teacher Retention and Recruitment Task Force to bring proposals forward. That's going ahead, it's going to help, you know, support our leaders, support our teachers, support our students to help them develop and grow into the best versions of themselves. So that's charging ahead and over the next several months, they're going to keep going.

That task force is going to engage with experts across the educational landscape. They're digging into data. Our schools are the cornerstone of our communities, our teachers are critically important. And so this task force has got an important thing because it's one thing for us to drive the teacher all the way through education and get them in the school system teaching and then they teach for a year or two and drop out. That's when we're losing, if we can get people to retain a little longer, than that can help solve our long term pipeline for teachers. So this task force, way to go, keep it up.

And then Mrs. Schweigert, who we just introduced and all of our innovative teachers but such as the Teacher of the Year, Sheila Peterson, deserve our deep gratitude. They are dedicating themselves to help drive our future. The students represent 20% of our population, but they do represent 100% of our future. They're instrumental to our state success. So if we've got any teachers that are here today, if you're a current or former educator, if you've been teaching at any level of K-12, pre-K, college, whatever, please stand up and let us say thank you to all of our educators.

At my very first State of the State I talked about innovation, education and how we had to change the status quo and progress has certainly been made, but there's more to do. This week is School Choice Week in North Dakota. And when we talk about innovation, it almost goes hand in hand with competition. The best innovation comes when you're competing, such as our first in the nation, Cyber Madness competition for high school and middle school students. A great innovation and is a fantastic experience, and that's going to continue to expand.

But school choice has become this debate, a political debate, about, it's about public school versus a private school or religious school. It shouldn't be centered around that at all. School choice and competition is about how to be centered around students and their experiences and their personal learning goals. And school choice could include, you know, ideas like how do we expand the CTE programs that Lance has been involved in? How do we do that? We've set the

table, we have created a set of rules and regulation. We've cut tape where every K-12 district in the state has an opportunity to innovate and reinvent learning environments for students.

We've done that, we've got some schools like Northern Cass that have taken every bit of flexibility we've given them and driven innovation in this last year. They won a half a million-dollar national award. We've got other K-12 districts that haven't adopted one of the pieces of flexibility that we've given them.

So, during the interim, the legislature's engaging in school choice study. That's fantastic. We support that. They're going to be looking at a full continuum from open enrollment, to educational savings accounts to vouchers, they're gonna look at everything. And we look forward to working with that committee to bring a comprehensive proposal that puts innovation and students first to help make sure we can keep driving K-12 education forward in our state.

We'll have our Governor's Summit on Innovative Education on June 17 in Bismarck, invite you to be there, mark your calendars. As it has been all the others. It's been incredible with keynotes and speakers and great ideas have come out of that. We'd love to have more legislators join us, not just the great number of educators that come.

But competition and choice, shifting to higher education, that's always been part of higher education students can decide. Where do I want to do? What's tuition? Where should I go? I mean, they're unrestricted. Do I want to go online? Do I want to work in this thing? Do I want to stay home or go far away? Right here at DSU and across our university system, guess what? Every university in America is facing these unstoppable forces technology, demographics, culture and economics. Which are blowing up the traditional business models and forcing campuses to become more economic, more innovative and more nimble.

To meet these demands is going to require not just alumni donors, it's going to require partnerships between the private sector and the public sector to identify where's the demand for graduates, and if we create student opportunities that lead into careers, you're gonna get more support from the private sector. It can't all just come from checks from the state of North Dakota and state universities, there's got to be a private sector component. The North Dakota Career Builder scholarships created just in 2019, that partnerships happening, last year there was 220 scholarships and loan repayments that were provided to North Dakota students who went on to fill high demand careers that were identified as part of this program. And we encourage all employers to consider participating in a successful public-private partnership.

When we look ahead to the future of higher education, one thing I've got to ask the legislature I mean, we were joking earlier about maybe there's some infrastructure in in this particular hall that we got to focus on, but where the bulk of our additional money has gone into higher ed, it's gone into buildings, \$414 million has gone into buildings across our campus. That's great. We had the money, we did it. That alone is not going to drive success. But some of the places where we put \$150 million into new buildings, their enrollments down. New buildings aren't going to drive the success we need.

The university systems got to continue working on their strategic vision for 2035. We urge each of the nine study groups to focus on future business models and how that's going to shift. Focus on how we get more collaboration system wide across our system to eliminate duplication and make ourselves more competitive. And how do we make sure that we accept the realities of these forces that are actually changing. The changing higher ed is not going to be back to where it was the days of the students coming to a campus out of high school, spending hours a day sitting in seats, listening to lectures in an auditorium, those days are pretty much over.

We need our institutions from the inside to drive new things, speed to degree completion, a non-state University of Mary, speeded degree completion, they're offering people, come here, play sports, and you're gonna get, not only an undergrad degree, but you're gonna get an undergrad and a master's in four years, that's a speeded degree. They're giving people more value for the same level of time they're there. Provide flexibility in scheduling and ensured a wide variety of delivery models. So we just have to keep innovating in higher ed.

One thing that we need to do across the back on the K-12 and all students and maybe adults as well, but we've got to ensure that our students are well versed in financial literacy. There's a survey that surveys students that test that, and we do not. This is one area where we're not best in America. Only 37% of North Dakota adults feel confident in their own knowledge of their finances. And today, we're setting a goal here of making North Dakota the most financially literate state in the nation by 2027. That's a goal. We're putting a stake in the ground.

Superintendent of Public Instruction Kirsten Baesler, State Treasurer Thomas Beadle, right down here in front, they're going to be leading this effort, they're going to be coordinating with the Bank of North Dakota, which is a great entity to be working with, but also the Governor's Office, Securities team led by Karen Tyler, DFI Lise Kruse, other state agencies will announce a full plan in April about this during Financial Literacy Month, but I want to thank Kirsten, Thomas, thanks for your leadership. This is a fantastic program, but we need to keep driving forward with that.

On the housing side, we got to continue to grow and attract new residents, new workforce, as we've talked about to ensure that everyone's got access to safe, affordable and quality housing. Like child care, housing is workforce infrastructure. We're competing with talent, as I've said, and the housing market is fundamentally a private market activity, but there's gaps. We know there's gaps and there's also hidden subsidies and there's hidden penalties that are affecting how our communities are being developed. And this affects families, it affects communities, it affects employers. And some prudent public sector influence or investment can make a difference in helping us solve this problem.

To serve our citizens and attract new residents, again, I gave the example earlier about a family not moving back because they couldn't find childcare. We know at the state of North Dakota, we've given a job offers to people that try to move here to our state to take a job with the state. And part of their search is they come, and they look around and go, can I afford to get a house in this community? And if they can't upgrade their housing, they might say no to a job. I mean, hey, the job pays \$10,000 or \$20,000 more to come and work here, but if my housing costs are

higher, I'm less better off than if I stay where I'm at. Or maybe I've got a low interest income or low interest mortgage home, if I sell that home and move to North Dakota, high interest rates now I can't move. So it's causing some stickiness in the workforce market right now because of the high interest rates. But we've got to keep working to make sure that North Dakota is even a better place to work play by addressing the housing challenges that many of our communities face.

Statewide housing needs assessment for 2025 predicts that we're going to need 9,000 additional units of housing just through now through 2025. In the next two years, 9,000 more units. And fortunately, we've already got a blueprint out there on how to address these issues. And that blueprint is what we did to get to the starting line on childcare, the historic \$66 million childcare package, that was a result of 14 months of collaboration, public and private stakeholders across the child care spectrum.

And so what we're announcing here today, is we're going to do the same thing. We're going to put together a series of listening sessions are going to be held across North Dakota in coming months. It's going to be a platform for North Dakotans as individuals, employers are trying to recruit people from out of state. It's going to be from developers, it's going to be from all people that say, "what are the hurdles and what are the solutions?"

And we're going to focus on three pillars just like we did in childcare, you know, availability, can you find housing? Affordability, can you pay for it? Stability, can you keep it?

And those are the things we want to hear from renters and homeowners and developers and community leaders, housing providers, anybody who's got a future in the future of the economic success of North Dakota. If we don't all come together and create the right framework, we're going to sit here with unfilled jobs and we can end up with a declining economy. But following these listening sessions, which are going to be in collaboration with state agencies, like our North Dakota workforce, housing and all the other agencies that we have working on this. We're going to work diligently to create a strategy and then that strategy we're going to bring the legislature if there's a component that we need to be there, but again, the vision is clear. We want to ensure that every North Dakotan has got an opportunity, whether it's an old, been here for generations or they want to move here, that they've got an opportunity to find safe, affordable and comfortable place to call home and to raise a family.

The best place to work, live and play from the beginning on our Main Street initiative. It was focused on supporting healthy, vibrant communities with smart efficient infrastructure to attract 21st century skilled workforce. Main Street, that sounds like everything I've been talking about skilled workforce, healthy communities, effective infrastructure, yes Main Street, brings it all together. All these policies come together and we're so fortunate that we've had such an uptake. We have 107 different communities across the state that have participated in the Main Street program, and they've engaged in visits from state agencies, and they're engaged in supporting,

building out their communities and the success of this program has demonstrated the potential for transformational change in all size communities, especially in rural areas.

And we know that creating vibrant thriving community only happens when you got local leaders. Local leadership is always the key, somebody grabs the reins, and decides we're going to make our community a place where future generations want to grow, where kids want to come back to, to raise their families. And we've got examples of that happening in western North Dakota, for sure. We got an amazing example right here in the southwest. Taren Doerr, originally from Bison, South Dakota, she is making her mark on the state. She's the leader of the Bowman County Development Corporation. She's done that for nearly 11 years. She embodies the spirit of the Main Street Initiative in building healthy vibrant communities. Whether it's hosting the fusion conference in Bozeman or serving on the statewide Rural Development Council. We know that Taren is changing the directory, not just of Bowman, but of Southwest North Dakota with their passion and her commitment. It's leaders like Taren across the state that are attracting the next generation of North Dakotans to their communities and her efforts certainly deserve to be recognized. Taren if you're here, could you please stand and let us acknowledge everything you're doing? Thank you, great to see you.

We'll be launching the Office of Community Development & Rural Prosperity which builds upon momentum of the Main Street initiative, and we're announcing that we're creating that. We're not making that announcement today, we're doing that within the Department of Commerce. And this office is going to pull together a number of things. It's going to be a central hub for communication. We're going to try to maximize the impact of all the initiatives and a focus specifically on empowering rural communities. Because we can streamline efforts, we can allocate resources more strategically, we can understand and attack the unique challenges faced by rural communities who are supporting community development. But we won't be doing this thing alone, this new office is going to work with community organizations, businesses, local governments, and other state agencies to develop comprehensive long-term strategies that are tailored to those communities. So excited about that as we're driving the MSI even further into rural areas.

Fun announcement, y'all know we're moving ahead. This is the first time in a long time, but we're creating a new state park in North Dakota, our newest one Pembina Gorge. It's one of North Dakota's most scenic treasures. If you've never been to the gorge, I encourage you to get there, but I want to thank the legislature again. They passed \$27 million for maintenance and upgrades to infrastructure and the visitor experience across all of our 14 state parks, which saw near record visitation, last year they had record visitation and the year before that, but still there's more work to be done to enhance these amazing state assets and improve the quality of life. And one of the ways that we can enhance them is with trails. Trails, is also a key piece of infrastructure, and we got with an extensive trail focus that the parks thing, is they're already doing a first ever statewide trail inventory.

Would you have guessed that there are over 2,200 miles of trails, on 865 named trails in this state?

Well, the next phase that we want to focus on is the Last Mile Initiative, because a lot of these trails are disconnected, and we can spend a little bit of money and connect trails to make them more efficient. Whether it's for walking and biking in the summer or snowmobiling in the winter. But this is an opportunity and when we've got recreational opportunities as a part of life in North Dakota, hunting, fishing, camping, whatever it is, we know that also that brings us back to helping to attract workforce. And so again, I want to thank North Dakota Game and Fish, North Dakota Parks and Rec, the great leadership there. Jeb, Cody, everybody that's doing that, and we're making great progress.

Destination development. New initiative passed by the legislature, Congress awarded \$25 million in matching grants to help create new attractions or expand existing ones to help create destinations that would be... Answer the question, What can I do in North Dakota? What are the things? What can you do there? What are the places to see? One of those is right here in Dickinson, the dinosaur museum. Got a \$1 million grant from this new program. And again, if you haven't been there, check it out. There's more than just like really, really, really old bones there, there's some really exciting stuff.

The Theodore Roosevelt Presidential Library. This is an idea that started right here on this campus of having a library and come July 4, 2026, on our nation's 250th birthday. We're going to welcome another world class attraction when the Theodore Roosevelt Presidential Library and Museum opens in Medora. The TR library is going to be a global institution. It's going to be rooted right here in North Dakota, inspiring people across the globe to get into the arena. Just like TR was healed and inspired by the North Dakota landscape and the way of life when he came here in the 1880s after losing his wife and his mother on the same day. People get confused when we say library and museum, they might think of an old style model where you got objects that are glass, that's not going to be this, it's not going to be stuff gathering dust. It's going to be a captivating digital experience for visitors. It's going to be leaning heavily on immersive storytelling and new technologies. You can count on the fact that your kids and grandkids are going to drag you to this library and they're going to want to come back again and again. The TR library like TR's incredible life won't just be a place. It's going to be an experience, and it's going to become a tourism powerhouse in western North Dakota. The Roosevelt Center here at DSU has a strong, strong connection to the library even forming. And of course, the TR Center is a key part of Dickinson State University and therefore part of our higher education system. This is the place where they've been working for close to a decade digitizing copies of Roosevelt's writing, newspaper and magazine articles and speeches and photos and other materials. And this is closing in on, I'm sure close to 100,000 objects. This is the president that wrote more books than anybody else. Any other president. He wrote more letters than Jefferson. So the collection here has been digital and has been amazing.

But today there's an amazing announcement happening, part of the mission of the TR Presidential Library and partnering with academic institutions like DSU and the TR center is to advance the study and understanding of TR. The most comprehensive the most incredible collection of papers around that study is now coming, the Theodore Roosevelt Center at DSU will be the home to the coveted and expansive collection of private research and Roosevelt memorabilia from Pulitzer Prize winning historian, Edmund Morris and his wife and author Sylvia Jukes Morris. Those are the works that transformed the way we think about the 26th president. It's an impressive collection 151 banker's boxes, it's being acquired by the Presidential Library, housed at the Center through the generosity and support of Marc Brinkmeyer. He's the owner and Chairman of the Idaho Forest group and his wife Vicki. The collection features an extensive assortment of notes and audio and memorabilia and information surrounding the three books that are among the most well known of the hundreds of books written about TR, "Theodore Rex," "The Rise of Theodore Roosevelt," "Colonel Roosevelt" and more. And so right now, this does not happen without DSU, without the TR center and without the Theodore Roosevelt President library all working together, that working together, that collaboration, that confidence led to this donation. Congratulations to all of those entities involved with this. This is an amazing collection coming, its not going to Harvard. It's not going to Yale. It's coming to DSU.

And looking forward when we think about some of the economic opportunities here, I just want to, I know that people are getting charged up, you know this constructions going all winter long on the library thing, but whether you're in Beach or Bowman or Dickinson or Watford City, all of these present gateway opportunities for us. Down in Mount Rushmore, they got faces on a mountain, they get 3 million visitors a year. And you've all been there you go there to take a picture 45 minutes you're out of there. And then you're out, what are you doing? You spend the next two days going to private sector tourism opportunities, eating in restaurants and taking in all the other stuff. The opportunity for private sector investments surrounding the TR National Park and the library, with that as an acre has never been greater. Get your hats on, start thinking about it. We need more hotel rooms, more restaurants, more everything in western North Dakota, more opportunity. So go get 'em!

Vibrant communities, again, world class communities and amenities, those are needed. We need that to make sure that we keep up with our burgeoning economy and it creates a stable business environment. And the first step is that, you know, is economic development. In the last 30 years in North Dakota, we've had leadership that understands the importance of building on our state's reputation. When I say the last 30 years. It goes back to Ed Schaefer, John Hoeven, Jack Dalrymple. We've had business leaders as governors who understood how capital and talent come together to move to a place forward.

And because the talent, as I said earlier, now follows capital investment, capital flows along the path of least resistance. The way you get capital flowing to our state is making sure that we remain laser focused on creating the stable tax and regulatory environment that attracts that

capital and that talent. And the success can be seen in our population growth of nearly 17% that we showed earlier. Seventh fastest in the U.S.

We also set a goal we said, "hey, we wanted to have the highest GDP per capita in the nation." How we comin' on that? Well, we moved up, we are in the top eight here, but take a look at this list. That might be a little small to read on the big screen, but every one of those states on there is a blue state. We're the only red state, if you can use those words there. New York, Wall Street, Massachusetts, biotech, Washington, you know, Twitter, Amazon, Microsoft, California, Silicon Valley, Connecticut and Delaware, close to the New York metro area, Colorado, I don't know, maybe that's legal marijuana. I'm not sure. New Jersey, close to New York. I mean, so you basically got you know, you got tech and finance are the things that are driving these high GDPs you know, at the state level, but we're not tech. We're not Silicon Valley. We're not finance. We're not in New York City. And here we are on this list, and way to go North Dakota. We're making this happen. We have an opportunity if we keep doing what we're doing, keep driving forward with this private public partnerships and making smart investments. We do that and with the industries we have in the state and with now \$40 billion of capital trying to come to North Dakota for value-added ag and value-added energy projects. Never a number like that in our history. When we have that, we have a chance to keep moving up on this list.

Absolutely. We do.

So again, only happens with the private sector. We've got to keep leading with innovation, and what's going to happen this spring? Here in our oil and gas industry, we're going to hit a huge milestone we're going to produce our 5 billionth barrel of oil since the early 2000s. Since the advent of innovation, horizontal drilling was the key thing that accessed, to be able to get to that 30-foot strip of hard shale, and turn that into a liquid. If you stack those barrels end-to-end, 5 billion barrels, it would go around the globe at the equator 110 times, that's what 5 billion barrels is like. The enormity of this industry's impact can't be overstated. Its oil and gas activity generates over half of the tax revenues that come in. It's used to fund government, everything from highways, bridges, health care, education, and of course it provides.

We know that what it does that extraction, production, consumption is going to be happening in the world that is driven by consumer demand, and that consumer demand, you don't have to have an opinion or believe in climate change or not climate change. I can't explain to you why someone would buy organic milk for twice as much as regular milk, but there's demand for it. There are people that will pay a premium for less carbon intensive products of every kind, liquid fuels, building materials, road materials, steel, plastics, and if you've got a less carbon intensive product, you're going to sell more of it right now. The market is pushing for that.

North Dakota has the secret recipe. We talk about the gifts we've been given, we were given all the soil, we were given all the minerals, we've also been given the most unbelievable capability to deal and benefit with CO₂ storage and CO₂ utilization. And whether it's our coal plants or whether it's our oil and gas, we're the leader right now, we're leading in the nation. This is not a

new thing. We've been doing this thing for decades already in our state, carbon capture, utilization and sequestration, or CCUS. It's a process of capturing the CO₂ from these energy producing processes. And then when we're making ethanol or making coal we can store them underground or we can use it for value-added resources.

Carbon is an extremely valuable commodity. It drives me a little nuts that people are saying it's a waste product, not a waste product. We have people that buy and pay for it today, carbonation for beverages, enhanced uses in greenhouse for agriculture, fire suppression, food processing, water treatment, welding, metal fabrication, that's just getting going. You go up to the EERC, they've got a list that's so long. They've got building and road materials. I was in an NDIC meeting last week, they brought in a piece of 12-by-12-inch thing and I'm like, "oh, that's a cool granite tabletop, that's very cool." They said, "no that is a manufactured product and 30% by weight of that countertop has got embedded CO₂ in it. And we can make better cinder blocks than cinder blocks for building materials that would sequester CO₂. We can use it to put asphalt on roads. That's better than and stronger than cement because carbon is so strong. Everybody knows you want a great, lightweight, strong product? Buy a carbon fiber bow and arrow. You want a lightweight, strong bike? Carbon fiber. Every kid knows that carbon fiber is strong and light. They're working on stuff up at the EERC that's as thin as a human hair that can lift a piano.

So we want to be continuing to lead in this area because of all the products that can come from this. And we've been given this gift of having enough underground storage space to safely store all the nation's CO₂ for the next 50 years. And I know that some people said "oh, we can't store all the CO₂, we're not gonna be able to grow crops." There's 50 billion tons a year of extra CO₂ being produced, we can store some of it, and 20 years from now, when we've got all these products, we'll be glad that we've got the extra CO₂.

We've got an advantage right now because we're one of the few states that's been granted primacy by the EPA to permit our own Class VI wells. And now, there was two, us and Wyoming. Now there's a third, so competition is coming, but we've been busy, we've been actually permitting them. And we've permitted six storage facilities with a total capacity of 272 million tons of CO₂, that those six things encompass 43 square miles underground. Thank you, legislature. You defined that that pore space underground was owned by the landowners. The landowner owns the land, somebody else might own the minerals, but they own the pore space. How do you get in some of these cases, we had over 90% of the landowners say "yes" to getting mailbox money, getting a check for the CO₂ storage.

And then we've got companies like Denbury doing the enhanced oil recovery. They've built a 105-mile CO₂ pipeline from a plant in Wyoming through Montana down into southwestern North Dakota and in Bowman County, and they are bringing that in and they're putting that CO₂, they push it down a well, it spreads and it pushes more oil up. They're seeing increases in their oil production in these 1980s vertical wells down in Bowman County where they're getting back to like 80% of their original production.

And guess what? They put more CO₂ down than you burn when the barrel of oil, when it comes up. So Denbury's production in North Dakota is carbon neutral to carbon negative, they're greener than Patagonia producing a barrel of oil. That's a story we need to tell to the nation before they try to keep going on this agenda. We're going to shut down the coal industry, we're going to shut down the oil and gas industry, that's the agenda right now of the federal government. It's not political, it's just something we face as a threat to our state. And we've got to tell our story about how we can produce energy cleaner, safer and smarter.

So quite simply, the whole aspect of a carbon industry in our state, it's going to expand agriculture. Anybody that has anything to do with corn or soybeans, biofuels or ethanol, it's going to expand your markets. If you care about baseload electricity and the coal industry in North Dakota, which has been the backbone of a central part of our state for decades and decades, it will save the coal industry.

And if you care about the fact that oil and gas right now is the golden goose that's funding all the things that you care about. The oil and gas industry can extend its life by decades both in increased production and in reduced carbon intensity. And on top of that, there's more stuff coming.

The need, the demand for energy, is growing and we've got, whether it's Cerilon coming up by Trenton, whether it's pig iron opportunities that are coming to the central part of the state, where we could be having the lowest carbon intensive product going into steel in the nation. It's unbelievable what can happen.

People talk about energy transition, there is no energy transition. Because what we need is energy addition. The world by 2050 is going to need a lot more energy than what we have now. We can do all the renewables, all the solar, all the wind we want, but that's got to be on top of what we're already doing, to get to the demand load that we're going to have. If you don't meet the demand then the prices are just going to go up, and we'll kill manufacturing, we'll outsource all of our energy production to other countries who will do it less cleanly and the environment will be worse. So the best way to do it is to have, North Dakota has got the best opportunity of any state to preserve, grow and enhance the good paying jobs and the communities we serve in coal country, oil and gas country, in our farm communities. We have an opportunity to benefit more than anybody because of this. And we'll be doing that, we'll be helping our nation become more secure and more prosperous not only by being energy independent, but energy dominant, and we'll help the environment because it'll be done cleaner and safer here than anywhere else.

So since the beginning of our administration, we've always prioritized this all of the above energy approach. Last year marked a significant milestone. Incredible, Heartland Hydrogen Hub, selected for the largest grant that North Dakota has ever received from the federal government, \$925 million, from the U.S. Department of Energy. I signed on with three fellow governors across the northern tier here. We signed an MOU committing to the development of this regional hub

which can create jobs and help decarbonize regional supply chains. And EERC is spearheading this effort with Marathon Petroleum, TC Energy and Xcel Energy.

Advancing agriculture: As our nation's demand for energy grows, so does the demand for high-quality low-cost food, produced in an increasingly tight labor market. So when you have a tight labor market, we either increase workforce, the other way we address the workforce issue in North Dakota, is to increase productivity. One way to increase productivity is through automation. And part of automation is autonomous.

And so with the opening of our first dedicated soybean plant in Spiritwood, and another crushed plant coming in Casselton, another one falling on the heels of that in Grand Forks, we'll soon be processing 75% of the state soybean production right here at home, as opposed to shipping those soybeans out.

That's what we talk about when we say value-added agriculture. What we grow, we add value here before it leaves the state. The soybean oil from the Green Bison soy plant near Jamestown is being shipped by rail to Dickinson and turned into renewable diesel at Marathon's refinery in Dickinson. It's a fantastic example of how the synergy between ag and energy has never been greater.

The soybean meal produced by these facilities is going to help us get back into the game on animal agriculture, because what comes off of that soybean meal is a fantastic input, whether it's for turkeys or dairy cattle or finishing beef. It can help us with our modernized farming laws that this legislature passed last time, attract much more capital.

In terms of UAS again, strengthening our status as the nation's proving ground for UAS. We have invested as a state, \$130 million, just since we took office in December of 2016. Investments in Grand Sky, the Northern Test Site which celebrated its 10th anniversary, the first in the nation, the VANTIS air traffic control network for beyond visual line of sight operations for unmanned aircraft. These investments translate into innovation, high quality jobs for our citizens, and for talent attraction from across the country.

Ag Tech, we can be right behind that North Dakota has long been the leader in ag tech. When we take a look at the major manufacturers, Case IH and John Deere and others, that that came to North Dakota, bought companies, and invested here because they were interested in precision agriculture and the innovation was occurring here.

That continues today on autonomous farming through the UAS technology being developed in Grand Forks and in Fargo at NDSU, Grand Farm – think of Grand Farm as the next Grand Sky. That initiative continues to expand with a \$10 million investment from the state, and you got a picture right here, you can see the dust blowing, but those tractors do not have drivers on them. Those are autonomous tractors tracking perfectly down a field.

We don't have to look beyond the skies or on the ground to think about diversifying our economy, sometimes the answer is right under our feet. And we know there's been a lot of

discussion about shifting to EV. You can't build EVs without batteries. You can't build batteries without rare earth minerals. The nation did a study of where the highest concentration of rare earth minerals are, guess where they are?

They're in our coal in North Dakota.

They're in the coal that the current administration and prior administrations wanted to stop developing. Economically, we have the ability to extract those rare minerals instead of being reliant on foreign sources like China, who control 85% of the rare earth minerals that go into not just our batteries for cars, but your phone, your other electronic devices.

Lithium, gallium, cobalt, nickel, graphite, all of these and above, over 20 different minerals. A domestic supply for rare earth minerals is already being mined in North Dakota in our abundant lignite coal, thanks to technology developed at the UND College of Engineering and Mines.

We can have a domestic supply chain.

When we extract these rare earth minerals from lignite coal, guess what? The coal burns cleaner. It helps coal fired power plants operate more efficiently.

This is the most powerful example today of innovation versus regulation.

Some people want to regulate the lignite coal industry out of business. Others would say let's innovate, to reduce our dependence on foreign supply choices, create great jobs here at home and decarbonize it so we can have stable baseload and not have brownout and blackout bills, like our neighbor Minnesota is passing. This project here with the rare earth minerals will create more opportunities, new industries to locate here, help diversify our natural resources and develop a supply chain. All of these things are amazing, North Dakota can lead the way here again. And we're on the cusp of again several other game-changing projects which I alluded to, Cerilon's multibillion dollar natural gas to liquids plant near Trenton, Talon Mineral's nearly half billion dollar project – they're gonna process nickel and other minerals for batteries for raw iron ore mined in Minnesota, but they're gonna bring that and do that project here.

Our economic future, unbelievably bright. And when we have that, then we've got the money to invest back into infrastructure. We need modern infrastructure. And we're going to continue to invest. Four years ago at the 2020 State of the State we said we're announcing a 10-year infrastructure plan. The list of projects on that never shrinks. We don't ever get it completed. But I want you to know that since that report, we've dedicated, with the support of the legislature, \$463 million above the normal federal aid program. Most states only do infrastructure on what they get from the feds. Ours is feds plus state. And that's, you know, making a huge impact in townships and counties, roads, bridges across the state. \$463 million went into roads and bridges. Since the beginning of our administration, we've invested over \$3 billion into roads, 4655 million into bridges, and this includes creating the new flexible fund, which supports both state and local road networks, supporting infrastructure in cities, counties and townships.

So they've clearly made a difference in North Dakota. Now we're moving up. We're being ranked No. 2 for infrastructure. People look at those infrastructure ratings when they decide if they're going to put capital in a location. So I want to thank Ron and everybody in DOT for the great job they're doing there.

On the water infrastructure side, unbelievable, because of this wealth that we have, that we're investing back in our state. Again, in partnership with the legislature we've invested \$2.2 billion since 2017. For critical water supply, flood protection and general water management, it wouldn't have been possible without the transition to the Department of Water Resources under the leadership of our great director Andrea Travnicek.

This biennium, the State Water Commission is supposed to allocate \$600 million more towards critical and high return water projects, further easing the burden on locals and making them more resilient.

Red River Water Supply, this is critical to 1/3 of North Dakota citizens, and we're competing with water. We have western states that are trying, there's actually people planning, saying, let's stick a pipe in the Missouri River and ship it to Colorado so it goes in the Colorado River and goes all the way to California because they're running out of water. We have got to, legislators, we've got to complete NAWS and Red River, we've got to get water flowing out of the Missouri to the northern part of our state and to the eastern part of the state. That was the vision of the Garrison Diversion project which started in 1960. We're at the cusp of finally making that happen, but we need to finish those projects, secure those water rights and get those going before some other states decide that they want to come in and put a giant pipe into the Missouri River and start shipping that water west. We've got to take care of business here in North Dakota.

And speaking to take care of business. We want to make sure that our state's as friendly as possible when people with businesses interact with the state. And so its citizens shouldn't have to come to 100 different websites to find how to interact with each different agency. And that's why work has begun on the Business Gateway. It's a first-of-its-kind initiative, rather than forcing users to log in separately here for business registration, there for tax payments, over here for licenses. The Business Gateway, well, if a business is in North Dakota, they're gonna have a single sign on. They sign on once, we know who they are, we know their address, we know who the contacts are. And we can make that. And when we get done with the Business Gateway, we're going to do the same thing for Citizen Gateway, so that a citizen doesn't have to have a different place for a hunting license, a driver's license, a boat license, and pay their taxes and the dozens of other things they do. We want to make it as simple a consumer experience for them as possible.

Red Tape Reduction: I said earlier 50 bills signed by this last legislature, now we're we want to continue to keep tackling that and again we're launching and encouraging innovation with the launch of Red Tape Production 2.0.

Again, citizens, governor.nd.gov.

If you're frustrated with how you're interacting with the state of North Dakota, and you're like, hey, I've got an idea on how to improve that customer service experience, there's red tape in our way for a family, for a small business, for a student – send us your ideas. We want to know that, we'll turn them into legislation. This legislature, they did a great job of passing them last year.

And, of course, we want to protect our citizens' data. We've got a huge commitment to do that. It's a moral obligation that we have to do that. And thanks to the adoption of AI that we're doing through our NDIT team. We've dramatically increased our cybersecurity operations center. It's one of the most sophisticated in the country. They're responding, this last year in 2023 to 4 billion attacks. That's with a B, 4 billion attacks, automatically we can't take care of all of those, but some of those, 50,000 of those, had to be handled with some element of manual interaction. But AI helps us speed through all of those, again, to be great stewards of the citizens' data. And to make sure that our team members and everybody we're working with, that we can make sure that we secure the privacy and the security and integrity of that data.

To better understand all the risks and benefits of AI, the state has gone through partnerships with private sector partners. More than 60 team members and several agencies have taken part of this program to grow their understanding of AI and also to develop a list of viable projects that can be evaluated for deployment. Some of these are already underway. And this is a way where we can reinvent government, cut red tape, be more productive, because the free AI that exists today, some of the free tools speak 26 languages and they can code. And I know that some agencies said hey, we didn't get all the FTEs we want, but every state team member now has a co-pilot that can sit next to them, that can write first drafts of reports, translate documents and help do coding solutions. I mean, the productivity capability – and by the way, did I mention that's all free?

So this is to not only create better experiences for citizens, but reduce the cost of government – help keep citizens' dollars in their pockets by us being more efficient in delivering services.

We want to make North Dakota the most attractive place to live, work, play for all citizens. And we know that what's good for the pocketbook weighs heavily on these decisions, and whether to relocate or whether to stay here or to go someplace else. And the legislature has been generous regarding property taxes. They've constantly picked up the tab for decisions for local governments, largely without restrictions.

I just want to remind people, because people are saying property taxes are a problem. The 68th Legislative Assembly buried in the state budget all the things that we already do – the water, the roads, the counties, the sewers, the \$2 billion that goes to K-12.

\$5.5 billion of the state's total budget was directed where? To local political subdivisions. That number continues to climb. On top of that, \$5.5 billion we also passed the homestead tax credit, which is very popular.

The legislature cannot fix – North Dakota, I'm telling you – a legislature cannot fix your local problem with a blanket approach to property taxes because they're set at the local level, and they vary widely across the state. I don't have time to put up a slide to show you, but a mill in one county, in one city, is wildly different than the value of one mill in a different place in the state.

We can't do a one-size-fits-all thing because of the wild disparities both in local tax rates, local valuations and local spending. Some local school districts, park districts and cities are growing like crazy in terms of their breadth. They're getting wider and bigger, faster than their population is growing. They're increasing the linear feet of infrastructure for all their citizens, and the property taxes go up. And then the solution is not for us to take someone else's tax dollars and send it to that city, and say, "keep doing what you're doing."

You don't give people more of something when they're doing something that's uneconomic – you figure out a way to create the constraints. So the current and past proposals that so-called "eliminate property taxes," they're just redistribution schemes. They use someone else's tax money to pay another group of taxpayers, but the people that are paying don't get to make a decision.

Do we really think as a state that we want to have a local political subdivision be able to order steak, lobster and champagne, and then somebody else comes in and has to pick up 100% of the tab? That's not North Dakota, that makes no sense. So we've already begun discussions with legislators, they've taken it upon themselves to have an interim committee studying this issue, but the issue is not a subsidy or revenue transfer. The issue is you want to reduce the size of government, you want to reduce a citizen's tax bills, then design cities and design approaches that actually lower the cost.

When we cut income tax in our state, we reduce the amount of money that comes into government, and government has to respond by getting smaller. When we send \$5.5 billion to local political subdivisions, they go wow, we can in some cases even raise their tax. We got, we have people that are raising their taxes locally right now because they think that their taxes might be frozen at a certain mill level. We've got perverse incentives going on where people are raising them right now.

Any property tax relief that the state does should be targeted like the \$159 million for Homestead Property Tax, which made homeownership more affordable, especially for senior citizens. If you haven't already done so, apply for the primary residence credit of \$500 on your 2024 property tax.

At the same time, we should focus, again, on what we can control. We can control income taxes. Last year I signed over half a billion dollars of this combined income tax and property tax relief. It includes the largest individual income tax and tax relief in state history – \$358 million, fantastic. And that's how much income taxpayers will save this biennium. It eliminates completely, paying taxes for three out of five taxpayers in our state. That's going to help us

recruit people, that's real relief. It reduces the amount of revenue collected by government, but guess what? We're competing. You've heard me say that. These incremental steps, we've just been doing baby steps. We've got the revenue, we've got the reserves, we've got the ability to do it. We need workforce, it's time for us to say goodbye to North Dakota state income tax once and for all.

This is the one tax collected by the state, controlled by the state, used by the state, it doesn't vary by county, by district. It's not relying on local assessments. It's not relying on some other political subdivision deciding how much they're gonna spend, you know, on the edge of their city or on their new park district facilities. It doesn't depend on any of that stuff or what their needs are.

This is for citizens.

This is putting money back directly in someone's pocket, not transferring money to a political subdivision. And so I challenge the 69th legislature, take that final step. There are nine other states. Look at this map, and when you look at them, Wyoming, Texas and Alaska, three states that we compete directly for energy workers, we compete with them. We need to be on a level playing field with them. If we had more energy workers, we would have more revenue coming into the state of North Dakota from all our other sources. And so that is something we have to get to.

In closing, I just want to state, first of all, thank all of you. I know this has been longer than usual, but wow, we cut half of what people suggested that we put in this thing. Seriously. We cut like 8,000 words the last three days, every agency was like this is the amazing thing we're doing.

So I want to say thank you for listening through all this, but also thank you to all the people who submitted stuff that was amazing that we didn't have time for.

But in closing I just want to say again, North Dakota is the best of America.

The next time – I've got something to ask of you – the next time you hear someone underestimating our state, or saying that, oh, North Dakota, you know, implying that we're too cold or too distant, we're too sparsely populated to make a difference. If someone says that to you, we have to take a different approach, instead of us playing along with that false humility but incredible pride. 'Cause we joke, "Oh yeah, it's really cold here," but then to ourselves we're like, "Well, they could never make it. We're way tougher than them. Ya know, look at that, I don't even need a coat, it's only 20 below, look at them, these poor people."

Like best place to raise a family. I think we're on that, because then you know that your kids are never going to be wimps. They're gonna stand up and be tough in the cold.

But we are so blessed with all of these, these God given resources. But the one resource we have is we've got great people. But the thing, the challenge I want to do for every North Dakotan, is we've got to do more of believing in ourselves.

We have to believe more in ourselves.

If you had the opportunity to see the looks around that Kathryn and I have, it's just not bravada.

We are the best in America.

Teddy Roosevelt said, "Believe you can, and you're halfway there." Or in these days of fact-checking, we think that he said that. It's this idea of belief. It's the idea of belief. We are the place where neighbors help neighbors. We honored some of them today, first responders and police. We are the people where we back the blue, we support the military, we secure our border, we pay our taxes, we help our communities.

We approach life in a way where everybody comes together. And this really hit me last spring, and I know I've got some friends here from Slope County and friends and family members. I think they're here today, but these are friends that have been friends for 50 years. And Robert Hansen, who just short of 91 years of age passed away last spring, he spent his whole life living in Ranger Township, in Slope County. And I had an opportunity, I was invited to speak at his memorial service. And think of the 90 years that he saw, riding a horse to a one-room school, you know, living in a place where there wasn't electricity when he was first growing up. The whole arc of all of that, to all the innovation that occurs here, you know that he'd seen over his lifetime. And then I was there and they were having a service because there's a big crowd and half of Slope County was there, which I guess is about 400 people, actually, but you know, big turnout was there at the Slope County Fairgrounds. And I looked back and I saw the women that were preparing food, and recognize people from brandings that I've been at, and neighbors that had been neighbors of Robert's for their whole life, and kids of neighbors, and grandkids of kids of neighbors, and I thought all these multi-generational families running the same ranches and doing the work and coming together every spring to help each other out during branding.

You know there's so much that goes on in our state that there's no government solution required. It's just people that actually care about their neighbors and then take action around that. And when I looked at all of that, and I thought to myself when I was standing up there, and I got emotional like I am now, I'm remembering that moment of looking out at that crowd and seeing all those faces I recognize, friends that I've had for most of my life, and going wow, this really is the best of America.

And so when we talked about the four values that we really drive towards in our administration that we drive to, and will drive till the last day, is that we do lead with gratitude, because we have so much to be grateful.

But all the innovation only comes if we drive curiosity. It's so easy today to be like, "Oh, I read something on the internet and I know for certain." No, you've got to have, we've got to have curiosity. Check your sources. You know, if someone disagrees with you, be curious about what they think. Try to talk to people that don't agree with you. Talk to people that think about things differently.

And then when you learn new things, you have to have the humility to say, "Wow, you know, I used to think that was true, but it turns out that actually isn't true." We've got to have some of that humility, some of that humility has got to come through right now, for our country, for us to be able to heal. We've got to be able to say, "Wow, some of that isn't true." Some of these things that we thought about, outsourcing our energy to all of our adversaries that don't have EPAs and are the biggest polluters in the world, may not help the world environment. Maybe we can be humble about that and say, "Hey, the solution is right here."

But whether gratitude, curiosity, humility, but then we have to have the courage, we have to have the courage. And there's so many people in this room that have had courage. People looking on, courage to jump into the arena, the courage to be able to serve, to be able to take risks to run for office, to volunteer. It takes courage to be a participant. And in the infamous words of Theodore Roosevelt, which live all around us, I mean, you have to have the courage to be in the arena and I want to thank all of you for that.

And when we think about the purpose statement that we set out that we designed seven years ago is one that we really believe. And we get up every day in state government, and I know that that all the people that I've worked with in the office, the cabinet leaders and the other electeds, we've got people that get up every day and they say hey, our job, as the state of North Dakota, is to make sure that we're empowering people, we're improving their lives, and therefore inspiring their success.

It's been such an honor. This is not a goodbye. You've got 327 more days of me, so this is not a goodbye. It's not a farewell, but I do want to say that you can count on us to keep chasing this, this purpose statement for the next 327 days, because I know when working together we can empower people, we can improve lives, we can inspire success. And if we believe in ourselves, and we learn to tell our story, we will no longer be that blank spot on the map in people's minds. They will understand who we are and what we do and how we feed and fuel and protect the world, and how in our state – where freedom reigns – that innovation, not regulation, is helping us achieve our fullest potential.

Thank you, North Dakota. Thanks for being here today.