

FINAL 2024 State of the State Address as Prepared for Delivery

Speaker McCluskie
President Fenberg
Majority Leader Duran
Majority Leader Rodriguez
Minority Leader Lynch
Minority Leader Lundeen
Lieutenant Governor Primavera
Treasurer Young
Attorney General Weiser,
Secretary of State Griswold
First Gentleman Reis
Members of the State Board of Education
Justices of the Colorado Supreme Court
Ute Mountain Ute Tribal Treasurer Turtle
Members of the Cabinet
Denver Mayor Mike Johnston
Aurora Mayor Mike Coffman
Colorado Springs Mayor Yemi Mobolade
Fort Collins Mayor Jeni Arndt
US Attorney Cole Finegan
All the Members of the Colorado General Assembly

Welcome.

Over the last year, I've been thinking a lot about who we want to be when our great State turns 150 years old in two years? As we envision our future together, I'm reminded of President Kennedy's speech at Rice University in 1962.

Because it was there that he articulated his bold vision, saying, "We choose to go to the Moon in this decade... not because [it's] easy, but because [it's] hard."

He took a seemingly impossible goal, something never attempted in human history, and made it a mission. The "moonshot" goal, as it came to be known, set a standard, not just for the United States, but the world, and it ushered in a new era of American innovation.

Seven years later, Neil Armstrong spoke those famous words, "One small step for a man, one giant leap for mankind" - turning the moonshot goal into mission accomplished.

It wasn't easy. But with a vision to guide them and that famous American work ethic, they got it done.

Throughout Colorado's history, we've often been the ones leading the change, blazing new trails, turning our dreams into reality.

We've literally moved mountains, building roads and tunnels and railroads through the impenetrable Rockies.

We were the first state in America to pass voting rights for women through a vote of the people - cementing our place as a State that not only cherishes and upholds the rights and freedoms of people, but expands those rights in pursuit of a more perfect state and nation.

Colorado's Republican Governor Ralph Carr stood virtually alone among high-ranking elected officials in opposing the forced relocation of Japanese-Americans during World War II, and in condemning racial prejudice.

Over the last five years, we've blazed new trails in Colorado in early childhood education with the creation of free, full-day kindergarten and free universal preschool – saving Colorado families thousands of dollars and giving our children the best possible start in life.

Colorado was the first state to legalize recreational use of cannabis, setting a standard for innovation, safety, and economic mobility that has been replicated by other states and countries around the world. Now, thanks to our voters, we're once again leading the nation on natural medicine, unfreezing 50 plus years of stifled research.

We're a hub for the groundbreaking quantum industry - with computing capabilities and job creation that even some of the most futuristic movies and novels couldn't imagine.

And, at long last, Colorado is the rightful permanent home of U.S. Space Command, ensuring our national security in the increasingly important space domain.

All of this work was at one point seen as too hard, even pie in the sky. But we've proven that we can accomplish anything when we work together.

You know, as I look around this room, I see quite a few of you who have announced campaigns for other offices: Congress, county commissioner, mayor, city council. And I know there's been some buzz about what might be next for me as well. Well, I'm ready to put an end to the speculation - especially with competition gearing up in the next few weeks. Today I'd like to announce that I will be trying out for the Colorado Rockies this spring. Who needs legislation when you can have home runs.

All kidding aside, together, we must ensure that our state remains THE best place to live, raise a family, and launch a business, while strengthening our dynamic economy, creating jobs and making Colorado safer. And we all know we need to make our state more affordable.

Together we can create more housing for all Coloradans and increase access to convenient and low cost transit opportunities, improving our quality of life and making the future of our state even brighter. A better environment with cleaner water and air. A better economy. And better public health and transportation.

The real life situations that families face on rent or a mortgage need no introduction or explanation. They loom large with our friends, our family – it's a matter of statewide concern.

Simply put, we must create more housing in our state that Coloradans at all income levels can rent or buy in the communities where they want to live and near job opportunities. And by reducing housing costs we will also decrease homelessness in our communities. I want to thank the mayors who are on the front lines of this issue and have joined us here today: Denver Mayor Mike Johnston, Aurora Mayor Mike Coffman, Colorado Springs Mayor Yemi Mobolade, and Fort Collins Mayor Jeni Arndt.

I've been spending a lot of time listening to Coloradans from Pueblo to Fort Collins, Aurora to Grand Junction. It's no surprise that the top issue everywhere is housing costs.

I hear from parents who fear their children will never own their own home here in Colorado. They aren't alone, 83% of Colorado parents worry their children won't be able to afford to live here.

I also hear from older Coloradans who fear they won't be able to age in the communities they love, or won't be able to downsize because, even though their house has increased in value, high interest rates and property taxes prevent them from affording even a smaller home. That's why we must work during this session to make the Senior Homestead Exemption portable.

I also hear from young parents who want to raise their children in a home of their own, and frontline workers - teachers, firefighters, police officers, healthcare workers, our exceptional state workforce - many of whom can't live even near the community where they work. I hear from business owners who can't recruit the talent they need, and college students who don't believe home ownership will ever be part of their future.

There is a real sense of hopelessness and despair in our state around housing that's on par, in many ways, with how people feel about the divisiveness of our national politics. Since the start of 2022, higher interest rates and home values have driven the typical mortgage payment up by 73%, while income has failed to keep pace.

To not do anything would be "highly illogical" as Spock would say.

Last year, we took an important step by banning growth caps that outlawed new housing in our communities thanks to the leadership of Representative Lindstedt and Senator Gonzales.

I also signed an Executive Order to remove bureaucratic barriers and cut through red tape, reducing turnaround times for contracts, grants and loans from the Department of Local Affairs' and the Division of Housing to 90 days.

The state is putting our skin in the game, and doing our part to solve the housing crisis. And with your partnership, we can build on that progress.

Together we can create a Colorado where homeowners have the property rights and financial tools they need to build an Accessory Dwelling Unit - also known as a granny flat or casita - for an aging parent, child or long term renter, creating more housing supply that's inherently affordable and filling critical gaps in our communities. According to a survey, more than 80% of Coloradans are supportive of allowing ADUs in their communities.

Today we're joined by Yoseph Assefa, a Coloradan who has directly experienced the benefits of ADUs. Yoseph said that the ability to build an ADU on his property with the Denver Housing Authority has been a game changer for his family, increasing property value and creating another housing option for the family of four he is renting it to. Please join me in welcoming Yoseph, who is here with us today with his family.

Together we can help more Coloradans like Yoseph make decisions that work best for themselves and their families, and create more housing for others. I look forward to working with the sponsors who are leading the way in this exciting legislative effort.

This session, I will be supportive of bills that reduce the cost of housing and encourage innovative approaches like new financing strategies, easing parking restrictions, tackling liability costs for multi-family condo construction, reducing the cost of fire insurance - especially in the face of increasing climate-related disasters like the Marshall Fire, which we just observed the second anniversary of - and I will be very skeptical of bills that increase the cost of housing.

As you might be able to tell, housing policy that creates more affordable choices for Coloradans is my Roman Empire. If you don't get that joke, feel free to ask someone from Gen Z.

Ending discriminatory occupancy limits that especially hurt renters is another important way that we can break down harmful barriers to housing and create more equity. I want to thank Representative Mabrey and Representative Rutinel, and Senator Gonzales and Senator Exum for taking on this important housing and civil rights issue.

What it comes down to is creating a Colorado where people from all backgrounds can live in homes they can afford near accessible and reliable transportation options – buses, bikes, and walkable neighborhoods.

Imagine leaving your home and heading to the train stop or bus station just a few blocks away. Maybe you walk or ride your bike. From there you ride to work in the morning in style, and because the schedule is reliable, you know exactly what time you'll catch the train or bus to

come home later that day. You don't have to worry about whether you have enough gas, or if the roads will be icy. And if you do choose to drive a car, there is less traffic. On the weekends you use that same transit stop to head downtown to see me play in a World Series Champion Rockies game or for dinner with your friends. And because you live in a home you can afford and are saving money on gas and car repairs, you can put your money toward other priorities. What a wonderful day in Mr. Rogers' neighborhood... and soon more neighborhoods across our state.

This is already happening in communities like Olde Town Arvada and downtown Fort Collins, where thriving downtown centers are built around business, transportation, and housing.

But we need more shining examples.

Transit oriented and connected communities can create a better future for our state and drive our prosperity and enjoyment with less traffic, more housing people can afford and better air quality. We want to provide the tools our communities need to make this happen.

This year, I'm excited about a proposal in my budget that will help local governments build housing infrastructure in more transit-oriented neighborhoods by addressing construction hurdles like access to water; aging sewer and stormwater systems; and by increasing opportunities for walking, biking, busing and all forms of transportation.

It's a start, but we need a well-rounded approach – and that includes goals for housing that every community can work toward in their own way.

These goals must consider jobs, zoning capacity, transit areas, housing density, and factors like regional equity, infrastructure capacity, and water.

We also need transit-oriented housing policy that incentivizes communities to meet meaningful goals, provides accountability, and rewards jurisdictions for going above and beyond.

I'm excited that my budget also expands the State Affordable Housing Tax Credit, providing crucial financial incentives for transit areas that will help increase affordability.

I want to thank Representatives Jodeh and Woodrow and Senators Hansen and Winter for their efforts to help more Coloradans live in transit-oriented neighborhoods and achieve this powerful vision of more affordable housing and transit in Colorado.

This work is important, but in order to build more housing near reliable transit, we need – you guessed it – transit that actually works.

The distance the average Coloradan drives per year has increased by more than 20% over the past 40 years, and recent data shows that commuters in Denver were stuck in traffic for an average of 54 hours, more than an entire work week.

And time isn't the only thing getting wasted. Coloradans are spending too much money on gas, to the tune of roughly \$1800 per year per driver, not to mention maintenance and depreciation costs.

Thanks to Senate Bill 260 from 2021, which supercharged transportation funding for the state, and significant Federal funding, roads are finally getting better across the state of Colorado, but we're not done yet. We have the planes, and we have the automobiles, we just need the trains.

For too long passenger rail has been another "moonshot" - out of reach for too many people in our state. Coloradans love the idea, but many people believe it's not something they'll see in our lifetimes. Yes it's big, and yes it's bold, and I'm here to tell you it's within reach.

Agatha Christie wrote, "To travel by train is to see nature and human beings...in fact, to see life."

We have a vision for Front Range and Mountain Rail that will create access points across the state that connect people to more housing, more businesses, and more jobs. Getting people places quicker and less expensively. And we're going to get it done.

After years of waiting, the pieces are falling into place. The federal government has approved more than \$66 Billion dollars - billion with a B - to create a world-class rail system for the country. So it's no longer a question of if the United States will see a massive expansion of passenger rail, but it's a question of whether Colorado will seize this opportunity and get our fair share of those federal dollars.

With existing tracks, now utilized mostly for commercial rail, we have a unique opportunity to extend daily passenger rail service through the Rocky Mountains. We need to take action to ensure that we get train service from Union Station to west Jefferson County, Winter Park, Steamboat Springs, on to Craig and Hayden, alleviating traffic in our mountain corridors, supporting more housing that's affordable for the local workforce, and helping our coal-dependent communities strengthen and diversify their economies.

Together we must also deliver on the unfulfilled FASTtracks promise of train service from Union Station to Boulder, Longmont and then on to Loveland and Fort Collins. Again, this isn't pie-in-the-sky: we can do this through a joint effort between CDOT, RTD and the Front Range Rail district, and we can start now. The problem of unfinished public transit has gone on far too long, and taxpayers are sick and tired of paying for services they're not getting.

If we move boldly this session to seize these unprecedented federal investments we can lock in transformational passenger rail opportunities in time for our 150th birthday in 2026. The story of our state's founding and early economic success is intertwined with the historic railroad expansion of the 1800s, just as our dreams for the future will be intertwined with the expansion of passenger rail and transit oriented communities.

I am looking forward to partnering with Senate President Fenberg to ensure we take this opportunity to get it done.

These efforts must be combined with a more expansive, statewide bus system. Colorado has seen the exciting success of Bustang, Snowstang, and Pegasus, which connected nearly 300,000 Coloradans across the state last year alone. And this is a model that we are continuing to expand. But we must go further to improve convenience for all Coloradans while improving our air quality and reducing traffic.

This isn't something we can do alone. We need reliable regional transit organizations across our state, including in the metro areas. We can have access to better transportation options that meet the needs of all Coloradans, but it requires us to reimagine what that means. And of course that includes RTD. With state investments like free fares for better air, we are seeing some progress, and enhanced ridership. But there's more we need to do. We must reexamine governance and operational efficiencies, expand local partnerships, build on the work of the RTD Accountability Committee, and give RTD and transit agencies across our state the tools, structure, and financial resources to deliver better service to more people, creating a transportation system that meets the needs of Coloradans while supporting more housing near transportation hubs and improving our air quality. I look forward to working with Senator Winter and Representative Lindstedt on legislation to get us.

So let's actually deliver on the housing and transit solutions that Coloradans are demanding. As Yoda would say, "Do or Do Not, there is no try."

We must do, and we must SHOW Coloradans what it looks like when there is more housing for every budget and more convenient and lower cost mobility statewide for every resident.

Nothing is more important or fundamental to healthy communities than public safety. I want to take a moment to recognize the men and women in law enforcement and members of the military here with us today. Please rise and let us thank you for your service.

We all deserve to be safe, which is why our goal is to make Colorado one of the ten safest states in the nation by 2027 and I will be supporting legislation to further that goal and will be very skeptical of any legislation that would make us less safe.

Over the last few years we've made important investments in effective, locally driven efforts, including training and support for local law enforcement.

This has resulted in scholarships for 135 recruits to attend the POST Academy. 194 law enforcement recruitment events across the state, more than 900 training sessions and more than 400 community events.

Through legislation led by Senator Buckner, former Senator Cooke, Senator Will and Representative Valdez, we funded more than 50 initiatives throughout the state that use

evidence-based strategies to make our communities safer including crime prevention and violence interrupter efforts, law enforcement community outreach, crisis intervention, mentoring, co-response models, and recovery housing.

Early data shows a downward trend in violent crime, which is why this year we want to continue these investments to create safer communities for everyone.

Last year, with the leadership of Senator Gardner, Senator Bridges, Senator Zenzinger, Representative Bird, Representative Soper, Representative Titone, and Representative Bockenfeld, we took important steps to crack down on auto-theft. When a car is stolen, it impacts employment, health care visits, child care access, and many aspects of daily life.

And we invested in technology to locate and return stolen vehicles, and we strengthened the dedicated auto-theft task force. We provided more support for District Attorneys to successfully prosecute the criminals responsible, and we took action to make criminal penalties for auto theft tougher by eliminating the value of a vehicle from consideration.

We're starting to move in the right direction! As of September last year, Colorado had seen a 21% year over year reduction in stolen vehicles, in Denver a 27% reduction - including a major reduction of auto theft at Denver International Airport.

Ongoing, data-driven investments in reducing auto theft are absolutely critical if we want to continue fighting all the crimes associated with auto theft.

We are also actively involved in helping victims of crime get back on their feet, providing additional funding to help people get the support and resources they need to recover and heal. I have also called on our Congressional delegation to increase federal funding for victims through a fix to the Victims of Crime Act. I especially appreciate Majority Leader Duran's continued advocacy for this work and look forward to her partnership in the months ahead.

Sadly, in the last few months, there's been a dramatic increase in horrific acts of hate across the world, including here at home. Between October 7 and January 7, the Anti Defamation League recorded a 360 percent increase in antisemitic incidents nationwide. The rise in antisemitism, Islamophobia, and hate in all forms is unacceptable in Colorado.

Colorado is a state that welcomes everyone – no matter your country, your background, where you worship, or who you love. Every single person has the right to feel safe at home, in their communities, and at their places of worship.

So, we called on this body to help protect nonprofit organizations and religious institutions, like temples and mosques, that are facing a heightened risk of targeted violence. I want to thank the Joint Budget Committee for taking swift action to provide additional funding for this work last month. And we've already gotten the money out!

Today we are joined by educators from Beth Jacob High School of Denver and the Islamic Center of Fort Collins, which both received funding supported by the State of Colorado and are using it to make security improvements and better protect their communities. Please join me in welcoming them here today.

But it goes beyond simple funding. It's about coordinating our efforts to root out hate TOGETHER .

In keeping with our commitment to public safety, Colorado is leading the nation in our efforts to prevent gun violence. Whether it's strengthening our red flag law, establishing waiting periods, requiring safe storage of firearms in homes where kids are present, or banning ghost guns, we are a model for the nation in practical, commonsense solutions to the problem of gun violence, while protecting our cherished Second Amendment rights. I want to thank Senator Tom Sullivan and his fellow legislators for your work to make this possible.

To build on this work, we are proposing additional investments to prevent convicted felons from illegally purchasing firearms. Each year, thousands of people who are prohibited from purchasing a firearm try to do so illegally. As a state, we need to stand firm and crack down on illegal firearm activity. We are working with US Attorney Cole Finegan, Attorney General Phil Weiser and District Attorneys to get it done, while supporting our rural DA offices.

And while all of this work supports safe and thriving communities, helping us reach our goal of becoming one of the ten safest states, we also know that another important element of safe Colorado communities is a strong education system.

Education is the universal key, opening doors we never even dreamed existed, transporting us to distant lands, exploring the deepest oceans, and catapulting us to the moon. Education opens our eyes to new ideas. It invites us to dream big dreams, and gives us the tools to turn those dreams into reality.

Education has long been a passion of mine, and I know it's a passion shared by many of you here.

With the leadership of Senator Zenzinger, Senator Bridges, Representative Bird, and Representative Garcia, Colorado took urgent action to ensure more than 300,000 Colorado children have healthy meals through Summer EBT.

And we are saving families thousands of dollars per year on preschool and kindergarten.

I've spent a lot of time in classrooms around the state, where I've heard from educators and students about what preschool means to them. It's a special thing to see children and their families access the benefits of early childhood education for the first time, and this work has propelled Colorado from 26th to 8th in the country in preschool access in just one year!

I want to thank the voters of our state, as well as Representative Sirota, Senator Buckner, and President Fenberg, for their incredible leadership to help bring preschool to life.

I'm also proud that just a few months ago, Colorado voters passed Proposition II, which dedicates an additional \$23.7 Million to preschool, expanding hours for Colorado children and making preschool even better next year. We are so excited that in its very first year nearly 40,000 children are enrolled in preschool, saving each family more than \$6,000 per year.

And I'm proud of our Bright Spot Award winners, schools around the state with major increases in student achievement in areas like math and science, and more. The awards elevate these schools as models that others can follow, and give them the support and funding they need to serve even more students. Join me in welcoming the principals and educators from two Bright Spot Award winners who are here today, Paonia Elementary in Delta County - a science Bright Spot award winner, and Minnequa Elementary in Pueblo - a math Bright Spot award winner.

Last year we also passed bipartisan legislation to help more students and educators access the resources they need to improve math achievement, including more hours focused on strengthening their skills after school, thanks to the leadership of Representatives McLachlan and Pugliese and Senators Marchman and Lundeen. Now we need to expand out of school opportunities to boost science achievement too. I look forward to working with the General Assembly to get that done.

But, our work is far from finished.

This year, thanks to the leadership of the people in this room, after more than a decade we are finally eliminating the Budget Stabilization Factor.

This historic investment means an additional \$705 per student on average, or another \$15,500 more for a classroom of 22 kids. This is on top of last year's increase of more than \$1,000 per student, made possible by this legislature.

It means better teacher pay, expanded learning opportunities for students, professional development for teachers, and better resources in our classrooms.

With the budget stabilization buydown, and action from the General Assembly, we will also achieve full mill levy equalization for Charter schools.

This has been a long time coming, and we are thrilled to fulfill our commitment to voters and enter a new era of full education funding in Colorado.

And just as we continue investing in students from preschool through high school, we need to continue investing in their success after graduation and powering our economic growth.

Right now there are about two job openings for every unemployed Coloradan. We want every person in Colorado to be able to build a good life and a good career on their own terms, and we are creating many different ways to do that - from dual and concurrent enrollment to low-cost credentialing.

With the leadership of Speaker McCluskie and Representative Pugliese, and Senators Buckner and Senator Will, we've expanded free community and technical college for in-demand careers – which has already served more than 3,500 students - nurses, construction workers, law enforcement. We've also partnered with businesses to develop needed training pathways, and we've created a pilot scholarship to support innovation in education. We are working with higher education institutions to keep tuition low through innovation and greater efficiency. And thanks to Representatives Lukens and Catlin and Senators Roberts and Pelton, we're developing the next generation of farmers and ranchers through the Agricultural Workforce Development Program, to help young people, particularly in rural areas, get real world experience on a working farm or ranch through paid apprenticeships.

But we want to go even further, increasing the number of state government apprenticeships by 50% and supporting the creation of 100 new apprenticeship opportunities in the private sector - both by June 30 of this year.

These actions translate to more jobs where Coloradans can earn while they learn, more money saved on education or training, more candidates for available jobs, stronger businesses, and a stronger Colorado economy.

We also want to continue Opportunity Now - which was passed thanks to the work of Speaker McCluskie and Senators Bridges, Senator Rich, and Senator Lundeen - to help “blur the lines” between K-12, higher education, and employers. And grantees are on track to serve 10,000 Coloradans in industries like construction, health care, education, and early childhood. But we're just getting started, and soon, working with Representative Lukens, Representative Soper, and Senator Bridges, we can create more ways for Coloradans to become skilled construction workers, plumbers, pipefitters, electricians and more.

Colorado is becoming the national leader in this work, and by innovating we will continue to save Coloradans money while strengthening our workforce for a prosperous future.

We are also continuing to save people money on healthcare - which is, after housing, often the largest cost that Coloradans face.

Since day one of my Administration, starting with the creation of the Office of Saving People Money on Healthcare, we have been bold in taking on the entrenched special interests and tackling the true cost drivers in healthcare. Our work to save people money on healthcare is led by our incredible and dedicated Lt. Governor Dianne Primavera, please give her a round of applause.

This has led to historic successes including Reinsurance and the Colorado Option, both of which have been cost-saving game-changers for people accessing healthcare in our state. Since its creation, reinsurance has saved thousands of dollars for families all across our state. A family of four in Grand Junction has saved nearly \$26,000 since 2020 thanks to reinsurance. In Pueblo, families have saved more than \$18,000. That's real money. I want to thank the bipartisan legislators who worked to make these savings possible. Other states - even the federal government - have taken notice, modeling their own efforts after Colorado's.

We've also capped the cost of insulin and, last session, thanks to the leadership of Senator Roberts and Representatives Mabrey and Representative Jodeh, epi pens as well.

But we know our work isn't done.

Prescription drugs still account for a significant portion of healthcare costs in Colorado and across the country. The simple truth is that Coloradans, and people around the country, are being ripped off on the prices of necessary medications.

Spending on prescription drugs in the US is double that of any other nation. Nearly 10% of Coloradans were unable to fill a prescription because of cost in 2021.

That's why we continue urging the FDA to approve our application to import lower-cost prescription drugs, and why the Prescription Drug Affordability Board is so vital.

We also are proposing more support for the individuals who provide home-based care, and helping more Coloradans connect to services through improved technology. And especially as we approach what would have been the 51st anniversary of Roe V. Wade, we appreciate the steps the General Assembly has taken to protect personal reproductive health decisions, including abortion, reminding us all that Coloradans across our great state value the freedom to make our own choices.

We also need greater access to behavioral health care, and to build on the success of I Matter, championed by Senator Michaelson Jenet, our budget calls for more support for behavioral health and autism care for youth, expanded care for youth facing acute behavioral health challenges, investment in mental health support for our rural and agricultural communities, and those involved in the criminal justice system.

At the heart of these conversations are the Coloradans we are expanding access for and helping save money, which is why I made this work a top priority from the very start. It was important then, and it's even more important now, so we must innovate and look for more ways to lower costs and save people money on healthcare.

Part of a healthy life means a healthy environment, and here in Colorado we are an example to the nation on how to protect the natural world around us and combat the impact of climate change.

We are already on track to exceed our goal of 80% clean electricity by 2030 - just six years from now. We have one of the most ambitious strategies in the country to reduce local air pollution from the oil, gas, and transportation industries, including achieving electric vehicle sales that are six times higher than when I took office. And we look forward to working with the legislature to advance my budget request to further improve air quality, utilizing recommendations from Environmental Justice advocates.

My administration has delivered on more than 95% of the actions outlined in our first Greenhouse Gas Pollution Reduction roadmap, and will soon be releasing our second Roadmap with more than 40 new actions. We now have federal funding to achieve these goals even faster thanks to the work of the United States Congress and President Biden.

Now we need to cut red tape that is holding back local investments and unprecedented federal resources in renewable and clean energy, including building transmission lines more quickly, renewable energy development, and storing carbon dioxide pollution underground. We will be supporting legislation, led by President Fenberg and Senator Hansen, to expedite these critical projects.

Hand in hand with our climate work is our leadership on conserving our wildlife and wild places. We will continue to take bold action to protect our cherished public lands and Colorado is finally factoring in variables that have long been neglected, like tracking the rate of year-to-year biodiversity loss, improving soil health, and focusing on ecosystem resiliency in the face of an ever-changing climate.

We are strengthening native biodiversity and restoring balance to our ecosystems by bringing back native species like the Canada Lynx, the Black-Footed Ferret, and as of mid-December, we successfully met the voter mandated deadline for reintroduction of Gray Wolves.

We also need to protect that progress by continuing to invest in non-lethal conflict minimization to help our farmers and ranchers thrive. Colorado Parks and Wildlife, the Department of Natural Resources, and the Department of Agriculture play pivotal roles and we need your help to continue supporting their conflict minimization work.

We have also invested nearly \$300 Million into our precious water resources and implementation of the visionary Colorado Water Plan, and remain committed to aggressively defending Colorado's interests and rights in the Colorado River negotiations.

All of this work - from protecting our environment and wildlife, to housing and transit, education and workforce, to public safety - means a stronger and better Colorado where everyone can get ahead. And in addition to these efforts, we must also continue working to strengthen Colorado's economy and help people hold onto more of their hard-earned money.

Thanks to Colorado's amazing economic success, we are well on our way towards another year of record TABOR surplus, projected to be between \$1.6 and \$1.8 billion. A healthy TABOR surplus is the sign of a strong economy, but also a signal that the tax rate is too high. Tax relief is the best mechanism to relieve cost of living pressures and spur economic growth for everyone in our state.

One of the secrets to Colorado's success was that whenever there was a TABOR Surplus, after paying for the Senior Homestead property tax exemption, there was an automatic income tax cut the following year. This happened during the first two years of my administration. Since we have now permanently reduced the rate, this mechanism is no longer active.

I know some Democrats in the past have been skeptical of reducing our income tax rate, but cutting the income tax rate is the most effective way to further our economic growth. In my 2020 state of the state address I echoed President Kennedy and President Obama's calls for cutting the income tax rate, and the people of our state delivered twice. President Kennedy didn't just launch the moonshot, he delivered one of the largest income tax cuts in history, saying that income taxes, "exerts too heavy a drag on growth [and] reduces the financial incentives for personal effort, investment, and risk-taking." Those cuts helped spur America's astronomic economic growth.

Of course, cutting the income tax rate isn't a panacea, but to spur continued economic growth, it should be a significant part of progressive reforms to TABOR refunds.

Likewise, we know that property taxes are a part of what's driving up the cost of living in Colorado. So let me take a moment to commend the General Assembly for your hard work during the special session in November to reduce property tax rates. Thanks to your efforts, we are saving Coloradans money in the short term, and as we work together toward a long term replacement to the Gallagher Amendment to keep property taxes low, I urge you to do as much as you can to reduce property taxes.

Republicans, who have been rightly supportive of giving an income tax cut through TABOR rebates, have at times supported using TABOR surplus for property tax relief but unfortunately vocally opposed it during the special session. I believe this is shortsighted. We should use every tool we have to reduce property taxes without harming local services like fire protection and schools.

This work means more money in Coloradans' pockets, a stronger economy, and a more affordable Colorado.

As demonstrated by our healthy surplus in Colorado, taxes are simply too high: income taxes, property taxes, and the state sales tax. We ignore that signal at our own peril and I challenge Democrats and Republicans to work together to improve our economic growth and success by not taking taxes we can't keep from people and instead working on a bold, balanced, progressive package, including cutting the income tax rate.

While we might not agree on everything, I want to talk about something we can all agree on: Coloradans' TABOR refunds must remain free of federal taxes as they have for the last 30 years.

We are working closely with the IRS and are steadfast in our commitment to help Coloradans keep more of their hard-earned money.

When I first ran for Governor, I envisioned a Colorado for All - one where everyone can thrive. And we are guided by that same mission today.

No matter who you love, your faith, where you came from, what you look like, regardless of your age or ability status, how long you've been here - whether you've just arrived or if you've been here for generations - you belong.

And as we get closer to Colorado's sesquicentennial - or 150th birthday - I know we all want to help everyone get ahead in our great state. That means applying Colorado for All to every facet of our lives: healthcare, housing and transportation, education, careers, safety and more.

It also means continuing to listen to one another and having the tough conversations around the issues that matter most. This is what the Disagree Better initiative is all about. As Vice Chair of the National Governors Association, I've worked alongside the Chair, Utah Governor Spencer Cox on this effort. It's not about agreeing on every issue, for instance Governor Cox and I can't agree on which state has better skiing, even though it's obviously Colorado, but it's about how we can disagree better.

This is something Colorado is particularly good at, but these skills are often challenged both between and within our own parties, especially as we see and feel the vitriol of national politics. Too often it can feel like our disagreements are what define us, and that the gap is too big to close. As Arthur C. Brooks has written, "almost no one is ever insulted into agreement." As highlighted by our leaders yesterday in their opening day remarks, when we lose that ability to listen to one another we see the cracks in our democracy widen, and we let opportunities pass us by.

Let me be clear: this isn't just some feel good initiative or hollow exercise. Our very democracy depends on people being able to disagree with one another – passionately, emphatically – and still being able to work together with mutual respect and dignity. When that is no longer possible, when policy arguments become personal attacks, and when people start to paint the other side not as colleagues who disagree, but as enemies, we are entering dangerous territory.

Here in this building we've seen how listening to one another and having thoughtful conversations can impact our relationships and the policies we create for our state.

We share the same goals for a stronger Colorado, so let's use these next four months to really work together, to disagree better, to show the nation how it's done. The Colorado way.

This work isn't easy. If it were, it would've been done already.

But here in Colorado, we dream, we dare and we do.

This year we choose once again to tackle what is hard—what truly challenges us – not because it's easy, but because it's hard.

So as we prepare for the year ahead, know that the State of our State is strong. When we work together, and disagree better, nothing is beyond our reach.

Thank you.

God bless you all, God bless Colorado, God bless the United States of America.