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Doug Burgum
GOVERNOR

State of the State Address

January 5, 2021

Good afternoon and thank you. Mr. Speaker, Lieutenant Governor Sanford, distinguished members of the 67th Legislative Assembly, Chief Justice Jensen and justices of the Supreme Court, fellow elected leaders, tribal leaders, cabinet members, First Lady Kathryn, children, Joe, Jesse, and Tom, family and friends and all fellow citizens of North Dakota, welcome, and thank you for joining us today, whether it's online, over the airwaves, in person, or across the hall in the Senate chamber.

As Kathryn and I arrived at the Capitol today, it was wonderful to see everyone bustling about, excited for the session to begin. Seeing all these bright, familiar faces and I was actually overcome with a sense of warmth and I turned to Kathryn and I said, "Hey, I'm really feeling the warmth today. It's radiating from all the people, the energy from everywhere." And she turned to me and thoughtfully said, "That's great, Doug, may we go inside the building now?"

Yes, it really is just another beautiful January afternoon in North Dakota, and it's just over 40 degrees warmer than on our first State of the State four years ago. Chief Justice Jensen and Chairman Fox, we thank you for your thoughtful words this morning and for your service to all the citizens of North Dakota and to the people at MHA nation. And Chief Justice Jensen, to you and the entire judicial branch, and to our own Department of Corrections and Rehabilitation, thank you all for keeping our justice system running smoothly during this past year. We look forward to continuing collaboration throughout the legislative session with all of you.

As our administration enters the second term, Brent, Kathryn and I are truly honored to continue serving the incredible citizens of North Dakota, especially during these historic times. Together with the 67th Legislature, we look forward to the tremendous opportunities before us to make a positive difference for our citizens and our state. As North Dakotans, we've experienced much this past year. Truly an entire flock of black swan events, combining flooding, drought, an ongoing global pandemic, market crashes, historic rapid and huge economic contractions, all during a single year. These have tested us in ways that we could not have expected. Yet, as we look forward together to the 2021-2023 biennium, it's clear that our state is well-positioned to rebound and recover thanks to the courage, the grit, the ingenuity, and, yes, the resiliency of North Dakotans.

Today the State of the State is one of optimism and new beginnings built on our confidence of overcoming adversity and the knowledge that we will emerge stronger than ever.

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Here today, we pause for reflection in the midst of a fight that is not yet over but one in which we are gaining positive ground and making significant progress daily, thanks to the incredible efforts of our federal, state, and local partners, communities, businesses, families, faith-based organizations, nonprofits, and the citizens of North Dakota.

As often happens in an emergency, heroes emerged from the crisis. We've had no shortage of heroes in North Dakota in 2020, starting with our frontline healthcare workers. These individuals who have truly been doing lifesaving work every day, putting themselves at risk to help others in our clinics, hospitals and long-term care facilities. They've given tirelessly of themselves and in doing so, working together, truly are saving lives.

Additionally, our first responders, paramedics and EMTs, law enforcement officers and firefighters continued to do their duty to protect the public safety and health and respond to calls across our state, including in our rural areas where many of our ambulance crews are all volunteers. For putting their lives on the line to save others amid this new element of risk, these first responders have brought honor to their families, comfort to our communities, and let's thank them for their extraordinary service and sacrifice.

Four days after our first COVID case was identified, schools in North Dakota were closed to in-person instruction to protect students and staff from what was still an unfamiliar virus. As other states canceled classes for the rest of the year, our school teachers, staff and administrators were able to transition to a full distance learning model in less than a month, a remarkable feat that speaks to the professionalism and dedication of North Dakota's educators. Let's give them a round of applause.

Across the country last spring, colleges and universities were closed in a moment's notice and sending people home, but our institutions here in North Dakota, they stayed open. All 11 of our state universities adapted and they persevered. So to our professors, our staff, our administrators, and our students, for the job that they've done continuing to do every day overcoming obstacles to prepare our young people for the future, we also owe them our sincerest thanks. Thank you.

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This may be new to all of us this last year of a pandemic, but our state has been here before.

A century ago, the Spanish flu of 1918 ravaged our state, our nation, and our world. But following that, it gave way to the Roaring '20s, a period of rapid growth and widespread economic prosperity.

North Dakota's population in 1920 was less than 647,000. Ten years later, it had boomed to 680,000. Then the Great Depression hit, sending our population into a long slide that wouldn't

rise again to a record level until 2011. We are the only state in the United States to have had a lower population in 2010 than in 1930.

That's perhaps why so many of us who've watched our state decline tend to approach things with a mindset of scarcity. But since then, we've continued to grow in the annual census estimates. In 2018, we surpassed 760,000 residents for the first time in state history, and last week the Census Bureau quietly released the July 1, 2020, population estimate, which listed North Dakota's population at 765,309, another record for our state.

As we wait for the official 2020 census count, we want to thank all of the census workers, the volunteers, and, most importantly, you, the citizens, because each of you truly does count.

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Looking forward, we have a historic opportunity to invest in infrastructure, diversify our economy, build healthy, vibrant communities, support research and innovation, transform government, and build true legacy projects for the prosperity of North Dakotans for generations to come.

Together, we can set our state on a positive trajectory by leveraging the ingenuity and resources of the private sector and harnessing the power of the Legacy Fund. We can accomplish all of this with a fiscally conservative state budget that holds the line on general fund spending, invests in our priorities, maintains healthy reserves, all without raising taxes.

We embark on this journey from a relatively strong position, despite the pandemic having tested our nation's economy like no other event in recent history and in part we're ready to respond because we were largely able to keep North Dakota's economy open. Based on a survey of Bureau of Labor statistics late last summer, North Dakota had the third-lowest number of establishments that experienced any kind of government-mandated business closure and the sixth-lowest that experienced a decrease in demand for products or services.

Today, we still have over 13,000 job openings in North Dakota, and that's even with the global collapse of the energy sector before our first COVID case. North Dakota today has a lower unemployment rate than 38 other states.

North Dakota's farmers continue to lead the nation in the production of wheat, canola, edible beans, sunflower, oats, and honey and rank in the top 10 in soybeans, sugar, beets, potatoes, and lentils. We're thankful every day that our farmers provide the nation and the world with plentiful, high quality food supply.

This past fall we saw a much smoother harvest than the fall flooding we saw in the battles of 2019, but some growers experienced disappointing yields due to delayed spring 2020 planting, an extremely dry fall, and a widespread early frost on September 8th. Some ag input suppliers had a rough year with parts of the state recording record amounts of prevent plant acres.

Fortunately, commodity prices have rebounded some, putting some wind of hope and opportunity in the sails of our farmers and ranchers heading into this year.

Still, as always in agriculture, that optimism is tempered by risk, including the drought that has quietly crept across our state these last several months.

A year ago at this time, there was no part of North Dakota that was considered abnormally dry. Today the entire state is at least that dry – abnormally dry – or dryer. Sixteen percent of the state is rated abnormally dry, 24% is in moderate drought, 53% of our state is in severe drought, and 7% is in extreme drought. So, it's not just the skiers and the snowmobilers and the kids who got new sleds for Christmas who are praying for snow. We'll be closely watching these conditions as spring nears and, just as we were in 2017, we'll be ready to support our farmers and ranchers, no matter what nature brings.

Looking long-term, the world's population is projected to increase by one-third by the year 2050, just 30 years from now. Crop production will need to double to meet demand. When you consider that corn yields have increased nearly six-fold in the last 100 years, we have no doubt that the North Dakota farmers and ranchers will be up to the challenge, supplying not only food and value-added food products but also biofuels.

North Dakota's ethanol capacity has increased five-fold in the last decade, providing a market for 60% of our state's corn. The Bank of North Dakota's Ethanol Recovery Program provided nearly $43 million in working capital to help ethanol plants withstand the collapse in energy demand due to COVID. Our executive budget includes $14 million to complete the $60 million Ag Development Center at NDSU, which was approved by the last Legislative Assembly. It also proposes a portion of Legacy Fund earnings be directed towards value-added opportunities that will reduce our dependence on commodity prices we cannot control.

On the energy side, oil production continues to rebound past 1.2 million barrels a day in October, and we are meeting our gas capture targets. We're deeply grateful to those operators who continue to invest in production and infrastructure and that will keep our state well-positioned for the future growth as the nation's No. 2 oil producer as well as open up new opportunities to add value to our abundant ethane supply through plastics manufacturing and electricity production.

North Dakota continues to be a powerhouse for the nation, ranking sixth in total energy production, thanks to our all-of-the-above approach that embraces oil, gas, coal, hydroelectric, biofuels, wind, and solar. And with coming outside forces to creating headwinds for some of these energy sectors, it's important that we keep seeking synergies here in North Dakota through the EmPower Commission as we have done so successfully in the past.

There's another rising opportunity before us using electrolysis to produce hydrogen from wastewater. Yes, nothing but water and electricity as inputs. Hydrogen and oxygen are produced and that hydrogen can be paired with our existing energy sources to produce carbon-neutral power. But the scale required to make hydrogen-produced energy work requires massive amounts of storage.

Thanks to the work of the Energy & Environmental Research Center in Grand Forks, we now know that our western North Dakota geology has three salt beds more than a mile underground that show promise for creating salt caverns. These caverns would generate revenue for landowners while safely storing gases or liquids that are injected into them.

This opportunity isn't just limited to hydrogen storage, but also could be used for strategic natural gas storage or essential infrastructure for attracting a $10 billion petrochemical facility. We have a great opportunity to complement our natural resources, but this opportunity is only possible through continued innovation and a stable tax and regulatory environment.

Our entire administration is committed to working with the 67th Legislature to ensure that these game-changing opportunities are set up for success in North Dakota.

In this age of massive data, electric vehicles, and increased remote working and learning over digital devices, it's more crucial than ever that we maintain a diverse power grid with reliable base load generation to meet our electricity demands at all times.

That's why we're working hard to find a market-based economic path forward for Coal Creek Station. And I'm especially grateful for Lieutenant Governor Sanford's tenacious and effective leadership in those efforts. Thank you, Brent.

Last session the Legislature approved the creation of the State Energy Research Center at the EERC. That investment is paying dividends.

Several new leads are now being pursued to add value to our extensive coal reserves, such as manufacturing graphene dots. They're so small, they look like a fleck of pepper and the size of a human hair made of graphene dots can lift a grand piano. Or the extraction of rare earth minerals from fly ash to reduce our dependence on foreign countries for the essential building blocks of every smartphone.

And with the advances being made in carbon capture, utilization and storage by the EERC and the private sector right here in North Dakota, we have an opportunity to become a world leader in securing a viable future for clean coal power while also unlocking 4 to 7 billion additional barrels of oil through enhanced oil recovery.

Creating a low-cost, highly reliable, clean coal base load solution for a planet hungry for more electricity, yet focused on a carbon-constrained future, would put North Dakota in the position to shape global energy policy. It would also open up technology export opportunities to the world's most populous countries, which are still trying to bring electricity to their citizens.

And in doing so, we can support those North Dakota communities that wouldn't exist without the coal plants and the coal sector workers who've been keeping the lights on dependently and cost-effectively in America with North Dakota lignite for more than 100 years. We owe them our gratitude, and we certainly owe them our best effort.

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With eyes fixed on the future, we also continue invest heavily in unmanned aircraft systems. This past year, thanks to the legislature's action last session, we launched Vantis, our first-of-its-kind statewide network for flying UAS or drones beyond the visual line of sight, with initial deployment in western North Dakota.

Attracted by this infrastructure investment, 15, yes, one five, new UAS companies were recruited to North Dakota in the past 18 months, contributing to a significant percent year over year in industry growth in UAS.

As a state, we've now invested more than $44 million to advance UAS research and development and support this fast-growing and important industry. Applications in both private industry and the public sector continue to expand rapidly, and there's exciting developments that can support our two major industries, energy and agriculture.

Moving on to the biotech sector, the growth in that sector that is happening is incredible. And advancements in autonomous farming technology at Grand Farm near Fargo, and the announcements such as Plug and Play's innovation platform also give us cause for optimism about the future of our state's economy.

Our economy also thrives with tourism, recreation, the arts, and culture. Our historic main streets are coming back to life across the state, from Cavalier to Devils Lake to Williston. Our state is rich in arts and culture, from the young musicians you heard performing today to the artists who bring communities and this Capitol back to life. And our state parks saw a 35% increase in camper nights this past year compared with last year as the pandemic drove many to rediscover all that the great outdoors has to offer in our beautiful state.

All of this adds up to North Dakota being a great place to live, work, and raise a family, which we all know and many national scorecards have affirmed in this past year. Our state was ranked No. 1 in air and water quality, third in the best place to raise a family, and we also received top five rankings in economic performance, infrastructure, and the best state for millennials.

By continuing pursuing our strategy to prioritize innovation over regulation, we can position ourselves to play a leading role in feeding and powering the world well into the future.

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These past four years we've made tremendous progress and overcome significant challenges, thanks to the unbreakable spirit of our citizens, the hard work of our state agencies, and the foresight of elected leaders, including those of you in these chambers, to plan for rainy days.

North Dakota strength begins with its citizens and extends to those elected to serve with them at all levels of government. Today, I want to give a shout out to all the mayors, the city commissioners, the park board members, the county commissioners, the school board members, all whose workloads have skyrocketed as you've navigated new challenges to keep

your team members safe and those you serve healthy. You've all been great partners and you've stepped up to your roles as emergency managers during this time of need, so thank you, local elected leaders.

Today is also a day to welcome those who've stepped up to serve at the state level as first-time members of the Legislative Assembly, for their dedication and willingness to serve with all 13 of our newly sworn in legislators both here and across the hall in the Senate. Please stand and be recognized. Welcome to the Capitol, new legislators.

Congratulations as well to our statewide elected officials who in November earned the opportunity to serve the citizens of our state and who were sworn in just moments ago. State Superintendent Kirsten Baesler, Treasurer Thomas Beadle, Auditor Josh Gallion, Insurance Commissioner Jon Godfread, Supreme Court Justice Jon Jensen, and Public Service Commissioner Brian Kroshus.

I also want to give a shout out to our other statewide elected officials who will be up again in 2022, but I have the honor of serving with, including the Ag Commissioner Doug Goering, Secretary of State Al Jaeger, Attorney General Wayne Stenehjem, Tax Commissioner Ryan Rauschenberger, Public Service Commissioners Randy Christmann and Julie Fedorchak. Working alongside each of them this last year on Industrial Commission, Land Board, Emergency Commission and others, I can tell you that all of your statewide elected officials have really been putting in the time and the effort this year. So, thanks to all of them. I also want to recognize all of our Supreme Court justices. Of course, former Chief Justice Gerald VandeWalle, Lisa Fair McEvers, Daniel Crothers and Jared Tufte, who was here today to swear in the chief.

But we also want to congratulate our returning elected House and Senate leadership. Representatives Pollert and Boschee, Senators Wardner and Heckaman. Thank you for your leadership in your respective chambers and your caucuses. And I especially want to say thank you for your deep collaboration and welcomed input throughout this pandemic. You've been incredible partners throughout 2020. We look forward to continue working with you as the year goes ahead. Let's give all of these folks a great round of applause.

And, of course, I know we all look forward to continuing our strong partnership and working relationship with our federal delegation, Senator Hoeven, Senator Cramer, and re-elected Congressman Armstrong. But working together this year we saw that at the local, state and federal level we have an opportunity to empower people, improve lives and inspire success, and help our great state reach its fullest potential.

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That fullest potential that we have, that collective potential, resides individually within each of us and every citizen in the state. And this past year has shown us the power of individual action, of individual responsibility, and the difference it can make.

Here in state government, agencies came together with a whole-of-government response that prioritized saving both lives and livelihoods.

The Department of Health lab scaled up to a level never imagined, from processing 2,000 samples per day to 7,500. The lab staff grew from a small team of 18 to a team of 140 team members from the Department of Health and from the North Dakota National Guard. The National Guard, by the way, and General Dohrmann is right here, is now the longest serving ever in-state operation at nearly 300 days. Thank you, General Dohrmann and the National Guard.

The heroes in those agencies worked with local public health units to establish North Dakota as a national leader in testing, which the National Institutes of Health calls "the key to getting back to normal." We continue to rank in the top three nationally in testing per capita.

From the Department of Human Services' work on the nationally recognized Vulnerable Population Protection Plan; to the Information Technology team enabling over 7,000 state team members to begin working remotely within 48 hours; to Cody Schulz in the Department of Emergency Services, their critical role in coordinating the unified command and to Joe Morrissette in OMB's role in managing a record amount of federal pass through funding; to Job Services' key function in distributing record levels of unemployment benefits totaling over $900 million, and requiring lots of IT changes; to the Department of Commerce for standing up four entirely new grant programs to support businesses across the state to re-establish consumer confidence.

The heroes in our state agencies are too many to list, but every single one is appreciated and deserving of our gratitude. So please join me in thanking every single person in all of our state agencies that's been working extra time related to the pandemic. Thank you.

In fact, if you wanted to find heroes in our communities, it's very easy. All you have to do is look because they're basically everywhere.

Grocery store workers stocking inventory or scanning items in a mask behind a pane of plexiglass.

The customers in those stores respecting each other by standing six feet apart in the checkout line.

The pastors holding church service in the parking lot so their vulnerable parishioners could still attend safely.

The business owners and entrepreneurs modifying business models and stepping up to reduce transmissible moments, adding touchless service features and outdoor options, enhancing ventilation, and creatively finding ways to keep employees on the payroll, and encouraging those who could to work remotely.

The crews from Dakota Carrier Network, Midco and other broadband providers making thousands of connections to ensure that high-speed service to schools and homes to support distance learning, earning North Dakota national recognition for our broadband connectivity.

The tribal chairs and tribal council members, and the incredibly difficult decisions that they had to make, taking proactive steps to protect their elders, the keepers of so much of their culture, language, and wisdom.

And the health care workers that are now working on delivering the vaccine and those who have received the vaccine. Because those have received the vaccine are not only protecting themselves, but they're also protecting those around them. And this is especially true for those important caregivers who've been working in long-term care with our elderly and most vulnerable. Our hearts go out to all the families who lost loved ones during this pandemic.

We're off to a great start in saving lives with a vaccine. North Dakota currently ranks third in the nation in the number of people per capita initiating vaccination, according to the CDC. As of last night, more than 24,000 North Dakotans had received their first dose of the vaccine.

Each of these groups that I mentioned, and many more, these are all real heroes, those who have exercised their individual and community responsibility, followed mitigation measures with empathy and compassion for those most vulnerable to the virus. They recognize that these measures that mitigated the spread of COVID save lives and preserved hospital capacity for non-COVID as well as COVID patients. And moving us towards reopening, even as COVID hospitalizations nationally hit a new record high on Monday. We're so fortunate in North Dakota to be going in the opposite direction.

Fortunately, we have new tools at our disposal to fight COVID, with effective vaccines, plentiful rapid tests that help screen out asymptomatic positives and break the chain of transmission, and effective therapeutics that can drastically improve survival rates when administered at the right time. This battle is far from over, but we can see the light at the end of the tunnel and we've got the tools to get us there. Thank you to all of these everyday heroes.

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Through Operation Warp Speed, the federal effort to accelerate vaccine development, truly a successful effort between our current White House administration, the biosciences industry, working together they cut enormous amounts of bureaucratic red tape while maintaining full clinical safety. These decades-accelerating efforts will have a profound, positive and broad impact on medical treatment in the years ahead across many disease classes. In the coming years, we'll see dramatically better tools and solutions, thanks in part to biosciences research, development and manufacturing that's happening right here in North Dakota.

Twenty-two years ago, Michael Chambers of Carrington, North Dakota, teamed up with a fellow NDSU student from other side of the world, John Ballantyne of New Zealand, and they created a little startup called Aldevron. Since then they've grown the startup from a cozy 400-square-foot lab at NDSU to a multi-campus, multi-city organization with hundreds and hundreds of team members. Today Aldevron is the global leader in producing nucleic acids to support generic medicines, a new field of medicine that seeks to repair, replace, or regulate defective genes that are often the root of disease.

This work also plays Aldevron as a global leader in producing essential base material, nucleic acids for DNA and mRNA vaccines like those that are being distributed right now in the U.S. for COVID-19. In fact, North Dakota-based Aldevron is a supplier to over 40 COVID vaccine programs and has been a key partner in speeding up the development and production of vaccines, a process that previously often took a decade.

Aldevron's work has accelerated vaccine delivery, not just for North Dakota, not just for the United States, but for the entire world. Thanks to the extraordinary efforts by team members like the homegrown talent we have with us today.

Matt Krusen, a Fargo South High School graduate, has gone beyond his responsibilities as Senior Manager of Client Relations, contributing to the accelerated advancements for numerous COVID-related vaccines that will undoubtedly impact the global community.

Dickinson native Angelica Meyer moved back to North Dakota after graduate school and worked first in the oil fields, practicing chemistry on drilling rigs. Now, as Aldevron's Technical Operations Manager, she's heavily involved with lab activities and extremely passionate about the company's role in Operation Warp Speed.

For their critically important work and for the entire team at Aldevron, including founding CEO and Executive Chairman Michael Chambers, current Chief Executive Officer Kevin Ballinger, and for all North Dakota companies and institutions that are playing a role in ending this pandemic and helping safeguard us against future diseases, let's give our two guests today and all of Aldevron a round of applause. Thank you for joining us.

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Emergencies and natural disasters take many forms and we saw our fair share in 2020 – these are non-COVID emergencies.

Thanks to the work of our Department of Emergency Services in collaboration with local emergency managers, as well as a responsive administration Washington, we secured several disaster declarations in 2020 for damages totaling roughly $100 million.

Those damaging events range from widespread spring flooding, to summer flash flooding, to the lingering effects of 2019's record wet fall, which resulted in more than 2.5 million acres of prevent plant.

We also experienced a brief period of civil unrest that has spurred a dialogue about how to best ensure equality and inclusion for all who choose to make North Dakota their home. In one instance, we provided North Dakota Highway Patrol and North Dakota National Guard support to local authorities. As always, our troopers and our Guard members served with the utmost professionalism and restraint, and we want to thank them all once again for their important service.

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Our strength also lies in the fundamental truth that we are a nation of laws. And amid the unpredictability of 2020, the brave men and women of law enforcement carried out their daily responsibilities.

Among them was Grand Forks Police Officer Cody Holte, who also served incredibly as a First Lieutenant in the North Dakota Army National Guard. Officer Holte selflessly dedicated his life to protecting his community, his state, his country. He was a loving husband, an adoring father, a son, and a brother.

Officer Holte represented the best of all of us. A man of honor, courage, public service, who put God, family and country above all else. A leader who always placed the needs of others above his own and who exemplified the true spirit of public service.

Our freedoms are built on those who uphold the rule of law, who run towards danger when others run away from it. On May 27th, Officer Holte did just that, entering an apartment where he knew fellow officers had been fired upon and the doorway left him exposed to gunfire.

We'll never know how many more might've perished in that building if not for the swift and selfless acts of Officer Holte and his fellow officers and deputies.

Officer Holte's name will be inscribed on the Peace Officer's Memorial here on the Capitol grounds, a permanent reminder of his remarkable act of bravery.

We're honored to have with us here today Officer Holte's wife, Mandy. She and their son Gunnar can rest assured that Cody's legacy of service will live on forever in the hearts and minds of North Dakotans, and that they have our everlasting support and deepest gratitude for his incredible ultimate sacrifice. Thank you for joining us, Mandy.

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Like all those who serve in uniform, we each have an opportunity in our jobs to improve the lives of others every day.

In government being able to serve citizens as efficiently as possible often depends on our ability to let go of what was and embrace what could be. The decisions we make today will affect generations to come. We need the courage and curiosity to innovate, to try new approaches, to transform government services to reflect our current and future realities.

We can provide citizen-focused service by investing in IT to replace or upgrade our three severely antiquated mainframes, which in one now well-publicized case forced us to hire programmers from Latvia because no one else in the world still worked with systems that old.

And given the persistent threat of foreign national cyberattacks, such as the current SolarWinds attack, it's essential that we make investments to protect the data of our citizens.

We can streamline processes to provide better service, support, and provide increased transparency for the public and for our industry stakeholders through whole-of-government efforts, such as the new Unified Spill Reporting System, we're announcing today.

A working group led by the North Dakota Department of Emergency Services and including the Department of Ag, the Department of Environmental Quality and the Department of Mineral Resources, began planning for the Unified Spill Reporting System back in 2018.

The result, launched Friday, is a simplified one-stop reporting system for hazardous materials spills, eliminating the need for producers and the public to report spills to sometimes three or four different state agencies. This is one call, like before you dig, this is one call for spills.

Through increased collaboration and unified reporting, our state agencies are now better prepared to protect North Dakota's water, air and soil. Let's give a thanks to all of these agencies who collaborated to put this great new program together.

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To build healthy, vibrant communities in schools we know we need to better support behavioral health. For example, by investing more in the substance abuse disorder vouchers to expand access to treatment services.

And we need to keep investing in peer support services and care coordinators to cultivate success stories such as Solid Comfort, a Fargo-based manufacturer of hotel furniture. The company's program, Solid Start initiative, focuses on second-chance hiring, onsite peer support and other training and development programs to empower their employees, 75% of whom are either in recovery or re-entering from the criminal justice systems.

Employees like Molly Tice, who often shares that she's the perfect example of how addiction can happen to anyone. She was a wife, a mother, had a great career working at a hospital.

One day, someone introduced her to meth, and within a year she had lost everything, her home, her job, and her kids. She was living on the streets and ended up in prison for four years because of a brain disease called addiction.

When she came to Solid Comfort she was desperate. She told the hiring managers in an interview, "I've never done manufacturing, but I'm a hard worker and I promise you I'll try and do my best. I learn fast, and if you give me a chance, I'll prove to be a loyal employee."

Solid Comfort gave her that chance, and Molly made the most of it. She started out in entry-level position on the shop floor and is now the line coordinator and programmer for Solid Comfort. She goes out into the community and shares her story of battling addiction and finding recovery, and she leads the Solid Start Committee to develop and support those coming out of the criminal justice system who are on their path to recovery.

Molly and Solid Start are reinventing what recovery looks like in action, eliminating the shame, the stigma, and the fear to help people, businesses and communities thrive.

First Lady Kathryn was able to share Solid Start's powerful story at a White House conference earlier this fall with First Lady Melania Trump and others, the drugs czar and Surgeon General. And she represented that North Dakota story so well, just as she continues to courageously share her own lived experience with addiction and recovery. She inspires others to celebrate the power and hope of recovery and eliminate the shame and the stigma of the disease of addiction. And for the positive impact she continues to have on so many lives, let us give Kathryn our appreciation and gratitude, thank you.

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Going forward, we can limit property tax growth by design. And by design I mean by supporting the development of more economically sound cities that maximize the use of existing infrastructure as we strive to create healthy, vibrant communities.

This year marks the third Main Street Summit where we brought together community leaders from across the state to discuss smart growth within our communities and what was needed to attract and retain a 21st century workforce. North Dakota can only reach its fullest potential if every community continues to reach theirs first, and we'll continue to focus and work with our community partners on Main Street Initiative programs going forward.

We continue to engage the five tribal nations with whom we share geography, resulting in many positive outcomes, such as four of the five tribal colleges signing memorandums of agreement with the North Dakota National Guard to make the State Tuition Assistance program available to qualified student service members attending college. And from Mark Fox's presentation this morning, we know that there are still many challenges that we face working with our fellow North Dakota citizens who are also tribal members. And our administration is committed to continue making progress on tribal engagement on those fronts.

We now stand – shifting to education. We now as a state spend over 50% of our general fund on K-12 and higher education and provide some of the highest per pupil state support in the United States. So, given that, we have a right to have high expectations about elevating our approach beyond what may have been the familiar schooling to many of us from decades ago. We have a right to expect that we can build and create a high-performing education system that is responsive to the emotional, physical, and academic well-being of each individual.

Should that individual choose an education pathway in a career academy like the very successful one here in Bismarck that teams up higher education, the private sector and K-12, he or she shouldn't have to live in the capital city to have access to that type of learning model. For our students and for the future of our workforce, our budget called for providing $45 million to support the expansion and development of similarly successful career and technical education centers across North Dakota through matching grants funded through our proposed bonding package.

Higher education also continues to be impacted by dramatic, unstoppable forces of economics, technology, demographics, and culture. And those unstoppable forces were all before COVID. Then you throw COVID on top of it.

To ensure that our institutions have the tools to serve our state and succeed in this new environment, we must create systems that drive student growth and incentivize transformation as well as provide stability for our institutions. Today, I ask the Legislature, the North Dakota University System, the State Board of Higher Education, to join us in the study and development of a permanent higher education stabilization and transformation fund for North Dakota public institutions, with the goal of initiation and implementation by 2024. This fund should be used to stabilize higher education funding, finding ways to drive growth and incentivize increased public-private partnerships in 21st century education models.

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Which brings us back to the historic opportunity that lies before us.

As I've said before, and it holds true today, we live in a state of abundance with the humility to understand that much of our good fortune is derived from our God-given natural resources, namely our soil, our water, our coal, our gas, and our wind.

Over the course of 131 years of statehood, we've combined these resources with the power of human ingenuity to build and grow a dynamic and increasingly diversified economy.

We mustn't succumb to the scarcity mindset that gripped our state for those 80-plus years when we lost population, schools and storefronts. In spite of our present challenges that we face in 2020, in fact, our future has never been brighter. Now is the time to make bold investments in our future.

Before this talk today, I was standing in Memorial Hall and thinking about this building and how this arose in a bare field at a time during the Great Depression. Those that went before all of you in the Legislature at that time made a decision to boldly think about building infrastructure that would support the future. Here we are in this beautiful room, 90 years later, benefiting from their vision.

We have the same type of historic opportunity today to take advantage of low interest rates. To bond for roads and bridges and other immediate one-time infrastructure projects. To create a permanent gift for future generations in the form of a $700 million revolving loan fund.

And the beauty of the $1.25 billion bonding proposal is that it doesn't raise taxes even one single dollar, and it doesn't even rely on tax revenue for the repayment of those bonds. Rather, these legacy bonds would use just a small portion of Legacy Fund earnings to retire the bonds, giving us an opportunity unlike any other state to invest in our future.

Our agriculture industry, our energy sector, and our communities expect us to maintain the bridges and road systems we have built over generations. Investing in these systems will reduce

the need for load restrictions and provide support for both farmers, ranchers and energy producers. It will allow us to make our highway system safer for the traveling public and help reduce traffic fatalities, the goal of the Vision Zero initiative. Preliminary figures show that 2020 ended with fewer than 100 traffic fatalities on North Dakota roads for the first time since 2002.

Now is the time to invest in our future with a backbone of smart, efficient, modern infrastructure. We can save tens, if not hundreds, of millions of dollars for the state and for our taxpayers and for our political subdivisions over time by investing now versus waiting for years and years to pay cash for aging infrastructure.

And with a flexible $700 million revolving loan fund, we can support strategic high-dollar infrastructure projects while creating room in our DOT budget and the Resources Trust Fund to support many other smaller yet essential water and road projects in every corner of the state.

We look forward to working with you to seize this historic opportunity before it disappears.

At the same time, we have an opportunity to create a distribution formula for the Legacy Fund earnings to support projects that will have a lasting impact beyond our current generation; that have a regional, state and national impact; that leverage other financial support and partnership for a high return on investment for our taxpayers; that they're one-time projects that don't grow government, and yet they create a positive impact for our economy, our workforce and our communities.

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As newly elected President Ronald Reagan said in his inauguration address nearly 40 years ago, "I believe we, the Americans of today, are ready to act worthy of ourselves. Ready to do what must be done to ensure happiness and liberty for ourselves, our children and our children's children." This is our opportunity to do exactly that.

Recently, I was reflecting on the life of former Senator Lonnie Laffen following his sudden tragic passing two days before Christmas. Kathryn and I had had a chance to attend in Grand Forks when he received the prestigious Henry Havig Award for Community Service from the Chamber of Commerce and was reflecting on the remarks he made. It's a great award, an award appropriately bestowed to Senator Ray Holmberg just last week.

But Lonnie, who grew up in the small town of Wimbledon, was an entrepreneur and a business leader. He was a gifted architect and a friend and a thoughtful legislator. He had the privilege of sitting next to another very thoughtful legislator, the late Senator John Andrist from Crosby.

Lonnie recalled that night when he won his award how Senator Andrist had once told him, "If you were born in the United States, you've already won the lottery." That's true given what a fantastic country this is. Lonnie agreed wholeheartedly, but he also added, "If you had a chance to grow up in a small town in North Dakota, you won it again. And if you've had a chance to live and work in a community like Grand Forks, I've won the lottery at least three times."

We can all relate to those deeply ingrained feelings of gratitude and pride in our country, our state and our hometowns. These are exceptional places. We do not take them for granted. Every day we are grateful for the chance to make this an even better place for our children, our grandchildren and generations beyond.

The lottery ticket that we hold in our hands is not ours. It's theirs, future generations. Let us invest it wisely in their future.

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Everyone who has spent a winter in North Dakota knows that feeling on the first bright, warm, snow-melting day of spring, that feeling when the sun hits your face and the angle of the sun is high. It just feels different. You know that brighter, warmer days are ahead.

Let us look to our abundant future and fill it not just with economic prosperity, but also with the joy and happiness that comes from our hearts. Like the paper hearts in the windows that began with Mandy Gill's family here in Bismarck and spread around the world – a literal World of Hearts.

Like those hearts, millions of small acts of kindness have been performed this year across North Dakota – in homes, in schools, in nursing homes, and everywhere else. Parents to children, teachers to students, coworker to coworker, friend to friend, teammate to teammate, grandchild to grandparents, caregiver to resident, neighbor to neighbor, volunteer to someone in need, even a young child writing a governor a beautiful note of gratitude. And the circle of kindness continues to widen.

These multitudes of daily acts of kindness built and strengthened our bonds of family and community and raised our collective humanity.

Yes, pandemics and global economics are extremely complex. They're intertwined, they're interrelated, and they come with unknown after unknown.

But there's one thing that we've always known, and what this pandemic has taught us again, and that all the great spiritual traditions of the world know, is that the power of love and forgiveness can disarm and disable the anger that is fanned in an attempt to divide us.

Mother Theresa once famously said, "If we have no peace, it's because we have forgotten that we belong to each other." As North Dakotans, we pride ourselves on our independence and yes, sometimes we even pride ourselves on our stubbornness. But as Mother Theresa knew, as Monsignor Shea, the current President of University of Mary, has said, "We need to be reminded that we do belong to each other."

This pandemic has reminded us that we can't escape from being in relation to each other. So as we move forward to finish strong in our fight against COVID, let us stand together as North Dakotans united in commitment to respect for one another, to be compassionate to one another, and to love one another.

Let us proceed into the bright future with an understanding that the path towards healing and happiness, for all the grief that we've endured in 2020, it cannot be resolved with more anger or more resentment or more cynicism. But that grief can only be assuaged with a path filled with empathy and forgiveness.

Our interactions speak to the very core of who we are as North Dakotans. Let us show the world that North Dakota is an exceptional place, not just for our powerful contributions to feeding and fueling the world and driving innovation, but let's show them it's an exceptional place for our ability to demonstrate how deeply we care for each other, our communities and our state.

God bless you. God bless the great state of North Dakota, and God bless the United States of America. Thank you.

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