

Governor's Exhibit 2



For Immediate Release
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Noem 2019 State of the State Address [Embargoed until Delivery]

PIERRE, S.D. – Governor Kristi Noem will give the following address today at 1pm:

Noem's address (as prepared for delivery):

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Lieutenant Governor Rhoden, Mr. Speaker, members of the legislature, Chief Justice Gilbertson, Justices of the Supreme Court, constitutional officers and fellow South Dakotans. Thank you very much for giving me the challenge and the distinct honor of being your Governor.

It is my privilege today to offer thoughts on the state of our state.

By nearly every standard of comparison, South Dakota is in good shape. But in order to preserve and extend this prosperity forward for today's working families and to the next generation, we must come together on solutions to the problems on the near and distant horizons.

Just how good do we have it here in South Dakota? Well, let's compare to a few other states. Illinois is forecasting a \$1.2 billion annual deficit and their pensions are only 40% funded. Connecticut's economy has been shrinking for a decade and their revenue growth has stalled out. New Jersey has yearly budget deficits as far as the eye can see.

Meanwhile, in South Dakota, thanks to the leadership of Governor Dennis Daugaard and many in the legislature, we have rid our state of an annual structural deficit. We rely solely on the ongoing revenue stream to cover ongoing expenses. Our state pension plan is fully funded. And we have a Triple A credit rating - the highest rating given. I'm grateful for the voice of fiscal responsibility Governor Daugaard has maintained over the last eight years. I know he isn't here today, but could you please join me in thanking Governor Daugaard and past legislators for their fiscal discipline and incredible leadership.

As our state's new Governor, I'm committed to maintaining the fiscal integrity for which our state has become known. We will work hard to maintain that Triple A credit rating. We won't spend money we don't yet have. We won't needlessly grow the government. We won't raise taxes.

If we stopped right there, those promises to the people of South Dakota would put us lightyears ahead of many other states. Fiscal discipline isn't common elsewhere, but in our state it's not optional. It's the foundation. It's what sets us apart with rating agencies and why our state makes list after list for being a great place to open a business, raise a family or retire.

Fiscal discipline will be the foundation of my governorship but we aren't going to stop there.

As I mentioned in my inaugural address last Saturday, I want to be a Governor who improves South Dakota not only for today, but also for the next generation. Growing up, my mom and dad worked hard to build a farm large enough for all of their kids to stay if they wanted to. My dad didn't make it to see today, but his dream did. As much as he wanted us to carry on our family farm and ranch, what he really wanted was to give the next generation an opportunity to thrive. That dream is also my vision for South Dakota. The next generation is watching us and we must do everything we can to strengthen our state so it's a place where they can one day launch their careers and raise their families. I hope you all will join me in this effort.

Over the past few weeks, my team and I have talked with every agency and department in state government. We have heard about the challenges and opportunities facing our state. This information transfer, though, was really the capstone of a two-year-long job interview for being our state's chief executive. And over the last two years, I was able to do a lot of listening with a lot of South Dakotans.

I heard story after story from South Dakota families about the love they have for our state. They love our culture, our wide open spaces, they love their towns and their churches. I do too. But many families are struggling to get ahead. Parents lie awake at night and wonder if they are a medical emergency away from financial disaster. Or if they'll ever be able to put money into a savings account for a new home.

With those stories of South Dakotans and the struggles that they face in mind, I want to share with you a handful of proposals that I believe will set up the next generation for success.

Expanding Rural Broadband

For so many in South Dakota, our rural way of life keeps us connected to the land our grandfathers and grandmothers once farmed and to the close-knit communities we call home. But in the quiet moments, I think we would all acknowledge the world our kids will inherit will be a much different one than what we've experienced. Their world will be one in which both access and ease in a digital, connected world is a basic requirement for making a living. For being engaged in society, and keeping their households running and their kids educated.

I've heard it said that 65% of children in elementary school today will work in jobs that don't exist yet. These jobs of the future – the jobs our children will depend on to support families of their own – will almost certainly require access to technology, particularly the Internet. And we must make those investments now. Raising the next generation with tools, such as broadband, is our responsibility as parents and citizens.

Internet access is taken for granted in urban settings but that's not the case in rural areas. This is a big problem to tackle. There are many rural areas of our state where the lack of access to broadband is widespread. Half our counties have rural areas where one in four people don't have this kind of broadband access. And some counties have rural areas where half of the residents don't have broadband access. They're not even our most remote counties. Our citizens in rural Beadle and

Codington counties, for example, endure poor internet access right alongside those living in rural Charles Mix and Perkins counties.

As I see it, this is a statewide, South Dakota issue, not just an urban versus rural issue. It's a South Dakota issue because the small communities and rural areas near Watertown or Huron provide customers and members of the workforce for those larger communities. Some young girl with a aptitude for math and science could be a future Daktronics engineer but will she be able to excel without broadband at home?

And some young man or woman might want to come back and take over the family farm but they need to have access to information on crops, prices and machinery. Their spouse might run a business online – Will they move back to the farm if they can't access broadband? We must close the broadband gap to ensure people have the opportunity to work and hire locally and sell globally.

This is easier said than done. It can cost \$15,000 per mile or more to lay fiber optic line for internet, and the low number of customers in some rural areas makes it too expensive for companies to justify their investment. Some have discouraged us from even trying to expand access because it's too hard and too expensive. But I refuse to quit. Geographic location cannot be an excuse for the government to do nothing when the future vitality of our economy is at stake. Geographic location no longer has to be a barrier to participating in the global economy. By pairing quality of life, education targeted at in-demand fields, and fast, reliable broadband, I believe our geographic location can actually be an advantage. There's no reason why rural South Dakota can't compete and win by attracting new workers seeking a change. Let's welcome our sons and daughters, who are tired of the crowds and commutes, back to their hometowns to raise families while pursuing their careers. And in the process we will strengthen our smaller communities and our state.

So, how does that happen? Well, first we need to set goals as a state that will not only bring our homes and businesses up to an acceptable level of broadband access, but also ensure we remain at the forefront as technology develops. We'll use those goals to drive our policy and ultimately our state's investments. I feel strongly any time we are talking about taxpayer-funded investment, we should be investing for the long term, solving for more than just the immediate problem.

Today, I'm announcing a plan to close the broadband gap. Partnering with others, I want to connect as many more South Dakotans as possible to high speed internet over the next four years.

State government can't tackle this alone. To accomplish this goal, first, we'll bring together industry leaders. Our state's rural telecom companies, in particular, have considerable experience in bringing broadband service to our rural areas. Our state's other wireline service providers have an important role to play in areas they serve as well, and I look forward to working with them on increasing their level of service. What's more, I want to bring in companies with emerging technologies in the fixed wireless arena, such as Microsoft's Airband initiative, that may offer more cost-efficient ways to provide fast, reliable service to our most difficult to serve locations. And I see a role for companies ready to invest in new 5G technology, which promises faster, more reliable service over cellular data networks, as well.

Second, we are going to focus state government's commitment to this issue. My team will work on a mapping process to identify in more detail gaps or deficiencies in South Dakota's broadband coverage. This will ensure we have the best possible picture of what work remains, and deploy our resources effectively to meet our goals.

Third, we are going to commit state resources to closing the broadband gap. Other states have developed programs and we will review those as we put our own together. State resources can't, and shouldn't, get us across the finish line alone. But they will incentivize investment and leverage additional dollars.

Going forward, I have also charged GOED with developing a series of public-private partnerships to help overcome the challenges of service in rural areas and achieve the ambitious goals we've set for South Dakota. In a state where our own Raven Aerostar has partnered with Google's Loon project, which aims to bring Internet access to billions of people in rural areas around the globe through high altitude balloons, I know we can find a way to bridge our own challenges and secure broadband for rural South Dakota's next generation and beyond.

Extending Pheasant Habitat

The rural nature of our state might create higher internet connection costs, but I wouldn't trade it for the struggles and lifestyle that you have in DC or the coast of California. It's hard to beat heading out on that special Saturday in October with family and friends to enjoy the Pheasant opener.

We recently celebrated a century of pheasant hunting here in South Dakota. It's a tradition that my family has enjoyed for years. And for a period of time, it was more than a hobby, it was our livelihood. After my dad died, we opened a hunting lodge to help make ends meet. So to us, hunting isn't just a sport. It's a way of life, and an economic engine for our state. Today bird-hunters spend nearly a quarter of a billion dollars in South Dakota. And outdoor activities in our state support more than 18,000 full and part-time in-state jobs. That's a huge boost to our economy.

My family has been blessed with prime pheasant habitat on some of our land. Of course, we have worked hard to preserve those grounds over the years and have long participated in the CRP program. But as land values have increased, areas like ours have begun to disappear, gravely affecting pheasant populations. It's hard to blame folks for making those decisions when land values are high but it has an impact on how and where our pheasant population can nest and produce the next season's birds. In fact, statewide pheasant populations have fallen 65 percent in the last decade.

While in the U.S. House, I authored a provision to increase CRP acres to 29 million acres, a priority for many South Dakota outdoorsmen. As Governor, I will continue to push federal policymakers to enhance CRP even further. But we can, and must, do more at the state level. Which is why I am announcing the official kickoff of our Second Century Initiative. The first century of pheasant hunting has put South Dakota on the map as a destination for every hunter. Now we must preserve and expand habitat to ensure that the second century of pheasant hunting will be as great as the first.

First off, we'll work to increase resources for habitat management – without raising taxes. Maintaining and improving habitat is essential to the future of pheasant hunting in South Dakota. So today, I am directing the Department of Game, Fish and Parks to explore outside-the-box, voluntary funding solutions, such as an expanded Hunt for Habitat program, in which a limited number of hunting tags would be reserved at premium pricing. Programs like this have proven exceptionally lucrative in neighboring states. All proceeds would again go directly to habitat.

We need South Dakotans thinking about pheasant habitat, not just in October as we're cleaning up our shotguns, but year round. To raise visibility and more funds, I'll ask the Division of Motor Vehicles and Game, Fish and Parks to develop a specialty pheasant license plate program in which, again, all proceeds would go directly toward habitat management.

Pheasant hunting is a statewide tradition with statewide economic impact, so maintaining and growing the industry requires statewide involvement. This means we're going to get aggressive on predator control with a bounty program. Young people will have a chance to get out there and help reduce the threats to our pheasant population. This also means the funding for improved habitat must come from an increase in private and foundation dollars as well. I'll make the ask directly if needed. I'd love to see banquets and fundraisers and employer-match programs all making habitat one of their causes.

I'm sure there are other great ideas out there when it comes to habitat that we haven't thought of yet. That's why we're going to crowd source habitat solutions. Taking advantage of online capabilities, my administration will expand the capabilities at habitat.sd.gov to ensure every South Dakotan, not just those on assigned advisory boards or in Pierre, can directly contribute to the policymaking process. Should your ideas be implemented, I'd like to see the commission waive your hunting license fees for that year.

Of course, work at the national level can't stop either. I'm committed to keeping habitat management as a national priority. As a top negotiator of the 2014 Farm Bill, I fought to enhance CRP, and when the Obama administration accepted just 101 acres into CRP in South Dakota in 2016, I fought back. I will take up that same cause as Governor. Working in partnership with groups like Pheasants Forever, I will leverage the relationships I have around the country to win over CRP and habitat advocates in Congress, the administration, and Governors' Associations. This broad base of support is essential in not only maintaining federal programs but making sure everyone knows that if you want to hunt pheasants, you'd better book your trip to South Dakota. We'll do what we need to do in here to keep on harvesting a million roosters each fall for generations to come. Consider me our Sportsman in Chief for South Dakota Pheasant Hunting.

Economic Development & The Next Big Thing

As we look to the next generation, few things are as important as kickstarting our economy. We owe it to our kids to create and sustain an economy that is not only strong, but diversified. We owe it to our kids to give them an economy that offers reasons to stay in South Dakota after graduation or to return and raise their families. We owe it to ourselves to encourage growth and development in all communities, large and small. We are, after all, only as strong as our weakest community.

And while we do a lot of things right in South Dakota, our economy has fallen behind in recent years. The economy in Indian Country needs focus as well. There are many challenges today for tribes, but I am looking to build relationships and partnerships with them in many areas: education, law and order, and economic development.

This kickstart begins by lifting government burdens from small businesses owners and making it easier to work and create new opportunities that allow South Dakotans to prosper. By expanding on the strong business climate we have built through a low-tax, low-regulation environment, we'll give businesses room to grow. If you think a state's regulatory or tax burden doesn't matter to business, think again. Just last week, Minnesota start-up aquaculture company trū Shrimp announced plans to move its first planned production facility, a major investment, from the site it previously chose in Luverne, Minnesota, to a new site in Madison, South Dakota. I want to hear stories like this every week, and I believe that's possible. There's a reason we're considered one of the best places to operate a business. It's imperative we keep it that way.

I believe continuing this pro-business approach and stable government will make South Dakota a destination of choice in coming years. When other states raise taxes to bail themselves out and refuse to offer regulatory relief, we'll be here ready. Now is the time to begin the search for the "Next Big Thing" for South Dakota.

As many of you know, in the early 1980's, Governor Janklow had the foresight to identify and to target the credit card industry as an area in which South Dakota could compete and win at a national level. We changed our approach to regulating that industry, ushering in a tremendous expansion of not only credit card processing, but our financial services sector more generally. We created thousands of good jobs. Today, South Dakota is home to \$3.1 trillion in bank assets – more than any other state in the country. Our trust industry oversees billions more, providing still more South Dakotans with reliable, high-paying jobs.

If bringing in the financial services industry was the last "Big Thing" then it's time to start looking for the "Next Big Thing." Because we can't stop moving forward. We must look ahead to the emerging opportunities that can power growth for the next generation.

That is why I am charging my Office of Economic Development with not only identifying our next generation of targeted industries, but also marketing to attract the most innovative companies in those sectors. Over the next six weeks, GOED will develop and roll out a new, more user-friendly website that is more responsive to the needs of existing South Dakota businesses and those interested in moving here.

Our state should continue drawing on our traditional strength as an agricultural state by seeking out more value-added processing opportunities. We have been successful in attracting dairy processing and growing the dairy herd, but we still send far too much of our corn, soybeans, and livestock out of state for consumption or processing. It leaves our farmers vulnerable to the effects of tariffs and basis. Enhancing outlets within South Dakota will benefit farmers and enhance the strength of our small communities, and I have challenged GOED to make this area a priority.

Second, we must leverage our expertise in agriculture along with our growing capacity in human health research. Whether it's new therapies for human diseases, new crop technologies, or other applied research, South Dakota has a valuable contribution to make as a place for innovation in this area and in turn we're gaining international recognition.

Third, we have an opportunity to capitalize on a world-class talent pipeline and our strong tradition of service to become a leader in the cybersecurity. The success of DSU's cybersecurity program has brought South Dakota national attention. DSU is poised to supply the financial services industry, military, and intelligence community, among others, with a workforce that will lead this new and rapidly growing industry. Our priority must be not only in training this workforce, but also in attracting or creating companies in South Dakota to keep our graduates here, at home, with great jobs and a way of life they love.

In the Black Hills, the U.S. Air Force's rollout of the next-generation B-21 Raider bomber will also bring with it a surge of activity in and around Ellsworth Air Force base. This growth will open up new opportunities for good jobs, provide a platform for attracting additional military-connected businesses, and increase Ellsworth's already substantial \$300 million annual impact on our economy. Ensuring Box Elder, Rapid City, and the Black Hills region are equipped to capitalize on Ellsworth's rapid expansion must be a priority for us all.

Identifying and securing South Dakota's Next Big Thing, while better supporting our existing businesses, is a challenge, but I can't think of anything more important to our next generation than kickstarting our economy. So many of our other challenges – drugs, family, resources for schools and building community – become easier when our citizens are prospering and our economy is growing. Done well, we will build an economy to take South Dakota to the next generation and beyond.

Improving Education and Developing Our Workforce

Creating new jobs, new industries and new economic horizons for our state will be worthless if we don't have the next generation of South Dakotans educated, trained and ready to take on these new opportunities and challenges.

As I tour our state's businesses and meet with employers, what I have heard from them is encouraging. Outside of ag, business is good and they'd like to expand. Again and again, though, I heard the same challenge that is holding them back: workforce shortages.

As governor, I want to break down barriers to help fill these shortages. In our smaller communities and more rural areas, one common barrier is affordable housing. Today I'm announcing a pilot project by the South Dakota Housing Development Authority to help fix this problem. We will be building new modular multi-housing units, called DakotaPlex, at the state prison facility in Springfield. It will be similar to the Governor's Houses, but built as duplex, triplex, or quadriplex units. South Dakota communities of less than 5000 people will be eligible to purchase these units and offer them for rent at affordable levels. I'm confident this new project will help our smaller communities expand housing options for workers.

Another state-imposed barrier to workforce can be professional licensure. I am directing the Department of Labor and Regulation, over the next year, to work with our professional organizations and licensure boards to conduct a full review of licensing requirements. We need to consider the elimination of unnecessary licenses, opportunities to streamline the licensure process, and options to fast-track licenses for apprentices, in-state graduates, veterans, and military personnel and their families. We can't let unneeded red tape get in the way of growth.

These are both important steps, but they are only a start. Workforce is a national problem. Recently, because of the strength of the national economy, the United States reached an important milestone: there are actually more job openings today than there are unemployed people actively seeking to fill them.

In South Dakota, according to our most recent data, we have 15,870 job openings and 13,600 people actively looking for work. Unfortunately, we have a skills gap – those unemployed workers don't have the skills necessary to fill the open jobs.

We have already taken steps in South Dakota to address this skills gap. We should all be very proud of our state's technical institutes. Near my home town, Lake Area Tech was recognized just two years ago as the best two-year college in America. All four of our technical institutes have new facilities, new equipment, and qualified faculty offering cutting-edge programs. The Build Dakota scholarship has made it easier for hundreds of young people to get job training, and then stay in South Dakota to work in high-need fields.

We can also be proud of our university system, which prepares more young people for their careers than any other set of institutions. I am concerned, though, that the priorities of our employers and our educators sometimes do not fully align. That can leave some young people with limited job prospects. My team will help me bring together employers, K-12 educators, the Regents, and the Technical Institutes. We need to do more to provide career counseling and information for students, starting in middle school.

I strongly believe that the best way to prepare our young people for their careers is through work experience. Growing up on the farm, we all worked. We didn't know any other way. There was no Facebook or Instagram, so I didn't know what my classmates were doing after school or in the summers. I just knew that my siblings and I were expected to work hard. I'm glad we did – that early experience taught me lessons that have served me well in my life.

Over the coming year, I'm asking school leaders to work with me to dramatically increase work experience in our high schools. We need more CTE and skills training in high school. We need more apprenticeship programs. And we need more opportunities for young people to get out of the classroom and experience a real job.

I would like our high schools to join together each year to hold a "Week of Work." This will be a special week when every high school student will get out of the classroom to experience a day on the job. I hope this can lead to schools coordinating more internships and experience-based classes.

Learning about the world of work helps our young people to figure out what fields aren't for them and eventually they'll hopefully find something they love. Perhaps more importantly, though, work experience teaches young people the soft skills they need. Work experience teaches young people to show up on time, to dress professionally, and to interact with customers. We do a disservice to our students if they graduate high school without these skills.

Some of you may know that, when I started college, I considered becoming a teacher. My dad's accident changed my plans, but education remains a priority for me. One of my aspirations as governor is improve our educational opportunities and performance so that our kids can have greater success.

We need to do more to empower families. Every child has different needs and talents, and we all know that family involvement gets better results. The All-City Elementary School in Sioux Falls is an example of this and a model for others to emulate. One of its core tenants and requirements is a high level of parent involvement. The results are clear. Its students perform at much higher levels than the average elementary school both in the Sioux Falls school district and statewide.

Empowering families also means supporting each family's decisions for education. I am a proud product of public school and so are my kids, but South Dakota also has excellent private schools, and many dedicated home school families. This year, I will be bringing legislation to remove an unnecessary testing requirement that state law currently imposes on home school families. I will also be supporting legislation to make home school students eligible, on an equal basis, for the South Dakota Opportunity Scholarship.

And we do have abundant opportunity in our state, but too often our students don't understand how blessed they are to live in a land of opportunity. I believe the next generation of South Dakotans must understand the foundations of our nation, the tremendous sacrifices made to protect our constitutional rights, and the freedoms, liberties, and responsibilities we have as citizens.

In this Capitol is a statue of one of South Dakota's early leaders, General William Henry Harrison Beadle. He was a Civil War veteran and he took his civic role seriously. General Beadle once said that the purpose of education is to prepare "also for all civic and social duties. Not for wage earning alone, not for money making alone, must we educate."

Civics need to reemerge. From grade school to the universities. Interim Secretary Jones is a professor of history and he will be key to this effort. This year, as a first step, I will be bringing legislation to require that every high school graduate be able to pass the United States citizenship exam. This is the test that we ask immigrants to take before they become U.S. Citizens. It is only fair that, before our young people graduate from high school and take on their responsibilities as citizens, they also display this basic knowledge of our nation's institutions and its history. If our next generation is to be successful, they must know the story of our past generations.

Battling Meth

You all know when we invest in our kids, we're investing in our future. Our future is only as strong as our kids. Which is why it's vital we address problems when they threaten to dismantle the success of the next generation.

As I mentioned earlier, over the past several weeks, my team and I have received briefings from every cabinet department. One issue I heard, time and again, from many departments is the impact of the meth epidemic on our state. Opioids make the national news and they are a problem in South Dakota, but our overwhelming problem is meth.

A couple months ago, I spoke with a first-responder in one of our cities who told me of situations where they walk into homes of meth users and find kids starving in their bedrooms, their parents drugged out of their minds, incompetent of caring for their children. Stories like this are frequent. In our neighboring state of Iowa, a four-month-old baby was killed just over a month ago after his meth-addict dad forgot him in a swing. He died of malnutrition and infection. The police found his little body covered in maggots and sores – his parents too strung out on meth to remember his existence.

This is what our law enforcement has to deal with every day. Can you even imagine? Meth is filling our jails and prisons, clogging our court systems, and stretching our drug treatment capacity. But meth is rarely made in South Dakota anymore, the vast majority of this meth is coming from Mexico. Our meth epidemic is the price we are paying for our nation's failure to adequately secure our southern border.

To give you a sense of the scale of the problem in South Dakota: In 2011, there were 402 meth arrests in South Dakota. Those arrests led to the seizure of approximately 4,300 grams of meth. Look ahead seven years to 2018. We have gone from 402 arrests to 3,366 – and that doesn't even include December of 2018. The amount of meth seized in these arrests has increased from approximately 4,300 grams to nearly 40,000 grams. A nearly tenfold increase.

Some of that increase is due to better enforcement, and that is a good thing. We're catching more bad guys. But we all understand that the meth epidemic is only getting worse.

Meth destroys people, but it does much more. It destroys families. It hurts our kids, and we see that in our schools, in our foster families, and in our health care providers.

Every child deserves to grow up in a good home with parents who love them, and when I see a child who has lost her family to meth, it breaks my heart. Not because I am the governor. Because I am a mom.

We cannot allow meth to break apart our families, consume our resources, and destroy our state. I will not stand for it. Some of us want to look away. We want to flip the channel when we hear about stories like the child in the swing. Some of us might think meth is something that other communities are dealing with or other types of people that you don't associate with. We can't do that. We can't look away. We have to stare down meth.

There are no easy answers to this issue. I know we have tried to address these problems. But we need to do more. And we need to focus on three key areas: education, enforcement, and treatment.

So today, I am proposing that we expand prevention and treatment programs. We need to do more to educate our young people about the effects of meth and give them strategies to avoid it. In the past these efforts have relied on grant funding, but I will be asking for dedicated general funds to carry a strong and consistent message, especially to our young people. Before the legislative session is over, there will be a plan on my desk that will help our state stare down the meth problem. The plan must include tools to improve education, enforcement and treatment.

We will help every South Dakotan learn to identify the early signs of meth use to increase early referrals to treatment. Early intervention is the first defense against this problem. I want to reach meth users before they enter the criminal justice system and commit other crimes. Our objective isn't to imprison people – that hurts families too. We need additional mental health services for this issue and many others. Our ideal is to help people beat their meth addiction and return to their jobs and families.

At the same time, I am proposing that we become much more aggressive in enforcing our laws against meth. We need to stop the traffic of meth into our state, and crack down on those who deal meth and other drugs. I am confident that every dollar we spend to keep meth out will be repaid many times.

And while we crack down on enforcement, we must pave avenues for rehabilitation. Earlier this year, I visited Teen Challenge in Brookings – an incredible program that helps people struggling with life-controlling substance abuse and equips them to become productive members of their community. We need more options for people trapped in addiction, recognizing that second chances are available to people willing to walk the road to recovery.

Foster Care – Every Child Needs a Home

Now for a moment I would like to turn your attention to another important issue impacting families in our state. As I just described, because of meth, dozens of kids are separated from their homes every week, sending child after child into the foster system. While meth isn't the only reason for broken families in South Dakota, the children in our foster system need to be in a home. Every child deserves a home.

Most of us just finished up spending the holidays with our families and friends. We ate together, gave each other gifts and shared stories and laughter. But this Christmas, 192 children were in our foster care system available and waiting for adoptive families. In total, 940 children were in foster care. They didn't have their family to spend their Christmas with. They didn't have a family to laugh and celebrate with. And while the staff at the Department of Social Services can raise awareness about the need, get

the facts out, and debunk some of the myths people may believe, they can't just create families for these kids. They can't put children in a home if no one is willing to provide one. And they can't get the word out if people aren't listening.

That is why, today, I am committing to use my podium, my microphone, and my influence to educate our state about the need for more foster parents. In every formal speech I give, I'm going to talk about it. You're going to get tired of hearing me talk about it. So if you are a foster parent and you have a positive experience to share, send it in to my office. We will use the information with discretion, but we need to tell your stories. We need more parents, more families, more South Dakotans to raise their hands and say, "yes, I'll be a foster parent. I agree, every child deserves a home."

The state has a website - fosterone.sd.gov - where you can learn more, ask questions, and start the process to become a foster family. We'll be updating the website over the next year. And I'll be talking about it. A lot. It's seems almost too obvious to this say out loud, but I will just to be clear – the next generation of South Dakotans will not thrive if they don't have a home. A place to grow up. A family to love them.

Growing Agriculture

Agriculture is the foundation of South Dakota's economy and our number one industry – by a significant margin. All in all, it contributes about \$25.6 billion to the economy, so when ag prospers, South Dakota prospers. Of course, when droughts hit or markets slide, everyone feels that too.

It's been a tough few years for ag in South Dakota, and I've worked hard to put proper safety nets in place for unexpected circumstances like what we've experienced. You see, without certainty, farmers aren't able to do what they do best: feed the world.

As a lifelong farmer and rancher, I know the challenges that come with the business. I know the stress that comes when you take out loans, bury that money in the ground in the form of seed and fertilizer, and hope not only for a good yield, but for the right market conditions at the right time. It's a tough business. But I understand why folks do it. It's a special job to feed the world – to know that the product of your labor brings families together around a dinner table, to know that your work makes a real difference.

So as governor, I'll utilize my experience as a lifelong producer to advance agriculture in our state. From protecting property rights to expanding markets, my administration is being built to develop the state's agricultural economy and give more young people the opportunity to thrive as farmers and ranchers in South Dakota.

*This year, we will focus on growth in the ag economy by transferring Ag Development Representatives from the Department of Agriculture to my office of economic development. This makes sense, because ag development **is** economic development.*

For years, these two departments have largely performed the same functions when it comes to ag development. This move will consolidate resources and brainpower, supply more tools for development, eliminate red tape, and create a better approach to developing our largest industry and create a lasting infrastructure for the next generation.

I might not be traveling to DC every week anymore, and believe me, I'm good with that, but I will continue leveraging my federal network – from the President on down – and partner with our South

Dakota delegation to continue pushing for a level playing field when it comes to trade. Farmers want trade, not aid. Producers don't want federal bailouts. We crave expanded market opportunities. And I believe we'll get there with this Administration.

This has been a frequent conversation I've had with President Trump – as recently as a few weeks ago – and I'm grateful for the outcomes we've seen as a result. Late last year, I was glad to see the president's support of farm country when he lifted restrictions on year-round E15, a move that will help consume another 2 billion bushels of corn, while potentially saving consumers up to 10 cents per gallon at the pump.

We'll begin the process of transitioning the state vehicle fleet to E30, further maximizing the use of homegrown fuels and revolutionizing the way we fuel both our vehicles and our economy. I've already met with state government leaders on this initiative and we're working on a plan.

It's critical we keep communicating the impact of decisions like this to the president, because quite frankly, most of Washington isn't talking about agriculture. Fifty years ago, there were more than 200 rural congressional districts in the House of Representatives. Now, just over 30 remain. I'm grateful South Dakota has strong voices for ag in Senator John Thune, Senator Mike Rounds, and Representative Dusty Johnson. I will do everything I can to continue leveraging my experience to expand trade and keep ag strong.

And I'd be remiss to talk about this new Administration's approach to ag without mentioning Kim Vanneman, who'll be serve as my secretary of agriculture. Kim is very different from any ag secretary South Dakota has ever had. She truly brings a new perspective to the table. I'm grateful for the ways she has been an ag leader in our state – on the farm, in the legislature, in the board room and as a mom passing along her love of agriculture to her kids. She's going to make a great Ag Secretary. Thank you for serving, Kim.

I'm proud of our agriculture tradition in South Dakota. Our ag industry is special – it's our legacy, our way of life. We must do everything we can to ensure the ag economy is ready to support the next generation of farmers and ranchers.

Making Government More Transparent

The issue of government transparency might be last among my major policy items mentioned here today but that's because it's a cornerstone. As we build up, every other item must align with transparency. Many Americans and many South Dakotans are losing their trust in government. This is particularly true of the younger generations. Stories of government ineptitude and downright scandal don't help matters much. I hear you. I'm with you.

So today, I'm committing to work toward building the most transparent administration South Dakota has ever seen. I'll bring debates and meetings from the boardroom to your living room by utilizing free technologies like YouTube, Facebook Live and other apps. We'll modernize and expand existing transparency websites by adding all agendas, minutes, and livestreams to a centralized online location. If my cabinet secretaries and other administration leaders don't stay on top of this, I'm going to make them donate to our pheasant habitat funds.

Fact-based reporting must be valued and encouraged in order to uphold the integrity of government entities. To that end, I want to see a commonsense Reporter Shield law, protecting the constitutional right to a free and independent press. I want that bill on my desk before the end of session.

Our state government must operate to serve people, not special interests. If you have other ideas for ways to increase transparency, send them in to us. We'll work to bring more sunlight to the statehouse. You have my word.

Closing

Now, none of us would live in this wonderful country today if it weren't for our military and our law enforcement officers.

The South Dakota National Guard continues to support federal commitments worldwide with nearly 150 Soldiers and Airmen deployed in support of overseas operations in Iraq, Kuwait, Qatar, the UAE, and Poland. The Guard is also supporting federal commitments here at home. Seven Soldiers are supporting cyber defense operations in the National Capitol Region. And just yesterday I approved a four-Soldier aviation crew, with a UH-72 helicopter, to deploy this week to Arizona in support of U.S. Customs and Border Protection security operations along the Southwest border. We must do what we can to help secure the southern border.

Here in South Dakota, I have big plans for Hot Springs and how we can better care for, and recognize veterans at the facilities in that town. Big plans. Our veterans have served us. It is our solemn duty to serve them.

I am sure that there will be issues that arise during my tenure as governor that will require the strength and resolve of our first responders, our military and our law enforcement. I know that they will be up to the task. I know that they are training and preparing right now, even today, for the unexpected as well as the expected.

One of those issues that we do expect, is the construction of the Keystone XL pipeline through South Dakota. Let me be very clear on this: I want the construction of this pipeline to be safe, clean and efficient. We will make sure that people, water and the environment are protected. My administration will work with the tribes, the companies, and as necessary, law enforcement, to make this as uneventful as possible.

I want to thank you all for your time and attention today. Serving as our state's 33rd governor is an immense honor and I look forward to it. I pray for the strength and wisdom to govern effectively. God will be faithful in guiding us and giving us the strength to persevere.

This is the end of this yearly address, but it is not the end of the conversation around these issues. I look forward to taking these policies, these ideas, these discussions around the state. I want to hear from you. So please, invite me to your local civic organization and community meetings, or even your morning coffee group.

In closing, I want to take a moment to thank my family. Thank you for your support and your help, and your energy. The reason I got involved in public service was to make South Dakota a better place – a better place to do business and raise a family. One of the reasons I care about these issues is because I wanted those things for my family, and every other family. I know that's why you serve as well. So I look forward to working with South Dakota leaders, in governments and in the private sector, to improve our state for today. And for the next generation.

Thank you. And may God bless South Dakota.

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