

## SPEECH

STATE OF THE STATE ADDRESS · JANUARY FOURTEENTH · TWO THOUSAND AND THREE

**Governor James E. McGreevey:  
State of the State Address Text**

Mr. President, Mr. Speaker, Madam Chief Justice, distinguished members of the Legislature, honored guests, fellow New Jerseyans, a week ago this address had a very different opening. But nothing I have encountered in this past year has personally shaken me as much as the human tragedy we witnessed this past week.

The failure of government in this instance to safeguard the health and welfare of these three children is beyond excuse -- it is sickening.

We have no more fundamental obligation than protecting those who cannot protect themselves.

I will not come before you and defend the status quo because it is indefensible.

Nor will I tell you that this problem can be solved with quick and simple solutions.

The problems at DYFS have existed since its creation. These are difficult, difficult jobs in the most trying of neighborhoods and circumstances. But I will not accept that as an excuse for failure.

We are fortunate that in Commissioner Harris we have an individual with the experience and credibility to bring real change to this agency.

I am asking for the Legislature's help in making DYFS work for our children.

This tragedy must remind us every day of our obligation; whether protecting the weakest child, the frailest senior citizen, or struggling families, we only succeed when our shared purpose is making their lives better.

The job ahead of us is very clear.

We face a deficit approaching \$5 billion.

Congestion and sprawl threaten our quality of life.

Auto insurance continues to frustrate New Jersey residents.

Our schools must meet new challenges while teaching timeless lessons.

If we are to take on these issues and fight to restore the quality of life that has made this State great, those of us in public service must be prepared to answer two simple questions about our actions:

Who are we willing to stand up for?

Who are we willing to stand up to?

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A year ago, for instance, we said that we wouldn't balance our budget on the backs of our hard-working families.

At that time, even before we could sit at our desks, we said it was time to stop spending money we didn't have on projects we couldn't afford.

From day one, we took responsibility for our future through a series of hard choices and tough decisions.

Within six short months we faced a single overriding and all-consuming problem -- a \$9 billion deficit; the largest in our State's history.

I can't help but be reminded by what John F. Kennedy noted within a few months of assuming the presidency:

"When we got into office," Kennedy said, "the thing that surprised me the most was to find that things were just as bad as we'd been saying they were."

During the economic prosperity of the 1990s, the State went on an unprecedented spending spree that bought short term gratification at the expense of sound fiscal policy.

A decade of surplus dissolved into record deficits.

But despite unprecedented levels of spending, government was unable to provide basic services to its citizens.

For all the spending, DMV was left with an antiquated computer system unequal to basic security and customer service needs.

For all the spending, the EZ-Pass system didn't work and was \$469 million in debt.

For all the spending, literacy and early childhood education were virtually ignored.

For all the spending, auto insurance fraud enforcement fell and good drivers could not get car insurance.

For all the spending, environmental enforcement was gutted.

Government spent your money -- but it didn't stand up for you.

From my first day in office, I said we were going to restore fiscal responsibility to the State of New Jersey and live within our means and we did.

We balanced the budget without raising the sales or income tax.

We provided property tax relief to working middle class families and expanded property tax relief for seniors.

Like many families across New Jersey, we took advantage of low interest rates and re-financed the state debt and saved over 60 million dollars.

We kept spending below the rate of inflation, but we maintained state aid to communities and

schools.

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We restored tax fairness, by eliminating loopholes in the Corporate Business Tax that allowed 30 of the 50 largest employers to pay only \$200 a year in taxes.

We proved that if we work together, we can make our state work better.

It didn't always go as smoothly as I would have liked. I broke my leg ... and I had some other missteps. But where I come from, people admit their mistakes, learn from them, and move on.

So I want to acknowledge and take responsibility for my mistakes, because too often people in government don't.

But don't believe for one second the cynics and critics who say that nothing has changed in New Jersey.

Just go to Karen Ewan's first grade class in Burlington County and see the impact that a reading coach like Judy McGonigle is having.

Ask a parent whose child is enrolled in one of the book clubs we created -- see the excitement in a little girl's eye and ask if we have made a difference.

Visit one of the 81 criminals arrested for document fraud at the DMV and see if they think Trenton's attitude has changed.

Talk to the officials at Parsons who run the State's auto emissions testing who had their contract slashed by \$17 million a year and ask them if Trenton has become more demanding.

Ask the E-ZPass contractor we fired and replaced with a competent and nationally recognized E-ZPass operator if the status quo is still acceptable.

Ask the son or daughter of a victim of 9-11 if having a scholarship fund and free tuition at New Jersey State schools has made their burden a little lighter.

Senator Bennett deserves our praise for his leadership on this important achievement.

This year, to honor the memory of Trooper Scales, we will provide funding for the law enforcement officer memorial scholarship program.

Ask the gun lobby -- who finally saw their stranglehold on Trenton broken when we passed the first childproof handgun law in the Nation -- if the safety of citizens has finally prevailed over the power of the special interests.

Senator Codey and Assemblywoman Weinberg fought tirelessly for this legislation and we thank them.

Ask the thousands of commuters who for the first time can find a clean seat on New Jersey Transit or a parking space, if government has made their life better.

Ask lawbreaking polluters whether we have put Trenton's environmental cop back on the beat, with real enforcement and fines when you violate our standards.

And ask Rhonda Berry, a two-time breast cancer survivor, who received treatment close to home

in a world-class facility or a research center. We are finally getting support for new cures if state government is making a difference.

My friends, make no mistake, we still face great challenges and government cannot promise to solve every problem.

But we have begun to make life a little easier and a little better for New Jersey's hard working families.

We are meeting the challenges of new problems that were unimaginable just a few years ago.

Under the leadership of Commissioner Dr. Clifton Lacy, New Jersey is the only state with bioterrorism rapid response teams on call 24 hours a day.

With the FBI and State Police, we have trained over 1,000 local law enforcement officers in counter-terrorism and we are working with New Jersey's business leaders to safeguard our 110 most essential sites.

And next year we will begin installing a state-of-the-art intelligence system that will be shared by local police departments.

And, once again, we made protecting New Jersey's environment a priority.

After eight years of lax enforcement, we no longer tolerate polluters policing themselves.

We collected more fines and more compensation for environmental damages in our first year than the prior Administration collected in eight.

I joined a bipartisan coalition of states to take the Federal Environmental Protection Agency to court to stop Midwest power plants from polluting New Jersey's air.

If the Federal Government will not provide the leadership to protect the air we breathe, reduce pollution, and protect New Jersey's coastline, then we will.

These are the first steps in transforming the old Trenton into a government driven by common sense and dedicated to the common good.

As a result, I can report to you that the State of our State is better today than it was yesterday, and it will be even brighter tomorrow.

But if we are to create an enduring quality of life for New Jersey families, then we must stand up and fight for New Jersey's future right now.

Year after year we have returned to this capitol and we have talked about auto insurance; we have talked about education; we have talked about property taxes.

At every turn we have treated the symptoms but not the root cause. But these are not separate and distinct problems.

They are the result of a chain reaction set off by uncontrolled development.

For years, all over New Jersey we thought if we built one more road, one more mall, one more housing development, our problems would be solved. The truth is -- that is the problem.

There is no single greater threat to our way of life in New Jersey than the unrestrained, uncontrolled development that has jeopardized our water supplies, made our schools more crowded, our roads congested, and our open space disappear.

And the irony is that the very promise that this development would lower our property taxes has turned out to be false.

In fact, the opposite is true. Runaway development drives up our property taxes, it doesn't lower them.

We cannot; we must not; we will not let this trend continue. Because if we do, the very appeal that our state has held for decades for aspiring middle class families will evaporate before our eyes.

At the dawn of the last century, President Teddy Roosevelt saw what unchecked logging and development were doing to our national landscape.

He took on the special interests and created a national forest system that preserved our forests from destruction and introduced an ethic of conservation.

At the dawn of this century, New Jersey faces a similar and even more urgent challenge.

Will we take on the special interests, and finally end the cycle of unchecked development that is destroying our quality of life?

We must do this right, we must do this smart, we must do this together, and we must do it now.

We must find the will to stop development that costs more than it saves, takes more than it gives, and that diminishes our lives and degrades our surroundings.

Every day in New Jersey we lose 50 acres to uncontrolled, thoughtless development -- 50 acres every single day which we will never get back.

It is time to draw the line and say "no more" to mindless sprawl.

We must make our government a force for change rather than an instrument that is misused to enable more and more misplaced development.

Here's how senseless development is in this State:

New Jersey is the most congested State in the Nation. But under our laws, a local town cannot even consider the impact of additional traffic when it reviews new development.

Here is another example of just how rigged the system is against our communities:

Wealthy developers use their deep pockets and expensive legal talent to take towns to court if those towns dare oppose their development efforts.

They can effectively bully unwilling taxpayers into submission.

For too long towns across this State with limited resources have been on their own.

I want to recognize Mayor Jay Weeks from Lebanon Township. His town was bullied and he had no

one on his side. [You are Viewing an Archived Copy from the New Jersey State Library](#)

Today, they have the full legal weight of the State's Attorney General, and towns across this State will be given the legal firepower from our administration to fight developers when they need it.

Too often the law doesn't allow communities to protect their own taxpayers. So I will propose empowering towns with the legal and zoning tools to control and manage their future development.

No longer will communities be forced to stand helplessly by while inappropriate and unwanted development occurs.

No tool is more important to a mayor than the ability to say "no". So I will propose allowing municipalities to impose a one year building moratorium.

The message should be absolutely clear: If you want to build in over-developed or protected areas we will do everything in our power to stop you.

However, if you want to build and grow consistent with smart growth, then we will help you get regulatory approvals quickly and make sure the infrastructure is there to support you.

That means we will have one State map that we will live by and not one dollar of taxpayer money will be spent to subsidize sprawl anymore.

We will have rules and regulations that say "no" to development in all the wrong places and "yes" to development that works for communities.

The days of builders saddling taxpayers with the costs of development are over.

We will establish impact fees so that developers, instead of local taxpayers, bear the burden for the cost of added roads and new schools.

Let me say to those who profit from the strip malls and McMansions -- if you reap the benefits, you must also take responsibility for the costs.

We must recognize that the consequences of development don't end at the border of one town.

If we are going to truly control development, we must look for regional solutions.

It can no longer be acceptable to let one town develop as it pleases to the detriment of its neighbors.

We must have a mechanism to plan and control regional growth.

The answer isn't to create more layers of government, but to make County and regional planning authorities more effective and professional.

This should be part of a larger effort to work on a regional level to plan better, save costs, and share services.

I want to thank Majority Leader Roberts for his efforts here.

The answer to congestion and sprawl isn't only saying "No".

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We must make our urban centers, older suburbs, and rural towns more viable and attractive by redeveloping brownfields and steering infrastructure spending to these areas.

Farmland preservation is vital to ensuring a way of life in our rural areas.

I am committed to a goal of preserving 20,000 acres of farmland a year.

However, open space is not just a rural issue. For too long, our suburban and urban park system was allowed to deteriorate.

Our state park system has not been expanded in seven years. Thousands of New Jersey families are turned away from parks every year because of overcrowding.

Today I am setting a goal of creating or upgrading 200 local parks and adding at least two state parks in the next three years. We will also plant 100,000 new trees across the Garden State.

In addition, we must seize the moment to preserve one of our most precious and largest undeveloped natural areas, the mountainous Highlands of northwest New Jersey.

The Highlands, which provides one-third of New Jersey's drinking water, is being consumed by sprawl, and if we fail to act now, the opportunity may be lost forever.

I have asked Treasurer McCormac to reform the open space bonding process to stretch our open space dollars without increasing debt.

We will be able to devote at least an additional \$100 million over the next three years -- fully a 15 percent increase -- to open space protection.

The Treasurer also will implement a limited time capital gains tax waiver for those landowners who sell their property to our open space program, creating a new incentive for conservation, and effectively lowering the price for the state to buy threatened land.

I know what I have outlined here will not be easy to pass. There will be vested interests lined up across this State and outside that door to oppose us. The pressure will be enormous. But we cannot turn back or postpone this battle.

It is the fight that will define and shape the New Jersey we leave behind for our children and grandchildren.

It is the fight that will define who we are, what we stand for, and who we are willing to oppose.

It's a fight we must win.

Even as we fight to shape the future landscape of our state, we must also focus on those issues that have strained our cost of living for too long.

Our auto insurance problem didn't occur overnight and it won't be solved overnight. But we have begun to fight back.

Starting from our first day in office we took on the problems of insurance fraud and of uninsured motorists that have driven up rates for good drivers.

We have more than doubled the number of defendants charged with fraud, more than doubled the

number of guilty pleas entered was more than doubled the number of guilty pleas from the previous Administration.

We have cracked down on unscrupulous insurance companies. We began aggressively investigating the companies that refuse to provide insurance under the law.

We created a team of insurance specialists to help citizens find affordable auto insurance.

We have recognized that uninsured drivers increase rates for everyone.

Through our "Last Chance" program, nearly 20,000 previously uninsured drivers are now legal.

We will have zero tolerance for those who cheat the system and we will create a new crime of insurance fraud with mandatory penalties.

These efforts are merely the first actions we will take to reverse the years of neglect and short-term decisions that made the crisis worse.

There is bipartisan legislation pending in the Legislature intended to make significant improvements in our marketplace, reduce regulations, and create more competition.

This is an overdue recognition that the auto insurance crisis is no longer simply about rates -- it is about accessibility. We must act before it becomes impossible for good drivers to find insurance.

I applaud Chairman Baer, Assemblyman Greenwald and Senator Bucco, but I also believe that our responsibility goes beyond improvements to the marketplace.

We must ensure industry responsibility, basic consumer protections, and stop the policies that force good drivers to subsidize bad drivers and the uninsured.

We will create more choices to push down rates, empower consumers with more information, and demand more accountability from both drivers and insurance companies.

When I talk about good and bad drivers, let me be clear -- almost 94 percent of all drivers in New Jersey have fewer than two points on their license.

It is the small percentage of truly bad drivers who force the rest of New Jersey to pay for their indifference.

Under this plan the winners are the nine out of 10 good drivers who deserve a break.

Drivers who commit fraud must pay higher rates and companies must be allowed to cancel policies that were obtained through false information.

Bad drivers with more than six points should pay higher premiums than good drivers with zero to four.

For the uninsured who truly can't afford the high cost of premiums, we are creating a new dollar a day basic policy to increase access and cut down on the number of uninsured.

I am also prepared to work with the Legislature to improve the regulatory environment and attract more companies to our state.

We're going to reform regulations that are crippling companies in New Jersey so we have more competition, not less.

I'm tired of hearing ads for affordable car insurance that end with the line "not available in New Jersey".

Over the past ten years, Trenton's bureaucracy ruled with red tape instead of common sense.

Today more and more companies are threatening to leave the state. Companies are entitled to a basic certainty so that they can operate with confidence.

I won't guarantee companies the answer they want, but I will guarantee they get a timely answer.

We are willing to make the regulatory road smoother, but insurance companies will not get a free ride.

Every consumer should be given at least three different rate and coverage options.

We will also provide report cards that detail customer satisfaction so consumers can make informed decisions.

Too often consumers are paying for coverage they no longer need because they have never been given the choice to update their policies.

And we must no longer allow insurance companies to cancel coverage if a payment is mailed on time but received one day late.

Our agenda is a balanced approach to a long-standing problem.

We owe the drivers of New Jersey quick legislative approval of auto insurance reform.

We also need to reform the DMV bureaucracy that has frustrated New Jersey drivers for decades.

We have squandered enough time in acting on the recommendations of the bipartisan "Fix-DMV" Commission.

It is time to fix a broken agency that represents government at its worst.

It is time to give New Jersey the security that is required by hiring additional police and more investigators.

It is time to give drivers the service they deserve by starting Saturday hours, improving the customer service.

I want to commend Speaker Sires and Senator Sacco for their leadership on this issue.

It is not a partisan problem and it should not be a partisan issue, but for those who stand in the way, I ask them to explain their actions to all those who stand in line at the DMV.

The issue closest to my heart is education.

At my inauguration I said we would make literacy the top education priority in New Jersey.

If a child can read, the world is wide open to them. But if they can't read, they will never reach his or her potential. And if they don't make it, neither will the rest of us.

So I am proud that we have kept the first step in that promise by putting reading coaches in 80 of our elementary schools.

And by starting the Governor's Book Club and supplying copies of these books to schools, we are encouraging children to develop a life-long love of reading and learning.

This past year I hosted teacher town halls across New Jersey and I know that our educators want to be the best teachers in America.

And I listened to parents from every part of this state who rightfully demand the most competent and highly skilled teachers for their children.

New Jersey has many excellent teachers. But because there are never enough of them, we are working with our colleges and universities to implement uniform standards for teacher preparation programs.

And starting in 2004, we are raising the grade point average required to meet teacher certification.

According to a report by the respected Education Trust, one out of eight high school classes in New Jersey is taught by teachers without even a college minor in that subject. That is unacceptable and it must change. We will insist teachers be certified in the subject matter they are teaching.

New Jersey will continue to work with our corporate partners to develop high quality summer programs for reading, science and math teachers to help our educators continue to improve.

We must be prepared to break with past policies and embrace new ideas that force our education system to meet the challenges of the future, even in our highest performing schools.

Take the senior year of high school. For many students who have already met their graduation requirements, that year is little more than a rest stop before graduation. It is a waste of time for students and a waste of your money.

So I propose that, for those students who "test out" of required classes, we offer the alternatives of college level course work, community service or work/study internships -- work that will better prepare them for the future.

Many of our schools are severely overcrowded and this past year we cut red tape to begin nearly 900 school construction projects throughout our state.

In little more than 20 years, one of every two jobs in New Jersey will demand computer literacy. We have already updated our curriculum requirements for technology. And to make sure our young people are ready to compete in this new economy we will start a technology proficiency test that will be required for high school graduation.

We must also have the vision to ensure New Jersey's pre-eminence in education, science, and technology. Now is the time to restructure our State public research universities into a world-class system.

An integrated university system will strengthen the partnership between the university and private sectors in developing new technologies that will be the engine of future economic growth.

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It will attract the most capable faculty and the most promising research, while strengthening the communities that surround our State universities. I want to thank Dr. Roy Vagelos for his leadership on this most important task.

We live in a state that is the undisputed capital of the pharmaceutical industry and is home to world-class health care facilities.

Yet while we produce the drugs that save lives all across the world, too little medical research into new therapies is conducted within our borders. That must change. With new partnerships between government and the health care industry, it will.

Every hour, two people in our state are diagnosed with cancer, yet the majority of cancer patients leave New Jersey to get the best treatment.

That's why, last year, we invested \$20 million in research at The Cancer Institute of New Jersey. For the first time New Jersey is directly supporting the scientists working toward a cure to cancer.

We've developed a special tumor registry so that every New Jersey patient diagnosed with cancer will have greater access to state-of-the-art clinical trials through a network of hospitals and oncologists. We've created SWAT teams to respond to suspected cancer clusters.

In the next budget, we will build on these investments but we can start now by passing legislation to promote stem cell research to be done here in New Jersey.

If we are to cure diabetes or Parkinson's or spinal cord injuries, we must have the courage to promote this research here in New Jersey.

We have changed Trenton to focus more on common sense and the common good.

Never have we had a cabinet as talented, as experienced or as diverse as this one. But as we have changed how government operates, we must change how government behaves.

Under the leadership of Attorney General Samson, we have started to aggressively deal with the scourge of public corruption that has tainted too many public officials in New Jersey.

We have already combined the State Police Corruption Unit with the Division of Criminal Justice to create a new Special Prosecutions Unit dedicated to rooting out public corruption.

I am instructing General Samson to reassign additional investigators and resources to the Office of Government Integrity and to begin screening state contractors so that unqualified or corrupt contractors do not receive state dollars.

Last year I strengthened the ethics and financial disclosure requirements for those who serve in the Executive Branch.

It is time to hold the Legislature to the same high standards. We can't have partially open government. That's why I propose extending the Open Public Records Act to cover the Legislature.

I will also propose tightening disclosure requirements and stricter conflict of interest rules so that the Legislature has to live by the same standards and rules that apply to the Executive Branch.

To prevent conflicts of interest -- real or perceived -- at all levels of government, elected officials

should be barred from taking action on any issue in which they have a financial interest.

I support "pay-to-play" reform. But let me be very clear. I will not support nor will I sign legislation which fails to address the conflict problem in every branch and at every level of government. I will veto any bill that does less.

My friends, we cannot solve every problem, and we certainly cannot fund every request. But we should be optimistic about what we can achieve together.

I say this to every member of my Administration and to this Legislature, Democrats and Republicans:

Our job is clear: enhancing the quality of life for those men and women who get up early every day, work hard, and play by the rules.

It is for them, their children, and their parents that we must create opportunity, build stronger communities, and take more responsibility for the future of our state.

There will be battles ahead. There will be tough medicine in dealing with the budget and maintaining fiscal discipline. The special interests will fight our efforts and test our commitment to stand up for the people we serve.

We won't be able to do all we want, but we must do all that we can.

Yet for all the problems we will deal with this year, if we don't begin to stop overdevelopment -- the greatest threat to our quality of life -- we will not begin to live up to our obligation of making the lives of our people better.

It is a problem that we have talked about for years. A problem we have tinkered with around the edges, but it is a problem that we have effectively ignored in the hopes that it would resolve itself. But it won't.

If we continue the way we have, it is only going to get worse.

Our roads will get more congested, our schools will get more crowded; open space will disappear; our property taxes will continue to soar and the very fabric of our communities will unravel.

We must have the courage to do what has never been done before.

If we do this right, for generations to come, the people of New Jersey will look back to this time and place and say that it is when our leaders stood up for the people and fought for their future.

They will say that this was the moment when our leaders pursued a shared vision and their shared obligation to stand up for those who dream of a better quality of life and stood up to those who would destroy it.

If we do this right, we will truly leave this state a better place to live.

Ladies and gentlemen, the people of New Jersey sent us here to do a job -- fix their problems and stand up for them.

I will need your support, your wisdom, your courage, and your commitment. Together, we will succeed.

Thank you.

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