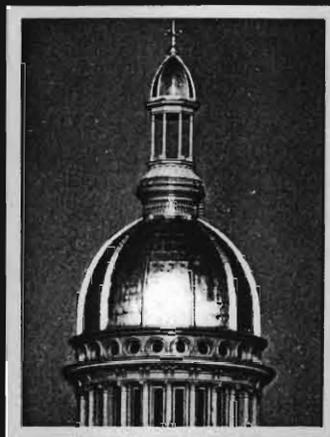




ANNUAL MESSAGE
TO THE NEW JERSEY
STATE LEGISLATURE
BY THOMAS H. KEAN
GOVERNOR.



January 11, 1983



THE KEAN AGENDA



When I assumed this office a year ago, I knew I faced great challenges. New Jersey was a troubled state. The advantages that had helped protect us during the first years of the recession, our key location on the Atlantic seaboard, our concentration of industrial and technical development, our skilled workforce and our superlative transportation system, were no longer enough to insulate us from the economic troubles that had long plagued other states.

And, during the year, as events in the nation and the world began to cast their shadow on New Jersey, the challenges became greater. As the worldwide recession tightened its grip, New Jersey inevitably felt the squeeze.

Now, instead of succeeding almost despite itself, New Jersey must succeed because of the thoughtful and deliberate actions of its people — and its government.

We can no longer squander our resources — both financial and human as we sometimes did as we rode the wave of prosperity that carried us through the 70's. We must, instead, husband those resources, conserve them and make them grow.

Any state, no matter how blessed by nature with things like mineral resources, climate or fertile soil, must count as its greatest resource its people.

And in difficult times like these, there is no greater responsibility for government than to create conditions in which people, as individuals and families and communities, can work and prosper. Thus, as a government, we should always strive to measure our actions against the yardstick of jobs — productive and meaningful jobs.

Jobs that offer the opportunity for growth and advancement, that create pride and bind families and communities together. Jobs that help build the general prosperity and bolster our economy, so that we are even better equipped to help those who, through age, infirmity or circumstance, are unable to work.

During the past year this administration laid a broad and firm basis on programs and philosophy on which to build those jobs. Now it's time to move ahead and bring this planning to fruition.

But how are we to move ahead if our own structure is so bloated and tangled that we lose sight of our goals and the needs of our citizens?

New Jersey's government has already grown beyond our control. Mediocre management and bureaucracies, bent more on survival than service, are strangling our ability to fulfill our role as servants of the people. Here too, we have begun the process of untangling that web and making New Jersey's government more responsive to its people. There are proposals before you that will accelerate this process, and I urge again that we move ahead.

But we can take no action that fails to recognize the character of our state — the most urbanized in the United States, and one of the most urbanized in the world.

Thus, by definition, service to the people must include service to the urban community. But communities are very much like individuals — they are happiest, strongest and most productive when they can stand on their own. Thus, we must ensure that our policies result in strong, vital cities, not in urban wards of the state.

At the same time, we must never forget those unfortunate individuals who find themselves, through no fault of their own, left out of our society and denied by circumstance the many pleasures we often take for granted.

No one recognizes more than I the obligation of government to support both individuals and communities that cannot stand on their own. As a member of the Legislature I sponsored the bills that created New Jersey's Urban Aid and Safe and Clean Streets programs. Today these laws remain among my proudest achievements. Now I present you with new proposals that require immediate action.

This, then, is the agenda I propose: jobs for our people, government under control, and cities and towns full of their own vitality.

Let's take a look, then, at what's been done and what must be done.



JOBS AND THE ECONOMY DOING MORE WITH LESS

The people of our state cannot work if there are no jobs to be had. We must break the vicious circle in which the high demand for social services creates a large proportion of public service jobs, thereby driving up taxes and making it impossible for business to prosper and create private sector jobs. The healthy economy of our state depends on jobs that contribute to the economy, not jobs that draw on it.

That is why I have presented you with a proposal to create Urban Enterprise Zones in our cities. With this bill we can make it profitable enough for entrepreneurs to want to do business in urban areas. We can create tax incentives that will encourage those small businesses to take a risk that they will prosper despite the disadvantages often encountered by urban businesses. We can give the governments of our cities the opportunity to create their own urban enterprise programs, tailored to their specific needs, and reflecting the wishes of their own people. We can create new, meaningful jobs in the neighborhoods where people live, so that they can contribute to their community and help it grow.

My Urban Enterprise program allows government to do what it does best — help people help themselves. You must delay no longer, for without your swift action, New Jersey will lose the chance to be first in line to take advantage of similar legislation now moving through the Congress. I urge your attention to this proposal.

Small business provides more than 85 percent of our new jobs. Thus it is folly to place extra and unfair burdens on the small businessman. Accordingly, I sought from you, and gladly signed into law, a four-year phase-out of the Corporate Net Worth Tax. Relieved of this onerous levy, which taxes a business even in the absence of profit, small businessmen can once again begin to plan for growth that will add new jobs to our economy.

Still more jobs will come to New Jersey as a result of the Community Development Bond Act, which was approved by the voters in November with my active support. Before you now is enabling legislation to expand our urban industrial parks, create loans and grants for counties and municipalities to begin renovation projects in commercial areas, and to create a revolving loan fund to assist businesses. None of these job-creating programs can begin until you act on these bills.

Beyond these major initiatives we are to work on many fronts to foster an atmosphere in which the people and communities of this state can help themselves to new prosperity.

It is in this light that I have proposed to you a program to help a group that is among the most deserving of our assistance — those who, despite their willingness to work at any job, cannot earn enough to support their families. Thus, I urge your support for my Governor's Employment and Training Initiative. This \$8 million program is designed to aid the working poor in gaining the training and experience to propel them into better jobs. It will also assist those who, through no fault of their own, have seen their job eliminated as their employer left New Jersey for a more favorable business climate. By complimenting the new federal Jobs Training Partnership Act, it will draw matching funds to



launch a \$19 million training program to help more than 14,000 New Jerseyans.

One of the brightest hopes to emerge in the area of employment and urban growth this year is the prospect of a major new development along our waterfronts. Our Hudson River shoreline is among the most valuable real estate in the world, and for too long has been neglected by the state. Municipalities which occupy that land cannot develop it alone.

Now, the Port Authority of New York and New Jersey has agreed to take the lead in Hoboken and use its substantial resources to spark the development on this priceless resource. After many months of close work between my administration and the Authority, this plan is now close to reality. Not only will this development provide thousands of badly needed jobs in the region, but even more importantly, I believe, it will act as a symbol of opportunity to the private investment community.

The redevelopment of all of our waterfront will remain a top priority in this administration, and, accordingly, I will propose this year the creation of two waterfront development authorities; one to deal with the Hudson River shoreline, and another to foster development along our equally important Delaware River shore. Both of these authorities will bring together the resources of local, county and state government to encourage a renaissance along the Hudson and Delaware Rivers. State government will be a partner, not a dictator, in this enterprise.

Similarly, my administration will continue to work closely with municipal leaders in Atlantic City to bring about the financing needed to renovate and expand that city's Convention Hall into a facility that is competitive with any city in the nation. We are committed to helping Atlantic City make the most of its opportunity for rebirth.

The jobs that casinos have brought to the region have been of enormous benefit to the people of South Jersey. And as the casino gaming experiment continues, time is proving that the vigilance and determination we have brought to the regulation of the industry have not crippled it, as some critics have charged.

Indeed, a second wave of development has emerged, showing that we can have tightly regulated, yet profitable gaming. With this administration's guarantee for development of convention facilities second to none,

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investors have shown that they are ready to take their own chances in the city.

But beyond Atlantic City, we must still do much more for our travel and tourism industry. State government is not blessed with many areas where our investment of money can return many times its value to the state treasury. Travel and tourism is one such area, and thus I was dismayed when you cut funding for these vital activities. The competition in our region for tourist dollars, as well as new business investment, is intense. And our neighboring states outspend us in this regard.

We are all painfully aware of New Jersey's image beyond our borders. But we cannot afford to content ourselves with the knowledge that the impressions held by others are not true! Our failure to aggressively promote our state costs our citizens dearly in jobs and our treasury in income. It is a case where we simply cannot afford not to spend the money, and I will continue to press for more attention to this area.

As important as are the measures I have outlined here, none, I believe, ranks ahead of the terribly urgent need to begin immediately to repair and replace the basic structures that allow a modern society to function: our roads and bridges, our water and sewer systems, and our facilities to dispose of the mountains of waste and debris we produce every day of the year.

These systems, our basic infrastructure, are the very lifelines of our entire state. If we allow them to fail, all our other efforts, whether they be in the fields of human services, education, or social programs, are doomed to failure!

Just this past year, two of our great cities, Newark and Jersey City, learned firsthand what can happen when these basic systems fail. Water is truly our lifeblood, and we can only thank God that tragedy was averted during the time that lifeblood was cut off.

In Newark the cause of failure in the system was vandalism. In Jersey City it was age. In Camden, the impending failure of the water supply is being brought on by the incursion of salt water into ground supplies. No matter that the causes are different. The basic fact remains — we must have water.

Similarly, we must be able to dispose of our wastes, both liquid and solid. And we must do it without affecting our water supply.

In recent years, much of the growth of government came in the areas of aid — to people — to municipalities — to schools. Aid that is vital and important, and must be continued.

But we will not be able to continue that assistance at all if we insist on directing all our efforts along that path. We cannot provide those programs at the expense of our vital underpinnings. Already our inclination in that direction has brought us face to face with the specter of crumbling bridges,

rutted roads and overflowing landfills, all failing because we failed to direct the needed money and attention their way.

As vital as is the need to repair and replace many of our basic structures, we simply cannot do so by continuing to mortgage the future with unlimited increases in our bonded indebtedness. Neither can we continue to look to Washington for an unlimited flow of cash to solve our problems. The days of free-spending federal largess are gone forever. We must now find new and innovative ways to finance the many overdue projects that clamor to be built.

To meet this need you have before you my proposal for the New Jersey Infrastructure Bank. It is, as you know, an idea that is already the focus of national attention.

More than that, it is a plan whose only limit is our imagination.

I have presented the Infrastructure Bank as a way that invites the broadest possible Legislative review. This will be your program as well as mine.

As you know, my proposal includes a mechanism for dealing with wastewater systems. When you have approved the Infrastructure Bank, I will submit for your consideration additional programs in the areas of resource recovery, water supply and transportation.

I strongly urge you to give the Infrastructure Bank your immediate attention. We are optimistic that the federal government will look favorably on our requests for waivers to allow the use of federal funds to capitalize the bank. I would hate to see procrastination in Trenton lose for us the edge we are now building in Washington.

The implications of the Infrastructure Bank go beyond those of a new and imaginative funding mechanism. For every one of the projects the bank finances will mean jobs. As many as 50,000 jobs in coming years from the wastewater component alone. The bank will mean reductions in local governments and authorities. It will mean a permanent source of funds that will protect our infrastructure systems, at least to a degree, from the vagaries of future economic cycles.

Finally, it means that we will be better able to focus our annual revenues on the human resource and education needs that must now compete with our infrastructure demands for ever scarcer state dollars.





GOVERNMENT SERVICES



We all know that the greatest portion of our budget is taken up by formula aid programs over which we have limited control. Thus, it is even more important to ensure that the rest of government operates as efficiently as possible, and with the best possible use of taxpayers' dollars.

Since the day I took the oath of office as Governor, streamlining our government has been among my highest priorities. Already we have made great headway in keeping costs under control, and doing so in the areas which rightfully make people suspicious of their government.

Within months of taking office, I was able to order a substantial reduction in our motor pool fleet. Already more than 400 state cars have been removed from the fleet and more reductions will be forthcoming.

Further, my State Housing Policy Review Study found that rental fees on many state-owned housing units had not been increased in 30 years, and that many state employees were being provided free state housing with insufficient justification. My subsequent Executive Order provides for increases in rents to fair market value and eliminates state subsidy of maintenance and utility costs. The savings of \$5 million is important, but so is the signal sent to the people of this state that this kind of unfair favoritism will no longer be tolerated.

I also created a Vacancy Review Board, charged with studying many state jobs as they become vacant through retirement. Positions found not to be essential to the operation of an agency are being eliminated.

But certainly the most far-reaching and exciting initiative, and one whose results will be seen for years to come, is the creation of the Office of Management Services and the Governor's Management Improvement Commission.

Over the next two years the Commission will conduct the largest and most comprehensive study of state government ever attempted.

Desk by desk and program by program, hundreds of the state's top business executives, working hand in hand with those who manage our government on a day-to-day basis, are studying every facet of state government, using the most modern available scientific methods.

Obviously, the often-used analogy of New Jersey as a six-billion dollar corporation is an incomplete one. Government can never perform strictly as a business, because government has obligations to the people it serves that business need not meet.

But, nevertheless, there is no excuse for government to ignore the most basic rules of management, just as there is no excuse for failure to apply the basic rules of efficiency. This has all too often been the case in the past.

The people of New Jersey can no longer be expected to pay for government that makes no attempt to manage itself. They must no longer pay for a manager who manages one employee, nor pay for that employee if his work is unproductive or duplicative.

Already the Office of Management Services has found too many of these instances. Too many instances in which basic bookkeeping and accountability procedures simply do not exist.

Some of the changes have already been made: in the Division of Youth and Family Services, in the Division of Motor Vehicles, in the Department of Education. Some of these results will be evident in the budget I present to you next month. Others will show up in the future. In both cases, however, the results will be the same; millions of dollars that can be taken from wasteful and self-serving government and redirected toward meaningful government services for the people we are elected to represent.

The second phase of my Management Improvement Plan will take even longer to complete and will have even farther-reaching results. That phase is the long-range strategic study which will, over a two-year period, give careful thought to the problems that New Jersey will face through the end of this century and into the next.

For too many years our government has grown without any thought to the effectiveness of its overall structure. When the need for a new program was felt, we added a new office, a bureau, a division, even a new department, often with little thought given to how the new function fit into the overall scheme.

The strategic planning group will challenge the assumptions that brought these new levels of government into being. It will test the need for autonomy, and even the existence, of each office, against standards of efficiency and effectiveness. The findings of this Committee will allow us to restructure government to eliminate unneeded duplication and better accomplish our goals.

We can no longer run a government that reacts crisis-by-crisis, year-by-year. My strategic planning group, again utilizing the volunteer labor of the best business and



government minds in the state, will provide my Administration and those that follow with the tools needed to operate efficiently and plan for the long run.

I'm proud that the New Jersey business community has not only agreed to participate in this enterprise, but has gone ahead to raise three million dollars to fund the scientific analysis that will accompany their deliberations. It is clear proof that government and the private sector can work together cooperatively for the good of all our citizens.

Obviously, we cannot improve our management structure without a pool of well trained and highly motivated people to do the managing. And since the Management Improvement Plan that I am implementing will reduce the number and layers of supervision and management, it is clearly necessary to develop a new breed of public servants who will be capable of more effectively managing more employees in an environment of fewer resources.

Historically, too many employees are propelled into supervision and management positions without any preparation whatsoever.

Thus, I have asked the Department of Civil Service, in conjunction with Rutgers University, to develop a comprehensive management training and development program. This program, which will be known as the Certified Public Manager program, is a radical departure from any kind of training program which has gone before in state government: it will be focused on practical techniques and will be administered by the most qualified individuals from government, industry and the academic community.

It will also serve as a continuation of my Administration's commitment to the career advancement of women and minorities.

I have directed that this program be instituted immediately so that the supervisors and managers in state government will have the opportunity to provide the quality services which will be demanded of them by our citizens in the years ahead.

The program will be run on two levels and consist of six layers of instruction. All supervisors and managers will be required to complete the first three levels, but only those who work at the bureau chief level and above would be required to complete the second three-level phase.

The courses of study in the program will range from evaluating employee performance and the uses of data processing to cost/benefit analysis and managerial ethics. The result will be civil servants trained to manage state resources effectively and armed with the tools they need to plan their own career advancement.

In addition to these initiatives, you have before you this year another opportunity to make significant and far-reaching improvements in the way the government serves the people. There is widespread agreement that reform of the Civil Service laws will have a beneficial effect not just on the operation of government, but on the people who work for government.



Robert R. Ferguson Jr.
Chairman
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David R. Clare,
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Rocco J. Marano,
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Short Term Program



Government employees have, for far too long, suffered from an unfair and demeaning image in the eyes of the general public. You know, and I know, that the vast majority of people who work for government are dedicated, hard-working employees who want to take pride in the contribution they make. It is time that we act to ensure that the irresponsible few no longer besmirch the reputations of that dedicated majority.

The Civil Service reform bill sponsored by Assemblyman Villane would reduce and clarify the antiquated Civil Service statutes. It establishes clearly stated merit principles to reward competence and ensure fair and impartial personnel administration. It will protect public employees from arbitrary action, personal favoritism and political coercion. It dictates the selection and promotion of employees on the basis of knowledge, skills and ability.

Passage of this bill will be a service to the people who work for government and to those who pay for it.

I have also created, by Executive Order, a Public Employee Advisory Committee made up of representatives from labor and management to deal with the questions of employee grievances, and the present scope of negotiation. By identifying and proposing solutions to the problems that impede the interaction of management and labor, the Committee will contribute to the further efficiency of state government.

I also anticipate progress this year in the way our independent authorities contribute to the public good at the local, county and state level.

The authorities that exercise control over our ports, much of our transportation system and our hugely successful Sports Complex, make significant contributions to the general good. Yet, because of their independent nature, they rarely act in a coordinated fashion that would be to their own benefit as well as that of the state. Accordingly, I have created a council to coordinate the major North Jersey authorities so that all these agencies and the related departments of state government can work together with greater efficiency.

The fiscal control that New Jersey has traditionally exercised over the affairs of local and county governments has made the state a national model for financial stability in government. These controls have made the bonds issued by our local and county governments among the most valuable in the nation.

Yet we have never imposed this same discipline on the more than 200 local and county authorities that have proliferated over the years.

You have before you legislation by Assemblyman Doyle to bring those same types of controls to bear on the authorities. By providing the same stability and control now enjoyed by elected government entities, we can ensure that the autonomous authorities deliver the highest attainable quality of service to the people they are appointed to serve.



TRANSPORTATION

New Jersey's unique location as the focal point of the eastern United States should be our greatest physical and economic asset. Blessed with proximity to two of the nation's great ports, the terminus of rail systems that extend across the country, and the corridor through which all eastern seaboard traffic must travel, by all logic we should have the most advanced transportation system in the world. Indeed, we need such a system for our economic survival.

Instead, we are faced with the threat of imminent collapse on parts of our bridge and highway system. For lack of operating subsidies, the obituary is being written for our mass transit system, even as we enter the final phase of a massive, multi-billion dollar overhaul of the system.

Adding to those problems, we have just taken over operation of Conrail in our state, a fact which will mean new burdens, new responsibilities, and very likely new costs.

Make no mistake about it. We have very little time in which to act to save the system from disaster!

The further disintegration of our transportation system will lead inevitably to economic chaos.

Last year I sought from you an adequate and stable funding program for our transportation system, but you did not choose to provide such a program.

I have not given up the search. I am eager to work with you to find a way out of this mounting dilemma. To ignore it would be totally irresponsible.

We can no longer afford to turn away millions of federal dollars as was done during the past decade for lack of one tenth the sum to match those funds. To do so not only invites the disintegration of our transportation system, but denies thousands of solid, well-paying construction jobs to people who must now rely on government programs for support.

To find a mechanism to generate those funds, particularly the millions that could be ours from the newly enacted federal gasoline tax, should be among our highest priorities this year.

We must, too, find a way to make up the further loss of federal operating subsidies for mass transit.

Indeed, the question we will face this year is a fundamental one: Do we want mass transit in this state?



The answer, of course, must be yes. We cannot ignore the 300,000 men and women who rely on us for a decent and affordable system of transportation to take them to work each day and bring them home.

It is ironic, indeed, that we face this question as we enter the final phase of rejuvenating the physical side of our system from dismal to modern. Electrification of our rail lines is well underway, ancient locomotives are being replaced with modern ones, and rail cars often described as torture chambers are disappearing, their places taken, finally, with modern and comfortable cars.

Our bus fleet, until recently one of the oldest and most worn out in the nation, is being improved with new and refurbished vehicles, cutting the average age of the fleet from twelve years to seven.

But even as this modernization is taking place, we continue to drive riders away in droves through our failure to keep fares within affordable limits.

Do we want mass transit in New Jersey? If the answer is yes, then a method to ensure its survival must be found this year.

Despite these numerous and worrisome problems, we have made some very real transportation progress in the past year.

Last October saw the beginning of construction on Route 78 from Springfield to Berkeley Heights, culminating twenty years of effort to build this essential road.

Also moving toward this final phase is construction of the missing section of Route 287 between Montville and the New York State Thruway. We achieved final federal approval of the environmental impact statement for that roadway, advancing the starting date for construction to late 1986 or early 1987.

In addition to the improvements I have already detailed for New Jersey Transit, 1982 saw initiation of a \$15 million modernization of the Newark Subway system, the rehabilitation of 41 rail stations and construction of 33 new stations.

Last summer I had to move quickly to relieve massive overcrowding at our motor vehicle inspection stations. Imposition of the odd-even inspection system gave needed relief to New Jersey motorists who were being unfairly asked to wait for hours in lines to get their cars inspected. The odd-even system eliminated those lines, while, coupled with our new roadside inspection program, it maintained the integrity of the system we need to keep our air clean and ensure that the public safety is not threatened by unsafe vehicles on our roads.

I am in the process of submitting proposals for the permanent overhaul of our inspection system. We will build into the system the flexibility that our motorists deserve, while retaining the safety features they demand. By allowing motorists to have their vehicles inspected either at state stations, or at private garages we can retain the positive aspects of our system while we eliminate the inconvenience that was once associated with inspections.



PUBLIC SAFETY AND CRIMINAL JUSTICE

When I took office a year ago, New Jersey faced a major crisis in our prisons. Our state facilities were crowded far beyond their capacity and we had a backlog of more than 1,000 state prisoners held in county jails that were, themselves, dangerously overcrowded. Even prior to my election I had worked with the Reagan Administration to gain Department of Defense approval for the state to use the vacant stockade at Fort Dix as a medium-security prison.

As a result, just six months after I took office we were able to open a new, 500-bed facility and drain off the worst pressure from our county jails.

Meanwhile, I proposed, and the voters of this state subsequently approved, a \$170 million bond issue for the construction of new correctional facilities. This, together with other innovative improvements in our corrections system, will expand its capacity by 5,200 additional beds by 1988.

Although much remains to be done, we have made progress in this area. At year's end you approved a one million dollar appropriation to fund the state-level intensive probation program. This important bill will save the taxpayers 3 million dollars in this fiscal year alone, by allowing non-violent criminals to remain in the community under intensive supervision rather than occupy space in our prisons at three times the annual cost.

The Chief Justice supports this program fully, and stands ready to implement it immediately. In my budget message I will urge you to continue this important and cost-effective program.



Also awaiting your action is a proposal which will allow the Commissioner of Corrections to order the transfer of prisoners between state, county and other correctional facilities when he finds it necessary for the welfare of the inmate or the security of the institution. This important measure, sponsored by Senator Foran and Assemblyman Dean Gallo, will give the Commissioner the ability to act quickly to avoid crisis conditions while not imposing any expense on the receiving institution. It, too, deserves your attention.

The crisis in our prisons continues. We need your action on these and other important measures, now.

In August, as I has promised I would, I signed legislation to reinstate the death penalty. No one likes the fact that this measure is deemed necessary in our society, but I believe it will act as an important deterrent to crime.

Now that we have it, we must move ahead. You have before you Assemblyman Paterniti's legislation which deals with the method by which the death penalty would be meted out. It appears to be the best solution to a difficult problem, and when you pass it, I will sign it.

We all know that crime, particularly violent crime, remains a topic of concern with the people of this state. Together we have made great strides this past year in dealing with this problem. Passage of the Juvenile Justice Reform Package was a great achievement, and I compliment those who worked so hard and dealt so thoroughly with this sad, yet dangerous problem.

Still before you are my proposals on a whole variety of topics. Proposed bail reductions for petty, non-violent offenses, sponsored by Senator DiFrancesco and Assemblyman Kern, will help relieve overcrowding in the county jails.

Bills sponsored by Assemblywoman Muhler and Senator Dorsey will give judges greater leeway in determining how those convicted of multiple crimes will be sentenced.

A bill sponsored by Assembly Speaker Karcher will increase the funds available to the Violent Crimes Compensation Board to help the innocent victims of crime rebuild their lives.

Those victims, and society as a whole, deserve protection from the violent criminal who obeys no social norm. We can no longer permit a person convicted of rape or murder to wander the streets free on bail after having been accused of a similar crime. Too often an innocent victim suffers at the hands of a violent, convicted criminal who has remained free on bail, sometimes for months, awaiting trial on a similar charge. Assemblyman Hardwick's and Senator Paoletta's proposals for modifications to the bail statutes would permit the denial of bail to such convicts. All these measures are designed to protect the law-abiding members of our society from those for whom violence is a way of life. Society deserves your speedy attention to these important bills.

These are all difficult issues that require the broadest possible scrutiny before action. I recognize this, and I have given you the resources and support you asked for, because I believe we must work together to achieve the best possible criminal laws for our state.

We must also work together to deal with another growing problem, those thoughtless and dangerous people who insist on driving the public highways while drunk. Last year they claimed more than 500 victims here, a toll that none of us can permit to continue.

It was for this reason that I signed legislation raising the drinking age in New Jersey back to 21. I recognize that this is potentially troublesome for those of you who live along our northern borders, and I pledge here that I will support all efforts, local, county and state, to deal with that problem.

Meanwhile, you have before you a comprehensive package of legislation to deal with this problem. I realize that I am not alone in submitting proposals to the Legislature to address this phenomenon. I believe we owe it to the people of New Jersey to work together to write laws that deal as fully and effectively as possible with drunk driving and eliminate the tragedy that it inevitably spawns.

The past year has also seen the appalling and frightening growth of attacks on members of our State Police. Such attacks go beyond the terrible human tragedy involved. They are attacks on society as a whole.

We cannot permit this to continue, and we owe an obligation to the men who daily place their lives on the line to protect the rest of us to see to it that they are as fully equipped as possible to meet this threat.

Accordingly, I concurred quickly and enthusiastically with the recommendations of the Attorney General and Colonel Pagano that we arm our Troopers with the best available weapons. New, automatic handguns will soon be in the hands of our men. One always hopes that a police officer will never have to fire a shot in self-defense. But at least we know that our Troopers will be better prepared to defend themselves.

On another front, this administration is continuing the policy of its predecessor in maintaining a vigilant and firm watch over gaming in Atlantic City. Last year we began to press the issue of organized crime infiltration into labor unions serving the city's casinos, and have urged Congress to clarify federal law to make clear the state's authority to act against unions shown to be so infiltrated. Investigations in this area continue today.



In another important initiative, I have proposed to you that we make the State Commission of Investigation a permanent agency. The SCI has been a vital force in rooting out criminal activity. It deserves to be made permanent and the people of this state deserve its permanent protection.

Our Public Advocate continues to set records in his defense of the poor, the defenseless and the welfare of the people as a whole. We continue to represent, with great success, the public interest in such areas as utility rate control. The Public Advocate was successful in compelling casinos to help meet Atlantic City's housing needs, and continues to push for strengthening the Casino Control Commission's two percent reinvestment formula.

The Division of Rate Counsel continues to represent fully the public interest. Last year, savings to utility and insurance rate payers as a result of the Advocate's actions totalled more than \$838 million.

We continue to push for protection of the consumer through opposition to costly forms of electric heating, and we have been rigorous in challenging utilities on violation of regulations governing deferred payment plans and service cut-offs for non-payment. Among the most egregious of these practices, which is now being halted, is the policy of hounding poor tenants for non-payment in cases where unscrupulous landlords have diverted utility service lines for their own illegal use.



COMMUNITY DEVELOPMENT

Nineteen Eighty-Two saw the first real progress in a decade in that frustrating mess known as our auto insurance laws. The bipartisan legislation that would eliminate the assigned risk plan and replace it with a joint underwriting association is an important first step. Dean Gallo and Assemblyman Adubato deserve special credit for their work in this area.

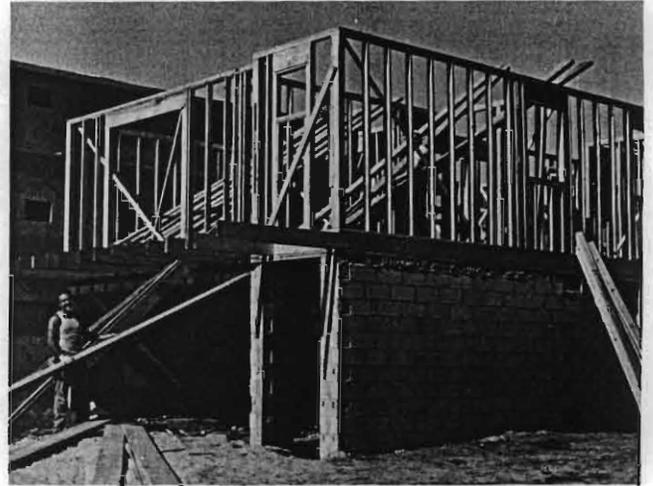
But that progress will be rendered meaningless if we stop there.

You and I can no longer sit back and permit the people of New Jersey to suffer under what is widely recognized as the most costly automobile insurance system in the nation. This issue has been debated in the Legislature and in the public *ad nauseam*. It is time to stop talking and act.

The first item on the agenda must be improvement of the totally unrealistic \$200 No-Fault Threshold. I believe that a verbal threshold would be best, but I recognize that such an achievement is a political impossibility. There is broad support, however, for raising the threshold to \$1,500, and work on that measure should be your top priority this year. Such a move has my clear support, and I eagerly await the opportunity to sign the bill.

Similarly, we must act decisively on containing the medical costs associated with auto accidents. Without such containment, insurance rates will surely continue to soar.

These reforms are desperately needed; without them, the progress made in creating the Joint Underwriting Association is, at best, a hollow victory, and we will have signaled the people of New Jersey that the cause of special interest groups still prevails over the common good.



In addition to a fair system of auto insurance, the people of New Jersey are entitled to the expectation that they will be able to find decent and affordable housing. Our economic future depends in large part on the ability of the employees of new companies to find that housing.

Last year we made great strides in this area. Through our Mortgage Finance Agency, we made available more than 4,000 low-cost mortgages for people in our cities, in rural areas, and for the depressed construction industry. This year you will see more progress. I intend to propose to you the merger of the Housing Finance Agency and the Mortgage Finance Agency. A single expanded and strengthened agency will be better able to serve all the construction needs of our state and will be able to provide an increased share of financing for all types of housing.

Additionally, I will continue to lobby hard in the Congress and with the Reagan Administration for continuation of the federal law that permits the issuance of tax-free bonds to finance housing construction. New Jersey has traditionally made more use of this provision than most states, and I intend to do everything in my power to ensure we are able to continue this policy.

This past year also saw the Fire Safety Commission, under the direction of Senator Caufield, complete its work and submit findings and recommendations, including adoption of a minimum statewide fire safety code for existing buildings, a fire-reporting system, the creation of an organized state and local system of fire code enforcement, and creation of a permanent Fire Commission.

I applaud the commission for its fine work, and I will support their recommendations.

We also intend this year to develop a code to govern the rehabilitation of housing, thus encouraging the recycling of our older, but still valuable, housing stock. Commissioner Renna will lead this undertaking.

I made attempts last year to defuse the disturbing attitude of sectionalism that had begun to develop in New Jersey in recent years. Slights, both real and imagined, had led people in some areas of our state, particularly in the south, to believe that they were unfairly underrepresented in the workings of state government. I can report that South Jersey is now, for the first time in years, well represented in the Administration.

The important departments of Agriculture, Environmental Protection, Civil Service and the Public Advocate are led by people with a clear understanding of South Jersey and its problems.

The Casino Control Commission now has two members from the region.

I have made a special effort where possible to ensure that the people of South Jersey have their interests given careful consideration in the area of legislation. Thus, it gave me considerable pleasure to sign bills that will give the beleaguered city of Camden special consideration in the hiring of staff for the new prison being built there. And I acted quickly to bring the power of my office to bear when officials in Salem appeared to be thwarted in their attempts to develop a new economic resource in their harbor area.

Recently, I signed legislation that will give private interests the go-ahead to rebuild Garden State Race Track, thus creating a new source of jobs and aiding the economic revitalization of the area.

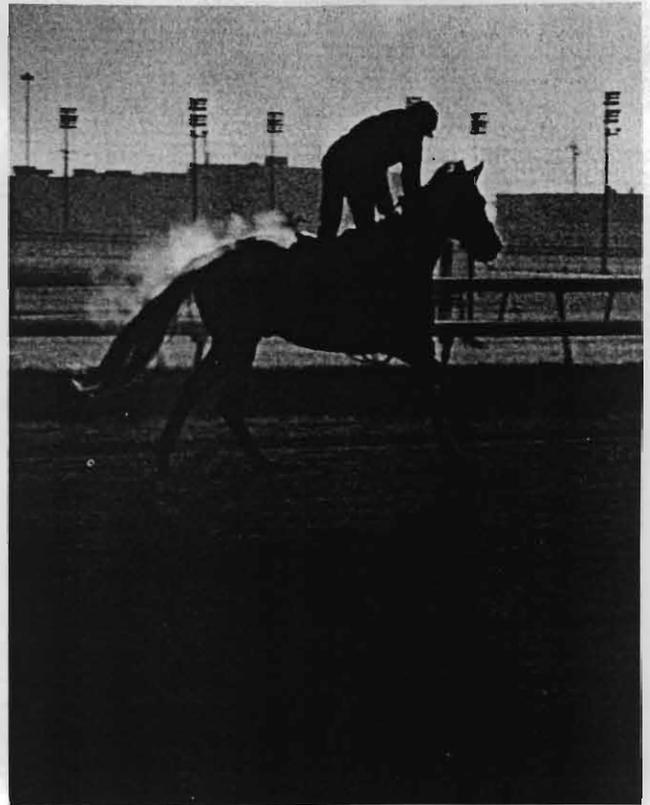
Through these actions I want people from every area of New Jersey, from inner cities, rural farmlands and from all those areas in between, to know that they can expect their problems to receive full and fair consideration in the State House.

Communities are at their strongest when members pull together to reach a common goal. Thus it was that I sought out volunteers from communities across the state to lend a hand when the opportunity arose to distribute free food to the needy among us. The results were electrifying.

By expanding the eligibility requirements and enlisting the aid of hundreds of volunteers, we were able to reach more than 500,000 families and distribute more than 2.7 million pounds of surplus cheese — more than double the amount delivered during the previous round of availability. Not only were the immediate results gratifying, but we now have in place a network of volunteers to help the less fortunate when the opportunity arises. It will arise again next month, when we expect to use the same system to deliver surplus butter to deserving families. More cheese will be going out in March, with powdered milk and another round of cheese planned for the summer.

It's an excellent example of voluntarism at work and will, I'm sure, show the way for other similar efforts. In that vein, I will soon announce the creation of a Governor's Task Force on Public/Private Sector Initiatives. The task force will be made up of religious, labor, non-profit, corporate, government and volunteer leaders from across the state. It will be dedicated to recognizing, encouraging, expanding and coordinating a renewed spirit of voluntarism throughout the State of New Jersey.

By fostering new cooperative efforts between government and the private sector, we hope to meet the challenges of an era of decreasing public resources, when



government must become more of a catalyst in the delivery of social services rather than the sole provider.

The Task Force will have the following four goals:

1. To work to identify the most important needs of our communities, and marshal the necessary private and public resources to meet those needs;
2. To recognize and reward successful examples of private initiatives and community partnerships, and provide those models to other communities facing similar challenges;
3. To identify regulatory impediments to volunteer activity, and work to eliminate them; to identify incentives to voluntarism and help to publicize them; and
4. To encourage more private contributions of time, funds and effort toward the progress of New Jersey's communities, strengthening and working with the private sector in community service.

By drawing upon the unique strengths of our state — the character and vitality of our people, with their many talents and interests — we hope to foster in our communities, our services and our arts the pride that only participation and commitment can give.



NATURAL RESOURCES

Despite New Jersey's small size, and its location in the heart of the industrial Northeast, we have been truly blessed with an abundance and diversity of natural resources that are the envy of much larger and less populous states. It is to the credit of past administrations that New Jersey has long been in the forefront of the move to preserve and protect those resources. Conservation and protection of the environment have long been special personal interests of mine, and I take pride in my record in this area while a member of the Legislature.

However, the agenda is far from complete — we must not only protect what remains to us, but work diligently to correct past wrongs.

I am proud to report that in 1982, New Jersey led the nation in obtaining money from the federal Superfund for clean-up of the toxic waste dump sites that mar our landscape and threaten our precious water supply.

Already we have obtained commitments for more than \$13 million from Superfund and are in line for further consideration. The Hazardous Waste Siting Commission and its advisory council are working diligently to ensure that we are prepared to deal with the ongoing problem of disposing of the dangerous chemicals that have become a natural by-product of our society.

Grave questions arose about the state's efficiency and financial management in the clean-up of the chemical control disaster. The Attorney General immediately began a review of the problem, and is now working to implement new control systems so that such future disasters, should they occur, will be better handled.

We must deal not only with threats to our water supply, but with the distribution of that supply. New Jersey is extremely fortunate in that we have available to us a supply of clean, useable water matched by few others in the nation. But development of that supply has been haphazard and piecemeal. The result has been abundance in some areas and virtual drought in others.

New Jersey's water supply has been literally studied to death. But I can now report real progress in implementing measures that have been called for for decades. You have already passed, and I have signed, some bills appropriating funds for projects to strengthen our water supply system. Others still await your action.

It is vital that we move ahead in this area. To go again before the people we represent and tell them that in the face of yet another drought we are continuing to study the problem would be unconscionable. Indeed, when a time of inadequate rainfall comes again — and the cycles of nature warn us that it inevitably will — we must have the systems in place to prevent the dire social consequences and economic dislocations that such instances have caused in the past.

This is an area where the Infrastructure Bank will allow us to move ahead quickly, and get the most from precious dollars.

Probably our single most valuable source of potable water is our beautiful Pinelands. Bold action to preserve this natural treasure has gone on for several years, and I intend to support fully such efforts in the future. With the valuable help of our Congressional delegation, we may anticipate nearly \$9 million in federal assistance next year to continue our acquisition program in the Pinelands.



I'm glad to be able to report to you that we were able to stave off a threat to yet another of our most valuable resources, our off-shore marine fisheries. When persuasive tactics failed, I filed suit against the Secretary of the Interior to block the unnecessary leasing of specific, environmentally sensitive oil-drilling tracts off our coast.

Although the suit remains unresolved, I am convinced that the action was successful in scaring off potential bidders who might otherwise have sought to obtain those tracts. I am not opposed to the carefully controlled exploration for oil off our coast. The national defense and our own economic interests require it. But I will continue to demand that the federal government take a realistic and sympathetic approach to determining precisely which areas of the environmentally sensitive ocean bottom may be explored.

Similarly, I will continue to raise my voice in Washington in support of passage of a strong and effective Clean Air Act, and will continue to oppose the relaxation of environmental regulations necessary to protect the health, safety and well-being of our people and our natural resources.

Those who live in New Jersey know well why we are called the Garden State. Despite our status as the most densely developed state in the nation, we still retain agricultural land amounting to over 25 percent of our area. It is absolutely vital that we act to prevent any further erosion of our agricultural base. There is little question that in the coming decades, New Jersey's ability to feed herself will become increasingly important as the costs of transportation and the loss of farmland elsewhere force us to be more self-sufficient.

Consequently, I am pleased to tell you that in about two weeks, I will sign two vital pieces of legislation — the Farmland Preservation and Right-to-Farm acts. I am proud of the close cooperation between my office, the Agriculture Department, the farm community and the Legislature that resulted in these necessary bills, and I intend to see to it that the intent of the Legislature is carried out fully in this regard.

Similarly, I will continue to work closely with you to solve the question of how to deal fairly and equitably with the title questions that cloud our tidelands. We cannot permit a situation in which people who in full good faith purchased land for a home, only to find later that they do not hold clear title, face the prospect of being forced to pay exorbitantly, or be foreclosed from selling their property.

Working in cooperation, you and I proposed a solution which the people chose to reject. We must now move forward to a new solution.



HUMAN RESOURCES

Our people are our single greatest resource. All of us are committed, by the very nature of our decision to enter into public life, to protecting the interests of the disadvantaged, the helpless, the infirm and those against whom the biases of society have been directed.

In order to ensure continued protection for those who most need it, it is imperative that we husband our increasingly scarce public resources and make sure they are spent in ways that provide the most for the most. The management and structural revisions now underway in the Department of Human Services will help assure that these vital services are delivered effectively and with the most possible money spent on people — the least possible spent on administration.

Already those organizational changes have brought improvements. We are now the first state to have all our mental institutions receive national accreditation. We have consequently increased federal reimbursement in this area by \$2.3 million.

We are developing new programs to bring the cost of state-operated day care centers into line with those operated privately, making more money available to care for more children. At the same time we are working with private business to develop programs that will bring employers into the day care field.

We have reorganized the Division of Youth and Family Services to put more than 100 additional workers into the field, where they help children.



We have revamped our funding formulas to ensure that, in the future, all areas of the state receive consideration. Areas such as South Jersey, which suffered under the old method, will now receive proper attention. Areas that benefited from the old method will lose none of their services.

We are taking steps now to make the Division on Aging the central permanent agency for coordinating programs for the elderly that the Legislature envisioned. The Division will again provide a central source of

administration and leadership in assuring that our elderly receive the support to which they are entitled.

Meanwhile, we will have new opportunities this year to serve our older citizens by utilizing the growing resources of the Casino Revenue Fund. I see a great chance here to help protect what should be every elderly person's absolute right: the right, when other circumstances permit, to remain in their own homes, and still receive medical and social care that they need, and to which they are entitled.

Accordingly, I will present to you, as the year progresses, proposals for use of the Casino Revenue Fund which will allow our elderly to receive the health, medical and personal care they require without being forced into institutions in order to receive that care.

Last year the Division on Women established task forces on child care, sexual harassment and employment. Our Business Ownership for New Jersey Women exposition aided individual women in developing ideas for their own businesses and how to run them. We developed a Directory of New Jersey Women Business Owners, a valuable resource tool for women in business and those who enter the field.

Additionally, women now play, and will continue to play, an important role in my administration.

It was with a great deal of pride that I nominated Marie Garibaldi to be an associate justice of our Supreme Court. The presence of a woman on the court was, in my judgment, long overdue. Women also hold the cabinet level posts of Secretary of State and President of the Board of Public Utilities. These are not figurehead positions. They demand dedication and skill and are being well served by the women who hold them.

Women also hold other important executive positions within the administration, including the directors of the divisions of State Lottery, Travel and Tourism, Foreign Trade and Elections. The active commitment to affirmative action, for both women and minorities, will continue as long as I am in office.

Last year New Jersey again led the nation as the Secretary of Health and Human Services announced a new system of health care reimbursement based on our Diagnosis Related Groups classification system. That system was not without its problems when first introduced. But during the past year the Department of Health has continued to weed out inconsistencies and turn the program into a national model.

Our health care system continued to grow as 14 new facilities were approved.

After years of false starts, we are now close to establishing an effective method of making hard clams taken from our coastal water safe for consumption. The Health Department's leadership in the field will mean new economic opportunities for those who work our coastal waters for a living.



EDUCATION



New Jersey has entered an exciting new era in the education of our youth.

It is one of the most fundamental changes this state will see in the coming years, as the emphasis in our educational system is shifted from the maintenance of mediocrity to the attainment of excellence. Under the direction of the Commissioner of Education, New Jersey's educational resources will be diverted from the completion of burdensome paperwork to the teaching of children.

When I assumed office the Department of Education was plagued by low morale, internal conflict and poor management. Our schools were plagued by a flood of red tape and paperwork. Controversial testing programs forced our teachers to "teach for the test" rather than educate our children.

Those poorly conceived tests are now all but eliminated.

We are upgrading the certification requirements for our future teachers, so that the future of our children will be entrusted to the most able and dedicated people.

Perhaps most important, the time-consuming and rigid monitoring of our schools is being replaced with an emphasis on planning. The Department of Education will help our communities provide the best education for their children through cooperative planning efforts — not by dictating some state bureaucrat's idea of what is best.

As our schools grow and develop we will begin to remove the onerous certification requirements that have consumed so much valuable time and money, diverting the efforts of educators from education to burdensome bureaucratic exercises. Those schools which meet the requirements set by the department, and by the Legislature, will be certified for a period of five years.

Not only will this let our schools get on with the business of education, it will allow the Department to focus its efforts and resources on those districts that need the most assistance in developing meaningful educational programs for our children.

Before you is legislation that will correct a problem that has plagued school boards since the passage of the Thorough and Efficient Education Act. A problem that has annually perpetrated a fraud on every school district in the state, and made a joke of efforts to impose fiscal control on education spending.

The bill will bring reporting schedules for local boards preparing their budgets into line with state fiscal planning, so that school boards can finally use accurate and realistic

figures in calculating the state revenue they will receive for inclusion in their budgets.

The task of local Board of Education members is a difficult and often thankless one. I can find no excuse not to remove unnecessary obstacles that make their job even more difficult.

We have made excellent progress with new programs this past year, and will make more in the coming one.

Last year, through the efforts of Assemblyman Van Wagner, we created the Marine Academy of Science and Technology. This exciting new program will help New Jersey students make the most of our proximity to the ocean, and help prepare them for careers in the growing field of marine sciences.

Another new and important development is the creation of the Governor's schools I announced last year. Using funds raised privately, the Governor's schools will provide special summer education programs at three of our state's colleges for New Jersey's brightest high school students, who will have the opportunity to begin advanced studies in the arts, science and technology, and global studies. Our future depends on the academic and intellectual excellence of our youth. The Governor's Schools programs will encourage the development of our best young minds while not diverting resources from those who need extra help in learning.

The challenges of the coming decades demand that we continue to seek out new and innovative programs to enhance education and at the same time ensure that we make the widest possible use of our schools as community resources.



Accordingly, I, along with the Commissioner of Education, will explore a variety of programs this year to involve the community more broadly in the workings of our schools. To spur interest in these programs, I will soon issue a proclamation declaring 1983 the Year of the School. I want us as a state government and as citizens to focus on developing ideas and techniques to improve our schools, both public and private. There is much to be done.

Already private companies have expressed an interest in "adopting" a school that serves their community. Such arrangements involve everything from an executive teaching a course, to company facilities being offered for school use; to



computers and computer terminals being donated to enable students to get an early start on obtaining necessary skills for our increasingly information-based economy.

In addition, private foundations are springing up across the country, each dedicated to the improvement of the school system in its community. This idea has been tried in a number of major cities and states, raising \$100,000 to \$400,000 annually. Monies raised are used for a number of

projects, including mini-grants of \$500 to \$1,000, given directly to classroom teachers with innovative ideas. The mini-grants program alone has been enormously successful, specifically in boosting teacher morale. We should encourage this system. It can bring only good to the schools which receive the benefits of private philanthropy.

A shifting emphasis in education from the humanities to mathematics and science has left teachers across the state inadequately trained to fill openings in their profession. We will explore this year a program to retrain displaced teachers to fill the growing gaps in science education.

Finally, we must make a special effort to set up programs for problem students. Young people having severe discipline problems, those with chronic rates of absenteeism, and high school dropouts are an increasing concern, particularly to educators in urban areas. It is one thing to set up new and creative programs for high school students, but if the students are disruptive, or simply do not attend classes, then the problems of education and training will not be solved. There are a number of exciting programs being tested in order to reach such students, and it is imperative that we too make a concerted effort in this area. To turn our backs on these young people now will only lead to greater problems later.



HIGHER EDUCATION

Perhaps one of the most important initiatives that I can announce in the area of higher education pertains to the current activities of the Commission on Science and Technology, which I established last year. Through the Commission, the State of New Jersey has succeeded in bringing together the leadership of our major universities and industries to recommend new policies to develop our research and educational programs in keeping with the demands of the high technology era.

High Technology, while not a panacea for New Jersey, can have a profound effect on the economy of our state, our region, our nation. Its effect will be equally deep on our educational forms, especially on higher education. The Commission can be the vehicle to foster cooperation between these two sectors of our society, to meet the technological and educational requirements of our times.

The Commission of Science and Technology will be making recommendations in the fall of this year for the improvement of the technological "climate" of New Jersey. We must carefully consider the report of the Commission and act promptly on its recommendations. New Jersey must make known its commitment to an educated workforce, an asset to any industry in this increasingly technological society.

Clearly, no other resource is more important to education in New Jersey than the quality of the teachers in our schools. Therefore, we must remain dedicated to strengthening the college programs which prepare teachers. Our goal is to produce highly educated professionals who are capable of educating our children to handle the problems they will encounter as adults in the next century. We have

made significant strides toward achieving this goal through the joint efforts of the Boards of Education and Higher Education, including the adoption during the past year of new standards for undergraduate teacher education of which I spoke a moment ago.

Special attention is now focused on the preparation of math and science teachers, in anticipation of the significant role which the technology will play in New Jersey's future. The Council on Math and Science Teacher Shortage will make its report in May of this year. It is essential that we develop a means that, for the present, keeps qualified personnel in these areas in our public schools and colleges and, for the long term, provides an adequate supply of people well-educated in science and mathematics. In addition, I look forward to the report from the Task Force on Pre-College Preparation and its recommendations for strengthening the proficiencies of our entering college students. The improvement of graduate programs which



provide advanced education for teachers is another initiative. I have encouraged and will continue to support cooperative efforts such as these between our Department of Education and Higher Education.

Institutions of higher education must be encouraged through new budgeting formulae to improve the quality, rather than the quantity, of their enrollment and to develop new programs even in austere fiscal circumstances. The State College Study Commission established by the State Board of Higher Education is now engaged in an intensive examination of the nine four-year public colleges in this State. The Commission is focusing on improving operating efficiency, avoiding program duplication and strengthening the educational offerings of these colleges. I look forward to the Commission's report and recommendations with respect to this important sector of the higher education community.

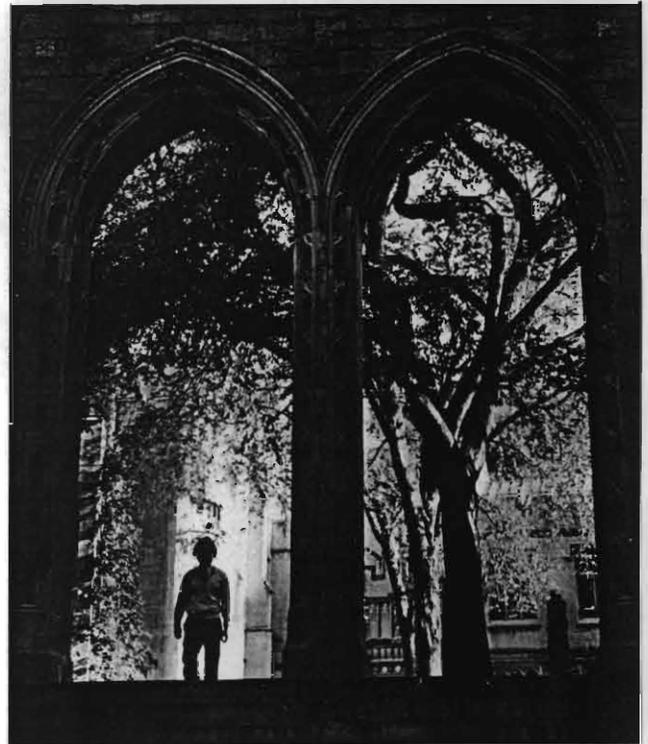
The State's difficult fiscal circumstances have restricted resources provided to higher education over the past several years. The damaging result of this situation is not always immediately obvious, but will surely be felt in the years ahead. We must address the restoration and maintenance of the State's enormous investment in the physical plants of our public colleges.

Rutgers, our State University, already offers an outstanding array of undergraduate programs. I am very pleased to note that it is now turning its attention to the improvement of its graduate programs, particularly in the doctoral fields.

I am pleased to support the newly created Center For Information Age Technology established at the New Jersey Institute of Technology in conjunction with the Governor's Office of Management. This new center will assist all levels of government in developing plans for computer applications, thereby providing increased services with reduced costs and human resources. The Center will also work with the academic community to improve education programs in our colleges as well as public school systems. In addition, the Center will work with industry to improve productivity, and with the non-profit sector, especially health care agencies intent on cost containment. The Center is a counterpart to the agricultural extension service and is but one example of how we in government must lead this state into the new age of technology.

We have made great strides in improving access to higher education through our student assistance programs in recent years. The efficient, computerized operation of these programs provides us today with a much more timely and accurate picture of how our student aid monies are expended. Our Educational Opportunity Fund program continues to provide vital support to needy students through programs directed at the unique problems in obtaining a college education confronted by those from poverty backgrounds. We must not retreat from our commitment.

New Jersey's higher education system has a major impact on the delivery of health care in the State, through the education of health professionals. One significant new endeavor will be the establishment, in the fall of 1983, of a graduate program in public health, which will be a cooperative undertaking of our two State universities,



Rutgers and the University of Medicine and Dentistry of New Jersey. The need for training personnel at the graduate level in fields of public health has long been felt in New Jersey.

In a related field, a program to train technical personnel in toxicology is also being developed, also as a cooperative effort between two State institutions, Montclair State College and the University of Medicine and Dentistry of New Jersey. Graduates will work in industrial or health-related settings on problems related to the use of toxic substances and their effects on individuals and on the environment.

In the area of direct patient care, our concern over the current shortage of nurses is a continuing one, to which our institutions of higher education are increasingly responding. Programs for the professional upgrading of registered nurses, leading to greater career mobility, have been expanded, and next year will see a greater effort on the part of the Department of Higher Education toward encouraging greater enrollment of licensed practical nurses in professional nursing programs. Not only may we expect that such a move will result in an increase of registered nurses in the State, especially for those who will serve in the areas of need, but also this will be a means to promote career ladders in nursing, particularly for members of the minority population who currently comprise a sizeable proportion of the licensed practical nurse occupational category.

The University of Medicine and Dentistry of New Jersey Trustees and Administration have launched a major initiative to improve the management and efficiency of University Hospital and to evaluate possible permanent organizational and governance changes in the Hospital and its relationship to the State. Given the increasingly competitive health care environment, such management and organizational changes appear necessary for the fulfillment of University Hospital's dual role as the State's most sophisticated academic medical center and the major provider of hospital care for the Newark community. Improved management and efficiency of University Hospital may also result in significant savings to the State.



ACTIVITIES IN WASHINGTON



My first year in office saw a growing sense of cooperation among the members of our Congressional delegation, and between the delegation and my administration. The result was more effective representation for the people of New Jersey.

Additionally, our Washington Office lobbied effectively for us on a number of issues, and diligently kept those of us back in New Jersey abreast of developments along the Potomac which could affect our state.

This administration's ability to deal effectively with the Reagan Administration, coupled with the efforts of our Congressmen and Senators, brought about progress on almost every front. Among the most important achievements last year was Congressman Courter's success in extending the blockade on oil lease sales that we began with our suit against the Interior Department. The Congressman's amendment to the appropriations bill recently signed by President Reagan restricts the funds available to Interior to prevent the department from offering for lease some 60 environmentally sensitive tracts located off our shores.

In the field of transportation, my own lobbying efforts, together with effective legislative action by Senator Bradley and Senator Brady, finally brought to a conclusion the seemingly never-ending problem of what to do with the incomplete portion of Interstate 95. Thanks to our combined efforts, New Jersey will receive some \$245 million in federal funds which can be put to far more effective use locally than the completion of I-95 would have accomplished.

Through the efforts of Congressman Howard, New Jersey will receive a total of seventy million additional dollars for highway and mass transit projects.

Our successful negotiations with the Department of Transportation resulted in a \$31 million increase in mass transit capital assistance.

New Jersey will also finally take its rightful place in the field of international travel, with the institution later this year of as many as five round-trip flights per-week between Newark and London.

We were able to aid our cities and towns with several significant victories, among them full funding for the federal program providing wastewater treatment facilities construction grants. In addition to the \$85 million we received last year, we are now earmarked for \$100 million per-year through Fiscal Year 1985.

We lobbied successfully with the Reagan

Administration to allow Hoboken to purchase the Hoboken Piers from the U.S. Maritime Administration at a favorable price. This will be a vital element in the multi-million dollar revitalization of the Hudson River Waterfront.

Our Washington Office is aiding various localities, including Union and Bergen Counties, Jersey City and Gloucester City in negotiating grants with federal agencies.

We secured Urban Development Action and Economic Development Administration grants to secure backing for an employee stock ownership plan that will keep 1,000 people at work at the Hyatt-Clark roller bearing plant in Clark. We have thus far been successful in persuading the Air Force to reconsider moving the Military Airlift Command from Maguire Air Force Base.

You have already heard of our success with the Superfund. Additionally, Congressman Minish deserves much of the credit for obtaining a recommendation from the House Appropriations Committee for an \$8.8 million Pinelands appropriation in Fiscal Year 1983.

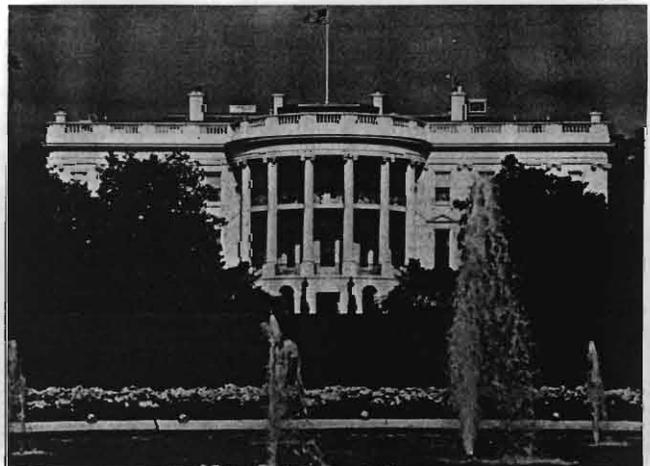
We were also able to save New Jersey a costly \$38 million payback to the federal government for past technical violations uncovered in funding to upgrade Intermediate Health Care Facilities for the Mentally Retarded.

We also played a leading role in reversing a decision by the Department of Housing and Urban Development to cancel fund reservations for elderly and handicapped housing projects. That reversal allowed several projects, such as the West Bergen Mental Health Center for the housing of chronically mentally ill to proceed.

I am proud of the entire delegation for its support of Senator Bradley's amendment which finally will grant New Jersey a commercial television broadcasting license, for the first time. Thanks to the efforts of Senator Bradley, it is highly likely that, within a very few years, we will finally have the commercial station to which we are clearly entitled.

And finally, New Jersey is to be the featured state during the Smithsonian Institution's 1983 National Folklife Festival. The state's participation in the festival held in the Mall during the coming summer, will generate immensely valuable publicity for New Jersey, and at the same time, will develop a wealth of educational material for use in the state's schools.

I am confident that we will continue this fine relationship with the new delegation, to the benefit of all New Jerseyans.





IN CONCLUSION.

So, as you can see, the challenges we face are many. The solutions, in many cases, will not be easy. Meeting our problems will require all the intellect, character and determination we can muster. Most of all, it will require all of us to have the courage to rise above the political considerations that are a part of our everyday life, and to resist compelling pressure from special interests.

As I have said to you before, governing in easy times is easy. Governing when times are hard presents the kind of challenges that makes our line of work rewarding.

I honestly believe we hold in our hand this year the opportunity to make a bold mark on the history of this state.



When future generations judge our actions they will care little about our political victories, no matter how important they seem to us at the time. The years will brush aside all the nuances that often make our job so difficult on a day-to-day basis, and the decisions we make will be measured in simple terms — did we do what was right for the people we represent — the people of this state.

I came to this job from the Legislature. I love the legislative process, and I believe it remains the finest system of government thus far devised by man.

As a former legislator, I know the value of cooperation and compromise. I know that when well-intentioned men and women work together toward honorable ends, that differences of opinion can be resolved to the satisfaction of all without losing sight of the end we set out to accomplish.

Thus, I urge you to consider carefully the agenda I set out for you today. I know there are parts that some of you will agree with in principle, some that you will agree with in practice and some that you will reject out of hand.

I know, also, that many of you will have items to add to this agenda.

So, I'll remind you once again in closing, that I stand ready to work with you, to consider your needs, to take seriously your approaches to our problems.

Together we can compile a record in 1983 of which we can all be proud, and one of which the people of New Jersey can be proud.

It is in this spirit of cooperation that I come before you today, and with which I will work with you throughout this year.

Respectfully

A handwritten signature in cursive script, reading "Thomas H. Kean".

Thomas H. Kean
Governor of the State of New Jersey



THE GOVERNOR'S CABINET



(Seated – left to right): George Albanese – *Comm. of Human Services*; Joseph Murphy – *Comm. of Insurance*; Jane Burgio – *Secretary of State*; Barbara Curran – *President, Public Utilities Commission*; Joseph Rodriguez – *Public Advocate*; John Sheridan – *Comm. of Transportation*

(Standing in front row left to right): Edward Hofgesang – *Director, Division of Budget and Accounting*; Alie Randlett – *Director, Governor's Washington Office*; John Renna – *Comm. of Community Affairs*; Irwin Kimmelman – *Attorney General*; Michael Horn – *Comm. of Banking*; Leonard Coleman – *Comm. of Energy*; Gary Stein – *Director of Policy & Planning*; Lewis Thurston – *Chief of Staff*; Thomas Kean – *Governor*; Cary Edwards – *Chief Counsel*; Borden Putnam – *Comm. of Commerce*; Eugene McCaffrey – *Comm. of Civil Service*; Robert Hughey – *Comm. of Environmental Protection*; Arthur Brown – *Secretary of Agriculture*; Francis Gerard – *Chief of Staff, Dept. of Defense*; George Barbour – *Public Utilities Commissioner*.

(Standing in back row): Roger Bodman – *Comm. of Labor*; Saul Cooperman – *Comm. of Education*; William Fauver – *Comm. of Corrections*; Edward Hollander – *Chancellor of Higher Ed.*; Edward Hynes – *Public Utilities Commissioner*; Alan Koplin – *(Acting) Commissioner of Health*.

(Missing from photo): Kenneth Biederman – *Treasurer*.

