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## Governor Chris Christie's 2014 State of the State Address As Prepared for Delivery

Tuesday, January 14, 2014

Tags: Other



Trenton, New Jersey

January 14, 2014

Lt. Governor, Mr. Speaker, Mr. President, Legislators, friends, fellow New Jerseyans:

The last week has certainly tested this Administration. Mistakes were clearly made. And as a result, we let down the people we are entrusted to serve. I know our citizens deserve better. Much better.

I am the governor and I am ultimately responsible for all that happens on my watch - both good and bad.

Without a doubt we will cooperate with all appropriate inquiries to ensure this breach of trust does not happen again.

But I also want to assure the people of New Jersey today that what has occurred does not define us or our state. This Administration and this Legislature will not allow the work that needs to be done to improve the people's lives in New Jersey to be delayed. I am the leader of this state and its people and I stand here today proud to be both. And always determined to do better.

Now I come before you once again to report on the state of our state.

And today, the state of the state is good, and getting better.

Four years ago, we were in the throes of economic crisis. Today, our unemployment rate is 7.8%, the lowest in 5 years.

Four years ago, we were losing jobs. Today, we have gained 70,000 jobs in the last year alone, and a total of 156,000 in the last four years.

Four years ago, wealth and jobs were leaving the state. Today, personal income for New Jerseyans is at an all-time high, and we are attracting new companies.

And that has brought jobs – four straight years of private sector job growth. In fact, in November, the drop in our unemployment rate was the largest one month drop ever measured. And in the last year, New Jersey had the second largest drop in its unemployment rate in America.

We could have chosen to go down a path of continued tax increases to fund the state's addiction to spending.

But we didn't. We held the line against any new taxes, and brought spending in the current fiscal year to a level below Fiscal 2008 – six years ago.

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We could have let state government grow, even while the private sector shrank. But we didn't. Today, there are 6,000 fewer state employees than four years ago, but over 155,000 more private sector employees.

We improved our business climate, and today, by every measure, business confidence in New Jersey is up. In fact, one national magazine ranked New Jersey among the top 5 states with the most improved business climates in America.

It's no accident how we got to this place today. We chose the way. And in this new year and in the next four years, we need to build on this momentum by creating a new attitude: we need to create an attitude of choice.

It is not about choosing everything; it is not about saying yes to everyone; it is about setting our priorities and choosing to invest in New Jersey where it matters and to put in place the reforms and reductions that make it possible.

And the best part of our turnaround in these past four years is because we have chosen to work together. These are our achievements

Four balanced budgets. Passed with bipartisan support. Pension reform and tenure reform. Passed with bipartisan support. A cap on property taxes. Passed with bipartisan support.

We acted and we acted together.

Even though the competition among the states is fierce, no state has shown more bipartisan cooperation over the last four years than New Jersey. Let's do it again. Let's resolve that in spite of politics, we will continue to put our people first. We will choose to do our jobs.

One of the things that drove people out of New Jersey in the past decade was high property taxes. In 2010, together, we capped them. The 2% cap has worked. In these past two years, property tax growth has been the lowest in two decades.

But the job is not finished. Property taxes are still too high. So today, I ask for you to join me in enacting a new property tax relief initiative that tackles the root causes that are driving up property taxes in the first place.

First, some context: the 2% cap we've already enacted has worked for a reason. We've done it by controlling costs. We accompanied it with reform of an interest arbitration award system that needed fixing.

As you know, the interest arbitration cap was not permanent – it is set to expire this April, unless we act. So I ask you today, let us renew the cap on interest arbitration awards and make the cap permanent.

Another reason property taxes are so high is that our cities and towns are stuck with a series of costly state rules that increase the cost of local government. As the cost of government grows, taxpayers are paying the price.

We have worked with the Senate to try to pass real consolidation and civil service reform. We haven't gotten it done in the Assembly. We need to have an effort that includes everyone responsible for property taxes – the Senate, the Assembly, our Administration and local government to provide local government with the authority to run their governments like a business: consolidate, share services, cut duplication and ultimately actually reduce property taxes.

Look at what happened last year in Princeton. Princeton Borough and Princeton Township consolidated into a single government. Not two tax departments, two police forces, two offices answering the phone. The savings in one year: \$3 million. That's on a budget of \$64 million, a 4.7% savings. And the citizens of Princeton got this: more services, despite a smaller budget, and a reduction in municipal taxes.

This is not just my opinion – the local unit alignment, reorganization and consolidation commission said that civil service seniority rules were at the top of the list of barriers to shared services. Let's help our towns clear away arcane rules that stand between them and lower property taxes.

When it comes to driving costs, let's not forget the expensive practice of sick leave payouts for government employees. Sick time should be used when you're sick. If you're lucky enough to be healthy, that's your reward. Sick leave has been abused too many times, and the cost is real. Almost a billion dollars in liability facing New Jersey towns - \$880 million to be exact. And it will only get higher if the system is not fixed. These reforms are common sense: let's lift this billion dollar albatross off the necks of New Jersey's towns. Let's together enact the zero means zero plan.

Our pension system is burdened by some who collect disability retirement because they claim they are "totally and permanently disabled," but who are now working full-time. So we've established by Executive Order a special unit to prosecute pension fraud. Let's go even further to solidify our pension system and reduce costs by reforming our disability retirement system to end this fraud and abuse. This will also help us to reduce property taxes.

And some towns get around the property tax cap by enacting user fees to fund traditional services that used to be in the budget. Let's end this practice.

I will have more to say about New Jersey's taxes when I present my budget to you next month. That is for a reason. We have to consider changes to our tax system in the context of our overall budget picture. We will present some of these choices in February.

I will tell you one choice we will not make - because it is one answer that will not help grow our state: raising taxes.

If the evidence is clear that increasing taxes hurts our growth, it is equally clear that improving education is a key to helping our growth.

We've made some great progress in these past four years: a record amount of school aid, long-overdue reform of our system of teacher tenure, an increase in the number of charter schools and an Urban Hope Act that is bringing renaissance schools to some of our most challenged cities.

Some results are promising too. Last year, New Jersey's high school graduation rate increased by a full percentage point, to 87.5%. Student achievement is strong in many of our public schools, and New Jersey's students are among the country's greatest achievers. Just a few years ago, a graduate of my own high school, Livingston High School, won the Nobel Prize in chemistry.

We are making a large investment in public education: New Jersey spends over \$25 billion a year, all told. Our per pupil expenditure is the highest in the nation at over \$17,000 per year.

In some cases - too many - our children are not receiving the education they deserve. While many public schools are strong, too many are still failing. While the vast majority of teachers are performing well, some are underperforming – and they should be removed from the classroom.

The need to be better is particularly acute in New Jersey's cities. Our urban schools demand our attention, and believe me, they have mine.

Where bold action was necessary, we have taken bold action. And we have made a commitment to the kids in our cities that they have a right to the same quality education as kids in our suburbs.

In our largest school system, in Newark, we have brought in a new organization and new resources, not only in the form of state aid but in collaboration with parents, teachers, and community leaders on the ground. One result – we negotiated a historic contract with the teacher's union and delivered real merit pay alongside increased teacher involvement.

Most importantly we want to encourage innovation while listening to the specific needs of our urban communities. It's the reason why we have empowered our superintendents in Newark and Camden to make choices that work best for their kids, their parents and their schools.

In Newark, that superintendent is Cami Anderson.

Cami has moved to pay the best teachers, to stop actions that are failing kids, to empower 50 new principals, create cooperation between public schools and charter schools and reorganize the school systems' structure to focus on putting students, schools and parents first.

Early childhood enrollment has increased by more than 1,000 students. Graduation rates have increased by 10%.

Newark is leading the conversation in making sure every kid – those who are behind, those who are ahead, those who have special education needs – are lifted up.

Every kid means every kid.

Her efforts haven't always been met without skepticism, but she is a true partner with Newark. Cami is here with us today – Cami, thank you for your commitment to our kids.

How bad has it been in Camden? Last year, only three students graduated "college ready." Paymon Rouhanifard is bringing that same energy to Camden's public schools. He has turned around a perennially low-performing charter school to showing some of the largest academic gains in the state. He has launched a new "safe corridors" program with Mayor Dana Redd, which has created safe walking routes to and from school for our children.

And, of the 345 students who have dropped out in the last year, we went door-to-door and re-enrolled 50 of them.

Paymon, thank you for your efforts and your dedication.

Both Cami and Paymon have this Administration's confidence and support to continue the aggressive reforms needed that work best for the communities of Newark and Camden and put kids first.

Cami and Paymon are emblems of my commitment to ensuring the opportunity for an excellent education to every child in New Jersey, regardless of the zip code.

Despite the improvements we are seeing in Newark and Camden, I believe we need to take bigger and broader steps to adjust our approach to K-12 education to address the new competitive world we live in. Our school calendar is antiquated both educationally and culturally. Life in 2014 demands something more for our students. It is time to lengthen both the school day and school year in New Jersey.

If student achievement is lagging at the exact moment when we need improvement more than ever in order to compete in the world economy, we should take these steps - every possible step - to boost student achievement.

And one key step is to lengthen the school day and the school year. So, working with Commissioner Cerf, I will present to you shortly a proposal to increase the length of both the school day and the school year in New Jersey. This is a key step to improve student outcomes and boost our competitiveness. We should do it now.

Many of our new initiatives recognize a core feature of modern American life: that the quality of education and the quality of life in our communities are inextricably intertwined.

That is why this year, we need to be more aggressive, and bolder, in fixing our failing schools - and delivering a choice to those for whom today the only option is a bad option: a failing school.

This is a moral obligation. We must give every New Jersey child the chance to graduate from high school, to be ready for college and to prepare for a career. If we fail to meet this obligation, we compromise the life of that child, and we hurt the quality of life in our communities and in New Jersey. So failure is not an option.

If education is one key to the quality of life in New Jersey communities, our approach to safe streets and stronger communities is another.

Every New Jerseyan should be concerned when violent crimes occur right before our eyes.

Last month, a young lawyer went to open the door of his car for his wife after an evening of pre-Christmas shopping. He was set upon by thugs who wanted to car-jack his S.U.V. and, in front of his new wife, he was shot in the head and left for dead on the deck of the mall parking garage.

Outstanding police work led to four arrests, and the suspects are now charged with murder.

All four had prior criminal records. All four are, fortunately, now in jail.

How can we tolerate such violence in our midst? The answer is obvious: we cannot.

We must take a new approach to fighting crime in New Jersey and prevent tragedies like this from happening. We must do everything we can to swiftly jail those violent criminals who bring additional murder and disruption to innocent victims across our state. We have the tools to do this – some we've begun, some we have not. 2014 must be the year we finish the job.

What have we not finished? Almost two years ago, I announced a proposed constitutional amendment to modify the right to bail in New Jersey.

The concept is simple: New Jersey courts should have the right to keep dangerous criminals off the streets and in jail until trial.

Why is this important? A study by the federal government's Justice Department found that one-third of defendants released before trial ended up being charged with some type of pre-trial misconduct. One-sixth were arrested for a new offense – and half of those were felonies.

The federal government allows a violent criminal who is a danger to the community to be held without bail. New Jersey law does not. This must change. How can we justify exposing our citizens to the risk of violent crime at the hands of those, already in custody, who we know are disposed to commit it? There is no justification for that. Let us mirror federal law. Pass bail reform now.

In the past few years, we have made progress in reducing crime in New Jersey. Over the past decade, violent crime is down 16%, both across New Jersey, and in our 15 largest urban centers. And the state's prison population is down 20% since 1999

But we can do better, and we must. Those 15 urban centers still account for more than half of all the violent crime in New Jersey, despite representing only 18% of the state's population.

For too long, Camden has been one of the most dangerous cities in New Jersey, and in America.

The ability to put police on the street was constrained by tight budgets, low morale, and an absentee rate that sometimes reached 30%.

Under an agreement that this Administration signed with the City of Camden and Camden County, we have regionalized the police force. A police force of slightly more than 200 that was sharply reduced in response to budget cuts is now being beefed up to 400 county police officers.

Last year, the homicide rate was down, and the crime rate was down – by over 20%.

The battle is far from won. But under Mayor Dana Redd, Police Chief Scott Thomson, and Jose Cordero, who helped

decrease crime in East Orange by 75%, Camden is using a new approach – using technology to predict crime, and engaging the community.

Camden is moving in the right direction. And I agree with Senator Sweeney that we should have incentives for other communities to adopt the shared service agreements and regional police forces that are making more cops on the street possible. More cops on the streets means safer communities. To make this happen, we will reintroduce shared services and consolidation reform in this session of the Legislature.

We must reach out a hand of compassion and common sense to those who commit non-violent crimes. We must do a better job of reclaiming their lives and putting them back on the road to success and engagement with society. My belief is simple: every human life is precious, and no life is disposable.

That is why I proposed last year to change our approach to non-violent drug offenders, and mandate treatment, not imprisonment. Together, we made this possible.

The drug court program has been a success, thanks in part to your support in funding both the court and the treatment.

And I thank you for passage this past year of the Overdose Protection Act. We should not be prosecuting those Good Samaritans and health professionals who are trying to help in a life-threatening overdose situation.

New Jersey's approach to reclaiming lives is working. Recidivism has dropped by 11%, one of the steepest drops in America. And New Jersey is rightly recognized by national experts as a leader among states in reducing incidents of recidivism

For me this is personal. In this room today is a man who was a drug addict at 16 years old. His life was at risk, but treatment saved him. He was rehabilitated at Daytop Village. He graduated from high school, went to college, and ultimately got a law degree. I had the privilege of hiring and working with Craig Hanlon at the U.S. Attorney's Office, and Craig is with us now in this Chamber. If you need proof that reclaiming a life is possible and that every life has precious value, then that proof is standing before you today. Craig, welcome – and thank you for making new jersey a better place.

Because of Craig, I know the passion and strength that comes from the desire to have a better life. And I believe we can do more to help give people a second chance. That is why I am proposing an initiative to expand integrated treatment and employment services for individuals receiving drug treatment services.

By providing grant funds in the amount of \$500,000 to be managed in partnership with The Nicholson Foundation, we will place individuals in jobs and help improve their retention. We will work directly with treatment providers to integrate employment services with treatment services for drug court participants.

Research shows that employment during substance abuse treatment helps ensure continued participation in treatment and sustainable long-term employment. With this partnership we will help empower individuals who want and deserve the opportunity to live a life well lived.

A year ago this afternoon, our state was in recovery from a challenge not of our own making.

Superstorm Sandy devastated New Jersey in the fall of 2012 – flooding our homes, turning off our power and destroying our roads. Despite the magnitude and devastation of the storm, Sandy could not break out spirit.

This past summer, most businesses at the Shore opened on time. Boardwalks were rebuilt. The crowds came back. And schools that had been damaged were re-opened.

Today, about nine months after the first phase of CDBG disaster recovery funds started flowing in New Jersey, nearly \$900 million – more than two-thirds of the funds for housing recovery programs are out the door or in the pipeline.

From the very beginning, the priority was putting those with the greatest needs and with the most limited financial resources at the front of the line. Of the nearly half of the housing money that has been obligated so far, 72.9% has been awarded to low- and middle-income families.

The bottom line is this: we are a long way from the finish line, but we are a long way from where we were one year ago. Challenges remain and I will not rest until every person hurt by Sandy has their life back. That is my mission.

I want to thank this Legislature, and all New Jerseyans, for the cooperative, bipartisan and resilient spirit you demonstrated in coming back from Sandy. Let that spirit of Sandy be a powerful lesson to all of us, that when times are most difficult, cooperation and progress are possible. Indeed, they are necessary.

Lastly, let me share with you one more, hard truth that makes this new attitude of choice necessary for New Jersey's future.

We have discussed many exciting opportunities for investment in our state. K-12 education. Higher education. Crime prevention. Drug rehabilitation and job training. Health care. Infrastructure investment. Lower taxes. Job growth. All exciting, all of which, done responsibly, could make New Jersey an even greater place. But here is the simple truth. We cannot afford to do it right now.

Why?

Because of our pension and debt service costs. For the Fiscal Year 2015 Budget, the increase in pension and debt service costs could amount to as much as nearly \$1 billion.

That's nearly \$1 billion we can't spend on education. That we can't invest in infrastructure improvement. That we can't use to put more cops on the street. That won't be available to improve access to health care. And for those who would advocate for higher income taxes like the ones I have vetoed before, remember that the amount raised would not even cover the increase in our scheduled pension payment and would undoubtedly make us less competitive in the job market nationwide.

These are the consequences of failing to engage in an attitude of choice. If we continue in an era where we believe we can choose everything, we are really choosing nothing. We need to have the conversation now about further changes to our pension system and to adding further to the state's debt load. But the time to avoid this conversation and these choices is nearly over.

If we do not choose to reduce our soaring pension and debt service costs, we will miss the opportunity to improve the lives of every New Jersey citizen, not just a select few.

I am ready to engage in those conversations and help, with you, to truly create an attitude of choice. The result will be a better, smarter, stronger New Jersey. The results from our refusal to choose – a weaker New Jersey with a middle class burdened by even higher taxes. That is an abandonment of our duty.

Centuries ago, a philosopher wrote that "choice, not chance, determines your destiny." And this remains true for New Jersey today.

Our destiny is not set – it is the product of the choices we make. Our future is not set – it, too, is the product of the choices we make from this day forward.

So let us choose wisely. And let us not fail to act. Let us create an attitude of choice.

Let us choose to invest in better schools, and not a status quo in which we leave some children behind and put the rest at risk of being swallowed by a rising tide of mediocrity.

Let us choose the path of safer streets, and not leave our families vulnerable to the heartless carjackers and muggers who would destroy our quality of life.

Let us celebrate every life by creating an opportunity for every citizen, through an excellent education, a productive job, and a thriving community.

In this hour of choice, let us choose a better New Jersey. For that is what we owe our citizens, our children, and ourselves.

New Jersey has long been blessed by an abundance of natural resources and human talent. In 2014, we have been blessed by a return to prosperity.

Let us all choose to make the most of it – together.

Thank you, God bless you, and God bless the great state of New Jersey.

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