

THE FIRST STATE OF THE STATE SPEECH OF CHRISTINE TODD WHITMAN January 10, 1995

Thank you, President DiFrancesco, and thank you, Assembly Speaker Haytaian, for allowing me to use this historic chamber once again.

Before I begin, I would like to ask you to pause for a moment of silence for a dedicated public servant, Walter Rand, the Senate's "Mr. Transportation," who we lost last week after a long illness.

Thank you.

Senate President DiFrancesco, Speaker Haytaian, Chief Justice Wilentz, fellow citizens.

Last year, I told you that the best social program in the world is a private-sector job.

If anyone doesn't believe it, just ask the more than 60 THOUSAND New Jerseyans today who were not working one year ago.

This is our biggest annual job gain since 1988.

We are growing faster than New York.

Faster than Pennsylvania.

Faster than Connecticut.

To quote last Friday's New York Times, New Jersey stands out as a bright spot -- the pocket of hope in the region.

I want to thank you in the Legislature, and especially you at home, for helping to make 1994 New Jersey's comeback year.

It was no accident.

The seeds of this economic surge were planted more than two years ago in this very chamber -- when this Legislature, led by Chuck Haytaian and Don DiFrancesco, had the courage to reverse decades of bigger government by cutting sales and business taxes.

Last year, we built on that success by cutting business taxes again, and by cutting income taxes not once -- but twice.

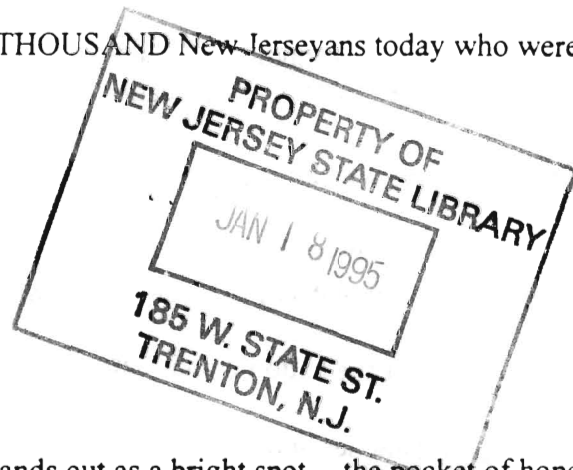
Together, we sent the message -- across the state, across the country, and around the world -- that New Jersey is Open for Business.

People are noticing.

They are noticing not only our success, but what we did to get there.

A year ago, the governor of New York looked at New Jersey and laughed.

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He said our plan to cut taxes to stimulate economic growth would never work.

Well, today, New York has a new governor -- George Pataki.

And he has a copy of OUR New Jersey plan right on his desk.

Nobody's laughing at New Jersey anymore.

Today, I want to talk not only about the promises we have kept, but the promise of our future.

Where America is going, New Jersey is going first.

A century ago, New Jersey was one of the first truly industrialized states in the nation.

Today, New Jersey is a technological giant perfectly positioned to take advantage of a world economy opened up by the GATT and NAFTA trade treaties.

A world economy in which innovation and brainpower are the real engines of economic growth.

Our telecommunications and pharmaceutical industries form the backbone of an innovative state that boasts more scientists and engineers per capita than any other.

Forty-five percent of the nation's pharmaceutical research and development is conducted here in New Jersey.

Our 127 miles of beaches and Atlantic City's casinos anchor a \$19 billion tourism sector that is our second-largest industry.

Blessed by our location in the middle of the Northeast Corridor, we are the state that eleven hundred foreign firms call their home away from home.

If we were a nation, New Jersey would be the 18th largest economy in the world.

We should be able to generate prosperity at a level that offers a good life to every New Jerseyan willing to work hard and take responsibility for their future.

Yet, as a state, we have been underachieving because we have not recognized the need to nurture our economy.

That is why my first executive order created an Economic Master Plan Commission to develop a first-rate strategic business plan for this state.

Tomorrow, that commission, which was ably chaired by Alan Bowers of Coopers & Lybrand, will present its recommendations on how government and the private sector can work together to spur economic development.

But its mission is so important that I want to highlight at least a few of its findings today.

Not surprisingly, the Commission concluded that over the past decade, overregulation -- and particularly, business uncertainty over when, whether or if a permit would ever be approved -- has posed the single biggest barrier to economic prosperity in New Jersey.

It is a problem that cuts across all state agencies, but the biggest target of complaint has been the Department of Environmental Protection.

We know we cannot afford to slacken our efforts to protect the environment.

In fact, the Commission cited a North Carolina institute's Gold and Green study which concluded that a clean and green environment is vital to economic prosperity.

In New Jersey, clean air, water and beaches mean jobs.

Just ask the lifeguard from Point Pleasant or the innkeeper in Cape May. Check with the ski instructor at Vernon Valley or the whitewater guide on the Delaware.

But excessive paperwork never cleaned up a factory or a stream.

So we have begun to clean up excessive paperwork.

This summer, three of my cabinet officials and two state legislators visited the Netherlands.

They found a nation that has moved away from "command and control" and brought government, industry and environmental leaders together to set clear goals for strong environmental protection.

But they gave businesses flexibility to decide how to meet those standards, providing them with the predictability they need to prosper.

We are moving in that same direction.

The Department of Environmental Protection, under Commissioner Bob Shinn, recently gave Schering-Plough the first facility-wide permit in the nation.

That single permit replaced literally scores of separate permits, provided better protection for the environment and helped keep hundreds of jobs in our state. Seventeen other companies are now in the process of obtaining similar facility-wide permits.

Secretary of State Lonna Hooks, as my business ombudsman, worked closely with Commissioner Shinn to consolidate permits to save 640 jobs here in Mercer County when the General Motors plant was threatening to close.

Thinking of the jobs that were saved at that Ewing Township plant reminds me that our policies have a very real impact on every family in New Jersey.

However, it isn't enough for us to cut through the red tape and bureaucracy only when hundreds of jobs are in the offing.

We need to guarantee that same level of service to every business of every size because every single job in this state is important.

You should not lose your job because we failed to do our job.

The Economic Master Plan Commission has recommended that the state provide approval or a money-back guarantee to every business whose permit is not processed in a specified, reduced amount of time.

The DEP is already processing certain land-use permits in 90 days.

With new electronic data processing on the horizon, Commissioner Shinn assures me he can offer that same guarantee on other programs.

I am confident that other departments can do the same.

Therefore, I am today instructing my Cabinet to develop reasonable, legal timetables for permit decisions that are competitive with those of other states.

If we miss a deadline, you either get your permit approved or your money back.

Our job as a state government is to spend your money wisely, to streamline government, and to create an economic climate and quality of life that fosters prosperity for all.

You work hard for the tax dollars you send to Trenton and to your local governments.

It's your money.

Government has no right to take a single penny more than it needs. And we won't.

It doesn't matter whether the tax comes out of your paycheck, is charged at the cash register, or is paid at the pump.

When we first started discussing how to extend the fund that pays for highway and mass transit projects, many argued that raising the gasoline tax a nickel or a dime was the right thing to do.

That it was somehow noble to fight to raise taxes.

There is nothing noble about raising taxes unnecessarily.

You know it.

I know it.

And all the voters across this country who changed Congress for the first time in 40 years know it.

They have said, "Enough is enough."

And we listened.

That is why we are going to find the money within already existing resources to continue the Transportation Trust Fund, which will run out of money for new projects in June.

Over the next four years, our plan will pump an additional \$3.5 billion into transportation projects that will create jobs.

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Over the next four years, our plan will pump an additional \$3.5 billion into transportation projects that will create jobs.

It will increase aid to counties and municipalities for road repairs by \$50 million a year.

It will enable us to complete such vital projects as the Hudson Waterfront light rail system and the PATCO extension in South Jersey, and make needed improvements to Route 70.

And it will cover the cost of compliance with the Clean Air Act, which we successfully negotiated with the federal government to save you at least \$100 million.

Most of the money will come from motor vehicle fees, gas taxes and tolls that those who use our transportation system are already paying.

Part of the money will come from cost savings identified by the Department of Transportation, and from the money we are going to save by merging the Division of Motor Vehicles into the Department of Transportation.

Starting in 1997, part of the money will come from dedicating the existing FAIR Act vehicle registration surcharge to the Transportation Trust Fund.

And to further underscore my commitment, I will seek a constitutional amendment dedicating an additional three cents from the existing gas tax -- which now goes into the Treasury -- to the Transportation Trust Fund to guarantee that our transportation system gets the money it needs.

You deserve to know where your money goes.

And you will.

We are going to stress the trust in the trust fund.

When I ran for election, you trusted my promise to cut state income and business taxes.

Make no mistake about it: The budget I present on January 23 will continue the income tax cuts and business tax reductions that are fueling our economic recovery.

We keep our promises.

And it's paying off.

Last year, we cut income tax rates retroactively by 5 percent and abolished income taxes altogether for 380,000 low-income citizens.

You spend your money more wisely than government does.

The money we put back in your pockets last year went for your needs, not the government's.

That spending created jobs and income that put more tax dollars back into the state coffers.

As of January 1, we reduced the income tax by an additional 10 percent for middle-income taxpayers.

That means even more money in your hands and more money pumped into the New Jersey economy.

But tax cuts and regulatory reform alone are not enough.

Every year, millions of dollars that could be used to create jobs, lower health care costs and provide economic opportunity are squandered instead on frivolous lawsuits and excessive insurance costs.

I commend Senators Gerald Cardinale and Joseph Kyrillos for bringing this issue to the forefront.

I urge the Legislature to quickly enact meaningful tort reforms to restore balance to our civil justice system and curb meritless cases.

As important as tort reform is to our businesses, so binding arbitration is to our municipal governments.

Legislation sponsored by Senators Peter Inverso and Bob Martin will give our municipalities a chance to hold the line on contracts that are driving up property taxes.

I strongly urge its passage.

Another way we are helping local governments control their costs is to free well-run school districts and municipalities from intrusive state oversight.

Also, working with Chief Justice Robert Wilentz, Senator Bill Gormley and union leaders, we recently completed a state takeover of county court costs that will directly lower property taxes by more than \$90 million.

But counties, municipalities and school districts have the same responsibility as we do to live within their taxpayers' means, to control costs and to hold down taxes.

Review teams under Treasurer Brian Clymer have identified hundreds of thousands of dollars of potential savings in every town they have visited: Kearny, Ventnor, Passaic and Willingboro.

Local officials are listening.

Mayor Leo Vartan wrote in to say that Kearny's fiscal review made city officials focus on their real objective: To quote him, "Government sensitive to the concerns and needs of the community, committed to the financial well-being of its shareholders."

It is up to all of us, as shareholders in this great American experiment we call democracy, to find new ways to work together to come up with innovative solutions to the problems that plague our state.

One of the underlying themes of my campaign was my commitment to conduct the government's business together -- in public -- in open debate with everyone at the table.

I hold strongly to that belief, and that process is alive and well in New Jersey.

Environmentalists, labor leaders and business people are working together in an unprecedented way on a commission chaired by Assemblyman Steve Corodemus to find a solution to the Newark Bay dredging problem that will be good for the economy and good for the environment.

For the first time, administration officials are meeting with state employee union leaders before the budget is finished to solicit ideas for cost savings.

That will be an ongoing process until the budget is adopted in June.

On Thursday, we will host a conference at Rutgers that I hope will mark the beginning of a new chapter in labor-management cooperation in state government.

We are getting so good at bringing everyone to the table that we're thinking about offering our services to Major League Baseball.

We must include everyone in the promise of New Jersey, and that includes our cities.

Our new urban strategy is focused on bringing together community leaders and teachers, police officers and social workers, business leaders and government officials to rebuild our cities block by block, neighborhood by neighborhood.

Meanwhile, Commerce Commissioner Gil Medina and members of the Economic Master Plan Commission have been working to address one of the most critical problems facing business in our cities.

We all know our cities cannot rebound without jobs, but the small businesses that could create those jobs too often cannot get the financing they so desperately need.

To fill this gap, we will be proposing the creation of a Community Development Bank Fund, to which several New Jersey banks have already pledged to match \$3 for every \$1 the state commits.

The budget I submit to you January 23rd will include \$2 million to launch this public-private partnership that over the next five years will generate at least \$40 million for job creation in our cities.

But new businesses will not come into our cities -- or anywhere else -- unless we clamp down on the violent crime that threatens us all.

We must be tough -- and we will be.

Construction should begin soon on a new 3,000-bed prison in Bridgeton that will keep hardened criminals behind bars.

Last September, we graduated a new State Police class that put 119 more troopers on our roads.

This March, we will graduate a second State Police class, and funding for a third class will be set aside in this year's budget.

But we also must be smart about how we combat crime, and that means attacking it at the source.

We must change the behavior of juvenile offenders today before they become the adult criminals to tomorrow.

As my Juvenile Justice Advisory Council pointed out, we must put more effort into programs designed to keep youngsters out of trouble in the first place.

We must fund boot camps and other alternatives to change the behavior of those who have run afoul of the law.

We must provide after-care and strict supervision for those who are released to make sure they never do it again.

And we will by putting \$10 million into juvenile justice reform in my next budget.

We also owe it to our children to do everything we can to make sure they do not become victims.

I am talking about Megan's Law.

Your Legislature and I will continue to fight in court for your right as parents to know if a dangerous paroled sex offender has moved into your community.

There is nothing more precious to us than our children.

And after the safety of our children, nothing is more important than their education.

That is why we must be daring in our efforts to reform our school system.

Education Commissioner Leo Klagholz is working hard to keep one of my most important promises -- to develop rigorous core curriculum standards that will ensure that every child, whether he or she grows up in Cherry Hill or Paterson, will be offered a truly thorough and efficient education.

But just as important as setting standards is the injection of competition into our schools.

We should establish charter schools to allow parents and teachers to create their own schools -- operated by them and tailored to serve their children's needs.

We also should give Jersey City a chance to experiment with a limited tuition voucher program.

Because of the questions surrounding this issue, the Senate President, the Speaker and I have agreed to establish a task force to examine all aspects of vouchers.

Today I issued an Executive Order establishing that Task Force, and I look forward to its report.

During the review period, supporters and opponents will have the opportunity to express their views.

We will propose legislation in time to be implemented for the 1996 school year.

Vouchers are a daring educational experiment.

The only thing we have to fear is success.

We not only need to change our education system.

We need to change the way we provide social services to our most vulnerable citizens.

I believe you share this view.

Two months ago, voters overwhelmingly passed a \$160 million bond issue that will give more people a chance to be a part of New Jersey's family, not apart from it.

That vote will enable us eventually to move half of the population with developmental disabilities off long waiting lists and into group homes and apartments.

But we need to do more.

Too many of our citizens with mental illnesses or developmental disabilities are living in antiquated, expensive state institutions -- and too few are receiving the support they need to lead full and productive lives in our communities.

Human Services Commissioner Bill Waldman is developing plans to close some of these institutions, and move those who are ready into community programs designed to meet their individual needs.

Similarly, Commissioner Waldman and Health Commissioner Len Fishman are developing an "assisted living" initiative that will enable senior citizens to receive services while maintaining their independence.

I feel good about New Jersey -- about where we are and where we are going.

We have many challenges to overcome.

But we have a plan, a spirit of promise, and a partnership built on our record of keeping promises.

In this election year, the temptation to stick to the status quo, to play it safe, will be great.

It is a temptation we must avoid.

We must maintain the momentum we have created and the trust in good government that we are building.

The nation is watching New Jersey.

We have a message to send, a message of excellence, of compassion, of hope.

It is the message of our World Cup native sons, Claudio Reyna and John Harkes, Tab Ramos and Tony Meola.

The message of Princeton University Professor John Nash, who won the Nobel Prize in economics.

The message of Plainfield postal worker Leroy Coffey, who gave his \$500 reward for improving his workplace to an injured colleague from another town.

The message of McCarter Theater, which won the Tony Award as this year's best regional theater in the country.

The message, quite simply, is that the best of New Jersey is the best of America.

I am proud of our first year's accomplishments.

We have shown what a difference a state makes.

I encourage you to read our annual message for more information.

You can get a copy by calling my Office of Constituent Relations at 609-777-2505. Or you can write to "State of the State, Office of Constituent Relations, CN001, Trenton, New Jersey 08625."

I look forward to working with Senate President DiFrancesco and Majority Leader John Bennett, Assembly Speaker Haytaian and Majority Leader Jack Collins, Minority Leaders John Lynch and Joe Doria and all the members of the Legislature.

And I look forward to working with you, my fellow citizens.

To you, I renew my pledge.

Next year, we will have even lower taxes.

Next year, we will have even more efficient government.

Next year, we will have an even stronger New Jersey.

We will have more faith in our politics, more pride in our state, and more confidence in ourselves.

We will go forward together, as one family with many faces, building a future with opportunity.

A future with security.

A future based on mutual respect and responsibility.

And most of all, a future filled with hope for our children and our children's children.

We must not hedge.

We must not backtrack.

We have much to do.

Let's go to work.

Thank you.