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ANNUAL MESSAGE TO THE NEW JERSEY LEGISLATURE

GOVERNOR THOMAS H. KEAN

ASSEMBLY CHAMBERS

TRENTON, NEW JERSEY

TUESDAY, JANUARY 8, 1985

You are viewing an archived copy from the New Jersey State Library
THESE ARE GREAT TIMES TO BE A NEW JERSEYAN.

THERE IS AN UNMISTAKABLE SENSE OF PRIDE THAT IS ALIVE AND GROWING IN OUR STATE.

I HAVE SEEN IT ON THOUSANDS OF FACES ACROSS OUR STATE, FROM THE BUSTLING STREETS OF HOBOKEN AND JERSEY CITY TO THE EXPANSIVE FARMS OF SOUTH JERSEY.

SO MANY OF US FELT IT THIS PAST YEAR, WHEN THE SUMMER OLYMPICS WERE DOMINATED BY A NEW JERSEYAN, CARL LEWIS, WHO MATCHED JESSE OWENS' FEAT OF FOUR GOLD MEDALS IN TRACK AND FIELD; AND WHEN ANOTHER NEW JERSEY RESIDENT, DOCTOR BRUCE MERRIFIELD, WAS THE ONLY AMERICAN TO WIN A NOBEL PRIZE.

IT CAN BE HEARD IN THE VOICES OF THOUSANDS OF OUR PEOPLE WHEN THEY DESCRIBE THEIR LOVE FOR OUR STATE TO THOSE WHO ARE JUST DISCOVERING IT.

IT WAS DEMONSTRATED THIS YEAR WHEN AN OFFHAND JOKE ABOUT

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NEW JERSEY DEFEATED A MAJOR PRESIDENTIAL CANDIDATE.

BUT MOST OF ALL, IT CAN BE SEEN IN THE EYES OF ALL OF US
WHO ARE PROUD TO CALL NEW JERSEY OUR HOME.

THAT PRIDE IS NO MISTAKE.

IT SPRINGS FROM THE KNOWLEDGE THAT WE HAVE ACCOMPLISHED
MUCH --- AND FROM THE CONVICTION THAT WE CAN DO EVEN MORE.

AND WE HAVE ACCOMPLISHED MUCH.

AS I SPEAK TO YOU TODAY, NEW JERSEY STANDS AS STRONG AS IT
HAS BEEN AT ANY TIME DURING ITS PROUD HISTORY. NEW JERSEY IS A
LEADER AMONG STATES.

OUR STATE IS AN ECONOMIC LEADER, WITH ONE OF THE LOWEST
UNEMPLOYMENT RATES AND HIGHEST GROWTH RATES OF ANY
INDUSTRIALIZED STATE.

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OUR STATE IS AN ENVIRONMENTAL LEADER, SHOWING THE NATION

THE WAY IN THE DIFFICULT TASK OF CLEANING UP TOXIC
WASTES --- BLAZING A TRAIL WITH NEW AND INNOVATIVE APPROACHES
TO PROBLEMS TO WHICH OTHER STATES ARE ONLY NOW WAKING UP.

OUR STATE IS AN EDUCATION LEADER, WITH SCHOOL REFORMS THAT
ARE RAISING OUR STUDENTS' PERFORMANCE --- AND ATTRACTING THE
ATTENTION OF OUR SISTER STATES.

NEW JERSEY HAS EMERGED FROM THE SHADOWS. WE ARE NO LONGER
BEING OVERLOOKED --- WE ARE BEING WATCHED.

1984 WAS A YEAR OF SIGNIFICANT --- PERHAPS
UNPRECEDENTED --- LEGISLATIVE ACCOMPLISHMENT. WE ACTED TO
RESOLVE A NUMBER OF OUTSTANDING ISSUES THAT HAVE BEEN LEFT
UNATTENDED FOR YEARS. WE WORKED TOGETHER, IN A TRULY BIPARTISAN
SPIRIT, TO MAKE WISE INVESTMENTS IN NEW JERSEY'S FUTURE.

WE'VE STARTED ON A LEGISLATIVE RECORD THAT WILL STAND AS
AN IMPRESSIVE ONE FOR FUTURE LEGISLATURES TO MATCH. I ASK YOU

TO KEEP BUILDING ON THAT STRONG RECORD.

I WANT TO THANK YOU FOR YOUR COOPERATION IN BUILDING THAT RECORD. THE IMMEDIATE RESULT IS BETTER GOVERNMENT; THE ULTIMATE RESULT WILL BE A BETTER STATE.

WE PASSED THE TRANSPORTATION TRUST FUND, WHICH WILL CEMENT OUR ECONOMIC GAINS, HELP KEEP US COMPETITIVE IN THE FUTURE, AND CREATE TENS OF THOUSANDS OF JOBS IN THE PROCESS!!

WE PASSED THE JOBS, SCIENCE AND TECHNOLOGY BOND ACT, WHICH WILL HELP OUR SYSTEM OF HIGHER EDUCATION ACHIEVE THE PRE-EMINENCE IT DESERVES, CREATE NATIONALLY PROMINENT RESEARCH CENTERS IN KEY AREAS, AND FOSTER THE BONDS BETWEEN OUR BUSINESSES AND OUR COLLEGES AND UNIVERSITIES THAT ARE SO IMPORTANT IN THE COMING AGE OF HIGH TECHNOLOGY. THAT, TOO, WILL CREATE JOBS!

WE PUT OURSELVES IN A POSITION TO CUT AN UNFAIR TAX ON

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NEW JERSEY COMPANIES BY REFORMING OUR UNEMPLOYMENT INSURANCE
LAWS. THE REFORM WILL MAKE NEW JERSEY MORE ATTRACTIVE TO BUSINESS.

AND THAT WILL CREATE JOBS!

WE IMPLEMENTED THE VAST MAJORITY OF THE "BLUEPRINT FOR
REFORM" OF OUR SCHOOLS THAT I SET FORTH FOR YOU SIXTEEN MONTHS
AGO. THAT WILL HELP MAKE THE NEW JERSEY STUDENTS OF TODAY MORE
PREPARED, MORE VERSATILE, AND MORE PRODUCTIVE AS MEMBERS OF THE
WORK FORCE OF TOMORROW. AND THAT WILL BRING JOBS.

WE PASSED A LAW TO REINVEST MONIES FROM ATLANTIC CITY'S
CASINOS IN MEETING THE NEEDS OF THAT CITY, AND IN JOB-CREATING
PROJECTS IN CITIES IN SOUTH JERSEY AND THROUGHOUT THE STATE.
THOSE REINVESTMENT FUNDS WILL CREATE JOBS.

AND THAT'S JUST A SMALL PART OF IT.

THE FACT IS THAT 1984 WAS A VERY GOOD YEAR. ONE LEADING
ECONOMIC ANALYSIS FIRM EVEN REFERRED TO IT AS "THE STRONGEST

YEAR IN NEW JERSEY'S ECONOMIC HISTORY."

IT'S NOT HARD TO SEE HOW THEY COULD REACH THAT CONCLUSION. BY VIRTUALLY ANY MEASURE, NEW JERSEY HAS EMERGED IN THE LAST THREE YEARS AS ONE OF THE NATION'S ECONOMIC LEADERS.

OUR UNEMPLOYMENT RATE, NOW STANDING AT 5.7 PERCENT, IS A FULL FOUR POINTS LOWER THAN IT WAS AT THE HEIGHT OF THE RECESSION. AND IT IS A FULL ONE AND ONE-HALF POINTS LOWER THAN THE NATIONAL RATE.

THAT STANDS IN SHARP CONTRAST TO THE RECESSION OF THE MID 1970'S, WHEN NEW JERSEY LAGGED BEHIND MOST OTHER STATES, AND ITS UNEMPLOYMENT RATE REMAINED TWO AND ONE-HALF POINTS HIGHER THAN THE NATIONAL AVERAGE.

MORE NEW JERSEYANS ARE WORKING TODAY THAN AT ANY TIME IN OUR STATE'S HISTORY.

IN THE PAST YEAR ALONE, WE HAVE ADDED OVER 120,000

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NEW JERSEYANS TO THE NUMBER OF NON-FARM JOBHOLDERS. THAT MEANS THAT OVER 300,000 MORE NEW JERSEYANS ARE WORKING TODAY THAN ON THE DAY THAT I WAS SWORN IN TO THIS GREAT OFFICE.

THE NUMBER OF PEOPLE NOW CLAIMING UNEMPLOYMENT BENEFITS IS AT ITS LOWEST LEVEL IN OVER A DECADE --- AND THAT NUMBER IS DOWN BY OVER 32 PERCENT IN THE LAST TWO YEARS ALONE.

SIXTEEN THOUSAND NEW BUSINESSES WERE INCORPORATED IN NEW JERSEY LAST YEAR. THAT MAKES FOR AN INCREASE OF BETTER THAN 21 PERCENT IN THE NUMBER OF NEW BUSINESSES JUST IN THE LAST TWO YEARS. AND THAT SAYS SOMETHING ABOUT THE FAITH THAT BUSINESSES SMALL AND LARGE HAVE IN NEW JERSEY'S FUTURE.

OUR BUSINESS CLIMATE IS GETTING BETTER. IN ONE MAJOR RANKING OF THE STATES' RESPECTIVE BUSINESS CLIMATES, NEW JERSEY HAS RISEN ALMOST TWENTY PLACES IN THE LAST FEW YEARS.

NEW JERSEY NOW SPORTS THE THIRD HIGHEST CONCENTRATION OF CORPORATE HEADQUARTERS OFFICES IN THE NATION.

NEW JERSEY'S CONSTRUCTION INDUSTRY IS BOOMING. ITS GROWTH IS THE BEST IT HAS BEEN SINCE THE BUILDING BOOM OF 1973. CONSTRUCTION CONTRACTS WERE SIGNED FOR MORE THAN FIVE BILLION DOLLARS WORTH OF NEW BUILDINGS IN 1984.

CONSTRUCTION OF OFFICE BUILDINGS ROSE BY OVER 14 PERCENT. INDUSTRIAL BUILDINGS ROSE BY 22 PERCENT. CONSTRUCTION OF COMMERCIAL BUILDINGS ROSE BY AN ASTOUNDING 54 PERCENT.

THE PERSONAL INCOME OF NEW JERSEYANS GREW BY 9 PERCENT LAST YEAR. AND NEW JERSEY'S GROWTH IN PERSONAL INCOME PER CAPITA, WHICH LAGGED BEHIND THE REST OF THE NATION THROUGHOUT THE 1970'S, IS FAR AHEAD OF THE NATIONAL AVERAGE FOR THE PAST THREE YEARS.

NEW JERSEY NOW HAS THE THIRD HIGHEST PER CAPITA PERSONAL INCOME IN THE COUNTRY.

THE LIST GOES ON AND ON: RETAIL SALES WERE UP 11 PERCENT

AFTER THE FIRST THREE QUARTERS OF 1984; AND NEW CAR REGISTRATIONS, AN INDICATOR OF CAR SALES, WERE UP BY 51 PERCENT --- THE LARGEST INCREASE ON RECORD.

NEW JERSEY IS ON THE MOVE. WE ARE GETTING STRONGER EVERY DAY.

AND THE RESULT OF ALL THIS IS OBVIOUS: NEW JERSEY IS BECOMING A MORE ATTRACTIVE PLACE IN WHICH TO LIVE, WORK, AND RAISE ONE'S FAMILY.

AND THE STATISTICS BEAR THAT OUT, TOO. AFTER A DECADE OF DECLINE IN POPULATION, THE TREND HAS BEEN REVERSED. MORE PEOPLE ARE NOW COMING TO NEW JERSEY THAN ARE LEAVING.

THESE IMPRESSIVE ECONOMIC NUMBERS, AND THE ACCOLADES WHICH HAVE FOLLOWED THEM, HAVE NOT ARISEN BY MERE COINCIDENCE.

THEY ARE THE PRODUCT OF A CONCERTED EFFORT TO ATTRACT NEW BUSINESS, TO TELL NEW JERSEY'S IMPRESSIVE STORY TO THE REST OF

THE COUNTRY AND THE WORLD, AND TO BUILD A BETTER STATE, SO THAT ALL THOSE WHO ARE WILLING TO LISTEN WILL BE IMPRESSED WITH OUR TREMENDOUS PROGRESS.

BUT THAT EFFORT IS BY NO MEANS COMPLETE.

WE HAVE MUCH TO ACCOMPLISH IN THE YEARS AHEAD.

IN THE PAST THREE YEARS, WE HAVE BUILT A SOLID FOUNDATION. OUR CHALLENGE NOW IS TO MAINTAIN IT, TO BUILD ON IT, AND TO FULFILL THE BRIGHT PROMISE THAT IS NEW JERSEY'S FUTURE.

NOTHING COULD THREATEN THAT PROMISE, OR DAMAGE THE NEW JERSEY PRIDE OF WHICH I HAVE ALREADY SPOKEN, MORE THAN A FAILURE ON OUR PART TO UNDERSTAND ADEQUATELY THE MOST CRITICAL ISSUE ON NEW JERSEY'S HORIZON.

IT IS THE ISSUE I MOST WANT TO SPEAK TO YOU ABOUT TODAY.

IT IS THE SINGLE MOST IMPORTANT ISSUE IN DETERMINING

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NEW JERSEY'S FUTURE COURSE.

IT HAS AND WILL HAVE A CRITICAL EFFECT ON OUR QUALITY OF LIFE --- I BELIEVE IT WILL DECIDE THE EVENTUAL FATE OF OUR STATE.

THAT ISSUE IS THE DEFENSE OF NEW JERSEY'S ENVIRONMENT.

IT IS AN ISSUE THAT DEMANDS OUR IMMEDIATE ATTENTION, OUR SUSTAINED INTEREST, AND OUR CONTINUED COMMITMENT.

NO SINGLE ISSUE IS AS CRUCIAL AS OUR ENVIRONMENT --- CRUCIAL TO OUR ABILITY TO ATTRACTING JOBS, TO ATTRACTING NEW FAMILIES AND INDIVIDUALS, AND TO MAKING THOSE WHO ARE HERE WANT TO STAY.

I HAVE ALWAYS BELIEVED THAT THERE IS A STRONG CONNECTION BETWEEN A STRONG ECONOMY AND A CLEAN ENVIRONMENT. PEOPLE MOST WANT TO LIVE AND WORK IN AN ENVIRONMENT THAT IS ATTRACTIVE, THAT IS GETTING BETTER OVER THE LONGER TERM, AND, MOST IMPORTANTLY, THAT IS SAFE FOR THEM, FOR THEIR WORKERS, AND THEIR

FAMILIES.

TODAY, WE FACE A UNIQUE OPPORTUNITY IN NEW JERSEY. WE REPRESENT A PUBLIC THAT IS FAR MORE AWARE ABOUT THE ENVIRONMENT THAN WERE EARLIER GENERATIONS. THEY RECOGNIZE THAT GARBAGE DOESN'T JUST GO AWAY WHEN YOU PUT IT AT YOUR CURBSIDE. THAT SEWAGE DOESN'T JUST DISAPPEAR WHEN YOU FLUSH. THAT TOXIC WASTES IGNORED TODAY WILL COME BACK TO HAUNT US TOMORROW. WE REPRESENT A PUBLIC THAT OVERWHELMINGLY SUPPORTS TAKING THE NECESSARY STEPS TO PROTECT THE ENVIRONMENT --- AND THAT CARES ENOUGH TO PAY THE COST OF TAKING THOSE STEPS.

WE ARE PRESENTED WITH A TREMENDOUS AND TIMELY OPPORTUNITY. WE MUST SEIZE IT.

1985 IS --- AND MUST BE --- THE YEAR OF THE ENVIRONMENT IN NEW JERSEY.

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IN THE PAST THREE YEARS, WE IN NEW JERSEY HAVE MADE

TREMENDOUS PROGRESS IN ATTACKING ENVIRONMENTAL
PROBLEMS --- CERTAINLY MORE THAN ANY OTHER STATE.

WE HAVE SIGNED THE NATION'S MOST FORWARD-LOOKING
RIGHT-TO-KNOW LAW. WE HAVE WON ENACTMENT OF A GREEN TRUST BOND
ISSUE THAT WILL FINANCE THE PRESERVATION OF OPEN SPACE. WE
CONTINUE TO LEAD THE NATION IN CLEANING UP TOXIC WASTES.

BUT EVEN WITH THAT LITANY OF ACCOMPLISHMENTS BEHIND US, WE
HAVE TOUCHED ONLY THE TIP OF THE ICEBERG.

WE STILL FACE A RANGE OF MAJOR ENVIRONMENTAL PROBLEMS IN
THIS STATE.

THEY ARE COMPLEX.

THEY ARE LARGE.

THEY WILL BE EXPENSIVE TO FIX.

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BUT MOST IMPORTANTLY, THEY WILL BE MORE EXPENSIVE NOT TO

FIX. IF WE NEGLECT THEM, THEY WILL GET WORSE. THE FINAL TAB
WILL GO UP, AND THE CONSEQUENCES --- FOR OUR FUTURE, AND FOR THE
PUBLIC WE SERVE --- COULD BE TRAGIC.

I CALL UPON YOU TO JOIN ME IN A COMPREHENSIVE ASSAULT ON
THESE PROBLEMS --- TODAY.

TODAY I PROPOSE A MAJOR PROGRAM TO WORK FOR A "CLEAN
NEW JERSEY."

I ASK YOU TO PROVIDE \$450 MILLION AS THE CENTERPIECE OF THAT
PROGRAM. A "CLEAN NEW JERSEY" CAN BE OUR RALLYING CRY: THE
FOCAL POINT OF A WIDER EFFORT TO DEFEND THE ECONOMIC FOUNDATION
WE HAVE SO CAREFULLY BUILT --- THE PRIDE THAT IS NOW BURSTING
FORTH --- THE HOMES WE LOVE --- THE CHILDREN WE CHERISH.

YOUR BI-PARTISAN LEADERSHIP AND I, HAVE MET TO ALREADY
IDENTIFY THE PROBLEMS. TODAY I CALL ON YOU TO ACT. THREE AREAS
URGENTLY DEMAND OUR ATTENTION. THEY ARE GARBAGE, SEWERS, AND

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TOXIC WASTE.

THESE ARE ALL PROBLEMS LEFT TO US BY A DIFFERENT AGE; AT TIME WHEN OUR PARENTS OR GRANDPARENTS DID NOT CARE OR SIMPLY WERE NOT AWARE OF THE DAMAGE THEY WERE CAUSING TO OUR AIR, TO OUR WATER, AND TO OUR SOIL. WELL, IN THIS GENERATION WE ARE AWARE, AND WE MUST NEVER LEAVE SUCH A LEGACY TO OUR CHILDREN AND OUR GRANDCHILDREN.

LAST YEAR, I TOLD YOU THAT GARBAGE WAS AT THE POINT OF CRISIS. IN THE LAST 12 MONTHS, THIS HAS BECOME SELF EVIDENT. AS A STATE, WE HAVE BEGUN TO LEARN, AS OUR NEIGHBORS IN NEW YORK AND PHILADELPHIA ARE LEARNING, THAT GARBAGE DOES NOT JUST GO AWAY. IT MUST BE PUT SOMEWHERE AND THAT SOMEWHERE MUST BE SAFE.

TOO OFTEN IN THE PAST, THE POORLY-SITED LANDFILLS IN NEW

JERSEY AND OTHER STATES HAVE TURNED INTO SUPERFUND SITES. NO MORE.

IN THE LAST THREE YEARS, MY ADMINISTRATION HAS CLOSED ALMOST 100 LANDFILLS. THE REASON? THEY ARE A DANGER TO THE PUBLIC --- EITHER BECAUSE THEY HAVE EXCEEDED CAPACITY OR BECAUSE THEY ENDANGER DRINKING WATER. IN THE PAST YEAR, 95 PERCENT OF NEW JERSEY'S GARBAGE WAS DUMPED AT 13 SITES. SIX OF THOSE HAD REACHED CAPACITY.

NEW JERSEY CAN NO LONGER AVOID THE TWO CENTRAL FACTS ABOUT SOLID WASTE. FIRST, WILL BE MORE EXPENSIVE TO DISPOSE OF GARBAGE IN THIS AND EVERY OTHER STATE,

SECOND, MEANINGFUL ACTION WILL REQUIRE COURAGE BY ELECTED OFFICIALS AT ALL LEVELS OF GOVERNMENT.

IT WILL REQUIRE THE PATIENCE AND SUPPORT OF THE PEOPLE. BUT THE SOLUTION IS THERE.

IT INVOLVES THREE STEPS. FIRST, WE MUST INCREASE RECYCLING. SECOND, WE MUST HAVE PROPER SITING OF WASTE DISPOSAL. AND THIRD, WE MUST DEVELOP RESOURCE RECOVERY CENTERS. NONE WILL BE UNIVERSALLY OR IMMEDIATELY POPULAR. ALL WILL REQUIRE MONEY. YET ALL ARE REQUIRED.

WE MUST RECYCLE A MUCH GREATER SHARE OF NEW JERSEY'S MUNICIPAL WASTE STREAM. WE'VE STARTED TO DO THAT. 64 PERCENT OF NEW JERSEY'S CITIES AND TOWNS NOW HAVE VOLUNTARY RECYCLING PROGRAMS --- UP FROM 30 PERCENT IN 1980 AND ONLY 9 PERCENT IN 1970.

OBVIOUSLY, YOUR PASSAGE OF THE VOLUNTARY NEW JERSEY RECYCLING ACT CONTRIBUTED GREATLY TO THIS JUMP. LAST YEAR, NEW JERSEYANS RECYCLED ABOUT 10 PERCENT OF THE REFUSE THEY GENERATED. BUT WE MUST DO MORE.

MY GOAL IS TO RECYCLE FULLY 25 PERCENT OF THIS WASTE STREAM BY THE END OF NEXT YEAR. TO DO THAT, WE WILL NEED A MANDATORY RECYCLING LAW.

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THE KEY TO IMPROVING THE SUCCESS OF OUR EXCELLENT MUNICIPAL

PROGRAMS IS TO GUARANTEE A STEADY SUPPLY OF RECYCLED MATERIALS TO THE END-USERS WHO BUY THEM. A MANDATORY RECYCLING BILL WILL DO JUST THAT.

ASSEMBLYMEN ALBOHN, HOLLENBECK, AND THE LEADERS OF YOUR KEY ENVIRONMENTAL COMMITTEES HAVE BEEN MEETING WITH A WORKING GROUP ON THE ISSUE. I ASK THEM TO COME FORWARD SOON WITH THEIR RECOMMENDATIONS AS SOON AS POSSIBLE.

I PLAN TO SIGN A MANDATORY RECYCLING BILL THIS YEAR. I URGE YOU TO MAKE IT A TOP PRIORITY IN THE COMING SESSION.

SECOND --- WE MUST CONTINUE TO WORK WITH THE COUNTIES ON SITING.

WE WILL CONTINUE TO INSIST ON A SOLUTION THAT IS LONG-TERM AND ECONOMICALLY SOUND --- RATHER THAN SHORT-TERM AND POLITICALLY SAFE.

THE BENEFITS OF OUR SOUND LONG-TERM STRATEGY ARE BEGINNING TO BE CLEAR: ONE RESULT OF OUR RESPONSIBLE APPROACH TO GARBAGE GENERATED WITHIN THE STATE IS THAT WE CAN NOW EFFECTIVELY LIMIT OUT-OF-STATE GARBAGE. IN FACT, WE ARE NOW SENDING OUT ALMOST FOUR TIMES AS MUCH GARBAGE AS WE ARE FORCED TO ACCEPT FROM OUR NEIGHBORS.

THIRD --- WE MUST BUILD FACILITIES FOR RESOURCE RECOVERY.

IN 1984, WE APPROVED THE FIRST PERMIT FOR A COMMERCIAL RESOURCE RECOVERY FACILITY IN NEW JERSEY --- A PROPOSED WASTE-TO-ENERGY PLANT IN ATLANTIC COUNTY.

ESSEX AND BERGEN COUNTIES HAVE ALSO PLANNED TO CONSTRUCT MAJOR PLANTS TO TURN GARBAGE TO ENERGY. WARREN COUNTY HAS TAKEN STEPS TO SITE SUCH A FACILITY.

THESE COUNTIES ARE THE LEADERS. I CONGRATULATE THEM.

YOU RECOGNIZED THE IMPORTANCE OF RESOURCE RECOVERY LAST

MONTH IN PASSING THE FIRST PART OF THE LEGISLATIVE PACKAGE I OUTLINED LAST YEAR.

THE BILL WILL PROVIDE A POOL OF CAPITAL FOR EACH COUNTY TO INVEST IN NEW RESOURCE RECOVERY PLANTS. THIS CAPITAL WILL HELP HOLD DOWN RATE INCREASES. IT WILL FINANCE THE CONSTRUCTION OF NEEDED NEW LANDFILLS.

THE BILL WILL ALSO HELP COUNTIES PLAN, SITE AND OPERATE THE FACILITIES WE SO BADLY NEED.

AND FINALLY, THE BILL WILL IMPOSE A HEAVY DISINCENTIVE ON COUNTIES THAT CONTINUE TO DUMP THEIR WASTE OUTSIDE THEIR OWN BORDERS.

THIS IS PARTICULARLY IMPORTANT. SOME COUNTIES HAVE CHOSEN TO FULFILL THEIR RESPONSIBILITIES UNDER THE LAW. THEY SHOULD BE REWARDED. OTHER COUNTIES HAVE CONSISTENTLY SOUGHT TO EVADE THEIR RESPONSIBILITY, HOPING THAT THE PROBLEMS WOULD GO AWAY. THE PROBLEM WILL NOT GO AWAY --- AND THOSE COUNTIES SHOULD PAY

FOR EXPORTING THEIR PROBLEM. IF ANYTHING, THESE PENALTIES ARE NOT HEAVY ENOUGH.

I CONGRATULATE ASSEMBLYMAN McENROE AND SENATOR GORMLEY FOR THEIR SPONSORING THIS VITAL LEGISLATION.

BUT RESOURCE RECOVERY PLANTS WILL BE EXPENSIVE AT THE START. THE COST SHOULD NOT BE BORNE ENTIRELY BY OUR OVER-BURDENED PROPERTY TAXPAYERS.

THEREFORE, I STRONGLY SUPPORT THE CREATION OF AN ENVIRONMENTAL TRUST. SENATOR GORMLEY AND ASSEMBLYMAN MUZIANI HAVE SPONSORED SUCH A BILL. MY STAFF HAS BEEN WORKING WITH YOU ON A COMPROMISE. I UNDERSTAND WE ARE CLOSE TO AN AGREEMENT. I LOOK FORWARD TO WORKING WITH ASSEMBLYMAN HERMAN AND THE LEADERSHIP OF BOTH PARTIES TO FORGE THIS VITAL COMPROMISE. OUR GOALS ARE THE SAME. I AM SURE THE RESULTS WILL SATISFY US ALL.

\$50 MILLION FROM THE 1981 NATURAL RESOURCE BOND ISSUE SHOULD BE USED TO CAPITALIZE THE TRUST. I ASK YOU TODAY TO

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PASS LEGISLATION APPROPRIATING THE NECESSARY MONIES FROM THIS BOND FOR RESOURCE RECOVERY.

IN ADDITION, I AM TODAY RECOMMENDING THAT WE COMMIT FROM STATE FUNDS ANOTHER \$100 MILLION FOR RESOURCE RECOVERY.

A SECOND KEY AREA IS SEWAGE TREATMENT. WE ALL SUPPORT THE GOALS OF THE CLEAN WATER ACT. BY 1988 MANY MUNICIPALITIES MUST UPGRADE THEIR SEWER SYSTEMS. THE RESULT WILL BE CLEANER RIVERS AND A CLEANER OCEAN.

HUNDREDS OF TOWNS IN NEW JERSEY MUST MEET THESE FEDERAL MANDATES. WHEN THE LAW WAS ORIGINALLY PASSED, THERE WAS THE PROMISE OF BILLIONS OF DOLLARS FROM FEDERAL RESOURCES --- TO BUILD NEW SEWAGE TREATMENT FACILITIES. THE FEDERAL GOVERNMENT HAS RENEGED ON ITS PLEDGE. THE STATE MUST STEP INTO THE BREACH.

FOR EXAMPLE, IN THIS YEAR WE HAVE BEEN ABLE TO FUND PARTIALLY ONLY FOUR OF THE MORE THAN 240 PROJECTS WE NEED TO

MEET FEDERAL MANDATES. IN OTHER WORDS, 236 OF OUR MUNICIPALITIES COULD FACE BUILDING BANS IN FOUR YEARS UNLESS WE ACT NOW. OBVIOUSLY, IF THESE BANS WENT INTO EFFECT, NEW JERSEY WOULD LOSE THOUSANDS OF JOBS.

THEREFORE, I RECOMMEND THAT WE ADD \$100 MILLION TO THE ENVIRONMENTAL TRUST TO ESTABLISH A REVOLVING FUND FOR LOW OR NO INTEREST LOANS TO HELP MUNICIPALITIES FUND THESE ESSENTIAL CLEAN WATER PROJECTS.

THESE LOANS, HOWEVER, WILL HAVE TO BE PAID BACK SO THAT THE MONEY CAN BE MADE AVAILABLE TO OTHERS. IF WE DO THIS, WE CAN SOFTEN THE IMPACT OF THESE COSTLY FEDERAL REQUIREMENTS ON LOCAL GOVERNMENT.

AS SPEAKER KARCHER SAID MORE THAN TWO YEARS AGO IN SUPPORT OF THIS CONCEPT, "THIS IS NOT A FREE LUNCH. IF ANYTHING, IT MAY BE A CHEAPER LUNCH." I BELIEVE IT WILL BE MUCH CHEAPER. IT WILL, MOREOVER, ALLOW US TO BEGIN WORK ON ALL THE REQUIRED

PROJECTS. IT WILL HASTEN THE DAY OF CLEAN RIVERS AND A CLEAN OCEAN. IT WILL HOLD DOWN PROPERTY TAXES AND IN THE PROCESS, IT WILL CREATE OVER 50 THOUSAND NEW JOBS. I COMMEND IT TO YOU.

I REMIND YOU TOO THAT LAST YEAR I ASKED YOU TO PASS A BILL TO ALLOWING PRIVATE FIRMS TO BE INVOLVED IN THE CONSTRUCTION, MANAGEMENT AND OPERATION OF THESE SEWAGE PLANTS. UNDER THIS BILL, EVERYONE BENEFITS: THE FIRM BECAUSE IT RECEIVES TAX BREAKS; AND THE CITY OR TOWN BECAUSE IT CAN CONSTRUCT AND OPERATE A FACILITY AT LOWER COST BY CONTRACTING IT OUT. NEW JERSEY WOULD BE THE FIRST STATE IN THE NATION TO ADOPT THIS PRIVATIZATION APPROACH. I URGE YOU TO PASS THE BILL THAT WOULD DO SO.

FINALLY, BEFORE I LEAVE THIS AREA, LET ME SAY A WORD ABOUT OUR OCEAN. IT IS NOT A CESSPOOL AND WE CANNOT TREAT AS SUCH,

WE ARE STILL DUMPING SEWAGE SLUDGE DANGEROUSLY CLOSE TO OUR SHORES. THE FEDERAL E.P.A. MUST INSIST THAT, FOR THE PRESENT,

THIS DUMPING BE MOVED OUT BEYOND THE 100 MILE LIMIT. WE MUST MUST UNDERTAKE THIS WITH THE CLEAR UNDERSTANDING THAT OUR EVENTUAL GOAL IS TO DO AWAY WITH ALL OCEAN DUMPING.

I WOULD ALSO LIKE TO REMIND OUR COMMUNITIES, FROM THE SMALLEST HAMLET TO THE LARGEST CITY IN THIS COUNTRY, THAT IT IS MORALLY AND ENVIRONMENTALLY INDEFENSIBLE TO CONTINUE TO DUMP UNTREATED SEWAGE INTO OUR OCEAN. THIS PRACTICE MUST STOP. I ASK OUR CONGRESSIONAL DELEGATION TO STEP UP THEIR EFFORTS EVEN TO SEE THAT IT DOES.

I FIND IT ALMOST UNBELIEVABLE THAT WE CAN TAKE SO MUCH REAL PRIDE IN OUR TECHNICAL ADVANCES --- WHILE WE CONTINUE TO DISPOSE OF WASTES BY THE SAME PRIMITIVE MEANS USED BY PRE-HISTORIC MAN: BY THROWING THEM IN THE WATER WHICH WE DRINK AND IN WHICH WE SWIM.

OUR THIRD MAJOR ENVIRONMENTAL PROBLEM CAN BE OUR MOST SERIOUS: HAZARDOUS OR TOXIC WASTE. AGAIN, WE ARE PAYING FOR

THE SINS OF THE PAST. FOR YEARS, PEOPLE HONESTLY DID NOT KNOW THE DANGER INHERENT IN THE DISPOSAL OF CERTAIN CHEMICALS AND BY-PRODUCTS. THAT PAST IGNORANCE TODAY THREATENS THE VERY WATER WE DRINK AND THE SOIL IN WHICH WE GROW OUR FOOD.

AS I VISIT THESE TOXIC SITES, I OFTEN THINK THAT IN THE ENVIRONMENT MORE THAN IN ANY AREA, WE ARE REMINDED OF THE FUNDAMENTAL TRUTH OF THE OLD BIBLICAL INJUNCTION THAT THE SINS OF THE FATHER ARE VISITED ON THE CHILDREN.

I WISH YOU COULD HAVE BEEN WITH ME AS I VISITED SOME OF THESE SITES --- THE WAREHOUSE WHERE I HAD TO DON A SPACE SUIT AND AN OXYGEN TANK TO VIEW THOUSANDS OF BARRELS OF UNLABELED CHEMICALS STORED THERE YEARS AGO. ONE I RECALL WAS OOZING A YELLOW LIQUID. WHEN I WENT OVER TO LOOK, I WAS TOLD TO BE CAREFUL AS IT MIGHT EXPLODE AT ANY TIME. THAT PARTICULAR SITE HAS BEEN CLEANED UP. BUT THERE ARE STILL OTHERS LIKE IT.

I REMEMBER THE FACE OF A WOMAN IN NEWARK WHO HAD JUST LEARNED THAT DIOXIN WAS IN HER NEIGHBORHOOD. SHE HAD LIVED THERE FOR OVER 30 YEARS. SHE WAS SEARCHING FOR ANSWERS. SHE WAS AFRAID. WHEN WOULD IT BE CLEANED UP? WHAT DID IT MEAN FOR HER AND FOR HER FAMILY? COULD HER CHILD PLAY SAFELY IN THE STREET?

I REMEMBER THE MOTHER WHO CAME TO ME IN SOUTH JERSEY, AT THE SITE OF A CLOSED DUMP. SHE WANTED TO KNOW HOW SERIOUS THE POLLUTION WAS AND WHETHER HER CHILDREN WERE IN ANY DANGER --- BECAUSE THEY DRANK THE WATER FROM THE FAUCET.

WE IN NEW JERSEY ARE THE ACKNOWLEDGED LEADER IN DISCOVERING AND CLEANING UP TOXIC WASTE. BUT OUR FINE RECORD IS NOT FINE ENOUGH. WE HAVE SO MUCH MORE TO DO.

THERE IS NO MAGIC SOLUTION TO HAZARD WASTE. CONSTANT STEADY WORK ALONE WILL DO THE JOB.

ALMOST TWO YEARS AGO, I ANNOUNCED MY FOUR-YEAR MANAGEMENT

PLAN FOR THE CLEANUP OF HAZARDOUS WASTE SITES IN NEW JERSEY. THE PLAN HAS BEEN A MODEL FOR OTHER STATES IN ADDRESSING THIS CRITICAL NATIONAL ISSUE. I AM PROUD TO REPORT TO YOU TODAY THAT WE ARE MEETING OR EXCEEDING THE CLEANUP SCHEDULE I SET FORTH IN THAT PLAN.

IF WE ARE TO STAY ON SCHEDULE, IF WE ARE TO CONTINUE TO LEAD --- I WILL NEED YOUR HELP.

NEW JERSEY LEADS THE COUNTRY IN THE COMPETITION FOR FEDERAL SUPERFUND DOLLARS.

LAST YEAR, WE WON \$35 MILLION FROM SUPERFUND --- OR ALMOST 20 PERCENT OF THE TOTAL AMOUNT SUPERFUND SPENT NATIONWIDE.

BECAUSE OF OUR AGGRESSIVE EFFORTS TO IDENTIFY SITES, NEW JERSEY NOW HAS MORE SITES ON THE SUPERFUND NATIONAL PRIORITY LIST THAN ANY OTHER STATE IN THE NATION.

AS OF TODAY, WE HAVE ENTERED INTO A TOTAL OF 37

COOPERATIVE AGREEMENTS OR CONTRACTS WITH THE E.P.A. TO CLEAN UP
36 DIFFERENT SITES.

THIS IS NOT ALL MY ADMINISTRATION IS DOING TO CLEAN UP
TOXIC WASTES. WE ARE USING OUR OWN STATE FUNDS TO PAY FOR
CLEANUP AS WELL.

IN ALL, WE SPENT OVER \$48 MILLION TO UNDERTAKE VARIOUS
STAGES OF CLEANUP WORK, AT 58 DIFFERENT MAJOR SITES IN FISCAL
YEAR 1984 ALONE.

AND WE HAVE CLEANED UP OVER 130 SMALL DRUM DUMP SITES.

WE'RE WORKING HARD TO MAKE SURE WE INCREASE THE NUMBER
OF SITES CLEANED UP THIS YEAR.

UNDER OUR CURRENT SCHEDULE, BY THE END OF THIS YEAR, WE
WILL HAVE STARTED ON OVER TWO-THIRDS OF OUR SUPERFUND SITES.
NO OTHER STATE CAN COME CLOSE TO SUCH A RECORD.

THIS YEAR, HOWEVER, WE NEED \$100 MILLION TO COMPLETE OUR CLEANUP PROGRAM. SENATOR DALTON AND ASSEMBLYMAN BENNETT HAVE INTRODUCED LEGISLATION TO APPROPRIATE SOME OF THE MONIES FROM AVAILABLE HAZARDOUS WASTE BOND FUNDS. I ASK FOR YOUR SWIFT APPROVAL OF LEGISLATION TO APPROPRIATE ALL OF IT.

THERE WILL BE A SIMILAR SHORTFALL IN 1986. I AM, THEREFORE, ASKING YOU FOR AN ADDITIONAL \$100 MILLION IN THE COMING FISCAL YEAR TO ALLOW US TO CONTINUE TO CLEAN UP ON OR EVEN AHEAD OF SCHEDULE.

I HAVE NOW ASKED YOU TO PROVIDE A TOTAL OF \$450 MILLION TO ADDRESS THE MAJOR ENVIRONMENTAL JOB THAT CONFRONTS US.

I HAVE ASKED YOU TO APPROPRIATE \$150 MILLION FROM EXISTING BOND FUNDS FOR RESOURCE RECOVERY AND HAZARDOUS WASTE.

AND I HAVE ASKED FOR \$300 MILLION IN NEW MONEY FOR EACH OF THE THREE CRITICAL ENVIRONMENTAL NEEDS THAT CONFRONT US TODAY:

RESOURCE RECOVERY; SEWAGE TREATMENT; AND FOR HAZARDOUS WASTE CLEANUP.

I PROPOSE THAT WE ASK NEW JERSEY'S VOTERS TO APPROVE A \$150 MILLION "CLEAN NEW JERSEY '85" BOND ISSUE ON THE BALLOT THIS NOVEMBER TO PROVIDE HALF OF THIS NEW MONEY.

I AM CONFIDENT THAT THE VOTERS --- WHO UNDERSTAND FULL WELL THE COMPELLING IMPORTANCE OF A CLEAN ENVIRONMENT --- WILL VOTE TO MAKE THIS INVESTMENT IN A CLEAN NEW JERSEY AT THE POLLS IN NOVEMBER.

THIS BOND WOULD ALLOW US TO PURSUE THE FULL \$450 MILLION CLEAN NEW JERSEY PROGRAM WHILE KEEPING OUR BUDGET IN BALANCE.

I BELIEVE THAT OUR GOAL SHOULD BE NO LESS THAN TO LEAVE TO OUR CHILDREN THE CLEANEST STATE IN THE NATION.

ALL OF THESE PLANS ANTICIPATE THE EARLY REAUTHORIZATION OF FEDERAL SUPERFUND AT REALISTICALLY HIGHER LEVELS. I COMMEND

SENATOR BRADLEY FOR HIS WORK IN INSISTING THAT STATES LIKE NEW JERSEY BE REIMBURSED FOR THEIR LEADERSHIP IN SPENDING THEIR OWN MONIES FOR SITES THAT ARE RIGHTFULLY FEDERAL RESPONSIBILITIES.

CONGRESS MUST ACT IMMEDIATELY ON THE NEW SUPERFUND LEGISLATION. ANY FURTHER DELAY ON THIS MATTER WOULD BE AN ACT OF STUNNING IRRESPONSIBILITY.

THERE ARE MANY OTHER THINGS WE CAN DO TO PROTECT OUR ENVIRONMENT AND I KNOW YOU ARE ALREADY WORKING ON SOME OF THEM.

WE MUST WORK TO KEEP OUR AIR CLEAN --- A PROCESS THAT WILL BE HELPED BY YOUR RECENT PASSAGE OF SENATOR LESNIAK'S BILL TO STRENGTHEN OUR FIGHT AGAINST AIR POLLUTION. CLEAN AIR IS NOT A LUXURY; IT'S A RIGHT. AND IT MUST BE DEFENDED.

WE WILL CONTINUE TO REQUIRE RESPONSIBLE PARTIES TO PAY FOR CLEANUP WHEN WE CAN IDENTIFY THEM. YOU CAN HELP FURTHER IN THE YEAR AHEAD BY PASSING LEGISLATION TO MAKE EXPLICIT --- IN NEW JERSEY LAW --- THAT THOSE WHO GENERATE HAZARDOUS WASTE ARE

LIABLE FOR CLEANING UP ANY SPILL, DUMPING, OR IMPROPER DISCHARGE. I WILL SHORTLY SEND TO YOU LEGISLATION ON THIS. I URGE YOU TO PASS IT.

WE SHOULD WORK TO ALLEVIATE AND CONTROL FLOODING. THE BILL I SIGNED, SPONSORED BY SENATOR BROWN AND ASSEMBLYMAN LOVEYS, WILL HELP US DO THIS. WE SHOULD ALSO REACH A COMPROMISE THIS YEAR ON LEGISLATION PROTECT THE BEST FLOOD CONTROL DEVICES WE HAVE --- OUR WETLANDS.

WE MUST TAKE STEPS TO PROTECT OUR WATER SUPPLY FROM DAMAGE DONE BY LEAKING UNDERGROUND TANKS, AS ASSEMBLYMAN ZANGARI HAS SUGGESTED.

WE MUST WORK WITH DR. VILLANE TO DEVELOP A LONG-TERM SOURCE OF FUNDING FOR SHORE PROTECTION.

ON THE FEDERAL LEVEL, WE MUST HALT THE COSTLY DAMAGE BEING DONE BY ACID RAIN. IT KILLS OUR FISH. IT STUNTS OUR TREES. IT DESTROYS OUR PUBLIC BUILDINGS. IT IS A NATIONAL PROBLEM AND

CONGRESS MUST ACT --- NOW.

I RECOGNIZE THAT THIS IS A HEAVY AGENDA. I DOUBT THAT ANY GOVERNOR OF ANY STATE HAS EVER LAID OUT SUCH A LARGE ENVIRONMENTAL COMMITMENT.

I BELIEVE WE SHOULD CONSIDER IT AN INVESTMENT. IT IS MONEY TO PAY FOR THE ERRORS OF THE PAST AND TO CORRECT THEM. IT IS MONEY TO SET US ON THE RIGHT PATH FOR THE FUTURE. IT IS MONEY NOT JUST FOR OURSELVES, BUT FOR OUR CHILDREN AND THEIR CHILDREN. THEY ARE NOT WITH US IN THIS CHAMBER TODAY --- BUT WE IN THIS CHAMBER HOLD THEIR PROXIES.

IF WE ACT AND ACT STRONGLY THIS YEAR, I KNOW THAT FUTURE GENERATIONS WILL THANK US.

WE HAVE MADE GREAT PROGRESS. THIS ADMINISTRATION, THIS LEGISLATURE, CAN NOT FAIL OUR CHILDREN AS PREVIOUS GENERATIONS

HAVE FAILED US.

YOU KNOW I BELIEVE THAT STATE GOVERNMENT BEARS NO GREATER RESPONSIBILITY THAN THE ONE WE BEAR THE EDUCATION OF OUR CHILDREN. IN NEW JERSEY WE HAVE BEGUN TO BREAK FROM THE PACK IN THE DRIVE TO BUILD BETTER SCHOOLS. OTHER STATES HAVE COMMISSIONED STUDIES AND IMPLEMENTED REFORMS, BUT FEW HAVE MATCHED NEW JERSEY.

BY NOW, THE LINK BETWEEN EDUCATION AND JOBS IS FIRMLY ESTABLISHED. IF WE EXPECT TO BE COMPETITIVE IN A CHANGING NATIONAL AND WORLD ECONOMY, WE MUST PROVIDE OUR CHILDREN WITH THE TOOLS THAT WILL ALLOW THEM TO COMPETE.

LAST YEAR, WE TOOK MANY STEPS TO GIVE THEM THOSE TOOLS: THE LARGEST INCREASE IN SCHOOL AID IN HISTORY; A NEW, UPGRADED HIGH SCHOOL PROFICIENCY TEST WITH AN EMPHASIS ON WRITING; A NEW ROUTE TO TEACHER CERTIFICATION THAT WILL ENABLE US TO RECRUIT NEW TALENT TO THE TEACHING PROFESSION; AND THE CREATION OF AN ACADEMY FOR THE ADVANCEMENT OF TEACHING AND MANAGEMENT TO UPDATE THE

SKILLS OF OUR TEACHERS AND ADMINISTRATORS.

TODAY, I ASK YOU TO TAKE A FEW MORE STEPS.

THOSE STEPS FOCUS ON ATTRACTING, RETAINING, AND STIMULATING QUALITY TEACHERS IN THE SCHOOLS. TEACHERS ARE THE HEART OF THE EDUCATIONAL PROCESS; THEY MUST BE AT THE CENTER OF OUR EFFORTS. WITHOUT QUALIFIED, CARING MEN AND WOMEN IN THE CLASSROOM, ALL OUR OTHER EFFORTS MUST FAIL. THEREFORE, I ASK THAT YOU CONCENTRATE THIS YEAR ON THE TEACHERS.

FIRST, I ASK YOU TO PASS MY PROPOSAL TO RAISE THE MINIMUM STARTING SALARY FOR NEW TEACHERS IN NEW JERSEY'S PUBLIC SCHOOLS TO \$18,500. I WILL PRESENT A BILL ON THIS TO YOU SHORTLY.

WE SIMPLY HAVE GOT TO MAKE TEACHING MORE COMPETITIVE WITH OTHER FIELDS IF WE EXPECT TO ATTRACT THE BEST AND THE BRIGHTEST BACK INTO THE CLASSROOM.

I ASK FOR YOUR PROMPT AND FAVORABLE CONSIDERATION OF THIS

PROPOSAL.

AS PART OF THAT PROPOSAL, HOWEVER, WE MUST RECOGNIZE THAT INCREASED STARTING SALARIES, IN AND OF THEMSELVES, MAY NOT BE ENOUGH TO MAKE TEACHING MORE COMPETITIVE WITH OTHER FIELDS. WE MUST DEVISE A MEANS NOT ONLY TO ATTRACT NEW PEOPLE TO THE PROFESSION, BUT TO KEEP TALENT IN THE SYSTEM BY REWARDING IT. EXCEPTIONAL PERFORMANCE BY TEACHERS SHOULD BE RECOGNIZED, AS IT IS IN EVERY OTHER FIELD.

THAT IS WHY, INEXTRICABLY LINKED TO OUR PROGRAM TO ATTRACT NEW TEACHERS WITH HIGHER SALARIES, MUST BE A COMPANION PROGRAM TO RECOGNIZE AND REWARD OUTSTANDING TEACHERS ALREADY IN THE SYSTEM.

I HAVE PROPOSED SUCH A PROGRAM TO YOU IN THE FORM OF A PLAN TO ESTABLISH "MASTER TEACHERS" IN THE STATE. ADOPTION OF THAT PLAN MUST BE A PART OF ANY NEW SYSTEM FOR TEACHERS SALARIES WE ENACT THIS YEAR.

TEACHING IS THE ONLY PROFESSION I KNOW OF IN WHICH EXCELLENCE IS NOT REWARDED WITH ONE ADDITIONAL PENNY. THAT SHOULD BE CHANGED.

I WOULD ALSO LIKE TO PROPOSE TO YOU TODAY TWO ADDITIONAL STEPS AIMED AT THIS CENTRAL QUESTION OF QUALITY TEACHING.

FIRST, I PROPOSE THAT WE LAUNCH AN AGGRESSIVE EFFORT TO RECRUIT 100 TOP COLLEGE GRADUATES EACH YEAR INTO THE TEACHING PROFESSION BY OFFERING TO REDEEM THEIR STUDENT TUITION LOANS IN RETURN FOR SERVICE IN NEW JERSEY'S PUBLIC SCHOOLS.

THIS WOULD BE A COMPETITIVE PROGRAM. CANDIDATES WOULD HAVE TO MEET VIGOROUS STANDARDS AND COMMIT TO A SPECIFIED NUMBER OF YEARS TEACHING IN NEW JERSEY PUBLIC SCHOOLS IN ORDER TO BECOME GOVERNOR'S TEACHING SCHOLARS. BUT THOSE THAT ARE SELECTED WILL BENEFIT SIGNIFICANTLY: THEY WILL RECEIVE EDUCATION LOANS THAT THE STATE WILL REPAY AS THEY COMPLETE THEIR COMMITMENT TO THE

SCHOOLS.

SECONDLY, I PROPOSE A NEW INITIATIVE DESIGNED TO GENERATE IDEAS FOR BETTER TEACHING FROM THE BEST SOURCE WE HAVE: THE TEACHERS THEMSELVES.

GOOD IDEAS ABOUT EDUCATION COME FROM TEACHERS EVERY DAY. LET'S FIND THESE NEW IDEAS AND SHARE THEM.

MY PROPOSAL IS TO ESTABLISH UP TO 30 MAXI-GRANTS OF UP TO \$15,000 TO BE AWARDED TO TEACHERS FOR THE DEVELOPMENT OF PROPOSALS THAT SPECIFICALLY DEAL WITH WAYS TO IMPROVE STUDENT LEARNING. THE IDEAS THEY DEVELOP, IF THEY ARE A MEASURABLE SUCCESS, COULD THEN BE COPIED IN OTHER DISTRICTS.

THE PURPOSE OF MAXI-GRANTS WOULD BE TO STIMULATE NEW IDEAS -- AND TO SHOWCASE THOSE THAT WORK.

FINALLY, MAY I SUGGEST ONE MORE MEANS TO RECONIZE GREAT TEACHERS. I HAVE ATTENDED GRADUATE EXERCISES AT MANY COLLEGES

AND I'VE SEEN MANY FINE PEOPLE RECOGNIZED WITH THE AWARD OF HONORARY DEGREES.

ONLY ONCE, AT MONMOUTH COLLEGE, DID I SEE A SCHOOL TEACHER SO RECOGNIZED. I SUGGEST THAT COLLEGES AND UNIVERSITIES CONSIDER OUTSTANDING SCHOOLTEACHERS WHEN THEY AWARD HONORARY DEGREES TO THOSE WHO EXCEL IN THEIR PROFESSION. SURELY THEIR LIFE-LONG DEDICATION TO EDUCATING OUR CHILDREN MAKES THEM WORTHY OF SUCH DISTINCTION.

OUR SCHOOLS ARE ONLY HALF OF THE EDUCATIONAL PICTURE IN NEW JERSEY.

NEW JERSEY'S ABILITY TO SECURE ITS POSITION AS A LEADER IN CREATING JOBS IS ALSO LINKED -- VERY CLOSELY -- TO THE QUALITY OF OUR SYSTEM OF HIGHER EDUCATION, AND TO THE SYSTEM'S CONTINUED LEADERSHIP IN RESEARCH.

LAST YEAR, I ASKED YOU TO PLACE A SPECIAL PRIORITY ON HIGHER EDUCATION. YOU RESPONDED BY PASSING THE \$90 MILLION JOBS,

SCIENCE, AND TECHNOLOGY BOND ISSUE WHICH I REQUESTED; AND BY PROVIDING THE RESOURCES FOR US TO LAUNCH MAJOR PROGRAMS TO IMPROVE TECHNOLOGICAL EDUCATION AND TRAINING IN THE HUMANITIES AT NEW JERSEY'S COLLEGES AND UNIVERSITIES, AND BY ESTABLISHING A GARDEN STATE DISTINGUISHED SCHOLARS PROGRAM TO RETAIN NEW JERSEY'S MOST OUTSTANDING HIGH SCHOOL STUDENTS

THE VOTERS ENDORSED OUR EFFORTS BY OVERWHELMINGLY APPROVING THE BOND ISSUE AT THE POLLS.

TODAY, I ASK YOU TO JOIN ME IN FOUR CHALLENGES TO NEW JERSEY COLLEGES AND UNIVERSITIES -- CHALLENGES TO HELP THEM ACHIEVE THE GREATNESS THAT NOW LIES WITHIN THEIR GRASP.

I ISSUE THESE CHALLENGES WITH A PARTICULAR VIEW ABOUT WHAT HIGHER EDUCATION NEEDS TO EXCEL. IT DOES NOT NEED GOVERNMENT TO INTRUDE IN THE GOVERNANCE OF THE COLLEGE AND UNIVERSITY.

LEADERSHIP MUST COME FROM THE PRESIDENT, BOARD AND FACULTY ON EACH CAMPUS. IT IS THEIR RESPONSIBILITY TO DELIBERATE AND ACT

UPON THE ELEMENTS OF EXCELLENT UNDERGRADUATE, GRADUATE AND RESEARCH PROGRAMS.

THAT DELIBERATION WILL BE LOUD AND NOT WITHOUT RISK, BUT SUCH DEBATES ABOUT FUNDAMENTAL VALUES ARE THE MARK OF FREE INSTITUTIONS AND ESPECIALLY ACADEMIC ONES. THE DEBATE MUST BEGIN.

WHILE WE SHOULD NOT INTRUDE, WE CAN AND MUST ENCOURAGE. TODAY A SPECIAL CONDITION EXISTS IN NEW JERSEY THAT CALLS FOR OUR ENCOURAGEMENT NOW.

REPORTS HAVE CRITICIZED HIGHER EDUCATION AROUND THE NATION AND MORE SUCH REPORTS ARE EXPECTED IN 1985. YET IN NEW JERSEY, SEVERAL INSTITUTIONS ARE POISED ON THE EDGE OF REAL DISTINCTION. WHY?

BECAUSE THEY HAVE THOUGHT OUT THEIR MISSIONS, AND IDENTIFIED DISTANT TARGETS WORTH REACHING FOR.

THEY HAVE ATTRACTED VIGOROUS SUPPORT FROM THE PRIVATE SECTOR.

THEY HAVE LOOKED FOR AND FOUND THEIR STRENGTH WITHIN.

THEY HAVE TAKEN RESPONSIBILITY FOR SUCCESS OR FAILURE.

I WANT TO RECOGNIZE THEIR BOLDNESS. LET US CHALLENGE THOSE INSTITUTIONS AND BACK UP OUR CHALLENGE WITH DECISIVE FINANCIAL SUPPORT --- PROVIDED THAT PRESIDENTS, BOARDS AND FACUTLY TAKE UP THE CHALLENGE.

HERE THEN ARE MY FOUR CHALLENGES.

FIRST, I CHALLENGE OUR STATE COLLEGES TO USE A NEW AUTONOMY TO PLACE THEMSELVES AMONG THE COUNTRY'S FINEST STATE COLLEGES. THE BOARD OF HIGHER EDUCATION HAS APPROVED THE PROPOSAL TO TRANSFER THE FISCAL AND OPERATIONAL AUTHORITY FOR STATE COLLEGES AWAY FROM THE VARIOUS AGENCIES OF STATE GOVERNMENT TO EACH COLLEGES BOARD OF TRUSTEES. I ENDORSE LEGISLATION WHICH WOULD

ACCOMPLISH THIS.

THE PRESIDENTS, BOARDS FACULTIES AND STUDENTS OF EACH COLLEGE SHOULD USE THIS INDEPENDENCE TO CHART A UNIQUE PATH TO GREATNESS.

I EXPECT VIGOROUS LEADERSHIP, AN EMPHASIS ON EXCELLENT TEACHING, BALANCED CURRICULA AND RECRUITMENT OF A DIVERSE AND ACHIEVEMENT-ORIENTED STUDENT BODY. I'M LOOKING FOR SPECIFIC AND COMPREHENSIVE PLANS FROM THE COLLEGES.

THE COLLEGES ARE READY FOR THIS. THEY HAVE RAISED STANDARDS FOR FACULTY AND STUDENTS. THEY HAVE IMPROVED THEIR PROGRAMS AND DEVOTED RESOURCES TO GROWING AREAS.

THE BOARDS, PRESIDENTS AND FACULTY MUST RECOGNIZE THE RESPONSIBILITY THIS NEW CHALLENGE PLACES UPON THEM. I RECOMMEND THAT, TO THOSE WHO RESPOND, WE PROVIDE THE FINANCIAL COMMITMENT NEEDED TO CARRY OUT THE PLANS.

MY SECOND CHALLENGE IS TO NEW JERSEY INSTITUTE OF
TECHNOLOGY.

NJIT BUILT A FOUNDATION IN A DECADE OF GROWTH, INNOVATION
AND SERVICE TO ITS COMMUNITY.

IT ADDED NEW PROGRAMS IN COMPUTER SCIENCE, ARCHITECTURE AND
MANAGEMENT. IT WILL BE HOME TO A CENTER FOR THE STUDY OF
HAZARDOUS MATERIALS.

COMPUTERS ARE A KEY TO TECHNICAL ADVANCE AND NJIT MOVED
IMAGINATIVELY IN THIS AREA. NJIT IS READY FOR THE NEXT STEP.

I CHALLENGE NJIT TO TAKE ITS PLACE AMONG THE NATION'S
PREMIER COMPREHENSIVE TECHNOLOGICAL UNIVERSITIES.

NJIT WILL NEED TO IMPROVE SIGNIFICANTLY ITS COMPUTER
FACILITIES, LABORATORIES AND OTHER EQUIPMENT. I PROPOSE THAT WE
PROVIDE THE FUNDS NECESSARY FOR THESE IMPROVEMENTS --- IN RETURN
FOR A COMMITMENT FROM NJIT TO ACHIEVE NATIONAL RECOGNITION AS A

COMPREHENSIVE TECHNOLOGICAL INSTITUTE.

MY THIRD CHALLENGE IS TO RUTGERS. WE HAVE A SPECIAL OBLIGATION TO OUR STATE UNIVERSITY. IT SHOULD BE THE CROWN JEWEL OF OUR SYSTEM.

A RECENT UNIVERSITY-FORMED COMMITTEE SET A VERY HIGH GOAL FOR RUTGERS. THEY BELIEVE THAT RUTGERS CAN BECOME ONE OF THE NATION'S LEADING RESEARCH INSTITUTIONS. I BELIEVE THAT, TOO.

I THEREFORE CHALLENGE RUTGERS TO BECOME A NATIONALLY RENOWNED RESEARCH UNIVERSITY BY ATTRACTING A NUMBER OF WORLD-CLASS SCHOLARS TO NEW JERSEY.

I WILL RECOMMEND THE FUNDING NECESSARY TO RECRUIT AND EQUIP SCHOLARS, AND TO ATTRACT THE BEST JUNIOR FACULTY AND GRADUATE FELLOWS.

FINALLY, I CHALLENGE ALL OF OUR COLLEGES AND UNIVERSITIES TO REVERSE THE RECENT DECLINE IN MINORITY ENROLLMENTS. TO BACK UP THAT CHALLENGE, I WILL ASK YOU TO INCREASE STATE SUPPORT FOR THE EDUCATIONAL OPPORTUNITY FUND, WHICH WAS CREATED BY LEGISLATION I SPONSORED WHEN I SAT IN YOUR PLACE.

ALL OF THESE CHALLENGES CAN BE MET. ALL WILL HELP NEW JERSEY ATTRACT JOBS. ALL WILL MAKE NEW JERSEY A BETTER PLACE. I CALL UPON YOU, AND OUR COLLEGES AND UNIVERSITIES, TO WORK TO MEET THEM.

CRIME IS DOWN AGAIN THIS PAST YEAR BY EIGHT PERCENT. THAT IS THE THIRD YEAR IN A ROW. WE SHOULD BE PROUD OF THE TOUGH NEW LAWS WE PUT IN THE BOOKS AND THE WAYS THEY ARE BEING ENFORCED. YOU AND I CAN KEEP THAT CRIME RATE GOING DOWN.

YOU HAVE BEFORE YOU A BILL SPONSORED BY SENATOR GRAVES AND ASSEMBLYMAN HARDWICK. IT WOULD KEEP THE MOST VIOLENT AND DANGEROUS CRIMINALS OFF OUR STREETS WHILE AWAITING TRIAL. THEY ARE A DANGER TO INNOCENT PEOPLE. THEY BELONG IN JAIL. SEVENTEEN

STATES PROTECT THEIR CITIZENS IN THIS MANNER. NEW JERSEY SHOULD FOLLOW SUIT.

TOO OFTEN IN THE PAST OUR JUSTICE SYSTEM HAS FOCUSED ON THE RIGHTS OF THE CRIMINAL, FORGETTING THAT THE VICTIM TOO HAS RIGHTS. LAST YEAR, I SUBMITTED TO YOU A CRIME VICTIMS' BILL OF RIGHTS. I GATHER THAT A BI-PARTISAN CONSENSUS HAS EMERGED IN THE ASSEMBLY ON THIS SUBJECT. I AWAIT PASSAGE OF THIS LEGISLATION THIS YEAR. AS WE CONTINUE OUR ASSAULT ON THE CRIMINAL ELEMENT IN SOCIETY, LET'S ALSO PROTECT THEIR VICTIMS.

WE HAVE, AS YOU KNOW, BEGUN A MAJOR PROGRAM TO BUILD NEW PRISON CELLS TO HANDLE AN EXPANDED POPULATION. OUR POLICY FROM THE BEGINNING HAS BEEN THE RIGHT ONE. CRIMINALS MUST KNOW THAT ONCE THEY HAVE COMMITTED A CRIME IN NEW JERSEY AND ARE CONVICTED, THEY WILL GO TO JAIL --- AND NO SHORTAGE OF CELLS WILL PREVENT THEM FROM SERVING THEIR FULL SENTENCE UNDER THE LAW.

BUT RECENT STATISTICS MAKE IT CLEAR THAT MORE ACTION IS NEEDED. THE REPORT OF MY COMMITTEE ON PRISON POPULATION

PROJECTION SHOWED THE POTENTIAL FOR A MAJOR SHORTAGE OF PRISON SPACE BY NEXT FALL UNLESS WE ACT TODAY.

THEREFORE, I MUST ASK YOU TO GIVE PRIORITY ATTENTION TO THE REQUEST FOR A \$60 MILLION SUPPLEMENTAL APPROPRIATION FOR PRISON CONSTRUCTION THAT I WILL SUBMIT TO YOU SHORTLY. THIS WILL ENABLE US TO ADD 1,000 SPACES TO EXISTING STATE FACILITIES --- AND THESE SPACES ARE URGENTLY NEEDED.

THE INCREASE IN PRISON INMATES IS DUE IN NO SMALL PART TO YOUR COOPERATION IN ENACTING TOUGHER LAWS TO FIGHT CRIME IN NEW JERSEY.

WITH YOUR HELP, WE ARE ALSO WINNING THE WAR AGAINST DRUNK DRIVING. FOR THE FIRST TIME IN 20 YEARS, HIGHWAY DEATHS IN NEW JERSEY FELL BELOW 1,000 IN 1983. THEY FELL EVEN FURTHER IN 1984.

WITH THE LAWS WE HAVE PASSED IN THE LAST TWO YEARS, INCLUDING THE ONE I SIGNED LAST MONTH INCREASING THE PENALTIES FOR DEATH-BY-AUTO, NEW JERSEY NOW HAS THE TOUGHEST LAWS AGAINST

DRUNK DRIVING IN THE NATION. I THANK YOU FOR PASSING THEM. I PLEDGE THAT WE WILL ENFORCE THEM.

WE HAVE NOT YET BEGUN TO WIN THE WAR AGAINST ANOTHER TRAGEDY -- CHILD ABUSE.

THE EXTENT OF THIS PROBLEM IS JUST NOW COMING TO LIGHT. 26,000 CASES WERE REPORTED IN 1983. THERE WERE 45,000 IN 1984. UNFORTUNATELY, TOO MANY CASES STILL GO UNREPORTED.

WE'VE TAKEN SOME STEPS TO PREVENT THIS TRAGEDY. I APPOINTED A TASK FORCE ON CHILD ABUSE AND NEGLECT TO INCREASE AWARENESS OF THE PROBLEM -- THE FIRST STEP IN COMBATING IT. WE EXPANDED THE EFFORT TO PROTECT THOSE CHILDREN WHO ARE MOST VULNERABLE TO ABUSE.

WE SET UP A PROSECUTOR'S WORKING GROUP TO IMPROVE INVESTIGATIONS OF CHILD ABUSE.

THIS YEAR, WE WILL LAUNCH AN EARLY INTERVENTION AND

PREVENTION CAMPAIGN WITH THE 1,400 PTA CHAPTERS IN NEW JERSEY.

BUT TO RESPOND ADEQUATELY TO THIS TRAGEDY, WE WILL REQUIRE A MAJOR INCREASE IN CASEWORKERS. I ASK FOR YOUR SUPPORT IN PROVIDING THAT INCREASE SO THAT WE CAN PURSUE CHILD ABUSE CASES.

EVERY YEAR, MY STAFF AND I HOST A CHRISTMAS PARTY FOR CHILDREN WHO ARE IN PUBLIC DAY-CARE CENTERS, MANY OF WHOM HAVE BEEN ABUSED. THESE ARE TINY CHILDREN, MOSTLY THREE OR FOUR YEARS OLD, WHO HAVE FELT THE PAIN AND BEWILDERMENT NO CHILD SHOULD FEEL. YET THEIR EYES SPARKLED WHEN SANTA GAVE THEM PRESENTS; THEIR FACES WERE FILLED WITH LOVE AND WONDER WHEN THEY SAW THE ENORMOUS TREE. LAST YEAR, ONE TINY BOY TRIED TO GIVE TO ME THE GIFT HE HAD JUST RECEIVED, HOLDING IT OUT AND SAYING 'FOR YOU, FOR YOU.' ABUSED CHILDREN CAN RECOVER, CAN REDISCOVER HAPPINESS AND HOPE, IF WE HELP THEM.

HOW MANY OF OUR CRIMINALS WERE ABUSED AS CHILDREN?

CHILD ABUSE WILL NOT DISAPPEAR IF NEGLECTED. IT WILL GET

WORSE. IT CANNOT BE IGNORED. IT CANNOT BE TOLERATED.

CHILDREN ARE ONE VULNERABLE PART OF NEW JERSEY'S POPULATION.
ANOTHER VULNERABLE SEGMENT IS THE ELDERLY.

NEW JERSEY'S GROWING NUMBER OF SENIOR CITIZENS ALSO HAS A
SPECIAL SET OF NEEDS.

WE HAVE TRIED TO ADDRESS THEM BY INSTITUTING HOME HEALTH
CARE THROUGH THE COMMUNITY CARE PROGRAM, BY INCREASING FOR THREE
YEARS IN A ROW THE AMOUNT OF LIFELINE UTILITY ASSISTANCE THEY
RECEIVE, BY INCREASING ELIGIBILITY FOR PHARMACEUTICAL ASSISTANCE,
AND BY ENACTING TOUGHER LAWS FOR CRIME AGAINST SENIORS.

I WOULD LIKE TO REMIND YOU OF THE NEED FOR ANOTHER PIECE OF
LEGISLATION DESIGNED TO PROTECT OUR ELDERLY CITIZENS.

I AM REFERRING TO THE LEGISLATION WHICH I CALLED FOR IN LAST
YEAR'S MESSAGE, NOW SPONSORED BY ASSEMBLYMEN FRANKS AND OTLOWSKI,
WHICH WOULD PROHIBIT NURSING HOME OPERATORS FROM REQUIRING

MEDICAID-ELIGIBLE PATIENTS TO SIGN PRIVATE PAY CONTRACTS AS A CONDITION OF ADMISSION. THESE CONTRACTS ARE OFTEN LONG AND EXPENSIVE, AND THIS PRACTICE IS CLEARLY DISCRIMINATORY. THIS PREDATORY PRACTICE SHOULD BE STOPPED NOW. PLEASE HELP ME PUT AN END TO IT.

I AM ALSO ASKING OUR DEPARTMENT OF HUMAN SERVICES THIS YEAR TO NEGOTIATE AN AGREEMENT THAT COULD WIN NEW JERSEY AN EXTRA \$20 MILLION IN FEDERAL MEDICAID FUNDS BY NEGOTIATING A "PEER GROUPING" SYSTEM WITH OUR COUNTY NURSING HOMES. THIS MONEY CAN BE PUT TO WORK EXPANDING HOME HEALTH CARE FOR OUR SENIOR CITIZENS.

MANY OF NEW JERSEY'S CHILDREN NEED A DIFFERENT KIND OF CARE.

MORE AND MORE OF NEW JERSEY'S CHILDREN HAVE WORKING PARENTS. AS MORE AND MORE WOMEN ENTER THE WORK FORCE, THE TWO-INCOME FAMILY AND THE HOUSEHOLD HEADED BY A WORKING MOTHER BECOME THE RULE IN OUR SOCIETY RATHER THAN THE EXCEPTION. THE NEED FOR EXCELLENT CHILD CARE IS GROWING SHARPLY.

YEARS AGO, DAY CARE WAS A SPECIAL AND LIMITED NEED. TODAY, IT IS A SOCIAL AND ECONOMIC NECESSITY.

NEW JERSEY'S PROGRESS IN MEETING THIS NEED HAS ATTRACTED NATIONAL ATTENTION. WE INSTITUTED A PROJECT TO HELP NEW JERSEY EMPLOYERS IN ESTABLISHING OR ARRANGING CHILD CARE FOR THEIR EMPLOYEES. SINCE THEN, THE NUMBER OF SUCH PROGRAMS IN NEW JERSEY HAS INCREASED FOUR-FOLD. WE HAVE BEGUN A VOUCHER PROGRAM WHICH ALLOWS PARENTS ELIGIBLE FOR PUBLICLY FUNDED DAY CARE TO SHOP AROUND FOR THE DAY CARE CENTER THAT BEST MEETS THEIR NEEDS.

BUT I BELIEVE WE SHOULD TAKE OUR LEADERSHIP IN SUPPLYING CHILD CARE ONE STEP FURTHER.

STATE GOVERNMENT, AS A MAJOR EMPLOYER, SHOULD SET AN EXAMPLE.

TODAY, I AM DIRECTING OUR DEPARTMENT OF HUMAN SERVICES, WORKING WITH OUR PUBLIC EMPLOYEE REPRESENTATIVES, TO DEVELOP A PILOT PROGRAM OF PROVIDING CHILD CARE FOR STATE EMPLOYEES. I LOOK

FORWARD TO SPREADING THIS SERVICE TO OTHER STATE AGENCIES IN THE YEARS AHEAD.

MEDICAL COSTS HAVE BEEN RISING SHARPLY IN THIS COUNTRY. IN NEW JERSEY, WE ARE HELPING TO CONTROL THEM THROUGH OUR INNOVATIVE ALL-PAYER DRG HOSPITAL COST CONTAINMENT SYSTEM. I WAS HAPPY THAT WE RECENTLY WON A FEDERAL WAIVER WHICH WILL ALLOW US TO CONTINUE WITH THIS SYSTEM.

MEDICAL COSTS ARISING FROM INJURIES IN AUTOMOBILE ACCIDENTS ARE NOT EXEMPT FROM THIS TREND TOWARD ESCALATION. AGAIN THIS YEAR, I ASK YOU TO HELP CONTAIN THEM BY INSTITUTING A MEDICAL FEE SCHEDULE FOR COMMON FORMS OF AUTOMOBILE- RELATED INJURIES.

1984 WAS THE FIRST YEAR OF AUTOMOBILE INSURANCE RATE RELIEF THAT NEW JERSEY DRIVERS HAVE SEEN IN MANY YEARS. WE REJECTED A 9.9% RATE INCREASE THAT WOULD HAVE AFFECTED 80% OF NEW JERSEY'S DRIVERS -- MAKING LAST YEAR THE FIRST YEAR THAT RATES DID NOT INCREASE FOUR THESE DRIVERS SINCE 1973. THOUSANDS OF NEW

JERSEYANS ALSO BEGAN TO TAKE ADVANTAGE OF THE COST SAVINGS OPTIONS WE ENACTED IN 1973.

I BELIEVE WE COULD REDUCE THE COST OF PREMIUMS FURTHER BY ESTABLISHING A "VERBAL THRESHOLD" --- SUCH AS THAT IN MICHIGAN --- FOR PAIN AND SUFFERING SUITS, AS RECENTLY ENDORSED BY CONSUMER'S DIGEST. I ASK YOU ONCE AGAIN TO TAKE THIS NEXT STEP IN AUTO INSURANCE REFORM.

DESPITE OUR PROGRESS IN CUTTING WASTEFUL MANAGEMENT PRACTICES IN STATE GOVERNMENT, IN INSTALLING MODERN DATA PROCESSING AND OFFICE AUTOMATION EQUIPMENT, AND IN TRAINING STATE GOVERNMENT MANAGERS WITH UPDATED HANDS-ON MANAGEMENT TECHNIQUES, STATE GOVERNMENT WILL NEVER BE TRULY EFFICIENT UNTIL OUR ARCHAIC CIVIL SERVICE LAWS ARE REFORMED.

THE NEED TO REFORM THE CIVIL SERVICE SYSTEM HAS LONG BEEN RECOGNIZED BY LEADERS IN BOTH PARTIES AND BY EACH OF THE LAST FOUR GOVERNORS. IT IS NOT A PARTISAN ISSUE; IT IS A GOOD GOVERNMENT ISSUE.

I RECOGNIZE THAT IT WILL TAKE SOME POLITICAL COURAGE TO ACT ON THIS MATTER THIS YEAR -- I CALL UPON YOU TO SUMMON IT.

I ALSO CALL ON YOU TO SUMMON THE COURAGE TO ALLOW THE PUBLIC A GREATER VOICE IN OUR DEMOCRACY BY GIVING THEM THE RIGHT OF INITIATIVE AND REFERENDUM.

THE RIGHT OF THE GOVERNED TO DECIDE THEIR OWN FATE IS THE FOUNDATION OF OUR DEMOCRACY. THAT FOUNDATION WOULD BE STRENGTHENED IF THE PUBLIC COULD PETITION TO PLACE MATTERS DIRECTLY BEFORE THE VOTERS, AS HAS BEEN SUGGESTED IN LEGISLATION SPONSORED BY ASSEMBLYMAN ZIMMER AND SENATOR DORSEY.

ONE ISSUE ABOUT WHICH MANY NEW JERSEY CITIZENS ARE BECOMING INCREASINGLY ANXIOUS IS THE IMPLEMENTATION OF THE SUPREME COURT'S MOUNT LAUREL II DECISION.

VIRTUALLY NO ISSUE HAS BEEN OF GREATER CONCERN TO NEW JERSEY'S MUNICIPALITIES ---- AND HAS THE POTENTIAL FOR GREATER

IMPACT ON THEM. THERE ARE FEW IF ANY LOCAL ORDINANCES IMMUNE TO COURT CHALLENGE.

THE ORIGINAL INTENT OF THE SUPREME COURT'S FIRST MOUNT LAUREL DECISION WAS A GOOD ONE: TO GUARANTEE FAIR ZONING PRACTICES AND AFFORDABLE HOUSING TO THE STATE'S LOW-AND MIDDLE-INCOME RESIDENTS. IT ALSO ADDRESSED AN AREA LONG IGNORED BY THE LEGISLATURE. BUT THAT WORTHY END SIMPLY DOES NOT JUSTIFY THE MEANS NOW BEING USED.

I BELIEVE WE MUST ACT TO RESTORE SOME SEMBLANCE OF ORDER AND REASON TO THE CURRENT PROCEEDINGS. JUDGES SHOULD NOT BE IN THE POSITION OF DETERMINING HOW MUCH HOUSING IS NEEDED, WHERE IT SHALL GO, AND WHETHER OR NOT A GIVEN MUNICIPALITY SHOULD BE REQUIRED TO PROVIDE IT.

THE SO CALLED "BUILDER'S REMEDIES" ARE ALLOWING HUGE INCREASES IN ZONING DENSITY --- FUNDAMENTALLY ALTERING THE CHARACTER OF COMMUNITIES. THE COURTS ARE NOW INUNDATED WITH MOUNT LAUREL CASES.

IT SHOULD NOT BE UP TO THE COURTS --- LET ALONE THREE INDIVIDUAL JUDGES, NO MATTER HOW CAPABLE AND CONSCIENTIOUS THEY MAY BE --- TO DETERMINE THE HOUSING NEEDS OF MUNICIPALITIES ACROSS THE STATE.

THE MOUNT LAUREL II DIRECTIVES OF THE COURTS WILL RESULT IN THE BUILDING OF HOUSING THAT IS NOT NEEDED, FAR AWAY FROM THOSE WHOM IT IS INTENDED TO SERVE.

THEY WOULD RUN ROUGHSHOD OVER OUR EFFORTS TO RETAIN VALUABLE FARMLAND, PRESERVE OPEN SPACE, AND ACHIEVE CLEAN WATER. THE SCOPE OF DEVELOPMENT BEING REQUIRED BY THE COURTS WILL PLACE A TREMENDOUS BURDEN FOR INCREASED SERVICES ON PROPERTY TAXPAYERS IN AFFECTED MUNICIPALITIES.

LASTLY, THE EMPHASIS BEING PLACED ON THE COURTS ON PROVIDING LOW-AND-MODERATE-INCOME HOUSING IN GROWTH AREAS IGNORES THE GREATER NEED TO REHABILITATE OUR EXISTING HOUSING STOCK --- MUCH OF WHICH IS IN OUR OLDER CITIES.

THE TIME HAS COME TO TAKE ACTION.

THE EXPERIENCE OF THE LAST YEAR HAS UNDERLINED THE FACT THAT LEGISLATION IS NECESSARY TO TAKE THIS ISSUE OUT OF THE COURTS AND PUT IT WHERE IT BELONGS --- IN THE HANDS OF ELECTED OFFICIALS .

A YEAR AGO, I ASKED YOU TO ADDRESS THE PROBLEMS MOUNT LAUREL WAS CAUSING BY PASSING LEGISLATION THAT WOULD:

- ENCOURAGE MUNICIPALITIES TO REVISE THEIR OWN ZONING ORDINANCES;

- CREATE A PLANNING AGENCY TO REVISE THE STATE DEVELOPMENT GUIDE PLAN; AND

- SET UP A SYSTEM OF "TRANSFER DEVELOPMENT CREDITS" TO SUBSIDIZE THE COSTS TO DEVELOPERS OF BUILDING LOW-INCOME UNITS BY ALLOWING OTHER DEVELOPERS TO PURCHASE CREDITS FROM THEM FOR SUCH CONSTRUCTION.

I RECOGNIZE THAT YOU HAVE DONE CONSIDERABLE WORK ON MOUNT LAUREL LEGISLATION SINCE THEN. I COMMEND SENATORS LIPMAN, STOCKMAN, GAGLIANO, LYNCH, AND ASSEMBYMAN LOVEYS FOR THEIR WORK ON THIS ISSUE. BUT NO BILL HAS YET REACHED MY DESK.

THE SITUATION IS NOW CRITICAL.

I CALL UPON YOU TO MAKE THE DEVELOPMENT OF LEGISLATION TO ADDRESS THIS ISSUE ONE OF YOUR TOP PRIORITIES IN THE COMING SESSION.

IN THE MEANTIME, I CALL UPON YOU TO ENACT LEGISLATION TO PLACE A MORATORIUM ON THE IMPOSITION OF "BUILDER'S REMEDIES" UNTIL NEW LEGISLATION IS ENACTED WHICH SETS US ON A MORE REASONABLE COURSE.

IN MY VIEW, WE MAY BE ABLE TO TAKE THE CONCEPT OF TRANSFER CREDITS WHICH I OUTLINED LAST YEAR A STEP FURTHER. I BELIEVE THAN ANY TOWN SUBJECT TO A MOUNT LAUREL SUIT SHOULD BE ABLE TO MEET THEIR "FAIR SHARE" OBLIGATIONS BY RENOVATING EXISTING

HOUSING EITHER WITHIN THAT TOWN OR WITHIN OTHER COMMUNITIES IN THE SAME REGION.

TOWNS SHOULD BE PERMITTED TO JOIN A PARTNERSHIP TO UPGRADE HOUSING IN NEARBY URBAN AREAS.

IN THIS WAY, AT A FRACTION OF THE SOCIAL AND ENVIRONMENTAL COST, WE CAN PROVIDE UPGRADED, AFFORDABLE HOUSING, AND WE CAN MAKE OUR CITIES PLACES TO MOVE INTO --- AND NOT OUT OF.

WE'VE WORKED ON A NUMBER OF OTHER WAYS TO HELP OUR CITIES THIS PAST YEAR.

WITH ASSEMBLYMAN SCHWARTZ'S LEADERSHIP, YOU ACTED TO CREATE THE URBAN DEVELOPMENT CORPORATION I PROPOSED LAST YEAR. AFTER SOME MINOR AMENDMENTS. I EXPECT TO SIGN IT SHORTLY. IT WILL BE A SOURCE OF SEED MONEY, A TOOL FOR PLANNING, A VEHICLE FOR THE COMPREHENSIVE URBAN STRATEGY. IT BREATHE LIFE INTO OUR CITIES.

WE'RE ALREADY MOVING AHEAD WITH SOME OTHER PORTIONS OF THAT STRATEGY. I'VE DOUBLED THE SAFE AND CLEAN STREETS PROGRAM WHICH PUTS POLICE IN OUR CITY NEIGHBORHOODS. WE'VE LAUNCHED AN URBAN EDUCATION PLAN TO IMPROVE OUR CITY SCHOOLS --- AND HELP BRING JOBS BACK TO THE CITIES.

I HAVE BEFORE ME SENATOR LEANNA BROWN'S BILL TO SET UP A LOCAL DEVELOPMENT FINANCING FUND FOR JOB-CREATING PROJECTS IN THE CITIES. I PLAN TO SIGN THAT BILL.

WE'VE DESIGNATED URBAN ENTERPRISE ZONES IN NEWARK AND CAMDNE, AND WE'LL ADD TWO MORE THIS YEAR.

WE'RE PRESSING AHEAD WITH PLANS TO DEVELOP THE HUDSON WATERFRONT. AND THE SEEDS OF SUCH DEVELOPMENT ARE ALREADY EVIDENT ON THE DELAWARE.

WE CAN BRING OUR CITIES BACK. IT'S HAPPENING ALREADY.

WE ARE BRINGING NEW JERSEY BACK. AND THIS TIME WE'RE COMING

BACK STRONG.

THE PROPOSALS IN THIS MESSAGE ARE DESIGNED TO MAKE SURE THAT WE KEEP COMING BACK, KEEP GROWING, KEEP LEADING IN THE YEARS AHEAD.

TO KEEP LEADING, WE'VE GOT TO MAINTAIN THE ADVANTAGES WE'VE BUILT IN THESE LAST FEW YEARS. ONE OF NEW JERSEY'S KEY ADVANTAGES IS ITS ABILITY TO COMPETE AS A LOW-TAX STATE IN THE REGION.

TOGETHER WE'VE ALREADY CUT SOME TAXES. THIS YEAR WE WILL FINALLY ABOLISH ARE CORPORATE NET WORTH TAX --- WHICH WAS HURTING SMALL BUSINESS.

OUR INEFFICIENT UNEMPLOYMENT INSURANCE SYSTEM WAS SADDLING OUR BUSINESSES WITH ANOTHER NEEDLESS TAX. I CONGRATULATE YOU FOR REFORMING THE SYSTEM.

WHEN I CAME INTO OFFICE WE FACED A DEBT TO THE FEDERAL

GOVERNMENT OF OVER \$600 MILLION. TODAY I AM PROUD TO ANNOUNCE THAT AT THE END OF THIS YEAR EVERY CENT OF THAT 600 MILLION WILL HAVE BEEN PAID BACK TO UNCLE SAM. THAT MEANS WE CAN ELIMINATE, ONCE AND FOR ALL, THE SURCHARGE OUR BUSINESSES HAVE BEEN PAYING.

INDIVIDUALS, TOO DESERVE A TAX BREAK. NEW JERSEY'S INHERITANCE TAX HAS BEEN FOR YEARS UNFAIRLY HIGH. I AM DELIGHTED THAT WITH THE WORK OF ASSEMBLYMEN DOYLE AND FRELINGHUYSEN AND SENATOR HAGEDORN, WE'VE NOW REACHED A COMPROMISE TO PHASE DOWN THE INHERITANCE TAX.

THE INHERITANCE TAX HAS BEEN DRIVING SOME OF OUR OLDER CITIZENS OUT OF THE STATE. PASS THE BILL AS SOON AS POSSIBLE SO WE CAN GET RID OF THIS UNFAIR TAX.

BUT I THINK WE SHOULD GO FURTHER. I THINK WE SHOULD GIVE A TAX BREAK TO ALL NEW JERSEYANS.

I ASKED YOU LAST YEAR TO APPROVE A ONE-TIME 30 PERCENT INCREASE IN THE HOMESTEAD REBATE PROGRAM AND THE TENANT TAX

CREDIT. I ASK YOU AGAIN TO PASS THIS TAX GIVEBACK.

WE HAVE THE MONEY TO DO IT. IT WILL NOT IMPACT ON FUTURE REVENUES.

OUR TAXPAYERS HAVE SUFFERED IN THE FISCAL CRISES OF THE PAST. NOW THAT TIMES ARE BETTER, THEY DESERVE A BREAK!! LET'S GIVE THEM ONE.

DEMOCRACY IS WHAT THIS GOVERNMENT SHOULD BE ALL ABOUT. WE ARE HERE TO SERVE THE PEOPLE OF NEW JERSEY. THEY ARE REMARKABLE GROUP --- A WELLSPRING OF IDEAS AND RESOURCEFULNESS --- A CONSTANT SOURCE OF ENERGY, OF HOPE, AND MOST OF ALL, OF PRIDE.

WE DO HAVE A LOT TO BE PROUD OF IN NEW JERSEY. A RICH HISTORY. A STRONG AND VITAL ECONOMY. A FUTURE FULL OF PROMISE.

IN THE YEAR AHEAD, LET'S BUILD THAT PRIDE. I'M ASKING MY STAFF TO PULL TOGETHER ALL OF THE MANY GROUPS THAT MAKE NEW JERSEY SO STRONG, AND, WORKING WITH YOU, TO DESIGN A PROGRAM

TO FOSTER PRIDE IN NEW JERSEY.

I SEE SO MANY POSSIBILITIES:

- RECOGNITION OF THOSE WHO MAKE SPECIAL CONTRIBUTIONS TO
THE STATE;

- A NEW JERSEY HALL OF FAME;

- AN ANNUAL COMPETITION FOR THE BEST ESSAY BY A YOUNG
PERSON ON A NEW JERSEY SUBJECT;

- EVEN AN ANNUAL "JERSEY PRIDE" DAY TO CELEBRATE THE MANY
THINGS THAT MAKE OUR STATE UNIQUE.

IN THIS YEAR OF THE ENVIRONMENT IN NEW JERSEY, I ASK YOU TO
JOIN ME IN THINKING OF THE MANY THINGS THAT MAKE UP OUR STATE'S
OVERALL ENVIRONMENT. AND THEN TO THINK OF WAYS TO MAKE THEM
BETTER.

FOR WHILE WE HAVE ACHIEVED MUCH, THERE IS SO MUCH TO BE DONE
BEFORE WE REALIZE NEW JERSEY'S FULL POTENTIAL.

THE WORLD AROUND US IS CHANGING. LET'S SIEZE THE
OPPORTUNITY THAT CHANGE PRESENTS. LET'S PUT IT TO WORK FOR
NEW JERSEY.

ONE OF MY PREDECESSORS IN THIS GREAT OFFICE ONCE SAID
SOMETHING THAT APPLIES TO US TODAY.

THAT MAN WAS WOODROW WILSON, AND HE SAID:

"PROGRESSIVITY MEANS NOT STANDING STILL WHEN EVERYTHING ELSE IS
MOVING."

WELL EVERYTHING ELSE IS MOVING --- AND MOVING FAST. OUR
CHALLENGE IS TO BE PROGRESSIVE IN THE BEST SENSE OF THE WORD.

TO ANTICIPATE CHANGES AND TURN THEM INTO ADVANTAGES FOR NEW
JERSEY.

TO ANTICIPATE CRISES AND ACT NOW TO PREVENT THEM.

TO ENVISION A BETTER FUTURE AND LAY ITS GROUNDWORK WHILE WE
HAVE THE CHANCE.

GREATNESS LIES WITHIN NEW JERSEY'S GRASP.

TODAY I CALL UPON YOU TO JOIN ME IN REACHING FOR IT.

I ASK YOU FOR INITIATIVES TO CREATE AND PRESERVE JOBS.

I ASK YOU FOR THE PROTECTION THAT A CLEAN NEW JERSEY
PROVIDES.

I ASK YOU FOR THE PROMISE THAT BETTER SCHOOLS CAN GIVE.

I ASK YOU FOR PROGRAMS TO GIVE EVEN POOREST OF OUR CITIZENS
HOPE.

I ASK YOU FOR THE BLOCKS TO BUILD A GREATER NEW JERSEY.
THANK YOU.