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Gov. Jim Florio  
Second Annual Message  
"The State of the State"  
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TRENTON, N.J.

Good afternoon, Mr. President, Mr. Speaker, members of the Legislature, Mr. Chief Justice and members of the Cabinet. Ladies and gentlemen, I offer my congratulations to the new legislators, especially those holding state Legislative office for the first time.

I began my own career in public service right here in these chambers. Today this great hall stands renewed. It is a symbol of our history, and the promise of New Jersey's future.

For more than 200 years, New Jersey has pointed the way for our nation's progress. We're a state of industrious, inventive people. But today, unfortunately, the state of our state is troubled. You can see it on the faces of New Jersey's hardworking men and women.

For too many, our journey toward prosperity seems stalled. Too many people feel insecure in their jobs and their homes. And nearly everyone is concerned about the future.

People need help and they need hope.

Not next year. Not somewhere down the road. They need it now.

That's the challenge you and I face -- in this chamber and in our great state -- to help the people of New Jersey.

Now.

That's exactly what we're going to do.

To meet this challenge, we have to work harder, to restore the vitality of our economy, to change the way government operates, and to restore the people's confidence in their government. I know it's easier said than done, but I'm convinced we are up to the task.

Yes, these are tough times -- but New Jerseyans are tougher.

We need to help people -- people like Jackie Cranston. Jackie lives with her 8-year-old son in Chatham. She lost her job last summer. But now she's learning new skills, working part-time. And while it's a little shaky sometimes, Jackie hasn't given up.

Well, neither have we. We took positive steps in the past two years -- steps that are making a difference in people's lives.

We've done more than any other state in this nation to fight this national recession. As a result, we've got the strongest economy in the Northeast, and one of the highest credit ratings on Wall Street. We're working to break the soaring spiral of double-digit property tax increases, bring car insurance under control, and invest again in our roads, and bridges, and railways.

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We're fighting back against the crippling effects of the credit crunch, and giving our small businesses the kind of help they need.

Our health care reforms will save the state \$85 million this year in the costs of uncompensated health care.

But despite our best efforts, many people are still hurting, and many more are worried. They want to know how we can get back on track. That question is being asked of every public official in the land -- from California to Maine -- and with good reason, because this is a national recession.

No state, no family can battle it alone. It's like trying to rake leaves on a windy day. And, just last month, New Jersey was handed a lesson in just how hard it is to rake those leaves. One day I took part, with General Electric, in a groundbreaking for a new aerospace center that put 1,000 construction workers to work that day and will permanently employ 1,700 people -- a project that, by the way, the state helped put together. But later that same day I got the news that the federal government announced that 10,000 New Jerseyans had lost their jobs the month before.

That is the cruel arithmetic of this recession in New Jersey. For every step we take forward, the national recession can push us 10 steps back.

The stakes are high for our people. So it's time to put politics aside and govern.

It's time to put pessimism aside, and build.

It's time to put all other agendas aside, and put New Jersey's agenda first.

Our common cause must be restoring hope and opportunity for all New Jerseyans. That means helping families feel secure again about their lives, and optimistic again about their childrens' future.

I've been talking a lot with our state's leaders, in business, labor, and higher education, about how to create jobs and restore economic opportunity. Some of the ideas you'll hear today came from that group -- the Governor's Economic Conference. Some came from the people I've met on my travels around New Jersey, ordinary people with some extraordinary ideas.

Together, they make up seven points of common sense, to create jobs and economic opportunity for New Jersey's people.

There's a lot we can do.

First, we need to do more to get people back to work. New Jersey can't fill the jobs gap alone, but we can show people how to create new jobs. Last year, more than 100 companies showed their faith in New Jersey by announcing plans to move or expand here. Last month, I wrote to the White House and asked for help to get our people back to work, with some strategic public-works investments.

I still hope for a favorable response. But the bottom line is that we can't afford to wait; and we won't. Today, I'm urging the Legislature to create the New Jersey Economic Recovery Fund.

The Fund will allow us to invest in public-private economic growth projects all over our state. Even more important, our \$200 million Economic Recovery Fund will leverage \$800 million in private investments. That will create 20,000 new jobs in construction right now, and 75,000 permanent, good-paying, productive jobs in fields from manufacturing, to the service industries, to the arts. To make sure the job is done right, I'll assign it to an agency with a proven record for creating good jobs, fast -- our Economic Development Authority -- EDA. Last year, EDA provided a record number of businesses with the loans they need to grow and expand.

Businesses like Alan Hirshfeld's company, American Vitamin Products in Freehold; James Nixon's business, Inland Brake Manufacturing Corp., in Passaic; and Charles Logue's Insulated Duct & Cable Co. in Ewing Township I'm pleased that these industrious entrepreneurs are here with us today.

We can finance our Economic Recovery Fund with money we'll receive from a good deal that we negotiated with the Port Authority of New York & New Jersey. Our first check from the Port Authority arrives in six weeks. I'd like to see the fund in place by then, so we can get people back to work right away. The Economic Recovery Fund will enable New Jersey to take giant steps to a better future.

We'll get projects such as the expansion of the Atlantic City Airport, and construction of a world-class performing arts center in Newark, off the drawing board and into the ground. It also will provide businesses with the capital they need to grow, and create new jobs. I anticipate that legislation will be introduced soon, to create this jobs and growth plan.

I'm asking you to make our Economic Recovery Fund your number one priority.

Second, in New Jersey, transportation is fundamental. By strengthening our transportation network, we improve our quality of life, boost our economy, and create jobs. That's what we've done for the past two years. It has enabled us to create 12,000 jobs, and pump millions into our economy.



Ladies and gentlemen, these aren't make-work projects. We're straightening out traffic circles, and adding new lanes to get our cars moving. We're widening Route 1 in Middlesex County. We're reconstructing the Somerville Circle. We've opened Route 18 in Monmouth County. We opened the first commuter rail line, from Monmouth to Hudson County, in 25 years. And we're working on hundreds of other projects, to keep New Jersey moving.

Today I'm calling on the Legislature to eliminate the restrictions, once and for all, on the state Transportation Trust Fund.

Freeing those dollars will create 13,000 jobs for the people of New Jersey over the next three years. This one step will build a bulkhead of jobs, wages, and spending to help fight the recession. Our transportation investments will be smart, targeted, and fast. We'll set quick turnaround dates and cut through the red tape to create jobs now -- when people really need them.

Boosting our transportation investments also offers another powerful advantage: we can make full use of the federal transportation money that's been won for us by Senator Frank Lautenberg and Congressman Bob Roe, New Jersey's champions of transportation.

Third, if New Jersey's people are going to remain competitive in a high-tech economy, we need to invest in the skills of our workers.

It isn't just the recession that keeps a lot of people up at night. It's the fear that their skills have become obsolete, or soon will be. It's the worry that the good jobs, that support families and put money in the bank, are drifting out of reach of their training -- or out of the country.

We're proud that we in New Jersey extended unemployment benefits long before Washington got around to it. But we need to do more.

That's why I'm urging this Legislature to support creation of a New Skills Partnership. The New Skills Partnership will allow us to train 100,000 workers in the skills it takes to win in the marketplace. We can work with business, labor, and higher education, to train people in the new skills they need to keep their jobs and get ahead. We can also help people who have lost their jobs move back into the workforce, and up the economic ladder.

By helping our people, we'll also give our businesses a new competitive edge in tough times. I believe in our working people and I know you do too. If we give them the tools, training, and technology they need, New Jersey's people can outwork, out-think, and out-compete anyone, anywhere in the world.

We know that retraining programs work. We've seen them keep opportunity alive for workers and companies at places like the Ford Assembly plant in Edison, where workers used state Labor Department techniques to design training programs and improve their skills. These efforts convinced Ford to keep the Edison plant in operation and impressed Mazda enough to have its pickup trucks built there.

Our New Skills Partnership is good for people. It's good for business. It's good for New Jersey. And, it's an investment that won't burden businesses or employees. We can fund it by redirecting the money paid into our Unemployment Insurance Trust Fund, which is in excellent shape because of good management.

With the New Skills Partnership, we're rededicating ourselves to another fundamental principle: as New Jersey moves ahead, we won't leave anyone behind.

Fourth, we need to keep the American Dream of owning a home alive in New Jersey. Owning your own home is fundamental. It's a key to financial security for our families. It's what ties people to their communities.

We all know middle-class families who work hard and bring home two paychecks, but can't scrape together the downpayment on a home. Or, if they can, they can't afford the property taxes. Our people deserve better. That's why we fought so hard for property tax relief. And, it's why we created the New Jersey First-Time Homebuyers Program.

Like a lot of young married people, William and Lisa Scheiner work hard and earn good salaries. But they couldn't save enough money for a downpayment. Our First-Time Homebuyers Program gave them the break they needed. Last year William and Lisa, and their two little boys, moved into their own home, in Union. They're here with us today.

For the Scheiners, and thousands of young families just like them, we need to hold onto this hard-won ground. That means holding the line this year on property taxes, because we can't afford another decade of double-digit increases like we had in the '80s. We also need to expand our First-Time Homebuyers Program. It's the most ambitious of it's kind in the country, and we're proud of it. Let's build on it.

Today, I'm directing Banking Commissioner Jeff Connor to work with the Legislature to craft a homebuyers tax credit program to help middle-class families.

A tax break for middle-class families is the kind of medicine our economy needs. Our new tax credit can pay for itself many times over in new jobs and home sales.

Fifth, I think all of us would agree the overriding problem with our health care system isn't that we send too little money; it's that we waste too much.

Reducing the cost of health care for people, and making sure that no one is left uncovered are absolutely essential if this state is going to compete, and if we are going to live up to America's expectations of a decent society. Health care costs are cutting into paychecks. And in today's tough economy, many families fear they're one accident, one illness -- one pink slip -- away from disaster.

Health care in the 90s is not a luxury. It's a right.

I urge the Legislature to act on these critical issues:

- \* We must find a new way to pay for health care for people who lack insurance. Making people who have insurance pay the bills for those who don't isn't fair and doesn't work.

- \* We must continue shifting the focus of health care to prevention.

- \* And, we must crack down on administrative overhead, high provider costs, and duplication of technology.

There's a better way. New Jersey should take the lead in finding it. But the health care crisis is a national crisis. We all know that we're no going to see that fundamental right of affordable health care become reality without a national response. I pledge to work vigorously without Congressional delegation in Washington to get the job done there -- where it should be done.

Sixth, we also affirm another fundamental right here in New Jersey, and that's the right to go to college if you can do the work. We can't guarantee success, but we can make sure that others get the same opportunity that many of us did in the state college system. Quality education at affordable costs -- in today's high-tech economy, education is more than a privilege; it's a necessity.

But in recent years, cuts in college assistance and increases in tuition have created an "economic Everest" that many middle-class families can't climb. In 1980, Washington contributed 29 percent of all college aid in this country. Today it pays 9 percent. While Washington talks about helping middle-class families, we're making college affordable for middle-class people here in New Jersey.

We're proud of our Garden State Savings Bond Program. It's helped thousands of New Jersey parents start saving for their childrens' education -- people like Andrew Rudczynski of Milltown, who bought bonds for his two children, 13-year-old Tina and 12-year-old Tommy. We're proud of Andy, and thousands of parents like him, who are investing today in their childrens' future -- and in ours. Andy and the children are here today; we applaud you.



And we want more families to have the same chance to save for college, so we are going to make more Garden State Savings Bonds available.

We are also giving families a hand with tuition bills today, even during these difficult times. We've increased funding for tuition assistance programs. Today, we're first in the nation in helping low- and moderate-income families to pay for college. And we're doing more than any state to keep college within reach of middle-class families. Through our New Jersey CLASS loan program we're helping young people get the education they need to compete in a fast-paced world.

The reception for New Jersey CLASS has been gratifying. New Jersey stepped in and said "yes" to middle-class families when Washington said "no." These families are not looking for a handout, just a hand. Using the good and name and credit of the state, we can help these families without burdening the taxpayer. We've already loaned nearly all the dollars we had set aside, and there are still thousands of families who need help. So today, I am instructing our Higher Education Assistance Authority to go to the market for additional funds to loan to deserving middle-class families.

Education IS just another word for opportunity.

And seventh, clean water is fundamental. We all remember the 80s, when you couldn't just check the weather report before you headed to the beach; you had to check whether the beach was even open. We feared we might be watching the slow death of the Jersey Shore.

Last year, we witnessed a rebirth at the Shore. The ocean was cleaner than it's been in years. And a lot of shore businesses reported record seasons. That's because we fought back against the special interests that would poison the ocean for a profit.

We stopped ocean-dumping off our shores. We enacted the highest water quality standards in the country; our Clean Water Enforcement Act of 1990 is a national model for environmental vigilance. But there is more we must do. The Jersey Shore is the jewel in our crown, and the heart of our \$13 billion a year tourism industry. I said last year that I wanted to sign legislation that protects the Shore once and for all from unreasonable development. I'm looking forward to -working with Senator Bennett and others in the Legislature to plug the loopholes in the law, so we can protect our coastline.

But overdevelopment isn't the only thing that threatens the Shore. We got a stark reminder of that on Halloween -- and again two weeks ago -- when fierce storms pummeled our beaches. Repairing the damage from the storms took nearly every dollar in an emergency state fund and placed a severe burden on local budgets.

I am calling on you to craft legislation that will ensure a stable source of funding to preserve our shore and our tourism industry. I've already talked to Senator Kyrillos, who is ready to take the lead.

We need to keep our Shore the source of pride and inspiration it's always been.

At this time in New Jersey's history, our most important job is to restore economic opportunity. This common sense agenda I offer to you will begin to meet that challenge. But to reach this higher ground of restored opportunity, we must do nothing less than change the way government works.

Let's return to the fundamental principles that bring people back into the democratic process. As you may know, over these past few months I've criss-crossed our state. I've visited with people in town meetings, municipal buildings, diners, libraries, and fire halls. Everywhere I go, people are telling me that they just don't know if government works anymore.

Some people think government is indifferent. And most think government is irrelevant -- out of touch with the things that are most important to our families.

If we want to make government relevant again, we need to make it responsive again. You know, I used to go out to the people all the time when I was a Congressman. And I always came back refreshed, with a better understanding of my responsibilities, and people's needs.

Maybe it's harder for a Governor -- but it's just as essential. Talking to the people over the last two months has helped put me back on track. I found something that's not too common in Trenton: common sense.

I've heard a lot of straight talk from people with a lot of wisdom. Our people know that government can't do everything -- and they don't want it to. But they want us to do everything we can to get our state moving again.

To do that, we need to redesign government. We need to promote economic growth, not stand in its way. We need to make government more accountable; give people better services, and more choices about the things that really matter in their lives -- and shift more of the authority for making decisions ABOUT our communities TO our communities.

In creating this new framework for greater responsiveness there are some principles we should adopt.

First, government must be rebuilt to act as a catalyst for economic growth. The proposals I've offered today will enable us to build on our progress in 1992.



Second, we must reject the shopworn solutions of tired bureaucracies. When I talk to people about what government is doing for them, they tell me they're sick and tired of bureaucracy and red tape. We began introducing the vigor of competition to government. Speaker Haytaian and others have expressed support for privatization. I want to work with him and others in the Legislature to expand privatization and make it work for New Jersey.

Third, government must be more responsible and accountable to the people.

All across our state, people are telling me they want public officials to live by the rules we make. And people want us to make the rules more sensible, so that they get a dollar's worth of services for a dollar. And they're right.

I heard about a "runny-egg" rule publicized yesterday, that on its face appears unenforceable, intrusive, and, frankly sounds silly. I am requesting the Health Department to review the advisability of converting this regulation into a public health advisory.

We also believe that anytime taxpayer dollars change hands, those dollars must be carefully monitored -- whether it's a health care check to a doctor or a paycheck to a school administrator. We've been working hard to streamline government. When I came into office, New Jersey had 64 job-training programs, spread out over six different departments. With our State Employment and Training Commission, we've combined them into 15 programs, saving our taxpayers \$6 million.

We're also fighting for tougher accountability through tougher local ethics laws, by eliminating lifetime tenure for school superintendents, and by tightening reporting requirements for lobbyists. But we need to do more.

Our top-to-bottom audit of state government has already saved New Jersey taxpayers more than a quarter-of-a-billion dollars. It's time we created a permanent audit commission to keep a watchful eye on state government spending.

I also call upon the Legislature to take some actions that are long overdue. We need to slam the revolving door on officials who leave government service, and then use their new positions to profit at the public's expense. We need to toughen reporting standards for special interest lobbyists. And we must add more public members to the state ethics commission, our watchdog agency for government officials and agencies.

Fourth, government must give people more freedom to make more choices about their lives. In New Jersey, our commitment to choice is clear. We've reaffirmed the fundamental right of women to choose how to handle their own reproductive health. And we will continue to stand strong for that right.

We've expanded our family health centers so more of our people can see a doctor of their own choice, instead of waiting in hospital emergency rooms.

And we're allowing businesses to make their own choices about how to cut hazardous materials, to avoid polluting our air and water. Our pollution prevention program is the envy of the nation.

We know that choice works. Government needs to give people more choices -- about health care, education and other important matters that touch us directly.

Fifth, government must allow people to exercise more authority in their communities. All across our state, people tell me they're tired of Trenton's top-down approach. They want to make decisions and participate in the process of governing in their own communities. Our Local Partnership Task Force is studying how to help counties and municipalities save tax dollars by joining forces to provide shared critical services.

Under the direction of Attorney General Bob Del Tufo, we began community policing programs that are bringing police and neighborhood groups together in our cities and towns to prevent crime before it happens. I believe that our most basic right is the right to feel safe in our homes and our neighborhoods.

And while we're at it, there isn't any question that our children are our best hope for a secure future. Last year, we increased our education investments by 22 percent, to help them reach their full potential. We're proud of that commitment, but it takes more than money to create good schools. It takes whole communities working together.

It's time to involve parents teachers, school administrators, and businesses in deciding how our schools operate. Some people call this school-site management. I call it common sense.

Above all, government must empower our people. It must give us greater say in the policies and process of government. Our job is to serve. And to do that, we need to listen.

But we have to go beyond listening. If the people are to be truly heard we must change government's structure. Over and over, people tell me that if you want us to trust government, government has to trust us -- and let us have a bigger say in New Jersey's future.

That is why I am calling upon the Legislature to give the people of New Jersey the right to have their voices heard, and heeded, through Initiative and Referendum.

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Believe me, I know the arguments against Initiative and Referendum. I've made a lot of them in the past. Yes, we will need safeguards against outrageous spending by special interests; and we will need a provision to make sure that everyone behind a ballot question fully discloses who they are and what they want. But I know the Legislature can fashion a system that works in the public interest, and I think you should.

And, while we're at it, I urge debate to go forward on term limitations. I have met with people and groups who make very good arguments for this cause. Their proposals merit honest, open discussion in this chamber, and by the people of this state.

Ladies and gentlemen, in talking with the people of New Jersey, I've gotten a lot of good advice about how to get our state back on track. And I'm prepared to accept their advice.

It's time that we put aside our political differences and work as partners to get the economy moving again.

It's time that we cut bureaucracy and encourage competition.

It's time that we expand choices for people, for families, for communities.

That we provide greater opportunities for communities to govern themselves.

It's time that we increase the accountability of government to the people.

And, most assuredly, it's time that we trust the people to shape policy in the polling place.

If you ask the people of New Jersey, they'll tell you it's not just time. It's long overdue.

Our two parties have worked together before to support our people in times of crisis. It's time again for a balanced government that works, not a paralyzed government that self-destructs. I pledge that as my goal in 1992. And I ask you to join with me and make it your pledge as well.

More than 200 years ago, Dr. Joseph Warren, President of the Massachusetts Congress, addressed his fellow Americans and said: "On you depend the fortunes of America. You are to decide the important questions on which rest the happiness and liberty of millions yet unborn. Act worthy of yourselves."

Today, we are being handed that same responsibility. It's expressed in a hundred different ways, but it all comes down to the same thing: We must act worthy of ourselves. We must, and we will.



