

FISCAL YEAR 1985 BUDGET
OF THE
HONORABLE THOMAS H. KEAN
GOVERNOR OF THE STATE OF NEW JERSEY
PRESENTED TO THE
TWO HUNDRED AND FIRST LEGISLATURE
MONDAY, JANUARY 30, 1984

I AM PROUD TO PRESENT TO YOU MY BUDGET FOR FISCAL YEAR 1985:
A BUDGET WHICH FULLY MEETS THE PRESENT NEEDS OF NEW JERSEY, AND
A BUDGET WHICH LOOKS TO THE FUTURE. MOST IMPORTANTLY, IT IS
ALSO A BUDGET WHICH ASKS THE PEOPLE OF NEW JERSEY FOR NO NEW
TAXES.

LAST YEAR AT THIS TIME, WE FACED A SERIOUS SHORTFALL IN
REVENUES AS WE TRIED TO FIGHT OUR WAY OUT OF THE DEPTHS OF
RECESSION.

TOGETHER, YOU AND I MADE SOME VERY HARD DECISIONS. WE HAD
TO AGREE ON HOW BEST TO RUN THE STATE WHEN OUR INCOME WAS
SUDDENLY CUT. WE HAD TO DECIDE WHAT WAS ESSENTIAL AND WHAT
WAS NOT. WE WORKED TOGETHER, AND TOGETHER IN DIFFICULT TIMES
WE FASHIONED A RESPONSIBLE BI-PARTISAN BUDGET. THAT WAS NOT AN
EASY TASK IN AN ELECTION YEAR, AND AT THIS TIME I WANT TO PAUSE
AND PAY TRIBUTE TO TWO OF THE PEOPLE WHO MADE THAT
ACCOMPLISHMENT POSSIBLE: SENATOR LARRY WEISS AND SENATOR
WALTER FORAN.

- 2 -

NEW JERSEY IS NOT JUST A PLACE OR A GOVERNMENT. IN MANY
WAYS, WE ARE LIKE A FAMILY.

LIKE ANY FAMILY, WE HAVE FACED HARD TIMES, AND WE HAVE
ENJOYED GOOD TIMES. LAST YEAR, WE FACED SOME DIFFICULT TIMES.
THEY BROUGHT WITH THEM PRESSURES, DIVISIONS, DIFFERENCES OF
OPINION. WE HAD TO TIGHTEN OUR BELTS.

TODAY, TIMES ARE A LITTLE BETTER. OUR PLANNING HAS PUT THE
STATE ON A SOLID FOOTING. OUR GOVERNMENT IS LEANER AND MORE
EFFICIENT.

LIKE ANY FAMILY, WE NOW FACE A CHOICE. WE CAN USE OUR CREDIT CARDS. WE CAN SPEND ON THE INSTALLMENT PLAN. WE CAN BUY THE LUXURIES WE'VE ALWAYS WANTED --- THE FUR COATS, THE JEWELRY, THE TRIPS, THE NIGHTS OUT. OR WE CAN TAKE WHATEVER SAVINGS WE CAN MUSTER AND INVEST THEM TO MEET THE NEEDS OF TOMORROW. WE CAN REPAIR THAT LEAKY ROOF. WE CAN START PAYING DOWN THE SIZE OF THE MORTGAGE; WE CAN PUT SOME MONEY ASIDE FOR OUR CHILDREN'S COLLEGE EDUCATION. IN OTHER WORDS, WE CAN BETTER PREPARE OURSELVES TO MEET ANY FUTURE HARD TIMES.

I BELIEVE WE SHOULD CHOOSE THE LATTER COURSE. I BELIEVE THAT WE SHOULD MAKE THE REPAIRS WE KNOW WE HAVE TO EVENTUALLY MAKE --- IN INFRASTRUCTURE, IN OUR ROADS AND BRIDGES, IN OUR EDUCATIONAL SYSTEM AND IN OUR ENVIRONMENT --- AND THAT WE SHOULD BEGIN TODAY THE PROCESS OF PLANNING FOR TOMORROW. I BELIEVE THAT WE SHOULD USE THE GOOD FORTUNE WE ENJOY RIGHT NOW TO START WORKING TOWARD A BETTER FUTURE FOR OUR STATE, OUR FAMILY OF NEW JERSEY.

THE BUDGET I AM PRESENTING TO YOU TODAY IS AN INVESTMENT IN THAT FUTURE. IT NOT ONLY ADDRESSES THE PROBLEMS WE FACE AND THE NEEDS WE HAVE TODAY; IT PROVIDES FUNDS FOR A NUMBER OF PROGRAMS THAT WILL MAKE NEW JERSEY A BETTER, MORE PROSPEROUS PLACE TOMORROW.

IN PRESENTING THIS BUDGET TO YOU, I AM ASKING YOU TO JOIN ME IN MY VISION OF A BETTER NEW JERSEY --- A NEW JERSEY WITH LEAN GOVERNMENT AND COMPETITIVE TAX STRUCTURE; A NEW JERSEY WITH FIRST RATE SCHOOLS AND COLLEGES AND AN UNPARALLELED NETWORK OF ROADS AND TRANSIT SYSTEMS; A NEW JERSEY FILLED WITH HAPPY, HEALTHY CHILDREN PROTECTED BY INFORMED, COMPASSIONATE ADULTS; A NEW JERSEY IN WHICH THE ELDERLY ARE RESPECTED AND CARED FOR, A NEW JERSEY IN WHICH THE AIR IS CLEAN AND THE WATER PURE; A NEW JERSEY WHERE A MAN OR WOMAN WHO WANTS TO WORK CAN FIND A DECENT JOB.

I AM TALKING ABOUT THE NEW JERSEY OF TOMORROW. I AM TALKING ABOUT THE NEW JERSEY THAT WE CAN HELP BUILD TOGETHER. LET US BEGIN TODAY.

THIS BUDGET DOES NOT PROPOSE EXTRAVAGANT NEW SPENDING PROGRAMS THAT WOULD INEVITABLY LEAD US TO ANOTHER BUDGET CRISIS IF AND WHEN THE CURRENT ECONOMIC GOOD TIMES SUBSIDE. INSTEAD, THE INVESTMENTS IN THE FUTURE I PROPOSE ARE DESIGNED TO SHIELD US FROM FUTURE TROUBLES.

THIS YEAR, I KNOW THAT YOU WILL FACE GREAT TEMPTATION. WITH THE TEMPORARY BOOST IN THE STATE'S REVENUES, EVERY SPECIAL INTEREST GROUP WILL BE AFTER YOU WITH SPENDING PROPOSALS.

I URGE YOU TO RESIST TEMPTATION.

REMEMBER WHAT ONE DICKENS CHARACTER, MR. MICAWBER, SAID TO DAVID COPPERFIELD: "ANNUAL INCOME TWENTY POUNDS, ANNUAL EXPENDITURE NINETEEN POUNDS, NINETEEN SHILLINGS AND SIXPENCE: RESULT HAPPINESS. ANNUAL INCOME TWENTY POUNDS, ANNUAL EXPENDITURE TWENTY POUNDS AND SIXPENCE: RESULT MISERY. THE BLOSSOM IS BLIGHTED, THE LEAF IS WITHERED, THE GOD OF DAY GOES DOWN UPON THE DREARY SCENE, AND --- AND IN SHORT, YOU ARE FOREVER FLOORED." LET'S NOT FLOOR NEW JERSEY BY SPENDING WHAT WE DON'T HAVE NOW AND MAY NEVER HAVE.

IN THAT REGARD, EVERY TIME YOU PRESENT ME WITH A MAJOR NEW SPENDING PROPOSAL THAT IS OUTSIDE OF THIS BUDGET, I WILL ASK YOU WHAT PROGRAM YOU INTEND TO CUT OR WHO YOU PLAN TO TAX TO PAY FOR YOUR PROPOSAL. IF THESE QUESTIONS CANNOT BE ANSWERED, I WILL RETURN THE BILL TO YOU WITH MY VETO.

EVERY SURVEY THAT I'VE SEEN MENTIONS A FAVORABLE TAX CLIMATE AS ONE OF THE PRIME FACTORS IN ATTRACTING AND KEEPING JOBS. I BELIEVE YOU KNOW OF MY STRONG CONVICTION THAT IN THIS REGION, NEW JERSEY SHOULD BE KNOWN AS A LOW-TAX STATE. THEREFORE, I AM IN THIS BUDGET PROPOSING TAX REDUCTIONS FOR BUSINESS AND FOR INDIVIDUALS.

FOR BUSINESS, I PROPOSE THE CONTINUED PHASING OUT OF THE NET WORTH TAX. THIS IS AN UNFAIR AND UNPRODUCTIVE TAX. IT PARTICULARLY HURTS SMALL BUSINESS AND BUSINESSES LOCATED IN OUR CITIES. THE SOONER IT IS ELIMINATED FROM OUR STATE, THE BETTER.

FOR INDIVIDUALS, I AM PROPOSING THAT IN THIS YEAR'S BUDGET WE START THE PHASE OUT OF OUR STATE INHERITANCE TAX. FOR TOO LONG, THIS CONFISCATORY TAX HAS REMAINED HIGHER THAN THAT IN ALMOST ANY OTHER STATE. IT HAS FORCED SOME OF OUR MOST PRODUCTIVE CITIZENS TO FLEE OUR BORDERS. THIS YEAR, LET US MOVE TOGETHER TOWARD ITS ABOLITION.

WE CAN BE PROUD THAT CAREFUL PLANNING AND OUR CURRENT STATE OF ECONOMIC HEALTH ALLOW US TO DO THIS. NOW IS NOT THE TIME TO ABANDON THE VERY FISCAL DISCIPLINE WHICH HELPED CREATE THE CURRENT RECOVERY. IT IS THE TIME TO MAXIMIZE THE ADVANTAGES WE HAVE OVER THE REST OF THE COUNTRY AND THE REST OF THE REGION.

THAT IS WHY THE HALLMARK OF THIS BUDGET IS PLANNING. THIS IS A BUDGET WHICH CONSIDERS THE NEEDS AND PRIORITIES OF THE STATE FOR THE NEXT THREE YEARS, NOT JUST FOR THIS YEAR ALONE. IT LOOKS INTO THE FUTURE, INSTEAD OF BEING DRIVEN BY THE PAST.

THE BUDGET CALLS FOR A MAJOR INVESTMENT IN THAT FUTURE: IN JOBS, IN CAPITAL CONSTRUCTION, IN OUR SCHOOLS, IN OUR SYSTEM OF HIGHER EDUCATION, IN OUR RESEARCH FACILITIES, AND MOST IMPORTANTLY, IN OUR PEOPLE.

MANY OF THE PROGRAMS I AM ASKING YOU TO SUPPORT TODAY WILL
PAY FOR THEMSELVES MANY TIMES OVER IN THE YEARS TO COME.

THE CREATION AND RETENTION OF JOBS HAS BEEN THE TOP
PRIORITY OF MY ADMINISTRATION DURING THE PAST TWO YEARS. IT
WILL CONTINUE TO BE IN THE YEARS AHEAD.

AS I HAVE SAID MANY TIMES BEFORE, AND AS I WILL SAY MANY
TIMES AGAIN, THERE IS A FIRM, UNDENIABLE CONNECTION BETWEEN
QUALITY EDUCATION AND OUR SUCCESS IN WINNING THE JOBS OF THE
FUTURE. NEW JERSEY'S ABILITY TO COMPETE FOR JOBS IN TOMORROW'S
HIGH TECHNOLOGY ECONOMY WILL BE DEPENDENT ON ITS ABILITY TO
PROVIDE EMPLOYERS WITH A HIGHLY SKILLED WORKFORCE. OUR YOUNG
PEOPLE MUST BE ABLE TO READ, TO WRITE, TO UNDERSTAND MATH AND
SCIENCE, AND TO USE COMPUTERS. IF THEY CANNOT, THEY SIMPLY WILL
NOT BE ABLE TO GET JOBS.

LAST SEPTEMBER, I PRESENTED TO YOU MY BLUEPRINT FOR EDUCATION REFORM IN NEW JERSEY. I ASKED YOU TO JOIN ME IN RESCUING OUR SCHOOLS FROM THE "RISING TIDE OF MEDIOCRITY" THAT THREATENS THEM. I PROPOSED TO YOU A SERIES OF REFORMS THAT SIGNALLED MY COMMITMENT TO THAT URGENT TASK.

ALL OF US RECOGNIZE THAT MONEY IS NOT THE ANSWER TO THE PROBLEMS OF OUR SCHOOLS. NEVERTHELESS, IT IS PART OF THAT ANSWER.

THEREFORE, TODAY I AM RECOMMENDING TO YOU THE LARGEST SINGLE INCREASE IN SCHOOL AID SINCE THE IMPLEMENTATION OF THE "THOROUGH AND EFFICIENT" LAW NEARLY A DECADE AGO.

MY RECOMMENDATION WILL ALLOW US TO PROVIDE INCREASES TO ALMOST ALL SCHOOL DISTRICTS IN THE COMING YEAR. MANY OF THESE INCREASES ARE SUBSTANTIAL. NEWARK, FOR INSTANCE, WILL RECEIVE A \$15 MILLION INCREASE. JERSEY CITY SCHOOLS WILL RECEIVE AN \$8 MILLION INCREASE; CAMDEN AND PATERSON, OVER \$ 4 MILLION. AND SCHOOLS IN ELIZABETH AND TRENTON WILL GET AN ADDITIONAL \$3 MILLION EACH. MOST SCHOOL DISTRICTS AROUND THE STATE WILL RECEIVE FAR MORE THAN THEY HAVE EVER RECEIVED BEFORE.

IN ALL, I AM PROPOSING ALMOST \$2 1/2 BILLION IN STATE FUNDS FOR OUR SCHOOLS. THIS IS APPROXIMATELY 1/3 OF OUR ENTIRE STATE BUDGET, AND IT PLACES NEW JERSEY IN THE TOP THREE STATES IN THE NATION IN OUR TAXPAYERS SUPPORT FOR PUBLIC SCHOOLS. OUR CHILDREN DESERVE NO LESS.

BUT EVEN THIS RECORD INCREASE IN SCHOOL AID DOES NOT REPRESENT FULL FUNDING OF THE SCHOOL AID FORMULA. THE STATE HAS NEVER FULLY FUNDED THE PRESENT SCHOOL AID FORMULA --- AND AS THAT FORMULA IS NOW WRITTEN, IT NEVER WILL BE FULLY FUNDED.

THE TIME HAS COME TO STOP MISLEADING THE SCHOOL DISTRICTS AND TAXPAYERS OF THIS STATE. IT IS NOT FAIR TO ASK THEM TO PLAN BUDGETS BASED ON FORMULAS THAT CAN NEVER BE FULLY FUNDED. WE SHOULD ALSO BE ASKING OURSELVES: IS THIS FORMULA FAIR? THIS YEAR SOME DISTRICTS WILL RECEIVE INCREASES OF OVER 100 PERCENT, WHILE OTHER DISTRICTS WILL RECEIVE NO INCREASE AT ALL.

THEREFORE, I WOULD LIKE TO REQUEST TODAY THAT THE EDUCATION COMMITTEES OF THE LEGISLATURE RE-EXAMINE THE QUESTION OF EDUCATION FUNDING FORMULAS. I BELIEVE THAT THE FORMULAS SHOULD BE REVISED SO THAT THEY ARE FAIR, AND SO THAT THEY ARE WITHIN OUR ABILITY TO FUND THEM.

KNOWLEDGEABLE EDUCATORS HAVE BEEN REQUESTING A FORMULA OVERHAUL FOR QUITE SOME TIME. NOW THAT EDUCATION IS FINALLY GETTING THE ATTENTION IT DESERVES, LET 1984 BE THE YEAR IN WHICH WE FINALLY GET THE JOB DONE.

THIS SIZABLE INVESTMENT IN OUR SCHOOLS, STANDING ALONE, DOES NOT START TO ADDRESS MANY OF THE PROBLEMS WHICH HAVE NOW BEEN IDENTIFIED BY NATIONAL AND STATE COMMISSIONS. THE MONEY MUST BE FOLLOWED BY A COMMITMENT ON THE PART OF OUR SCHOOLS TO DO BETTER. OUR EDUCATORS MUST SET HIGH STANDARDS AND THEN MEET THEM.

I BELIEVE THAT THE TAXPAYERS OF THIS STATE ARE WILLING TO PAY MORE FOR NEW JERSEY'S SCHOOLS, BUT ONLY IF THEY KNOW THAT THE FUNDS THEY SUPPLY ARE ACCOMPANIED BY NEW IDEAS AND THE WILLINGNESS NEEDED TO MEASURABLY IMPROVE EDUCATION FOR OUR CHILDREN.

IN SEPTEMBER, I OFFERED TO YOU SOME OF MY IDEAS FOR EDUCATION REFORM. THIS BUDGET CONTAINS REQUESTS FOR SOME OF THE PROPOSALS I OFFERED AT THAT TIME.

EFFECTIVE TEACHING IS AT THE HEART OF REAL EDUCATION. TEACHERS SHOULD CONSTANTLY BE GIVEN THE OPPORTUNITY TO UPGRADE AND BROADEN THEIR SKILLS. THEREFORE, I AM RECOMMENDING AN APPROPRIATION OF \$245,000 TO SUPPORT AN ACADEMY FOR THE ADVANCEMENT OF TEACHING AND MANAGEMENT, TO HELP DISSEMINATE EFFECTIVE MEANS OF TEACHING AND, ULTIMATELY, IMPROVE STUDENT ACHIEVEMENT.

STUDENTS IN CITIES HAVE TRADITIONALLY HAD LESS ACCESS TO TRAINING IN SCIENCE, MATH, AND COMPUTERS THAN OTHER STUDENTS. THEREFORE, OFTEN THEY ARE DENIED THE VERY SKILLS THEY MUST HAVE TO GET A GOOD JOB AND ESCAPE FROM A LIFE OF POVERTY.

THEREFORE, TO REDRESS THE IMBALANCE BETWEEN OUR URBAN AND SUBURBAN SCHOOLS, I AM TODAY RECOMMENDING A NEW \$2.0 MILLION STATE AID APPROPRIATION TO ESTABLISH PROGRAMS IN COMPUTER LITERACY FOR SEVENTH, EIGHTH AND NINTH-GRADE STUDENTS IN SOME OF THE HIGHEST NEED, LOW-WEALTH, URBAN SCHOOL DISTRICTS.

OUR LATEST STATISTICS ON SOME OF THE PROBLEMS FACING URBAN SCHOOLS ARE ALARMING: ALMOST 19,000 STUDENTS DROPPED OUT OF SCHOOL IN NEW JERSEY IN ONE YEAR. TRUANCY RUNS RAMPANT IN MANY URBAN SCHOOLS. IN SOME CITY SCHOOLS, THE ATTENDANCE RATE IS A FULL 20 PERCENT LOWER THAN THE STATE AVERAGE OF 92 PERCENT.

YOU CAN NOT TEACH CHILDREN WHO ARE NOT IN SCHOOL, SO I AM RECOMMENDING FUNDING FOR A NEW PROGRAM TO GET OUR STUDENTS BACK IN SCHOOL WHERE THEY BELONG.

A SECOND PROBLEM CONFRONTING URBAN SCHOOLS IS THAT OF THE DISRUPTIVE STUDENT. EVEN ONE OR TWO OF THESE CHILDREN CAN RUIN THE ATTEMPTS OF EVEN THE BEST TEACHER TO TEACH, AND THEREFORE, OF THE STUDENT'S ABILITY TO LEARN. AND TODAY, I AM PROPOSING FOR YOUR CONSIDERATION A PROGRAM TO REMOVE THE DISRUPTIVE STUDENT FROM OUR URBAN CLASSROOMS AND TO PUT THEM IN SPECIAL HIGHLY STRUCTURED SITUATIONS. HOPEFULLY, OUT OF THE REGULAR CLASSROOM, THEY WILL LEARN SOMETHING. CERTAINLY THEIR FELLOW STUDENTS WILL LEARN MORE. WITH CHRONICALLY DISRUPTIVE STUDENTS OUT OF THE CLASSROOM, OUR TEACHERS WILL ONCE AGAIN BE GIVEN THE OPPORTUNITY TO TEACH, AND THE MAJORITY OF OUR STUDENTS THE OPPORTUNITY TO LEARN.

IN MY VIEW, THERE EXISTS AN INTEGRAL RELATIONSHIP BETWEEN SCHOOLS AND LIBRARIES. IT WOULD BE FOOLISH TO INVEST IN ONE WITHOUT A CORRESPONDING INVESTMENT IN THE OTHER. TO COMPLEMENT OUR EFFORTS IN EDUCATION, I AM REQUESTING AN INCREASE OF \$2 MILLION, OR 30 PERCENT, IN AID TO LOCAL LIBRARIES. THIS CONSTITUTES THE LARGEST SINGLE INCREASE EVER TO LOCAL LIBRARIES.

IN MY ANNUAL MESSAGE, I ALSO CALLED UPON YOU TO REDRESS THE YEARS OF NEGLECT FROM WHICH OUR SYSTEM OF HIGHER EDUCATION HAS SUFFERED. WE BEGAN TO PERFORM THAT TASK LAST YEAR, WHEN HIGHER EDUCATION WAS ONE OF ONLY THREE DEPARTMENTS OF STATES GOVERNMENT FOR WHICH I REQUESTED A BUDGET INCREASE.

BUT THAT WAS NOT ENOUGH. OUR INSTITUTIONS OF HIGHER EDUCATION ARE THE MAGNETS WHICH CAN DRAW HIGHLY MOTIVATED STUDENTS TO OUR STATE AND PROVIDE SKILLED JOBS FOR THE FUTURE. THEIR QUALITY WILL BE A MAJOR FACTOR IN DETERMINING THE SUCCESS OF NEW JERSEY'S PERFORMANCE IN THE HIGH TECH ECONOMY.

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THIS YEAR, I AM RECOMMENDING \$15 MILLION IN BUDGETED FUNDS FOR HIGH TECHNOLOGY PROGRAMS. THESE REPRESENTS AN INCREASE OF \$5 MILLION OVER THE HIGH TECHNOLOGY INITIATIVE WHICH I ASKED YOU TO SUPPORT LAST YEAR. \$8 MILLION IS INCLUDED FOR PROJECTS RECOMMENDED TO ME BY THE COMMISSION ON SCIENCE AND TECHNOLOGY. AS YOU KNOW, I STRONGLY SUPPORT THE COMMISSION'S CONCLUSION THAT A CLOSE, CONTINUING RELATIONSHIP BETWEEN OUR INSTITUTIONS OF HIGHER EDUCATION AND THE ADVANCED TECHNOLOGY SEGMENT OF OUR STATE'S ECONOMY IS CRUCIAL TO OUR STATE'S ECONOMIC DEVELOPMENT EFFORTS. THE \$8 MILLION PROGRAM IS DESIGNED TO ENCOURAGE THE REBUILDING OF THAT RELATIONSHIP. THE GRANTS RECOMMENDED BY THE COMMISSION CARRY WITH THEM A REQUIREMENT THAT SOME OF THE FUNDS BE MATCHED BY OTHER SOURCES. THE INTENT IS TO ENCOURAGE OUR INSTITUTIONS OF HIGHER EDUCATION TO SEEK INDUSTRY SUPPORT FOR SPECIFIC RESEARCH PROJECTS. ANOTHER \$7 MILLION IS ALLOCATED DIRECTLY FOR PROJECTS IN OUR SYSTEM OF HIGHER EDUCATION.

TOGETHER, WITH OUR PROPOSED \$80 MILLION BOND ISSUE, THIS INFUSION OF FUNDS CAN STRENGTHEN NEW JERSEY'S ENTRY INTO THE HIGH TECHNOLOGY AGE.

OUR INVESTMENT WILL NOT ONLY SUPPLY GOOD HIGHER EDUCATION FOR OUR CHILDREN, IT WILL PROVIDE THEM WITH GOOD JOBS HERE IN NEW JERSEY WHEN THEY GRADUATE.

AS YOU KNOW, THIS STATE HAS A POLICY OF REQUIRING STUDENTS AT NEW JERSEY INSTITUTIONS TO PAY 30 PERCENT OF THE COST OF THEIR EDUCATION, WHILE OUR TAXPAYERS PAY THE REMAINING 70 PERCENT. WE MUST, HOWEVER, BE SURE THAT NO YOUNGSTER IS DENIED A COLLEGE EDUCATION BECAUSE HE OR SHE CANNOT COME UP WITH THAT 30 PERCENT.

TO HELP ENSURE THIS, MY RECOMMENDATIONS FOR THE COMING FISCAL YEAR INCLUDE ONE OF THE LARGEST INCREASES EVER IN TUITION AID ASSISTANCE: \$5.8 MILLION.

THIS MAJOR INCREASE REFLECTS MY BELIEF NOT ONLY IN AN INVESTMENT IN HIGHER EDUCATION, BUT IN THE PREMISE THAT YOUNG PEOPLE OF ALL BACKGROUNDS AND INCOME LEVELS MUST BENEFIT FROM OUR INVESTMENT.

IN MY ANNUAL MESSAGE TO YOU, I ANNOUNCED THE CREATION OF A SPECIAL \$1,000 GARDEN STATE MERIT SCHOLARSHIP FOR NEW JERSEY STUDENTS WHO CHOOSE TO ATTEND COLLEGE IN THE STATE. THIS BUDGET CONTAINS FUNDING FOR THAT NEW PROGRAM. TOO MANY NEW JERSEY STUDENTS NOW CHOOSE TO ATTEND SCHOOL OUT OF STATE --- THIS IS ONE OF MANY NEW IDEAS FOR KEEPING THEM HERE.

IN ADDITION TO THE MAJOR INITIATIVES I HAVE ALREADY MENTIONED, I AM ALSO RECOMMENDING FUNDING FOR A RANGE OF OTHER PROGRAMS TO BENEFIT OUR SYSTEM OF HIGHER EDUCATION, INCLUDING \$9.5 MILLION --- A \$3.5 MILLION INCREASE --- IN CAPITAL CONSTRUCTION FUNDS FOR HIGHER EDUCATION FACILITIES TO CORRECT THE LONG YEARS OF NEGLECT AND DEFERRED MAINTENANCE ON OUR BUILDINGS AND CAMPUSES'; A NEEDED \$3 MILLION INCREASE IN AID TO COUNTY COLLEGES; AND AN INCREASE IN AID TO INDEPENDENT COLLEGES.

IN SHORT, THIS BUDGET CONTAINS A RECOGNITION THAT OUR ECONOMIC HEALTH WILL DEPEND ON THE QUALITY OF OUR PEOPLE'S SKILLS, THEIR CAPACITY FOR ADVANCED THOUGHT, AND THE FACILITIES WHERE THEY CAN DEVELOP IDEAS.

THE MOST SECURE, REWARDING JOBS TOMORROW WILL COME TO THE MOST TRAINED WORKERS --- AND TO THE BEST PLACE IN WHICH TO LIVE, TO WORK AND TO RAISE ONE'S FAMILY. NEW JERSEY CAN BE THAT PLACE.

WE HAVE NEGLECTED HIGHER EDUCATION FOR TOO LONG. YOU AND I TOGETHER CAN SHOW THIS YEAR THAT THOSE DAYS OF NEGLECT ARE OVER.

ANY HUMANE SOCIETY MUST DEVISE PROGRAMS TO HELP THE HANDICAPPED AND THE VULNERABLE. SOME OF OUR MOST VULNERABLE ARE THOSE WHO ARE MENTALLY HANDICAPPED.

I WOULD SUGGEST THAT, IN THE COMING YEAR, YOU TAKE THE TIME TO VISIT ONE OF OUR STATE INSTITUTIONS TO SEE THE PROBLEMS OF THE MENTALLY RETARDED FIRST HAND, AND TO TALK TO SOME OF THE DEDICATED PEOPLE WHO WORK IN THESE INSTITUTIONS.

THE MENTALLY HANDICAPPED ARE VULNERABLE PEOPLE. WE CANNOT SIMPLY RELEASE THEM FROM INSTITUTIONS. WE MUST GIVE THEM AND THEIR FAMILIES THE ASSURANCE OF PROTECTION AND HELP. IN OTHER WORDS, THE MONEY MUST FOLLOW THE PATIENT INTO THE COMMUNITY.

TO ACCOMPLISH THIS, I AM ASKING YOU TO INCREASE BY \$36 MILLION STATE FUNDING FOR MENTAL HEALTH PROGRAMS AND AID FOR THE MENTALLY RETARDED. THIS GOES HAND IN HAND WITH OUR GOAL OF REDUCING THE NUMBER OF MODERATELY RETARDED PEOPLE IN OUR INSTITUTIONS. THEY CAN LEAD HAPPY, HEALTHY, PRODUCTIVE LIVES WITH MUCH MORE FREEDOM THAT WE HAVE ALLOWED IN THE PAST --- AS LONG AS WE HELP THEM AND PROTECT THEM IN OUR COMMUNITIES. MY REQUEST INCLUDED A \$28 MILLION INCREASE TO EXPAND COMMUNITY PROGRAMS TO EASE THE WAY OF THE MENTALLY HANDICAPPED. IT ALSO INCLUDES AN INCREASE OF \$250,000 FOR SHELTERED WORKSHOPS.

JUST AS IMPORTANTLY, WE MUST WORK TO PREVENT MENTAL RETARDATION --- THROUGH NUTRITION, EDUCATION, AND PRE-NATAL CARE. DOCTORS BELIEVE THAT OVER HALF OF THESE SAD CASES CAN BE PREVENTED. FOR YEARS, NEW JERSEY HAS LED THE NATION IN TREATING AND CARING FOR THE RETARDED. NOW WE MUST ALSO LEAD THE NATION IN PREVENTION.