

**ADDRESS OF**

**CHARLES S. ROBB**

**GOVERNOR**

**TO THE**

**GENERAL ASSEMBLY**

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Mr. Speaker, Mr. President, Distinguished Guests, Members of the General Assembly.

Two days ago, I accepted the responsibility of office. Today, with your help, I begin the more important task of fulfilling that responsibility. As we begin discussion of the issues and policies that will guide the course of our Commonwealth, I want to thank you for your advice and counsel, and your support. The active help that many of you gave me last year was vital to my having this opportunity to serve Virginia, and with your assistance, it is my hope that together we can rise to the challenge before us.

In the past few months, I have spoken comprehensively and at length about a wide range of issues, and you already know where I stand on many of the questions you'll be facing this session. I intend to keep the commitments I have made, but in this special Joint Assembly, I plan to address only the most urgent questions on our agenda.

The problems we face, judged even by the most difficult periods in our past, are as great as any presented to our predecessors. In previous sessions, the agreeable task often was to decide on the disposition of a surplus. Today, as we all know, the situation is quite different. We inherit a depressed economy, painfully high unemployment, exacerbated by high interest rates, and a major reduction in federal funding leaving our Commonwealth with new responsibilities, but drastically diminished purchasing power with which to meet those responsibilities.

To be specific, Virginia will lose at least \$250 million in Federal funds during the current and next two fiscal years as the result of program reductions already approved by the Congress. Further, we will lose a great deal more in Federal funds during this same period if cuts to domestic programs already proposed are enacted.

We will also lose an additional \$217 million from our own general fund revenues, because State tax law conforms to the Federal tax statutes.

Finally, we will lose \$281.5 million from the general fund revenue base as the result of State tax reduction, the major portion of which provided tax relief to public utilities.

Today, therefore, we face two hard realities: That Virginia will begin the fiscal year with nearly \$500 million less than anticipated, and, that the State cannot adjust to this shortfall without significant reductions in important programs. The measure of our success, ultimately, will depend on how we respond to these new realities.

### BUDGET

You are well acquainted with the bleak revenue projections for this biennium. Last week, Governor Dalton presented to you his budget -- outlining in extensive detail the expenditures incurred by the Commonwealth -- down to the number of flashing signals installed at railroad crossings.

I intend to be somewhat less detailed in my remarks. I can't help observing, however, that Governor Dalton was substantially less specific when addressing the questions of tax increases -- graciously deferring those areas to our TRUSTED judgment.

Quite seriously, we face a period of politically difficult, and personally painful choices -- decisions that affect our people, their health, their welfare, and their future.

One of the most wrenching dilemmas is posed by the State Medicaid program through which lower income people -- many of them elderly -- receive help with hospital, nursing home, and other health care expenses. Medicaid costs rose rapidly during the past decade because of the increasing number served, the high level of services provided, and the inflation of health care costs across the board. Program financing is further jeopardized by reductions in federal funding.

I have established a small task force, independent of the State Health Department, to review this situation and to make recommendations to me on both short-and-long-term changes. I am dedicated to providing adequate care for the truly indigent residents of Virginia, but we must look also for alternatives to reduce current and uncontrollable program costs.

I expect to have a preliminary report within a week, covering some immediate steps that should be taken.

Finally, I am determined, as I know you are, not to forget that when we consider major reductions in Medicaid and other important programs, we are not dealing with fiscal abstractions, but with human beings who have an honest claim on our common humanity.

### TAXES

Taxes are never a popular topic -- particularly in an election year.

Both of us have tough decisions to make, and with the leadership already shown on this issue by senior members in both houses, I am confident that we can make them.

In 1980 this body, in a compromise with Governor Dalton, increased the gasoline tax by two cents per gallon. That increase, however, did little more than offset the effects of inflation on purchasing power.

At that time, you recognized that the two cent increase might not be enough and called for the Joint Legislative Audit and Review Commission (JLARC) to complete a comprehensive study of our transportation programs for consideration by this session.

That study, and subsequent recommendations, point to important steps that must be taken to improve the efficiency in Highway Department operations, the development of public transit programs, and the financing of our transportation requirements.

I intend to implement these recommendations. My first priority will be to require efficiencies in inventory management, equipment utilization, and maintenance operations. These steps should at least help hold down the potential need for any additional tax monies that might be considered.

Even with these necessary savings, however, we must recognize that existing resources simply will not meet the critical needs in our highway and public transit programs. If we fail to meet these needs, we also risk losing hundreds of millions of dollars in federal aid otherwise available to us.

We stand to lose, for example, funds for such projects as the initiation and completion of the Interstate 664 tunnel across Hampton Roads, the expansion of Interstate 95 currently underway, and the maintenance and improvement of roads in our coal-hauling areas. It is absolutely clear that additional revenues are needed to meet essential highway requirements. I accept this responsibility, and I am prepared to sign a measure that meets this objective.

In the area of general fund taxes, I know you join with me in a desire to avoid the necessity of any major tax increase. We are now looking carefully at the current collection trends of general fund revenue in an attempt to determine whether additional funds can be expected in fiscal year 1981-82.

I am aware that bills have already been introduced by some of you, calling for adjustments in general fund taxes, and that others may still come forward. I must reserve judgement on these measures until I have had an opportunity to review this month's corrections to the revenue estimates and to receive the report from my Medicaid task force. I plan to consult individually with many of you in the interim.

While I'm on the subject of taxes, I feel obligated to comment briefly on the sales tax on food. As you know, I have in the past expressed my hope that we could find a responsible means to reduce the burden this tax places on many of our citizens, particularly the elderly and those on fixed incomes. In light of current revenue projections, however, I think it would be misleading to hold out any realistic hope that that objective can be reached during the upcoming biennium. It is still my intention during the course of the upcoming biennium, to work with you to establish a responsible timetable for the phased repeal of that burdensome tax, or to make some other provision for appropriate relief.

#### EDUCATION

Dumas Malone believes that Thomas Jefferson viewed education as "democracy's salvation". Education carries the promise of opportunity and many of our hopes for the future. Our decisions regarding education should reflect our strong commitment, not only to keep this promise and hope alive, but to strengthen our State system of education.

Our Constitution reflects this same commitment to education for all citizens. Indeed, our Commonwealth counts among its assets some of the best schools and universities in the country. At the same time, however, we rank thirty-fifth in the Nation and last among our sister states in the South in salaries for new teachers.

If we fail to address this deficiency, we will soon find that the quality of our educational program corresponds to our national ranking in teacher compensation.

To achieve Mr. Jefferson's objective -- to do justice to our Constitutional responsibility, and to reward those who teach in our schools -- we must take action to increase teacher salaries. Governor Dalton has proposed a cost-of-living increase. I believe that we must do more. This further increase may require other adjustments in educational programs including class size.

Of course, more money does not necessarily mean an increase in educational quality.

We must simultaneously improve the quality of teaching at all levels. This means finding the methods to strengthen the requirement which teachers must meet to obtain their certificates and to gain permanent teaching status. It means re-examining, and if necessary, upgrading requirements our students must satisfy for graduation from high school putting pride and value back into the public school diploma.

#### ECONOMIC DEVELOPMENT

In this time of declining public revenue and rising unemployment, the need for an innovative program of economic development is critical. Sound economic development, which will generate certain tax revenues, is the surest means by which we can reverse the erosion of the Commonwealth's income.

It is a fact that in the last half of the 1970's, for the first time in memory, Virginia's economic growth rate did not exceed the national average. As you know, I have pledged to work vigorously to correct this situation and provide the needed new jobs so necessary for our economic well-being.

Many of the changes are merely changes in policy which I will implement by executive action. I do want to share with you some of the more important decisions that I will make in the coming weeks.

As you know, thirty years ago, manufacturing accounted for three of every four jobs. Today, it accounts for less than one in four, and continues to decline.

This shift in the structure of employment requires a corresponding change in the focus of our economic development program. I intend to take immediate steps to see that this shift in priorities begins now and is effectively implemented.

International trade is another area which offers an excellent potential for growth. Virginia, with one of the greatest natural harbors in the world at

Hampton Roads and a significantly under-utilized airport at Dulles, has a singular advantage to exploit. Past efforts by the State government to enhance international trade have been constructive and effective, yet much more can be done.

Responsibility for the promotion of international trade is presently fragmented among at least four State departments. I intend to consolidate management authority for foreign trade in a single State official, responsible for taking full advantage of existing Federal programs and for helping the State promote foreign trade.

The State government and its Chief Executive cannot effectively promote economic development if State government, by its own inefficiency, increases the operating costs of business enterprise. Virginia's regulatory system is badly in need of reform. One immediate and constructive step that we may take toward deregulation is eliminating the current requirement that automobiles be inspected every six months, and adopting legislation, which I support, to require only annual inspections. Another is the full implementation of a one-step permitting procedure especially needed in the environmental area.

I also believe that a comprehensive and thorough review of the entire State regulatory process is urgently needed. I am not proposing a superficial gesture, but a thorough review of regulatory procedures -- a process from which no department or agency under the Governor's authority will be exempt. In the near future, I will announce the details of a regulatory initiative which meets these criteria.

The basic purpose of any economic development program must be to create jobs.

For a number of years, I have been greatly concerned by the high rate of youth unemployment in Virginia, which now stands at approximately eighteen per cent and exceeds the national average. Unemployment among our minority youths is greater still -- with one out of three black young people unable to find jobs.

These statistics are unacceptable. The human problem which they represent demands immediate attention. I have already taken the first steps to create a pilot program in Virginia, targeted at helping our young people find their way into the job market.

This program depends upon the efforts of a privately funded non-profit corporation which will employ professional job counselors to work with our young people in the public schools.

I am perplexed by suggestions that economic is somehow an issue of real interest only to the business community. As you know, this is simply not true. Economic development, properly understood, means economic opportunity for every one of our citizens, allowing each of us to shape his or her own life.

Economic opportunity also means something else. It provides an open road to a better life for those among us -- particularly our black citizens, who have been historically deprived of a fair chance.

I am determined that so long as I am the Chief Executive of Virginia, economic development will be an instrument, not only for economic advancement, but also for social justice.

E.R.A.

Many of you may feel that this session will be sufficiently difficult-- given our monetary problems -- without tackling some of the sensitive social issues that have been before this body for some time.

One such issue is the Equal Rights Amendment. You all know where I stand on the amendment. And I know that many of you, including some of the most respected members of this body -- do not agree with my position on this issue.

Because of the highly emotional debate which a discussion of this amendment frequently generates, and given the difficult issues that cannot be resolved until later in the Session, I would ask you to consider the E.R.A. early in the Session.

I would also ask that you disregard the rhetorical excesses frequently heard from supporters and opponents alike, and approve or reject the amendment on its merits.

For me, the issue is one of basic equity. And for a State which played such an essential part in securing freedom for our ancestors centuries ago, it is no less important that we guarantee those same freedoms to all Americans today.

METRO

I remain committed to the completion of the 101 mile Metrorail system.

A report by the Federal City Council, a group of business leaders in the National Capitol region, indicated that private real estate development around existing and future Metrorail station sites will total over \$5.8 billion and will create over 260,000 permanent jobs.

Over \$2.7 billion of this development and over 109,000 jobs will occur in Northern Virginia. This development represents new work space, new jobs, a reduction in urban sprawl and millions of dollars in tax revenues for State and local governments.

Of immediate concern to me is the fact that the proposed 1981-84 State budget includes only \$14 million for Metro capital costs. In the current biennium, this body included \$21.7 million for this purpose. At a minimum, we need to match that commitment, and I will propose a budget amendment that reaffirms that commitment.

THE ENVIRONMENT

Our physical environment is an asset unique to Virginia. Some have suggested that the need for environmental integrity is irreconcilably in conflict with the imperative of economic growth. I do not agree.

A number of issues in the environmental field deserve proper attention today.



### HAZARDOUS WASTE

Hazardous waste is a significant threat to the health and safety of our environment in the 1980's. Virginia generates 1.5 million tons of hazardous waste annually, more than most other Eastern states. What we need -- but what we do not have -- is an efficient system for identifying hazardous waste generators, and for coordinating the storage, treatment, transportation and disposal of that waste. I believe current statutory authority, fully implemented, is sufficient to meet this responsibility. We will ensure that current permit regulations are enforced so that proper notification and information is given to responsible State and local officials, before hazardous waste is shipped through the Commonwealth.

The issue of low level nuclear waste is also a matter of great concern -- and Virginia is a major producer of it. Unfortunately, the Commonwealth's right of long-term access to the Southern regional facility in South Carolina is very much in doubt.

I have already contacted Governor Riley, concerning the future of the South Carolina site. We will be exploring this and other alternative solutions to the problem of long-term low level waste disposal.

### COASTAL ZONE MANAGEMENT

Virginia's coastline, which includes thousands of miles of waterways, wet lands, estuaries, and beaches, is both an environmental masterpiece, and a major economic benefit.

Working together, we must continue to make certain these assets are protected and preserved.

I intend to see that the Commonwealth's coastal program is strengthened. I am committed to the dune protection plan and to the provision of technical assistance to localities to help in the administration of various permitting programs.

This step, together with regulatory initiatives I have already mentioned, will give localities the information and the power to develop and enforce environmentally sensitive coastal ordinances compatible with local needs.

### WATER

As you know from the experience of your own jurisdictions, adequate supplies of water are essential to Virginia's economic growth. In many areas, water is in short supply. Any attempt to deal fairly with our water problems inevitably leads to a conflict among localities, each of which takes an understandably different view of what the common interest may require.

Your Water Study Commission had rejected a policy which would have declared water a State, rather than a local resource, thus, the long-term problem of water scarcity and allocation remains.

While recognizing the premise, I intend to propose legislation to remove unreasonable obstacles to inter-basin transfers, and to assume the necessary leadership for devising a fair system of compensation to localities that contribute water to other jurisdictions.

Problems of water resource allocation also cross state boundaries. It is important for Virginia to establish good relations in these matters with her neighboring states, and I have already spoken to Governor Hunt of North Carolina with a view to beginning the resolution of some long-standing differences between our two states.

### CRIME

Every Virginian has a right to live free of the fear of crime. Despite our best efforts to make that right a reality, the crime rate in Virginia continues to rise. In 1980, for example, the incidence of violent crime increased significantly. Crime-related property losses in that year exceeded \$120 million.

I am recommending to you a package of proposals, developed jointly with the Attorney General, which offers the realistic hope of moving us forward. As you know, the causes of crime and the reasons for increasing violence in our society are complex. I cannot honestly tell you that the proposals which the Attorney General and I have made will solve the crime problem in Virginia, or make all of our citizens safe. I do believe that the new legislative package that we will offer is a significant step toward dealing with a serious problem.

I will not try to describe in detail all of the proposals in our crime package. I do want to touch upon some of its major components. They include proposals designed to:

- Ensure that persons accused of crimes are tried promptly, and, if convicted, punished with equal promptness.
- Toughen penalties for violations of our narcotics law in order to make it more difficult for major drug dealers to remain in business in Virginia.
- Expand our wire-tap laws to allow more effective detection of serious crimes.
- Treat more severely and selectively those who commit certain violent crimes a second time.
- Clarify our bail statutes so that judges and magistrates will have clear guidelines to determine whether an accused person's continued freedom is likely to pose a threat to the public safety.
- Increase the penalty of those who use a firearm in committing a crime.

These and other proposals in our anti-crime package raise fundamental and difficult questions and I know that some of you have strongly-held views which differ from mine.

We will also propose legislation which will transfer the sentencing function in criminal trials from juries to judges.

This would obviously be a major change in the current law, but I believe it would be a sound one. Your approval of this legislation should increase the uniformity of sentences for similar crimes, while retaining needed flexibility in individual cases.

I believe this proposal, and others in the package which I have described, deserve your support on substantive grounds alone. In addition, many of them were strongly endorsed by groups of citizens throughout Virginia, with whom the Attorney General conferred extensively last summer and fall.

#### CORRECTIONS

As you know, our State corrections system has suffered continuing problems over many years. Despite a major construction program, and the prospect that two medium security facilities will be ready for occupancy within the next fourteen months, the reality of over-crowding will remain. I am convinced that there is a legitimate and well-documented need for the construction of two additional medium security prisons, but because of the current fiscal climate, I can recommend that only one be built at this time.

We are all aware that the cost of prison construction is staggering. I intend to examine carefully ways we can reduce construction and staffing costs in the Department of Corrections.

We must recognize, however, that prisons already designed or built have fixed minimum staff requirements. It is also a fact that the more effective we are in convicting criminals and sentencing them to longer terms, the greater the cost burden we impose on the corrections system. I am convinced that the best available solution to this dilemma is to explore means of punishment other than the incarceration of non-violent offenders in extremely expensive correctional facilities.

Members of this body, as well as the State Crime Commission, have done innovative work in examining alternatives to conventional incarceration. One recent result of that work has been the beginning of a program of community-based corrections in a number of Virginia localities.

Much more remains to be done -- especially at the State level. One particularly promising possibility is the creation of restitution centers for non-violent offenders. In such programs, non-violent offenders are subject to a 24-hour-a-day supervision, but are able to engage in gainful employment which allows them to earn a living and continue to contribute to the maintenance of their families and to help pay the expense of their confinement. One program of this type, begun in Georgia, has proven remarkably effective, while operating at a cost level much below that of conventional incarceration.

### CABINET GOVERNMENT

To meet the many challenges we face we will need a strong Cabinet. In order to fill this need I utilized an extensive process, both public and private, which produced an unprecedented number of highly qualified prospects for the Cabinet. As you are aware, I believe the new Cabinet secretaries, who were sworn in at the Supreme Court this morning, constitute as able and talented a Cabinet as you will find anywhere in the country and will have more impact on my own ability to govern successfully than any other decision I will make during the next four years.

The Cabinet will be a working group in close and constant contact with me and my staff.

Its members will comprise a collegial group upon which I intend to rely heavily to formulate and execute Executive policy.

The Cabinet system is a concept in which I believe deeply, but it is a concept which must be made to work. In my discussions with all of Virginia's former living Governors and many governors of other states, I have found strong support for a properly implemented cabinet system. At a minimum proper implementation means the elimination of unnecessary support staff. To assure that our Cabinet actually serves as a meaningful extension of my office, I have already taken action to reduce the Cabinet's staff by two-thirds.

In keeping with the concept of executive efficiency, I expect to rely greatly upon the Lieutenant Governor and the Attorney General. The three of us have an excellent opportunity, unusual in recent times, to work together for the people of the Commonwealth. This constructive cooperation has already begun. I have asked the Lieutenant Governor to organize and serve as Chairman of a special task force on human service block grants which will address the challenges in the area so much affected by recent Federal budget cuts. Similarly, as I mentioned earlier, I have worked closely with the Attorney General on the formulation of a joint law enforcement package.

This close working relationship which we enjoy is due to the fortuity of the electoral sweep last November. Yet if future generations are to benefit from the same type of teamwork in State government, I believe it is time for Virginia to move to a system of tandem elections. This would provide for a compatible management team and assure a far greater degree of policy continuity than we have enjoyed in the past. Accordingly, I continue to support legislation to amend Virginia's Constitution to provide for the tandem election of the Commonwealth's Governor and Lieutenant Governor.

### INTEGRITY IN GOVERNMENT--CONFLICT OF INTEREST

Virginians take pride in the consistent reputation for high integrity which the public servants of this Commonwealth have enjoyed. All of us in government -- whether we are elected or appointed -- have a stake in maintaining the public's confidence in our honor.

In recent months, we have seen unfortunate evidence that the present conflict of interest law, at least as it applies to members of boards and commissions, was either not understood or not observed.

My review of current conflict of interest statutes, as they apply to the Executive Branch, has caused me to conclude that amendments must be made.

The Attorney General concurs with this assessment and such amendments will be submitted shortly for your consideration. These changes will strengthen the substantive standards which must be met, while making it easier for those who are covered by the law to understand what is expected of them.

With the cooperation of the Attorney General, I will also initiate a series of briefings to ensure that all members of boards and commissions, together with State and local officials, fully understand their responsibilities under the law.

#### VOTER REGISTRATION

Voting is the fundamental act of citizenship in our society.

We have all read with dismay the many reports which suggest that increasing numbers of our fellow citizens have become alienated from our political system-- alienated to the point that they have not bothered to register to vote. I believe that those of us in government have a duty to do all that is reasonably within our power to encourage both registration and voting by the maximum number of Virginia's citizens.

I also believe that this matter is important enough to begin the process required to amend Article II, Paragraph 8, of the Constitution of Virginia. As presently written, this provision prohibits federal, state, and local employees from serving even as assistant voting registrars.

This change will increase dramatically the means at our disposal to encourage voter registration. The Office of the Division of Motor Vehicles, for example, which large numbers of our citizens must occasionally use, could then serve as satellite voter registration sites.

#### YEAR 2000

Those of us in public life, legislators and executives alike, live in a world of deadlines and recurrent crises. Time for decisions is often short; time for sustained reflection is perhaps too rare. The price we pay for our forced attention to the present is the risk that we will not have intelligently anticipated the future.

I propose to create, in the Governor's office, a project which will examine Virginia's future in the broadest sense. Issues in education, the economy, population trends, and cultural life will be among those explored.

To assure that this project's work is of the highest quality, I hope to persuade some of the best and most experienced minds in the Commonwealth to take part in the enterprise.

CONCLUSION

Two days ago, I said I believed government constitutes opportunity, and that trust compels commitment.

Though the problems we face are serious, they present us with opportunities equally great. We may differ on occasion in our view of how we should do what we must. I am sympathetic to the political pressure and tough choices each of you faces. The requirement that members of the House stand for election again next November is a heavy burden to add to those you already bear, and it clearly mitigates against the honeymoon a new chief executive would otherwise expect to receive during his first legislative session.

In closing, I'd like to thank you again for your personal friendship and support and re-affirm my commitment to work with you to resolve some of the extraordinarily difficult challenges that confront us.

I am confident that together we can master the dilemmas of the present, and lead the people of the Commonwealth into the kind of future they have entrusted us to create.

Thank you.