

ADDRESS

of

CHARLES S. ROBB

GOVERNOR

TO

THE GENERAL ASSEMBLY

WEDNESDAY, JANUARY 12, 1983



SENATE DOCUMENT NO. 1

**COMMONWEALTH OF VIRGINIA
Richmond, Virginia
1983**

Mr. Speaker, Mr. President, members of the General Assembly, distinguished guests, my fellow Virginians. We convene this 1983 session of the oldest legislative body in the New World at a time of great uncertainty in our nation and in our Commonwealth.

As many of you in this Chamber know, I have often felt a special kinship with many of the men who have preceded me in this responsibility; but I have always felt a special closeness to the man who, in the last public appearance of his life, nominated me for this office -- the late Colgate Darden.

In January of 1944, in the third winter of this century's greatest crisis, Governor Darden came to this Chamber to assess the State of the Commonwealth. Confronting the problems of governing a Virginia buffeted in the vortex of a world at war, Governor Darden called upon that Assembly not to allow the problems of that moment to compromise preparation for the future, and thereby nullify the Commonwealth's obligation to generations then unborn. Though our time is different from Colgate Darden's, our obligations to the future are no less important.

In the month Governor Darden spoke, Americans had been sent to the ends of the globe -- from the beaches of Anzio to the islands of the South Pacific -- employed in our fight for freedom.

As I speak tonight, Americans are being sent to the end of an unemployment line that now includes 12 million people. Our economic horizon is darkened by the shadow of a protracted recession -- the worst since the Great Depression. In the last year alone, our nation has witnessed more than 77,000 business failures and nearly half a million personal bankruptcies and the lowest level of real farm income in half a century.

Even here with our strong and relatively diversified economy, 226,000 of our fellow Virginians want and need jobs but can't find them, and in the weeks before Christmas, one in every six residents of our capital city stood at the end of yet another line to receive surplus cheese.

I have talked to some of these jobless Virginians here in Richmond, at the corner of Fourth and Cary Streets, where a long line forms early each morning, and I've talked to laid off coal miners in Dickenson County, where the unemployment rate is over 27 percent. Some are frustrated, some are worried, some are scared. In many of their faces, I have seen, not abstract statistics, but deeply-etched lines that portray the enormous human costs of this recession. They are the men and women for whom we must begin now, to build for the future. The prerequisite to dealing with these human needs is that we keep Virginia's fiscal house in order. We know the task will be difficult, however, because the economic and financial conditions of their dilemma bear down with equal weight on the government of our Commonwealth.

The recession was already well under way last January when you convened for the 1982 session and I took the oath of office. We all hoped, along with our President, that we would have an early recovery. But, shortly after you adjourned, the evidence began to accumulate that revenues would fall far short of previous projections.

As the bad news mounted, we took immediate action to keep our budget in balance. Following the hiring freeze, which I imposed the day I was inaugurated, we instituted a five percent spending reduction on July 1st for most state programs and agencies, and on December 1st, I froze all capital outlay expenditures for the construction of state buildings.

These measures have already enabled us to reduce spending sufficiently to meet our essential obligations for the current fiscal year and to avoid the more drastic steps that many of our sister states are now being forced to contemplate. Our joint responsibility now is to accomplish the even tougher job of making ends meet for the next fiscal year, which begins July 1st.

I would not presume to speak for individual members of this body, but I think I can safely reassure Virginians everywhere on one point: the General Assembly of Virginia will not adjourn without fulfilling its responsibility to the people of Virginia to balance our budget -- an idea we would respectfully recommend to our brethren in Washington.

The amended budget that I will submit for your consideration tomorrow is designed not only to balance the budget but also to achieve three objectives: to maximize the impact of the revenues available to us; to minimize reductions in essential services to our citizens, particularly those most in need and most affected by cuts in federal programs; and to maintain those priorities we have already established -- including the core of state aid to localities. These proposals are grounded in common sense, and I am confident that they can be applied reasonably and equitably. There is also a precedent for their success -- in the experience of Governor Godwin's second administration.

Therefore, I will propose for your consideration, the following course of action:

- First, that you ratify the five percent cutback for the current year, and the capital outlay freeze, that are already in effect;

- Second, that you apply a six percent reduction in 1984 in place of the five percent cutback already in effect for many state programs and agencies;

- Third, that you extend the six percent cut in 1984 to certain, limited categories of state aid to localities;

- Fourth, that you freeze the salaries of all state employees, constitutional officers, and college faculty;

- Fifth, that you transfer \$53 million from the Literary Fund to the teacher retirement funds;

- And, finally, that you reduce basic school aid by \$20 million.

Regrettably, this last action may postpone beyond 1984 the realization of our goal to bring Virginia's teacher salaries up to the nation's median, but it still reflects the basic increased commitment to education which we jointly adopted in the 1982 session.

If you approve these actions, let me tell you what we won't have to do. We won't have to reduce the current salaries of any state employees. We won't have to shorten the work week. We won't have to contemplate general layoffs. And, finally, we won't have to require any tax increases. As a consequence, we will also remain among the dozen states with the lowest tax burden in the nation and one of only ten states in the country that still enjoys a AAA bond rating.

Even in periods of austerity, however, which require difficult decisions, there are investments state government can and should make to stimulate business expansion, to generate additional tax dollars, and to help those of our citizens who most need help, and to promote projects that directly affect our future in education and economic development. For example:

- By spending a million dollars more, we can strengthen businesses now in Virginia, as well as attract new firms to locate here. And, we can use \$100,000 of that to assist small businesses and minority-owned businesses, thus targeting firms hit hardest by the recession;

- By sustaining support for sheltered workshops, we can enhance the economic independence of our handicapped citizens;

- By increasing our expenditure on tourism by \$500,000, we can generate many times that amount in tourist spending and still get back even more in state and local taxes;

- By obligating \$160,000 in seed money, if our colleges succeed in their proposals for a nuclear accelerator in Newport News, we can realize an estimated \$140 million in federal funds and the creation of hundreds of jobs over the next five years;

- And, finally, by providing \$500,000 more for the Department of Taxation for additional auditors, we can collect an estimated \$10 million now outstanding in delinquent taxes.

Another asset we must never overlook is the investment we have in our state employees. Even though we are not currently in a position to offer any salary increases, I will recommend to you a plan to change our retirement system so that public employees can take advantage of tax deferrals and increased take-home pay now widely enjoyed by those who work in the private sector. I will also propose a new plan for rewarding exceptional performance by state employees whose dedication has been the hallmark of public service in Virginia.

I expressed concern at the outset that we not allow financial and budgetary matters to preoccupy us completely; if we do, we will risk neglecting a number of important issues, some of them controversial, that trouble a great many Virginians. I think it is important for you to know what I believe these critical issues to be and how I stand on them.

On crime:

Last year, major drug seizures in Virginia increased 133 percent. State Police value Virginia's marijuana crop at about \$100 million. In one raid, in Orange County, sheriff's deputies seized more than 6,000 pounds of marijuana in a cornfield. Attacking the illegal drug trade is the thrust of the crime package Attorney General Baliles and I are submitting. While I realize that some of you have reservations about particular measures in that package, I believe the benefits can be as real as were the results of your decisive steps last year to combat drunk driving.

On prisons:

There is a real dilemma in criminal justice: the more lawbreakers we imprison, the more it costs our taxpayers. We could pay the tuition for three Virginians to attend the University of Virginia Medical School and two others to VPI's graduate engineering school for a year -- all for less than it costs per year to keep one inmate in prison. As you know, corrections costs are now 25 percent higher than in 1980-82. Such increases are unacceptable. To avoid them, we must punish every law breaker, but we must also distinguish between violent and non-violent offenders. I will submit legislation to help accomplish this objective, while still assuring the safety of our citizens.

On courts:

Our citizens must wait two-and-a-half years to appeal a decision to the Supreme Court of Virginia. In the last 20 years there has been a 500 percent increase in that court's caseload. In a democratic society, appeals should not be restricted to those with unlimited patience or large wallets. In better economic times, I would have urged you to create an intermediate appellate court at this session.

Even though this court could be supported by a modest increase in filing fees, you may wish to defer action on this issue until conditions are more favorable for new initiatives. But the need is clear once the funding question is resolved.

On drunk driving:

While I know the recommendation will not be popular with many of our younger citizens, we now have compelling evidence that returning the legal drinking age to 21 will reduce significantly the number of highway deaths caused by drunk drivers. Because most young adults have the maturity to deal with alcohol responsibly, I make this recommendation with reluctance. However, if we are serious about reducing the carnage caused by drunk drivers, I believe this course of action is necessary, and it has the full support of the chairman of the Governor's Task Force on Drunk Driving.

Incidentally, I have no objection to the phased approach, which has been adopted by Maryland and several other states.

On uranium mining:

Although real progress has been made in the last year in dealing with the difficult environmental and health issues raised by uranium mining and milling, a definitive resolution of these issues is not yet within our grasp. To strike a prudent balance between our desire for economic development and our responsibility to protect both the environment and our citizens' health, I urge you to extend the current moratorium for one additional year. At the same time, I am prepared to support legislation along the lines now offered by the Virginia Coal and Energy Commission, which appears to offer both reasonable incentives to developers and adequate safeguards to our citizens.

On nuclear waste:

Every time a Virginian is given a brain scan or another kilowatt of electricity is generated at Surry or North Anna, more low-level nuclear waste is created. While we have become members of the atomic community, we have yet to resolve what to do with its by-products. If we are to continue treating the sick and producing power, we must find a long-term, stable, and safe disposal site. This site could be in any one of seven states, but we have to accept the possibility that it could be in Virginia. For these reasons, I urge you to approve Virginia's membership in the Southeastern Low-Level Nuclear Waste Management Compact.

On a coal slurry pipeline:

Recent proposals for a pipeline raise serious questions. I am reluctant, at least at this point, to delegate the complex legal and policy issues now being debated to the State

Corporation Commission. In addition, granting the power of eminent domain, in this instance, without many of the regulatory obligations traditionally imposed on public service corporations, leaves important constitutional and legal questions unresolved.

I cannot agree, however, with those who would reject out of hand construction of such a project. The pipeline may eventually prove to be of real benefit to Virginia's consumers and to our coal industry. Conflicting conclusions have emerged from two technical assessments of the economic and environmental impact of a coal slurry pipeline. I do not believe that we can responsibly resolve issues of this complexity, which could have a profound impact on Virginia's economic future, in this short session.

On education:

Upon taking the oath of office, I said nothing we would do would be more important than our efforts to strengthen the system that educates our children. We have made real progress, despite limited resources. Educators are now working together to upgrade school standards. The Board of Education is now rewriting the standards for school accreditation. My additional requests to you can in this area enhance the quality of our engineering education programs and strengthen state support for scientific and scholarly research. Modest as these measures are, and must be because of current financial limits, they underscore our commitment to making Virginia once again renowned as a national leader in public education.

These and many other issues will no doubt demand your time and attention for the next six weeks but the constraints of the electronic age require that I not dwell on them this evening.

Any Governor and any Assembly, in any era, must face a range of dilemmas, urgent and continuous, great and small. And we cannot allow these problems to preoccupy our attention to the exclusion of the great issues, the transcendent questions, that none of us can possibly solve alone, but that each of us, in our turn, must necessarily face. The great issues of our time, like those of Colgate Darden's, ultimately are resolved in the common theme that for so long has inspired the imagination of those who have led Virginia -- the dream of creating a brighter, more abundant future as an enduring legacy to those who will follow.

That dream in our time, like every great dream in any time, must begin with the facts that are reality. For us, that reality is the new and different nature of the current national recession. Our present economic problems are more than simply another phase in the traditional business cycle; they contain elements of a fundamental economic transformation taking place in the economies of the Commonwealth, the nation, and the world. For us, this means that, while traditional manufacturing and industrial diversity will continue to sustain our basic economy,

real growth must come from the developing enterprises in new technology.

In Virginia, two recent examples vividly illustrate the point. In mid-1982, Firestone reduced its tire operations in Hopewell, and five hundred Virginians lost their jobs. At the same time, IBM expanded its computer chip operations in Prince William County and created a thousand new jobs. The message, I think, is clear; we must master change, or be mastered by it.

The message is equally clear for Virginia's government, and for that reason we are redirecting economic development strategy toward growth industries and we are reevaluating all that state government does, why it does it, and how much it costs.

Mastery of our future requires more, however; it requires increased access to government for all of our citizens. Hard times offer no license to retreat from our commitment to equal opportunity and social justice for all Virginians. Mastery of our future also requires recognition of Virginia's constitutional mandate to protect our land, air, and water for the common benefit. And we will honor that mandate.

Our future plans must also include the creation of a strong, enduring partnership -- a partnership among business, labor, and government. To develop that partnership, we have created a number of citizen task forces which are now at work. The Regulatory Reform Advisory Board has endorsed proposals that can save the taxpayers money and reduce unnecessary costs. We should get the state out of the business of regulating charcoal and dog food, and of requiring local officials to count mules and cows. These are but the first in a series of regulatory reform proposals that will come in the year ahead. Like the proposals now being developed by the Task Force on Science and Technology, and by the Governor's Commission on Virginia's Future, these are only the initial returns on our long-range investment in the Commonwealth's future.

As we begin to shape the dimensions of a new age, the real issue, in the years just ahead, is the quality of life Virginians can expect as we emerge from this period of austerity. The outcome depends on us: are we merely the keepers of the status quo, or the architects of a government worthy of residing in the house that Jefferson built?

I have faith in our people, great confidence in you, and tremendous pride in all that it means to be a Virginian. I am confident that together in the year we begin now, and in those that follow, we will never forget, that the generations that now are, and those that will be, have a common claim upon our humanity, a joint dependence upon our vision, and an equal right to judge all we do.

The prelude to our task is the requirement Governor Darden identified on this occasion thirty-eight years ago. I would take leave of you tonight, as he did then, by suggesting our charge in that same spirit.

Speaking of unity as the power of representative government, he said; "Unity...(is) a spiritual fortress (which) cannot be reared upon the shifting sands of what is popular. It must be built upon the rock of what is just and right." It is, ladies and gentlemen, both just and right, that we not be discouraged by the difficulties of the moment, and that we not be distracted from the great opportunities that lie open before us. Upon our course, surely charted and firmly marked, we now embark in the spirit of calculated hope.

Thank you.

