

ADDRESS OF

**CHARLES S. ROBB
GOVERNOR**

TO THE GENERAL ASSEMBLY OF VIRGINIA

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THE HONORABLE CHARLES S. ROBB
GOVERNOR OF VIRGINIA

Mr. Speaker, Mr. President, members of the General Assembly, distinguished guests and my fellow Virginians. When last we met in this historic Chamber, we convened in an hour that could be brightened only by the spirit of calculated hope. It is in that same spirit that I come to speak to you again tonight about the State of our Commonwealth. Our condition generally is good, and I believe a majority of our citizens feel it is improving, despite the most devastating drought our farmers have endured in half a century, and despite the lingering aftermath of the worst recession since the Great Depression.

Rut even in the face of these and other difficulties, our government remains strong. We have, with your help, come through 12 very difficult months--months of intense deliberation--months marked by a critical reevaluation of all that our government does with all that it now has. My optimism is tempered only by the prudence that the times mandate, and by the realization that the molding of our own destiny is not a process self-contained; that we must navigate and tack amidst the broader currents and stronger winds we cannot control.

We have, together, since last we met, kept our courage and through common commitment, become strong, credible partners in the great national dialogue that will shape the future of America. Allow me to illustrate.

In the past two years, we have established, for the first time ever, an open avenue by which all of our citizens can reach the highest levels of government; we have created, with a fresh spirit and a new determination, an active alliance between government and business; and we have reemerged as an acknowledged national leader in economic and industrial development. We have, at long last, achieved with the federal Office of Civil Rights, an equitable and workable solution to the moral and legal dilemmas of strengthening access to education for all, without diminishing its quality for any. Perhaps, most important of all, through our mutual dedication we have identified and begun correcting the drastic decline in public education, and we did it fully one year before the President's Commission issued its report, "A Nation at Risk."

Our government, now, revitalized from within, is perceived to be stronger from without and we must strengthen that perception even more. We must be decisive in liberating ourselves from the myopia that looks upon public policy as no more than the collective sum of individual and special interests. That is the spirit in which we have developed our priorities, and the budget that reflects them, through months of labor as thorough as any known

in this government in recent memory. I hope you will agree that the results more than justify the effort.

The budget I will submit tomorrow does not just refill old prescriptions; it offers strong, new medicine--an agreeable tonic for success and prosperity. Its texture is sinew rather than flab; because it is specific to priorities, rather than lost in generalities. For the Commonwealth, the budget provides a financial foundation for the future, not just another round of incremental spending--not just more of the same.

Competition in the marketplace of the 21st Century demands that we increase now our commitments to public education. And indeed, education remains my highest priority. We can no longer afford to lose our best teachers. Therefore, I am proposing for the next biennium a 20 percent salary increase for our public school teachers and our college faculties.

But bigger paychecks alone will not guarantee excellence in education. The budget also funds new equipment and new resources for research and training that can make the critical margin of difference, between good and excellent teaching.

Better education also includes enthusiastic students challenged to reach their full potential. I am proposing the establishment of four magnet schools that will permit our students to excel in science, in mathematics, in the fine arts, and in the technical trades. In like manner, the Varina Center for Education and Technology will help us return the excitement of learning to the classroom. Drawing upon experimental techniques and new technology, the master teachers at the Varina school project will help develop new courses and new ways of teaching them that can be shared throughout the Commonwealth.

To capture the opportunities of an ever-changing economy, we must invest in new ideas--initiatives which enhance the assets we already have. We must begin by building a bridge--and the Center for Innovative Technology can become that bridge--brings together the brightest in the research community with the best in private industry to help solve problems of the present and explore the frontiers far into the future.

Through this joint enterprise, we will explore mysteries that only the next generation of computers can unlock; diagnose the causes of debilitating disease; discover new materials to probe the depths of outer space; and design tools and technologies to make traditional industry more competitive.

Campus research in Blacksburg, Charlottesville, Richmond, Hampton Roads, and Northern Virginia will help us attract and retain high technology industry to these and other regions of the state and expand a business base that last year alone brought more than \$100 million in tax revenues to Virginia government.

The choice is clear--Virginia must either be a pacesetter or lose large markets and many jobs to the competition. The Center for Innovative Technology will give our entire Commonwealth a major competitive advantage, and I believe it deserves your support.

But the opportunities in technology go even further. We now approach the moment when Virginia can become a world-class center for atomic research. The Continuous Electron Beam Accelerator proposed for construction in Newport News will be the most advanced instrument in nuclear physics ever built--giving us the ability to penetrate the innermost secrets of matter, and the capacity to attract an international community of scientists to our Commonwealth.

These two projects, the Center for Innovative Technology and the nuclear accelerator, will link our universities, our industries, and our laboratories in a consortium of scientific progress as bold and as promising as any ever undertaken in Virginia.

The budget also looks to the future of our environment by providing a substantial downpayment in our effort to help save the Chesapeake Bay--a source of livelihood and bounty for longer than there has been a Virginia, and a priceless habitat for species of waterfowl and varieties of marine and plant life too numerous to count. It is their home, but we have befouled it; they cannot save it, but we can.

Our commitment to the future, however, must not and need not be honored at the expense of programs we have to have now.

We have gone to extraordinary lengths in examining all that we do, and how we do it. We have questioned everything and we have taken nothing for granted. What we have called level funding has enabled us to free up enough money to meet the pressing needs of today as well as fund new priorities for tomorrow. The benefits of this effort include:

- full funding of our Medicaid program, which could become a model for the
- testing newborn infants for several genetic diseases help prevent severe mental
- expanding services to the severely disabled and to help the residents of our sheltered workshops more self-
- maintaining the quality of health care within mental health system as we proceed to community-based

- supporting specialized training for disadvantaged displaced
- continuing the \$20 million maintenance reserve higher education, and establishing a new \$10 reserve for mental health hospitals and prisons;
- funding initiatives that will encourage the of small businesses in both urban and rural

But there is even more.

In a complementary bill, developed in tandem with the budget, we propose to make even greater investments in our future and to reduce the long-term tax burden on nearly every manufacturer in Virginia.

All this—the tax relief and the additional investments--can be accomplished if we continue to spread the full benefits of accelerated depreciation over seven years. And this is entirely consistent with the state policy we established two years ago for the current biennium.

If enacted, these new investments will include:

- First, additional financial aid for students in higher education;
- Second, increased funding for computer-aided engineering and manufacturing in Hampton Roads;
- Third, badly needed technical equipment for job training programs at our community colleges;
- Fourth, additional compensation for our state employees; and,
- Fifth, an overdue supplement for needy Virginians in the Aid to Dependent Children program.

These measures will also give an additional boost for higher education through full funding of all of the construction projects in the two highest priority groups. When combined with the projects currently frozen, this represents a capital investment of more than \$100 million in higher education alone.

Finally, from this complementary bill, I will also ask you to set aside an additional \$50 million for a revenue reserve as a first line of defense against unexpected downturns in the economy, and I strongly urge you to resist all pressure to spend any portion of this reserve for other purposes.

The tax relief measure calls for a significant, immediate reduction, followed by a constitutional amendment to exempt

completely from taxation the inventories of manufacturers. The elimination of this capital tax will also make Virginia more competitive in our quest for industry by removing the last significant nuisance tax on business--a move long sought by the business community and recommended vigorously by the Governor's Advisory Board on Industrial Development.

The budget and the changes I have just outlined, will allow us to fund essential needs without recourse either to a bond issue or a general tax increase.

There is no question in my mind that if I asked you to support either a tax increase or long-term borrowing through a bond issue and fully documented the case, a clear majority of you would support such action, and so would a strong majority of our taxpayers. Fortunately, we have been able to meet all essential needs responsibly, fund a variety of forward-looking programs for the future, and at the same time make up the \$116 million revenue shortfall that I detailed in December, by level funding, belt tightening, non-general fund transfers, intensified tax audit procedures, and savings competitively negotiated in health insurance for the state.

Without these results, I would not have hesitated for a moment to call for a tax increase, or a bond referendum, or whatever action was required.

But while many of our sister states have had to take such steps, Virginia's financial foundation remains strong. We are one of a very few states that has not resorted to a general tax increase or dramatically slashed programs; we are one of the lowest tax states in the nation, and we are one of only eight states that enjoys AAA bond and credit ratings. This superior record is a source of real pride to Virginia and demonstrates how much additional tax and bond capacity we have, should we ever need it.

Regrettably, I have a very real concern that we may actually have to tap this capacity in the near future--particularly if the federal government, which does not currently share our commitment to fiscal responsibility and balanced budgets, lacks the courage to put the federal house in order.

I believe that if the federal government does not get serious about deficits, and soon, and that means instilling discipline in all federal spending, including defense; reexamining non-means tested entitlement programs; and, yes, levying additional federal taxes, they will never come close to solving the problem--much less balancing the budget. If they fail, the only legacy that they are going to leave to succeeding governments at the federal level--and ultimately to state and local governments--is a ticking time bomb.

It is to make sure that we are able to respond to the impact of this continuing federal irresponsibility that I urge you not to raise taxes, not to borrow for a bond issue, and not to spend any of our reserve fund. I hope I am wrong, but we may need all the capacity we have, and we may need it, even before the end of the next biennium. I believe I owe it to my successor, and you owe it to yours, not to place them in any greater jeopardy than already exists.

But beyond the budget, we face other critical decisions, here in Virginia. One is the:

REORGANIZATION OF STATE GOVERNMENT

We have conducted a comprehensive review of state government, in cooperation with the General Assembly, to formulate reorganization proposals that I will introduce shortly.

We will recommend changing the structure of the Cabinet to return it both to its original alignment and to the purposes for which it was established. At the agency level, I will recommend a number of realignments and consolidations which will result in a net reduction of eight agencies, and of five boards, commissions and councils, and will make other changes affecting some 28 agencies. The most significant of these proposals include the establishment of new consolidated departments related to mining, Medicaid, and information technology.

REGULATORY REFORM

In this prophetic year of 1984, it is fitting that we should redouble our efforts to eliminate needless government regulation of Virginia's citizens. We are getting state government out of the business of dictating the kind of containers in which ice cream must be sold at boxing matches, and of specifying the number of hair dryers that must be purchased by beauty schools-- just two examples of over 10,000 regulations that we have reviewed in 1983, over half of which will be modified or eliminated.

More importantly, many of these changes will save money.

Virginia's regulatory process has been fragmented and sometimes incoherent, with 85 state agencies issuing separate regulations in different and frequently haphazard form. I strongly endorse the proposals of the Governor's Regulatory Reform Advisory Board to establish a consistent review process and to create a Virginia Register of Regulations to provide a single source for all regulatory proposals.

MINE SAFETY

In the aftermath of the most devastating mine accident in Virginia in 25 years, I ordered a searching review of our entire

coal mine safety program. The results are profoundly disturbing. The current fatality rate in Virginia's coal mines is twice that of the national average. Certain geological formations in Virginia account for part of the problem, but new initiatives are clearly required.

The budget includes an additional half million dollars to hire technical experts who can find ways to make life in the mines safer. It also includes major improvements in the salaries that we pay our state mine inspectors—which are no longer competitive with those in neighboring states or the federal government.

DRUNK DRIVING

In each of the last two sessions, we took constructive action to force drunk drivers off Virginia's highways, and to assure their appropriate punishment. We are beginning to see positive results. For the first time in a decade the percentage of fatal crashes involving alcohol actually declined. At the same time, the conviction rate for those arrested for drunk driving nearly doubled.

Last year we spent a great deal of time and emotional energy deciding whether to raise the drinking age for beer to 21. After extensive debate in both chambers, we eventually compromised and raised the age to 19.

While statistics still offer compelling evidence that raising the drinking age to 21 would result in additional progress, and I continue to support that action, I believe that it is important to concentrate our principal efforts this year on other recommendations made by the Governor's Task Force on Drunk Driving that target inebriated drivers regardless of age.

As a first step, I am ordering a critical review of the Alcohol Safety Action Program. Next, I believe it should be a crime to drive with a blood alcohol level of more than .15 percent. I also believe that the arresting officer, and not the accused, should decide whether a blood or breath test must be taken and we should change our antiquated legal provision that requires two separate police officers to participate in the arrest and testing of suspected drunk drivers. Our laws allow murderers to be brought to justice by one officer, and the same ought to be true for drunk drivers.

It is not an accident to drive drunk; it is a crime.

URANIUM MINING

Last year, because of unresolved environmental questions, I asked you to extend the moratorium on the mining of uranium in Virginia for an additional year.

I intended, at the beginning of this session, to make a clear statement of support for uranium mining in Virginia, assuming the environmental and safety questions on ground water contamination and the management of radioactive mill tailings had been resolved. When and if these questions are affirmatively and fully answered, I will support uranium mining, and endorse a lifting of the moratorium. Until then, I fully support both the recommendations of the Uranium Administrative Group and its continuation.

COAL SLURRY

Despite the enormous economic stakes involved and the intense emotion that debate on this question generates, from the state's perspective I approach this issue as a classic struggle between competing interests in the private sector: carrying coal in railroad cars versus carrying pulverized coal mixed with water in a pipeline alike.

I have followed closely the work of the Coal Slurry Study Commission, I have reviewed the report of its consultant, and I have met with advocates and opponents of the pipeline alike. As the study commission determined, the technology exists, the project is economically and environmentally feasible, and it offers potentially dramatic net increases in employment--especially in the area where current unemployment is the highest.

If legislation comes to me for signature along the lines proposed by the study commission at its meeting yesterday, I am prepared to sign it. I would insist, however, that any legislation authorizing the grant of the power of eminent domain continue to be restricted solely to public service common carriers with all of the appropriate restrictions that those designations imply--and that Virginia's interests be statutorily protected.

Let me hasten to add that it would be difficult to overstate the importance of Virginia's railroads to our economy and to our quality of life. They are among our most valuable and conscientious corporate citizens and it is, for me, a matter of great pride that we are the corporate home of two of America's most efficient and well-managed railroads.

While a number of economic factors may preclude a coal slurry pipeline from ever being built in Virginia, I cannot justify protecting any corporate citizen from the rigors of a free market.

Now, in addition to the measures already mentioned, you will consider other controversial issues in the days ahead, and I'd like you to know where I stand on them:

- Should we limit public utilities to one rate increase application per year?--Yes, I'm for it;

- Should Virginia have a state lottery?--No, I'm
it
- Should user fees for businesses which benefit
health inspection services help offset the cost
taxpayers?--Yes, I'm for
- Should we examine the issue of pay equity for women
work for state government?--Yes, I'm for
- Should the state compete indefinitely with
enterprise in the sale of wine?--No, I'm against
- Should the new Intermediate Court of Appeals be
funded and staffed?--Yes, I'm for
- Should the state be required to pay its bills on
like everyone else?--Yes, I'm for
- Should we give three-quarters of a million
who are disabled, an effective means of enforcing
legal rights?--Yes, I'm for it and I will submit a
to require
- Should government officials be able to circumvent
open meeting requirement of the Freedom of
Act through telephone conference calls?--No, I'm
against
- Should we remove language from our laws that
prohibit active participation by registrars in
registration campaigns?--Yes, I'm for it; and
- Should your joint resolution be adopted requiring
General Assembly to go home in 60 days?--Yes, I
emphatically for

We have much to do in our time here together, and much to
live up to.

The spirit of responsible stewardship that has carried this
great body across more than three centuries, and the inspired
sense of freedom that has governed its deliberations for the last
two, have now brought us to a point unique in the modern
experience of this Commonwealth. The hand of history now extends
to us what to others it has not--the chance to emerge from the
limitations of our own time. The great dilemmas in fiscal
solvency, economic development, and equality of opportunity--
dilemmas that have confined our journey across the last fifty
years, and enshackled us in the lingering perception of
mediocrity--these great dilemmas are folding into resolution as a
part of our past.

In our common resolve, in our mutual goodwill, and in our sense of obligation to the immensity of our task, we must now apply ourselves to the substantial revision of the charter that we hold for posterity.

We are as well prepared as any who have worked here, to apply the best of our past to the building of an ever! greater future.

Those who represented the best of our past were the creators of Virginia. **As** the enlightened founders of this Commonwealth followed the wisdom of the ancient world, so must we. For we must be, **as** they were, determined to have Virginia stand worthy of the judgment that Pericles passed upon his own contemporaries in the government and civil order of the Athenian democracy of 24 centuries ago. He said: "We do not imitate—for we are as a model to others." We are, in our government and our civil order, emerging in that role again, and may truly achieve it, if we but work together to recognize that the times will demand of us, in this House, and throughout the government, a degree of wisdom, and a sense of sacrifice, until now unknown among many of us here.

We are truly a part of all that we have been, in this building and throughout our Commonwealth, and at our best, we are ~~still~~ the heirs, after two centuries, of the greatest and most powerful disciple of the future that our Republic has ever known.

Until his last breath, Thomas Jefferson looked to the future.

If we are to proceed together, to be worthy in time of the Periclean model, we must now follow the Jeffersonian example, and pursue, as did the sage of Monticello, the enduring task of weaving the possibilities of science, and the gifts of freedom, into the endless tapestry of progress, that all free governments in the present, leave to all free people in the future.

Thank you and good night.