

ADDRESS OF

GERALD L. BALILES

GOVERNOR

TO THE

GENERAL ASSEMBLY

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GOVERNOR GERALD L. BALILES
THE STATE OF THE COMMONWEALTH
JANUARY 13, 1986

Mr. Speaker, Mr. President, Members of the General Assembly,
distinguished guests and my fellow Virginians:

INTRODUCTION

It's good to be here. As I entered this room, many happy memories returned -- for it was in this chamber that I began my public service career. Here I learned respect and admiration for Virginia's legislative process -- and the people who give it sustenance.

As I look around this room, I'm reminded that the heart of all representative government is, by definition, the legislature. And, in this Commonwealth, there is a legislature in which all Virginians can take pride.

You hold the public's trust in demanding times. The Virginia of the mid-1980's is dynamic and rapidly changing.

In the 20 years between 1980 and the year 2000, our population will increase by more than 1.3 million people. As it expands, it will become older and more diverse. Our economy will be more competitive both, at home and abroad, and will have moved further away from manufacturing. In 1960, one in five Virginians produced goods; by the dawn of the next century, only one in ten will.

Those are the predictable changes. But the unforeseeable will always remain the harshest test of our resolve. The flood waters of early November ravaged the Shenandoah Valley and Southwestern Virginia. They exacted a heavy personal toll -- as some in this room know too well.

While our responsibilities this session may be less difficult than coping with high waters, we will be tested nevertheless. We have the benefit of beginning our work with the knowledge that your past legislative efforts have brought Virginia to the threshold of greatness.

The foundation is there. We must now sustain, and even accelerate, Virginia's economic growth. And transportation is the key to that growth.

To paraphrase Winston Churchill, "Never in the history of the Commonwealth, have so many Virginians taken so long a time to move so short a distance."

But before we turn to transportation, let me review my thoughts with you on a number of critical issues that will come before you during the next fifty-four days.

PUBLIC EDUCATION

In public education: Today we are ready and able to fulfill a pledge made 14 years ago.

The educational standards of quality -- the yardstick by which we measure progress in our primary and secondary schools -- can and must be fully funded. I support both the teacher salary increases and the salary mandate recommended to you by my predecessor. Each is essential if we are to achieve the national average for Virginia teacher salaries within the next four years.

I will be the chief advocate for quality public education, and my commitment and leadership will go far beyond funding. That commitment will extend from the Capitol to every school in this Commonwealth. I have directed the Secretary of Education to visit each school division during my term of office. I

personally will visit Virginia classrooms, attend local school board meetings, and carry, throughout Virginia, our united commitment to a quality educational system from top to bottom. I will ask the Board of Education to draft the blueprint that will place Virginia in the first rank of educational systems in this nation.

I also commend to you the Board of Education's proposed standard to strengthen guidance and counseling in our elementary schools. A careful review of JLARC's findings indicates that an additional position per 1,000 students can be provided for this essential program within the 376 million additional dollars recommended by Governor Robb, an increase which I fully support.

The youth of today's Virginia live in a complicated and confusing society. They often live and grow without adequate support and advice. The results: inadequate motivation and learning, lack of school discipline, truancy, and delinquency. In those schools where guidance is provided in the lower grades these learning and test scores do improve. Our children need this help and guidance and I intend to provide leadership in giving it.

HIGHER EDUCATION

In higher education: Virginia has historically possessed some of America's finest colleges and universities -- both public and private. In recent years, access to our institutions has dramatically increased and the quality of their offerings greatly improved.

I believe the time has come to take stock of our system of higher education -- its resources and its needs. I will therefore ask you to join me in a commitment to excellence in higher education as sweeping and dramatic as the one you made to public education during the last four years.

To meet that commitment we must begin by providing our colleges and universities with the most advanced research and instructional equipment. I support the concept of equipment financing proposed by your Senate and House Study Committee. This would, over the next five years, replace obsolete equipment and buy new, urgently needed engineering and computing equipment. Just as importantly, it can establish a purchasing program for the rest of this century.

Some of what we do, however, will require more than money. It will require common sense. I support cutting the bureaucratic strings that extend from Richmond to our colleges and

universities -- strings that inhibit effective instruction and productive research. Our institutions simply must be free to do their best work.

I'm also increasingly concerned by rising tuition costs. At one time, a person could learn a trade and practice it for a lifetime. Our late 20th century economy has ended that. We must be prepared to retrain large portions of our workforce if we are to remain competitive. Accordingly, I am sending you a budget amendment for 3.9 million dollars -- an immediate action to stop the increases and actually decrease tuition in our community colleges. This system of colleges, which is in its 20th anniversary year, must be accessible if it is to help retrain our workforce.

ECONOMIC DEVELOPMENT

In economic development: As we commit ourselves to higher educational standards at all levels, we cannot help but be acutely aware of the cost.

It is, therefore, imperative that we aggressively promote economic development, for without the hard currency -- the revenue -- necessary to obtain excellence, our aspirations will remain only dreams.

Economic development will thus be a major priority of this Administration -- and personal recruitment efforts a principal activity of this Governor. Whenever a concrete opportunity for expanded economic activity exists, I'll pursue it. You can count on that.

We must continue to stress the effective development of small and minority business -- for these opportunities represent the big business of creating new jobs for Virginians.

But recruitment is only part of the process of promoting growth. We need a comprehensive strategy and a full-time leader for jobs and economic development in the highest councils of state government.

Accordingly, I will submit for your consideration legislation that will establish in Virginia -- as in so many other states -- a separate Cabinet secretary for economic development. The cost of this step will be miniscule in comparison to the benefits that will accrue from growth; consider it an investment for Virginia's future.

AGRICULTURE

In agriculture: we must remember that an important part of our economic future will continue to be played by our

agricultural and forestry industries. Though our farmers have thus far been spared the financial crises that have paralyzed the Midwest, we cannot ignore the fact that Virginia agriculture currently faces a situation more dire than at any time since the Great Depression.

When family farms fail, all of us suffer. But we in state government can make a difference.

From identifying new markets to researching new products, from joining the national review of farm credit practices, to reviewing the increasing impact of soil erosion, we can find answers through programs that work to keep farms and farmers working for us. That effort will begin today in my office.

Any state that can produce Smithfield hams can certainly build a quality farm program for the Commonwealth.

NATURAL RESOURCES

In natural resources: We know that our land is finite, and the air and water vulnerable. By your actions you have made preservation of our natural resources one of our clear priorities. I'll work with you to keep it there.

To preserve Virginia's natural resources the state has created an array of programs administered by various state and

local agencies. We cannot afford a lack of coordination on important resource issues -- for problems inadequately attended today will cripple us tomorrow.

Therefore, in accordance with the realignment of the Cabinet, I will propose legislation to create a separate Secretary for Natural Resources, a Cabinet officer who can:

- ° Focus on providing more efficient management of our environmental programs, shorten the permitting process, reduce duplication of regulatory activities, and provide for more effective enforcement and expanded public participation.

A cabinet officer who can:

- ° Consolidate the state's responsibility for the disposal of solid, hazardous, and toxic waste.

A cabinet officer who can:

- ° Continue the restoration of the Chesapeake Bay.

A cabinet officer who can:

- ° Enhance the preservation of environmentally sensitive lands, by extending our existing conservation easement program.

A cabinet officer who can:

- ° resolve for this century the critical dilemma of water quality and availability.

Twenty years ago, Governor Godwin stood in this spot on the occasion of his first State of the Commonwealth Address and told the General Assembly, "The handwriting now stares from the wall that we must plan for the conservation and wiser use of our water resources. The problem has been studied in all its aspects," he said. "But no general water policy exists." Unfortunately, those words are still true today.

In the months ahead, I will propose that we together commit to break the decades-long deadlock.

HUMAN RESOURCES

In human resources: As we resolve to manage our natural resources in a wise and deliberate manner, so must we understand -- and respond to -- our human resource needs.

My concerns are several.

The faces of poverty today are increasingly the faces of women and children. These are the citizens who often have no sense of opportunity ahead -- these are the children marked by continuing disadvantage, a lack of self worth, and the inability to hope for a better tomorrow.

When a family has no resources, when a parent cannot adequately care for children, we all become victims to the social blight that fosters crime, poor health, domestic violence, and a chronically unemployed population.

I believe that we can accurately identify those truly in need, and help meet their most basic needs. As a first step, I will therefore submit a 2 million dollars budget amendment to assist those families who will qualify under a revised standard for Aid to Dependent Children. The current standard reflects a cost of living established in 1973. Since that time the Consumer Price Index has increased by more than 110 percent.

The most tragic face of poverty may well be high infant mortality rates -- as we in Virginia are keenly aware.

Adequate obstetric care is essential to correcting this pattern. Physicians who provide care for mothers in high risk categories now receive reimbursements based on cost levels established in 1969. They have received only one 4% increase since then. I will propose a 1.1 million dollar budget amendment

to provide an increase in the reimbursement rate for the cost of obstetric services for these women. This action can literally mean the difference between life and death for their babies during the first few weeks after birth.

Our concerns for human life will also include efforts to improve mental health services. Our commitment is shown in projects like the new 200-bed Southwest State Hospital in Marion -- and we will continue -- to look beyond the traditional institutional responses and solutions. Our concern must be matched by a commitment to results for individuals. Our mental health funds and services must reach the people who need them most. While I do not have all the answers now, I intend to look for them. And, I will be back with proposals.

The challenges in the field of human resources are many,

They will require creative, innovative approaches. They will require compassion to see people -- and not just numbers.

They will require strategic planning and prevention -- and not just reaction.

That capability to reach out, to look ahead, and to reflect the Virginia spirit was exemplified Saturday by young Dack Axselle.

He gave a thumbs-up sign for Virginia's tomorrow; we echo and ratify his conclusion today.

PUBLIC SAFETY

In public safety: I would recall to you one sentence from my address on Saturday -- Jefferson's conclusion that "The care of human life and happiness, is the first and only legitimate object of government"

Our care for life should extend to our highways. The cost of a thousand fatalities a year is far too high a price to pay.

Drunk driving is a tragedy and a crime; it cannot be tolerated by any responsible government. I support tough and deterrent mandatory penalties for first offenses.

I also urge you to send me Delegate Sam Glasscock's life-saving, seat-belt legislation. Let me sign that bill into law, and you will be able to return to your constituents and say, without exaggeration, "I have saved lives." Virginia troopers and law enforcement officers are already saving those lives -- while often risking and sometimes tragically losing theirs.

I support, without hesitation, the budget increase for 69 new trooper positions. And I will direct, by executive action, the Department of State Police to strengthen communications procedures; we will then find the money to strengthen the communications system.

I have already met with our top corrections officials, and I have conveyed to them that security can, will, and must be our pre-eminent goal. We have made advances in enhanced security, better training and improved salaries, and now sound management must be our focus.

I will pledge to you to examine the security and management of our prisons first-hand.

I will recommend a substantial increase for educational programs in our prisons. Two out of three prisoners are functionally illiterate; a fact that helps propagate the vicious cycle of crime. It's time to break the cycle of recidivism.

I will meet directly with those correctional officers who are on the front lines of maintaining security . . . for their morale and resources and training have become more and more critical to everyone of us.

And I will keep our commitment to facilitate the closing of the State Penitentiary. Its time has come -- and has virtually

gone -- as we look to new ways and new facilities to ensure security.

I will ask the Attorney General -- and every member in this General Assembly to join me in providing leadership for law enforcement. I ask you to pass the Commonwealth Right of Appeal measure again and send it to the people. I also support programs to combat the recurring problems of drug abuse -- including the spectre of so-called "designer" drugs and renewed commitments that public safety will be a shared reality for this generation and for those to follow.

TRANSPORTATION

Let us turn now to the challenge of transportation.

I believe we need a new and vastly different approach to prepare the Commonwealth's transportation system for the 21st century. We become daily, weekly, yearly more dependent upon transportation for everything about our lives, This growing dependence has created multiplying problems throughout Virginia.

In our urban areas, traffic jams have become a way of life, wasting fuel, time, and limiting productivity. In rural regions of the state, unpaved roads prevent progress, and many miles along

our most important mountain highways are unprotected by guard rails. These problems will only get worse because of the larger difficulties created by the way we pay for transportation.

Periodic tax increases have helped by providing new revenues, but they only postpone the problems -- they don't solve them. Even worse, the adjustments to our highway funding formula have divided us, competing with one another for the inadequate funds some of us get, but all of us need. Unless we break this gridlock, we could face a future of economic crisis rather than prosperity, since important industrial and commercial development decisions often hinge, not only upon access to existing highways, but even more important, upon private sector interest in plans for future roads. The heart of the problem now is that we can't begin to plan for future needs, if we can't complete meeting today's needs.

Estimates of our current and future transportation costs are staggering: 18 billion dollars to build what we need. In the face of these figures, our traditional methods of funding will turn six year plans into 600-year plans. The approach of the past is simply wrong for the future; it forces us to be preoccupied with what we cannot do, instead of what we can. We are told, for example, that we cannot spend more than 100 million new dollars on all the state's highways, at the same time Fairfax County alone has plans to spend 135 million dollars of new money on its roads. That county has plans and the Commonwealth doesn't

because we're told ours simply aren't ready yet. We simply cannot meet our urgent transportation needs and clear the road into the New Dominion if we continue to make boulders out of pebbles.

I want to change the methods and the attitudes that support them. Let's get our transportation engineers to tell us how we can move people and build roads, rather than giving us reasons why we can't. When the river rises, the time to cross is before it gets too wide. The time for us to cross has come, and that time is now. But how are we going to cross?

Last year, I emphasized the urgency for assessing our critical needs immediately and acting on them rapidly. To take the first step, I suggested we create a Commission on Virginia's Transportation Needs, to help us develop a comprehensive plan for future needs, rather than leaving us reacting to present crises. That is the course I propose today.

The Transportation Commission will have a huge task just in addressing Virginia's critical highway needs. There are secondary roads in our urban counties that carry more cars than the Interstate highways; and hundreds of miles of unpaved roads in rural counties that prohibit all but essential movement.

We all have our shopping lists, but here are some of the most urgent, critically needed items gathering dust on the shelf:

widening Route 28 in Loudoun, Fairfax and Prince William counties; completing a new section of the Roundhill bypass in Loudoun County; replacing four lanes in the rock slide area of Route 23 in Powell Valley; new bypasses around Lebanon, Bluefield, and Lynchburg; creating four lanes on the suicide strip of Route 58 between Courtland and Emporia; improving the George P. Coleman bridge at Yorktown; widening both Routes 60 and 10 in Richmond and Chesterfield, and Route 29 north of Charlottesville; and making Route 220 at Eagle Rock in Botetourt County, and 250 between Waynesboro and Staunton, both into four lane stretches; and the Bowers Hill 664 Connector in Hampton Roads. This list is not complete. There are more; you know where they are. They are in your counties and cities.

How do we pay for all of our needs in transportation? A better question: How do we sustain our progress in education, economic development, and other areas of government responsibility if Virginia's progress stalls and her potential chokes in even larger traffic jams, unpaved roads and continuing highway fatalities?

It is clear to me that more of the same will be inadequate. If we continue with business as usual with the way we pay for transportation, we could soon strangle the lifeline of our commerce. We must seize the initiative now.

Those who have made real changes in the world have first changed the way they looked at the world; and we need now to change the way we view the world of transportation.

For over half a century, Virginia has built her highways from monies in a special trust fund. We have levied and raised gasoline taxes for transportation, and deposited them in that trust fund to build and maintain the Commonwealth's roads and highways according to a formula approved by the Governor and the General Assembly. Over time we have adjusted and fine-tuned the process and the formula, but basically that's the way we've done it.

As of today, monies from the Trust Fund are allocated in a manner that gives spending for road maintenance priority over spending for highway construction. As a result, as maintenance costs have increased, the money available for new construction has steadily declined. At present, approximately 53% of our transportation funds are directed to maintenance, while the remaining 47% is designated for new construction. This gap will increase, leaving an even smaller, and continuously declining percentage available for new construction -- even if new tax revenues are generated and placed in the highway Trust Fund. If necessity is the mother of invention, urgency in this case is the catalyst to action. In place of a short step, we've got to take a giant stride -- and here is what I propose to do.

I believe we must separate the trust fund by dividing it into two separate categories -- a fund for maintenance, and an independent trust fund for construction. Each of the Funds would be financed separately, and the individual revenues from them allocated and spent separately. Priorities in one would not dictate priorities in the other; needs addressed in one would not compromise the needs identified in the other.

I believe that logic dictates and fairness supports the proposition that we adopt a new form of the pay-as-you-go concept; that is, those of us who use today's highways should pay to maintain and repair them, while those who tomorrow will benefit from the roads built for our future should share in the cost of building those roads.

I recommend, therefore, that in dividing the Trust Fund, the money for maintenance be financed through gas tax revenues collected from present users. The money for construction of our roads should come from bonds, tolls or other sources that would be paid off by those who use the highways during the life of the roads.

How, then, can we reach our objective -- and what is the mechanism or structure through which we can achieve it?

I believe the first part of the solution lies in the creation of the Commission I suggested last year. I will,

therefore, propose creation -- by resolution -- of the Commission on Virginia's Transportation in the 21st Century. Its membership will be comprised of business leaders, local government officials, and prominent citizens from across Virginia who understand the importance of transportation to economic growth and prosperity. The Commission will be bipartisan, and I intend to ask all former Governors of Virginia to serve on it, along with selected members of the General Assembly.

I will ask the Commission to accomplish its work in two phases. In reverse order, they are: in the second phase, the Commission will be asked to study later this year how to plan and finance the comprehensive transportation system Virginia will need through the next decade -- road, rail, air and water -- including mass transit, the Washington bypass, dredging the various shipping channels needed throughout the Hampton Roads area, and other crucial long-range needs. This will serve to avoid in the future the kind of crisis response to transportation that has given us the problems we now have.

In the first phase of its work, however, I will charge the Commission with promptly analyzing and confirming our most critical transportation needs, and ask the members to determine what legal and structural changes will be necessary to establish the separate funds for maintenance and construction. I will also ask the Commission to recommend whether construction financing should be through general obligation or revenue bonds, and whether the amount should be 250 million dollars, 500 million dollars, or beyond the billion dollar mark.

I will also emphasize to the members that the Commission must work diligently and with resolve to complete the first phase of its work and deliver its first phase report to me by August first of this year. I will then arrange to have copies of this report hand-delivered to each of you within 24 hours after I receive the document.

Thereafter, I will call the General Assembly into special session in early September for the specific purpose of reviewing the Commission's report and acting upon the proposals I have outlined here today.

I should also emphasize that those proposals will only be a beginning. There is much more that must be done if we are to achieve our objectives in transportation. Action also will have to come at the federal level. Indeed, federal revenues now account for nearly 30% of all spending for road construction in Virginia. During the next three years, Congress will be debating key questions affecting the federal role in transportation policies and programs. We must participate fully and energetically in that debate.

Accordingly, I have asked the Honorable Harold King, who has served for seven years as our Highway Commissioner, and who has more than 28 years of experience with the federal highway system, to work for us on the federal transportation challenges as an adviser and consultant in this area of critical importance.

Specifically, I have asked him to do the following: first, study, analyze and project the effects of the Gramm-Rudman-Hollins legislation upon the availability of federal highway transportation funds for Virginia;

Second, monitor and report on the status of several federal aid highway and transit programs which are now scheduled to expire on September 30, 1986;

Third, monitor and expedite the timely payment of federal transportation funds to Virginia, whether for roads or for Metrorail.

Mr. King will have offices in both Richmond and Washington. He will report to me, to the Secretary and the Commissioner.

There is one other arena at the federal level that will require our constant attention. During the next three calendar years, Congress must decide whether to re-enact the Federal Highway Trust Act. The Congress must also determine whether to re-authorize the federal non-Interstate and transit fund programs. In addition, the federal commitments for construction funding of the full Metro system are now also under review.

Thus, the debates at the federal level will be of unprecedented importance to the life of our Commonwealth, and to Virginia's entire transportation network, both now and in the

future. Our Senators and Congressmen, therefore, must be decisive voices for Virginia in the Congress.

Their presence and participation will be crucial throughout the critical period of committee hearings and deliberations, and all during the crucial floor debates. To develop the best, the strongest, and the broadest possible approach for the Commonwealth, I am meeting with Senator Warner on Wednesday and will request a meeting with the entire Virginia Congressional Delegation later this month to discuss federal-state transportation policies, programs and legislative proposals.

I have reviewed these proposals with the legislative leaders of both parties of this General Assembly. I have also consulted with one member who understands many of the great issues in transportation, one who has most consistently faced them: the Senior Senator from Richmond, the mentor and tormentor of us all. I have asked Senator Willey to be the Chief Patron of the resolution creating the Commission on Virginia's Transportation Needs in the 21st Century, with the hope and expectation that his resolution will stand as a monument to our time and to his service to Virginia. I am requesting that the resolution which I will submit to you within the next 24 hours be given your prompt attention and, I hope, your favorable consideration. It is my goal that the Commission be constituted and operating before the end of this month.

The challenges before us in transportation are immense, and the tasks I have outlined to meet them are substantial. We will all have to work together in common purpose and with powerful resolve to do and to achieve what must be done and completed. If we do, we will succeed.

I think the approach I have described will work. It is based on logic, it relies on simplicity, and it assumes fairness and equity for every part of our Commonwealth in maintaining and building the transportation system of the future.

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I challenge you today to show Virginia that we, here, are a generation of action. I challenge you -- Democrats, Republicans and Independents alike -- to put aside partisanship whenever and wherever teamwork is needed for effective results for the people of this Commonwealth.

With your help, we can build a bridge to the progress and the potential of a New Dominion.

Toward reaching those accomplishments, I pledge to you the teamwork and the openness of my office.

I pledge to you that I will personally be available to you, to help chart the course to Virginia's future. My office is on the third floor, and the door is open to you and for you -- just as the historic doors of this Chamber are open.

A writer by the name of Marshall Fishwick, in his work titled A New Look at the Old Dominion, said simply and profoundly this: "Being here is being home."

As I look at this chamber today, I see friends; I see memories, I see the lights and the hopes of tomorrow, and I can state, with you and Marshall Fishwick: "Being here is being home."

Especially for four positive years, years of potential and not just problems, it's a home we will share.

For this honor, for our opportunities, for the days, the years, and the leadership to come, I thank you all.