

ADDRESS OF
LAWRENCE DOUGLAS WILDER

GOVERNOR
TO THE
GENERAL ASSEMBLY
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BY

LAWRENCE DOUGLAS WILDER

Thank you. Good afternoon, Mr. Speaker, Lieutenant Governor Beyer, Attorney General Terry, members of the judiciary, members of the General Assembly, and my fellow Virginians.

Before me, I see friends and colleagues who have meant more to me over the last 20 years than I could ever put into words. While I am grateful indeed to the people of Virginia for bringing me to this point, I am equally indebted to many of you—and to many other able colleagues who likewise served with me in years gone by—those relationships helped prepare me for this great office.

For your friendship and for your faith, I am most thankful. For working with me when you believed I was right, you have my gratitude. And for not working with me when you thought I was wrong—no examples come to mind at the moment—you still somehow have my highest respect and warmest admiration.

I welcome this opportunity to address you regarding the state of Commonwealth.

In his first State of the Union address in 1961, President Kennedy did not mince words. "To state the facts frankly is not to despair the future nor indict the past. The prudent heir takes careful inventory of his legacies and gives a faithful accounting to those whom he owes an obligation of trust." In 1990, we must likewise "state the facts frankly."

Today, I offer you a candid assessment of where we are at this time—an assessment which neither detracts from the accomplishments of the 1980's, nor suggests pessimism for the 1990's.

The actions that Governor Baliles proposed to this body last Wednesday are important first steps to addressing our immediate fiscal problems.

These steps are well taken, but more remains to be done if we are to practice the kind of fiscal discipline that we value.

Let us agree today to embrace the following three principles, as we reaffirm our commitment to prudent fiscal policies.

Principle 1: we should resist the urge to enact general tax increases.

Principle 2: We must refrain from increasing the total appropriations recommended in the budget submitted by Governor Baliles.

Principle 3: We should establish a significant unobligated reserve in the biennial budget before you.

A biennial budget is a budget for two years—not for one. And I think the time has come for us to practice that in fact—as well as in theory.

I offer two reasons for setting aside this reserve.

First, revenue collections in the first half of the current fiscal year are not very encouraging. And the projection for fiscal 1992 may be overly optimistic.

Let me remind you that twice during the 1980's, Virginia ended the fiscal year without a projected surplus available for appropriation. And in 1977, the Governor and the General Assembly had to borrow \$35 million from the highway maintenance and construction fund to keep the general fund in the black.

Second, the budget as introduced falls short by upwards of \$200 million if we are to fund anticipated salary increases for the second year of the biennium.

To assume that surpluses will always materialize to deal with unfunded commitments in the

second year of the budget is not fiscally responsible.

We should not gamble with the fiscal condition of the Commonwealth.

To assist in the establishment of the reserve, I will offer budget amendments this week, as I indicated in meetings with the leadership and other members of both chambers. I will continue to consult with them for specific recommendations.

The reserve I am requesting can serve many purposes. It could be used to fund salary increases for our public school teachers, college faculty, and state employees in fiscal 1992—none of which are addressed in the current budget.

It could be used as an insurance policy to off-set a shortfall in revenues. It could be used for aid to localities, or to meet such critical needs as education or fighting drugs and crime.

Or we might need to use it to replace the revenues we would lose from potential changes in the treatment of capital gains in the federal tax code—or to meet whatever developments which may arise.

A Governor must—of course—lead by example.

As you know, I have long sought the repeal of the sales tax on non-prescription drugs. And although the day for this long-awaited repeal shall come, that day is not yet upon us.

I will not ask this Assembly to repeal the sales tax on non-prescription drugs for the money does not exist currently for this repeal.

As you know, there has been considerable speculation about a general obligation bond issue to free up deferred lottery projects.

While the issuance of debt is a legitimate approach to financing priority capital needs, such a step should not be taken in undue haste as a reaction to our current fiscal condition.

While I may be open to consideration of a general obligation bond issue at the appropriate time in the future— if such a bill can be developed on a bipartisan basis and with the support of the business community—I will not support the enactment of a general obligation bond bill in this session.

I ask you to work with me in the coming weeks to form a consensus. For I know that just as we were the leaders for the economic boom of the 1980's—so shall we be the leaders for recovery from this hour of fiscal concern in the 1990's.

On Saturday, I signed Executive Order Number 2, thereby proclaiming the 1990's to be Virginia's "Decade of Youth and Families.

In the near future, moreover, I will be announcing the formation of a Private/Public Task Force which will consider ways for us to better utilize our resources across the policy spectrum to the benefit of youth and families in the Commonwealth.

I am having emergency legislation introduced this session to once again separate the cabinet posts of Transportation and Public Safety. I will request that the new Secretary of Transportation initiate the following:

It is clear that the original goals of the 1986 transportation initiative – the costs of projects and their completion time will not be met. Consequently, the first responsibility of my Secretary of Transportation will be to complete the review and establish new objectives we can actually meet.

Two, I plan to establish in the Virginia Liaison Office a Special Assistant for the Governor whose sole responsibility will be to deal with transportation.

Third, I intend to start immediately to aggressively pursue federal highway money through

the reenactment of the Surface Transportation Act, so that Virginia will not be denied the funds to which our state is entitled.

Fourth, I will ensure that the Virginia Department of Transportation will be sensitive in responding to local concerns.

Fifth, I will ask my new Secretary of Transportation to develop a plan for financing the acquisition of highway right-of-way.

And, Sixth, I hope you will join me in ensuring passage of the second enactment of the Constitutional amendment making possible the use of pledge bonds for financing highway construction—so that the matter may be put before the people this November.

During the past administration, prison construction increased by 44%. And yet, Virginia continues to have problems finding space for our prisoners. Accordingly, I am

asking the Secretary of Public Safety to prepare an update on our current correctional policies, including recommendations on how best to hold the line on the rising costs of our correctional system.

This should include programs in which non-violent inmates are encouraged to work toward reducing the costs of their confinement. In addition, greater use of electronic monitoring of inmates should be considered. Furthermore, I will ask the Department of Corrections and the Department of Probation and Parole to assist in recommending a policy to determine the proper allowance of good time.

I strongly support the establishment of a Division of Forensic Sciences within the Department of General Services, as recommended by the State Crime Commission.

And I further recommend the testing of inmates for drugs, and treatment for their drug problems while incarcerated.

On another anti-crime matter, last year, we took an important step toward keeping assault weapons away from known criminals. To ascertain the effectiveness of this law, I have previously asked the Superintendent of the State Police to submit a report by February 1 to answer this and related questions.

In the 1980's, we—the decent and law abiding people of this state—paid the heavy price of drug-users.

In the 1990's, however, drug dealers and drug users in Virginia are going to start paying the price.

This April—and in conjunction with the Attorney General's ambitious CADRE program—the Secretary of Public Safety and I will convene a special Drug Summit to explore in greater detail the following initiatives:

Stiffer fines; more extensive seizure of financial assets; more stringent standards for drug testing of parolees—with parolees footing additional costs of such testing; and a crime busters' cash bounty for citizens providing information in apprehending persons engaged in drug activity—a bounty financed from increased seizure of assets.

Likewise, I will ask each of you to support the following anti-drug initiatives being introduced this session. Specifically, first, as you did last year, I ask you to once again pass the constitutional amendment on drug

asset forfeitures. And I shall encourage the people of Virginia to pass this amendment when it is subsequently placed on the ballot in November.

Second, I ask you to join me in strongly supporting efforts to toughen current "abuse-and-lose" penalties.

Third, I ask you to pass legislation which will come before you calling for the mandatory loss of license for driving under the influence of alcohol or drugs.

Fourth, legislation will be introduced calling for the Death Penalty for premeditated murder in certain drug-related killings. I can support such legislation.

Working with the Attorney General, the State Crime Commission, with the members of this body, and with other concerned parties, I am confident that we can make a difference in fighting drugs during the next four years.

Likewise, I applaud the Lieutenant Governor for his diligent efforts toward ensuring drug-free workplaces for all Virginians.

As I promised during my campaign, I shall request that the State Board of Education evaluate the current

availability and effectiveness of educational materials relating to drug awareness and avoidance in our public schools. Upon completion of this study, the Board shall recommend to me any improvements it deems appropriate in the use, design, and coordination of all such materials and programs.

Fortunately, in these years of pressures and temptations, Virginia students are already benefiting from our ambitious Family Life Education Plan.

We must do far more than teach our children to shun harmful behavior in the 21st Century. We must provide them access to an educational system which will empower them with the technical skills and knowledge necessary to succeed in the world of tomorrow.

The question of disparity in education is one with far-reaching constitutional, moral, and ethical implications. Consequently, I intend to sign an Executive Order, calling for the formation of the Governor's Commission on Educational Opportunity for All Virginians—specifically addressing the issue of disparity in education.

And—in higher education, we must make every effort to control the escalating costs of a college education for Virginia students.

Likewise, I support current law which empowers boards of visitors to establish the proper ratio between non-resident and resident students, and to determine tuition levels for these students.

The rich diversity of our colleges and universities which attracts world scholars shall continue to be the hallmark of higher education in Virginia.

In recent years, a message has been sent throughout this nation and around the world: In Virginia, we build businesses that build families and futures.

In the last four years, the Commonwealth has benefited from a tireless and aggressive chief salesman in the person of Jerry Bailes. I have asked the Secretary of Economic Development to pursue a course which would continue that sales effort; for I believe that economic development is one of our greatest social equalizers.

I plan to concentrate efforts to attract businesses from other states to relocate in Virginia, and shall create a special task force to assist in that regard—hopefully

culminating in activities which would showcase all regions of Virginia.

Today, we can be proud that—in recognition of the increasing interdependence of the world economy—Virginia currently leads the nation in percentage of students enrolled in foreign language classes. In the 1990's, we must not bury our heads in the sands of isolationism and complacency, lest we bury our hands in the empty pockets of tomorrow.

Having travelled to every county and town in the state in 1985 and again in 1989, I know rural Virginia. I know its people. I know its problems. I know its potential.

During 1990, I will convene a conference among a broad range of rural leaders representing business, finance and banking, farming, academia, local government, and the public interest community. In turn, I will ask this group to develop a strategic plan for comprehensive rural development in Virginia—with specific emphasis on those areas of the state that have been

disadvantaged or suffered disproportionately high unemployment. I will continue working with business leaders to establish a public-private partnership to assist in these efforts as well as current efforts already underway.

With work, knowledge, and communication, I know we can maintain a statewide balance between a robust, thriving economy and a healthy, protected natural heritage.

Not surprisingly, the growth, progress, and prosperity of the 1980's has placed an ever-growing strain on the ability of our resources to keep pace with the many demands of our bustling Commonwealth.

I commend the Commission on Growth and Population Management and ask you to reauthorize this commission.

In the 1980's, we banned harmful phosphate detergents. We dealt with the negative effects of TBT on the marine environment; and we signed the Chesapeake Bay Preservation Act.

Let us now build on our promise not to destroy. Let us pass legislation being introduced in this session which will put in place the effective safeguards we need against the catastrophic effects of oil spills in the Bay.

I look forward to working with the Attorney General and all of you to prevent catastrophic pollution of the Bay and to ameliorate the problems inherent in waste management.

As Governor, I want to strike the proper balance between those who are regulated and those who are called upon to regulate. As a result, this administration will reaffirm that a thriving economy and a protected environment can go hand-in-hand.

Turning to health care, one of our goals must be to ensure that Virginians have adequate access to the affordable health care they need and deserve. To achieve that, we need to continue working in partnership with physicians, hospitals, pharmacists, and nursing homes to bring about integrated management of these resources at affordable costs.

In 1989, Virginia's Medicaid program paid out an average of \$3.8 million each working day to participating physicians, pharmacists, hospitals, and nursing homes.

In response to these runaway costs, I will work in partnership with members of our Congressional delegation toward slowing the pace of mandates being placed on states—particularly in the area of Medicaid.

While the 1980's brought Virginians increased prosperity and greater comfort, changing conditions in the economies and demographics of both our state and our nation have made it necessary for us to take bold fiscal action.

As one of the men we honor today—Dr. Martin Luther King, Jr.—once observed, “The ultimate measure of a person is not where that person stands in moments of comfort and convenience, but where he stands at times of challenge...”

I look forward to working with you. I have supreme confidence that we will meet our present challenges.

For the sake of our posterity—the youth and families of this Commonwealth—let us now make the most of the bounty and the burdens before us.

Thank you. God bless you all.

