## **ADDRESS OF**

## L. DOUGLAS WILDER GOVERNOR

TO THE GENERAL ASSEMBLY OF VIRGINIA WEDNESDAY, JANUARY 13, 1993



## **SENATE DOCUMENT NO. 1**

COMMONWEALTH OF VIRGINIA RICHMOND 1993

## EXCERPTS FROM STATE OF THE COMMONWEALTH ADDRESS JANUARY 13, 1993 BY GOVERNOR L. DOUGLAS WILDER

Good evening. To the Speaker, the Lieutenant Governor, the Attorney General, members of the Joint Assembly, the Cabinet, and the Judiciary.

Before we begin, I ask for a moment of silence for the victims of the Southmountain mining accident of this past December, and for their families.

My fellow Virginians, in one week, the world will again turn to Virginia, and I will accompany the 42nd President of the United States as he takes a page from the past and begins his journey to the White House from the steps of Monticello

Ours is not merely a landmark of past greatness, but a collection of people and opportunities. We are still a beacon to the world. And our state can take its prideful place in spreading that light.

Last year, you recommended, and I agreed, that the budget be made available to you by December 20th. The soundness of that can be reflected in the legislature and the public having more time to discuss and react to our proposals . . . and for my staff to have more time for a joyous holiday season.

For that reason, I will forego the usual recital of our present fiscal state, having made that presentation publicly before your appropriate committees on December 21st. . and instead, I will speak to matters that I have longed to be able to address at previous times, though no more proprisious time ever existed than now.

Some may have taken for granted all that we have accomplished together. We should not be unmindful of other states mailing out IOUs because they can't mail out the checks or agree upon a budget.

Or of Governors threatening to shut down schools unless new pay cuts are enacted.

Or of citizens marching on statehouses demanding that taxes be rescinded.

Others take notice of what some may take for granted . and I'm certain that there are those in the press corps who will say that we, in the administration, never let an opportunity pass to point out that <u>Financial World Magazine</u> has hailed Virginia as the Number One state in the country when it comes to fiscal management

And we, the administration, the legislature, and the people of our Commonwealth, deserve the credit . . and are proud of our accomplishment.

I noticed in Newsweek Magazine this week that leaders in other states have written hate mail to bond rating agencies and brokers ... but here in Virginia, we should be sending valentines.

One week ago today . . . when bids were taken for our General Obligation Bonds the winning bid was 5.5 percent. We had expected a low bid of 6.8 percent, and as a result, Virginia taxpayers will save \$13 million in interest payments during the 20-year life of the bonds.

If there is anything that I've learned in this business, it is that "he who tooteth not his own horn, the same will go untooted."

Before moving on, I want to thank all of the members of my administration, and give a special word of thanks to several people whose innovation and diligence have helped us weather the storm.

I cannot overstate the accomplishments of Secretary of Finance Paul Timmreck and his top budget assistants: Karen Washabau, the Director of the Department of Planning and Budget, and Eddie Moore, our State Treasurer. [Please stand]

They have helped guide Virginia through difficult times, and crafted fiscal policies that are a model for the nation. I think it's fair to say we could not have done it without you.

As virtually every other state in the nation now deals with budgets out of control, last month I submitted budget revisions for 1993 that include no new spending cuts . . . a first for my administration; a reserve fund . . a continuing, and important theme; and no new taxes.

Holding the line on taxes not only allows our citizens to keep more of their takehome pay . . . it's a matter of trust. We've taken tough steps to keep our budget balanced, we've fought to save jobs in tough economic times . . . now is not the time to abandon our responsibility. The people expect us to continue our best efforts.

We have a stable, progressive government that is meeting the needs of the 1990s ... without spending the money of the 21st Century. And when the voters overwhelmingly approved our capital bond packages in November, they validated our policies.

Another member of my cabinet who deserves our special praise is Howard Cullum, my Secretary of Health and Human Services. Secretary Cullum fought for tough new measures last year that will help control health care costs in our Commonwealth.

These changes were little noticed in press accounts, as the "provider tax" took most of the ink. But the by-products of that tax fight were measures that will reform and improve the effectiveness of the delivery of services, and will control spiraling health care costs.

Three years ago, I called on Virginians to make the 1990s the Decade of Youth and Families. And to ensure that future generations will have a full opportunity to enjoy that which Virginia's constitution declares; namely, "the enjoyment of life and liberty, with the means of acquiring and possessing property, and pursuing happiness and safety."

Today, many Virginians work hard, strive for a good life, and try to build a protective shelter for their families from the harshness of the world -- only to find that cocoon to be useless when the winds and rains of uncertainty rail against them.

These winds of change take many forms. Defense cutbacks, violent crime, rising health care costs, school violence, global competition, deteriorating cities and polluted air, streams and water -- they all threaten our way of life and demand our attention.

This attention must be spent on all segments of our population; among rich and poor; in all racial and ethnic groups; among the sick, and the healthy. We must do this together -- because we will either proceed ahead together, or we will all slip and fall into the abyss together.

A Virginia that does not value strong, healthy families is a Virginia that neglects its future.

Despite difficult times, we have expanded health care services to more than 35,000 children of the working poor and, unlike most states, we have met our Federal mandates without raising taxes.

We have worked to address the issues of uninsured Virginians, Medicaid reform, long-term care, certificate of public need, a revised methodology to review hospital and nursing home costs, and the establishment of a patient-level database which will give our citizens and businesses not only cost information, but health outcome information

But now is the time for even bolder action. I believe it is time for us to "put up or shut up" when it comes to welfare reform, and to do something now The road to ending poverty is not financial subsidy, but human empowerment. And I don't think we can afford to wait for reform to come from Washington. The time for action has arrived, and I am putting forward a new Virginia approach to welfare reform.

The current Federal welfare system is a mess - one that does not act to lift its recipients out of poverty. My administration is committed to working with the General Assembly to obtain the necessary Federal waivers that will allow us to get something done, and get it done now.

We must assist recipients in getting the education and training they need and to hold an unsubsidized job -- and we must act to provide Virginians in poverty with ample opportunities to move into the mainstream.

The only way to truly reform welfare programs is to invest our money wisely and to demand a return on our investment . . . My goal is for Virginia to spend all Federal, state and local funds in the current Aid to Dependent Children, food stamps, Medicaid, job training and child care programs in a consolidated Job Assistance Trust Fund.

This fund would be used to train eligible participants for an unsubsidized job already committed to by the business. The first step will be to establish a demonstration project that would pay eligible volunteer participants a job training wage, and finance temporary support services in health care, child care and transportation.

The Trust Fund would then be replenished by earmarking all federal and state taxes earned by those in the program. In essence, those in the job training programs would pay back the government for the services they received.

These participants would be bound by a contract not only to "earn back" the money provided by the government, but to meet specialized terms. Those on public assistance have a duty to keep their children in school . . . maintain current immunization schedules . . . and to do their best to provide a livable environment for their children.

It is in our best interest to ensure that all of our citizens have an opportunity to better themselves, and to demand responsibility of all who seek our help.

We are not asking to spend more money, but to spend the Federal money we already receive more wisely. President-Elect Clinton was elected on such a mandate of change, and I believe his administration will support our aggressive efforts to bring real welfare reform to Virginia.

These reforms are just another example of the way we have worked to change the face of Virginia government . . . and I am proud of our accomplishments. We have ushered in new responsibility and diversity to the way our Commonwealth operates.

I am most proud of the fact that we have appointed record numbers of women and minorities to leadership positions.

And with this increased emphasis on the recruitment and appointment of women and minorities, the citizenry of the Commonwealth is being served by entities more reflective of our population.

Before I leave office, I would like to see Virginia government become even more open, more subject to public scrutiny, and beyond reproach.

I formed the Commission on Ethics in Government last year because I was disturbed by the influence of special interests and I would be the first to say that the report shows that Virginia's reputation for clean government has largely been upheld through the years.

I want to thank UVa Constitutional Scholar Dick Howard, the chairman, and the other illustrious members of the Commission for doing superb work on a highly-controversial subject.

This bipartisan commission reached its conclusion without the rancor that might be expected on such subjects. And I might add that their report was unanimous.

We in Virginia cannot rest on our laurels and heritage. The public rightly demands a higher standard from elected officials today – and we have a duty to perform at that higher standard.

The solutions that the Ethics Commission suggests do not remedy all abuses, but are steps to ensure that the people's voices are heard and their wishes carried out.

These recommendations are reasonable, and the people will support them. It is common sense that state election disclosure laws should be broadened and fully applied to all district and local parties.

It makes sense for us to conduct random audits of campaigns to ensure compliance with state laws.

It is in the best interest of all candidates to end the big-donor bidding wars by placing caps on the amount of money individuals can contribute to campaigns.

It is in the public's interest to ensure that all lobbyists are registered and that their year-round activities are fully disclosed not just part of the time, but for 12 months of the year.

And it is important to the protection of our integrity that we place limits on "gift giving", shut down the government-lobbyist revolving doors, and protect our state employees who blow the whistle on ethics abuses.

The people should feel confident that their public officials are free from real conflicts of interest, and do not owe their public standing to a few monied interests.

These reforms are not sweeping, they are in line with a national mood of change. Both Bill Clinton and Ross Perot ran on a platform of electoral reform, of tighter controls on lobbyists and more accountability from government.

And in Virginia, Perot and Clinton voters comprised 56 percent of the electorate last November Their voices will be heard again.

They must be heard, because the task before us is so vital. We are no longer merely the voices of our districts, we are ambassadors of our Commonwealth.

Today, every locality, state, and nation is locked in an economic Olympics, where the most competitive will thrive, while the complacent will fail. And failure will mean the loss of opportunities for thousands, perhaps millions, of our citizens.

We must continually remind the world of our excellent transportation network, including more than 54,000 miles of interstate highways and roads . . .

Of our positive business climate and a government committed to fiscal integrity and low taxes . .

Of our skilled, motivated labor force, with people renowned for their strong work ethic

And of our enviable quality of life, including first rate schools, colleges and universities.

Our fiscal management has positioned us to take advantage of our strengths like never before Ours was one of only two states over the past several years to close a substantial budget shortfall without raising taxes -- and business leaders around the world are aware of our prudent management.

The word has spread -- from the newsrooms of <u>USA Today</u> to the policy analysts of the Cato Institute, from the boardrooms of Asia to the palaces of Africa; and all throughout this land Virginia is renowned as a state serious about maintaining our fiscal future And these fiscal policies are already paying off. From 1990 through the third quarter of 1992, we have created 40,000 new jobs and \$2.4 billion in new investment -- from businesses who understand that while recession has gripped our entire nation, some states are better poised than others to help them thrive in the future.

We will continue our efforts to attract new businesses, and our newly-created Virginia Economic Development Fund will allow us to expedite road improvements, expansion of water and sewer systems, and other projects required to attract new businesses.

Virginia has one of the lowest corporate tax rates in the nation – one that has not increased since 1972. And this year, I propose we take extra steps to ensure the signs read clearly and brightly that Virginia is open for business.

I am calling on the General Assembly to enact an investment tax credit for specific industries and investments that will create new jobs for Virginians. The cost of such a credit would not be high -- no higher, in fact, than the amount kept in our fiscal reserve. But it will help to open new businesses and to create jobs.

Infrastructure and public investment are also vital to our economic future, and my administration has acted to continue our progress in improving transportation.

In November 1990, I directed the Secretary of Transportation to pursue a seven point blueprint for transportation as his agenda during my term of office. Today, we are spending more than \$2 billion a year on transportation -- and \$165 million more per year than the previous administration.

We have increased dramatically the amount of funds received from the Federal Government Upon passage of the Intermodal Transportation Act, Virginia now receives \$421 million annually for highway construction and maintenance, up from \$272 million before passage of that bill.

I want to digress for a moment to thank those of you who supported my bond package for higher education, mental health and recreational facilities. These measures will improve the lives of many Virginians for many years to come.

Larry Framme, the Executive Director, and Bill Berry and Sid Dewberry, the Co-Chairmen of Virginians For Progress, did an excellent job of coordinating the fund-raising efforts and ensuring the support of the business community. The intensified, relentless support in the education and health communities never wavered, and was equalled by an unmatched effort to bring the "step-child" of the package, the parks, fully into the family.

Secretary Haskell, the Nature Conservancy and those other groups deserve special praise for never giving up and for giving their money and time. And once again, the people of Virginia, who are always ahead of the pundits, came through with overwhelming margins of victory. I cannot thank them enough.

I bring up the bonds at this time because there were those of you who voted against my bond package in the General Assembly. You opposed my package because you felt that the people would not support the bonds unless, and only unless, the package included transportation projects with a tax increase to fund those projects.

The leadership, sponsors and I disagreed with that. We felt the package was too large, and that tax hikes would be rejected. I submitted a separate transportation package, which required no tax increase, yet met most of the critical highway needs that were to be addressed.

You rejected that plan, and I respect your actions. I mention this here because this would have been a part of the last directive of the transportation blueprint by determining how those needs could be financed from existing resources, or making recommendations on how they could be financed.

In addition to transportation, we must work together to ensure that our most pressing needs are met... and also to ensure that global economic competition does not toll doom for current Virginia companies. I formed a task force charged with helping Virginia companies obtain financing and new technologies, as well as to form partnerships that will facilitate their future growth.

But while our economy has many strengths and advantages, we must face the vulnerabilities of the future.

The worst of the defense spending cutbacks and base closings are yet to come.

Over the past two years, I have assembled a team of economists, policymakers and administrators to identify the full impact of these cuts. Their upcoming report will make clear the full effect of the proposed cuts, and give us an indication of what must be done to mitigate these effects In addition, this past Spring I established a formal commission on defense conversion, which is chaired by General John Loh, Commander of Langley Air Force Base, and Secretary of Economic Development Cate Magennis.

The Commission's first report was issued in November, and in the coming months we will work to formulate a broad-based conversion strategy

It is our responsibility to ensure that Virginians are educated and trained for the economy of the 21st Century. We must encourage a seamless web of education -- one that encourages lifelong learning and training.

Our approach has been to reward innovation -- through the V-QUEST program that provides additional resources for math and science curriculum, and funds demonstration projects aimed at improving the learning environment for our children

Through the Virginia Business-Education Partnership Program, our goal is the creation of business-education communities, where local needs are met with the oversight and responsibility necessary to ensure real reform.

I have encouraged parents and others who care about education to be more involved in the process, to join PTAs and school boards, and to take part in other education activities.

Last year I signed an executive order permitting all Virginia state employees to take up to eight hours of paid leave each year to assist in educational activities. This program is an example to other governments and to the private sector. By devoting our time and efforts to education, whether we have children in those schools or not, we enrich ourselves as well as all Virginians. I continue to encourage more participation.

Virginia has a longstanding public commitment to quality education . . . but in too many cases, a hostile environment threatens all opportunities to expand Virginia's young minds.

We must act swiftly to stop violence in our schools and on our campuses. I fully support the reform package crafted by Secretary Dyke and others to:

- o strengthen penalties for furnishing firearms to minors,
- o increase penalties for those threatening the lives of school personnel,
- o ensure that school personnel have access to information about the violent backgrounds of some students, and

o develop better information to the public at large about gun safety.

It is horrifying, but a fact, that our schools are mirroring our society and becoming more violent. Contrary to public belief, this is not an "inner city" problem. There have been numerous incidents recently in Fairfax County of children bringing guns to school. In rural Franklin County, a junior high student held his class hostage with a .357 Magnum. These senseless actions are allowed to occur because guns are too accessible to our children.

Nothing threatens Virginians' future and freedom more than crime and drug abuse. What more threatens our liberty than the horrors of criminal invasion, and the senseless loss of life?

There are no simple solutions to reducing crime in Virginia, but there are some logical steps we must take if we hope to make a difference.

We have provided law enforcement officials with better resources – by initiating an Anti-Crime Partnership program that assists high-crime localities with increased manpower and expertise . . . with Newport News being the first city to participate in the Federal, state and city project, the first for the nation.

By opening a "boot camp" for first-time offenders that has kept its graduates away from crime and out of jail ...

By initiating a Mission Review for State Police that will allow the Police to shift resources to better address violent crime . . .

And by establishing the Virginia Criminal Intelligence Center to provide up-todate, centralized data for law enforcement agencies.

Furthermore, our Forfeited Asset Sharing Program has been very successful.

But these steps are not enough . . . if we do not take a more intelligent approach to violence in our Commonwealth.

I appointed a Task Force on Violent Crime, Chaired by Secretary of Public Safety Randy Rollins, with my Drug Policy Advisor Bob Northern as Vice Chairman. U.S. Attorney Richard Cullen served on that Task Force as well. The Task Force offered some common-sense remedies for dealing with violent crime, and I believe these measures should be approved. Among these proposals are ones expediting trials and extending sentences for violent criminals, increasing incentives for putting inmates to work, and making information about violent juvenile offenders more readily available to law enforcement agencies

But the ones that have received the most attention -- and rightly so -- are the ones that would stop the flow of guns from Virginia to criminals around the nation and away from the hands of juveniles.

The evidence is clear -- our Commonwealth has gained the dubious distinction of being a haven for gunrunners. From New York, Washington and all along the Atlantic seaboard, Virginia has become the firearms supermarket of choice -- even to the point of a comic book suggesting we need the assistance of "the caped crusader" to deal with our problem

We don't need Batman; we need common sense and courage.

We have the responsibility to protect public safety and to place reasonable limits on the ownership of certain weapons. It is reasonable to say that an individual cannot purchase a nuclear weapon. . and it's equally reasonable to say that no man or woman is entitled to buy as many handguns as he or she can afford

We cannot shrink from our rightful role and duties. It is time we acted for the good of Virginia's children, and for our own lives and liberty.

I commend the work of Republican Party members who have advanced a package with some good proposals on this issue. I have asked Secretary Rollins to coordinate our efforts with them, and I welcome your constructive support

Our goal is not to keep law-abiding citizens from owning firearms . . I am a gun owner myself. But we simply must curtail the spread of weapons . . . and must stop handguns from being the new currency of the drug trade.

We can no longer allow criminals and gangsters to purchase trunkloads of guns in our state and resell them at will . and the best way to end these straw sales is for us to place a one-gun per month limit on firearm purchases in Virginia.

We can no longer allow our youngsters to believe that carrying a weapon is a rite of passage. From now on, minors should come to fear that a weapon is but a quick passage to prison . . . We must act to keep guns out of their hands, and teach them to respect human life. We cannot allow back-shop deals to keep gun store operators from using our instant background check system, and we must require firearms' dealers to report the number of firearms purchased per transaction at the time of the instant check.

And finally, we must stop placing our law enforcement officials at a disadvantage by keeping vital information out of their hands. We must allow the State Police to retain records of instant background approvals for 12 months.

There's not a legislator among you who does not think of him or herself as a friend of law-enforcement. But when a majority of those who put their lives on the line every day plead through their representatives for your help, will you substitute your judgment for theirs'?

These are common-sense measures that a majority of Virginia gun owners will support if they are given the correct information. Certain organizations have an interest in misleading the voters and members of the General Assembly, and will rely on spreading fears, using slogans and making threats.

Maybe these special interests can offer you something, something you may believe you cannot do without.

As an alternative, I can offer you nothing ... nothing but a clear conscience.

One day, when you leave these halls, will you be able to say with confidence and pride that you did everything you could to protect Virginia's good name and heritage?

Will you be able to visit an inner-city school and say that you did everything in your power to keep stray bullets away from the playground?

Will you be able to pick up the newspaper and say you made your best effort to keep teenaged boys and girls off the obituary pages and away from trafficking in guns and drugs?

This past weekend, Richmond was the site of another senseless killing... one that took place outside a McDonald's restaurant near a college campus, and only a mile from our Capitol.

One year from today, will you be able to tell the family of Isham Draughn, III that you did something to stop adolescent arguments from becoming tragic final chapters on hope-filled lives? Mr. Draughn's family, his father Ike, mother Ann, and sister, Melissa, are with us today. [Please stand.] They have asked for us to remember Isham when we consider these measures . . . and to show our respects by doing everything in our power to stop the killing now.

These proposals have already been subjected to referendums . . and they've won. Senator Henry Maxwell and Delegates Bob Hull and Flora Crittenden stepped forward in their General Election campaigns and supported these proposals, and they were opposed, but they earned the support of the people. I have no doubt that your courage will be equally rewarded.

I welcome any constructive amendments and changes to this legislation, as long as it has the effect of increasing the peace. Credit and acclaim is not important to me, what is important is being able to say "enough."

We have righted some wrongs -- but should we fall short in taking the final strides for life? We owe it to our past and to our future to put the future of our children first.

Even if we cannot solve all of the great challenges of our time, let us at least point our successors in the right direction.

It has been written that "one must wait until the evening to see how splendid has been the day." These are times that demand our best.

I'm a firm behever that no greater men or women ever lived than live now. What with modern inventions and technology, one marvels at what they could have accomplished had our forbears been possessed of such modern technologies.

We've seen changes take place in our state, and those changes have been for the good. Your present composition represents a part of that change.

These seats here were once reserved for landed gentry -- and I do mean gentry, because women were not allowed. And a freeholder you had to be, and the law was a respecter of color . . . one color, that is. Ordinary people of ordinary means were not welcome.

These changes have brought a unity of variety and abundance that has served us well.

Our individual histories blend in striking similarities. And so we must remember the sacrifices and the ordeals, the trials and the tribulations . . . but most of all, the people. Always remember the people. Whether the homeless or the hopeless . . . recent graduates or retirees . . . those trapped in an asphalt jungle, or struggling to make their living off the land . . . we cannot forget those who paid the price for freedom, yet never breathed a breath of it.

Sometimes we all become a little jaded and disoriented as to reality. We forget from whence we came; That we were not to the manor born, nor children of convenience, but rather children of destiny.

We must go beyond the comfort of these hallowed halls and derive the essence and aspiration of hope and desires for fulfillment. We must be the eyes and ears of the people, and to let our voices truly be theirs, that their will be done.

My hope is that future generations will say that we did not forget nor forsake them ... that we fought the good fight ... and that our accomplishments will be so great as to cause our descendants to wonder as to what else we could have done if we had what they have.

I am comforted in knowing that you and I can make that difference . . . and by God, we will.

Thank you.