

**ADDRESS OF
GOVERNOR JAMES S. GILMORE, III**

STATE OF THE COMMONWEALTH ADDRESS



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State of the Commonwealth Address

The Honorable Governor Jim Gilmore

January 13, 1999

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

Tonight marks the first time in our history that Virginia's State of the Commonwealth address has been broadcast over the Internet. I welcome our on-line guests from around Virginia and the world.

Serving as your Governor has been the highest of all honors, the most rewarding of all challenges. I know Roxane feels the same way about serving as your First Lady.

Tonight ... to all Virginians ... she sends her best wishes from London where she's teaching the classics to her students from Randolph Macon College and promoting the Commonwealth as a tourist destination. She also will participate in two distance learning webcasts from England to students here in Virginia.

Lieutenant Governor Hager - thank you for your leadership in the state Senate. Attorney General Early - your expert counsel serves the Commonwealth with distinction. Thank you both for your dedication and service.

Tonight, allow me to talk with you about where we stand and where we're going as we enter the new millennium.

In Virginia, optimism lives ... opportunity abounds. We have entered the last year of this millennium in a state of unparalleled prosperity and promise.

We're working more ... and earning more ... than at any time in nearly 30 years. We're developing the tools of technology that will lead our nation into the new economy of the

Information age. We're safer from the criminals who would threaten our families and neighborhoods with drugs and violence.

Virginians ... you should be proud of the optimism and opportunity, the prosperity and promise that you have worked so hard to create. Tonight I applaud you – Virginians of all races, all regions and all backgrounds.

We in government must remember that we work for you. Too often government has treated working men and women as if they were servants. Their salaries, their spending on food and medicine, their cars and trucks -- too often government treats these essentials solely as the source of its wealth.

I have a different vision. A vision of a government that treats the property of its citizens as the hard won fruits of a long day's work. A government in which leaders who make a promise, keep that promise.

"No Car Tax" is a promise to empower the vast majority of Virginians who depend upon their cars to make a living and raise their families. Dropping the kids off at school, going to the grocery store, getting to work – these are necessities of our everyday lives.

I'm proud this Assembly unanimously passed my proposed phase-out of the car tax. This is a promise kept ... and now a promise made by all of us. A promise that will eventually provide working men and women with one billion dollars in annual tax relief -- the largest and most empowering such measure in Virginia's history.

Virginia's working men and women expect nothing less than the full implementation of the car tax cut: 12.5 percent last year, 27.5 percent this year, 47.5 percent next year, 70 percent in 2001 and by 2002 -- 100 percent ... "No Car Tax" ... no excuses ... no broken promises.

Taking less in taxes should be our goal. The next step towards that goal should be a reduction of the tax on food.

The food tax turns the grocery store cash register into the government's personal piggy bank. It takes more from working families of modest means when the government needs to take less. The bigger the family ... the greater the struggle to make ends meet ... the more the food tax takes.

The food tax simply doesn't make sense ... it never has. The first bill to roll back the food tax was introduced 31 years ago in this very chamber. One of the bill's patrons was a freshman Republican Delegate who had won election on that issue, Vince Callahan.

Delegate Callahan -- you believed then, as I do now, that the government shouldn't tax the essential needs of working men and women. You offered the first bill to roll back the food tax, but it failed through no fault of yours. I'd be honored if you offered our plan as

the final bill that enables us to keep our promise to cut the food tax. I invite every member of this Assembly to co-patron this legislation.

The food tax, which is levied at the local as well as the state level, will be cut almost in half over a four year period. I'd consider proposals to accelerate the phase-out, if it's done responsibly. Our plan will eliminate the state's share of the food tax without harming the integrity of our other tax and tuition cut proposals and spending priorities.

Opportunities exist to responsibly cut other taxes as well. I've budgeted the funds for Delegate Kirk Cox's bill to eliminate the tax on the first 15 thousand dollars of pay for military personnel living in Virginia. Our men and women in uniform protect our freedom both at home and abroad. We must encourage them to choose Virginia as their home.

Secretary of Finance Ron Tillet, who has done a great job managing the state's finances, reported to me this year an 868 million dollar revenue surplus. Clearly the Commonwealth is in a remarkable state of financial health.

But as prosperous as these times are, still some Virginians are hurting - among them our tobacco growers. This year's quota for flue-cured tobacco is 32 percent less than the quota for 1997. That means tobacco growers have lost the ability over the last two years to sell a third of their product, which for many is their sole source of income. As our economy moves forward into the new millennium, we must leave no one behind, not the growers nor the factory nor dock workers.

I'm submitting a bill proposing that possible tobacco settlement money be placed in three funds. First, half of the money should be placed in a fund for economic and agricultural development purposes, targeted at assistance for growers and workers hurt by the settlement. Second, a health fund for children, community based treatment for mental illness, long term care and anti-smoking programs. Third, a fund that addresses critical transportation and education infrastructure needs.

As we address the needs of Virginia's tobacco heritage, we must also look forward to a new economy.

We must be more competitive with other states and look beyond America's borders. We must meet employers' needs for a highly skilled, highly educated and plentiful workforce. We must understand that our economy is strong only when each region shares in the prosperity of all others.

I recently announced the Virginia Strategy - my plan to prepare the Commonwealth for the challenges of the new economy. My Secretary of Commerce and Trade Barry DuVal brought together hundreds of business leaders from throughout the Commonwealth to help develop this plan for economic opportunity for all Virginians.

Last summer, I visited the Volvo truck plant in Pulaski County and met with Marc Gustafson, President & CEO of Volvo Trucks North America. Marc and I talked about Virginia's pro-business environment and how we could make it even more competitive.

As a result of that meeting, I'll propose legislation to create the Virginia Investment Partnership. The program will encourage Virginia manufacturers to add production capacity, utilize state-of-the-art technology, modernize assembly processes and hire more workers.

With your anticipated approval of this program, I'm pleased to announce that Volvo will invest 148 million dollars to expand its Pulaski County facility, which will create nearly 1,300 new jobs in Southwest Virginia

Tonight, I'm honored to introduce to you Marc Gustafson. Thank you, Marc, for your confidence in the Commonwealth of Virginia and its people.

The Virginia Strategy includes several initiatives designed to bolster Virginia's profile as a tourism destination. I believe we can open our doors to the nation and the world even wider. I want to give this a special priority. To do so we should establish the Virginia Tourism Corporation as its own separate entity. This will boost our hospitality industry and create new prosperity for Virginians.

I hope you'll work with me to help unleash the full potential in every industry of our economy. My promise to all Virginians was to create 250 thousand new jobs. Tonight I'm proud to announce that we already have created 90 thousand new jobs in the first year.

My administration is keeping Virginia's economy and government on the cutting edge of the global technology revolution. I appointed the nation's first cabinet level Secretary of Technology, Don Upson, who is advancing Virginia as a global technology leader. I'll be sending you a bill establishing that Secretariat by law and revitalizing the state's technology agencies.

The Internet is the empowerment tool of the 21st century. It provides unlimited information and unlimited opportunities to improve every person's life.

My Information Technology Commission has recommended to me the nation's first statewide Internet policy. The Commission's policy recommendations stay true to market-driven principles and also embrace our Virginia principles of freedom and democracy. Web-enabled government, privacy, security and the protection of children – these cutting edge Internet issues are addressed by my comprehensive legislation. I urge you to support my package of Internet legislation and seal Virginia's leadership position as the Internet Capital of the World.

I also will co-host this year with Congressman Tom Bliley the first global summit on Internet policy at George Mason University. I'd like to thank and recognize George

Mason University President, Alan Merten, who is with us tonight. The summit will provide a worldwide forum where leaders at all levels of government and business will address key Internet issues.

One of those issues is the explosive economic potential of electronic commerce. I recently was appointed to the Congressional Advisory Commission on Electronic Commerce. I look forward to serving as its first chairman.

Working with the General Assembly last year, to deal with the problem of Y2K, I created the Century Date Change Initiative Project. I'm pleased to report that we're making solid progress. However, to finish the job and protect our citizens from the Y2K problem, you must provide the money I have requested.

As the world travels through Virginia on the Internet, Virginians also are traveling across our state in increasing numbers. Virginia must have a sound transportation network.

Thanks to the hard work of Secretary of Transportation Shirley Ybarra and U.S. Senator John Warner, Virginia will receive 670 million dollars in federal funds in each of the next six years.

This is a 62 percent increase or an additional 250 million dollars per year over last year's funding. I'm pleased to announce that in the past year we have almost doubled road construction in the Commonwealth to 2.1 billion dollars, and we're doing this without raising taxes.

New taxes don't mean less congestion. Long-term vision means less congestion. We need to evaluate where we are and where we need to go with transportation in Virginia. Accordingly, I'll create a new Commission on Transportation Policy to examine our current policies and recommend improvements.

The task of this commission will be to define a transportation plan that holds a real promise of efficiently moving people and goods. We must take full advantage of the enormous increase in federal transportation dollars, use existing resources more efficiently, speed-up planning and construction of our transportation infrastructure, and finally, continue to lead in the new and innovative ways to fund this construction.

Just as my transportation commission will provide a blueprint for the future of Virginia's roads and rails, my Blue Ribbon Commission on Higher Education is providing a blueprint for Virginia's higher education system.

We have a long-standing promise to provide affordable public higher education opportunities for Virginians who want them. I propose a 20 percent across the board tuition cut to keep that promise.

My budget includes nearly 75 million dollars to reduce tuition and fees for in-state, undergraduate students.

The greatest gift parents can give their children is a college education. Parents should be empowered to give that gift without being saddled with life-long debt. Education should never have to be interrupted or deferred because of high tuition.

The goals of affordability and quality at all of our colleges and universities must balance and reinforce one another. I've budgeted 10.4 million dollars to enhance the quality of education at Virginia's historically black universities. Part of this money will make Virginia the only state to voluntarily match 100 percent of federal land grant program funds. I aspire for historically black universities to receive the same amount of attention as our other colleges.

In recognition of this new policy, I present to you tonight my special guest, President Eddie Moore of Virginia State University. President Moore, I thank you for your hard work and commitment to quality education.

I share the concerns of parents and educators alike about the quality of K through 12 education in Virginia. I want to send a message directly to parents and educators tonight ... Virginia's schoolchildren are my administration's key priority.

We have made a commitment to raise student achievement as required by the Standards of Learning. We brought together teachers, parents, principals and superintendents to implement the Standards.

We must use the Standards as a tool to identify the system's strengths and weaknesses, establish goals and ensure that no child is left behind. We must target our efforts and resources to raise the achievement of our students and the quality of our schools.

Virginia's School Performance Report Cards are on their way to students, their parents and schools. The report cards will provide information about each school, including Standards of Learning test scores, attendance rates, school safety and accreditation ratings.

The purpose of the report cards is to communicate to parents and the public, in a simple, straightforward and uniform manner, the academic performance of Virginia's public schools. The report cards will also increase our school's accountability to parents.

Secretary of Education Wil Bryant and I are committed to uniting every parent and principal, superintendent and school board member in Virginia to help raise our students' academic achievement.

Last year, you passed and I signed legislation providing 19 million dollars to hire 600 new teachers. I remain committed to hiring 4,000 new teachers to reduce class size. You also passed legislation, which I signed, to provide 110 million dollars to meet local school construction needs.

To build upon last year's education accomplishments, I have proposed several other significant education initiatives in this year's budget.

The centerpiece of my student achievement plan this year is to keep the long-abandoned promise to dedicate all lottery profits to K through 12 education. This promise will provide 245 million dollars in new money for education funding to localities over the next two years through the school basic aid program.

Local flexibility is the best approach to returning lottery profits to localities. My plan will allow schools to spend their share of the state's money on the different education needs of each locality – to hire new teachers or raise current teachers' salaries, to build new schools or renovate old ones or to address the Standards of Learning.

To further assist communities in implementing the Standards of Learning, I've already created three Best Practice Centers. The centers help localities analyze test data, train teachers, and acquire additional curriculum resources. My budget provides more than three million dollars to establish five additional Best Practice Centers.

The First Lady is helping teachers succeed with the Standards of Learning as well. Her new website - "A Commonwealth of Knowledge" - is a resource for teachers to index their lesson plans and help them implement Virginia's Standards of Learning. For those who may be watching tonight, the address of the First Lady's site is www.knowledge.state.va.us.

I'm announcing that I will do more to help schools and students. Today, I amended my budget to provide 3.3 million dollars to more quickly process Standards of Learning test results. This will allow the tests to be given later in the school year and give teachers more time to prepare their students.

My budget provides an additional 5.3 million dollars to restore full funding for the Early Reading Initiative. The Early Reading Initiative assesses the literacy needs of children in kindergarten and the first grade and corrects reading problems immediately. This is a solid program that works.

Like public education, a basic responsibility of government is public safety. I'm working with Secretary of Public Safety Gary Aronhalt to keep our schools and our neighborhoods safe.

We have made tremendous progress in making Virginia a safer place. I was proud to work with Governor Allen to abolish parole ... reform the juvenile justice system ... win the Commonwealth's right of appeal ... earn the right to prosecute gangs as a group ... and make "three-strikes-and-you're-out" the law. We promised there would be fewer victims of serious crime as a result of these reforms. We have kept that promise.

I'm pleased to announce that preliminary numbers for 1998 indicate serious crime is down statewide more than 13 percent. Murder is down 24 percent, rape 16 percent, robbery 22 percent.

My promise to combat crime is embodied in my New Partnership for Community Safety, which is chaired by Attorney General Mark Earley and Senator Ken Stolle. The New Partnership was established to look at programs and policies that meet local needs and immediately recommend community-based solutions to crime.

One success story is the school resource officer program. It works as a tool of prevention, a tool of intervention, a tool of enforcement. It's hands-on, community policing in the communities most crucial to the future of the Commonwealth -- our schools. Last month I approved nearly 500 thousand dollars to immediately hire 31 school resource officers in 29 towns, cities and counties across Virginia.

There are other innovations that I urge you to support to enhance our community safety.

Virginia Exile would impose stiffer sentences for gun-related crimes, including illegal possession of a firearm by a felon and allow judges to hold these criminals without bail until they're tried. Virginia Exile is based on a federal program, Project Exile, which has been stunningly successful in Richmond and Hampton Roads.

There's more that we must do to improve the safety of the Commonwealth's communities. Twenty years ago the state made a promise to help fund local law enforcement needs. The promise made was House Bill 599. It's a promise that hasn't been kept.

My budget will provide nearly 100 million dollars in additional money to restore the funding level promised in the original bill. Localities will finally get the help they need to fully protect the communities they serve.

Deputy sheriff's are essential to protecting citizens at the local level. In some areas of the Commonwealth, sheriffs and their deputies are the only law enforcement officers, yet many deputies earn too little to support their families.

Part of my promise of public safety was to put deputy sheriffs' pay on par with comparable law enforcement professionals. My budget keeps this promise. 20 million dollars has been set aside to provide deputy sheriffs with more than a nine percent raise. I urge you to pass this amendment and keep this commitment to law enforcement.

It's my administration's promise to be a responsible steward of our precious natural resources. With the hard work of Secretary of Natural Resources, John Paul Woodley, we're making good on our word.

Improving the quality of our water is my administration's top environmental priority. We have undertaken an ambitious project to clean up Virginia's streams, rivers, lakes and the

Chesapeake Bay. I've budgeted 48 million dollars to go towards specific water quality improvement projects throughout Virginia. This is another promise that we must keep ... at stake is the health of our streams, rivers, lakes and the Chesapeake Bay.

To keep our waterways clean we also must protect them from harmful chemicals, including those that can leak from landfills. I'm deeply concerned about the importation of out-of-state trash -- it represents a significant threat to our environment.

Just two days ago, a major company announced plans to import four thousand more tons of New York City trash into Virginia per day. I recently placed a moratorium on issuing solid waste facility permits and encouraged you to address the trash problem further -- the people are demanding action. Yet this past week the Commission on the Future of Virginia's Environment refused to recommend meaningful limits on out-of-state trash coming into the Commonwealth. Instead the Commission recommended new fees. New fees and new taxes won't solve this problem; effective action will.

I believe the Commonwealth has a right -- and I would say a duty -- to ban the use of barges for the transportation of garbage on Virginia's waterways!

I'll ask the General Assembly to enact such a ban to impose tough new permit requirements on the construction or expansion of new landfill space, caps on the amount of waste that can be deposited in Virginia landfills and increased inspections of waste being hauled by truck or other means.

Additionally, I have proposed significantly increasing the inspection, monitoring, investigation and enforcement activities at Virginia's more than 200 solid waste facilities. This will further protect citizens from hazardous waste, improper landfill construction and potential contamination of our land and water.

Another crisis facing the Commonwealth is the failure to fulfill promises made to Virginia's most vulnerable citizens -- the mentally disabled.

My Secretary of Health and Human Resources Claude Allen has helped me put reform of Virginia's mental disabilities system on the front burner. Along with my Commission on Community and In-patient Care -- the Hammond Commission -- we have begun the long-neglected leadership effort to establish quality care for our most vulnerable citizens.

I've budgeted 41.5 million additional dollars over the next two years to substantially improve the quality of care that Virginia renders to its mentally disabled population. The greater part of these funds are allocated to community care. As we improve care, we must never forget that the individual and families come first. We must never tolerate patient abuse within our system, and I'm offering legislation to achieve this goal. Likewise, we won't repeat the mistake of the seventies and place patients on the street with no effective system of community care. Today's patients should not become tomorrow's homeless.

On another front, it's our responsibility to help the working poor gain access to health care without becoming part of the welfare system. The Virginia Children's Medical Security Insurance Plan covers uninsured low-income children. The plan provides comprehensive health care benefits for children of working families whose income is too high to be covered by Medicaid and not enough to afford insurance on their own.

We're reaching out to parents to enroll their children through public service announcements and advertisements. We've also mailed a hundred thousand post cards to targeted families ... and this month will be sending a letter home from school with every child in Virginia.

And when it comes to the most difficult decision a woman must make - whether or not to have an abortion - I believe she should be fully informed about the medical implications of that decision and have an opportunity to reflect on that information. That's why I'm asking this Assembly to pass legislation to require informed consent and establish a 24 hour waiting period for abortion.

We must almost be concerned about Virginia's seniors. We must devise a process for continually improving the quality of care Virginians receive in long-term care facilities. In addition, I want to ensure that seniors who wish to receive home care are guaranteed a high standard of quality care.

The best way to do this is to increase Medicaid reimbursements to nursing homes and earmark those increases for better pay for caregivers. I look forward to working with you to establish the best payment level to ensure better care for our seniors in long term care facilities.

Since the day I took office, I have been working with Secretary of Administration Bryan Slater to listen closely to state employees and their concerns. We issued surveys and held town hall meetings that were attended enthusiastically by state workers across Virginia.

My recommended budget includes a four-percent across-the-board raise for state employees effective next November. I want the salaries of Virginia's state employees to be competitive with those of private sector employees so we can keep the best and the brightest working for the people of Virginia.

To address the pay inequities of the past, I'm proposing additional 2.25 percent to long-term state employees effective July 1st.

Another concern raised by state employees is retirement. Currently a state employee who wants to retire with full benefits must have at least 30 years of service and be at least 55 years old. I want to recognize those employees who have given their entire careers to Virginia and now wish to retire. I'll offer legislation allowing retirement with full benefits for the Commonwealth's employees after 30 years of service, regardless of age. Although this will affect only a very small percentage of employees it's a way for us to show our appreciation for career employees' hard work and loyal service to Virginia.

Virginia's state employees are hard-working, decent men and women. Their diligence and their dedication deserve fair and competitive compensation.

We've had a great deal of success in this administration. The credit for that success goes to good employees and appointees. I'm proud of those whom I've brought to state government to serve in my administration. I believe they not only look like Virginia, they act like Virginia. I'd like to thank Secretary of the Commonwealth Anne Peters for helping to bring to this administration respected, experienced and dedicated individuals who help make our work for the people of Virginia a success.

In closing ... the state of the Commonwealth is excellent, because Virginians are advancing and seizing the future. We must govern in a way that helps Virginians to advance, to grow, to succeed and to best define their own lives as free men and women.

Our initiatives today, if adopted by you, the elected representatives of the people, will ensure a great state of the Commonwealth today and for years to come.

And to the people of Virginia, I say, "Your hopes your dreams your goals will continue to be the hopes, the dreams, the goals of this administration, so help me God." God bless you and the Commonwealth of Virginia.

