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The State of the Commonwealth Address to the Joint Assembly 2008



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#### Introduction



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

It is with great pride in our shared history that we return tonight to our historic Capitol. This Capitol is entering its 220th year of service, as home to the oldest continuous legislature in the New World.

The careful restoration of this historic place is a tangible tribute to the men and women who have served here and the people they have served.

The more substantial tribute to our predecessors is not the building we work in, but the work we do, and the way that we do it.

Today, the Capitol resumes its service as Jefferson's "Temple on the Hill" to democracy, where the elected representatives of the people gather each year as the General Assembly of Virginia.

On behalf of all Virginians, I say to you tonight, "Welcome home."

This afternoon, you each took your oaths of office, some for the first time. To you new members especially, I would like to say welcome to Virginia's long tradition of public service.

Public service is a calling.

I am grateful to work with so many good people who have heard and answered that call. The General Assembly is only one way to serve, and many of you have answered calls to serve in other ways as well.

There are educators among you. There are doctors and former local elected officials. There are former public safety officers, and there are military veterans. This is not your first or only service to your communities.

But service here, in Jefferson's Capitol, is a privilege and a sacred trust.

These halls have witnessed Virginians of every city and county, men and women, people of all races, from all walks of life, rise to the challenge of self-government.

As we see other nations in turmoil, suffering violence over claims of leadership and authority, we are reminded what a privilege it is to hold an election, pass power from one president to another, one governor to another, one legislator to another—peacefully, and with the conviction that whatever party or region our leadership hails from, they serve us all.

This accomplishment cannot be taken for granted. It has been paid for in blood, and even today, Virginians serve in places of great danger, helping to preserve the civil society we enjoy and advance freedom in other lands.

Here at home, our society is not held together by force, or by fear, but by the continued consent of our citizens to engage in this common effort.

You and I have a responsibility to the citizens we serve, to bring our knowledge and experiences, our best ideas, our vision for Virginia's future, to the public debate. We should speak boldly for what we believe, and not hesitate to defend our principles. We should give voice to those who cannot be heard.

But we also have a responsibility to listen. No one person, no one region, no one party, holds all the right answers. We should advance the best ideas, no matter where they originate. We should put our constituents before our political parties, before our campaign donors, before ourselves.

When a father is sick and his job doesn't offer health insurance, he doesn't need a Northern Virginia health plan or a Southwest Virginia health plan, he needs a doctor.

When a family struggles to send their child to a university, she doesn't need a Senate bill or a House of Delegates resolution, she needs an education.

When a Virginian is laid off from work, he doesn't need a Democratic strategy or a Republican strategy, he needs a job.

We are sent here by our constituents to address the challenges of our day, some as old as our government, and others beyond the imagination of the founding fathers.

And we are sent to work through our honest differences of opinion to craft solutions that do the most good for the greatest number of Virginians.

We are sent here to serve. And our service will not be measured by how it affects the few hundred people on Capitol Square. It will be measured by how it affects the 7.5 million Virginians outside Capitol Square.

We should not ignore our political parties, our regional interests, or our personal concerns. When our differences of opinion arise from a commitment to ideals, rather than a desire to win a political battle, they lead to our best solutions. I believe strongly in my vision of how our government should serve.

But I pledge to you that I will hear your beliefs and those of our constituents and work with you to find solutions to these challenges that are better than those you or I could design alone.

As Jefferson wrote, "A government held together by the bands of reason only, requires much compromise of opinion."

The art of compromise and working together is not a weakness. It is a sign of our dedication to getting things done.

Together, our collective experience, shared wisdom, and commitment to all Virginians will help us answer the challenges we face, just as generations of Virginians have done before us.

My friends, when we transcend our differences and work together for the common good, the state of the Commonwealth is very strong.

#### **Best State for Business**



In the past year, the whole world watched as we recognized the 400th anniversary of the founding of America, right here on Virginia soil. The anniversary gave us the chance to recommit to a tradition of excellence in public service that is a hallmark of our history.

Thanks to your hard work and the dedication of more than 100,000 state employees, we have gathered an impressive list of accolades.

As our Department of Health prepares to celebrate its 100th year of service, they have helped Virginia capture one of the highest rankings in the nation for preparedness for public health emergencies.

Virginia was named the best state for business in the nation this year by Forbes.com, CNBC, and other business publications. We have one of the lowest unemployment rates in the nation, our average wages are among the highest, and with your support for the Governor's Opportunity Fund, we announced the creation of over 15,500 new jobs in 2007. Just yesterday, we started 2008 off with a great economic development victory—RTI will invest \$100 million and bring 150 high-paying titanium processing jobs to the Martinsville/Henry County region.

Virginia's per capita state and local tax burden as a percent of income ranks 43rd – one of the lowest in the nation – and our per capita income is the 9th highest in America. Our fiscal stewardship has been rewarded with rare Triple A ratings by all three major bonding agencies.

According to Education Week, children born in Virginia have the best chance of life success of any children in the nation. Ten Virginia high schools made Newsweek's top 100 high schools list, and three of Virginia's public universities are ranked in US News and World Report's top 100.

#### **Mental Health**



There were many reasons to celebrate in Virginia this past year. But there have also been darker days. Even in moments of tragedy, Virginians showed that our commitment to each other is strong.

Some of those who dedicated themselves to public service gave their lives as part of their commitment. Over the last year, 28 members of the Armed Forces from Virginia gave their lives in service to our country. Two law enforcement officers and one firefighter also gave their lives in the line of duty. We are awed by their commitment to serving others, and together, we mourn their loss.

Last April, we faced one of the darkest days in our history when 32 students and teachers were killed and many others wounded on the campus of Virginia Tech.

In the days following the shootings, we mourned together, faced troubling questions, and were inspired by the indomitable community spirit on the Virginia Tech campus. Their commitment to healing reminded us that we owe it to the victims and their families to bring light out of the darkness of this tragedy by addressing the problems it revealed.

I invite you to join me in a moment of silence now to honor those victims and their families, and for all those who gave their lives in service this year.

While the grief of that terrible day in April is still with us, we have not forgotten the example of the Virginia Tech students, nor have we been idle. In the best tradition of setting aside our differences to do what is best for our commonwealth, a remarkable coalition has come together to work to prevent such a day from ever happening again.

Together, all three branches of government have studied the challenge of delivering mental health services more effectively.

Six percent of Virginians have a serious mental illness, and one of every four citizens of the Commonwealth has a diagnosable mental illness of some type. Most of us have been directly impacted by mental illness among friends, families, or co-workers, and we know firsthand the magnitude of this problem.

But due to chronic under-funding and an insufficient focus on the quality of care, our mental health system has not been measuring up to the needs of Virginia's mentally ill.

The limited capacity of our local Community Services Boards and the strain on our overloaded case managers mean that thousands of Virginians with mental health needs are not getting treatment when they need it. Many are not being treated at all.

To expand and improve outpatient services, we must increase funding for additional clinicians and case managers. We must increase support for emergency services. We also need to do a better job of keeping people with mental illness from entering the criminal justice system and to provide better treatment to individuals when they are in jail.

We must not only correct the historic under-funding of community mental health, but also demand greater accountability in the provision of care.

Better outcomes for our mentally ill citizens demand a more uniform system of emergency response times, admission criteria, and staff requirements.

We can help provide people with the treatment they need by adjusting commitment standards, ensuring that emergency orders are long enough to allow expert examinations, and clarifying the responsibilities of all parties in diagnosis, treatment, and follow up.

If we identify people with mental illnesses and provide them with proper treatment and support, we serve them and our communities better.

And, we can provide better services to our children. The way we provide services to young people through the Comprehensive Services Act is in need of significant reform. If we make necessary changes so that more of our young receive services in community-based or foster care

settings, rather than relying on expensive congregate care facilities, we will help these children have a greater chance at life success.

Beyond better community mental health services, the shootings at Virginia Tech point out some other areas where change is needed.

Both state and federal law prohibit a person who has been found by a court to be a danger to himself or others from buying a firearm. Until last April, there was no clear policy stating that a person ordered to involuntary outpatient treatment should be reported to the Central Criminal Records Exchange and kept from purchasing a weapon.

With the help of Attorney General Bob McDonnell, I issued an Executive Order to clarify that all who are determined mentally ill and dangerous should be included in the state database. This helped spur Congress to pass meaningful, bipartisan legislation to encourage the same result on a national level. This session, we must codify that Executive Order to ensure that persons who are a danger to themselves or others are not allowed to buy a gun.

As you are closing that important loophole, I also ask you to close an even larger one.

Since 1991, Virginia has required that anyone purchasing any type of firearm from a licensed dealer undergo a background check. This instant, computerized check is designed to prevent a felon or other dangerous individual from buying a gun. This law was a huge advance in public safety in this Commonwealth, protecting average citizens and our law enforcement professionals from harm.

However, a loophole still exists in this important measure. Anyone can walk into a gun show and purchase a firearm without the background check.

I support 2nd Amendment rights, and I believe that Virginia's laws generally strike the right balance of protecting that right consistent with public safety. But, if we are to enforce current law keeping guns out of the hands of dangerous individuals, we must require instant background checks for purchase of weapons at gun shows.

There is no reason for law-abiding gun owners or gun sellers to oppose the instant check. In fact, most purchasers go through such a check every time they buy a gun. It's instantaneous, it creates no permanent record of the transaction, and it will keep weapons away from people whom the law has determined should not have them.

Why should we allow felons, or people with serious mental illnesses, or domestic abusers who have been constrained by protective orders to buy weapons at gun shows in violation of clear state and federal law? If we fail to take this important step, we are leaving the door open for these dangerous individuals to gain easy access to guns so that they can harm other people.

While we have worked here in Richmond to respond to the April tragedy, Virginia's colleges and universities have also taken actions. They have strengthened relationships with local mental health agencies and law enforcement. They have implemented new ways of communicating with students and faculty in an emergency. And all schools are working together, to share ideas and best practices to make their campuses safer.

We will continue to work together with our colleges and universities, keeping our focus on what they need to protect and serve students and staff.

#### Legislative Package

Of course, we cannot prevent all crime. So, we must always look for ways to comfort crime victims. This year, we can make significant changes to how we treat victims of sexual assault.

The physical and emotional trauma suffered by victims of sexual violence, often compounded by silence and stigma surrounding the crime, calls for special attention. It is imperative that victims are not re-traumatized as a crime is investigated.

We have the opportunity this session to do what is right in this area. If we can prohibit involuntary polygraph testing of victims, pay for the collection of evidence used to prosecute attackers, repeal antiquated laws that provide safe harbor for offenders, and give adequate support to community crisis centers, we will have gone a long way towards setting the system right.

The evolution of technology has made our lives more convenient. Unfortunately, as our technology evolves, so does crime. Last year, credit fraud and identity theft reached an all time high. While anyone with a social security number could become a victim, these crimes hit hardest when they target our senior citizens and others who live on limited incomes.

This year, we can give our citizens the tools they need to protect themselves from these crimes, by requiring companies and government agencies to notify consumers when sensitive data has been compromised and by allowing citizens to freeze their credit reports so that no one can open fraudulent credit in their names.



The initiatives I have described are about provision of core services such as mental health and public safety. These are the everyday responsibilities that we must all take seriously. But, our duty extends beyond today, and so we must take significant steps toward securing the Commonwealth's future.

Virginia is in a strong position to compete in today's global economy. We are connected to the rest of the world through our international airport at Dulles and through our ports in Hampton Roads. Much of the world's internet communication travels through Northern Virginia, and we are investing in advanced communications infrastructure throughout rural Virginia.

Virginia's workforce is among the most skilled in the nation. Our educational system and quality of life are the envy of other states. And we have completed 5 consecutive years of economic growth.

But we still have economic challenges. We have been affected by the cooling national housing market and too many Virginians face the threat of foreclosure. Rising oil prices, tightening credit requirements, and a turbulent stock market continue to make the economy volatile, and we will monitor the situation closely.

The Virginia economy is still expanding, but at an uncharacteristically slow rate. Since 1980, our average growth rate has been 7.5%. In fiscal years 2008 and 2009, projected revenue growth is less than half of that average.

Economists believe that the Virginia economy will emerge from slower growth beginning next year. But, to be conservative, our FY 2010 forecast, reached after consultation with industry leaders and legislators of both parties, is nearly a full percentage point below our historic norm.

The tight budget requires careful scrutiny of every dollar we spend. We need to ask tough questions about everything we do. We have to adhere to our tradition of fiscal responsibility and make ourselves accountable for our taxpayers' dollars.

In my proposed budget, we have tightened the belt, just as families do when they face tough times. We have made targeted cuts of nearly \$300 million per year and our agencies are finding ways to deliver services more efficiently. We have also instituted accountability measures in key areas of spending.

But we cannot stand still. Slow revenue is not an excuse for inaction, pessimism or panic. If we are to retain our position as a leader among states, we have to continue to invest and innovate.

The best way to grow our economy is to support an education system that will expand opportunity and prepare our workforce for the jobs of tomorrow.

Having an outstanding education system does not mean that there is not room to improve. And we know a lot more today than we did 50 or even 10 years ago, which means we can make even smarter investments to prepare our children.

For example, current research shows that 90% of brain development occurs before a child turns 5.

We know that children who attend high-quality preschool are more likely to finish school, find good jobs, and are less likely to commit a crime.

We also know that if a child is unable to read by the third grade, his or her chance of success throughout the rest of school is dramatically reduced.

We can all agree that kids need opportunities to succeed, and there is no doubt – expanding your Virginia Preschool Initiative from 13,000 to nearly 20,000 children will give a better start to those children who need it most.

In developing this proposal, we assembled a Start Strong Council, including education experts, business leaders, children's advocates, local officials, and legislators of both parties.

We have drawn on the experiences of the existing pre-k program and of the pilot projects that you approved last session.

I have also listened to those of you who have offered advice, and I have carefully studied the report by JLARC that was completed this past fall. Working together, we have designed a proposal that is targeted, proven effective, and essential to our children's success.

My proposal increases state support for cities and counties offering pre-k programs, makes more at-risk students eligible and utilizes high-quality private providers so that more money can be spent on education, instead of bricks and mortar.

In addition to expanding access to preschool, we will enhance quality and accountability, build collaboration among public, private and Head Start programs, and strengthen the early childhood workforce.

This is an investment in our Commonwealth's future. We must make it now so that our children can become the firefighters, police officers, teachers, delegates, senators, and governors who serve the next generation of Virginians.

We must also ensure that the gains made in early education are maintained by fully funding the rebenchmarking of the Standards of Quality for K-12 and maintaining the "At Risk" monies that the General Assembly has traditionally approved. My budget makes that major investment in our public schools.

And we cannot guarantee excellence in our education system without high-quality teachers. During my administration, we have begun requiring regular, meaningful evaluations of our public school teachers' performance.

We have also made strides in raising teachers' salaries toward the national average. Despite our challenging fiscal situation, I have proposed continuing that progress, by funding the state share of a 3.5% pay increase for teachers and other instructional staff effective July 1, 2009.

#### **Higher Education**



Continued support and improvement of our K-12 education system will make a difference in how prepared our students are when they leave high school. But we have to acknowledge that, in the global economy of today and tomorrow, a high school degree is just not enough.

We must encourage our high school graduates to continue their education at universities, four year colleges, career and technical schools, and community colleges. And we need to give those institutions what they need to serve students who will ultimately become the workforce driving Virginia's economic engine.

Making significant new investments in higher education will also help create high-tech jobs through research and innovation. This is particularly important at a time when job growth is slowing.

That's why I have proposed a \$1.6 billion bond package to continue the acceleration of our top notch higher education system. This investment, to be phased in over the next 5 to 7 years, will provide facilities across the Commonwealth for researchers to develop new, cutting-edge technologies and turn them into commercial assets.

The bond package centers largely on engineering, science, business, and health professions. It will support our higher education system's continuing efforts to build a more talented workforce that is fully prepared to compete in a global economy. Beginning these needed projects now will be less costly than in future years, saving taxpayers millions of dollars. And the bond package fits well within our conservative debt service guidelines.

These capital projects are supplemented by operational funds for increased base adequacy funding, more financial aid, and an expanded focus on competitive research opportunities on our campuses. And it is accompanied by a significant reform in workforce development, placing the main responsibility for this critical effort in the Virginia Community College System.

This is the smart strategy for government today. We secure our place in a hyper-competitive world by paying attention to the whole spectrum of our educational system. It is a catalyst for progress: building critical skills, spurring new private sector investments and job creation, and allowing the natural talents and entrepreneurial ideas of our citizens to flourish.

I ask you – and I call on all Virginians – to recognize how higher education investment will enhance Virginia's well-deserved reputation as a leader in our nation's 21st century economy. This is an investment we must make. And we must make it now.

#### Illegal Immigration



Securing the Commonwealth's future also means that we must set aside political rhetoric and carefully address the most complex and challenging issues we face – like illegal immigration.

We are a nation of laws. It is our obligation to enforce those laws, and we should continually assess the consequences of illegal immigration.

It is equally important to recognize the many positive benefits of legal immigration. We cannot afford to let supercharged political rhetoric unfairly paint a picture of Virginians as a people who are hostile to New Americans.

The debate about illegal immigration needs to begin with a recognition of steps we have already taken.

Virginia law already prohibits any person who is not legally in the country from receiving state or locally funded benefits, with only a few exceptions, like education, emergency health care and care for contagious diseases.

When a Virginia State Trooper comes in contact with a person suspected of being in the country illegally, he or she contacts Immigration and Customs Enforcement. Eighty percent of those reports made since March 1st of last year have resulted in ICE beginning deportation proceedings.

The state police also participate in regional task forces that target violent gang activity by illegal immigrants.

The Virginia Department of Corrections notifies ICE of any foreign-born offender who is convicted and placed in state custody. Our Department of Motor Vehicles works hard every day to scrutinize drivers' license applications to determine whether people are lawfully in the Commonwealth, and our Virginia Guard helps patrol the border between Arizona and Mexico to help federal enforcement agents. Virginia has done much to pick up the slack for broken federal immigration policy.

There will be more proposals on immigration this year, and we should scrutinize them carefully. In doing so, we have to balance the need to enforce our laws with a few important realities.

One in ten Virginians was born outside of the United States, and most of us can trace our ancestors back to another country in only a few generations. The majority of immigrants today are legal and fully contribute, strengthening the social fabric of our communities.

Our Jamestown commemoration recognized the positive and transforming power of immigration—and of those that welcome immigrants. Immigration continues to invigorate our culture, provide new energy to our economy, and expand our view of the world.

Did you know that, in 2007, foreign companies announced over \$750 million of investments in Virginia, creating over 2000 new jobs? Many of these jobs were created in parts of our Commonwealth that are hungry for economic development. We are in fierce competition for

those jobs, and we cannot afford to give the world the impression that Virginians are not willing to engage with people from other countries in global commerce.

And it's not just about new business opportunities or foreign investment in our communities. Many long-time Virginia businesses, especially in the agricultural sector that still represents the largest part of our economy, are dependent on immigrant workers. We should not punish lawabiding businesses or hinder their ability to grow and create jobs.

In this critical area, as in all others, we have a responsibility to go beyond sound bites, to take the debate seriously, and to spend the time it will take to craft a balanced response to our challenges.

## "For the People"

Every day, the hard work of wrestling with difficult questions about our policies reminds us that we were sent here to serve.

We should also remember who we were sent here to serve.

Jefferson believed that our government belonged to citizens, not to politicians or to special interests. To guarantee the continued ownership of this government by its people, we must always look for opportunities to safeguard and improve citizen participation.

This year, to help ensure that our government is "by the people," we should stop narrowly limiting the reasons for which voters can request absentee ballots, and allow any qualified voter who cannot get to the polls on Election Day, regardless of the reason, to use an absentee ballot. And we should allow absentee ballots to be delivered electronically to those Virginians who are serving our country overseas.

We should also help guarantee that our government truly is "of the people." Over the decades, both parties have used the drawing of legislative lines for partisan advantage, to the disadvantage of our citizens and communities.

Our legislative districts should be drawn with the people, not the politicians, first in mind. It is time to create a bipartisan system for redistricting. With different parties in the majority in each house, now is the perfect time to make this necessary change.

And finally, to help ensure that our government is "for the people" and not for a few insiders, we should take steps to keep our campaign finance practices transparent.

To make our contribution disclosure system work, we must close the loophole that allows designated contributions to go unreported. The voters deserve to be able to see past the groups that simply collect the money and know the real sources of those campaign contributions.

### Transportation and Abuser Fees

Finally, part of serving people is by showing that we truly listen to them.

Last year, we crafted the first significant infusion of funds into our transportation system in two decades. After years of inaction, we supported a compromise plan that increased rail funding statewide by over 60%, increased funding for public transit operations by over 40%, expanded funds for road construction at both the state and regional levels, and made significant advances

in land use planning along the way. We are moving on projects again – projects that would still be gathering dust on shelves if we had failed to act. We can celebrate this achievement.

But one part of our transportation package clearly is not working. The imposition of higher fees on drivers who commit serious traffic offenses was designed to both increase transportation revenue and encourage safer driving habits.

After six months, neither goal has come to pass. The abusive driver fees will not generate the amount of revenue we had hoped. And neither the number of traffic tickets issued nor the tragic number of deaths on Virginia highways last year indicate that the fees have improved highway safety.

Virginia citizens in huge numbers have told us that the fees should be repealed. We should listen to them. I hope that this session, you will send to my desk a bill fully repealing the abusive driver fees.

We must continue to look for strategies to promote safety on the road. And, the maintenance needs of our road system have to be addressed. But, the abuser fee idea has flunked with our voters and we should acknowledge it and move on.

#### Conclusion



I know you will suggest ways to improve on the proposals I have put before you today. I look forward to a civil exchange of ideas, always keeping the needs of our citizens foremost in our minds. As Jefferson wrote to John Adams, "Truth between candid minds can never do harm."

You will also offer many proposals of your own, and I pledge to engage with you in good faith about your visions for Virginia's future.

We have much to look forward to this year. There is no greater honor than for each of us to play our part in continuing – and improving – the legacy of enlightened self-government that has enlivened this Capitol for 220 years. Virginians have sent us here with high expectations. If we work together, we will not disappoint them.

Thank you, and may God bless our Commonwealth."