

Governor Jim Florio  
Annual Budget Address  
Fiscal Year 1994  
February 9, 1993

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Good afternoon, Mr. Senate President, Mr. Speaker, distinguished members of the Legislature, ladies and gentlemen: Last month, in my State of the State message, I spoke to you about the destination we seek for a better New Jersey.

A New Jersey with good jobs, skilled workers and the opportunity that comes from investing in the future.

A New Jersey that gives our people the chance to go as far as their talents and hard work will take them.

The budget I propose today maps the course for that journey.

I'm offering a comprehensive blueprint to create jobs today, and build a strong New Jersey for tomorrow.

This budget is balanced, and places people before politics.

For the third year in a row, it contains no new taxes, and no fare increases for commuters.

Like all budgets, it's about money and how we invest it.

But it's about something more: It's about who we are and what we believe in. This budget is grounded in the bedrock belief that government ought to help people -- it ought to be on their side, not in their way.

For the fourth year in a row, we're spending less money on bureaucracy and investing more money on businesses that create good jobs. We're trimming government so we can move forward on the swift currents of a lasting economic recovery.

Change is a constant force in our lives, in our state, in our nation. But we have a choice: We can either drift with the tide, or we can chart a course and set sail.

This budget gives New Jerseyans the strong winds they need to fill those sails:

- \* New tools to create tomorrow's high-paying jobs.
- \* New skills for workers to compete against the world -- & win;
- \* Apprenticeship programs for young people;
- \* Safe and secure streets for our cities and towns;
- \* Property tax relief for homeowners;
- \* Health care for our children;
- \* And affordable colleges for students.

This budget, our first post-recession budget, is the culmination of all we've worked for these last three years. Today, as we begin forging our budget, it's time to take stock -- to look at where we've been, so that we can chart a course for our future.

Three years ago, as I was beginning my term, the storm of the national recession was already moving into New Jersey, ripping away tens of thousands of jobs and darkening our dreams. To make matters worse, the budget I inherited that first year contained a gaping hole. Runaway property tax increases were forcing senior citizens out of their homes, and forcing young people out of the housing market. The State Supreme Court was about to confirm something that we'd known for a decade but refused to acknowledge: that the way we funded our schools violated our constitution and jeopardized our future.

You know, when I was a kid growing up in Brooklyn, my Uncle Tom Florio got me one of my first jobs -- shoveling up after the horses at a stable in Prospect Park. At that time, I thought I was lucky to have a little pocket money. I never imagined it would be such a good apprenticeship for being Governor.

President Kennedy said it well -- the time to repair the roof is when the sun is shining. But, in the '80s, when the sun was shining, we failed to do even basic upkeep. So when the recession rolled in, we were in trouble. And we couldn't just patch things together with quick fixes.

We had to do it right. We needed to do what families and businesses all over New Jersey do: live within our means, pay our bills and save for the future. That meant doing fewer things, but doing them better.

It meant putting less money into permanent government, and investing more money in creating permanent jobs. So we did what we had to. We changed the way government works.

One of the first things we did was put caps on state spending so that government could never again grow faster than our ability to pay for it.

Next, we used compassion and common sense to reduce the size of government by 14 percent. We audited every nook and cranny of the bureaucracy to find places we could save money by cutting waste and duplication.

We took more than 1,000 state cars off the road, revoked free rail passes for bureaucrats and slashed other perks and privileges.

And we listened to a leader who served as the fiscal conscience of this body for 15 years. In 1990, we took Senator Larry Weiss' advice and established a "Rainy Day Fund." Today, we're making our first payment to that fund. From now on, when we take in more money than we expect, we won't run out and look for new ways to spend every last penny. We'll put some of it away to draw upon when times are tough.

Thank you, Larry.

But the financial deficit we discovered wasn't the worst part. We also inherited a deficit of planning and of foresight. So we did then what the rest of the country is starting to do now: We took off the quick-fix blinders of the past and started planning and working for New Jersey's long-term economic growth.

We stopped talking about relieving the crushing burden of property taxes -- and got to work doing it.

We raised the cap on the Transportation Trust Fund to keep our traffic and our economy moving.

Together, we created the Economic Recovery Fund to give businesses the tools to grow and expand.

We created 24,000 jobs by transforming the EDA, our state Economic Development Authority, from a backwater bureaucracy into a job-creating powerhouse.

We reached out to the people who felt the pain of the recession most acutely, extending unemployment benefits and raising the minimum wage.

And we started investing again in our children -- in their schools, their health and their future.

It hasn't been easy, but I never gave up on New Jersey. And I never will.

Today, New Jersey is turning the corner. But our work is not yet finished. As the storm clouds of the recession start to lift, we see new rays of hope, new opportunities -- and new challenges.

New Jersey is in better shape than our neighboring states to meet those challenges because we put our fiscal house in order early.

We're ahead of the curve. And I'm determined to work with you, Mr. President and Mr. Speaker, with the members of the Legislature, with the White House, with business and labor and anyone else it takes to make sure we stay there.

Rule number one in this budget is: We need to give taxpayers their money's worth. In the last three years, we've cut the state payroll by 5,600 positions, saving taxpayers \$250 million every year.

This year we'll reduce the number of employees by another 4,000 positions, and we'll do it without layoffs. By the end of this fiscal year, there will be more than 9,000 fewer employees on the state payroll than when I took office. We need to be as lean and competitive as the times we live in and we'll use the money we save by cutting the bureaucracy to help people.

Six months ago today the health care crisis took on a very personal meaning for all of us when Roz Schwartz, a cancer survivor, began walking from Bergen County to Trenton to dramatize the cause of health care.

Today, Roz is getting treatment for the cancer that made it impossible for her to buy adequate insurance. And you know what, she finally made it to Trenton. Roz is getting better. And so is our health care system.

Last year, we eliminated the outrageous 19 percent tax on hospital bills.

We created a new program -- NJ SHIELD -- to guarantee health care coverage for hard-working families who can't afford to buy it on their own.

And we said that no one -- no one -- can be refused insurance because they're sick -- or because some actuarial Bible says they might get sick. This budget enables us to finish the job by providing health care coverage for the 250,000 New Jersey children whose parents don't get insurance on the job and can't afford to buy it on their own.

We'll contract with private health care providers to create a kids' HMO to give New Jersey's children the care they need at a price their families can afford.

We'll also step up our efforts to fight the four plagues that threaten too many of our children: drugs, AIDS, TB and hepatitis.

To ensure that our veterans who need long-term health care receive it, this budget includes funds to improve existing facilities and start work on a new veterans' home at Menlo Park. We must never give up on the men and women who gave so much to make our world safer for democratic principles and prosperity.

I want to say a word about the cost of prescription drugs for senior citizens. Last year, the price you paid under the PAAD program went up to \$5 from \$2. Rolling back that increase should be our first priority if additional funds become available.

Two years ago, I asked Attorney General Del Tufo to develop a plan to combat drugs and violent crime by strengthening the relationship between police and the communities they serve. Today, community policing programs are working in Union City, East Orange, Plainfield and New Brunswick. Police are walking the beat. Neighbors are taking back their streets. And parents are doing something they haven't been able to do in years -- they're letting their children play outside.

This budget includes a comprehensive four-point plan to make New Jersey an even safer place:

- \* By putting more cops on the beat to work with people in their neighborhoods;
- \* By targeting and apprehending members of violent street gangs;
- \* By providing more after-school programs so kids can get off the street and into safe havens;
- \* And by starting a new State Police class, the 114th! By doing these things we can take back our neighborhoods.

We'll also take back our economic destiny. This budget gives people and companies the new skills they need to create a world-class workforce. We will do that by funding our nationally recognized Workforce Development Partnership Act, which we enacted last year.

We'll provide individual training grants to help New Jerseyans caught in the riptide of the national recession -- people like Jacqueline Tobi of the interview. Jacqueline had to move on when downsizing ended her 17-1/2 year career at a major insurance company. Today, she's preparing for a new career -- as a registered nurse because New Jersey stepped in with a job training grant to make sure that change for Jackie meant a step up, not a step down.

This budget provides for individual training grants to help more people move ahead in today's economy. It also provides funding for customized training grants to help existing companies grow and to attract new ones.

Our customized training grants saved jobs at Crown Cork & Seal in North Bergen, the Ford Assembly Plant in Edison, GE Aerospace in Camden and dozens of other New Jersey companies that might otherwise have closed down or moved away.

This budget also funds the New Jersey Youth Apprenticeship Program to train the highly paid technicians and factory workers we need to build a high-wage, high-tech economy. This year, let's give more companies and more people the tools and training they need to keep the doors of opportunity open.

Mark Twain once wrote that petrified opinions and old ideas never did anything to break a chain or free a human soul. Last year, we rejected the petrified notion that welfare has to be a handout. We said it ought to be a hand up. This budget gives people the education, training, and child care they need to move beyond welfare and -- once and for all -- to break the chains of dependency, poverty and despair.

It gives people like Jonathan Ledlow a chance to pull their own weight in society. I met Jonathan last week when he testified at a National Governor's Association welfare reform panel that I chaired in Washington. Two years ago, Jonathan was headed down a bleak street. He'd had some scrapes with the law and he wasn't paying the child support for his two children. Then, he enrolled in Operation Fatherhood, New Jersey's program to strengthen families by helping fathers meet their responsibilities to themselves, their children and their communities.

Today, Jonathan has earned his GED. He's training for a good job as a high-tech machinist at a graphics firm in Trenton. And he's helping to raise his little boy and girl. He is a wonderful person who, with a little help, was anxious to help himself.

This budget invests in training, apprenticeships and welfare reform -- not just because it's good social policy, but because it's good economic policy.

If New Jersey's going to win the jobs race, we need to help companies beat the credit crunch, develop new technologies and capture new markets. Last month, I outlined a seven-point plan to help more New Jersey companies capture their share of the job-rich environmental technology market. This budget funds the centerpiece of our plan, NJ CAT, the Corporation for Advanced Technology. It also helps environmental engineers and entrepreneurs turn their big ideas into big business by helping them develop their goods and services and sell them to the world.

By making New Jersey a leader in the multibillion dollar environmental technology industry, we'll ensure that New Jersey continues to work -- for us and for our children. There's also a lot we can do to create jobs right here, right now.

New Jersey has the location and strong transportation network to be one of this nation's top import-export hubs. That gives us a huge competitive edge. And this budget sharpens that edge by continuing our three-year program to improve our roads and highways, our bridges and ports. Our infrastructure is the muscle of our economy. Let's keep it strong.

Let's also invest in the heartbeat of our economy, our \$18 billion a year tourism industry. For the first time in our history, New Jersey now has a permanent source of funding for shore protection. This budget provides additional dollars to protect our beaches and parks and to aggressively promote New Jersey to the world, because we will never turn our backs on the Jersey Shore, or the people who live, work and vacation there.

Rebuilding our infrastructure, sharpening our scientific edge, and improving our work skills -- are all essential to our ability to compete. But our single greatest hope for meeting the challenge of the future is investing in the education of our young people. While other states continue to slash aid to schools, this budget keeps our commitment to increase support for local schools, and at the same time, ease the upward pressure on property taxes, a battle we began three years ago.

It's been said that education is the soul of a society that we pass from one generation to another. I believe parents who work hard ought to be able to send their children to college. And students who can make the grade ought to be able to go to college.

I'd like to share with you part of the letter I received from a father, Kevin Savage, whose son, Kevin Jr., is a freshman majoring in law enforcement.

He wrote: "I'm a 50-year-old disabled parent of a college freshman. My son was turned down for a federal grant because he worked part-time to earn money to buy a car and save for his schooling. For doing things the honest way, he was penalized." Kevin "never would have had the chance to go to school" if it weren't for New Jersey's tuition assistance grants, his father said.

I know firsthand what its like to need help with college costs. I've also seen the huge dividends that come from investing in higher education. That's why this budget expands our Tuition Assistance Grants by 16 percent.

This budget also continues our Tuition Stabilization Incentive Program to help slow the galloping rate of increases in college tuition. By renewing our investment in tuition stabilization, we can keep tuition increases at our colleges and universities to no more than five percent this year, far below the national average.

In closing, let me say that no one wants to see a repeat of the "budget hell" of last year. Not you, not me, and certainly not the people of our state. This budget I submit today is based on months of discussions I've had with the leaders of this distinguished body. I've directed Treasurer Sam Crane and the rest of my Cabinet and staff to give you their full cooperation in molding this budget into a finished product that you can pass -- and I can sign. On time.

Like so many New Jerseyans, I've been given tremendous opportunities in my life. I remember working my way through law school as a night watchman at Woodrow Wilson High School in Camden and thinking, as I walked these halls late at night, I was to be the first person in my family to go to college and get a professional degree.

I was grateful for the opportunity, but I also felt an added responsibility. It was the responsibility my parents talked about when they said that people who get more have a special obligation to give more. That same yearning to make the world a little better is still alive all over New Jersey.

I see it in the eyes of the young people I meet at high schools and on college campuses.

I see it in the determination of small businesspeople creating new enterprises in the toughest of times.

And I see it in this chamber.

Today, as we begin crafting our first post-recession budget, let's remember the reason we first entered public service -- to build something better, something that will outlast us, to create a New Jersey that we can leave to our children, knowing that we have done right by them.

Robert Kennedy said years ago that "the kind of a world we want to build ... is a world of constantly accelerating economic progress -- not material welfare as an end in itself, but as a means to liberate the capacity of each human being to pursue their talents and hopes. It would, in short, be a world we would be proud to have built."

Ladies and gentlemen, we can build that world in New Jersey. This budget is the blueprint.

Thank you very much.