

FROM THE OFFICE OF THE GOVERNOR
ANNUAL MESSAGE OF GOVERNOR BRENDAN BYRNE

FOR RELEASE: NOON, JANUARY 13, 1976

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Annual Message

New Jersey has done something remarkable for any government at any time. We have cut our spending.

A two per cent reduction this fiscal year marks the first time in modern New Jersey history that the State budget was reduced. Considering inflation, the reduction was more like 15 per cent.

While other large states strive to hold their budget increases within the cost of living index, you and I have actually slashed \$80 million from an already lean budget. And we did it while providing essential services and covering mandatory obligations.

Our State's fiscal condition remains one of the soundest in America. Debt service consumes less than four per cent of the budget. Operating economies are aggressively pursued.

We have the fewest state employees per capita in the nation. And our state taxes are among the lowest anywhere.

This is a significant accomplishment. But there is another side to the coin. We pay a heavy price for being so tight with a buck.

We have cut back some programs to the point of causing real human hardship, denying Medicaid patients who need them false teeth, eyeglasses and psychiatric services.

Our employees are well paid and have good benefits compared to those of many other states. But we still ask too many men and women to work in State government at poverty level wages.

- . Saved \$265,000 by competitively bidding accounting, auditing and steno services.
- . Saved \$200,000 by auctioning state time-deposit accounts to the highest rate bidder.
- . Saved \$100,000 by bulk purchasing foods, linens and clothing for state institutions.
- . Saved \$73,000 by eliminating unnecessary wording in state legal notices.
- . Saved \$10,000 having the Attorney General act as bond counsel on general obligation bonds, instead of hiring outside lawyer.
- . Cut a proposed Turnpike toll increase in half and blocked plans to build a Toms River spur -- a move that would have increased tolls another 40 per cent all along the Turnpike.

- . We have enlisted the Port Authority of New York and New Jersey to help identify potential sites for urban industrial parks within the Port district.
- . New Jersey projects have secured \$26 million in federal economic development funds, the second highest total among the 50 states.
- . We repealed the state fair trade laws that maintained artificially inflated prices.
- . We established four Manpower Planning Regions to tie in city and county job programs under the Comprehensive Employment and Training Act.
- . The State Employment Service has increased job placements by more than six per cent.
- . We have cut Workers' Compensation claims processing by up to three months, and eliminated a 12,000 case backlog, without adding new judges.
- . Reforms in the unemployment insurance system have reduced paperwork and time spent waiting in lines.
- . We have started affirmative action program on public projects to assure equal employment opportunities.
- . The Department of Environmental Protection is required by law to act on permit applications within 90 days.
- . We have secured \$136 million in federal mass transit aid. That's more than New Jersey's total for the past 10 years. And we now have a commitment from UMTA for an added \$350 million.
- . We extended the elderly and handicapped reduced fare program, making the State eligible for \$53 million in federal operating assistance.

CURBING CRIME AND CORRUPTION AND PROTECTING RIGHTS

Society continues to be under seige from law breakers, whether they be street criminals or corrupt public officials, organized mobsters or fraudulent businessmen. This Administration is determined to act aggressively against crime wherever it exists, without regard for social status, economic position or political influence. As part of this wide-scale war on crime, we have:

- . Provided life sentences for major pushers of hard drugs.
- . Created the Corruption Control Bureau -- teams of lawyers, accountants and State Police detectives with experience in investigating official corruption.
- . Set up a Medicaid Fraud Unit to crack down on abuse of that vital and increasingly expensive program.
- . Required personal financial disclosure by more than 250 cabinet and sub-cabinet officials.
- . Set up methods of recovering monies lost by taxpayers through official misconduct.
- . Established a Correctional Master Plan Policy Council to revise the State's correctional system; moved prison reception center and reduced process time from several months to two weeks; reduced inmate population at Trenton State Prison from 1,150 to 860, the first step toward closing this facility entirely.
- . Prohibited discrimination on the basis of sex or marital status in lending and insurance underwriting; and stopped block-busting in the real estate industry.

PRESERVING OUR RESOURCES AND ENVIRONMENT

We are justifiably concerned about clean air and water, the way we use our land, and how we handle our solid waste. New Jersey has a large population living and working on a small amount of land. The future of our economy and our health depends on how wisely we plan, how far sighted we can be. Preservation of our resources and environment have both been important areas of action for this Administration -- and there have been significant accomplishments. We have:

- . Blocked the Tocks Island Dam project and ordered alternative flood control and water supply measures. The new program is both more economical and effective, and avoids damaging the environment.
- . Set up a far-reaching pesticide control code to prevent the poisoning of fruits and vegetables.
- . Adopted the State's first land-use regulations governing all delineated flood plains.
- . Enacted the Comprehensive Solid Waste Planning Act, a first step toward implementing modern methods of resource recovery.
- . Mapped all of New Jersey's wetlands and set up regulatory protection for more than 240,000 acres of tidal lands.
- . Started a highly effective water quality monitoring network.
- . Revised watershed construction priorities to focus on older urban areas; also expedited projects ready for construction.
- . Established the historic Delaware and Raritan Canal as a source of water and as a recreational area.

AN ACTION AGENDA FOR 1976

The budget I will present next month will address the continuing urgency of the need to restructure our tax system -- to relieve the unfair burden of the residential property tax; to meet the constitutional obligation for funding education; to adjust business taxes so New Jersey can compete more effectively for job-producing industry.

But the challenge before this Legislature is not restricted to tax and budget issues. The need to live within our limited means does not mean abandoning our public responsibilities. We cannot lose the initiative in anticipating shifting conditions or in striving to guide the forces that will shape the future of our State and its people.

We must move forward under tighter fiscal rein. There are important areas in which we can and should address the human needs of New Jersey residents and improve the quality of life without any added burden on the taxpayer. There are some things we can do to ease that burden without cutting services further. Here are ten other priority legislative programs that are particularly important to our State and our people.

1. Streamlining the structure and cost of State government

The need for streamlining is urgent. Demands for government services are growing greater and more complex all the time; yet costs and tax-resistance increase. There is growing frustration with bureaucracy and disillusionment with government.

It is essential, therefore, that this Administration move aggressively to trim fat, tighten controls, and reorganize to respond to an entirely new and unprecedented challenge.

geographical or other lines.

All this reorganization, however, is futile, unless we continue to improve the quality and productivity of State employees. At present we too often fail to distinguish between outstanding employees and those who just "get by". I intend to move against this system which encourages mediocrity, and devise methods of promoting and rewarding excellence and productivity. At the same time, we should strengthen our capacity to discipline those who are performing poorly.

Finally, I will seek legislation to establish a Career Executive Program, to improve the quality of our public officials. In the CEP, career employees would be able to serve in managerial ranks without losing their Civil Service rights. Such executives would be free to return to their classified positions later, for whatever reason. This would provide a larger pool of experienced professionals for top positions and greater flexibility to use their talents.

2. Monitoring local government spending

It is true, of course, that the overall tax burden of our fellow citizens has been steadily increasing. But the bulk of that increase has come from rises in local property taxation, not from increases in State taxes. Most of the tax burden is created by local taxation for local programs. Appropriations for State operations is \$1.5 billion. Local expenditures total more than \$4 billion.

In order to respond to citizen complaints about higher taxes, we must look sharply at local tax policies, local financing practices, and local programs. The citizens of this State demand and deserve assurance that huge expenditures for schools and other local operations are soundly conceived and executed; that maximum economies are achieved; that the borrowing integrity of their local government is not compromised.

place idled workers in available jobs and assist employers expand their operations in our State.

This means accelerating the efforts of our Economic Development Authority which has already achieved remarkable success in this effort. It means pumping additional private investment into our lagging construction industry with guarantees of government financing.

It means reviewing existing laws and regulations designed to protect the environment and making a realistic assessment of which restrictions adopted in the 1960's continue to meet the quite different problems of the 1970's.

It means spurring our efforts to develop the Hudson River waterfront, the Hackensack Meadowlands, and other areas of great economic potential. It means aggressive promotion of our State's proud and unparalleled historic heritage and recreational facilities to attract visitors during the nation's Bicentennial era.

It means all these and much more. We must make sense out of our patch-work business tax structure to remove the fiscal impediments that place us at a competitive disadvantage in vying for economic investment and the new jobs that it provides.

As an integral part of our tax reform program, let us repeal the sales tax on business machinery and equipment and provide tax credits for job-producing investments in New Jersey.

And we must at last make long overdue reforms in our governmental systems to protect and support our residents who are unable to find work as well as those who are employed.

Our unemployment compensation system must be overhauled to strengthen support for the legitimately unemployed while purging the loopholes that enable the unscrupulous to abuse the system.

Certainty and swiftness of punishment is the best way to deter crime. Defendants indicted for violent crimes should be brought to trial within 90 days. I will fill the existing court vacancies upon receiving assurance that defendants in criminal cases will be brought to trial within a 90-day period.

Under the parole reform bill I will again submit to the Legislature, the Parole Board would be allowed to keep dangerous inmates and repeated offenders in prison while providing more predictable rational release procedures for good risks.

5. Encouraging a balanced, regional approach to land use

I strongly support the concept of local control of zoning, but the inevitable regional impact of large-scale projects must be taken into account. The Development Review Act I have proposed will provide such an overview in accordance with State guidelines. Such an approach is essential to rational, coordinated land use and planning.

Under this act, the State will identify areas suitable for major economic and residential development and also designate areas that require special protection from such development. Thus, major capital investment decisions can be coordinated with broad land-management policies. Both are vital if we are to arrest the urban sprawl that has disfigured much of New Jersey and so damaged our economy and environment.

6. Cracking down on unscrupulous nursing home operators

Last year I appointed a cabinet committee to study the nursing home problems in New Jersey, a matter of growing concern to all of us. The abuses we have uncovered were isolated but shameful. We must end this neglect, provider mismanagement, and overcharging in the Medicaid system.

8. Reorganizing New Jersey's public transportation system and toll roads

How do we keep the railroads running at a time when the state subsidy program costs over \$100 million a year and has been growing by more than 35 per cent a year? Should there be an overall operating agency for these lines? What about the communities and industries served by lines soon to be abandoned? Where can we find the \$225 million required to match federal funding for the modernization of two major commuter lines and the extension of PATH to Plainfield?

The Port Authority of New York and New Jersey must increase its commitment to these efforts. If it is unwilling to do so, we will insist that it rescind the toll increases instituted last year for the specific purpose of funding improvements in the public transportation system.

And the federal government must come to understand the urgent need to revive rail passenger service in New Jersey. Its commitment of \$350 million in capital funding for New Jersey transit must be increased. I shall continue to work with our Congressional delegation to press our cause in Washington.

All these questions must be resolved this year if New Jersey's rail system is to continue serving more than 70,000 riders daily. We are preparing proposals to revise the subsidy program for bus as well as rail service and I intend to present the results of this effort to the Legislature later this year.

As vital as mass transportation is to New Jersey, we must be aware that most of our residents do most of their traveling by private automobile with increasing reliance on our three toll roads.

Last year I urged consideration of the potential advantages of combining the management of the New Jersey Turnpike, the Garden State Parkway, and the Atlantic City Expressway under a single authority. Preliminary studies

10. Senatorial Courtesy

Senatorial courtesy is outdated. The practice of allowing one Senator to blackball a nominee, without any public accounting, is repugnant to democratic government. It is an abuse of the public trust. It should be abolished.

Let's pass legislation requiring action within sixty days by a recorded vote on each nomination. This bill should itself be voted up or down on the floor after open debate. Each legislator should explain to the public his position on senatorial courtesy.

Increasing the flow of federal aid. Getting every penny that is due New Jersey is a goal that has eluded governors for decades. We are turning that situation around. New Jersey has moved from 42nd in per capita federal aid to 38th among the 50 states in just one year. I am determined that this trend will continue.

Civil Service overhaul is also long overdue. Our present system of promoting and compensation is not conducive to finding and retaining excellent people who are determined to be innovative and productive. I am convinced that there are profound changes required in the Civil Service system, changes that will result in a lean, highly motivated staff of civil servants.

A unified court system is another goal of this Administration, one which my own personal experience as a judge has convinced me is long overdue. We can achieve the twin benefits of a more streamlined and responsive court system, as well as lower operating costs. It is not often that we have the opportunity to gain a better judicial system while affecting economies.

Restructuring the Public Employee Relations Commission will help prevent public employee strikes. PERC has the major responsibility for achieving equity and harmony between government and its employees. It is imperative that it be given the tools necessary to deal realistically with impasses in public sector labor disputes.

I am determined to curb government's appetite for dollars and the strangling web of paperwork that reaches into every home and business in this State.

This dramatic reform of our business tax structure will unleash New Jersey industrial growth and spark the most dramatic economic comeback in our history!

Attract new jobs. An accelerated drive is well underway offering prospective employers free employee training, low interest loans, computerized plant location and a Business Advocate assigned to help companies cut through government red tape fast. We have mounted a major new effort to bring in foreign capital investment and boost the export of New Jersey-made products.

Expand our present industrial plant. The Economic Development Authority, already a dramatic success story, will issue low interest loans next year to spark added millions in capital investment and thousands more jobs for New Jerseyans.

The EDA is preparing to expand its efforts into urban industrial parks. Where municipalities choose to use the recent constitutional amendments permitting tax abatement, the EDA can make inner city locations particularly attractive for manufacturing and distribution enterprises.

Host Bicentennial visitors. Tourism expansion is one of the really bright spots in our economy, generating jobs, tax revenues and tolls. Despite the economic downturn, it continues its upward climb. During this Bicentennial year we expect to help the private sector generate record-breaking tourist patronage -- from other states and abroad -- at our beaches, lakes, ski areas and historic sites.

Develop the Hudson River Waterfront. We will work with the Port Authority of New York and New Jersey on long-term plans to replace acres of rotting piers, abandoned buildings and railroad sidings with the most advanced industrial, residential and transportation facilities in the Port district. Rising from the debris of this tax-delinquent eyesore will be

Reform unemployment compensation. We must assure strong protection for the legitimately unemployed while cracking down on those who abuse the spirit of the system by avoiding suitable job offers. The partial benefit provision of the law should be changed to provide incentives for the jobless to seek part-time work if a full-time job is not available. I will submit legislation designed to put the fund on a fiscally sound basis for the long term.

Energy research and conservation. I shall continue actively encouraging the federal government to locate a National Energy Research Center in New Jersey. This project, comparable in scope and investment to NASA, would be a great addition to New Jersey.

I also plan to give the State Energy Office a strong mandate to pursue studies in the use of solid waste for energy and in coal gasification. There will be a strong drive to encourage energy conservation by all our fellow citizens.

I shall again seek legislation to authorize an energy master plan for New Jersey, a plan that charts the expected demand for energy and the sources of supply to meet that demand will be a useful guide to policy makers for many years.

Expand and coordinate economic planning. Economic expertise is an increasingly vital factor in government administration. Governmental decisions have great impact on the economy and vice versa. We have received federal funding for a state economic development planning function attached directly to the Governor's Office.

Our new Capital Budget and Planning Commission under the chairmanship of Governor William T. Cahill has begun its essential work. I expect it to provide a responsible and workable plan for putting our State's physical plant in order and ending the long years of neglect and deterioration which

FIGHTING CRIME AND CORRUPTION

The success of our efforts to stimulate our economy depend in part on a successful assault on crime and corruption.

Where threats to lives and property become a way of life, it is extremely difficult for business to thrive. Where official corruption goes unpunished, the cost to the economy far exceeds the amount of the bribe. Where white collar crime receives a slap on the wrist, the violent criminal is given license.

Therefore, a third focus of this Administration's attention this year will be on crime and corruption in all its forms. Among the items on our criminal justice agenda are:

Striking decisively at street crime. We must find ways to prevent and deter crime, rather than just reacting after the fact. We must require security-conscious design of shopping centers, parking lots, homes and apartment buildings. We must establish procedures for testing and rating personal and structural security devices. We must upgrade police recruitment standards and training; and encourage regionalization of police forces where required to effectively cope with rising criminal sophistication.

I will direct the Attorney General and County Prosecutors to give first attention to prosecuting violent crime. And law enforcement forces will engage in plea bargaining only according to standards that prevent the bad risk from bargaining his way back onto the street.

It is important to understand the scope of violent street crimes. While adult arrests for such crimes rose 2.2% between 1973 and 1974, juvenile arrests rose an alarming 13.1%. I am determined to develop methods to reach, deter and where required, effectively punish such juvenile offenders. And we should abandon the custom of protecting from publicity juveniles who engage in violent crime and terrorism.

And we should finally act to extend the Conflicts of Interest Law to cover county and municipal officials, and New Jersey members of interstate agencies, a bill I sought from the Legislature last year.

Establish a standard for determination of death by a physician in those instances where life is being maintained by artificial means of support. This subject is extremely complex, involving matters of law, science and ethics. I intend to seek the help of physicians, scientists, lawyers, academic experts and religious leaders in designing appropriate legislation.

Protect the citizen's right to information on public record. This matter has been pending through the last session of the Legislature. It is time for the Right to Know concept to have the force of law.

Protect the rights of mental patients. Title 30, the law which deals with this problem, is overdue for modernization, particularly in light of recent court decisions holding that a patient can be committed only to the least restrictive type of appropriate treatment. I shall submit legislation to update and clarify the grounds for commitment, the procedures for commitment, the rights of the committed, and the factual evidence that must be presented. In addition, we should do everything possible to treat persons in their own community rather than confine them in larger institutions far from home.

The quality of justice is the moral foundation of any society. Each of our citizens must be secure in person and property; and must believe in the swift and dispassionate application of the law. Two hundred years after our nation's first tentative steps toward assuring equal justice before the law, that principle is threatened. The proposals I have outlined above should go a long way toward neutralizing that threat.

1960's to see if these laws meet realistically the problems of the 1970's. This Administration will cooperate in this effort.

Transfer of development rights. This is a concept that would enable municipalities to preserve farmlands, recreational areas, environmentally significant locations, and aesthetically and historically important sites in their present use without any financial penalty to the property owners who may desire a more profitable form of development. Owners of such land would be entitled to sell their development rights (in the form of increased density allowance) to developers owning land in zones where new development is allowed. I urge the passage of pending legislation to authorize this concept.

State supervision over construction and operation of sewage, water supply and solid waste capital projects. We should explore the potential for a State authority supported by pay-as-you-go user charges, based on gallons of wastewater discharged or volumes of waste material dumped in landfills. The result would greatly aid in the fight against pollution while also creating many new jobs.

In addition, we will press efforts to monitor and audit the vast expenditures being made in this area to assure efficiency for our tax dollars whatever the source.

Farmland preservation demonstration program. As one means of encouraging a healthy agricultural sector in our State's economy, we will test a program designed to preserve as much as 10,000 acres of farmland through state purchase of development rights. This approach would have the three-pronged benefit of keeping farmland in productive operation, saving the State the cost of buying entire farms, and leaving such farmland on local tax rolls.

of sewage, solid waste and water supply facilities is probably the major job-generating force in the State today.

The offshore drilling guarantees I seek will protect the State's largest industry -- tourism at our beaches -- and claim our fair share of jobs connected with building and operating the rigs.

The transfer-of-development-rights concept should stimulate alternative development activities. Innovative solid waste disposal techniques will yield many millions in recyclable materials and fuels. And the urban-oriented Green Acres program should help revitalize New Jersey's cities.

There is no contradiction between jobs and environmental protection; only a stubborn unwillingness in some quarters to recognize their mutual interdependence.