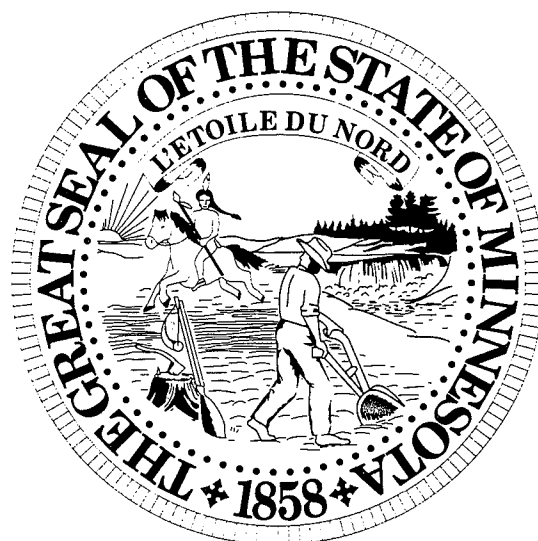


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State of the State Address

January 18, 1995
Saint Paul, Minnesota



Governor Arne H. Carlson
Lieutenant Governor Joanne E. Benson



1995

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ARNE H. CARLSON
Governor

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LEGISLATIVE RELATIONS DIVISION
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Mr. Speaker, President of the Senate, fellow constitutional officers, distinguished former governors, members of the supreme court, members of the cabinet, fellow Minnesotans...

Today we are at a crossroads. As I mentioned in my Inaugural address, there is a tremendous transition going on -- in Washington, in Minnesota and in every state in the union. We are witnessing the most significant change of direction in national policy since President Franklin Delano Roosevelt created the New Deal.

In 60 years, we have gone from a nation with too little centralized power to a nation with way too much. And instead of making intelligent changes during the 1950s, 60s, 70s and 80s, we allowed more layers of government to be created. In the process we built up a wall between the citizen and his or her government. Today that wall is coming down.

The taxpayers will be heard and this legislative session is the taxpayers' session.

I want to make one thing absolutely crystal clear and that is that we, as a state, cannot choose to do nothing. That was made abundantly clear last week when a report entitled "Within Our Means" by Minnesota Planning documented that Minnesota has a structural budget gap -- a gap that will add up to \$2.5 billion by the year 2005. It is caused by changing demographics, which we cannot control, but also by our spending choices, which we can control. And rest assured, we will control spending.

Over the next ten years, we will experience major increases both in the number of school-age children and in the number of Minnesotans reaching retirement age; and together these factors will create an enormous bulge in government costs. Combine this with the expectation that the number of working people -- taxpayers -- will level off, and we are left with a gaping hole between spending and tax revenues.

The report made it clear that if we continue to spend the way we spend today, Minnesota will be facing budget cut upon budget cut over the next 10 years. Something has to give, and in Minnesota, it will not be the taxpayer.

So the challenge of this transition is to learn to live within the new fiscal realities of our time -- to do things differently. And within that context we must be very disciplined in identifying exactly what our priorities will be.

The people of Minnesota have made their priorities abundantly clear:

- They want a government that lives within its means and that means no general tax increases;
- They want an educational system that will allow their children to emerge as winners in the world economy. And they want communities and schools and streets that are free from violence.
- And they want a smarter, more efficient and more local government;

I want us to think anew about state government and push the highest degree of accountability down to the lowest level of governance.

On the national scene, we are seeing a shifting of power from the federal government to the states. Central to our budget proposal is an unprecedented plan to begin to shift the power of government back to the people. Let us launch an all-out war on expensive and ridiculous mandates be they from the federal government or from the state.

As governor, I can tell you how federal mandates have often taken common sense out of the work place.

For example, the federal government now requires that a full 10 percent of prison cells in each of our state prisons be wheelchair accessible. In Minnesota, 10 percent equals 400 cells. Yet here in Minnesota, we only have 20 inmates -- yes 20 inmates -- using wheelchairs, and 14 of them are in the geriatric prison in Faribault. So unless this mandate is lifted, we will be forced to spend millions and millions of taxpayer dollars to create accessible space for 400 disabled inmates that we don't have.

I'm for access and equality, but this is an absurdity. Once again, we see the great wall erected between the common sense of the people and the determined will of the political elite who always seem to know better.

At the state level, that wall will come down.

We will shift power away from the state bureaucracy back to the people. And we will do it by removing burdensome mandates and allowing communities to set their own priorities and make their own decisions through the use of flexible funding in the form of block grants.

Give people the tools and they will be far more creative and far more effective than any centralized government could ever be.

For example, in Rush City I visited a family center used by all of the families in the community -- rich and poor, one-parent and two, struggling and successful. The center was built by the community, literally -- they built the climbing equipment, and a local businessman generously donated the space. At this center kids can get their immunizations, parents can get support from other parents and families who are struggling can get the help they need. They did this with a block grant.

As more and more people get involved locally, they need and deserve more information about how their local tax dollars are spent. Minnesotans want us to provide meaningful information about how much each service costs and who is charging them for that service. And so we will introduce a substantial revision of "truth-in-taxation" so that every Minnesotan knows what they are getting and at what price.

State and local governments must also change. Today more than half of the state budget is returned to local governments. All of us can be more efficient. I support restructuring at the state level and our administration will drive those changes. But all management decisions must rest with the managers, not the legislature. And any changes we make must result in, one, cost savings for the taxpayer and, two, improved service to the taxpayer.

Let us not reorganize to make ourselves feel better -- let's do it to give the people of Minnesota more value for their dollar.

And while the nation as a whole contemplates great change, I think it is only fitting that the Minnesota Legislature let the people participate in shaping the size and scope of their government. There is no better example of costly duplication in this state than the continuation of a burdensome two house system and it's about time we allowed the people to vote on a unicameral legislature.

And the people must be given the opportunity to vote on term limits. No legislative body has the right to maintain the big wall that protects them from the people.

I want to redefine the role of government to become a flexible agent of opportunity, not a road block to success.

There is no more tragic example of the misuse of mandates than the federal mandates on welfare.

Today we have a system that rewards teenagers for having children out of wedlock. We have a system that tells people the more children they have, and the less they work, the better off they will be. We give young parents a financial incentive for splitting up.

This is not a compassionate system, nor is it a helpful system. It is a social catastrophe. And we will not allow it to continue.

That is why I want us to get very serious, very quickly, about welfare reform. And I hope the federal government will have the wisdom to do the same by giving states the immediate flexibility we need to change.

Minnesotans want welfare reform. And when I say reform, at a minimum, I mean the following:

- First, any welfare reform proposal that I sign will eliminate, overnight, all welfare for able-bodied adults without kids. They should never have been on welfare in the first place.

- Second, I want to make sure that first time welfare applicants who have children have a very clear understanding of their obligation. And that obligation is to work. We will provide you with assistance in a variety of areas, but there will be no welfare check. We want people in need to succeed and the way to succeed is through employment.

Work is not punishment. Millions of Minnesotans go to work everyday in factories and offices and restaurants and warehouses -- and they do it to pay their bills. Why should people on public assistance be taken off the hook?

- Third, I want us to expand a successful experiment we launched last year in seven counties called the Minnesota Family Investment Program. Participants in this program can work, yet still receive some assistance for a period of time. The program tries to serve as a sturdy, one-way bridge out of welfare, and preliminary numbers show that it is working.
- Fourth, we can require teenage parents to live with their own parents as a condition of receiving assistance. We want family members to come together in times of need.
- And finally, we can continue our growing commitment to child support enforcement. In fact, at the end of this month, we will be publishing in local newspapers the names of the 100 parents who owe the most in unpaid child support. It's sad that we must go to this extreme to hold some people responsible for the well-being of their own children.

These are the ingredients of a bill we will sign. The people of Minnesota have said they want welfare reform. And they expect a proposal from the legislature that is not cluttered with controversial amendments. Every idea has the right to stand or fall on its own merit. And by the way, these are the legislature's rules.

I want us to give people a ticket out of welfare and instill the spirit of success in every child.

Our focus must be to make absolutely certain that every child has the opportunity to succeed and win in the world economy -- first through a world-class education system and secondly, through the creation of good, high-paying jobs.

We owe it to our children to reorganize our services for children. Once and for all, we want a Department of Children and Education Services to serve the needs of young people from birth to career. Working together, we can make this a reality.

We envision a department that focuses on nurturing and challenging every child to success.

We now have more than 250 different children's programs scattered throughout 15 different state agencies. Let's take all those resources and roll them into one state department -- eliminating the duplication, fragmentation and turf battles.

Through the use of block grants, the new department will be a resource, not a regulator, in helping local schools and communities solve problems.

I see a department that will assist local communities in working to meet the challenging graduation standards that will be implemented next year. Minnesota employers expect our students to meet higher expectations than in the past and every single Minnesotan wants our children to meet those expectations. They can, they will and they must.

We now know that within five years, 70 percent of the available jobs in America will not require a four-year degree, but they will require specific job training. That is why the new department will be involved in bringing employers to the center of education reform. Every teacher and every school should make it their business to learn the needs of Minnesota employers.

We will foster the creation of local partnerships between schools and employers and expand the youth apprenticeship concept throughout the state. We want to direct our resources toward those things that will give more kids the opportunity to graduate from high school with the hope of securing a decent job. This will be a difficult budget year, but youth apprenticeship **MUST be a priority.**

In the area of higher education, every institution should see itself as an integral part of Minnesota's economic engine -- preparing people for the world of work. If we truly care about our young people, we will measure the success of higher education by the number of graduates who are placed in good, high-wage jobs -- and we will invest in those positive results.

And finally, let's not forget, when our children do begin to look for work, they need a reason to stay in Minnesota. Those jobs will not come here by accident. The fact is we have a solid economy with one of the lowest unemployment rates in America. And while the median income is dropping nationally, it is increasing in Minnesota. While poverty is increasing in America, it is dropping in Minnesota.

But we also know that we have a huge wall that is a barrier to future success. And that wall is created by an uncompetitive workers' compensation system and a continued expectation of tax increases.

Rest assured that wall will come down.

I want Minnesota to enact meaningful reform that addresses the major cost-drivers in the system. Let's vow not to lose one more employer to high workers' compensation costs.

And let's vow today that we will work to bring Minnesota out of the top ten states in taxes. That's why I am pledging no new general taxes through 1998.

If we can reform workers' compensation and lose our reputation as a high tax state, Minnesota has the potential to become an economic powerhouse in the 21st century. And we must settle for nothing less.

Underlying all of this is the reality that no state can succeed if it does not have an overall sense of security and optimism. And that cannot happen if people live in fear of violence. Minnesotans want to be able to walk the streets and feel safe, and they want to know that their family members are secure. We all share this goal, and we can achieve this goal together.

Let me share with you what the people of Brooklyn Park have done. For years, they watched as their community began to deteriorate, their crime rate marched upward and long time residents began to move out.

In the fall of 1993, they decided to act. Through an initiative called "Come Home to The Park" involving thousands of volunteers they have brought pride and growth back to their city. Apartment owners and property owners have cleaned up and fixed up their buildings. With the help of 160 new neighborhood watch programs and a very active business community, the serious crime rate dropped 20 percent last year.

Everyone feels good about Brooklyn Park again. Police Chief Don Davis, and former mayor, Jesse Ventura are here today and I salute you and all the people of your community.

Rest assured, our Department of Public Safety will do everything it can to work with local police and strengthen our commitment to safe neighborhoods. People working together can make their neighborhoods safe.

Let us further understand that no matter how many programs we create, no matter how many prisons we build or how many police officers we put on the street, ultimately the strength of our communities rests in the values that bring us together. We in government have been reluctant to discuss values for fear of political labeling. But the truth is, this nation was formed by those who were committed to values.

We want our children to grow up believing in honesty, hard work, discipline, mutual respect and a commitment to family and community. Each of us has an obligation to make certain that our children embody those values.

Now the people have spoken. This is their hour. But you and I, as elected officials, should cast aside our political differences and work together on their will. For there is no more noble mission than one in which we walk hand-in-hand toward a future that once again ranks Minnesota as the finest place to live in the world.

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