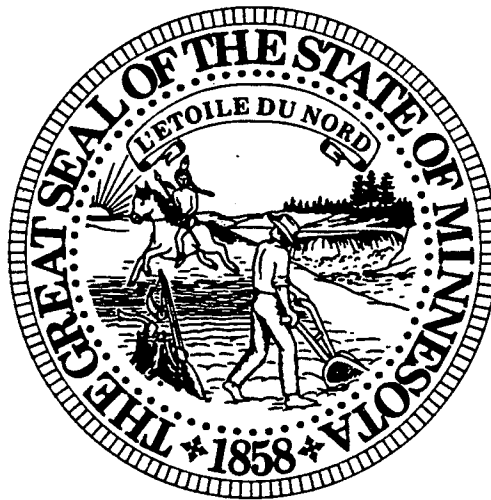


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State of the State Address

February 15, 1994
Rochester, Minnesota



Governor Arne H. Carlson
Lieutenant Governor Joannell M. Dyrstad



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State of the State Address

Minnesota

ARNE H. CARLSON
GOVERNOR

15 February 1994

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Thank you Mayor Hazama, Speaker-Designate Anderson, fellow constitutional officers, Governor Harold Stassen, Governor Elmer Anderson, members of the Supreme Court and the Court of Appeals, members of the Minnesota Legislature and friends.

Nearly four years ago, I called Joannell Dyrstad and asked her to be my running mate as lieutenant governor. I feel extremely fortunate, and Minnesotans are fortunate, that she chose to say yes that day. She has served our state and its people with a great deal of intelligence, tenacity and concern for the real issues that affect people. It was with great regret that I accepted her decision to run for the U.S. Senate, but I respect that decision and wish her all the very best.

Lieutenant Governor Dyrstad, thank you ever so much.

Thank you all for being here with me in Rochester, the best place to live in the entire country according to Money Magazine, and probably according to many of you here today. We came here because the Rochester area represents so much of what is good and so much of what is changing in our state.

Rochester is home to a vital computer industry that has and will continue to thrive amid turbulence; and it is also home to a world-renowned health care giant, the Mayo Clinic, which exemplifies Minnesota's reputation for excellence.

This is an important day for all of Minnesota as we reflect on where we are, and where it is that we want to be as we approach the 21st century.

As I stand here today, I can say, with more confidence than I have had since the 1970s, that Minnesota is back on track. And we now have an unparalleled opportunity to forge ahead...into a future that is certain to be brighter for ourselves and for our children.

Two months ago, I became a grandfather for the very first time. I honestly did not expect it to be quite such a moving experience. Having a new little granddaughter only reaffirmed what I have known for years — that our job is to do what is right for the long-term and build a better Minnesota to leave to our children:

- **We want it to be a Minnesota in which violent crime is no longer an ever-present threat, where people know and care about one another and our streets and schools are safe.**
- **We want it to be a place where Minnesotans can find secure and promising jobs.**
- **And we want it to be a Minnesota in which your kids and my kids and their kids - - our grandchildren -- will know that if they are responsible, caring, honest and hard working -- they will achieve their dreams.**

Three years ago, when I delivered my first State of the State message, Minnesota was headed in the wrong direction.

Our administration inherited an immediate 200 million-dollar budget shortfall, and faced a 1.8 billion-dollar projected gap between spending and revenue. Today, three years later, we are looking at a projected surplus of 430 million dollars.

We chose the tough road, but it was the right road.

First, we put the brakes on runaway spending. During the 1980s, the growth in state government exceeded the growth in people's paychecks by 15 percent. Since then, we have frozen the number of state employees, held the growth of government to the growth in personal income, implemented a wage freeze, and cut welfare for able-bodied adults.

None of these things were easy. But if we had not made the tough choices when we did -- we would have had to raise taxes. And if we had chosen to solve the problem we inherited with income taxes, Minnesotans would have seen a permanent income tax increase of 23 percent -- 340 dollars for every family of four with an income of \$40,000. That is what we prevented. (Chart)

In the process, we quickly became the target of nearly every entrenched and powerful spending system in Minnesota. And as we were being attacked by all the forces that resists change -- it was then that I knew we were doing something right.

Today, Minnesota is back on track and charging ahead with vigor. We can all take pride in the fact that Financial World magazine just ranked Minnesota the third best managed state in America and we have regained our AAA credit rating.

We have set priorities: putting job creation, improving the lives of children and fighting crime at the top of our list.

In the past three years, we have taken dramatic steps that will enhance Minnesota's quality of life for years to come.

- Together with the Minnesota Legislature, we implemented sweeping health care reform to bring down the cost of health care for all Minnesotans without penalizing employers, taking away competition, or jeopardizing the outstanding quality of our health care in this state. Minnesota is now looked upon as a national model for health care reform.
- We have launched environmental policies that are nationally recognized, including the most comprehensive wetlands protection legislation in the country, and a far-reaching effort to clean up the Minnesota River.
- In the devastating floods of 1993 we all came together to help those affected. As chairman of the Midwestern Governors' Association, it was my privilege to lead a delegation of governors to Washington to tell congress about the very real, long-term impact of the floods on our people. As a result of that effort, we came home with 446 million dollars, or twice as much aid as Washington had intended to give us.

- I am proud of our work on behalf of Minnesota's children. Despite the state's severe financial crisis, we have directed substantially more resources to children each year, and we are spending those dollars much more effectively on programs that work -- on early learning, education, children's health, youth apprenticeship, parent education, child abuse prevention, child support enforcement and nutrition programs.

As I travel the state, visiting with Minnesota parents and their children I realize how much more is left to be done.

- Today Minnesota has an nationally recognized education system that allows for school choice and charter schools, and we have talented, innovative educators who help our students to achieve world class test scores. Our post-secondary institutions now have a clear sense of purpose and are poised to meet the work force needs of the 21st century.
- We have kept our promises to those who create jobs by curbing the costs of doing business here, with a specific focus on reforming workers' compensation and reducing commercial and industrial property tax rates.

We helped Northwest Airlines through a critical time -- maintaining the Twin Cities as one of the few major international transportation gateways in the country and preserving 17,000 direct jobs, plus another 60,000 that depend on the airline for survival.

Minnesota is clearly back on track. But one thing stands squarely in the way of our progress, and that is violent crime.

Unlike other crises we have faced, such as floods and bitter cold snaps, violence pulls us apart -- not together -- and tugs at the core values that have made this state great. Violence has caused us to change our lifestyles, trust other people less, and to be afraid always for ourselves and our loved ones.

In 1992 and 1993 we took bold measures to stop violence in its tracks by passing the toughest and most comprehensive crime bill in Minnesota's history. We lengthened, and in many cases quadrupled, prison sentences for a long list of violent crimes involving murder, rape, possession of guns in schools, and drive-by shootings. We passed an anti-stalking law, giving women and other victims of stalking the means to put their assailants in jail.

We instituted a new truth-in-sentencing policy meaning that all convicted criminals serve all of their time. Thirty years means three decades under lock and key.

Many of us can fondly recall our own childhoods in a simpler time, when teachers cited their biggest discipline problems as students running in the halls and chewing gum in class, when neighbors relied on one another and kept an eye out for each other's children. And when murders were something that happened in faraway places, not to kids who live down the street.

How many of our veterans, who risked and lost lives on foreign soil, would have ever believed that the biggest threat to our safety would someday come from within our own communities? How many would have believed then that in 1994, a substantial percentage of Minnesotans would be afraid to walk at night in their own neighborhoods?

We cannot go back, but we can pull together. We can adopt realistic short- and long-term changes now that will restore our trust and remove dangerous predators from the streets.

A Minneapolis police officer recently told me he thought it was time we do more than manage crime. It's time we start fighting it.

If we are serious about fighting crime, we are going to have to make some changes:

- First, we must stop the six percent of the people who are committing 70 percent of the crimes. That means targeting our resources to the most dangerous -- the people we are afraid of.

- I have asked the legislature for a "three-time loser" law that guarantees a 15-year mandatory minimum sentence for those convicted of a third violent crime. With this law in place, it's three times, and you're off the streets and in prison for at least 15 years.
- We must aggressively deal with the 60 percent rise in juvenile crime since 1988.
- We must send a clear message that in Minnesota, violent criminals, young and old, will be held accountable.
- We must not wipe clean the records of serious juvenile offenders when they reach 18. And we must make absolutely certain that regardless of their age, cold calculated criminals are dealt with aggressively -- as adults -- and with as much sympathy and compassion as they show their own victims.

Sixteen year-old Jason Williams is just one example. He had come into contact with at least 10 police departments before he broke into a Brooklyn Park home just over a year ago. He spent the entire day there, eating, drinking and watching television until the owner arrived home with her two small children.

Williams murdered her, then killed one of the children and left the other for dead.

He then took her car, her cash and her wedding ring and picked up his friends for an exciting night out on the town.

The pain of this nightmare will always remain. We cannot change that -- only offer our support and our prayers. But we can change a juvenile justice system that failed to stop Jason Williams earlier -- that failed to show him swift, sure consequences when he was arrested for theft and assault earlier.

What scares us more than the crimes sometimes are the attitudes of these young predators is the total lack of remorse. Existing laws are not effective in dealing with this tidal wave of brutal, violent youth.

I intend to create structured summer camps and reinforce community programs for those young people who are teetering on the edge. Youth workers tell me they can predict with a great deal of accuracy which children are most likely to fall into a life of crime. We must target our efforts, reach out, and catch these kids before they fall into life of street crime.

I want to dismantle ridiculous data privacy laws that prevent teachers, police and social workers from sharing basic information about dangerous young people. Today a police officer is required to tell school officials if a minor has been caught drinking beer, but that same officer is forbidden to let the school know if a kid is accused of murder.

We must give our teachers the assistance they need to maintain order in the classroom. They need the authority to use reasonable force to control violent young renegades who systematically shatter the learning process for all students. It is crazy that we have let some kids run the show for so long.

We can do all these things -- make all these changes -- in 1994, and they will have a tremendous impact. But prisons, prosecutors and punishment cannot stop the pipeline of children who are growing up angry, afraid and increasingly violent right now.

Violence is rooted in a fundamental breakdown of the family. Sure, there are other factors that perpetuate violence such as drugs, unemployment, alcohol and poverty. And certainly the media and the entertainment industry perpetuate violence with their glorification of murder and criminal behavior.

But thousands of strong families have overcome these obstacles and demonstrated that a strong and caring home life can give children the solid foundation they need, not just to endure all the risk factors, but to excel, to thrive and to succeed.

We cannot let Minnesota become a state of victims -- always blaming government or teachers or social workers or police or employers for what happens to us. We can take charge of our destiny; and we are responsible for our actions.

We cannot be afraid to talk anew about values. Values are not something that died with our pioneering ancestors. Most of us believe very deeply in things like individual responsibility, mutual respect, hard work, trust and honesty. We believe in the inherent strength of families and we want close-knit communities.

We must take these values with us. They must be part of our future.

Government can reflect these values with a reconstructed welfare system. Last week I proposed a comprehensive reform plan that gives people who apply for welfare -- whether they have lived in Minnesota 20 years or two days -- a job, not a check.

I have asked the legislature to reverse policies that now make Minnesota a magnet for people who choose not to work. Let's face the facts: 42 percent of those on welfare in Hennepin County moved here within the past year; and 600 convicted criminals in our state prisons lived in Minnesota less than two years before being sentenced. Minnesota taxpayers are tired of importing trouble and dependency from other states. It's time to close the gates.

We want to remove the barriers to working and the excuses for not working. We must get rid of all the backward incentives that now reward dependency, reward unemployment, reward having children out-of-wedlock and reward families who self-destruct.

The new system is designed to help people stand proudly on their own two feet with a broad range of support including health care, transportation and child care. But after two years, if you refuse to participate, then we refuse to prop you up anymore.

Government can support strong family values by holding both parents responsible for their kids:

- **We must bluntly explain the realities of parenting to all our high school youth so they fully understand that having a child is a life-long emotional and financial commitment.**
- **We must continue to tighten-up child support enforcement to hold both parents responsible for the well-being of their children.**
- **We must require teenage moms who apply for welfare to live with their parents, and either work or go to school.**
- **And we must require parents to accompany their kids in court.**

These are some of the things that government can do to reflect the values of responsibility and strong families in Minnesota.

Still, all the government policies in the world cannot save us if we abandon values of individual responsibility.

Government cannot raise children.

Being a good parent today is one of the toughest jobs there is. To all Minnesota parents, including the divorced moms and dads, who manage to go to the parent-teacher conferences, coach the soccer teams and take their kids camping -- to those of you who are there for your kids, despite your own struggles, thank you. Your kids need you desperately, and Minnesota does too.

Strong families are the real key to a more cohesive, less violent future.

But there must be much more to our vision than stopping crime. Violence is a barrier, and as we overcome that formidable barrier we must commit ourselves to a plan that gives all of us reason to believe in tomorrow.

That vision must be one of opportunity -- and jobs.

Everything we have come to cherish hinges upon our ability to grow and keep jobs in Minnesota -- our schools, our health care, our state parks, our roads and the integrity and safety of our communities. A decent job can give a family independence, stability and a reason to dream about the future.

That is why jobs have been, and continue to be, the long-term focus of this administration.

When I talk about jobs, I am talking about good jobs -- jobs that require knowledge and skill -- jobs that are rewarding, that pay well and offer opportunities for promotion. I am talking about entrepreneurs and small businesses, because they offer the greatest potential for more and better jobs in Minnesota.

If we care about jobs, we must care deeply about education, because employers today need skilled, able and competent workers.

For the first time in decades, we are setting our academic sights higher in Minnesota with the development of new graduation standards. These standards are being drafted over the next several months. I want them to be clear, objective and easy to measure. I want them to reflect basic academic skills such as math, science, communications, and geography -- abilities that our children need to compete in the world economy.

If we care about jobs, we must understand the urgency of the changes we need to make to bring down the cost of doing business here.

Minnesota workers are known for their hard work and high skills. So why is it that so many are constantly worried about holding on to their jobs? The answer is simple: it costs more to do business here.

In 1992 a total of 10 manufacturers -- collectively employing nearly 900 people -- moved out of Minnesota: to South Dakota, Wisconsin, Nebraska, North Dakota, Kansas and Missouri. Eight of these 10 firms cited high workers compensation costs or burdensome taxes as the most significant factor in their overall decision to move.

We have made changes since then, but they are not nearly enough. We must bring down workers compensation costs this year. We will put a proposal before the legislature that we know will result in lower costs, higher efficiency and has proven to work in Wisconsin. This proposal has had the support of both labor and management in that state for years.

I will ask each and every legislator to do that which they know is right, vote for jobs and vote "yes" on this proven reform plan.

If we care about jobs, we must take a long-term pledge not to raise taxes -- not now and not for years to come. Government can and must live within its means.

In fact, this year I want to begin to phase out a burdensome sales tax on replacement capital equipment that penalizes manufacturers from expanding and creating new jobs in Minnesota. Computers and equipment don't pay taxes, people do. And this tax is hurting a lot of hard-working people.

These are critical steps to bringing jobs to Minnesota. But if we want to make more of these kinds of changes -- changes that are good for people and good for jobs -- changes that lead to less government and more opportunity for people to succeed -- then we need term limits in Minnesota.

When a legislator sits in the house or the senate for decades at a time, he or she can lose touch with the broad based concerns of people. Over time, the entrenched lawmaker accumulates far more power and influence than his newer colleagues and grows dependent upon powerful spending lobbies and special interest groups.

I am for term limits. But the legislature has repeatedly rejected my attempts to let Minnesotans vote on this issue. Members of the legislature, we must let the people decide, and decide in 1994.

Because we care about jobs, we have begun to make government less of a barrier, and sometimes even a partner, in job growth.

- We can help bring technology and assistance to companies to help them increase productivity.
- We are creating one-stop shopping to help businesses find their way more quickly through the maze of government regulations.
- And we continue to promote Minnesota products and services around the globe.

Today Minnesota has a lot to say to the world.

When I visit with international leaders I tell them that Minnesota is back on track and open for business. 130,000 new Minnesota jobs have been created since 1991. We now rank ninth in the nation in job growth.

We have so much on which to build. Minnesota has a massive financial service industry, a vital bio-technology corridor, a growing list of environmental service companies, a dynamic printing industry, a booming medical alley, a renewed computer sector, a solid agri-business industry and a critical manufacturing base that is just starting to improve.

There is a new economic confidence in Minnesota that we have not seen in decades.

Banner Engineering is just one example -- a Plymouth company that just announced it will open a new plant in Fergus Falls, employing 150 people. Four years ago, when faced with the decision of where to locate a new plant, President and founder Bob Fayfield chose South Dakota.

This year, citing a turn-around in Minnesota's business climate, and a new pro-jobs attitude in state government he selected rural Minnesota. Bob is here today and I thank him for his confidence. But he says there is still much more to be done -- and Bob, wholeheartedly agree.

The years just ahead hold out tremendous potential for Minnesota. We have every reason to believe that the best is not behind us, but rather lies directly ahead.

We will not get there by accident. You and I must commit ourselves to a path that will lead us to safe communities, strong families and good jobs. We must not be afraid to embrace the values that have made this state a shining star -- values of individual responsibility, respect, trust, hard work and honesty.

When I look at my own three children and my brand new granddaughter -- I want so much for them. I want them to have more opportunities -- more than I did. I want your children and my children and the young people here today to inherit a better world and a better state than we did. And I believe they will.

Minnesota is back on track. We know where we're going. Working together, we can get there from here.

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