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Office of the Governor

BOB RILEY
Governor



Press Office

STATE OF ALABAMA

GOVERNOR RILEY'S STATE OF THE STATE ADDRESS

Governor Bob Riley

February 03, 2004

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Lieutenant Governor Baxley, Speaker Hammett, Senator Barron, Representative Newton, members of the Legislature, distinguished guests and the citizens of Alabama.

Tonight we have the unique, perhaps once-in-a-lifetime opportunity to redefine government in Alabama and make the kind of real changes that we have talked about for years but never achieved. We can make this the most accountable, most cost-effective and most efficient government in the nation. This is the best chance we may ever have to do it and it may be our only chance.

In this past year I have traveled all over our state. I've spoken with thousands of Alabamians and I learned two things about the great people of this state. First, if you ask them what they want they will tell you. Second, although they differ in personal goals and dreams, they do share common ideas and values.

Alabamians want an open and honest government that is both responsive to their needs

and responsible with their money, and they want a state government that lives within its means -- just like they do.

This is the people's agenda. It's my agenda. We must now make it our agenda.

We must endeavor to make our actions mirror the core values of our citizens. We are, first and foremost, a people of faith. Alabamians have an abiding faith in God, their families and their communities. They do not, however, have faith in their state government. Ladies and gentlemen, we must change that starting tonight.

Since taking office just over one year ago, my administration - with your help - has made unprecedented cuts in our state budgets of over \$400 million. That's over \$1 million every day. This has been a joint effort that has seen many in this room reach across the aisle placing the people above partisanship, and we have accomplished more together than we ever could have alone.

On behalf of the people of Alabama, who asked us to reduce spending, let me say thank you.

To curb the costs of operating state government, my administration ordered the heads of every state agency to reduce their personnel costs by 5 percent, we cut the Governor's staff by 37 percent and significantly reduced the staff of all Cabinet departments. We reduced the amount of money spent for travel within the state. We searched out waste and excessive expenses and brought them to a swift end. We eliminated 567 vehicles from the state's fleet of automobiles, consolidated mental health facilities and signed a Medicaid bill that saved the taxpayers \$30 million. And for the first time, we now have budgets that contain essentially no funding for non-government agencies. While so many of these organizations have worthwhile purposes, we no longer have the luxury of using taxpayer money for any purpose other than core services. And I ask each of you to remember that our sole responsibility is to the people who support this government. We must continue to fund only the most basic needs of government and resist the temptation to reinstate non-essential spending. I will not put Alabama in the position of spending money we don't have and neither should you.

In addition to the cuts already implemented, my administration will submit a 2005 budget that contains additional reductions of \$300 million. While these cuts are difficult to propose and to implement, they must be a part of the inevitable solution to our current financial crisis. And I ask the help of all in this chamber tonight to hold the line on these reductions.

These difficult decisions have been put off for too many years but we can -- and we must -- make them now.

Ladies and gentlemen, this will amount to a total of over \$700 million that will have been removed from our state budgets. There are those who will say we cannot balance our budget without new broad-based taxes on the people of Alabama. Let me be clear: I will not seek, nor support, any new broad-based taxes in this session and if this Legislature enacts my proposed budget and reforms, none will be needed.

It will not be easy; it will not be painless; but it is possible.

We must have the ability to set priorities and transfer resources where they are needed the most, especially in times of financial crisis. We must find innovative solutions that will address these problems without placing a greater burden on our citizens. We must finally address the critical problems that have been ignored for too long and now threaten the very future of our state.

For example, today we face a \$182 million shortfall in the Medicaid budget. Teacher and employee health benefits face a similar \$175 million deficit incurred over the past year. Combined, health care costs will grow over \$350 million this year alone. No matter how much the economy improves, this explosive growth in health care spending cannot be sustained.

We must ask those who benefit from programs to help control the increased costs of the system. We must provide incentives and require those who use the programs to control spending so that they become a part of the solution. This will not only help solve our current financial shortfall but will demand efficiencies throughout the medical system.

You don't drive full speed toward a cliff and hope that someone will build a bridge before you get there. Until we control health care spending, that's exactly what we are doing. Therefore, in addition to provider participation, I have instructed our Medicaid Director, Carol Herrmann, to cut Medicaid's growth by half in the next fiscal year. Because the truth is if we do not get our health care spending under control we will not have the resources to accomplish anything else.

In the same vein, retirement and benefit liabilities for state employees are spiraling out of control. The measures we will propose will put us in line with the benefits offered by other southern states and private industry. Eight years ago, when health benefits for state

employees cost us \$180 million, maybe it was affordable. But today these costs have skyrocketed and will reach almost \$700 million this year and as a state, we simply can no longer afford it.

We now have two choices: massive layoffs or adjust benefits. I will do everything in my power to avoid losing thousands of teachers and state employees. This year we will contribute as much as possible to each benefit plan and allow the health insurance boards that run these programs to adjust benefits accordingly.

And let me say to our teachers and state employees, thank you for your hard work under very trying circumstances. These choices are not punitive and those who tell you they are are not telling you the truth. We are making these proposals to keep you working because you are too valuable and your work is too important to allow unacceptable layoffs because we failed to address the runaway costs of benefits. I would rather see these changes than see thousands laid off.

And let me assure you under no circumstances will we take back the COLA benefits for those who have already retired. I will not consider it and I will not allow it.

Along with these budget cuts and efficiencies we must also work together and prove to the people of Alabama that we are serious about reforming state government. Tonight I ask this legislature to recess for a special session focused solely on accountability and reform. Accountability and reform must come first. Not gambling. Not revenue. Not budgets. I will be proposing almost two dozen accountability and reform measures that tackle our most difficult challenges, from education to ethics, from budgets to benefits.

These debates will include teacher tenure, school financial accountability, higher education reform, holiday and vacation policies, a ban on PAC-to-PAC transfers, a permanent ban on pass-through pork, ethics and budget reforms, limited home rule and other long-overdue changes that will make state government and each one of us more accountable.

I know many of you have your own reform proposals and they should be included in this legitimate and open debate. While some will argue that these issues can be addressed during the regular session, you and I both know without a special session these reforms demanded by the people will get lost in the shuffle. The legislature will spend just as much time, if not more, debating issues other than accountability. There is not one issue that can not be fully debated after the special session, but by then we could have truly reformed our state government.

Ladies and gentlemen, this is what the people are demanding and there is no more we can or should do until we have fulfilled the people's mandate for reform, or all of us better be prepared to explain to the people why we lacked the courage to let these opportunities for reform come FIRST. If the decision to recess were placed in the hands of the people of Alabama, there is no doubt in my mind it would be granted.

While I am aware of the entrenched special interests who will seek to divide us and prohibit change, I ask each of you to resist the petty politics of the past and work with me to ensure progress for our future. For it is the people we serve, not the special interests, and it is the people's will that we must follow.

As we stand on the verge of redefining Alabama's government, I am more hopeful than ever about our future. Of course we have challenges before us. Yet, I have an unshakable faith that we will see triumph through our adversity if we only have the courage, commitment and cooperation such a purpose demands.

I have often said that Alabama has abundant blessings few states can rival. That has never been more true than today. From the port of Mobile, where revitalization is underway to open Alabama's door to the world, to the high-tech superiority of Huntsville, economic development opportunities abound. Today Alabama stands ready to take its place as a leader in our national economy and our national policy.

Recently President Bush announced his plan to send Americans back to the moon and then on to Mars. We must unite as a state to ensure that Alabama is the first stop on that journey. Tonight I am proud to announce the Alabama Space Exploration Initiative which will create a partnership between state government, Marshall Space Center, our colleges and research universities, and industry to strengthen our capabilities in support of our nation's new space policy. By working together we will continue to expand the economic potential of the space industry in Alabama.

And our state's role in national affairs is nowhere more apparent than in our contribution to the success in the War on Terror. Our sons and daughters, moms and dads, husbands and wives are sacrificing every day all around the globe to secure the freedom we all hold dear. In every generation and in every conflict, when America has needed protection, Alabamians have answered the call. Based on our size, no other state is contributing more National Guard and Reserve troops to this war, including more than 600 state employees who were called to active duty. And let us never forget that 20 Alabamians gave the last

full measure of their devotion to this righteous cause. There can be no doubt that these men and women are true heroes. Tonight we are honored to have some of these heroes with us, having just returned from Iraq and Afghanistan. Seated with my wife, Patsy, and also in the balcony are members of the 20th Special Forces of the Alabama Army National Guard and the 187th Fighter Wing of the Alabama Air National Guard. Thank you for all you've done and all you continue to do for our state, our nation and the free world. We are forever in your debt.

Alabama's strong legacy of defending our nation cannot be overstated. We are home to four of America's premier installations - Anniston Army Depot, Fort Rucker, Maxwell-Gunter Air Force Base and Redstone Arsenal. Each is so exceptional in what they do that America cannot fight and win a war without them. And Alabama cities thrive on their presence, for these bases are an engine of economic progress employing thousands of our citizens. When the next round of federal base closings takes place, I will fight alongside our federal delegation and this Legislature to keep our bases open and keep these jobs here. No other state will fight harder or perform these duties better than the people of Alabama.

While our state has the promise of progress, no program, no employer and no investment will ever enhance our economic development potential more than a world-class education for our children. Let me be the first one to say it: we should invest more money in education. But the money has to go to the classrooms. That's why I am proud to announce we are increasing spending by \$87 million for textbooks, classroom supplies and teacher training.

But, textbooks do not matter if our children can not read.

To ensure our children possess the most fundamental skill needed to succeed in life, I am proposing that we expand and focus the Alabama Reading Initiative to all K through 3 classrooms in the state.

It's time every child in Alabama learns how to read.

That's not happening today. We rank in the bottom five out of 50 states in reading. It doesn't have to be this way because we know the Reading Initiative works in the schools that have it. Research has shown that if a child cannot read by the fourth grade, chances are that child will never learn to read. So let's target the Reading Initiative where it will do the most good - in K through 3 - with a goal of having our reading scores in the top 5 in

the country in 5 years. This is not some nebulous goal of just improving or getting better. No, it says if we get the Reading Initiative in our schools we WILL go from the bottom 5 to the top 5 in 5 years. Then, there is no debate. We either succeed or we fail. But if we don't try, our failure is guaranteed, and failure should no longer be an option.

My fellow citizens, there can be no doubt about our mission and there can be no doubt about our mandate. I cannot recall a time that has ever demanded such drastic reform, such cooperation or such clear focus as now. We must all do the people's work. If we make reform a reality there is no limit to the greatness we can achieve. We can turn crisis into comeback. To be sure, our success or our failure will be our legacy. The people's mandate must now unify this government, and this government must now earn the trust of the people.

And each of us in this chamber must remember and be assured by those words spoken to us in Proverbs 3:6 -- Seek His will in all you do and He will direct your paths.

Good night, God bless you and the Great State of Alabama.

For more contact information, visit Governor Bob Riley's Web Site: <http://www.governor.alabama.gov/>

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