

Inaugural address

of

Howard B. Dean

As it appears in the

Journal

of the

**JOINT ASSEMBLY**

**BIENNIAL SESSION**

**1993**

**Thursday, January 7, 1993.**  
**Inaugural Address**

“Madame President, Mr. Speaker, Mr. Chief Justice, members of the General Assembly, and honored guests and friends:

“I am pleased to recognize so many familiar faces here today, and to welcome the large number of new legislators.

“A year ago when I came before you, Vermont’s unemployment rate was 7.1%.

Sixty-three thousand Vermonters, many of them children, had no health insurance. The state was carrying a budget deficit of \$57 million, and we were in the second year of the worst recession since 1929.

“Yet last January, the Legislature, Democrats and Republicans alike, put aside partisan differences and went to work for the good of all Vermonters.

“Today, despite another year of grim recession in Vermont and around the nation, the unemployment rate is 5.8%. We have moved to reduce the number of uninsured Vermonters, with coverage available to virtually every child in the state. We will pay off the deficit this year. We have been persistent in our hard work, and we have worked together.

“The 1992 Legislature passed a health-care reform bill, one of the most far-reaching in the nation. This year, most action on universal health care will take place at the federal level, but in Vermont, the Health Care Authority and others continue to develop the two proposals for a practical universal health care plan to present to you next year.

“I will do all I can to maintain the relationship between providers, patients, the business community and others with such a huge stake in our success.

“We must set an example for the federal government, and show that a state can provide health care for all its citizens with tough controls on costs without relying on the kind of bureaucratic approaches used in Washington.

“I hope that every legislator will keep the reform goal prominently in mind as we prepare for the second half of this biennium.

“Last year’s General Assembly also passed sweeping civil rights legislation that protects all Vermonters against discrimination. You passed a family leave bill that will serve as the nation’s model when Congress enacts a federal bill under the leadership of President-elect Clinton.

“And the Legislature approved a level-funded budget, Vermont’s first in 20 years, proving that it is possible to balance the budget while maintaining Vermont historic commitment to a social agenda that is the hallmark of an activist government.

“On top of all that, the Legislature performed like no other in the country. Your first act, recognizing Vermont’s financial situation, was to cut legislative pay. You adjourned in April for the first time in eight years, and you worked a week at the end of the session without pay.

“We are now in the third year of the worst national recession since 1929. Next week I am going to propose to you another level-funded budget. When it is passed, Vermont will have adopted three consecutive budgets with the same basic appropriation.

“This will allow us to sunset on schedule the tax increases approved in 1991.

“I ask this Legislature to continue the process that we began last year. If you do, by the end of April we will have made almost \$70 million in spending cuts from the deficit repayment plan I inherited when I became governor.

“But I also ask you to be as aggressive and as successful as the 1992 Legislature in addressing the needs of children and in looking at investments in prevention programs. We cannot abandon our responsibility to be leaders simply because we have a level-funded budget.

“The first assignment is the economy—and jobs. We must get Vermont moving again, to retain jobs and restore jobs to those who lost them over the past three years.

Economists and the business community know that the number of jobs in Vermont’s manufacturing sector has been declining since 1985, as it has been all over the United States.

“I have always believed that in a small state of 560,000 people, the best way to combat the recession is to encourage businesses that are already here to expand.

“The Economic Progress Act, which I bring before you, responds to Vermonters who need jobs.

“The proposal is part of a long-range strategy, built on the leadership of legislators who have worked with my administration and others to redirect Vermont’s economic future.

“The Economic Progress Act includes two types of tax credits: one for creating new jobs, and the other for capital investment in machinery, buildings or other fixed assets. There are minimum activity levels for each.

“Broad-based tax credits in other states have produced mixed results. The bold approach we propose—targeted, time-specific credits—has not been tried elsewhere. I believe it’s time to get serious about supporting manufacturing in Vermont, and it’s time for a new approach.

“I also propose to eliminate tax credits to the Vermont Venture Capital Fund. We must not be afraid to eliminate programs that have failed to result in investment and job growth in Vermont.

“The Economic Progress Act also targets start-ups or expansions of smaller businesses. The Vermont Financial Assistance Program will provide partial guarantees of bank business loans judged too risky in a recessionary economy.

“Any business located in Vermont with annual sales of less than \$5 million would qualify for consideration of loan guarantees.

“We anticipate that more flexible eligibility requirements will open the door to many solid business ideas that never materialized for lack of start-up money.

“In addition, the act will:

—Increase marketing efforts for Vermont goods, including wood products, by the departments of Agriculture and Economic Development.

—Coordinate transportation expenditures in areas targeted for economic investments.

—Expand the Vermont Industrial Development Authority’s loan portfolio to include financial services in addition to manufacturing, agricultural and tourist/recreational projects. To reflect this broader jurisdiction, we propose renaming it the Vermont Economic Development Authority.

—Launch a pilot program to help business buy and install advanced pollution control equipment.

—Provide a sales tax exemption on fuel used in manufacturing to companies that meet energy conservation goals.

—Create an ombudsman position to work on development permit issues for specific projects.

“We will strengthen job training programs, propose tax changes to reinforce Vermont’s position in the captive insurance industry, increase support to regional development corporations, and continue to upgrade interstate rest areas.

“In addition, I am appointing an advisory council on workers compensation issues, to tackle a problem that has been a growing threat to businesses and employees here and across the nation. In some states, the issue has polarized executive and legislative branches.

“We began with an *ad hoc* panel that met over the autumn months. I learned from that effort that we need to work even harder to unsnarl the knotty problems of paying for the program and for protecting worker’s rights.

“And I intend, as I promised several months ago, to seek legislation clarifying the liability of banks and other lenders for environmental damage or contamination to properties on which they hold mortgages.

“Without this clarification, Vermont businesses and individuals could find lenders reluctant to loan money for fear that property loans could make them liable for the cost of cleaning up yet-undiscovered pollution.

Over the next two years, as companies make decisions on investing and reinvesting in Vermont, I believe the Economic Progress Act can begin to turn our manufacturing sector around. If successful, we will once again be a national leader, this time in attracting jobs.

“Unless we balance the budget and make new jobs possible, we cannot pay for the programs so many of us care about so deeply in education, human services and environmental protection.

“It is time that we move beyond the notion that the concerns for environment and business are opposites. We must learn to talk about jobs and the environment, not jobs *or* the environment.

“In a real sense, I have done that. For years, Vermont’s governors have had a Council of Economic Advisors. I do, too. I also, however, have a Council of Environmental Advisors, which I created last year.

“In the autumn, representatives of both panels began meeting together, to discuss how to bridge the gap between business and environmental groups. We think we have made progress. It is the work of these combined groups that I recommend to you and which has resulted in our proposed changes in the Act 250 permit process.

“Vermont is making the difficult transition from cutting-edge environmentalism to building the capacity to enforce and implement the environmental legacy of the ‘80s.

“There are steps we can and must take to make Vermont more attractive for business.

“Twenty-three years ago, a governor stood where I do this afternoon, and challenged that new Legislature. He said, and I quote:

“Ask the average Vermonter what kind of Vermont he wants in 1980 or 1990. I believe he will tell you that while he wants good economic opportunities for his children, good schools, good highways and an opportunity to live his own life he will then tell you that the things he cherishes more than anything else are those sights which we see almost daily here in our Green Mountains—the deer playing in the field, the beautiful countryside we see as we ride the interstate between Montpelier and Burlington, the beautiful ride down the West River from Jamaica to Brattleboro, the view of the Green Mountain skyline from Morrisville or Johnson or the view of Lake Memphremagog when the sun comes up in the morning and Lake Champlain when it sets again in the evening.

“These are the things that bring Vermonters back home after they have seen other parts of the world ... The question is, my friends, can we preserve it? Do we have the will to go about preserving it? Can we have economic growth without destroying the other part of our dream—the pastoral scene?”

These words were spoken by Governor Deane C. Davis in January of 1970. The 1970 Legislature answered his questions by approving Act 250. I have no intention of being the governor who allowed the dismantling of Act 250 and the destruction of our natural heritage.

The governor’s responsibility goes beyond jobs or health care or even children’s issues. The most important obligation is to preserve the quality of life that makes the Vermont community so different than that in any other state, and serves as a model and a dream for the rest of America.

“We wrote the pioneering environmental laws in the ‘70s and ‘80s. In the ‘90s, we must make them work.

“Let me give you an example: In the past year, we shut down more than 40 unlined landfills, as I promised in 1991 that we would. These closures were accomplished without bankrupting Vermonters and without wholesale disruptions of services.

“There are delays in environmental permitting, but most are due not to the laws but to how they are interpreted and administered. The Agency of Natural Resources is working with the Environmental Board and the Water Resources Board to review all permit processes within their jurisdiction. I intend to work with the Legislature this year and the next to improve the permit process.

“I will continue to work very hard for conservation. I again challenge this body to support the Housing and Conservation Trust Fund, which makes housing available to working Vermonters shut out of the market by the tremendous increases in real estate prices of the ‘80s, and which will preserve our beautiful surroundings.

“There will be other pieces of legislation I will ask you to pass this year. They include an omnibus crime bill with anti-stalking legislation as a centerpiece.

“We will be proposing agricultural legislation based upon the work of the Vermont Maple Task Force, and seeking to expand marketing of Vermont products by the Department of Agriculture.

“The experience of a large convenience store chain has shown us that it is time to revise dairy bonding laws to allow our farmers to get paid what they’re owed.

“We will finance another round of the very successful bicycle path and greenway program run by the Agency of Transportation.

“Why do Vermonters pay so much attention to their environment? And why are we so determined to improve our economy? The common denominator in both cases, I believe, is our sense of obligation to our children.

Perhaps the most vital part of my legislative package relates to children.

After adjustment for inflation, the median income for families with children has actually declined over the last decade by 5% nationally and by about 10% in Vermont. This is partly a consequence of lower real incomes and partly due to divorces and births to unmarried women.

“Children are the poorest age group in America. In 1991, nearly 22% of all of America’s children lived in poverty. That percentage is nearly twice as high as that of any other age group.

“While national statistics suggest that Vermont does better than the rest of the United States in taking care of its children, the way we treat children in America is an embarrassment.

“We can and we will do better. Investment in children and their families is the only way I know to break the cycle of dependency on government spending that is aimed almost exclusively at fixing problems, not preventing them.

“We have made tremendous progress with *Success by Six*, the early intervention program for kids we introduced last year.

“The progress came about through cooperation between the Agency of Human Services, the Department of Education, local school officials, teachers, parents and child-care centers.

“In Morrisville, this combination produced a pilot program to support families from prenatal care through birth and early childhood so that their children are ready to learn when they enter school, and are supported after they get to school.

“In my budget address I will talk further about education and the need to support kids once they get to school

“Other communities are initiating programs to help prepare children for school. I will ask you to fund our *Healthy Babies* program, which will allow doctors and nurses to identify families at risk before their children are even born. That will mean we can adapt the Morrisville approach to other communities.

“In addition, we will be developing a proposal we call *Success Beyond Six* that will help school districts hire human services providers to deal in school with children whose special needs now are taxing the capabilities of teachers and principals.

“It is no coincidence that so many people who need help as adults had troubled or difficult childhoods. That is why welfare reform is so important to me. My commitment to welfare reform is based upon the belief that strengthening the family—helping parents break out of welfare dependency—will provide new hope and new expectations for their children and for themselves.

“The education and skills, transportation, day care and other social support services included in our welfare reform package are aimed at providing families with the tools to work, to add to their incomes, and to build themselves a better future.

“Over the past half-century, we have created, despite best intentions, a paternalistic system that singles out some families in society and treats them differently than most others. Society requires most Americans to work, but we have discouraged welfare recipients from doing that.

“We can eliminate the discrimination that occurs against low-income people by accepting that work is more than a way of bringing home dollars. It enhances self-esteem, reinforcing a sense of self that is passed on to our children. Welfare reform is pro-family and, most importantly, pro-children.

“I believe in general that government spends too much money trying to fix problems after they have occurred and not nearly enough trying to prevent those problems.

“This state, in fact the entire country, must shift its focus to long-range investments in children, intended to prevent damage from occurring in the first place.

“If we fail to do this, in 20 years, another governor will stand before this assembly explaining, as I must next week, why corrections spending has to go up 17 percent in a level-funded budget, causing us to cut other areas in human services and education during a deep recession.

“In our Cabinet meeting on Monday, one of the agency secretaries asked me what I hoped we would accomplish, and what my worst fears for the legislative session were.

“I told him that my worst fear was that the Legislature would not fund the children’s programs that I have asked you to fund. We have an opportunity here that is unique in the United States of America. The politicians of this country traditionally try to solve long-term problems with short-term solutions.

“I am asking you today, and I will be asking you again next week when I present the new budget, to take a small percentage of the money that we spend on human services and education and invest it in prevention programs for our children now.

“I am asking you, in a year of great cuts, and wholesale elimination of programs, for adequate funding of a new program. If you fail to do this, we will never break the cycle of supplying short-term solutions for long-term problems.

“Your success will be measured 15 to 20 years from now, with less out-of-state placements for emotionally-disturbed children, fewer children going through SRS and foster care, with a much higher school completion rate, and a much lower incarceration rate.

“We have a remarkable opportunity and we have a remarkable obligation. Your opportunity is to show that in Vermont, we can do things differently.

“Your obligation is to deliver for the 8,000 children who will be born in Vermont this year, so that those children who need services and who are born into families that need help will have a better chance of fully participating in tomorrow’s life.

“I welcome the opportunity to work with you. I consider these proposals to be a beginning, and not an ending. I look forward to what I know are going to be excellent suggestions for improvements that you will make as you go to work on them.

“This is important work for us—but it will be far more important for those who are children now, and who in one more generation will be sitting in the seats we now occupy.

“You have my gratitude for helping to continue our partnership.