Inaugural address

of

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# Thursday, January 10, 1991. Inaugural Address

I would like to make a few personal observations before I begin my formal remarks:

My prayers, all Vermont's prayers, are with our Sons and daughters who are this day in, or on their way, to the Middle East. In the days and months ahead Vermont will often be faced with serious problems, but with perspective we know how much more important it is that all of this world find a way to reject both aggression and war. There is no higher goal or deeper wish than peace as the basis of a new world order.

And I extend my congratulations and best wishes to Governor Kunin. Her agenda was full, her contributions are many, and her service will long be remembered. I wish her a continuing life of leadership, fulfillment and satisfaction.

And finally, may I tell you how much I love this Chamber and all it stands for. I will never forget my impressions at the moment when I first took my place here as the Member from Shelburne, more than thirty (30) years ago . . . of the beauty and the grace of this Hall. Nor, by the way will I forget what I learned here, from many of you. In my six (6) sessions of service, or the friendships made in those years. I am happy to be back with you again.

Mr. President, Mr. Speaker, Mr. President *pro tempore*, Mr. Chief Justice, distinguished members of Vermont's Legislative bodies, public servants, family and friends:

Even as I return here for my fifth time, I wonder if it is possible for anyone to stand on this spot, on this occasion, and not find their heart pounding as they think of those others who have gone before, and of the mighty contributions of those historic figures.

Precisely two hundred (200) years ago today the Vermont Assembly in Bennington voted to ratify the Constitution of the United States in order to be included as the fourteenth (14th) state of the United States of America. This is a very special year for us, our Bicentennial, a year of anniversaries and of remembrances.

Thomas Chittenden made clear his exhilaration in anticipation of returning to office to lead Vermont as the fourteenth (14<sup>th</sup>) State when he told the Assembly "The Constitution, gentlemen, groped in the dark for days, months and years, but now it shines with pure lustre. By it our lives, properties, liberties and privileges, civil and religious, are protected. By it we retain a right to choose our own rulers and that from among ourselves; – by it we are rescued from submitting to the edicts of any foreign power, or neighboring government, while every civil officer is annually taught his dependence."

But even Thomas Chittenden had self-doubts about his readiness for the task of serving as Governor. As he stepped forward to accept his role in 1790 he said "It is with some reluctance that I shall enter again into public service, all circumstances considered; yet the good of this people lies so near my heart, that when duty calls, nothing shall deter me from acting that part I judge will contribute most to the peace, happiness and prosperity of the people. Therefore with a firm reliance on receiving that kind aid and support from the Council and House of Representatives that the nature of my office requires, I shall accept the office to which I am elected – and I pray God to grant me wisdom to conduct agreeable to His will and then I trust it will be for the best good of His and my people."

I confess that, like Thomas Chittenden, all circumstances considered, it is with some reluctance that I enter public service again today. But with Chittenden and with all of you, I share the determination that nothing shall deter any of us from acting the part we judge will contribute most to the peace, happiness and prosperity of the people. As our predecessors have succeeded together, so shall we.

1991 will be both an anniversary and a beginning. It is the end of our first two hundred (200) years but it is even more significantly the first year of Vermont's next two hundred (200) years. Governor Chittenden and the legislators to whom he spoke wanted those precious legacies of peace, happiness and prosperity for all of us down through endless generations, and that was their vision. Their vision is now the basis for our quality of life. It is our turn to dream our dreams and describe our visions, because they will determine the quality of life and the legacy we leave for our descendants.

Vermonters have always been generous. Those who do not know or understand Vermonters sometimes believe that frugality and generosity are opposites. The true Vermonters are both. To make a living in these hills one learned to use wisely each asset ... "waste not, want not" was a motto to live by. We have always reckoned with limits and so we understand them.

But the spirit of generosity springs from the same well. We were a rural people. Those who cleared and tamed a wilderness, those who lived apart, in tiny hillside clearings and small villages weeks away from distant cities, came to prize most the helpful and caring neighbor. Neither decades nor technology dim this understanding of how important the welfare of others is to each of us. A combination of frugality and concern for others must continue to guide us as we cope with the problems of the present and lay visionary plans for the future.

A reading of our history will bring us face-to-face with the reality that over and over again we have found the limits of the application of public resources to material social goals and have been forced, with reluctance and pain, to recognize that the ultimate humanity we seek is not the task of government alone, but is the goal of a society in which both public and private efforts must go hand in hand.

My oath has been sworn, and I must begin discharging my obligations now by telling you frankly and clearly that Vermont faces an immediate and urgent need to limit its public spending to a rate which can be supported by reasonable levels of taxation even in years of average economic activity.

About a week from now, I will ask to speak to you in great detail about this problem and to spell out a comprehensive approach to its solution. But the importance of the matter requires that it occupy far more of this occasion than I would like and I must make clear at least the fundamental nature of the problem.

Our state General Fund budget is being driven by a very small number of very expensive programs, all of which are escalating in cost remarkably faster than either the United States or the Vermont economy can be expected to support on a dependable and sustainable basis. Just seven (7) programs - Welfare, State Aid to Education (including retirement funds and aid to higher education), Property Tax Relief, Use Tax reimbursements, Corrections, Medicaid and Debt Service are together responsible for about 490 million dollars.

This is nearly 80% of the approximately 630 million dollar estimated spending for 1991. To those who wonder where the money is going, let it be clear that it is not going to hundreds of hidden items. It is not dust in the corners of the bureaucracy. It is mountains in the center of the public policy stage.

Each of these expenditures, while technically not all "entitlements," has the built-in capacity to grow in cost without any relationship to the growth of the state's revenue. Each and every one of these cost items has been growing enormously faster than the economy of the state.

The consequences are clear. Only when the economy is extraordinarily and unsustainably robust are the revenues from any reasonable or nationally-competitive tax system able to match expenditures. The recent years, through fiscal year 1990, were unusually strong years. For a few wonderful years Vermont experienced average annual real growth of nearly five percent (5%), more than double the long term average of two percent (2%).

When the economy is only average in vitality, budgets of the level we have reached will produce deficits or require punitive tax levels. In just a few years our overall tax burden has gone from 24th in the nation to about 12th highest.

On the basis of my own studies to date, I agree essentially with the calculations of Secretary Menson that just to maintain current programs at current service levels in Fiscal 1992, and meet some unavoidable but unusual debt service obligations of the coming fiscal year, will require 733 million dollars. But despite last years tax increases, the revenue expected in fiscal 1992 is expected to produce only about 582 million dollars. The gap is 151 million dollars. Even allowing considerable room for argument about either what is or is not required to maintain current programs, and room for disagreement about revenue projections; we must recognize that the fundamental problem begs for immediate acknowledgment, and the earliest possible attention from this body.

The task is formidable. Those in this Hall cannot accomplish this task alone. Only an understanding of the situation by the entire State can bring about adjustments of this magnitude. We Vermonters will need to call on our roots and our spirit to make these major changes.

And while we must solve this fiscal problem, it cannot occupy all of our attention this biennium. We cannot turn away from the countless opportunities to make life better in Vermont, in those ways that we can afford. We must look with optimism and enthusiasm to a future that is still ours to create.

The task of this session is not only to get our budget in order. It is to do that and find the ways we can meet our goals. Having to trim budgets is not a tragedy unless it is used as an excuse for turning away from responsibility.

We cannot and will not set lower standards for the education of our children, for the health of the population, for assistance to the troubled, jobless or homeless, or for protection of the environment. But we clearly must rethink how those goals are to be achieved.

Today there is not sufficient time to spell out a complete legislative agenda and I will not attempt to do so. I will speak at a later date about a number of concerns in the area of law enforcement, but I largely endorse recommendations already made in this area by the Attorney General. My recommendations regarding transportation matters will be included with the budget message. The legislation I will propose does not offer anything like a set of miracle cures for our problems. While the need for change may be made clear by the obvious failure of the old system to meet our expectations, the new procedures cannot be produced in a year or a biennium.

Changes of this magnitude result from a deliberate process involving literally thousands of people. The new systems are negotiated among those most knowledgeable about the strengths and weaknesses of the systems that have proved to be inadequate.

I will offer an approach and a beginning, based on the assumption that what is not working at levels of funding we can afford must be redesigned, and that it is time to make a beginning.

With this objective, I am committed to breaking down the state regulatory mandates and barriers to local interest and responsibility and just as committed to attacking the federal regulatory tangle which blocks so many of Vermont's efforts. At both the federal and state level the bargain must be to trade regulations and mandates for performance commitments.

### **HUMAN SERVICES**

I will propose that we begin a comprehensive process of redesign of services and benefits provided through our Agency of Human Services which will thoughtfully address the resources available to those in need. Secretary Hogan has already begun this process.

The integrity of programs serving the most vulnerable and dependent citizens will be maintained although limited resources by necessity require the setting of priorities. Wherever we can, we will seek to alleviate the root cause of need by better integration of welfare, child care, and community mental health, health, substance abuse programs and education aimed to improve options and opportunities for the Agency's clients. Our goal will be always to treat individuals as whole persons not segmented or targeted only by their immediate problems. Our goal will also be to support and reinforce the family unit as the best long-term solution to many problems

This process of change will involve program administrators, advocates, consumers and the general public and be responsive to legislative mandate. The end result will be a system which will be financially sustainable in good times and bad.

## ECONOMIC DEVELOPMENT

Social needs fall and tax revenues rise when the economic engine gets stronger, and vice versa. The world is just beginning the most intense period of international economic competition in history. In such a world the standard of living in the United States and in Vermont will be determined by our capacity to produce the goods and services needed in a peaceful and environmentally-sound world.

We must begin by a determination to nurture and sustain what we have — the existing manufacturing, recreation and travel, agricultural and service employers. We need to build on our existing educational and medical service organizations. We must create the reality and recognition that Vermont is a good place to work, to invest in good jobs, and to do business.

I intend to protect, defend and build upon Vermont programs to protect the environment. But we will put an end to any notion that Vermont does not want business or jobs or that reasonable permit requirements must be hostile to reasonable business interests.

I will take a personal role in stimulating public-private partnerships to help strengthen the economy and make clear that Vermont is as it always has been, a State which understands and appreciates entrepreneurship, and will work with both state and regional development groups and private business interests in expanding the effectiveness of international marketing of Vermont and Vermont products, particularly in Canada.

## **EDUCATION**

We must strengthen Vermont's educational system. This is the best example of where we can make a difference which is not in proportion to public expenditures but is much more likely to respond to broad public commitment!

Let the Bicentennial year be the year of education in Vermont. First, let us each agree, regardless of our age or prior education or employment circumstances, to reach out for at least one significant personal educational advancement this year: a course or a set of books on a subject important to us, or our family or our careers, and let us make this a year in which each of us reaches out to help others learn the joy and rewards, of reading. Literacy for all Vermonters must be our goal if we are to improve the quality of life. I will ask leaders of every part of the Vermont educational system, the Library system, and related private endeavors to help me put together a program to help achieve our goal.

*Secondly*, let this be the year we make it clear that teachers and schools are only part of the process, and that parents must be at the heart of the educational partnership. No change in educational funding could accomplish what would result if all Vermont parents asked and expected more from their children.

Commissioner Mills and the Department have made great strides in these last several years. I am committed to helping to keep that progress going. I applaud the statement of education goals developed by the State Board and encourage Vermonters to participate in further definition of those goals and the strategies for their implementation.

#### THE ENVIRONMENT

I am committed to keeping Vermont a national leader in the scope, wisdom and effectiveness of its programs to protect the environment.

I recognize that to preserve and protect the environment, planning must be one of the highest goals of Vermonters and it must be the citizens who create the plans. Let Vermont's planning process be a blending of certain central and unifying principles with local and regional ideas which express the rich diversity of our communities.

I recognize and support the goals and aspirations of Act 200. However, I will ask the Legislature to remove any link between regional commission approval of municipal plans and state funding for planning at the local

level. Instead I will encourage regional commissions to act as resource and service providers for local communities and to assist in developing the cooperative processes to reconcile material differences between local plans.

The Public Trust doctrine provides that each State holds its public waters and the land underneath them for the benefit of the public. I have requested that Secretary Eastman review the work in progress on this matter in the Agency of Natural Resources and, as necessary, other studies, in order to prepare recommendations to the Legislature with respect to the precise nature of an effective doctrine for Vermont which recognizes both public and private interests.

During the last twenty (20) years Vermont has adopted, with the best of intentions, a multiplicity of statutes, regulations and funding programs with the objective of protecting the natural environment and encouraging better land use. We have now had sufficient experience with many of these regulations and statutes to design systems of administration which are clearer, more coherent, better focused and able to achieve a greater public benefit with reduced resources.

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These initiatives along with those that I will include in the budget message will form the thrust of my recommendations to the Legislature. Our broad goal for Vermonters will echo that of Governor Chittenden peace, prosperity and happiness while preserving the beauty and grandeur of our State.

Our challenge will be to find new ways as a government to help each and every Vermonter achieve those aspirations that can only be met through the combined efforts of the individual, the public and the private sector.

Vermont is a small state that has always had a strong sense of community and a shared identity which we must strive to cherish and renew. With this legacy from prior generations we can forge creative ways within our means to meet our responsibilities as a state that reaches beyond the confining strictures of the past, and that truly reflect our compassion for those in need while enhancing independence and opportunity for those that can do for themselves. What I am proposing will not be easy nor immediate. It will mean a commitment from each of us to look beyond the present and our personal, material striving. A shared vision of how to shape our future will take hard work and imagination built on sound knowledge. It will involve us all in countless meetings and discussions. But this biennium must mark the beginning of a change in Vermont's methods of reaching for a quality and social justice. I. will do everything in my power to assist you in this process.

God Bless You All.

#### Benediction

The Benediction was pronounced by the Most Reverend John A. Marshall, Bishop of the Catholic Diocese of Burlington.

#### Dissolution

The Governor, having completed his inaugural message, was escorted to the Executive Chamber by the Committee.

The Supreme Court was escorted from the Hall by the Sergeant-at-Arms.

The Joint Assembly then dissolved.

ROBERT H. GIBSON. Secretary of the Senate, Clerk.