



State of the State Address

Governor John Engler

1998 State of the State Address - January 29, 1998

Taxpayers' Agenda VIII:

Taking the Next Steps to Make Michigan First in the 21st Century

I. INTRODUCTION

Thank you, Connie, for your kind introduction. And thank you, Bishop Murray, for the inspiring prayer. Majority Leader Posthumus, Speaker Hertel, Chief Justice Mallett, colleagues in government, citizens of Michigan:

I stand before you to report on the state of our state. And I am proud to say: The state of our state is outstanding! We're in better shape than at any time since Michigan was converting the Arsenal of Democracy into the automobile capital of the world.

What a year it has been since I last stood here and addressed you. So much good news. Congratulations to the Maize and Blue. Now the whole world knows, Michigan is number one!

Congratulations, also, to the Red Wings for bringing the Stanley Cup back to Detroit!

And of course, any talk of champions is incomplete without mentioning the incomparable Barry Sanders -- football's Most Valuable Player, and one of sports' most valuable role models!

II. THE STATE OF OUR STATE

It is fitting that we applaud Michigan's great teams and athletes because they are the best in their class. They climbed to the top because of the important qualities they possess -- qualities like strength, commitment, leadership and teamwork. These words also make me think of Michigan's climb to the top in the decade of the '90s.

Strength -- strength captures Michigan's economy in the '90s; 24 tax cuts mean a savings of more than \$11 billion for our citizens. Month after month after month, we report record-low unemployment numbers. Today, more high-paying jobs are being created than

at any time in our history. Because of our efforts over the last seven years, Michigan is a far better state in which to live, to work and to raise a family!

Commitment -- commitment describes what we have done for public education in the '90s. Funding is at an all-time high -- more than \$11.8 billion! That's a 50 percent increase since my first state of the state address. Our education reforms are paying off -- test scores are going up. U.S. Education Secretary Richard Riley called Michigan his "most improved player" in the nation. Because of our efforts these past seven years, Michigan is becoming a smarter state!

Leadership -- leadership expresses how our welfare reforms have strengthened families in the '90s. Welfare rolls have fallen for 45 months in a row and are at their lowest level in a quarter century! More than 135,000 families have moved off welfare rolls and onto payrolls. In fact, more families have moved off, than remain on, cash assistance. Because of our efforts over the past seven years, Michigan families are becoming more self-reliant!

Teamwork -- teamwork describes all we've done in the '90s to make citizens safer in their homes and communities. You have passed and I have signed more than 300 crime - fighting measures. Crime throughout Michigan is down -- down for the fifth year in a row. Because of our efforts these past seven years, Michigan is becoming a safer state!

Teamwork also describes our bipartisan approach to fixing Michigan roads. This year, for the first time, transportation spending will top \$1 billion -- and we are doubling dollars for road repair. Every penny of the fuel tax increase is going to repair roads, and this, too, will make Michigan safer. We're fixing the roads, and we're fixing them now!

Ladies and gentlemen, we have achieved so much in so many fields of endeavor, that the stage is now set for Michigan to reach even higher. Strength, commitment, leadership, teamwork -- that's how we've turned this state around, and that's how we'll take on the future. Tonight I propose the next steps -- bold steps -- to make Michigan first in the 21st century!

III. TAKING THE NEXT STEPS TO MAKE MICHIGAN FIRST IN THE 21ST CENTURY

A. Cutting Taxes

Let us begin by looking at the state of Michigan's economy -- because it is in truly outstanding shape. In 1997, Michigan achieved its lowest unemployment rate since 1969 -- 4.1 percent. Just as remarkable is the fact that our state unemployment rate has been below the nation's rate for four consecutive years. The last governor who could cite even one year below the national average was George Romney, back in 1966.

Our goal for 1998: Unemployment below the national average for five years in a row. That was unthinkable back in the '80s.

Since December 1991, when the nation was in recession, the number of men and women with jobs has surged by 550,000. Just over the past year, employment in Michigan has climbed by 100,000. Total employment is at an all-time high, recently exceeding 4.7 million workers for the first time in history. Wages and salaries are also at an all-time high.

The economic news is so good that Wall Street, just last week, upgraded Michigan's bond rating to "AA+," our best rating in 22 years.

Know what else was unthinkable back in the '80s? Cutting taxes. And here I want to congratulate this Legislature. Your commitment to get government off the backs of our families and out of the pockets of our workers has allowed me to sign tax cuts totaling more than \$11 billion. \$11 billion!

Some of our tax cuts will make for a pleasant surprise at filing time for years to come. I applaud this Legislature for joining me in raising the personal exemption. This coming year a Michigan family of four, with two pre-schoolers, will be able to exempt \$12,400 -- more than ever before.

Besides higher personal exemptions, additional tax cuts are phasing in: \$237 million in new tax cuts are taking effect this year, and \$280 million more next year.

1. Cut the Income Tax Rate

My friends, since tax cuts have helped so many families and brought us so far, let's take a giant step. Tonight, I propose we cut Michigan's income tax -- and cut it again, and again, and again, and again -- five cuts over five years, until the tax rate goes all the way down to 3.9 percent. The cuts begin in the year 2000, and when fully phased in, Michigan's income tax will be the lowest in a generation.

What do these tax cuts mean for Michigan taxpayers? Treasurer Doug Roberts ran the numbers using the higher exemptions and the lower rates, and the savings are huge -- \$3 billion more when fully implemented. I repeat: \$3 billion more over the next five years -- not for government, but for families.

What do these cuts mean for you and your family? Let's say you're a Michigan family with two children and an income of \$40,000. In the first five years, your family will save almost \$850.

Or say you are a public school teacher, and you make \$49,000 a year. Your family will save more than \$1,000.

Or say you're a Big Three autoworker, making \$55,000 a year. Your family will save more than \$1,100.

These tax cuts are not targeted at special interests. These tax cuts are across-the-board. They ease the "middle-class squeeze" for everyone, enabling families to buy a house, pay off bills, pay for day care, plan for college or save for retirement.

Now, to those who claim government needs that money, I remind you: Think back to 1991. Who -- in the face of a nearly \$2 billion deficit -- would have expected us to cut taxes once, much less 24 times? And to those who wrongly argue that our tax cuts put education funding at risk, I remind you again: We've cut taxes 24 times, and we have not cut public education. Our firewall protecting education stands firm.

What I am proposing is a responsible tax cut. It commits us to careful stewardship of the taxpayers' money over the next five years, just as we have shown over the past seven years.

What I am proposing is an affordable tax cut. Doug Roberts says that for fiscal years '98 and '99 combined, we can expect more than \$800 million of General Fund and School Aid revenue growth. In years past, Lansing would respond to the growth of state coffers by calling for "revenue sharing." In truth, it's better to reward our workers by not collecting so much of their hard-earned money in the first place.

What I am proposing is a good tax cut -- good for our families, our workers, our taxpayers. So let's take the next bold step: Cut the income tax!

2. Constitutional Amendment

Remember the higher taxes and failed policies of the '80s? I do -- and we're not going back! Look at our coat of arms before you. You see the Latin word "Tuebor" -- "I will defend." Ladies and gentlemen, to defend our families and workers, I propose a common-sense solution. I propose a constitutional amendment that would require a three-fifths vote of both the House and Senate to raise taxes.

Currently 50 percent plus one raises taxes. I believe we should make it a little harder. Legislators in both chambers have been working on this -- Senators Bouchard, Shugars, Hoffman, Steil, Bennett, North and Jaye; and Representatives Goschka, Lowe, Whyman, McBryde, McManus, Raczkowski, Cropsey, Kaza and Geiger. I support the language of House Joint Resolution K of 1997, sponsored by Representatives Oxender, Perricone, Hammerstrom and Jelinek. That resolution reads: "No bill to increase a tax base or a tax rate of an income tax, sales tax, use tax or the single business tax . . . shall become law without the concurrence of three fifths of the members elected to and serving in each house."

For the sake of the people of Michigan, now and in future generations, let's take this bold step!

B. Next Steps in Protecting the Environment

Now let us look at the state of Michigan's environment and natural resources.

As you know, I consider myself a conservative. The root of the word "conservative" and "conservation" is the same. One of the greatest obligations of state government is to manage and conserve our natural resources for the sake of this and future generations. I have always maintained that solid economic growth is compatible with sound environmental management.

As chief steward of the Great Lakes, Michigan can be rightfully proud of her many accomplishments. The water we drink is excellent. We have made, and continue to make, tremendous progress since monitoring began in earnest back in 1974. In fact, where water is concerned, we had the fewest federal violations in the country in 1996. The most recent EPA data show that our state is number one in the nation in meeting federal drinking water standards.

The quality of the air we breathe is also excellent. We have made, and continue to make, tremendous progress since monitoring began back in 1970. Indeed, Metro Detroit and Grand Rapids have the distinction of being the first major metropolitan areas in the U.S. redesignated as reaching attainment of federal clean air standards.

In addition, we've protected our groundwater. Each year we are reducing threats by removing more leaking underground tanks. Only 65 were removed in 1990, but 1,548 were removed in 1997 -- a record number. And since we passed environmental reforms in 1995, the number of toxic sites we've cleaned up each year has quadrupled.

Many of those cleanups have been in our cities. Reusing old industrial sites not only allows us to reinvigorate inner cities and downtowns; it enables us to slow down the paving of green fields and thus conserve Michigan's beautiful countryside. To date, our cleanups have seen nearly \$300 million invested in our cities and nearly 3,500 jobs created.

Proposition P in 1994 set up a parks endowment fund and ended diversions from the Natural Resources Trust Fund, which previous administrations had allowed. We also stopped the diversion of Great Lakes water.

Here's another first: In 1994, Michigan was the first state to craft a comprehensive environmental code, and it took effect in 1995. The sale of the State Accident Fund, about which I spoke in a previous State of the State address, led to the establishment of a \$40 million endowment fund to upgrade and maintain Michigan's parks.

Here's yet another first that I am pleased to announce this evening. You may recall my promise in last year's State of the State address to do what I could to strike a fair balance between environmental concerns and private property rights. I mentioned one particularly sensitive area, the scenic Jordan River Valley. Last month the Department of Natural

Resources, acting on my direction, agreed to an historic 1,220-acre mineral trade in the Valley. This further protects the pristine environment along the Jordan River and respects the property rights of mineral owners.

The growth and diversity of our wildlife is another notable development in recent years. We are renovating Michigan's fish hatcheries, and have surpassed our original goal of having 200 pairs of nesting eagles in the state by the year 2000; it looks as if we are going to have 300!

While our record of achievement is impressive, the time is right to take the next step. Tonight, I propose that we invest \$500 million more to make Michigan even cleaner. Because of our recent credit upgrade on Wall Street to "AA+" -- Michigan's best in 22 years -- and because of low interest rates, and because of our economic strength, it is prudent to raise \$500 million through bonds.

Michigan citizens have always supported environmental ballot initiatives. Whether through bonds or a constitutional amendment, Michiganders have proven their determination to protect Michigan's environment for future generations. Recall that 10 years ago, the citizens of Michigan authorized bond sales of \$800 million to improve our parks and protect our environment. One of the senators who helped lead that effort is with us tonight -- our own Connie Binsfeld. That money has been fully obligated.

These new "Clean Michigan" bonds will benefit both our peninsulas in three critically important ways -- \$400 million for restoring polluted and abandoned sites; \$50 million for protecting drinking water; and \$50 million for upgrading facilities at our 96 state parks.

From Lake Superior to Lake St. Clair, our "Clean Michigan" initiative will improve our quality of life. It will accelerate the cleanup of sites like a PCB saturated landfill in Bay City, sludge pits in Van Buren County and a rusting tank yard in Eaton County. It will protect our lakes, rivers and streams from runoff and pollutants. It will make our outstanding state parks even more enjoyable for tourists and campers.

The bottom line: This initiative means cleaning up our water, fixing up our cities and sprucing up our parks.

C. Next Steps in Education

My friends, our most precious resource is our children. As moms and dads, we do all we can to help our children succeed. As leaders and legislators, we must do all we can to help everybody's children succeed.

I've often said our strategy for success comes down to one thing: The state with the best schools wins. No question about it: Michigan must have the best schools -- the best in the world. And the good news: We are making dramatic progress toward reaching that goal.

Remember all the problems we heard about in years past? . . . all the barriers to having good schools? Working together, we have achieved unprecedented reforms to tear down barriers and open up opportunities.

Remember when millage elections were failing and property taxes were skyrocketing? We fixed that problem with Proposal A, which slashed property taxes and constitutionally guaranteed funding for every student.

Remember the old funding system: The rich got further ahead, the poor fell further behind, and the kids got trapped in the middle? Again, we fixed that problem with Proposal A. The equity gap has been cut by one-third and continues to close, and every student in every school gets at least \$5,100.

Remember the pain when the last two governors signed executive orders that cut education by \$400 million? On our watch: No executive order cuts. In fact, since 1990, education spending is up 50 percent, and now tops \$11.8 billion. I am proud to say that Michigan is the only state in America to balance its budget six years in a row, cut taxes 24 times and increase education spending every single year.

Remember guns and knives in school? We fixed that problem: Bring a gun and you're done. So far some 600 hooligans learned that lesson.

Remember illegal teacher strikes? We fixed that problem -- by enforcing the law. Now, teachers are teaching and children are learning -- from day one.

Remember when you had to change houses to change schools? We fixed that problem -- with choice, charter schools and competition.

Remember when newspapers carried sports scores but not test scores? We fixed that problem by creating the Michigan School Report. Now, through the Internet, the report is accessible to every parent.

Remember the complaints about teacher tenure? We fixed that problem: Tenure reform means bad teachers are moving out, and good teachers are moving up.

Remember the 17-year-old court fight over special education funding? We fixed that problem: Our \$1 billion Durant settlement treats all schools fairly and helps every child. Details of the Durant settlement include:

- More than \$211 million will be paid to the 84 plaintiff school districts. This money is available without restriction and may be used for any purpose that local school boards determine.
- Approximately \$640 million will be paid the nearly 500 districts that did not sue so that they are treated fairly with those who did sue. Half of this money will be made available immediately; the other half will be paid in 10 equal, annual installments.

- Michigan schoolchildren most at risk will benefit from \$250 million in resources this year and \$260 million next year. Fiscal year 1997 funding was \$230 million.
- To help high school students graduate to productive, high-paying jobs that don't demand a college education, \$20 million will support the development of a new, statewide, career preparation system.
- Next year, \$20 million will be budgeted for schools to help reduce class sizes and increase individual instruction.
- To accomplish all this while ensuring overall fiscal stability, the state completed action on school funding for both the current fiscal year and the next fiscal year.
- Interest savings resulting from improvements in the way schools are paid by the state -- equalizing payments throughout the year -- will be plowed back into public education.
- Pension costs for school districts will be reduced with the savings devoted to the classroom.
- An additional \$66.7 million will be spent this year, and an additional \$48.2 million next year, for special education to help children who need help the most.

Remember concerns over technology and the lack of computers in classrooms? We've been fixing that problem. State resources, combined with local and federal funds, have given our schools unprecedented access to the Internet and to the world. I envision that \$1 billion settlement being used to infuse more classrooms with state-of-the-art technology and to increase the number of trained teachers in those classrooms. Imagine our children communicating across space and time in ways previous generations could only dream of. Interactive technology -- and teachers trained to use it -- should be available in our class rooms to enable all students to enrich their lives and maximize their potential.

Remember the mandates, red tape and threats to local control? We're fixing that problem. Already we've overhauled the school code and dumped some 200 obsolete sections. We are empowering school boards and, more importantly, trusting parents.

Remember concerns over class size? We're fixing that problem. In the '90s, our \$4 billion increase in school funding has improved the ratio of teachers to students. In fact, since I took office, Michigan public schools have hired an additional 6,700 teachers. And this year we are launching a \$20 million initiative for even smaller classes. Thank you, Senator Conroy and Senator DeGrow.

Remember when school boards spent all their time talking about the problems I just discussed? Since we've fixed those problems, school boards are now free to focus on their real mission -- delivering a quality education to every child.

The bottom line: Our reforms, combined with dedicated teachers and concerned parents, are getting results. Rising test scores are the proof. In a national science test, the level of improvement among Michigan students was tops among the 10 largest states in the nation. Over the period from 1992-96, Michigan's 8th grade math scores showed the biggest improvement in the nation. No matter what test you look at -- ACT, SAT, MEAP,

the High School Proficiency Test -- our students are doing better. Let's congratulate the kids who take the tests, their teachers who prepare them, and their parents who support them.

With all we've done, what steps remain to make Michigan schools first in the 21st century?

1. All 3rd-graders Reading

My friends, nothing is more basic than the ability to read. Reading changes lives. The inability to read also changes lives. It means falling behind your classmates, dropping out of school, and spending your life in unfulfilling jobs or, worse, in prison. If our children aren't reading, Michigan will never be first in the 21st century.

Let me tell you something that saddens me. The most recent MEAP test, while showing improved reading scores, indicates that 51 percent of fourth-graders cannot perform at grade level. That means not even half our fourth-graders are good readers.

It doesn't have to be so. The best research, conducted by the National Institutes of Health, shows that it is realistic to teach almost 100 percent of our kids to read at grade level if -- if -- they are screened early for learning difficulties and are taught using effective methods.

In my visits to schools, I've seen the difference careful screening and good teaching can make. It's unacceptable that any child grows up in Michigan unable to read.

Tonight I set before you this challenge: Children who start kindergarten this fall must be able to read by the time they reach the fourth grade. Let that be our goal -- write it down: Reading by the fourth grade. Best in the nation. No exceptions. No excuses.

And while we're at it: No more social promotions! Recent reform proposals in Detroit and Lansing seek to stop that practice. I applaud them -- and every school should stop it.

Now, making every child a reader will take commitment -- the commitment of parents, teachers, school boards, and all of us here tonight.

I am proposing an ambitious "Reading Plan for Michigan." This "RPM" strategy helps children even before they enter school. Our Early Childhood Office in the Department of Education will develop "reading readiness kits" and get them into parents' hands. Let's help moms and dads be good first teachers.

Because each child is unique, and because each child can succeed, I am directing the Department of Education:

- to assure that every child is assessed from the first day of school with the best diagnostic tools to determine reading readiness;

- to see that every child is monitored on an ongoing basis to insure reading progress;
- and finally, to design a model summer reading program to reinforce reading year around.

In the future, if a child is not reading by the end of the third grade, he or she will be required to attend a summer school program, designed to ensure the ability to read at grade level.

Michigan has many wonderful and dedicated teachers. Dedicated as they are, they cannot do the job alone. Nor can government ever be a substitute for Mom and Dad. It is imperative that parents become more involved in their children's education. To assist parents, there will be a statewide resource guide so they'll know who to call to get the help their youngsters need.

Fortunately, in addition to teachers and parents, many individuals and organizations already volunteer. I strongly support the expansion of our highly successful Alliance for Children's Education. Michigan's ACE initiative has already developed mentoring programs for reading in more than 150 schools.

Many other groups are involved: Help One Student to Succeed (HOSTS), Success to All Readers (STAR), literacy councils such as Kent County's Project One To One, the SUCCEED Program, Reading Is Fundamental (RIF), Read Indeed, the National Center for Family Literacy, local libraries, the Michigan Reading Association -- these and others are important allies. Michigan is blessed with a wealth of reading organizations, and they are to be commended for all their good work. Tonight, I am calling on all these groups, as well as Michigan's business community, to redouble their efforts to help all children read.

Finally, in May, our outstanding Community Service Commission, ably led by First Lady Michelle Engler, will be hosting a Volunteer Super-Summit, and reading will be a focus. General Colin Powell will be the keynote speaker, and I want him to see how we are mobilizing to make all Michigan children readers.

As the twentieth century draws to a close, I believe that a child who cannot read has no passport to the 21st century. Reading is our most important prevention program. It's about preventing ignorance and poverty. All children can read -- and in Michigan they will.

2. Safe Schools

Something else is essential to learning: safe schools. Too many teachers have become casualties in their own classrooms. Last year, I called on the men and women in this chamber to pass our teacher protection legislation. I support it, the MFT supports it, the MEA supports it, and the Senate passed it. Make Michigan schools safer, protect our teachers and staff -- let's get it done.

D. Next Steps to Strengthen Families

We all agree that a good education is the cornerstone of a good life. But the foundation of a good life is a good family.

This evening, I am happy to report that the state of Michigan's families is much better today than it was when this decade began. Infant mortality has declined for seven straight years, and is now the lowest ever in Michigan history.

Moreover, we celebrate six consecutive years of declining teen pregnancies -- now we have the lowest teen pregnancy rate in a generation.

Further, the improvement in our immunization rate is the most dramatic in the nation.

We also are helping more working parents with child-care needs than ever before. Next year, we will spend almost \$280 million -- a 400 percent increase over the last six years. And we will help more than 55,000 families with child care -- an almost four-fold increase since 1992.

And thanks to our Healthy Kids initiative, 80,000 children who were without health insurance are now covered.

Our nationally acclaimed welfare reforms have also been strengthening Michigan families. From the beginning, the goal of our reforms has been to help people achieve financial independence by moving them from a welfare roll to a payroll. For 45 consecutive months, the number of families needing welfare has declined, and now welfare rolls are at their lowest level in 27 years. Since October 1992, when Michigan began its reforms, almost 136,000 families have started earning paychecks instead of getting welfare checks.

All our remarkable progress gives Michigan another distinction we can be proud of: The United States Census Bureau reported last year that we were the only state in America where the number of people covered by health insurance went up, while the number of people living in poverty went down.

We've also made dramatic gains in fighting child abuse and neglect. For children at risk, we are moving faster to make sure they don't miss their chance at childhood. Our strategy is one of prevention, and we back it up in our budget. Since the passage of our adoption reforms, the number of children adopted into permanent, loving homes has doubled. And we can be proud of last year's far-reaching reforms that mean better trained child-protection workers, more rigorous family assessments and speedier decisions to protect vulnerable children. All of these actions are in the best interest of Michigan's children. Tonight, I'd like to pay special tribute to a great champion of children, Lieutenant Governor Connie Binsfeld.

What are the next steps to make Michigan families stronger and more self reliant?

1. MICHild

First, a new initiative called MICHild will ease the worries of parents of more than 150,000 uninsured children. When fully implemented this year, virtually 100 percent of all Michigan children will have access to health insurance.

A family of four with an income up to \$32,000 is eligible to participate. It will cost a family just \$8 a month -- or \$96 a year -- to insure their child. The state and federal government pay the rest. The annual maximum for any family would be the cost of insuring two children, or \$192 a year, no matter how many children under 19 years of age they have. MICHild, I think it's safe to say, will save lives.

2. Parental Responsibility Initiative

A second way to strengthen families is to crack down on deadbeat parents who don't -- or won't -- pay child support. It is sad but true that too many single moms are driven into poverty because the father isn't doing his duty. Recently Chief Justice Mallett announced that the Judicial and Executive branches are taking unprecedented steps to join forces and help these single parents and their children.

Tonight, I propose the "Parental Responsibility Initiative" on behalf of every Michigan child -- starting when the baby is born. For fathers who aren't accepting financial responsibility for their children, our Parental Responsibility Initiative aims to identify them, locate them, put them to work and make them pay.

Our \$15 million "no excuses" strategy will make sure deadbeats start supporting their children. It will be up and running this spring, it will be statewide, and it will target 30,000 non-custodial parents currently in arrears.

3. Operation Zero Tolerance

A third way to strengthen families is to end drug abuse. Drug abuse is self abuse because it undermines the ability to work and be self-reliant. When you are a parent, drug abuse is also child abuse. And that is intolerable.

This evening I propose "Operation Zero Tolerance" to end drug abuse among welfare recipients. Let there be no ambiguity here. Zero tolerance means just that -- zero tolerance.

Beginning with a pilot program, welfare applicants will be tested before receiving benefits. If they test positive, they will be referred to treatment. No treatment. No benefits.

The purpose of Project Zero Tolerance is not to be harsh for the sake of being harsh. The aim is to send a signal: You've got to get your life in order. You've got to get a job and become self-reliant. You've got to do your part to strengthen your family.

Tonight I ask you to help our children -- by helping their parents break the habit.

4. Expand Project Zero

A fourth way to strengthen Michigan families is to expand our successful Project Zero. The goal of Project Zero continues to be what it has been from the beginning -- to reduce the number of welfare families without jobs to zero.

Ambitious? You bet it is. But Ottawa County showed us the way. Our goal is nothing less than to achieve 100 percent employment in every county for every parent on welfare.

We recently expanded Project Zero because the numbers coming back from our six initial sites were so encouraging. From July 1996 to September 1997, Project Zero counties and districts eased families into the workforce at a much faster rate than other sites and had a higher percentage of people with earned income. That tells me we did the right thing in setting the bar high. More than ever before, we are succeeding in helping those who help themselves.

E. Next Steps in Fighting Crime

Thus far tonight, I've proposed a series of bold, new steps to help our families and workers. By cutting taxes, we make Michigan more prosperous. By cleaning up the environment, we make Michigan more beautiful. By teaching all children to read, we make Michigan more competitive. And by strengthening families, we make Michigan more self-reliant. In all these areas, where state government has a role, we have defined that role and done our utmost to help our citizens help themselves.

One area where government plays a pre-eminent role is in fighting crime. Government's number one duty is to protect families and their property against predatory criminals. I am happy to report that, for five years in a row, the number of serious crimes in our state has dropped and is now at a 27-year low. There are fewer murders now than at any time since 1968, and fewer robberies than at any time since 1967. To give that fact a human face, consider this: There were 115,000 fewer victims of serious crime in 1996 than there were just five years ago. I repeat: 115,000 fewer victims -- more than the combined populations of Pontiac and Muskegon.

This encouraging trend didn't just happen by accident. It happened because of our resolve to reverse the failed policies of the past, which pampered prisoners and coddled criminals. I commend the bold strides this Legislature has taken to put us on the right track. More than 300 anti-crime laws have given police, prosecutors and judges the weapons they need to fight crime more effectively, especially juvenile crime. We're doing more to protect women and children from domestic abuse and sexual predators. And we're keeping violent criminals behind bars for longer periods of time. The verdict is in: By being tough on lawbreakers, we are making Michigan safer.

But -- the cost of safety is constant vigilance. So tonight we start with some unfinished business.

1. Get Tougher on Drunk Drivers

Last year I stood at this podium and told you about the tragic death of Judy Rosin. Unfortunately, there are more tragic deaths to report.

Last October 12th, in Grand Rapids, a Camaro driven by a drunk driver crossed a median and careened into a minivan, killing a total of five people, three of them in the same family. The only survivor: a two-year-old girl named Molly. She lost all her family -- her mom, her dad, and her 10-month-old baby brother, Benjamin. Dead because of a drunk driver. A repeat offender.

A 12-pack of beer was found in the back of the Camaro. "The collision was so violent," said the newspaper article the next day, "it was hard to tell where one vehicle began and the other ended." That same article reported that "The driver of a car in the crash that killed five people had a history of speeding and alcohol offenses." Five offenses in all.

Then, exactly four weeks ago tonight -- on January 1 -- three lifelong friends were killed driving home to Brighton. Dead because of a drunk driver. A repeat offender.

They were near Ann Arbor on U.S. 23 when a Ford Bronco, driven by a drunk driver, flew across the median and struck them. The crash scene was so devastating that dental records had to be used to identify the innocent victims. The culprit responsible for this carnage survived. He had a dozen driving violations in Michigan and 14 violations in Colorado. His license had been suspended four times. Yet there he was on New Year's night -- drunk . . . driving . . . deadly.

It is urgent that you act. Last June, Secretary of State Candice Miller and Representative Frank Fitzgerald joined me in unveiling legislation to get repeat offenders off the road. The tough sanctions include "scarlet letter" license plates and confiscating the vehicle. The bill is designed to target those who repeatedly drive drunk, and hold them -- and those who enable them -- strictly accountable for their deadly behavior. Drunk drivers are responsible for a disproportionate share of the carnage on our highways.

I ask you: Had there been action in this Legislature, how many lives would have been saved? Pass this legislation.

2. Sentencing Guidelines

Second, it is imperative that you take action on sentencing guidelines to ensure even longer prison stays for violent criminals. I applaud the Senate for having the wisdom to pass unanimously the recommendations of the bipartisan Sentencing Guidelines Commission, which spent two-and-a-half years preparing the proposal that is before the House. Now all eyes are on the House. I urge you to act promptly. For the sake of our law-abiding citizens, keep the crooks off our streets and out of our neighborhoods by passing the guidelines out of this House.

3. New Prisons

Third, it is imperative that Michigan build more prisons. Because we have been so successful at putting more criminals behind bars and making them serve longer sentences, we face a problem. We simply don't have enough prison beds.

Yes, prisons have a cost, but they serve a very useful purpose: They keep our streets safe by keeping crooks behind bars. The only thing more costly than a lawbreaker doing time is a lawbreaker doing crime.

The best estimates are that we'll need to construct space for at least 5,400 new beds over the next four years. Considering the length of construction time, I urge the Legislature to authorize these needed prison beds now. To debate and delay is to endanger our law-abiding citizens and undermine our police and prosecutors.

4. Make Prisoners Work

Fourth, it is imperative that prisoners work -- they owe that much to society.

My goal is to get more prisoners working. For example, our Department of Corrections will be assisting Habitat for Humanity. The prison in Freeland will pilot construction of prefabricated housing for transport to local Habitat sites. That's just one more way we can accomplish our goal of putting more prisoners to work.

5. Scrap Prisoner Appeal of Parole Denial

Fifth, it is imperative that we get rid of a law that gives prisoners the right to challenge denial of parole. When the parole board says "no," it should mean "no." Just last year, more than 1,000 court appeals were filed, yet none was successful -- not one prisoner was ordered paroled. This wastes taxpayers' money, takes up the Attorney General's time, and clogs our courts. Tonight, I urge the Legislature to scrap this law.

6. Operation Night Hawk

Sixth and finally, it is imperative that we step up the war against gangs. Senator Posthumus, for your leadership on the Youth Gang Violence Task Force, and Representative Varga, for your work in the House, I applaud you.

Tonight, to build on your good work and to combat gangs, I propose "Operation Night Hawk." Teams of police officers and specially trained probation and parole agents will be deployed on nights and weekends, when gangs are most active. Any wrong move -- drug use, curfew violation, associating with a known criminal -- and violators will be arrested on the spot.

Just as we have made it a crime to recruit drug sellers, I propose we make it a crime for gang members to recruit or attempt to recruit teenagers into gangs that engage in criminal activity. We've got to help crime fighters in the war against juvenile crime.

I greatly admire the men and women who fight crime, and we're duty-bound to help them in any way we can. Our get-tough approach is protecting families. Consider Benton Harbor. A year ago, 11 murders in 10 days made it clear that decisive action was needed. Benton Harbor officials asked for our help, and I am proud that our State Police met the challenge. The results have been impressive and have earned both national and international acclaim: 382 fugitive arrests, 560 warrants satisfied, and 1,835 traffic arrests.

My friends, the State Police brought law and order back to Benton Harbor. As a young mother told the Detroit News, "I don't hear gunshots every night. I can sit on my porch again without being afraid for my life."

State Police Trooper of the Year Maurice Burton, born in Benton Harbor, was part of the team that went to his home town and restored law and order. Let's thank Trooper Burton and his wife Jolita. And let's thank all the crime fighters who help make our homes and neighborhoods safer.

IV. CONCLUSION

My friends, at the dawn of the 20th century, Theodore Roosevelt said: "We must dare to be great. We are face to face with our destiny, and we must meet it with high and resolute courage."

Tonight, we stand face to face with the 21st century -- and our destiny. To meet that destiny, I have charted a course that will benefit the people of Michigan for years to come. Let us take these bold strides to:

- help all children read,
- cover more children with health insurance,
- cut the income tax for our families and workers,
- amend the Constitution to protect taxpayers,
- pass our "Clean Michigan" initiative,
- expand our nationally acclaimed welfare reforms, and
- get tougher on deadbeat dads and drunk drivers.

As I talk to citizens from all walks of life, I am excited by what I hear. Indeed, it is the people who give me the true pulse of the state of our state. Their words and deeds tell me that our families are better off, our economy stronger, our students smarter, our environment cleaner, and our streets safer than they were when this decade began.

My report this evening reflects much good news. It is cause for celebration, and it augurs well for the 21st century. But we must not lull ourselves into thinking that we've arrived. We are closer to the beginning, than to the end, of our journey.

We must continue to be courageous. So tonight, I ask you -- all of you, Democrats and Republicans -- to continue with me on our journey. Let us take the next bold steps together to make Michigan first in the 21st century.

Thank you, God bless you, and God bless the great state of Michigan.