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Governor Tommy G. Thompson
State of the State Speech
January 29, 1992

PRESIDENT RISSER, SPEAKER KUNICKI, CONSTITUTIONAL OFFICERS, MEMBERS OF THE LEGISLATURE, DISTINGUISHED GUESTS AND MY FELLOW WISCONSINITES,

I STAND BEFORE YOU AT A TIME OF GREAT HOPE FOR THE FUTURE, BUT ALSO GREAT CONCERN FOR THE PRESENT.

AMERICANS ARE WORRIED ABOUT THE ECONOMY, HIGH TAXES, THE TRADE DEFICIT, ESCALATING HEALTH CARE COSTS, THE EDUCATION OF THEIR CHILDREN AND RISING CRIME RATES.

AT A TIME OF NATIONAL UNCERTAINTY, PEOPLE ASK: WHAT WORKS?

WELL TO THAT I SAY: WISCONSIN WORKS.

WISCONSIN IS WORKING, AND IN A SEA OF ECONOMIC CHAOS AND WE CAN BE PROUD THAT OTHER STATES ARE LOOKING TO WISCONSIN TO SEE WHY WE WORK.

I DO NOT SAY THAT WISCONSIN IS WITHOUT PROBLEMS.

DAIRY FARMERS WERE HIT HARD LAST YEAR BY PAINFULLY LOW MILK PRICES, AND WE MUST CONTINUE TO FIGHT FOR THEIR INTERESTS IN WASHINGTON.

SOME WORKERS -- ESPECIALLY THOSE WHO DEPEND ON THE AUTO INDUSTRY -- ARE WORRIED ABOUT JOB SECURITY. G-M WORKERS IN PARTICULAR HAVE SEEN PLANTS CLOSE ALL OVER THE COUNTRY, BUT OUR 3 G-M PLANTS ARE NOT ONLY OPERATING, THEY'RE WORKING OVERTIME.

I KNOW THERE ARE ECONOMICALLY DISTRESSED AREAS OF OUR STATE WHICH NEED OUR HELP. I HAVE BEEN TO THOSE COMMUNITIES AND MY ADMINISTRATION WILL CONTINUE TO WORK WITH THEM.

THERE ARE ROUGH SEAS IN SOME AREAS OF OUR STATE, BUT BELOW THE SURFACE, THERE IS A STRONG CURRENT OF CONFIDENCE THAT CONTINUES TO CARRY US FORWARD.

JUST LOOK AT MONDAY'S HEADLINE FROM THE MILWAUKEE SENTINEL WHICH FOUND OUR CITIZENS -- UNLIKE MANY OF THEIR FELLOW AMERICANS -- UPBEAT ABOUT THE ECONOMY, WITH 86 PERCENT LOOKING AHEAD WITH CONFIDENCE.

THAT'S GOOD NEWS. BUT POLLS ARE ONLY AN INDICATION, A SNAPSHOT IN TIME.

I WANT TO SHARE WITH YOU THE FACTS, TO SHOW WHY THAT CONFIDENCE IS FULLY JUSTIFIED.

OUR SALES TAX RECEIPTS FOR THE CHRISTMAS SEASON WERE UP.

CONSUMER CONFIDENCE IS DRIVING A HOUSING MARKET THAT IS THE BEST IN THE NATION: WHILE NATIONAL HOUSING STARTS HAD THEIR WORST YEAR SINCE WORLD WAR II ...

WISCONSIN HOUSING STARTS HAD THEIR BEST YEAR SINCE 1979.

-- AND 1991 WAS THE BEST YEAR EVER IN OUR STATE FOR HOME SALES. OVER 82,000 HOMES WERE PURCHASED IN WISCONSIN.

WE ARE THE ONLY STATE IN THE NATION THAT CAN SAY WE SET A RECORD IN HOME SALES LAST YEAR.

OUR INTEREST RATES ARE AT A 14-YEAR-LOW. AND WITH THE PRESIDENT'S PROPOSED HOMEBUYER TAX CREDIT THIS HOUSING BOOM SHOWS NO SIGN OF LETTING UP.

OUR HOUSING MARKET IS STRONG, AND OUR BANKS HAVE MONEY TO LEND.

WISCONSIN'S BANKS, SAVINGS AND LOANS AND CREDIT UNIONS ARE SOUND.

THEY'RE SOUND BECAUSE THEY REJECTED THE "GET-RICH-QUICK" SCHEMES AND RISKY INVESTMENTS AND INVESTED IN WISCONSIN HOMES, WISCONSIN FARMS, AND WISCONSIN BUSINESSES.

-- WISCONSIN BUSINESS INCORPORATIONS WERE UP SIGNIFICANTLY LAST YEAR WHERE THE REST OF THE NATION HAS SEEN A DECLINE.

SINCE 1987, 36,000 NEW BUSINESSES HAVE OPENED THEIR DOORS.

AND OUR RECORD OF PRO-GROWTH GOVERNMENT, THE WORK ETHIC OF OUR PEOPLE, AND THE EFFORTS OF MY ADMINISTRATION ARE ATTRACTING BUSINESSES TO WISCONSIN.

-- SAM WALTON CHOSE MENOMONIE TO BUILD ONE OF THE LARGEST FACILITIES IN OUR STATE HISTORY -- 27-AND-A-HALF ACRES UNDER ONE ROOF. WAL-MART'S NEW DISTRIBUTION CENTER WILL ADD 600 JOBS TO THE ECONOMY OF WESTERN WISCONSIN.

-- LANDS' END WAS PREPARED TO GO TO IOWA TO BUILD A NEW TELECOMMUNICATIONS CENTER. WE CHANGED THEIR MIND AND AS A RESULT, THAT CENTER WILL BE BUILT IN REEDSBURG, BRINGING 1200 NEW JOBS TO THAT AREA IN THE NEXT THREE YEARS.

-- KIMBERLY-CLARK, WHICH FLED WISCONSIN'S ANTI-BUSINESS, ANTI-GROWTH ATTITUDE IN 1983, WILL BE BUILDING A \$90 MILLION PLANT IN MENASHA THAT WILL EMPLOY 300 WORKERS WITH AN ANNUAL PAYROLL OF \$9 MILLION.

THESE ARE JUST A FEW EXAMPLES OF OUR SUCCESS STORIES THIS PAST YEAR.

-- AND TONIGHT, I AM HAPPY TO ANNOUNCE THAT WE HAVE YET ANOTHER MAJOR CORPORATION WHICH IS BANKING ON WISCONSIN'S FUTURE.

WITH THE ENCOURAGEMENT OF MY ADMINISTRATION, LOUISIANA-PACIFIC HAS DECIDED TO BUILD A \$25 MILLION PARTICLE-BOARD PLANT IN TOMAHAWK, A PLANT THAT WILL EMPLOY 130 WORKERS.

PLEASE JOIN ME IN CONGRATULATING, LOUISIANA-PACIFIC'S DAN DILWORTH AND TOMAHAWK MAYOR DICK BIRERLICH, FOR LOUISIANA-PACIFIC'S DECISION TO BUILD IN TOMAHAWK.

EACH OF THESE EXAMPLES DEMONSTRATES THAT WISCONSIN CAN COMPETE WITH OTHER STATES ... AND WIN.

BUT THAT'S NOT ALL, WE CAN ALSO COMPETE ABROAD.

OUR EXPORTS WERE UP 22 PERCENT LAST YEAR.

AND THAT JUST SHOWS THAT WISCONSIN WORKERS CAN COMPETE, AND CAN BEAT ANYBODY IN THE WORLD.

WHEN THE PRESIDENT SPOKE LAST NIGHT ABOUT AMERICAN FARMERS FEEDING THE WORLD, THOSE WERE WISCONSIN FARMERS HE WAS TALKING ABOUT.

AND WHEN I TALK TO BUSINESS LEADERS AND TELL THEM THEY SHOULD LOCATE IN WISCONSIN, IT'S OUR PRODUCTIVITY AND OUR HIGHLY-SKILLED WORKERS THAT SEALS THE DEAL.

YES, WE HAVE STRONG COMPETITION FROM OTHER STATES.

YES, WE HAVE STRONG COMPETITION FROM OTHER COUNTRIES.

BUT YOU LEVEL THE PLAYING FIELD, AND WISCONSIN CAN WIN. BECAUSE WISCONSIN HAS THE BEST AMMUNITION THERE IS: PEOPLE AND POLICIES THAT WORK.

AND PEOPLE IN WISCONSIN ARE WORKING.

SINCE DECEMBER OF 1990 -- WHILE THE NATION LOST 751,000 JOBS -- WISCONSIN BUSINESSES ADDED 17,000 NEW JOBS.

WE HAVE ONE OF THE LOWEST UNEMPLOYMENT RATES IN THE COUNTRY, AND FOR THE PAST FOUR YEARS, OUR UNEMPLOYMENT RATE HAS BEEN CONSISTENTLY AND SUBSTANTIALLY BELOW THE NATIONAL AVERAGE.

AND I AM HAPPY TO REPORT THAT THE DECEMBER FIGURES ARE IN, AND OUR UNEMPLOYMENT IS DOWN ONCE AGAIN.

ALL THESE STATISTICS MEAN ONE THING: JOBS FOR WISCONSINITES.

AND YOU AND I KNOW THAT THE BEST SOCIAL PROGRAM IN THE WORLD IS A GOOD JOB.

SINCE I BECAME GOVERNOR, WE HAVE TURNED THE BUSINESS CLIMATE IN THIS STATE AROUND.

BUSINESSES HAVE RESPONDED BY CREATING ALMOST 250,000 NEW JOBS.

AND A RECENT UNIVERSITY OF WISCONSIN STUDY PREDICTS THAT WE WILL CREATE ANOTHER 300,000 BY THE END OF THIS DECADE.

IT IS NOW OUR JOB TO MAKE SURE THAT WISCONSIN HAS THE HIGH-SKILL WORKERS WE WILL NEED FOR THE NEXT CENTURY.

WE'VE ALREADY LAID THE FOUNDATION. WE LAUNCHED AN AMBITIOUS SCHOOL TO WORK INITIATIVE THIS PAST SESSION TO TAKE CARE OF THE 70 PERCENT OF OUR HIGH SCHOOL GRADUATES WHO EITHER DO NOT GO ON TO COLLEGE OR DO NOT COMPLETE A 4-YEAR COLLEGE DEGREE.

WE ARE CREATING ONE OF THE NATION'S FIRST STATEWIDE YOUTH APPRENTICESHIP PROGRAMS AND EXPANDING VOCATIONAL PROGRAMS.

NOT ONLY WILL OUR HIGH SCHOOL GRADUATES HAVE A DIPLOMA. THEY WILL HAVE REAL-WORLD EXPERIENCE.

WITHOUT THESE EFFORTS, WISCONSIN COULD END UP EXPORTING THE ONE COMMODITY WE CAN NOT AFFORD TO EXPORT: OUR HIGH-TECH, HIGH-SKILL JOBS.

education

IN PREPARING THAT WORKFORCE WE MUST BEGIN WITH STUDENTS IN THE YOUNGER GRADES.

AND I'D LIKE TO WELCOME THE GROUP HERE FROM "INROADS WISCONSIN."

COMPARED TO THE REST OF THE NATION, WISCONSIN STUDENTS COMPETE WELL.

JUST LAST YEAR, JOANNE LAGATTA FROM CLINTONVILLE, WISCONSIN WON THE NATIONAL SPELLING BEE CONTEST. SHE DEFEATED 227 FINALISTS FROM ALL OVER THE COUNTRY BY CORRECTLY SPELLING "INAPPETENCE" AND "ANTIPYRETIC."

I'M NOT SURE WE ALL KNOW WHAT THOSE WORDS MEAN, BUT WE DO KNOW -- JOANNE -- YOUR VICTORY WAS A TREMENDOUS MOMENT FOR YOU AND FOR WISCONSIN.

WE'RE SO PROUD OF YOU FOR YOUR VICTORY.

CONGRATULATIONS, JOANNE, TO YOU AND YOUR PARENTS.

PLEASE JOIN ME IN WELCOMING JOANNE LAGATTA AND HER FATHER, ANDY.

BUT WHILE WISCONSIN STUDENTS ARE AHEAD OF THE NATIONAL EDUCATION CURVE, THEY ARE FALLING BEHIND THE INTERNATIONAL CURVE.

RESPONDING TO THIS CHALLENGE, WE HAVE LAUNCHED A NEW ERA OF EDUCATION REFORM IN WISCONSIN, ONE THAT WILL BE MARKED BY ACTION, NOT ACRIMONY.

AFTER MANY MONTHS OF NEGOTIATIONS WITH STATE SUPERINTENDENT GROVER AND REPRESENTATIVES FROM THE TEACHERS' UNION, SCHOOL DISTRICT ADMINISTRATORS, PRINCIPALS, SCHOOL BOARDS AND MANY OTHER EDUCATION LEADERS FROM THE FISH COMMISSION, WE HAVE REACHED AN UNPRECEDENTED AGREEMENT ON EDUCATION REFORM.

AND I WANT TO THANK ALL THOSE INVOLVED FOR HARD WORK AND SPIRIT OF COOPERATION.

-- WE MUST SET WORLD-CLASS STANDARDS AND HOLD SCHOOLS RESPONSIBLE FOR MEETING THOSE STANDARDS;

-- WE MUST PUT STATEWIDE TESTS IN PLACE, TO DETERMINE HOW WELL WE'RE DOING;

-- WE MUST PUT CONTROL OF OUR SCHOOLS INTO THE HANDS OF ADMINISTRATORS, TEACHERS AND PARENTS.

-- WE MUST ENCOURAGE -- NOT REQUIRE -- A LONGER SCHOOL YEAR.

-- AND WE MUST INCREASE FUNDING FOR PRE-SCHOOL EDUCATION PROGRAMS.

WE ARE BACKING UP THESE REFORMS WITH A \$91 MILLION INCREASE IN SCHOOL FUNDING.

IN A TIGHT BUDGET YEAR, THAT SPEAKS VOLUMES TO OUR DEDICATION TO EDUCATION REFORM AND EDUCATION QUALITY.

I WANT WISCONSIN TO HAVE THE BEST EDUCATED WORKFORCE IN THE WORLD.

EVERY SINGLE PERSON IN WISCONSIN SHOULD HAVE THE CHANCE TO REACH THEIR FULL POTENTIAL.

THAT'S WHAT OUR EDUCATION REFORMS ARE ALL ABOUT, AND THAT'S ALSO WHAT OUR WELFARE REFORMS ARE ALL ABOUT.

OUR WELFARE REFORMS ARE HELPING PEOPLE BREAK OUT OF THE WELFARE CYCLE AND BREAK INTO THE WORKFORCE.

OUR AFDC ROLLS ARE DOWN SUBSTANTIALLY FROM WHEN I FIRST BECAME GOVERNOR.

WHILE AFDC CASES ARE ON THE RISE THROUGHOUT THE NATION, I AM HAPPY TO REPORT THAT OUR CASELOAD FOR DECEMBER WAS DOWN BY 1,450 FROM THE NOVEMBER LEVEL.

AND TONIGHT I WANT YOU TO MEET A WOMAN WHO KNOWS WHAT OUR WELFARE REFORMS ARE ALL ABOUT:

RUTH JOHNSON.

RUTH IS A SINGLE PARENT WITH TWO CHILDREN. SHE'S BEEN ON AFDC FOR A DECADE, AND UNTIL LAST NOVEMBER SHE'D NEVER HAD A JOB.

RUTH -- JUST LIKE MOST PEOPLE ON WELFARE -- WANTED MORE FOR HERSELF, AND FOR HER CHILDREN. SHE WANTED AN OPPORTUNITY.

SHE ENTERED OUR JOBS PROGRAM, SHE SOUGHT TRAINING FOR OFFICE WORK AND LAST NOVEMBER, RUTH GOT HER JOB.

SHE WORKS FOR A COMMUNITY-BASED ORGANIZATION IN MILWAUKEE, AND SHE LOVES HER JOB.

RUTH KNOWS WHAT IT MEANS TO HELP YOURSELF, AND NOW SHE'S REACHING OUT TO OTHERS, VOLUNTEERING IN HER NEIGHBORHOOD TO HELP YOUNG TEENAGE MOTHERS.

THAT'S A TRUE WISCONSIN SUCCESS STORY.

LADIES AND GENTLEMEN: PLEASE WELCOME RUTH JOHNSON.

SO MANY PEOPLE ON WELFARE WANT TO WORK, THEY WANT AN OPPORTUNITY.

I WANT TO ENCOURAGE WISCONSIN EMPLOYERS TO GIVE THEM THAT OPPORTUNITY.

AND I AM NOT ASKING YOU TO DO ANYTHING THAT I HAVEN'T DONE MYSELF.

I MYSELF HAVE HIRED A FORMER WELFARE MOTHER. SHE'S PROUD OF HER ACCOMPLISHMENTS. I'M PROUD OF HER, AND SHE'S DOING A GREAT JOB.

THAT'S WHAT WISCONSIN WELFARE REFORM IS ALL ABOUT: GETTING PEOPLE INTO JOBS AND INTO THE CLASSROOM.

THAT'S WHY WE WANT TO EXPAND LEARNFARE WITH AN EXPERIMENTAL PROGRAM TO INCLUDE CHILDREN AGES 6 TO 12 AND REACH THESE CHILDREN BEFORE THEY DEVELOP THE HABIT OF SKIPPING SCHOOL.

KEEPING OUR CHILDREN IN SCHOOL IS A HIGH PRIORITY FOR ALL OF US, AND THAT'S WHAT LEARNFARE IS ALL ABOUT.

EQUALLY IMPORTANT IS KEEPING FAMILY UNITS INTACT, AND THAT IS WHY I AM PROPOSING THAT SINGLE TEEN PARENTS ON AFDC REMAIN IN THE FAMILY HOUSEHOLD WHENEVER POSSIBLE AND UNDER THE SUPERVISION OF AN ADULT.

I AM ALSO PROPOSING THAT WE TEST A VOUCHER PROGRAM FOR HOUSING TO ENSURE THAT TAX DOLLARS ALLOCATED FOR HOUSING ARE TRULY PAYING THE RENT.

AND WE MUST ADDRESS PEOPLE'S CONCERNS ABOUT WELFARE MIGRATION.

THE CITIZENS OF WISCONSIN ARE GENEROUS, BUT THAT GENEROSITY OF WILL AND WALLET CAN NOT SURVIVE A HUGE INFLUX OF WELFARE MIGRANTS.

FIRST, I BELIEVE WE MUST TEST A TWO-TIER SYSTEM FOR AFDC RECIPIENTS, OFFERING NEW RESIDENTS THE SAME BENEFITS THEY WERE GETTING IN THEIR HOME STATE.

SECOND, AS NEIGHBORING STATES SLASH OR ELIMINATE GENERAL RELIEF PROGRAMS, WISCONSIN MUST RESPOND BY LIMITING CASH BENEFITS TO ABLE-BODIED PERSONS TO 6 MONTHS EACH YEAR, IMPOSING STRICTER RESIDENCY REQUIREMENTS AND PROVIDING ADDITIONAL SANCTIONS FOR CHEATERS.

WHEN I TALK ABOUT SANCTIONS, I AM NOT TALKING ABOUT PEOPLE WHO TRULY NEED OUR HELP.

I'M TALKING ABOUT THOSE WHO TAKE ADVANTAGE OF THE SYSTEM AND TAKE ADVANTAGE OF OUR TAXPAYERS AND WHO GIVE WELFARE A BAD NAME.

FOR SEVERAL YEARS I HAVE URGED THE LEGISLATURE TO GET TOUGH ON WELFARE FRAUD, BUT THIS YEAR TOUGH SANCTIONS ARE EVEN MORE CRITICAL.

I AM PROPOSING THAT THOSE WHO ABUSE OUR WELFARE SYSTEM NOT BE ALLOWED TO RECEIVE AID FOR SIX MONTHS.

FOR THOSE WHO CHEAT THE SYSTEM TWICE, THEY WILL NOW FACE ONE FULL YEAR

WITHOUT AID.

AND IF ANYONE ABUSES OUR GENEROUS TAXPAYERS MORE THAN TWICE, THEY WILL NEVER BE ABLE TO RECEIVE AID IN WISCONSIN AGAIN!

IF WE DON'T ENACT TOUGH PENALTIES THIS YEAR, WE FACE THE LOSS OF MILLIONS OF DOLLARS IN FEDERAL ASSISTANCE, DOLLARS OUR TAXPAYERS SHOULD NOT BE ASKED TO MAKE UP.

WISCONSIN IS WORKING, NOT BY ACCIDENT, BUT BECAUSE WE ARE MAKING SOLID INVESTMENTS IN OUR FUTURE.

WE ARE BUILDING HIGHWAYS AND MAKING OTHER PUBLIC INVESTMENTS THROUGHOUT OUR STATE.

OUR \$2 BILLION HIGHWAY PROGRAM -- WITH ITS UNPRECEDENTED PUBLIC AND BI-PARTISAN SUPPORT -- IS LINKING WISCONSIN COMMUNITIES AND BOOSTING ECONOMIC GROWTH.

AND WE WILL SPEND AN ADDITIONAL \$335 MILLION TO BUILD LIBRARIES AND LABORATORIES FOR OUR UNIVERSITIES, UPGRADE STATE PARKS FOR OUR CITIZENS AND VISITORS AND ENSURE SAFE DRINKING WATER FOR OUR RESIDENTS.

THESE PROJECTS ARE PROVIDING THOUSANDS OF JOBS BUILDING ROADS, BRIDGES AND BUILDINGS.

OUR POLICIES, OUR PROGRAMS AND MOST IMPORTANTLY, OUR PEOPLE ARE WORKING.

AND I WILL NOT PERMIT THE PURVEYORS OF PESSIMISM, THE NAYSAYERS WHO GO AROUND WRINGING THEIR HANDS IN DESPAIR TO STEAL THE ECONOMIC VITALITY WHICH THE PEOPLE OF OUR STATE HAVE WORKED SO HARD TO CREATE IN WISCONSIN.

OUR BUDGET ADJUSTMENT BILL REFLECTS AND REINFORCES THAT ECONOMIC VITALITY.

THE BILL I PRESENT TO YOU, LIKE LAST YEAR'S BUDGET, IS BALANCED WITHOUT A GENERAL TAX INCREASE OR MAJOR SPENDING CUTS.

THAT IS TRULY REMARKABLE, ESPECIALLY WHEN YOU COMPARE IT TO THE SITUATION IN OTHER STATES:

CALIFORNIA AND NEW YORK ARE RAISING TAXES AND SLASHING SPENDING TO COVER MILLION DOLLAR BUDGET DEFICITS.

CLOSER TO HOME, ILLINOIS RECENTLY UNVEILED AN EMERGENCY PLAN TO CLOSE A \$520 MILLION DEFICIT FOR THIS FISCAL YEAR.

STATES ACROSS THIS NATION HAVE RESORTED TO RAISING INCOME TAXES AND SALES TAXES DUE TO OVERSPENDING, LAGGING ECONOMIC PERFORMANCE, AND FEDERAL MANDATES.

AS LONG AS I AM GOVERNOR, WISCONSIN WILL STAY OFF THE FISCAL ROLLER COASTER THAT SO MANY OTHER STATES HAVE BEEN RIDING.

AS IN ANY BUDGET, WE MUST MAKE CHOICES, AND THE FIRST CHOICE IS TO LIVE WITHIN OUR MEANS, JUST AS YOU DO.

OUR ECONOMY IS GROWING, AND WE CAN INCREASE SPENDING BY A REASONABLE AMOUNT.

BUT WE CAN'T SPEND LAVISHLY, AND WE SHOULDN'T.

INSTEAD, THE BUDGET ADJUSTMENT BILL SPENDS MORE WISELY BY REFINANCING STATE DEBT TO TAKE ADVANTAGE OF LOWER INTEREST RATES, JUST AS MANY OF YOU ARE REFINANCING YOUR HOME MORTGAGES.

IN ADDITION, THE BILL INCLUDES A LIMITED NUMBER OF REVENUE CHANGES, CLOSING A SALES TAX LOOPHOLE AND MISCELLANEOUS DEDUCTIONS.

BUT LET ME EMPHASIZE -- WE DO NOT NEED -- AND I WILL NOT SUPPORT -- A GENERAL TAX INCREASE.

WHAT WE NEED -- AND WHAT THIS BILL PROVIDES -- IS TIGHT CONTROL ON THE GROWTH OF STATE GOVERNMENT.

THAT INCLUDES TIGHT CONTROL ON OUR MEDICAID PROGRAM.

CONGRESS IS SHIFTING THE BURDEN OF THIS EXPENSIVE, INFLATIONARY PROGRAM TO THE STATES, AND WE FACED AN \$86 MILLION DEFICIT IN THE MEDICAID PROGRAM FOR THE 1992 AND 1993 FISCAL YEARS.

WE FILLED THE GAP IN OUR BUDGET, BUT WE MUST DO MORE.

I AM ASKING THE LEGISLATURE TO WORK WITH ME TO ENACT COST CONTROLS ON MEDICAID.

ALREADY, MEDICAID IS CROWDING OUT NECESSARY INVESTMENTS IN OTHER CRITICAL PROGRAMS, AND WE MUST GET IT UNDER CONTROL.

WE ALSO NEED COST CONTROLS IN ANOTHER IMPORTANT AREA: PROPERTY TAXES.

WISCONSIN HAS MORE PROPERTY TAX RELIEF PROGRAMS THAN VIRTUALLY ANY OTHER STATE.

-- WE HAVE PASSED RECORD-SETTING INCREASES IN SCHOOL AIDS;

-- WE RANK 2nd IN THE NATION IN SUPPORT OF LOCAL GOVERNMENTS;

-- WE HAVE DIRECT LEVY CREDITS ON PROPERTY TAX BILLS ... AND THE PROPERTY TAX-RENT CREDIT ON INCOME TAX BILLS.

-- WE HAVE CREATED THE HOMESTEAD CREDIT, THE FARMLAND PRESERVATION CREDIT, THE 10 PERCENT FARM TAX CREDIT AND THE PROPERTY TAX DEFERRAL PROGRAM FOR THE ELDERLY.

-- WE HAVE PICKED UP DISTRICT ATTORNEY SALARIES, JUDGE'S SALARIES AND OTHER LOCAL EXPENSES;

-- AND I HAVE VETOED 43 UNFUNDED MANDATES WHICH WOULD HAVE IMPOSED NEW BURDENS ON LOCAL GOVERNMENTS.

WE HAVE TRIED JUST ABOUT EVERY PROPERTY TAX RELIEF PROGRAM POSSIBLE, EXCEPT FOR THE ONE PROGRAM WE KNOW WILL WORK: LIMITING LOCAL SPENDING.

43 OTHER STATES LIMIT LOCAL SPENDING TO PROTECT THEIR FARMERS, THEIR HOMEOWNERS, AND OTHER PROPERTY TAXPAYERS.

IT'S TIME WE DO IT HERE IN WISCONSIN.

FOR FIVE YEARS I HAVE BEEN ASKING YOU TO PASS COST CONTROLS, AND IF MY FIRST PROPOSAL HAD BEEN PASSED, PROPERTY TAX BILLS WOULD BE 16 PERCENT LOWER THAN THEY ARE.

SIMPLY PUT, PROPERTY TAX RELIEF IS MEANINGLESS WITHOUT COST CONTROLS.

AND WITH COST CONTROLS IN PLACE, WE CAN EXPAND OUR LOTTERY CREDIT, AND KNOW THAT THIS CREDIT WILL REMAIN IN THE POCKETS OF THE TAXPAYERS.

CURRENTLY, AS WE PROMISED, WE USE LOTTERY FUNDS TO GIVE HOMEOWNERS AN \$8,200 DOLLAR EXEMPTION ON THEIR SCHOOL LEVIES.

I WANT TO EXPAND THAT EXEMPTION TO \$11,500 THROUGH CHANGES IN OUR GAMBLING LAWS.

MUCH ATTENTION HAS BEEN FOCUSED ON THE ISSUE OF GAMBLING IN WISCONSIN.

IN RESPONSE, I CREATED A BLUE RIBBON TASK FORCE TO LOOK AT GAMBLING AND ITS FUTURE IN WISCONSIN.

THE TASK FORCE IDENTIFIED WIDESPREAD, UNREGULATED, ILLEGAL AND UNTAXED VIDEO POKER ACROSS OUR STATE.

THE TASK FORCE DETERMINED THAT THE BEST WAY TO STOP ILLEGAL GAMBLING IS BY STRICT STATE REGULATION, SUPERVISION AND ENFORCEMENT.

I AM ADVANCING THEIR RECOMMENDATION THAT VIDEO LOTTERY MACHINES BE PERMITTED, BUT ONLY IF LOCAL COMMUNITIES APPROVE BY REFERENDUM.

I AM CREATING A WISCONSIN GAMING COMMISSION TO OVERSEE ALL GAMBLING OPERATIONS IN OUR STATE.

AND TO ENSURE THAT ALL ASPECTS OF GAMING IN WISCONSIN ARE CONDUCTED CONSISTENT WITH THE LAW, WE ARE ADDING NEW POSITIONS TO THE DEPARTMENT OF JUSTICE'S DIVISION OF CRIMINAL INVESTIGATION.

WE MUST MAKE SURE THAT NO OUTSIDE, ILLEGAL INFLUENCES TARNISH WISCONSIN'S REPUTATION FOR HONESTY AND OPENNESS.

IGNORING THE PROBLEM WILL NOT MAKE IT GO AWAY.

ONLY BY PULLING IT OUT OF THE SHADOWS AND REGULATING IT CAN WE PROTECT OUR COMMUNITIES AND OUR CITIZENS FROM THE INFILTRATION OF CRIMINAL ELEMENTS.

AND THAT DOES NOT JUST GO FOR GAMBLING:

WE MUST ALSO MOVE AGGRESSIVELY AGAINST VIOLENT CRIME IN OUR CITY STREETS.

THE VICIOUS DRUG TRADE HAS BROUGHT ON RECORD HOMICIDE RATES AND A DEEPLY DISTURBING RISE IN VIOLENT YOUTH GANGS.

GANG LEADERS ARE USING OUR YOUTH TO COMMIT VIOLENT CRIMES BECAUSE THEY FACE LIGHTER PENALTIES.

WE NEED TO PROTECT OUR KIDS BY TAKING THIS TOOL AWAY FROM GANG LEADERS.

WE MUST EXPAND THE POWER OF JUDGES TO LOCK UP JUVENILE DELINQUENTS AND TO WAIVE JUVENILES WHO COMMIT FELONIES INTO ADULT COURT.

AND WE MUST STRENGTHEN OUR DRUG-FREE SCHOOL ZONE LAW.

WE CAN NOT ALLOW YOUTH GANGS TO STEAL THE STREETS FROM OUR LAW-ABIDING CITIZENS.

IN ADDITION, WE MUST DO MORE TO PROTECT OUR STREETS FROM A DIFFERENT KIND OF MENACE: DRUNK DRIVERS.

SUSPENDING OR REVOKING THE DRIVERS LICENSES OF REPEAT OFFENDERS IS NOT ENOUGH.

WE SIMPLY HAVE TO INCREASE THE SEVERITY OF THE PUNISHMENT:

WE DO NOT NEED ANY MORE TRAGEDIES LIKE THE DEATH OF 4-YEAR-OLD JON PORT,

WHOSE DEATH HAS BEEN CHARGED TO A MAN WITH FIVE PREVIOUS DRUNK DRIVING CONVICTIONS.

I AM CALLING FOR:

-- INCREASING THE MAXIMUM PENALTY FOR HOMICIDE BY THE INTOXICATED USE OF A VEHICLE FROM 5 YEARS TO 10 YEARS

-- AND A MINIMUM 48-HOUR JAIL SENTENCE FOR REPEAT DRUNK DRIVERS;

-- ALLOWING THE IMPOUNDMENT OR CONFISCATION OF VEHICLES IN REPEAT OFFENDER CASES.

-- ALLOWING DRUNK DRIVERS TO SEEK TREATMENT PRIOR TO CONVICTION;

-- AND REQUIRING ABSOLUTE SOBRIETY FOR REPEAT OFFENDERS WITH OCCUPATIONAL LICENSES.

YES, I HAVE LAID OUT AN AMBITIOUS AGENDA FOR THE NEXT NINE WEEKS, BUT FOR A VERY GOOD REASON.

AS WE GO INTO THIS LEGISLATIVE SESSION, WE GO IN AS LEADERS AND AS THE FLAGSHIP OF OUR NATION.

IN THE PAST FIVE YEARS, WE HAVE TURNED OUR STATE AROUND FROM AN ECONOMIC SLUGGARD TO AN ECONOMIC POWERHOUSE.

IN THE PAST YEAR, WE HAVE SHOWN THAT WE CAN NOT ONLY SURVIVE A NATIONAL RECESSION. WE IN WISCONSIN CAN CONTINUE TO GROW.

AND THIS YEAR, WE CAN SHOW THAT WE ARE READY TO LEAD THE NATION INTO THE 21st CENTURY.

THIS COULD BE THE MOST EXCITING, THE MOST PRODUCTIVE, INTERESTING AND FAR-REACHING LEGISLATIVE SESSION IN MY 26 YEARS OF GOVERNMENT.

-- WE CAN CONTINUE TO MAKE WISCONSIN A WATCHWORD FOR ECONOMIC DEVELOPMENT AND PROSPERITY;

-- WE CAN CONTINUE TO OPEN UP NEW HORIZONS IN EDUCATION AND WELFARE REFORM;

-- AND WE CAN TAKE STRONG ACTION AGAINST CRIME AND PROPERTY TAXES THAT SAP OUR QUALITY OF LIFE;

THE PEOPLE DON'T CARE WHO GETS THE CREDIT.

WHAT THEY WANT IS ACTION ... NOW.

AND I SAY, LET'S AVOID PARTISAN GRIDLOCK ON THESE ISSUES AND TAKE ACTION TO BUILD A BETTER WISCONSIN FOR ALL OUR CITIZENS.

WE MUST SET ASIDE PARTISAN WRANGLING, ROLL UP OUR SLEEVES AND WORK TOGETHER.

JUST AS OUR WORKERS CAN OUT-PRODUCE AND OUT-COMPETE OTHER STATES AND OTHER COUNTRIES, WE AS GOVERNMENT OFFICIALS CAN LEAD THE WAY AND CONTINUE TO SERVE AS A MODEL FOR THE REST OF THE NATION AS WE LEAD WISCONSIN INTO THE 21st CENTURY.

IN SHORT, I SAY PROUDLY TO THE REST OF THE NATION: WATCH WISCONSIN

WISCONSIN WORKS!

THANK YOU ALL SO VERY MUCH.