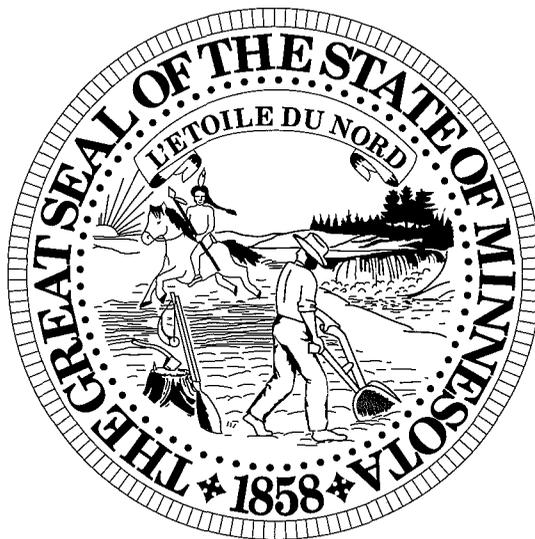


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State of the State Address

January 14, 1993



Governor Arne H. Carlson

Lieutenant Governor Joannell M. Dyrstad



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Governor

STATE OF THE STATE ADDRESS

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Madam Speaker, fellow constitutional officers, former governors, members of the Supreme Court, and its newest member, Alan Page; appellate court justices under the new leadership of Paul Anderson; members of the Minnesota Legislature and especially our 50 new legislators — I want to say thank you for your commitment to serve.

I believe 1993 will be a year when we will be proud to say that we are Minnesotans. My optimism is based on the record that we have built together over the past two years:

- Today we have a health care system in Minnesota that is accessible and affordable to all hard-working families.
- We value our beautiful Minnesota environment so much that we protect it through the most comprehensive wetlands laws in the nation. It was our record in the area of water quality that motivated the National Audubon Society to honor our administration with an award for excellence in the environment - the only American elected official to receive this award in the last five years.
- We learned, and some may say we learned the hard way, that it is too expensive for companies to exist, let alone expand in Minnesota... so we reduced rates for worker's compensation and reduced the rates for commercial industrial property taxes.
- We said we're fed up and we're not going to take it anymore when it comes to crime. We now have stiffer penalties for a variety of crimes, particularly rape. We have put more dollars into violence prevention. And now we are seeking new laws against stalkers.
- And when it comes down to making those tough choices during the tightest financial times I've seen as an elected official, we have protected the funding for our children's education. **We know what matters.**

And we will close the gap between anticipated revenues and expenditures without a tax increase.

This is what happens when we choose to work together.

This legislature has earned a reputation for being visionary. When I talk to other governors and hear their stories I am reminded of how fortunate I am to work with a body that time and again shows that it knows how to get things done for the people of Minnesota.

We have proven that we can rise above the gridlock. And we will do it again. We must find the direct route to change and improvement in order to address the challenges that lie ahead.

Since becoming governor in 1991, I have spent a great deal of time listening to Minnesotans describe their concerns, their challenges, and most importantly, what their dreams are for the future. I listened as they talked and I heard Minnesotans say they want three things:

- First, people are concerned about getting and keeping good jobs. Those who have lost their jobs are suffering. Those who have had to settle for low-paying jobs are hurting. And those who **HAVE** good jobs are worried about losing them. All of us can identify with what a job means to a family. That is why last month I proposed a plan that will help employers, especially small businesses, create more jobs for Minnesotans, **the people who I believe are the most productive workers in America.**
- Second, Minnesotans told me that they want to protect and enhance our very special quality of life - from our pristine natural resources to our exciting diversity of cultural attractions.
- And finally, a theme that resonated in every town from Rochester to Roseau as we traveled around the state for Minnesota Milestones: We want to say to every child, 'You can be anything you want to be.' We want to see every child come to school ready to learn, we want families to provide a stable environment for their children, we want all our children to be healthy and we want every young person to gain the skills needed to compete in a global economy.

Tonight I want to focus this State of the State speech on the subject I hold closest to my heart — the needs of our children.

Two years ago, I appointed a commission to take a hard look at how we serve our children and their families. Under the leadership of Ron James and my wife Susan, the Action for Children Commission has turned out to be an excellent example of the results that can be accomplished through a partnership among businesses, communities, advocates for children and government.

In the course of its work, the commission tried to answer two simple questions: First, how much money are we, as a state, spending each year on children? Second, what kinds of results are we getting?

The commission identified at least 250 children's programs, administered through 33 different state agencies, boards and commissions, costing Minnesota taxpayers \$4.5 billion dollars a year.

Over the years, with the very best of intentions, we have created a tangled, bureaucratic web of children's programs. I would guess that not one of us in this chamber can name all of them. We have created too many individual government specialty shops. And we invite our customers to wait in line to see if they might be able to squeeze into the narrow product we are selling. If they cannot, they trudge on to the next shop.

Families and children who need help are frustrated by the complexity of the system and often do not get the kind of help they need. They end up working with dozens of case workers, counselors and eligibility specialists who are connected back to a confusing maze of inflexible programs. Our children are being divided into pieces by a system that is largely government centered and difficult to use.

And what are the results? Too many of our children are failing. Maybe they aren't your children or mine, but in every school there are children who are being left behind. And when these young people act out, they affect the way all our children learn. Eventually, we all pay for failed outcomes.

Every child deserves our very best. Nowhere is there more hope and potential than in the curious face of a two-year old, and nowhere is there more tragedy than in the angry face of a 13 year-old who cannot adequately read, nor more disappointment than in the face of a 17-year-old who has just been told he has no marketable job skills.

We need to give our young people more options.

Gwen Marshall from Minneapolis is just one example. Gwen graduated years ago with average grades from North High School. She was married, had a daughter, and was later divorced. As a single parent, she worked full-time during the day and sometimes held evening jobs in retail sales. Eventually the draining routine, the day care payments and being away from her young daughter got to be too much, so she quit her jobs and went on AFDC.

To her credit, Gwen enrolled in a skilled trades program at St. Paul Technical College last year, 17 years after she graduated from high school. She will complete the program this summer and someday wants to teach at a high school or a technical college. I have met Gwen, and I am confident she will attain any goal to which she aspires. She is with us this evening. Gwen Marshall in the center balcony.

But we have not been fair to the Gwen Marshalls of Minnesota, and there are many of them. Today I would like to promise you Gwen that we can and we will give your daughter more career options.

In my own life, education has meant everything. If it were not for the unique opportunities that I had, and the sturdy encouragement I received from my parents, I know this: I would not be here tonight, and I suspect the same is true for most of you.

Gwen's story illustrates that the system that has served most of us and our parents so well for so long is no longer adequate. In Minnesota, we can and must do better.

The high-performance employers of today demand high skills from every employee at every level. Employers all over the state are telling me they cannot find the kinds of qualified workers they need. They are frustrated by the widening skills gap.

- The results of a recent Trade and Economic Development survey tell us that 70 percent of Minnesota companies report difficulty in recruiting skilled and technical workers.
- In a brand new survey of 351 Minnesota businesses conducted by the Minnesota Business Partnership, 52 percent of Twin Cities employers believe today's job applicants lack adequate basic skills in reading, writing and math. Ninety percent said they would like to see Minnesota high school graduates be certified as meeting minimum standards.
- Another large Minnesota employer reports that 75 percent of the Minnesota youth applying for jobs with their company cannot pass the company's basic employment exam.
- A manager of one of Minnesota's most prestigious technology companies told us his company finds better qualified high school graduates in Guadalajara, Mexico, than in Minnesota. That bothers me.

We do not have a job shortage in Minnesota — we have a skills shortage. And I fear that this skills shortage will eventually drive high-skills jobs out of the state.

This is not the fault of our children. It is not the fault of our teachers or schools or communities. The blame largely rests with a fragmented system that sends out mixed messages to our children; a system that has not yet recognized that our children will compete in a world economy.

Our young people deserve a bigger, better package of education and training possibilities. Students need linkages to the rapidly changing, increasingly technological world.

In Minnesota, we have begun to address some of these problems. We have created, for the first time, a Children's Cabinet consisting of all the state government department heads whose agencies provide services to children and families. This executive level cabinet has taken an inventory of all children's programs in the state and formulated Minnesota's first integrated children's budget.

I can assure you that this budget, which reflects the needs of Minnesota's children, will be my number one priority this session. We will protect our overall spending on children from budget cuts.

In other areas too, Minnesota's leadership on behalf of children is being recognized on the national level.

- We are a leading candidate to receive a multi-million dollar grant from a major national foundation to completely reinvent the way we serve families and children.
- A team of Minnesota educators will receive up to \$14 million from a national fund to design new kinds of schools that will serve as community learning centers for people of all ages.
- We are distinctive among all states in our commitment to Head Start. Minnesota is one of only a handful of states that invest in Head Start beyond what the federal government gives us. And we increased our commitment by 30 percent last year.

But we need to do more.

TONIGHT I AM PROPOSING THE NEXT LOGICAL STEP — TO BRING TOGETHER, FOR THE FIRST TIME, PROGRAMS THAT ADDRESS THE NEEDS OF CHILDREN AND THEIR FAMILIES.

What I am proposing tonight is nothing less than an overhaul of our system from top to bottom — an agenda for change, to keep Minnesota in a national leadership position on children and families, and to prepare our young people for the work force of the 21st Century.

Our administration is committed to putting our customers first, and in Minnesota, children are our number one customer. It is time we reorganize around the needs of today's child, to start with the child, and carefully build out from there a complement of services at the local level that makes sense and leads to successful, confident kids.

I recognize these proposals are significant, and therefore will not pass without a great deal of controversy and spirited debate. But Representative Willard Munger told me two years ago, and I quote, "If something isn't controversial, it's probably no damn good anyway." I tend to agree with you, Willard.

WHAT WE ARE PROPOSING IS TO CREATE A NEW DEPARTMENT — THE MINNESOTA DEPARTMENT OF CHILDREN AND EDUCATION SERVICES.

Let me repeat that. We are proposing to create a new department - the Minnesota Department of Children and Education Services - to address the needs of the total child, from infancy through the teenage years. Creating a new department will mean dramatically changing, and in some cases, abolishing, existing agencies. But we cannot let long-standing battles over turf and reverence for institutions stop us from taking meaningful steps for children and their families.

What will this mean to children and families who need help? It will mean that for the first time, there will be a single agency responsible for cutting through the bureaucratic tape on behalf of children. It will mean that a single agency head can be held accountable for producing better results. It will mean that families can be more assured of finding and getting comprehensive help in one convenient location. And it will mean that every child will have a better shot at success.

Changes are already taking place in Minnesota that reflect this new approach of putting children, not systems, first. This new department will support those community-based efforts. We have learned that some of the most effective programs, such as Head Start, work best because they involve families in all aspects of the program and they rely on local community involvement.

We will use this philosophy throughout the Department of Children and Education Services as we bring in programs in addition to Head Start such as Early Childhood Family Education, Early Childhood Screening, Learning Readiness, Way to Grow, Even Start, the Children's Trust Fund and a host of others that focus on those critical years in a child's life from birth to kindergarten enrollment.

By reinventing the way we serve these young children, we will begin to make some sense out of a fragmented, disjointed system.

In addition to reorganizing at the state level, we will offer incentives to local officials, Community Action agencies, schools, parents and non-profits to forge a new partnership around the needs of children and families. Our budget proposal, which will be unveiled in 12 days, will include \$10 million dollars in new grants to be awarded to communities who develop collaborative ways to help children and responsible families succeed, and who make a commitment to measuring results for children.

Because education is such an important part of our children's lives, we invite educators to join in a dynamic partnership with the whole array of other children's services. To do this, we will propose that the education services currently provided by the Department of Education be incorporated into the new Department of Children and Education Services. This new department will carry forward the commitment we have made to make our education system one that is driven by results.

We have talked about standards in education long enough. It is time to take action. To set standards. To set them high, and to measure the results.

Having serious, measurable standards will assure us that no child will slide through high school without basic skills. These new benchmarks ultimately will bring a more individualized approach to teaching and learning, because once these standards are in place, the state is going to step back and simply send the money and resources educators need to help students achieve this level of competency.

No more micro-management. No more state regulations about how many hours of French or geography a child needs. We will stop piling on our teachers every social goal that should be delivered by families, churches and other institutions.

We are going to let local schools do their jobs. We will free teachers up to teach. Our focus at the state level will only be on outcomes.

We will ask the Department of Children and Education Services to determine and assess educational standards so that by about the 10th grade, our students will have mastered a rigorous set of academic skills. As students pass through this gateway of achievement, we can be assured that every one of them has the basic skills needed to proceed on to the next level.

In addition to assuring that no child is left behind in their early years, we must begin to address the job training needs of our young adults. Which brings me to the next major part of our proposal this evening, and it has to do with how we prepare our young people for the high-skill, high-wage jobs of tomorrow.

I PROPOSE THAT MINNESOTA MOVE AGGRESSIVELY TO CREATE OUR OWN SYSTEM OF YOUTH APPRENTICESHIPS - THAT WE FORGE A NEW PARTNERSHIP WITH BUSINESS, EDUCATION, LABOR AND GOVERNMENT THAT WILL WIDEN THE OPPORTUNITIES AVAILABLE TO OUR YOUNG PEOPLE.

I am proposing tonight that we commit to giving our young people more meaningful options while they are in high school - options that will compel them to stay in school, work hard, gain hands-on training in a high-skill occupation and, at the end of four years, secure a well-paying job.

To the 20 percent of Minnesotans who complete a four-year degree, our education system may appear to be working just fine. But 80 percent of Minnesotans never complete such a degree. We need a new focus on the 16- to 20-year-olds who are at risk of leaving the education system without the skills needed to enter a secure high-wage career.

We need to place a special emphasis on reaching out to our at-risk youth — children of color, children in poverty, children who learn best in a hands-on environment, children who now are falling through the cracks of our system into a future of despair.

With a youth apprenticeship program in place, students will have the option of pursuing college preparation courses or a combination of academic classes and hands-on job training during their last two years of high school.

Will this kind of learning program trap our kids into making narrow, one-way choices? Absolutely not. Will it give all teenagers and young adults more options? You bet.

Work-based learning will put a solid floor under a young person's career. Many will take this experience and go on to a college or university later. That is how it works in Europe. For example, one third of all practicing engineers in Germany went through apprenticeship programs first, and then went on to the university for further education.

This youth apprenticeship program will also be coordinated by the new Department of Children and Education Services.

In my budget message later this month I will also propose establishing Education and Training Accounts for every young Minnesotan. For those students whose families are less able to save for training and education, we will contribute to their accounts. We will challenge philanthropies, employers and parents to save through these accounts so that no young person will stand at the threshold of training opportunities without the resources to participate.

This new department will serve as a school-to-work bridge for students; linking students with training and linking trained students with good jobs.

We recognize that industry, in partnership with labor and educators, is the key to this youth apprenticeship program. For employers who participate, this means finding new resources for training and finding the money in today's tough economic climate to pay the wages that students will earn during training.

But business will ultimately see that, long term, this is an investment that brings powerful returns.

Honeywell has already stepped forward with an offer to open up 80 apprenticeship spots within their Minnesota facilities. Jim Renier, CEO of Honeywell is with us tonight, and on behalf of all Minnesotans I want to say thank you Jim, for your leadership.

Minnesota employers have established a number of meaningful partnerships with local high schools, technical schools and colleges. But tonight I am calling upon them to do much more.

Now we must also recognize that government alone will never be good at rearing children. Every sector of the community must play a role.

Parents, especially, must take an active role. There is only one place where children can learn that they are lovable, capable human beings, and that is at home. It is up to parents to teach their children the importance of responsibility and the rewards of hard work.

Our young people must come to grips with the fact that learning demands their rigorous participation. It does not occur through osmosis, it is not a spectator sport and it is not free. Minnesota taxpayers are paying more than \$6,000 per year to educate each student and we expect hard work in return. I want to make sure that students are working hard on their education.

It was shocking to me to learn that Minnesota leads the nation in the number of youth employed in the work force, with 69 percent of Minnesota teenagers working an average of 24 hours a week. Teachers tell me that these students come to school tired and unprepared. The 1992 Minnesota Student Survey confirms that grades drop off dramatically for those students who work 20 or more hours per week. This tells us that too many young people today are being held back by peer pressure to earn money and by a culture tied to cars, clothes and CDs.

We must introduce a new seriousness into the business of learning and communicate that seriousness to our kids. We will propose legislation this month to limit youth who have not yet completed high school from working more than 20 hours per week during the school year.

IN SUMMARY, TONIGHT I HAVE OUTLINED A PROPOSAL THAT WILL BRING TOGETHER THREE DYNAMIC SUPPORT SYSTEMS INTO ONE COHESIVE DEPARTMENT FOR CHILDREN AND YOUTH.

- First we will bring together all those critical programs for our youngest children before they enter kindergarten.
- To this we will add educational programming for elementary and secondary students with an emphasis on setting rigorous academic standards for all students.
- And then we will add the third piece, and what is now the missing link, career preparation in the form of youth apprenticeship training for our young adults.

This new department will support a seamless, community-based approach to serving young people in Minnesota.

It is an ambitious agenda, and I look forward to discussing these proposals and others with you. But there is a sense of urgency. Our work force is in stiff competition with workers in other countries. Real wages in America have declined in the past 20 years. I know that President-elect Bill Clinton understands these issues very well, because I have worked with him and the governors of other states to put these issues on the national agenda. I say tonight to President-elect Clinton: Minnesota is ready to work with you to lead the nation in making America's work force the best in the world.

What we're talking about tonight is a new team effort, and every player must pitch in and work hard in order to win - government, business, parents, children, all of us.

If we start today and work together, our kids will come out on top.

Thank you very much.