



Prepared Remarks: January 9, 2008
Assembly Chamber | State Capitol | Albany, NY

State of the State Address

TO THE MEMBERS OF THE LEGISLATURE OF THE STATE OF NEW YORK:

To my partners in government: Lieutenant Governor Paterson, Attorney General Cuomo, Comptroller DiNapoli, Speaker Silver, Leader Smith, Leader Tedisco, distinguished members of the Legislature, Chief Judge Kaye and members of the Court of Appeals.

To all of our partners outside of state government – including the members of our Congressional delegation, in particular our esteemed Senior Senator, Chuck Schumer, Mayor Bloomberg and all the mayors and other elected officials who are with us today – thank you for joining us as we consider the state of our State.

There is one leader who cannot be with us today, and that is Majority Leader Joe Bruno. As many of you know, Barbara, Joe's wife of 57 years, passed away earlier this week. Bobbie Bruno was a woman whose life was a testament to her family and her faith. Our thoughts and prayers are with Joe and his entire family, and I would ask that you join me in a moment of silence in memory of Bobbie Bruno.

HONORING NEW YORK'S SERVICEMEMBERS AND VETERANS

There is one group of guests I would especially like to recognize, New York's combat veterans. Here with us today are Sgt. Esther Rodriguez and Sgt. Jeffery Lord, who served with the Army National Guard in Iraq, and Sgt. Miguel Torres and Master Sgt. Donald Morrell, who served with our Air National Guard in Kuwait and Afghanistan, respectively.

New York has always been so proud to play a part in our nation's defense, and that role is growing. Starting this year, 1,400 additional soldiers will call Fort Drum home.

In addition, next week that tradition of service continues as roughly 2,000 of New York's citizen soldiers will be shipping out to Afghanistan. On behalf of the State, I will be there to wish them well, share our pride, and offer our prayers for their safe return.

And when they do return, we owe them our gratitude, but also something more – we owe them the chance to enjoy the freedoms and opportunities at home they have so honorably fought for overseas. In the name of all of those who have served on our behalf, I will send you a bill guaranteeing New York's returning combat veterans a

benefit that covers the full cost of SUNY or CUNY tuition, and that can be used at any college or university in New York State.

A BELIEF BORN OF EXPERIENCE: NEW YORKERS CAN DO ANYTHING

In the 400 years since Henry Hudson sailed from New York Harbor to Albany, people from around the world have come to New York State to make their fortunes and invent their futures.

Four centuries of building and trading and growing have shaped our character, and instilled within us a belief born of experience: we New Yorkers can build anything, invent anything, do anything.

We know the value of hard work, of passion and intensity, of getting up early in the morning to plant or trade or build or teach. We know how to raise tall towers one brick at a time, how to dig long canals one shovel at a time, and how to build successful businesses one customer at a time.

We know the value of a dollar invested wisely. We know the value of unstinting determination. We know how to make something out of nothing. We know how to turn vision into reality.

In 400 years we have grown from a tiny settlement at the tip of Manhattan to a magnificent state of almost 20 million people.

As we look around our state today, we also know that writing the next chapter will not be easy. We see the economic storm clouds gathering. Those storms will hit cities and neighborhoods around the state that, as we know too well, are already struggling.

This will not be the first time that New York has faced a challenge like this. We all remember a generation ago when New York City was near collapse. Led by Governor Carey, the State came to the rescue and helped New York City to its feet.

What a smart investment that has proven to be. Instead of dragging the State under, New York City's economy has driven us to a new prosperity.

Today's challenges require an equally bold plan for investment in the future.

We can transform New York State, as did leaders before us. And if we do, we will leave a legacy worthy of the one we inherited.

But it will not be easy.

On one hand, we can't abandon our ambition to pursue our goals at full throttle. On the other, we must adapt to the fiscal realities that are now upon us. We must make

the hard choices necessary to live within our means – recognizing that every choice must help the people of New York invent a better future.

THE BEST PLACE IN THE WORLD TO LIVE, WORK AND RAISE A FAMILY

What are we striving for? What is our vision? Quite simply, to make New York the best place in the world to live, work, and raise a family – to make it, once again, the center of economic growth and opportunity.

All of us in this room really do agree on what it will take to achieve this: Good jobs, and more of them; better schools; good, affordable health care; strong, safe, and vibrant neighborhoods; and lower taxes.

Do not underestimate the power of this consensus.

LOOKING BACK ON A YEAR OF ACCOMPLISHMENT

Last year, although our differences often attracted more attention than our agreements, we came together to produce real change where progress had eluded the State for years.

Working together, we fixed the broken workers' compensation system, saving businesses billions of dollars. We made an historic investment in our schools. We cut Medicaid spending by a billion dollars, and for the first time in nearly a decade, actually lowered costs. We set up a stem cell research fund. We reformed the budget process, and passed a budget on time. We enacted tough new ethics laws. We protected New Yorkers from repeat sexual offenders and human traffickers, and added new protections for abused children. We not only held the line on taxes, we cut them.

These, all of them, are shared achievements. All New Yorkers will benefit from them, and I thank you.

Now we must build upon them.

President Lincoln once wisely advised, “The dogmas of the quiet past are inadequate to the stormy present. As our case is new, so we must think anew, and act anew.” And it was a native New Yorker who served in our Legislature, Franklin Delano Roosevelt, who demanded “bold, persistent experimentation.”

“It is common sense,” he said, “to take a method and try it; if it fails, admit it frankly and try another. But above all, try something.”

Two giants of our respective parties with one single message: be bold, be creative, and above all, act. So let me lay out for you our plan of action for this year, our blueprint for growth.

We must make New York – once again – the best place to live, work and raise a family. We must focus with a singular purpose on an agenda for economic growth and opportunity. To do this, we need a world-class education system from Pre-K to graduate school. We need an affordable health care system available to all. We need lower taxes, strong infrastructure, great places to live, and, above all, good jobs.

We cannot attain these goals without plain talk about the hurdles that stand in our way. I understand that sometimes my talk is a little too plain, too direct. Today, I'll try to make that a virtue.

EDUCATION

Without world class education, we cannot have a world class economy. Last year we focused on pre-school to grade twelve. This year, we must also look beyond high school to our colleges and universities.

Look at the strides we have already made. “C-F-E” used to stand for an endless lawsuit. Today, it stands for Contracts for Excellence. We guaranteed access to universal Pre-K, something my friend Shelly Silver has sought for years. It has already changed the lives of over 30,000 children.

We made the single-largest education investment in New York's history. We assured that this new investment would be distributed fairly. Most important, we tied it to accountability. For our kindergarten to twelfth grade students, our plan for education involves a simple equation: Investment plus accountability equals excellence.

Almost half of the State's students are now learning in schools that have signed Contracts for Excellence. These Contracts do something we have never done before, they guarantee that our investment will be spent on reforms proven to work – smaller classes, more time in school, and teacher training.

And look at the results: Sixteen schools in Buffalo have an extra hour in class each day and an extra 20 days of school each year; some classes are as small as 10 students. Elementary school teachers in Schenectady are mentored by Master Teachers, and all their middle schoolers are enrolled in smaller classes. Twenty-eight schools in Rochester have classes on Saturdays. Each district can and has crafted a unique solution to its unique problems.

Our children's potential is unlimited. When we give them the right tools, they do extraordinary things. I've seen it. Two high school students on Long Island won a national competition for research that, remarkably, could lead to a cure for tuberculosis. When they explained it to an audience of a thousand, none of us understood a word of it, but boy was it impressive. When I visited a robotics competition, kids from around the State were so energized and excited about their inventions, it had the feel of a BCS bowl game. When I visited IS 123, the students' eyes lit up as they talked about how much

more they could learn in the smaller classes. If we give them the tools, these kids will be ready for the innovation economy. Some of those students are here today, and I'd like to recognize them. They have committed to study. Let us commit to invest.

TOWARDS EVEN GREATER ACCOUNTABILITY

This year, with the support of the Regents, our partners in this effort, we will take education accountability to the next level. We will set improvement targets for specific school districts, and for specific schools. We will track the progress of individual schools every single year, and we will intervene in districts and in schools that are still failing. We will finally give children the education they need, and that their parents expect.

HIGHER EDUCATION

While these proposals have put us on the path toward excellence in our primary and secondary schools, we have not yet set our colleges and universities on the same course.

If you want to participate in the innovation economy, a high school diploma is not always enough – you're going to need a college diploma, or better yet, an advanced degree. We can't strengthen our economy without the best colleges producing the best-prepared graduates. That's why our goal must be to make an outstanding higher education affordable for every New Yorker.

Last year, I convened a Commission on Higher Education to recommend what we need to do to make America's largest public system of higher education one of its very best. Last month, they spoke. Today, you and I need to begin acting on their recommendations.

Over the next five years, we must hire 2,000 new full-time faculty members for SUNY and CUNY, including 250 eminent scholars – the type of professors whose research draws grants and collaboration from around the globe, and whose stature lifts entire campuses.

We must create an Innovation Fund for cutting-edge research at New York's public and private colleges, similar to the National Science Foundation, and the National Institutes of Health. Supercharging cutting-edge academic research will also supercharge our innovation economy.

We must invest in our community colleges, which train New Yorkers for high-skilled jobs and serve as the gateway to four-year colleges. For the community college students who want to continue their education by transferring to four-year SUNY and CUNY schools, we will make the process simple and seamless, and give them full credit for the academic courses they have successfully completed.

Made wisely, these investments in higher education will also revitalize cities. We will move forward on the University of Buffalo's "2020" expansion as a centerpiece of our strategy to reinvigorate the economy of Western New York. When completed, the University's total student population will grow from 29,000 to almost 41,000. Over 7,000 students, faculty and staff will work and study on a new downtown campus for medicine and health sciences. UB will become an economic engine for Buffalo, and a flagship institution for a world class public university system.

We will create a flagship at the other end our state, as well. We will help bring together the University at Stony Brook, and the world renowned Brookhaven and Cold Spring Harbor laboratories. The result will be a peerless cross-disciplinary research engine in the areas of cancer, neurobiology, plant genetics and bioinformatics. The economic benefit for Long Island will be tremendous. The chance for New York to lead the world will be unparalleled.

ENDOWING HIGHER EDUCATION

But none of this is possible unless we figure out a way to pay for it. And to do that, we need a new funding source. The finest private and public colleges and universities in America use the funds from permanent endowments to achieve excellence. If we are to join their ranks, we must do so as well. Higher education funding should no longer be a budgetary pawn or a yearly battle. It must be a permanent priority.

Given the investments we must make and the sheer size of our higher education system, this endowment initially should be at least \$4 billion, which would generate \$200 million in operating funds each year.

Where's the money going to come from? We should unlock some of the value of the New York State Lottery, either by taking in private investment or looking at other financing alternatives. As we do this, we will assure that the State continues to regulate all lottery games, and that we continue to receive the more than \$2 billion annually for K to 12 education that the lottery now provides. Today's endowment dollars will be a down payment on tomorrow's dreams.

This is our plan for education. Funding our primary and secondary schools in a fair and effective way, using accountability to measure progress and identify where improvement is needed, and creating an endowment for our State universities to propel them into international centers of research and learning, and into engines of economic growth.

HEALTH CARE

To make New York the best place to live, work, raise a family, and run a business, we must also have quality health care that families, businesses – and our State – can afford.

Last year, we cut Medicaid spending for the first time in nearly a decade, without reducing patient benefits, and we began the long journey to universal coverage. We will never be able to grow the way we need to until we control burgeoning health care costs. Working parents should be able to afford insurance for their children. And when the State is buying, we need to pay for the right care at the right price in the right medical setting. And we must invest not only in treatment and cures, but also in prevention.

HEALTH CARE FOR EVERY CHILD

Of the 2.6 million uninsured New Yorkers, 400,000 of them are children – more than the populations of Rochester, Binghamton and Albany combined. Hard-working parents simply can't afford to buy their children health insurance. The result is no care for our children, which is unacceptable, or expensive, sporadic care in our emergency rooms, which is unsustainable.

Senator Schumer is here today, and I want to recognize that he, along with Senator Clinton, fought tirelessly in the Senate this year to expand our federal commitment to children's health coverage. They were blocked by the President, and a minority of Senators.

At the state level, despite our efforts to make it affordable for parents to get health coverage for their children, the Bush Administration looked at our plan and said to us, as they said to Senator Schumer, "no." The administration may feel that a family with two working parents who each earn \$40,000 is so wealthy that they should be all on their own when it comes to covering kids, but I, for one, do not. "No" is the one thing we're not going to take for an answer.

We cannot wait while children who suffer from asthma and diabetes go untreated. We will not wait while, tonight, some children in this very city go to the emergency room for illnesses that could have been prevented if they had a regular family doctor. Not on my watch. Not on our watch.

In my upcoming Executive Budget, I will propose that New York State fully fund the expansion of our Children's Health Insurance Program. I know many in this chamber care passionately about this issue and will join me. There will be affordable coverage for every single child in this State.

MAKING HEALTH CARE AFFORDABLE FOR THE REST OF NEW YORK: RATIONALIZING OUR REIMBURSEMENT SYSTEM

As we move toward universal health care, we must also take steps to make health care more affordable for every family and every business in New York. That means refocusing our health care system so that it delivers more affordable, and more effective, primary and preventive care. Avoiding illness is not only better medicine, it is better

financial policy. Waiting for a medical crisis, waiting for a trip to the emergency room, costs us much more.

Our best tool for this is to change reimbursement rates, encouraging prevention and primary care. Outdated reimbursement systems pay too much for some hospital-based procedures that technology has now made routine, and too little for primary and preventive care that should be routine. If we want to lower costs and increase quality, we must start paying for the right care in the right setting at the right price, and I will propose that we do so.

We must also bring our health care system out of the digital dark ages. In 2008, there is no reason that we cannot have secure electronic health records, whether on a card or online. Old paper records that are hard to find and hard to transfer are no way either to provide good care or to control costs.

As we move forward with our long-term agenda for health care reform by covering all children and rationalizing our reimbursement system, we must also address the shortage of doctors in many parts of our state and the epidemic of chronic disease among our children.

DOCTORS ACROSS NEW YORK

There are huge regions of New York where doctors are scarce. From our inner cities to the North Country, our medically underserved New Yorkers deserve better. To attract doctors to these communities, we're going to create a "Peace Corps" for doctors. Young people who go into medicine want to treat, to heal and to care. But often they must balance their desire to serve where they are needed most with the obligation to pay their loans. We can solve both problems at once.

I propose the creation of "Doctors Across New York." We will offer grants to help repay education loans and find other ways to make it appealing for doctors to move to our State's medically underserved areas. There should be a family doctor, and there will be, for every family in New York.

INVESTING IN STEM CELL RESEARCH

As our health care reforms embrace common sense, they must also embrace the cutting edge. Last year, working together with both houses of the Legislature and guided by the leadership of Lieutenant Governor Paterson, we created a \$600 million Stem Cell Research Fund. He and I share the belief that, yes, stem cell research is an economic development opportunity, but it is also a moral imperative. I am pleased to report that, this week, the first round of grants went out, making New York's stem cell fund the fastest in the country to go from green light to grantmaking. In this chamber, we put our differences aside in favor of the common good, and as a result, New York can blaze a national path toward health, and hope.

MANAGING CHRONIC DISEASES IN CHILDREN

As we seek to cure disease through the most advanced technology, we must also seek to prevent it through basic public health. Through structural and environmental changes, we have prevented horrible diseases, whether it was modern sewers and clean water systems to beat dysentery and cholera, universal vaccination to beat smallpox and polio, or battling lung cancer by making smoking more expensive and inconvenient. Each time, a social change based on sound public health practice helped us take aim at a killer. It is time to do the same for heart disease and diabetes.

We know we can dramatically reduce heart disease and Type II diabetes through diet and exercise, but we won't be able to if we continue to lose the battle against childhood obesity. In New York, one in four children is obese, and that number is rising. Left unchanged, we are sentencing a huge number of our children to a lifetime of serious illness, and I want to thank Assemblyman Felix Ortiz for his foresight. Felix, some were dismissive when you began on this road. No longer.

So let's bridge our differences and pass the Healthy Schools Act to take junk food out of schools. We will ask Comptroller DiNapoli to help enforce the State's strong, but widely ignored, physical education requirements by including them in his regular school district audits. And I have directed the Department of Health, which has now begun gathering data, to report to me annually on our progress.

We must also make a commitment to women's health. Given the continued efforts at the federal level to dismantle protections for women's reproductive health and privacy, I ask you to pass the Reproductive Health and Privacy Protection Act.

We also know that the best caregiver is often a loved one. This year, I will ask again that you enact a paid family leave bill. It is unfair to ask hard-working New Yorkers to choose between economic security and caring for a loved family member.

That is our plan for health care. We will begin in earnest the struggle to prevent diabetes and heart disease. We will rewrite our 25 year-old payment system to encourage primary and preventive care, and we will start bringing our technology into the 21st century. We will continue to take steps to assure that there is quality, affordable health care for every New Yorker, starting with every child in the state, and a family doctor near every family.

ECONOMIC GROWTH

A world-class education system is a foundation for growth. Health care reform removes a significant obstacle to growth. But there are three crucial steps we still must take to create the jobs that are a true catalyst for growth.

First, we must rein in New York's high cost of living and doing business – that perfect storm of unaffordability that is battering so many hard working New Yorkers. We must focus intently on reducing New York's tax burden. Second, we must break gridlock and break ground on key infrastructure projects and invest in building livable communities. And third, we must make a major and immediate investment in the revitalization of Upstate.

REDUCING COSTS FOR FAMILIES AND BUSINESSES: TAXES

Let me begin with my plan to continue reducing costs on families and business. That starts with taxes. Last year, we held the line. We promised no new taxes, and we delivered no new taxes. In fact, we went one better and cut business taxes. In fact, we went even further, giving homeowners \$1.3 billion in new property tax relief, relief that was, for the first time, targeted to the middle class taxpayers who needed it most. This year – despite the considerable fiscal challenges we face – we can hold the line again. I intend to submit a budget that makes tough choices. But it will protect the critical services of the State, make the investments we need for growth. And it will not raise taxes.

TAKING ACTION TO CONTROL PROPERTY TAXES

We need to start getting real about our property tax crisis. I've visited with families from Niagara Falls to Central Islip, Mamaroneck to Binghamton. Wherever I go, I hear the same thing: property taxes are too high. We cannot grow if property taxes continue to force young people out of the State and our seniors out of their homes. Together, we have tried to address this crisis.

Last year, we enacted the largest property tax relief program in our State's history, and we made that system fairer by driving the most relief to middle class taxpayers who needed relief the most. We continued the commitment to capping local Medicaid costs, which, combined with the State takeover of local Family Health Plus costs, has saved local governments over one billion dollars – with more than half of the total savings last year alone.

We worked with local governments to streamline the 4,200 taxing jurisdictions across the state. My Commission on Local Government Efficiency and Competitiveness has already advanced 150 locally-driven proposals. They range from forming regional jails and pooling towns' health coverage, to even eliminating one county in its entirety.

But after ensuring more than \$5 billion in STAR property tax relief each year and spending more than a billion dollars on the State takeover of Medicaid costs, property taxes just keep going up.

Experience has taught us that we need stronger medicine. A rebate check may temporarily ease the pain, but it doesn't cure the disease. In the end, it's a losing game

for the taxpayer if the State gives you a rebate check on Monday and then on Tuesday your local government taxes it away.

So here's what I propose – a bipartisan commission, invested with Moreland Act powers, that will return with three sets of recommendations. First, a package of reforms that gets at the root causes of what is driving taxes so high. This should include a look at unfunded mandates on both school districts and municipalities. Because school district property taxes account for about two-thirds of all property taxes, the commission must also identify ways to maintain our commitment to the highest quality education at a more affordable cost. Second, proposals on how to make our tax relief system fairer to the middle class taxpayer. And third, a proposal for a fair and effective cap – to hold the line on sky-high school district property taxes once and for all.

I have asked Nassau County Executive Tom Suozzi to lead this commission. Tom, you have championed this cause for many years, now let us work together to solve it.

Our goal should be proposals that enable responsible districts to stay within the cap and promote the most effective investments in educational quality, constrain districts that would go beyond responsible spending, and ensure that state tax relief is directed to the taxpayers who need it most.

A tax cap is a blunt instrument, but it forces hard choices and discipline when nothing else works. When combined with real reform of unfunded mandates and a blueprint for providing a high quality education at a more affordable cost, a cap will allow us to invest wisely in our schools while achieving the goal of controlling property taxes. Let's finally get real about property taxes. That is what our taxpayers demand, and that is what we must deliver.

REDUCING COSTS FOR FAMILIES AND BUSINESSES: WORKERS COMPENSATION AND ENERGY COSTS

Taxes aren't the only costs we need to keep down.

Last year, we took an enormous leap toward making New York more competitive by reforming our workers' compensation system. As a result, New York businesses have seen a 20 percent drop in workers' compensation rates in one year alone, saving businesses over a billion dollars a year. For this success, I want to especially thank Speaker Silver, Majority Leader Bruno, Assemblymember Susan John and Senator George Maziarz.

Keeping costs down also means keeping energy costs down. Energy should be reliable, plentiful, and clean. So going forward, we have put together a two-part program that reduces energy use on the one hand, and increases the production of home grown, renewable energy on the other.

On the demand side, we are committed to “15 by 15,” the most progressive and attainable energy efficiency target in the country, which sets a goal of reducing statewide electricity use by 15 percent from projected levels by 2015. We approach this goal the way a business would, with a requirement that our energy investments produce savings well in excess of the cost of achieving them.

On the supply side, I will again send you a bill to fast-track the building of power plants. And again, I will apply a simple principle: we must get more supply into the grid, but if we are going to fast-track any kind of energy production, it must also help us confront the challenge of global warming.

Technology will help us on both the supply and the demand side. We have the know-how, for example, to reduce costs for homeowners who run appliances at off-peak hours. This is called smart metering. Likewise, we have the technology to allow consumers to generate their own solar or wind power, send excess power directly into the grid and, quite literally, run their meters backwards. As we create and conserve energy, New Yorkers can also save money.

MAKING INVESTMENTS

Reducing costs alone is not enough to jump start the kind of economic growth we need if New York is to become the best place to live and do business in the world. We must also invest strategically in the Upstate and Downstate economies, in our infrastructure, and in building livable communities throughout New York.

A ONE BILLION DOLLAR REVITALIZATION FUND FOR UPSTATE

It is imperative that we revitalize our Upstate economy.

As I mentioned, in the 1970s, we came together to rescue another part of the State that was struggling – New York City. We knew that as One New York, we would rise or fall together. Now is the time for us to come together and do for Upstate in our time what our predecessors did for New York City a generation ago.

We’ve already begun. Last year alone, our statewide efforts yielded more than 13,000 new jobs, and saved more than 40,000 others – most of them Upstate. GE returned jobs to Schenectady, creating 500 high-paying wind energy jobs. Corning invested \$300 million, creating 300 high-paying research and development jobs in the Southern Tier. And Alcoa invested \$600 million, keeping 1,000 jobs in Massena.

In the last 48 hours alone, I’m proud to announce that we have closed two more deals: Sitel, a multi-national support organization, will locate a call center in the Southern Tier, and begin hiring later this year toward a goal of 600 employees. And just yesterday, Welch Allyn designated its facility in Skaneateles Falls as its official world headquarters, and will add 175 new jobs.

This is progress, but it is only a beginning. I will propose a one billion dollar Upstate Revitalization Fund to meet Upstate's most urgent needs. It will increase funds for investing in businesses, in infrastructure needed to create shovel-ready sites, and in agribusiness. It will also fund our City-by-City Plans, which capture our most essential and urgent upstate revitalization strategies.

I will talk more about this Fund next week in Buffalo when I deliver New York's first State of Upstate address. But the concept is simple. For years, Upstate economic development was characterized by halfway measures and piecemeal projects. With our Regional Blueprints in place, we now have the vision. If we can come together around this plan, we will have the capital to fulfill it. Together, we must enact this one billion dollar Upstate Revitalization Fund, and create an Upstate whose best days aren't behind it, but are ahead of it.

INVESTING IN INFRASTRUCTURE

Business and jobs don't just follow the lowest taxes; they are also drawn to the best infrastructure. Today, you and I drive on the highways and ride in the subways that our grandparents or great-grandparents built. Their hard work decades ago forged the backbone of our State. To honor their work and leave our mark, we too must put shovels in the ground and raise steel skyward. And we have been.

At Ground Zero, the twin towers began as a symbol of New York's boldness; they became a symbol of tragedy. Now, with insurance companies finally paying what they owe, workers on site 20 hours a day, and businesses agreeing to fill the new space, Ground Zero has become a symbol of resolve, recovery and growth. I want to recognize Speaker Silver and Mayor Bloomberg for being invaluable partners in rebuilding.

From the number 7 Line, to a newly-renovated Port Authority Bus Terminal, to the 12 million square foot HudsonYards development, to Moynihan station, we are transforming the far West Side of Manhattan.

In the Hudson Valley, with a \$500 million Port Authority investment and environmental know-how from RPI, we're turning Stewart Airport into an economic engine for the Hudson Valley and an environmental model for the world: the very first carbon-negative airport.

In Buffalo, the Peace Bridge – a critical economic link to Canada – had been mired in gridlock for a decade. Because of our work together and our unwillingness to accept setbacks, we can now expect federal environmental approval in the coming months, and soon we will be preparing the site for construction.

All of these projects, once stagnant, are now moving.

As we talk about infrastructure, it is only fitting that we honor a leader who did so much to build the New York we love today. As you all know, the Triborough Bridge connects Queens, Manhattan, and the Bronx – connecting some of the wealthiest neighborhoods in the state to some of the poorest. Robert F. Kennedy, our great former Senator, was a man whose life was dedicated to building a figurative bridge so that the poorest among us could one day cross into economic security and prosperity.

Today, we are joined in this chamber by Ethel Kennedy, Kathleen Kennedy-Townsend, Kerry Kennedy, and Robert Kennedy, Jr. I would like to recognize them, and – in an effort to continue spreading the ripples of hope his service generated – recognize the example Robert F. Kennedy set for all of us. I propose that we rename the Triborough Bridge, the Robert F. Kennedy Memorial Bridge.

MAKING COMMUNITIES MORE LIVABLE

Smart people and strong infrastructure draw businesses. Strong, vibrant communities are what keep them.

That is why the First Lady has championed the “I Live New York” program, to help keep and attract the next generation to New York.

Let me take this opportunity to acknowledge Silda, my three daughters, and my parents.

The “I Live” initiative is about building jobs, promoting economic opportunity, and creating places that hum with the vitality of restaurants, the arts, theater, social activism and a strong sense of community. With respect to livable communities, there are three specific areas I want to focus on this year: housing, public safety and parks.

MAKING HOUSING MORE AFFORDABLE

The key to making a community livable is good homes. For over 100 years, New York led the nation with a progressive, visionary housing policy that helped to ensure that people had housing they could afford.

In recent years, that vision dimmed. Today, millions of New York City residents are paying an unreasonable share of their incomes on rent, while in Westchester and Long Island, homeowners are telling me they could not afford to buy the home they live in today.

Last year we began using existing money more effectively. We shifted the Housing Finance Agency’s funding away from luxury projects and toward providing housing for working people. As a result, in 2007, HFA financed the production of 3,800 affordable units – more than three times as many as in 2006.

Still, in too many parts of our State, our children cannot afford to come back to the neighborhoods that they grew up in, and their parents cannot afford to stay in the homes where they raised their families.

I will propose the biggest housing initiative in a generation, a \$400 million Housing Opportunity Fund. This fund will build homes for the men and women who teach our kids and police our streets. This fund will also build supportive housing that enables persons with disabilities and others with special needs to live independently. I want to thank Assemblymember Vito Lopez for his career of leadership on the issue of affordable housing.

We also must continue our shared efforts to make sure New Yorkers don't fall victim to the subprime lending crisis. New York alone cannot solve a problem of this scale – one created by unscrupulous lenders and a massive federal regulatory failure. But we can continue to press banks to agree to mass modification of loans. And we can assure that our court system is not being used to treat homeowners unfairly.

I will send you a bill that amends state foreclosure law to provide additional protections for homeowners. In addition, working with Attorney General Cuomo, I will submit legislation that enhances our anti-fraud laws, to ensure that those who engage in mortgage scams are punished.

I want to thank Assemblymember Towns and Senator Klein for their leadership on this issue, and look forward to working with you all to guarantee simple fairness.

PUBLIC SAFETY

Without safe streets, there is no community.

Today, New York is the safest large state in the nation. But as Upstate mayors, police chiefs and prosecutors know too well, not all parts of the State have shared that progress. In Buffalo, Rochester, Poughkeepsie and Utica, violent crime rates in 2006 were the highest those cities had seen in almost a decade. The good news is that, over the last twelve months, we have begun to reverse that trend. With local police and sheriffs, we have used a data driven crime-fighting strategy, called IMPACT. High-tech analysis helps supplement old-fashioned police work.

We have measured the effect of our efforts, and early numbers give us reason for hope. The first 11 months of 2007 saw violent crimes decrease by 10 percent in the IMPACT cities. In Buffalo, for example, homicides were down over 30 percent with violent crime in Niagara Falls down 19 percent.

But this is just the start. Nothing makes a neighborhood feel safer than a cop on the corner. I have directed Acting State Police Superintendent Felton to identify 200 troopers who can be redeployed to those communities with the greatest pockets of violence. Upon the request of mayors and police chiefs, we will be there to help. We

won't supplant local law enforcement, but we'll support it – standing together in the fight against crime.

I would like to note in particular my appreciation for Senator Dale Volker's many years of leadership on this issue. He has always recognized that in many Upstate communities, troopers can and should be the first line of defense against crime.

We need other law enforcement tools as well. I ask that you pass my proposal to create a full DNA databank and a commission to review wrongful convictions. And I will propose that we give our district attorneys more help in protecting domestic violence victims, sexually exploited children, and witnesses who testify against violent criminals.

In today's troubled world, safety also means vigilance against terrorism. That is why we have directed our National Guard to assist in protecting our subways and MTA systems. We created "New York Alert," a real-time, web-based system to alert motorists, home owners and communities of impending disasters. It has a million subscribers already, and we have expanded it to many of our State's campuses, so that we can prevent tragedies like the one we witnessed at Virginia Tech. We know we are a target. We must be the hardest target possible, poised to prevent, and prepared to respond.

PARKS AND PUBLIC SPACES

Open space – clean, safe, attractive parks – are a third building block for livable communities. New York State once led the nation, creating America's first network of state parks. A peaceful park is not just a place for a picnic, it is an economic asset. It draws families to neighborhoods and businesses to communities. I propose \$100 million in capital spending to revitalize our aging systems.

In what will be the first major investment in our parks leading up to the 400th anniversary of Henry Hudson's first voyage up the river that bears his name today, I am announcing the State's commitment to transform the dormant Poughkeepsie Rail Bridge into an awe-inspiring historic park, complete with a walkway and bikeway that will create a unique public space with breathtaking views of the Hudson.

When it was built in 1888, the bridge – in typical New York style – was the longest bridge in the world, an engineering marvel. For the last three decades, however, the bridge has sat empty and unused. As a new pedestrian bridge over the Hudson, it will allow New Yorkers to connect to the history and natural beauty of our State, and draw them to Poughkeepsie, Kingston, and surrounding communities.

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So that is our program for this year.

To create more and better jobs upstate, I will send you a billion dollar revitalization plan. To educate our young men and women for the global economy, we're

going to fully fund our schools and make them accountable. We will create a \$4 billion endowment for SUNY and CUNY, so that they can hire new professors, stimulate cutting-edge research, and join the ranks of the greatest universities in the world. To ensure that every New York child has health care coverage, we will fully fund the State Child Health Insurance Program, offering coverage to working parents that the federal government has refused to extend. To create safe neighborhoods, we will use new computer technology to target crime in Upstate cities, and redeploy 200 State troopers to help fight it. To hold the line on taxes, I will propose no tax increase, more property tax relief, mandate relief, and a smart, fair property tax cap.

And there are items from the past year that we have not finished. We did not complete our work on paid family leave, the Healthy Schools bill, reforming the Wicks Law, or campaign finance reform. Let us come together and pass these bills.

We can work together for the common good, despite any political or personal differences, and we must. More than two centuries ago, after one of the most bitter and divisive presidential elections in our history, Thomas Jefferson issued a call to unity between the two major parties of his day, by saying, “We are all republicans, we are all federalists.” We in this chamber are all New Yorkers. We are all upstaters, we are all downstaters. We are urban and suburban, rural and small town. We are Albany and Buffalo, Glens Falls and Manhattan, Elmira and Pleasantville. We have work to do, a lot of work, for the people who sent us here. That must be our shared determination, our only commitment, and our guiding star.

Nor can we let ourselves be paralyzed by challenging fiscal times. Some of our nation’s and State’s greatest triumphs have come out of bold decisions made during difficult circumstances. New York’s constitution was written when we were fighting for our very existence. It was at the height of the Civil War that Congress passed the Land Grant College Act, and authorized the construction of a transcontinental railroad. And it was during – not after – World War II that we passed the G.I. Bill. Our state and our nation have always used times of challenge to expand and invest in our democracy. I believe we can – and must – do so today.

I began by mentioning Henry Hudson and I’d like to conclude with him. Four hundred years ago, he sailed up the river on a wooden ship powered only by the wind, and guided only by a sense of possibility.

What New Yorkers have since built along the river – the buildings, rails and roads that we see today – recount in bricks, mortar, and steel the story of the four centuries of growth since Hudson’s trip: whaling towns, old steamboat landings, grand railroad bridges, interstate highways, and now Stewart Airport. Each successive generation has added its own sense of possibility. Today, coursing through the heart of our State, the river reveals who we are. We are dreamers, visionaries, environmentalists, and builders of the first order.

If we embrace those traits that have long defined New Yorkers – determination, pragmatism, optimism, compassion and good hard work – we too can make that journey to a better New York.

Join me in good faith. I will meet you with an open hand, an open door, and an open mind. For we will realize this opportunity best if we work together in a spirit of cooperation.

That is the journey to which we rededicate ourselves. It is a journey I look forward to our making, together.

Thank you, God bless you, and God bless the great State of New York.