

**State of the State
Governor George Pataki
January 5, 2005**

Chief Judge Kaye, honorable members of the Court of Appeals, Lieutenant Governor Donohue, Attorney General Spitzer, Comptroller Hevesi, Majority Leader Bruno, Speaker Silver, Leader Nesbitt, Leader Paterson, respected members of the Legislature, distinguished guests...

It's an honor to stand before you again in the people's chamber, where generations of public servants have come together to enact the will of their fellow New Yorkers.

I am pleased to welcome today 18 new members to this chamber – four new Senators and 14 newly elected Assembly members. Congratulations to all of you, and may you serve our state and its people with honor and wisdom.

As in prior years, I'm pleased that we have with us a good friend, a devoted public servant, and a great Governor. Governor Carey, thank you for joining us again this year.

Libby and Mom, thank you for everything – and for sitting through each and every one of my State of the State addresses. And to my daughters Emily and Alison and my son Ted, thank you for being here.

I'd like to take a moment to note the passing of six of our fellow New Yorkers whose combined service in this Legislature approaches nine decades. We remember Assembly Speaker Perry Duryea, Senators Mary Goodhue and Howard Babbush, and Assembly Members Nick Calogero, Robert Connor, and Pinny Cooke.

Just this week, New York lost a true pioneer. Before she became the first African American woman elected to the United States Congress, Shirley Chisholm served right here in this chamber. She will be missed.

And as we remember our departed colleagues, let us also remember those who were lost in last week's tragic tsunami. Our hearts go out to the victims and their families – just as the people in that part of the world mourned with us during our great tragedy 3 1/2 years ago.

Please join me in a moment of silence to honor their memory.

After September 11th, nations from across the globe offered their generous assistance to the people of New York.

And whenever our friends around the world need our assistance, New York is there.

As we speak, crews from the New York Air National Guard's 105th Airlift Wing at Stewart are flying tsunami relief missions to Asia. Already, they've flown in over 200 tons of supplies and equipment.

And I am pleased to announce that today the 105th will deploy additional crews and another C-5 Galaxy to join in this critical humanitarian relief mission.

As we mourn those lost in Asia, let us also recall with great respect and sorrow, those New Yorkers who have paid the ultimate price while serving our communities, our state and our nation this past year.

Police officers, firefighters and EMTs protecting us here at home...

And soldiers, sailors, airmen and Marines bravely defending freedom around the globe.

Since the War on Terror began, 74 brave servicemen and women who called New York home have given their "last full measure of devotion" to our state and nation.

People like 39-year-old Sergeant Christian Engeldrum – a citizen soldier of the New York National Guard's own Fighting 69th, who was killed in action on November 29th, near Baghdad.

Sergeant Engeldrum was no stranger to the War on Terror. On September 11th, he and his fellow members of Ladder Company 61 rushed to Ground Zero just before the second tower collapsed.

For some people, the call to duty knows no limits.

At Christian's funeral, I met his friend, and fellow unit member and New York City firefighter, Specialist Dan Swift.

Dan was fighting alongside Christian when he died, and suffered wounds in the attack.

Yet even after having been through that, do you know what he said to me?

He said, "I wish they'd just take the metal out and duct-tape me up, so I can get back to the guys in my unit."

Ladies and gentlemen, we are honored today to have with us Specialist Daniel Swift. Dan, we thank you, your fellow members of the New York National Guard, and all the men and women of the United States Military for your tremendous service to our state and nation.

I commend this Legislature for honoring Sgt. Engeldrum by passing Mayor Bloomberg's bill last month to provide his wife and children the same benefits they would have received had he been lost as a firefighter in the line of duty.

This year, let's build on our Patriot Plan laws and pass a law ensuring that the families of all public employees serving in the Guard and Reserves who make the ultimate sacrifice will receive the same benefit we provided to the Engeldrums.

New Yorkers who choose to dedicate their lives to serving in harm's way both at home and abroad deserve nothing less. Let's honor our obligation to them and to their families.

Whether they wear police blue or desert camouflage, whether they're braving flames in Binghamton or bringing freedom to Baghdad, our uniformed men and women represent the very highest ideals of public service.

And while the nature of our service is worlds apart from theirs, our goal should be the same – changing and improving people's lives.

That's what our job in Albany is all about.

It's not about government programs, policies or agencies – they are the means, not the ends.

It's about the people of this great state and how we can make their lives better.

This is the eleventh time I've addressed you as Governor of this great state – what an extraordinary privilege.

I thank the people of New York for this honor and each of you for working together to achieve our goal of changing people's lives.

Ten years ago, I was a new Governor, Joe Bruno was the brand new Senate Majority Leader, and Shelly Silver had been Speaker of the Assembly for less than a year.

That year, colleagues and friends of ours like Carmen Arroyo and Will Stephens attended their first State of the State and brought their fresh ideas to Albany.

And it's amazing -- after ten years, none of us have changed a bit – we all look exactly the same...

...except maybe for Joe Bruno, who somehow manages to look even younger than he did back then.

I'm sure you recall and share the excitement I felt on that day – our first day together in this chamber.

I introduced a new philosophy that day – I asked you to join me in seeking not just incremental change, but rather “bold, sweeping fundamental change:” change to improve the lives of all New Yorkers.

Now, a decade later, I hope you’ll indulge me as I reflect on what we’ve achieved together, and more importantly, outline the steps we must take today to build on that great achievement.

Let’s begin where we always have – with government’s most important responsibility – ensuring the safety and security of its people.

In 1994, New York was the sixth most violent state in the nation.

Today, a decade later, we’re the seventh SAFEST, and the safest large state in America.

That is undoubtedly a stunning achievement.

While I could cite a hundred different statistics to illustrate its magnitude, let me give you just one.

In New York State, 86,168 fewer violent crimes occurred in 2003 than a decade ago.

Let me repeat that...86,168 fewer violent crimes in 2003 than in 1994.

Think about it -- more than 86,000 families saved from being torn apart by a murder, rape or vicious assault.

And that’s just in one year.

If the level of violent crime in 1994 had gone unchanged over the course of the last ten years, more than a half-million more New Yorkers could have become victims of violent crime.

But you and I made a difference – we made the fundamental changes that saved lives.

And we didn’t just reduce the number of crimes, we reduced the number of criminals.

Because we had the courage to disregard the naysayers, there are now 8,000 fewer people in prison than in 1999.

Because of the tougher, smarter laws we enacted, the rate of recidivism in our state has fallen by an astonishing one-third.

Less crime and fewer criminals. How did we do it?

By fighting for “bold, sweeping, fundamental change” to our criminal justice system.

We instituted the death penalty.

We abolished parole for violent felons.

We gave police new tools like DNA technology to help them get criminals off our streets and out of our neighborhoods.

We passed 108 new laws that toughened penalties or closed criminal-friendly loopholes.

Of course, we couldn’t have done it without the extraordinary efforts of the men and women in blue and the leadership of dedicated local officials across our great state -- from the smallest hamlets to the great City of New York.

I would like to give special thanks to Mayor Bloomberg and Police Commissioner Ray Kelly for being great partners in our fight against crime.

Over the last ten years, no state in America has done more to protect its citizens and you can and should be proud for your role in this historic turnaround.

But we can and will do more.

Last year I set a new goal for our state – to make New York the safest state in America by 2009.

To achieve that goal, we launched Operation IMPACT to concentrate federal, state and local law enforcement on communities in 15 upstate counties experiencing spikes in crime.

I’m pleased to report that Operation IMPACT is delivering as promised – in the last year, murder in our IMPACT communities is down almost 20%.

And this year, Rochester, the first IMPACT site, has experienced one third fewer murders, including a 66% drop in murders of our most at-risk population – young African American men.

The “bold, sweeping, fundamental changes” we enacted together have saved lives and made New Yorkers safer. But we can do even more, and we will.

Today, I am proud to announce three new bold initiatives to make New York even safer.

First, we'll launch Operation IMPACT II, which will expand the program within the original IMPACT counties, add 100 more State Troopers to this effort, and bring new IMPACT operations to other parts of the State.

Operation IMPACT has succeeded by concentrating the combined efforts of federal, state and local law enforcement on our highest-crime locations.

Now it's time for another bold step -- focusing the combined efforts of these law enforcement agencies on the fugitive felons who've committed the worst crimes in the highest numbers.

Today, we're launching Project SAF-T -- Statewide Anti-Fugitive Teams -- to track down and capture New York's 100 most dangerous fugitive felons.

These hardened criminals have already committed more than 600 crimes, including murder, rape and armed robbery. Let's focus all our law enforcement resources to flush them out and put them in prison where they belong.

We will leave no stone unturned in this effort.

In fact, we will enlist the help of all New Yorkers by creating the "New York's 100 Most Wanted" program. We'll post their mug shots on a public website and provide them to every police department in New York. When a citizen spots one of these fugitives, they'll be able to make an anonymous tip through a dedicated hotline.

I'm proud that "America's Most Wanted" founder and host John Walsh, a man who knows how valuable the eyes and ears of the public can be in fighting crime, has agreed to include New York's 100 Most Wanted in his program that has already landed 818 fugitives behind bars.

With the attention of the entire law enforcement community and the eyes of all of New Yorkers on them, these fugitive felons won't stand a chance.

As Governor, I can implement these new initiatives on my own, and I will. But we must go further, and for that I will need your help once again.

This session I will send you an aggressive anti-crime package, dealing with issues ranging from deadly drivers and gun trafficking to strengthening Megan's Law, and yes -- ensuring that our state has a strong death penalty law.

Let's make New York the safest state in America -- that must be our goal. Let's achieve it together.

The bold, sweeping changes we've made to our criminal justice system over the last decade have made New Yorkers markedly safer from the dangers of crime.

But as we've seen all too tragically, crime is not the only danger from which our citizens must be protected.

Over the past decade, we in New York have endured a string of disasters and emergencies that is virtually unprecedented in our state's history.

From the 1995 Suffolk County wildfires to the North Country Ice Storm, from tornadoes in Saratoga County to the Blizzard of 1996, from violent windstorms in Central New York to flooding on the Southern Tier, we've seen it all.

And it hasn't been limited to weather emergencies – there was also the blackout of 2003, the TWA 800 disaster and the crash of Flight 587 in the Rockaways.

But the bold, sweeping changes we made to our state's emergency response capabilities enabled our state to rise to the challenge time and time again.

We strengthened our State Emergency Management Office and rebuilt our National Guard into the proud capable force that it is today.

And then, on September 11th, everything changed.

Suddenly, New York found itself on the front lines of the War on Terror, facing an entirely new set of challenges.

Once again, we met these challenges with bold and decisive action.

We created one of the nation's first State Homeland Security Offices and today, ours is the best in the nation.

We implemented bold initiatives like the Statewide Counter-Terrorism Network and the Upstate New York Regional Intelligence Center.

We boosted our Trooper strength to the highest level ever, and we deployed our National Guard and State Police to defend our borders and protect our bridges, tunnels and train stations.

And...with your help...we enacted the strongest, most sweeping anti-terror laws in America.

But if we are to meet our supreme responsibility to keep New Yorkers safe, there is always more work to be done.

This year, we'll expand and strengthen our homeland security strategy with three more vital initiatives.

First, we will establish the nation's first State Preparedness Training Center, centrally located in the Mohawk Valley.

Next, I will submit a Terrorism III package that will include legislation dealing with two critically important areas – cyber-terrorism and agri-terrorism.

Finally, we will redouble our efforts to ensure that federal homeland security funds are concentrated on the areas under the greatest threat – and that means New York City, the world's greatest symbol of freedom and prosperity.

We've come a long way in the past decade – New Yorkers are safer in their homes and neighborhoods and on their streets than they've been in generations. This year, let's continue to work aggressively to make our state the safest and most secure in the nation.

We know that when people are safe in their homes, they are free to pursue their dream for a brighter economic future for themselves and their families.

Unfortunately a decade ago, for too many New Yorkers, that dream was out of reach. Jobs and opportunity were fleeing the oppression of a government that taxed too much and regulated too much.

We came together and boldly transformed New York's failing economic climate by enacting a series of sweeping changes to state government.

We eliminated hundreds of unnecessary government regulations that were burdening our economy and killing jobs.

We fought for and achieved historic reforms to the Workers Compensation system, dramatically lowering rates for businesses.

We created smart new tools like Empire Zones to help attract new companies, new jobs and new investment to New York.

We began to seize the economy of the future by creating new high-tech job-creating programs like our Centers of Excellence.

Finally, and most importantly, we adopted historic tax cuts and returned billions of dollars to New York's families and businesses.

Together we reignited the entrepreneurial spirit of New Yorkers and unleashed the power of our economy, and in turn created hundreds of thousands of new private sector jobs.

But then came the national recession and September 11th.

The combination of the two cost the State more than 325,000 jobs, including 235,000 in New York City alone. It was a devastating blow to our economy.

But we've worked together to regain those jobs and are poised for even greater progress in the days ahead.

New York has now had sustained job growth for more than a year and our private sector job count has increased in 13 of the last 14 months.

Today, our unemployment rate is the lowest since September 11th and well below that of the nation.

Site Selection Magazine ranks New York second in the nation in business climate and in new corporate facilities and expansions.

And just recently New York was ranked second in the nation in "in-sourcing" – attracting jobs from foreign-based companies.

Last year, I stood before you and set an ambitious goal – to create jobs for a million more New Yorkers by the end of this decade. An ambitious goal -- suitable for an ambitious people.

Since last year, we've made steady progress, as evidenced by the decisions of some of the world's best-known firms.

By locating one of its largest stores in downtown Buffalo, Bass Pro will create hundreds of jobs and draw between 3 million and 5 million visitors a year to Western New York.

Hickey Freeman is investing millions of dollars in its manufacturing facility in Rochester and Lockheed Martin is hiring hundreds of engineers in Syracuse and the Southern Tier.

In Rome, you can once again hear the familiar roar of jets at Griffiss as Empire Air ramps up its flight maintenance operations.

And even more good news is on the way.

On Long Island, OSI Pharmaceuticals just received FDA approval for a new cancer drug and will expand its operations, with the potential to create 1,000 new jobs during the next several years.

In Central New York, AXA Financial Services will create 300 new jobs in downtown Syracuse this year.

And working together with the Western New York delegation, we are reclaiming a long-dormant brownfield site in downtown Buffalo. Health Now will invest \$100 million to build a new corporate headquarters that will keep 1,200 jobs downtown.

Every one of these projects was fueled by one of the innovative job-creating initiatives we have enacted together over the past decade. Whether it's Empire Zones, the Brownfield Program, or our high-tech incubators, these initiatives have brought real jobs and investment to New Yorkers.

Through our Centers of Excellence, we continue our unprecedented journey that has put us at the forefront of the global high-tech revolution. Already, our investments in these centers are paying off with new attention from companies both nationally and globally.

Over the last decade, IBM has repeatedly demonstrated its confidence in New York and our policies through a succession of landmark investments.

Today, I am pleased to announce yet another.

IBM -- along with six global giants that include Sony, Toshiba, and Samsung -- will invest \$1.9 billion to build the next generation chip plant. This investment represents one of the largest of its kind in the world and it's happening right here in the Hudson Valley, or, as the nation and world are beginning to know it, Tech Valley.

Here in Albany, we have yet another exciting announcement at our Center of Excellence in Nanoelectronics. ASML, the world's leading chip equipment manufacturer, will invest over \$325 million to create its first-ever R & D center outside of Europe.

But we are not done yet -- there is more.

At the Albany Center of Excellence, IBM and a consortium of the largest nanoelectronics equipment suppliers will fund an unprecedented \$450 million expansion of that center's R & D capabilities.

Together these projects will bring a staggering \$2.7 billion in new private investment to Tech Valley, bringing jobs and optimism to communities throughout the region.

These exciting investments are happening at our Centers of Excellence across the entire State.

In Grand Island, Invitrogen will expand its operations in collaboration with the Center of Excellence in Bioinformatics, and in Buffalo, American Pharmaceutical Partners will add another 130 jobs.

In Fulton and Seneca Falls, we are working with the Syracuse Center of Excellence to establish two new ethanol facilities. In Fulton, the old Miller brewery is set to become the largest producer of ethanol in the East.

This will be a major boon to the Central New York economy, creating new jobs and offering farmers -- a vital part of the Upstate economy -- a new market for their products.

These announcements are proof-positive that our high-tech and Center of Excellence programs are working, attracting investment from around the globe and transforming our economy to meet the challenges of the 21st century.

Senator Bruno and Speaker Silver, thank you and your colleagues for joining with us on these and other vital high-tech and biotech initiatives.

Clearly, we are making progress, but we must do more.

Let's fight to ensure that New York's 11 military facilities, from Ft. Drum to Westhampton, from Rome to Niagara Falls, remain vital assets to their local economies and the U.S. military.

New York is already second in the nation in in-sourcing jobs. Let's become first. Let's focus not just on keeping jobs, but on attracting new jobs and new investments from around the world.

To that end, later this year, I will travel to Japan and China with a delegation of business leaders to promote New York as the best place to do business in the 21st century.

While I'm there, I will visit Beijing, where the next Summer Olympic Games will be held. New York has a great Olympic legacy and this year, we will commemorate the 25th anniversary of the 1980 Olympics and the "Miracle on Ice" with a series of special events in Lake Placid.

And in 2012, if our efforts are successful, New York will build on that proud legacy. Let's work with Mayor Bloomberg and build the sports and convention center on the West Side.

Let's fulfill New York's Olympic dreams.

And as we continue our progress, let's make sure our entire state participates in our economic revival. Many upstate communities like Dutchess County, Saratoga, Glens Falls, Ithaca and Albany are experiencing strong economic growth. Let's bring that growth to every upstate community.

Just as we created Operation IMPACT to target high-crime counties, let's create an economic version to leverage job growth and investment in communities that need it the most.

To that end, I will propose Operation SPUR – the Strategic Partnership for Upstate Revitalization. This critical new initiative will target Upstate communities where we need additional economic growth and job creation, as well as areas that rely heavily on the farming and agribusiness sectors.

In my Executive Budget, I will propose a seven-point plan that will marshal our resources to revitalize these SPUR communities. From enacting a single sales factor for manufacturers and advancing new job tax credits to creating new Agri-Business Opportunity Zones and tax credits for high-tech businesses, SPUR will bring new jobs and the promise of a growing economy to all New Yorkers.

As important as these targeted job-creation efforts may be, the best way to foster a job-friendly climate is by relieving the tax burden on all our fellow New Yorkers.

Since 1995, we've been the tax-cutting capital of America -- cutting 19 different taxes 75 times, for a total of \$122 billion. This year, New Yorkers' tax burden is \$15 billion less because of the broad, sweeping, fundamental changes we made in our tax code beginning in 1995.

Yet for all these changes, more progress must be made to reduce the tax burden on all New Yorkers.

We know tax cuts work. We've proven beyond all doubt how cutting taxes creates jobs and prosperity for our fellow New Yorkers. We've done it before, now let's do it again.

Let's strengthen families by expanding our Earned Income Tax Credit to include lower income, single fathers.

Let's protect and enhance every homeowner's STAR benefits by enacting STAR Plus this year.

And let's send a clear message to taxpayers. Let's accelerate the phase-out of the temporary personal income tax increase for all New Yorkers... and let's do it this year.

And let's go one step further. Let's make the entire tax code fairer, simpler, and friendlier for everyone -- and ensure that New York has a new tax code for the 21st century. And there is simply no one better suited to lead this effort than one of our nation's leading tax reformers -- and he is with us today.

Larry Kudlow, on behalf of every New Yorker, thank you for taking on this worthy task.

And while we've helped relieve the school tax burden through STAR, Medicaid continues to impede our ability to achieve significant property tax relief at the county level.

For months, we've worked with county executives from across our state on a plan to cap Medicaid costs and give local property taxpayers the relief they deserve.

Two weeks from now, in my Executive Budget, I will propose Medicaid reforms that will reduce costs and also protect county property taxpayers, while ensuring the quality of health care we all deserve.

Let this be the year we get it done.

Let this be the year we stand up for taxpayers once again.

Over the last decade, we've made bold changes that instituted a new approach to health care in New York – one that empowers people to make the decisions that affect their health and their lives. We've given New Yorkers and their doctors more options and taken decisions out of the hands of government bureaucrats.

This new approach, and the innovative new programs we've enacted have improved the delivery and quality of health care across our great state.

Today, over a million more New Yorkers have access to quality comprehensive health care, more seniors than ever before have prescription drug coverage, and four times as many children are covered by Child Health Plus.

This year, let's continue to be bold. Let's build on these unprecedented changes and make our healthcare system even better with initiatives to improve the health of our oldest and youngest New Yorkers.

First, let's ensure that our "Greatest Generation" can live in comfort, security and dignity, whether it is on their own, with their families, or in residential care. For some New Yorkers, a nursing home may be the best option, but it should never be the only option.

This session, let's give even more seniors and their families access to a wider variety of long-term care options.

For an older or disabled person, a simple ramp or other modification can sometimes mean the difference between living at home or entering a nursing home. This year we'll launch Access to Home – a program to help families make the home improvements needed to accommodate the needs of their loved ones.

And as we tend to our oldest New Yorkers, let's also ensure that our youngest get their lives off to a healthy start.

Last October, we nearly tripled the number of diseases and disorders tested for under our nationally renowned Newborn Screening Program. This year, we'll add even more and make our program the most comprehensive no-cost newborn screening program in the nation.

One of these new tests will be for Krabbe Disease – a life-threatening condition affecting the nervous system.

In 1997, after their son, Hunter, was diagnosed with Krabbe, a family in Western New York created Hunter's Hope Foundation, which has since been a leading advocate for newborn screening expansion.

Hunter's dad is with us today. Whether throwing touchdowns for the Buffalo Bills or for this great cause, he's always been a New York hero and a true champion.

Jim Kelly, thank you – today's victory belongs to you.

Newborn screening can help ensure that children are given an opportunity to grow into healthy, vital adults. But let's not stop there.

The continuing emergence of childhood obesity is one of our nation's most serious health concerns. It affects up to 30% of our children and can lead to serious health problems later in life including diabetes and heart disease.

This year we'll launch the "Active-8 Kids" program, a comprehensive education and awareness campaign encouraging kids to be active, healthy and physically fit. I'm proud that two very special people have agreed to support this effort – people who know a great deal about the value of exercise, nutrition and achieving goals: NHL star goaltender and Utica native Rob Esche, and Olympic gold medalist Janet Evans.

Rob and Janet, thank you for being great role models for New York's kids and for devoting your time and energy to their health and well-being.

As we address the challenge of increasing New Yorkers' access to healthcare and improving the quality of that care, we must ensure that our healthcare facilities are up to the challenge. That's why my Executive Budget will propose a new program to fund facility improvements and technology upgrades for healthcare facilities across the State.

Creating more long-term care options for our seniors.

Ensuring a healthy start for our children.

Improving and modernizing healthcare facilities for all New Yorkers.

This year, let's continue our great progress.

Let's ensure that our healthcare system remains the finest in the world.

Every child deserves access not only to good health care but to a quality education that unlocks the door to a productive and rewarding future.

To that end, a decade ago, I called for bold, top-to-bottom change in how we prepare our children for that brighter future.

Over the past decade, we've indeed brought unprecedented change, benefiting students, teachers, and parents alike across our state.

Through our record investments, we've boosted overall school funding by 55%, more than double the rate of inflation.

New York City alone now gets \$2.3 billion a year more than it did a decade ago, and New Yorkers now invest over \$12,000 per student - more than any state in the nation.

But because we all know that money alone can't ensure classroom success, we didn't stop there.

Through our Teachers of Tomorrow program, we helped attract and retain thousands of good teachers.

Through Lt. Governor Donohue's Project SAVE – the most comprehensive safe schools initiative in America – we helped make our classrooms safer by making assaults on school staff a felony.

Through our School Report Cards program, we equipped New York's parents to compare their children's schools to others' -- and through our charter schools law, we let them remove their kids from failing schools and place them in those with less bureaucracy and more accountability.

To ensure that our kids were truly learning to read, write, and do math, we initiated testing for fourth-grade and eighth-grade students, and provided after-school help through our Advantage initiative.

And we've approved bold, historic governance reforms, providing the Mayor with direct control over New York City's schools.

The investments we've made are unprecedented.

The reforms we've enacted are indeed historic.

But we have unfinished business before us.

Last year I announced a set of principles which underscored the need to throw out the archaic school aid formula.

I said we needed a new formula for a statewide solution for New York City and other high-needs school districts.

I said we must never pit one school district against another.

And I said that more dollars must come with sweeping reforms to ensure greater accountability and performance.

This year, let's complete this unfinished business.

I will again advance a proposal to provide fair funding and real reform for school districts across New York State.

Let's not cede this task to the courts, or limit it to one school district in one part of our state.

Let's meet this historic challenge for the benefit of children all across our state.

By improving education in the early years, we're preparing our students for college and beyond.

And at the university level, over the past decade, we have dramatically transformed our SUNY and CUNY systems.

Our public and private universities are attracting record numbers of top quality students.

At SUNY, we now have record SAT scores, record minority enrollment, revitalized campuses, and public-private partnerships fueling high-tech job creation across our state.

And at CUNY, despite fierce opposition from the naysayers, we brought back the high standards that had once empowered generations of immigrants to make it in America.

And already, we're seeing results.

For the first time ever, two CUNY students – Lev Sviridov and Eugene Shenderov, both immigrants from the former Soviet Union - are now Rhodes Scholars.

We're pleased to have Lev with us today.

Lev, congratulations on your wonderful accomplishment, and please tell Eugene we are proud of him as well.

Just as we have with education, over the past decade we have applied our philosophy of bold, sweeping change to the preservation and protection of our environment and our state's natural treasures.

When I was a boy, I could admire one of these treasures – the Hudson River – from our family farm in Peekskill. I still remember how different the view was from my grandfather's porch, which was only a few feet from the riverbank. The tragic effects of a century's worth of neglect and abuse were all too apparent.

When I took office in 1995, we chose to take a fundamentally different approach to environmental conservation, and by working together over the last decade we've made New York a national leader.

In the decade prior to 1995, only six new parks were created. Over the past ten years we've created 19, and have committed to open or expand 20 more by 2009.

We've set aside an astonishing 800,000 acres of open space, adopted the nation's toughest acid rain standards, created new renewable energy programs, and enacted an historic Brownfields revitalization program.

We've reclaimed industrialized waterfronts across the State, transforming them from forgotten dumping grounds into the proud gateways of our communities.

We've dedicated more resources to cleaning-up and protecting the environment than ever before, including our \$1.75 billion Clean Water/Clean Air Bond Act.

Today, the majestic Hudson flows cleaner than it has in generations.

The bold, sweeping changes of the past decade have dramatically improved our environment and the quality of life for all New Yorkers -- and this year, we can do even more.

It is my great pleasure to announce to you today, that we've reached an agreement with Domtar Industries that will preserve another 104,000 acres of Adirondack forestland. This brings our total open space conserved to over 900,000 acres since 1995 – an area bigger than the entire State of Rhode Island.

And as we continue our efforts to conserve open space in the Adirondacks, let us do the same in our urban communities.

In Yonkers, the Nepperhan River has been flowing under a shroud of pavement for more than a century. I am pleased to announce that we will work with the City of Yonkers to uncover this natural treasure and once again make it the centerpiece of a vibrant riverside community.

Today marks a century since the National Audubon Society was founded, right here in New York -- let's give them a birthday present. We will add 20 new bird conservation areas to the 28 we've created since 1995.

We have already made great strides in reducing the amount of pollutants in our environment, but this year we'll take yet another step.

This morning I signed an Executive Order requiring all state agencies and authorities to begin using non-toxic cleaning products that are free of harmful chemicals. And later this session, I will submit legislation that requires all schools in the State to do the same.

I'd like to thank a great New Yorker who has devoted a tremendous amount of her time and energy to raising awareness of the hazards of chemical cleaning products. Deirdre Imus, thank you for joining us today, and for all your hard work to protect our environment and our children.

Last year, I announced that we were going to make New York State a leader in promoting renewable bio-fuels.

Today, at Syracuse's School of Environmental Science and Forestry, they're working to produce ethanol from renewable sources like wood fiber. At Clarkson University, they're already building refineries to make bio-diesel from agricultural products.

In order to assist this growing industry and farmers across New York State, I will sign an Executive Order requiring our state agencies to begin phasing in the use of bio-fuels to heat our state buildings and power our trucks.

And as we look even further into the future, let's prepare for a time when the only exhaust emitted from our automobiles will be clean water.

Clean hydrogen is the motor fuel of the future – a future we need to begin preparing for now. That’s why I’m asking NYSERDA to work with our transportation agencies to install hydrogen refueling stations from New York City to Buffalo over the next ten years.

The fundamental changes we’ve made over the past decade have resulted in a cleaner environment and brighter future. This year, I ask you to join me in continuing this great record of progress.

Over the past decade we have improved New Yorkers’ lives time and time again by embracing bold reforms and sweeping change.

We took a broken criminal justice system and transformed it.

We took a failed welfare system and revolutionized it.

We cut over \$100 billion in taxes, and unleashed our economy’s boundless potential.

These are historic achievements, and proof-positive that New Yorkers can accomplish great things when we have the courage to embrace bold reforms.

But while there is much to be proud of, we still have more to do in terms of reforming the process itself.

New Yorkers want a more open, accountable, and responsive government.

This year, let’s give it to them.

This session, I will advance a comprehensive agenda that will make this government more effective, more efficient and more accountable to the people of New York.

As the State’s Chief Executive, I have the ability to move forward with some of these measures on my own. And I will.

With others, I will need your help.

Together, I know that we can make history once again.

Let's begin with seven major goals.

Number One: Let's reform our state's lobbying laws.

Last year, I signed an Executive Order requiring all State agencies and authorities to publicly disclose information on procurement lobbying for the first time ever.

This year, let's work together to enact legislation imposing a smart and effective ban on procurement lobbying.

Number Two: I will also advance legislation to impose a ban on all gifts from lobbyists.

This simple but vitally important step would help to reinforce public trust in the government process itself.

Number Three: Let's continue making bold reforms and improvements at our public authorities.

In 2003, I directed corporate governance expert Ira Millstein to develop new model principles to ensure greater efficiency, openness and accountability at our State authorities.

All of our public authorities are now working to comply with these outstanding corporate governance principles, but there are still remaining legal obstacles that prevent their full implementation.

This year, I will introduce an authority reform bill to put these model principles into law, and to remove any remaining barriers to full compliance for all of our authorities.

Number Four: I am also proud to announce that I will sign a new Executive Order establishing a new, broadly inclusive Commission on Public Authority Reform – and I've asked Ira Millstein to head this effort as well.

It will include leading private-sector experts who will be appointed by me, the Comptroller, the Attorney General, the Majority Leader, the Speaker, and both Minority Leaders.

The commission members will explore new ways to continue promoting greater openness and accountability at all public authorities, whether at the state or local level.

Ultimately, the work of the Millstein Commission will form the basis for additional reform legislation that we can enact to continue improving the operations of authorities all across the State.

Alan and Eliot, Joe and Shelly, Charlie and David... thank you for joining us in this vital, non-partisan effort.

Number Five: This year, we will also be moving aggressively forward with the elimination or consolidation of hundreds of commissions, task forces, boards and authorities that have been established over the course of many decades.

This effort will help to provide New Yorkers with a more streamlined and effective government.

Some of these steps I can take administratively. And I will.

With others we will need legislation that I will work with you to enact this year.

Number Six: As a former member of both the Senate and Assembly, I am extremely encouraged by the new commitment in both houses to make internal reforms... to give each of you a greater voice, to improve the day-to-day operations of the Legislature, and to help strengthen public confidence in our government.

It's a good start, and I encourage you to keep going, and to do even more.

And Number Seven: Let's finally topple the most notorious symbol of Albany's dysfunction...let's enact a real budget reform bill that opens up the process, empowers individual legislators and ensures balanced and on-time budgets.

We have made real progress in recent weeks on budget reform.

Now let's get it done. Let's pass a law that will open up the budget process and deliver on-time budgets for years to come.

By getting these seven things done – procurement lobbying reforms, banning gifts from lobbyists, sweeping authority reforms, our new Millstein Commission, streamlining our government, bold legislative reforms, and real budget reforms – we will shatter the status quo, strengthen public confidence and change Albany for generations to come.

And once these seven goals are accomplished, let's move forward and embrace even more reforms...

From sweeping campaign finance reforms, to a ban on backdoor borrowing, to an Initiative and Referendum bill that will give New Yorkers a greater voice in their government...

Let's make 2005 the year when bold, innovative reforms revitalize and renew our government process, bringing a new sense of energy, non-partisanship and restored public confidence to Albany.

If anyone ever doubted the spirit and greatness of this State, their doubts were laid to rest by New Yorkers' heroic response to the September 11th attacks.

Faced with one of the worst tragedies in our history, New Yorkers showed the world that our greatest days are ahead of us. That's why rebuilding Lower Manhattan is not merely a choice to make, but a solemn obligation to keep.

Over the past year, we've continued to rebuild, revive, and remember.

We began by selecting a Memorial design to honor those we lost.

Then, on July 4th, Mayor Bloomberg and I laid the cornerstone for the Freedom Tower.

This past fall, we raised the last beam for 7 World Trade Center to ensure that the last building to fall will be the first to rise and reopen.

And just yesterday, Morgan Stanley demonstrated its confidence in our rebuilding efforts by announcing that it is moving over 1,400 jobs back to Lower Manhattan.

Now, as we begin a new year, we look forward to key milestones in the transportation portion of Lower Manhattan's revival.

This summer, we will break ground for our new World Trade Center Transportation Hub, and we will move forward on linking Lower Manhattan to JFK Airport and Long Island.

In all that we do in Lower Manhattan, nothing is more important than building a dignified and fitting Memorial to honor the brave heroes we lost.

Last month, we unveiled a completed Memorial design.

A model of that design is in the War Room for you and the public to see.

The memorial will be a three-level experience bringing visitors all the way down to the very bedrock of the site where they can see the original box beams of the Twin Towers and the slurry wall which held back the Hudson during the attacks.

In addition, I'm pleased to announce that we will light the Memorial at night so that visitors will be greeted by a welcoming glow throughout the Memorial Plaza.

Our state, our nation, and over 92 countries lost family, friends, and neighbors on September 11th.

Indeed, this is a memorial not just for New York and our country, but for the entire world.

I urge you to take the time to see and experience for yourselves this inspiring creation.

To raise funds to build the Memorial, we've put in place the World Trade Center Memorial Foundation. All four living former Presidents of the United States serve as honorary members of its Board of Directors.

To this day, generous New Yorkers want to know what they can do to pay tribute to our heroes. In response, I will send you legislation to add an income tax checkoff on our State income tax forms, so we can all give from our hearts to build the Memorial.

I am pleased that Senator Bruno and Speaker Silver, whose district includes Lower Manhattan, support this important legislation.

And I would like our entire nation to have the same opportunity to honor those we lost.

To that end, I'm pleased to announce that Staten Island Congressman Vito Fossella has agreed to shepherd a bill through Congress providing the same donation option on our federal forms.

This way, Americans everywhere will have the chance to help honor the memory of our fallen heroes.

All of us who are here today have chosen to dedicate ourselves to public service and to helping others.

As you serve others, you touch their lives, and if you touch enough lives, you can truly make a difference.

That might sound idealistic, but it tells the story of what I have related today.

You and I have made a difference, and so have our fellow New Yorkers.

Our decade of change has unleashed the ingenuity, creativity, and character of the most extraordinary people in the world – the people of this state, who come from every corner of the globe.

They are the real heroes of New York's rebirth and revival.

It hasn't been easy. We've weathered many storms along the way.

But to quote a great New Yorker, Al Smith, "The American people never carry an umbrella. They prepare to walk in the eternal sunshine."

Today, the storm clouds are dispersing, and the sun is breaking through.

And as it does, it will shine ever brighter upon our Empire State.

John Winthrop once saw America as a shining light to the nations.

Now, more than ever before, it is our state and its people that bear this light for America.

We've led our nation in many areas.

We've led it through the painful aftermath of one of the worst attacks in its history.

Let us continue to lead in the coming years -- building on this dramatic decade of progress.

And so, with high hopes and well-grounded optimism, let us walk confidently into the future -- leading New York, pointing the way to an even brighter and better tomorrow.

Thank you. God bless you. And God bless New York.