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1980

State of the State Address
Hon. Richard W. Riley
Governor, State of South Carolina
Columbia, South Carolina
January 16, 1980

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Madame President, Mr. Speaker, Members of this Joint Assembly,
Fellow South Carolinians:

Tonight, I come before you with my second State of the State address, and I do so realizing that this may be a year in which we must put forth a special and extra effort for our state. We are into the early days of South Carolina's 103rd General Assembly, and we are also into the early days of a new decade...the 1980's.... a decade which may just be one of the toughest we've faced.

That means that we must make this a time when we look beyond the needs and requirements of a single year. We must lift our eyes toward the future, and toward the needs of an entire decade and a new generation of South Carolinians. I'm asking you to help me set goals for the 1980's for our state, and to use this as a year in which we invest our limited resources in attaining those goals.

Our state seal carries a Latin inscription which has the meaning: "Prepared in Mind and Resources." Tonight, I ask you to join me in living up to those words, in preparing the minds and the resources of South Carolina for this challenging decade.

We've done it before. Many of you were here twenty years ago when we recognized the serious economic plight of our state, and established an industrial recruitment and technical education program which is still paying great dividends. And most of us remember the solemn commitment we made in the early 1970's to find solutions to the serious problems of human needs and deficiencies, a commitment which we shall pursue however long it takes.

Now, as we enter the 1980's, we undertake a similar mission. There will always be those, of course, who suggest that we take the short cut....the easy way out....that we patch things together for another year and leave well enough alone. But we should expect more of ourselves. If it means taking the more difficult route, we should learn a lesson from history, and....like the early '60's and the '70's....we should launch our state with certainty and solidarity into the 1980's.

Goal-setting, in itself, however, is not enough. South Carolina is not a wealthy state, and unless we commit....and invest....our limited resources toward achieving those goals, we're just indulging in wishful thinking. So I suggest to you that what we need to talk about tonight is not just a legislative program, and not just a spending program. What I'm talking about is an investment program.... an investment program designed to produce dividends, and not liabilities, for future South Carolinians.

Let's begin by talking about controlling the growth of government. As a goal for the 1980's....and as an investment in the economic well-being of our people....it is absolutely essential. But it involves more than good intentions and philosophies. If we're serious about controlling governmental growth, we've got to deal with three tough issues.... 1) controlling taxing , 2) controlling spending , and 3) controlling borrowing.

First, let's talk about taxation. If we're going to control it, then we should require that at least two-thirds of each House of this General Assembly approve any new taxes for the state. That means unless it's absolutely necessary....and has overwhelming support.... we'll have no new taxes. I recommend that this plan of tax limitation be submitted to the people in November as a Constitutional amendment.

In addition, I recommend that any new taxes which are approved should be contained in a separate bill, and should be adopted prior to the passage of the General Appropriation Bill. I specifically oppose the attaching of new tax proposals to the appropriation bill itself. That's like going out and buying something first, and then trying to figure out how to pay for it later, and I think that's wrong.

Next, let's talk about controlling spending. Thanks to our Constitution, we can be proud of the fact that we have two strong safeguards to protect against over-spending. First, of course, we're required to maintain a balanced budget, and not to spend beyond anticipated revenues in any given year. Secondly, we have a Reserve Fund which protects us against unexpected deficits and shortfalls in revenue. With these measures, I believe, we are well-protected against spending beyond our means.

Third, let's discuss controlling our long-term borrowing, and that's a tough one. Capital improvements are necessary for the operation of government, or any other large enterprise. But new buildings mean more employees, more spending, and bigger government. We've got five hundred thirty three million dollars of outstanding general obligation bonds, and another two hundred ninety million dollars authorized, but not issued. In addition, there are one hundred seven million dollars of bonds to be retired from revenues and earnings of our various agencies and institutions. That's a lot of debt to pass on to later generations.

I, therefore, recommend that we draw the line on long-term borrowing by reducing from seven to five per cent the amount of general revenue funds which can go each year toward the retirement of general obligation bonds. That would require a Constitutional amendment, and I ask that it be submitted to the people this year. In addition....along with these restrictions....I believe that we do not need a bond bill annually, and I would ask that recommendations for capital spending be considered every other year instead, and that guidelines be established as to what property may be included. With these measures, we get to the heart of governmental growth, and bring it under control once and for all in the 1980's.

Next, let's talk about education. It's always been number one in our state, and it will be in the '80's also. But that....in itself... is not enough. Unless we can invest even more in this next generation of South Carolinians, we'll still fall short of our goals by the end of the decade.

To generate additional moneys for education, I make the following recommendations. First, I propose that the Reserve Fund be reduced from five to three per cent....with a sixty million dollar ceiling.... and that the proposal be submitted to the people this fall as a Constitutional amendment. In so doing, however, I request that additional safeguards be built into the Reserve Fund to assure that it be used only for purposes of balancing the budget and maintaining the fiscal integrity of the state.

Moneys generated by this reduction....and it should amount to around thirty one million dollars....should be returned to the school districts for school construction or the repairing of older buildings. At least five million dollars of that amount should be spent toward making the buildings more energy efficient. That way we not only invest in better educational facilities; we also invest in lower energy consumption and utility bills, and we provide school districts with funds which would otherwise have to come from local property taxes.

In addition, I recommend that interest generated by the investment of Reserve Fund moneys be earmarked specifically for early childhood education and development. In the first year, this would amount to around four million dollars, and would fund the important First Phase of this all-out effort to reach pre-school children at a time when it counts the most.

Everything we learn from Basic Skills Tests and other information makes it clear that we are not doing enough for children at these ages. Thirty-five per cent of the children taking Basic Skills Tests last year were not adequately prepared even for first grade. That means we've got to do more than test....we've got to provide effective remedial programs, and we've got to invest our limited funds where they will do the most good, at the early ages. By earmarking these interest earnings for early childhood education and development, we turn the Reserve Fund into a living trust fund for the children of this state, and I can't think of a better investment in our future.

This General Assembly, of course, has already taken important actions in this regard, and I commend you for it. By lowering the mandatory school age from seven to six, we have reduced by fifty per cent the children not enrolled in kindergarten. In addition, I commend the Budget and Control Board and the Ways and Means Committee for authorizing an additional fifty-one million dollars for full funding of the third year of the Educational Finance Act, and I pledge my support not only this year, but in the years to come. That's a tremendous investment in educational excellence and parity in this state....and some say it's too high a price to pay. But I say that the price of ignorance in South Carolina is even greater.

While education is this state's traditional top priority, energy most certainly is the issue of the eighties. We've experienced a decade in which the average household has almost quadrupled its spending for heating oil and gasoline, and has tripled its spending for electricity, so we can predict with certainty that prices will go up and supplies will grow more scarce. But there's too much pessimism and defeatism about energy these days. Let me share with you some good news about how well this state is coping with its energy problems:

--Just during the first eleven months of 1979, South Carolina motorists saved forty-two million gallons of gasoline, as compared to the same period a year earlier.

--State office buildings in the Columbia area....during the last four months of 1979....used 602,000 kilowatts of electricity less than the year before, even with the addition of one entire building to the system.

--For the month of November last year, state automobiles burned one hundred eighty thousand fewer gallons of gas than the year before, even with more automobiles and more miles driven.

That means that conservation methods do work, do save money, and are worth the inconveniences and discomforts which might result. In fact, ever since we began driving at fifty five miles per hour five years ago, the death rate on our highways has declined so drastically that even by conservative estimates, we've saved over one thousand one hundred lives in this state. That means we're saving energy, we're saving money, and we're saving lives, and that's how everyone in this state is investing in a better South Carolina.

Now let's get on with the job. Let's redouble our efforts to enforce and abide by the fifty five speed limit, as well as our conservation methods already in effect. And in addition, this year, I ask you for further energy measures, as follows:

--One, I recommend that we provide tax deductions of up to three thousand dollars for citizens who save energy either by retrofitting their home, or using alternative energy sources such as solar, or wood.

--Two, I ask for a commitment by the state requiring the consideration of active and passive solar applications for all new state-funded buildings.

--Three, I request that legislative language be cleared up dealing with last year's gasohol proposal so that we can fund programs to make gasohol both a major agricultural product, and a major energy source.

This kind of action will help us win the energy war, and will make it possible to set specific goals for the decade. For example, by the year 1990, I'd like to see ninety per cent of our homes properly insulated to save energy; and by the same year, we should have at least fifteen per cent of our residential power supplied by renewable sources. By achieving these goals, South Carolina will not only be investing in the future of a single state, it will be contributing to the well-being of our entire nation.

Now, let's talk about economic growth and environmental protection, and a lot of people believe you can't mention those terms in the same breath. I've said all along you can have balance between the two.... without sacrificing either one....and that's what is happening in South Carolina. Let's look at what took place last year.

First, we took some tough steps to protect our state environmentally, and to keep it from becoming the dumping ground of the nation for low-level nuclear waste. We implemented a process which will reduce the amount of low-level waste coming into our state by fifty per cent, and we renegotiated our contracts to increase the price from sixteen cents to one dollar per cubic foot over a two-year period. That means two things.... 1) we'll be getting less low-level waste in the future, and 2) we'll be earning around three to four million dollars more over the next three years to protect the safety of our people. In addition to these steps, I have continued over the last year to speak out at the national level in favor of what I believe to be reasonable policies concerning high-level nuclear and hazardous wastes.

But, in a year when we took the strongest steps ever to protect the environment, we also had the best year ever in industrial development. South Carolina attracted 1.54 billion dollars of new and expanded industry, and more than twenty one thousand new jobs, and that wasn't just a few large plants in a few large cities. That was one hundred nine new plants, and six hundred seventeen expanded plants of all sizes in every one of our forty-six counties. Now, let's use that record of achievement to build even greater balance in the 1980's.

Let's begin by focusing new energy and efforts on the economic needs of every section of our state, and particularly those six high unemployment counties targeted for special consideration. Let's bring jobs where they're needed the most, and that's in our less populated towns and counties. In addition, let's get behind the Design for the Eighties program of Technical Education, which should provide the kind of updated training our people need to meet the demands of new technology in the eighties.

Just as economic growth should include all sections of the state, so too should it include all people. We fought in the 1960's and 1970's for legal rights for all, now let's make the 1980's the decade of new economic rights for all. I've created for that purpose a new Division of Minority Business Development in my office to assist the minority business men and women of our state. For my part, there's no greater investment in the future than the investment which opens up our great free enterprise system to the full participation of everyone.

Let's continue our efforts, also, to keep the balance between the economy and environmental protection. To that end, I will ask this year for stronger regulatory authority over low-level nuclear waste so that we can impose a civil penalty for violation of our rules and regulations. This will encourage greater responsibility by the private sector and other states, as well, and will increase our investment in a cleaner and safer South Carolina environment in the years ahead.

This decade, of course, will continue our investment in meeting our state's human needs. I've supported this year's funding increases for Medicaid, Aid-to-Families with Dependent-Children, Foster Parents and the Older Americans Act. But if we're going to invest in the human needs of the eighties, we should build a philosophy around health care, and not just "sick care." I'm talking about demonstration projects designed to improve our long-term care and human service delivery system, and steps that will assure the cost efficiency of health care services. I'm also talking about programs such as special care and treatment for high-risk pregnancies.... pregnancies which usually involve young mothers and their children. In a state which has one of the highest rates of infant mortality and birth defects in the nation, this problem should receive special attention. I recommend restoration of the full 1.2 million dollars of additional funds proposed by the Budget and Control Board for this program, and I think that's a good down payment on a stronger generation of South Carolinians in the future.

The 1980's will also bring new demands on our criminal justice system. I commend the work of my special committees on criminal justice and juvenile justice, and I will pass along their excellent recommendations as the session progresses. In addition, I support the bill already introduced in the House which would provide restitution for victims of crimes in first offense property cases, and I think that's an excellent method of dealing with crimes of that nature.

As for the Criminal Appeals Court created by the 1979 General Assembly, I share your concerns over its status. I supported its creation last year, and I believe we can clear up the present uncertainties by paving the way this year for a Constitutional Criminal Appeals Court. In order to present the matter to the people for their vote in November, we should either abolish the present statutory court this year, or we should legislatively postpone its implementation until next year, and I will work with you in either way to resolve this difficulty.

There is another special issue I call to your attention this evening, and I'm talking about gubernatorial succession. For years, we've discussed whether governors should be permitted to run for re-election to a second consecutive term, and I've always taken the position...as did the previous Governor...that they should. It's the law in all but five of the fifty states.

The question has also been raised as to whether such a change should apply to me. That is a legitimate question, and I would be less than candid if I said I would have no interest in running for re-election if legally allowed to do so. Therefore, I now ask this General Assembly to submit each of these questions to the people in the form of Constitutional amendments this fall. By so doing, it will be an expression by this General Assembly that there is adequate public interest to justify a public decision, and you will be trusting the people to judge these issues solely on their merits.

There are many other critical issues facing us as we enter the 1980's, and I refer especially to the concerns expressed by this General Assembly and others over insurance. Like the Public Service Commission, it is a matter which deserves our priority attention, and I pledge to work with you in bringing about whatever reform or reorganization is necessary.

I also call your attention to other priority items, namely:

--The need to modify our trucking regulations on length and weight to make our standards uniform with other states.

--The Higher Education Master Plan, and our need to review future growth in light of a projected leveling off of enrollments.

--Proposals to eliminate or modify agencies under the Sunset law, and efforts to strengthen central government management in the areas of personnel administration and procurement.

--Better control and utilization of our state airplanes through stronger management.

Each of these constitutes an important matter which we must address together. I would like to make special note of your efforts this year to speed up the session, and I particularly commend the Ways and Means Committee for reporting out the Appropriation Bill at such an early date.

Now, as we enter this crucial decade of the eighties, let's do it with a spirit of partnership and teamwork. I'd like to thank you for the courtesy and cooperation you gave a new Governor last year. We lowered utility taxes, gave the elderly additional tax breaks, lowered the mandatory school age, brought merit selection to the Public Service Commission, held the line on capital spending, and put a lid on uncontrolled expansion with the line item veto of new employees. It was a good year, but we've got even more to do this year.

We've got to plan not just for a single year, but for a whole decade. I ask your help in setting as our goals for the 1980's the seven major areas I have enumerated tonight: 1) control of governmental growth with better governmental management, 2) public education with emphasis on early childhood development, 3) energy, 4) economic development, 5) environmental protection, 6) human services, and 7) criminal justice. Each of these represents something of an ongoing commitment, but the 1980's will make each of them something of a new and special challenge.



I extend to you the continuing pledge and assurance that my door....and my mind....are always open to the needs of the General Assembly and the people of this state. As we enter this tough decade together, we realize that hard times bring out the best in people. The Book of Proverbs tells us, "If thou faint in the day of adversity, thy strength is small." South Carolina may be facing days of adversity in the 1980's, but there is no smallness of spirit nor lack of strength in our state. That's why we face this decade not with fear nor anxiety, but with confidence in the strength and will of our people. It is our job this year to guide, direct and invest those great resources of strength and courage toward a better year, a better decade, and a greater future for all of our people.

Thank you.