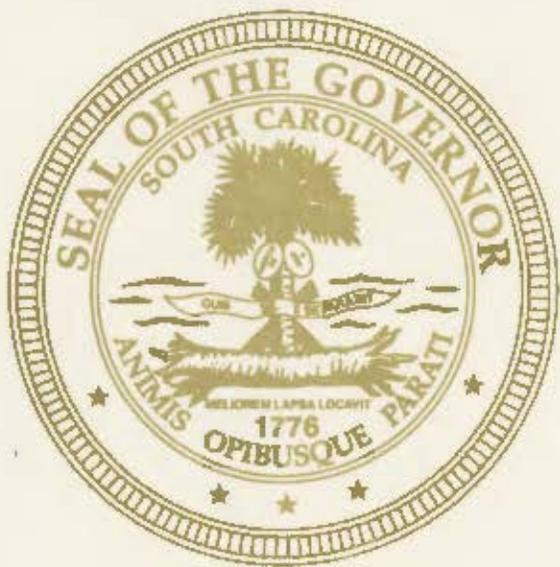


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SOUTH CAROLINA State of the State



Governor Carroll A. Campbell, Jr.

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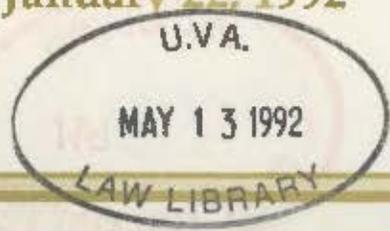
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1992 State of the State Address

Mr. President, Mr. Speaker, Ladies and Gentlemen of the General Assembly, Constitutional Officers of this State, People of South Carolina:

As I stand before this 109th General Assembly tonight with the honor of delivering my sixth State of the State Address, I recall the moment last year when America held its breath as war began 10 thousand miles away in the Persian Gulf.

The issues I wanted to discuss with you that night paled in comparison to a tyrant's threat to world peace. And, as the drama unfolded on our television screens, our initial alarm was replaced by an overwhelming pride as American forces prevailed.

As we face the challenges of 1992, I pray that we remember the valiant men and women who challenged tyranny.

As I spoke in this chamber last year, the thunderhead of scandal rolled on the horizon. I asked, "And who knows whether you have not attained leadership for such a time as this?"

Ladies and gentlemen, history will record that you were indeed the right people in the right place at the right time. And you made the right decisions.

You recognized the need for change. And you responded with one of the toughest ethics laws in the country.

Together with the people of this state, we have faced adversity from hurricane to scandal to war and recession with the determination and character that have been the essence of South Carolinians for more than two centuries.

And, tonight, I ask you to join me in a renewal of this spirit of South Carolina.

We must draw upon the kind of individual resolve personified in a young nurse from Marion County.

Some five years ago, Alberta Narciso had to depend on welfare to make a life for her three young children. But she didn't become dependent on welfare.

She was a single parent with a dream...a dream to be a nurse. Alberta applied to Florence-Darlington Technical College and fulfilled her dream with help from Pell Grants, J-T-P-A programs and the Employment Security Commission.

She looked for a hand up, not a hand out, to change her life. She accepted her responsibility to her children and to herself.

Today, she is a pediatric nurse at the Children's Hospital at McLeod Regional Medical Center in Florence.

It is my pleasure to introduce Alberta Narciso, who joins us tonight in the gallery.

When she was named the Job Training Partnership Act Outstanding Alumnus for 1991, Alberta described her motivation. She said, "I wanted to

provide for my children and make them proud. I always felt I had let them down. That kept me from quitting."

We all have to accept our responsibilities. We can't quit, either. We must provide for our children and make them proud.

This same motivation caused Charlestonians to launch the South Carolina Interstate and West Indian Exposition of 1901. It was an aggressive attempt to pursue industrial and commercial development and create jobs.

History shows there was little interest in South Carolina's potential at the time. But it was a giant step into the 20th Century by people of vision who understood the value of creating opportunities for our citizens.

Nine decades later, we still aggressively pursue new business for South Carolina as we lay the groundwork for a dynamic future.

In 1991 we recorded our fourth best year for capital investment and our third best year for foreign investment, despite war and recession.

When I first took the oath of this office, I promised to be the state's chief salesman. I have travelled across this country and from the European theater to the Pacific Rim nations in pursuit of jobs for South Carolinians.

I returned 11 days ago from Taiwan, where we secured new jobs for Orangeburg; another company is close to announcing a new plant for South Carolina; and four more corporations now plan visits to our state this year.

But job recruitment is not limited to the international arena. Businesses calling South Carolina home continued to lead the way in 1991, creating 74 percent of all investments and 60 percent of the new jobs.

Ladies and gentlemen, the economic development initiatives you and I developed have produced results and set records. In five years, we have netted more than 14 billion dollars in new investment and tens of thousands of new jobs.

And even in this recession, South Carolina's unemployment rate remains substantially below the national average.

But tonight there are good people...good South Carolinians...who have lost their jobs. To them, the unemployment rate is 100 percent. Others rise each day in fear of layoffs or permanent job loss. So these successes mean little to them.

There's much to do this year, such as judicial reform and the establishment of state-run primaries that maintain the integrity of the party primary system. But I am concentrating tonight on the pocketbook issues which mean so much to our people.

Let us agree that expanded opportunity is our number one priority and job creation our number one goal.

Jobs and growth result from hard work and a fertile and stable economic climate. Last year, Financial World magazine...for the second consecutive

year...recognized South Carolina as one of the nation's five best fiscally managed states.

The lingering national recession has cast a pall over other state capitals. But your vigilance in mandating balanced budgets and creating reserve funds has helped us maintain our top bond rating, reject general tax increases, and avoid the massive layoffs that cripple other states.

Job-creating tax cuts and reforms which I proposed and you enacted over the past five years have prompted our unrivaled growth.

Now, we must maintain our deliberate approach.

Proposals for fiscal year 92-93 have been forwarded to you from the Budget and Control Board. Revenue projections are limited and our needs are great.

This year, we are obligated to restore 33 million dollars to the General Reserve Fund and to retire our 33 million dollar Hurricane Hugo debt. And we should spend 14 million dollars on badly needed textbooks for our school children.

Faced with such mandates and needs, we must hold most state agencies to a reduced operating base, using what we have because we can't ask our people to give any more.

Raising taxes during a recession would run counter to the fiscal responsibility for which we are nationally recognized. And I give you my promise that any attempt at a general tax increase will be blocked by my veto.

Further, I reject any effort to raid the Strategic Highway program to pay for items not related to its intent. But I could support a more equitable distribution formula.

This year, we have an opportunity to get over a quarter of a billion dollars from the federal government for road projects. We shouldn't let some other state get our money because we can't match it.

I would consider some use of SHIMS revenues and you should consider using C-funds as the required match for these federal dollars. We can create some 10 thousand jobs for South Carolinians and we don't need to double the cost of license plates to do it.

Meeting our needs this year will require the kind of innovation reflected in Senator Verne Smith's Offender Management Bill, which would save millions of dollars while addressing the serious problem of prison overcrowding. Let this plan languish no longer.

We share the belief that educating our children is the number one mission of this government. We have not faltered in our support for the Education Finance Act, the Education Improvement Act and Target 2000. Let us not falter now.

But our education system is not making the grade when it comes to helping young people develop the skills necessary for solving problems in the new South Carolina.

We've fallen victim to our own standardized testing system...a system which focuses our children's learning on memory drills and meeting minimum requirements.

We do not need a generation which believes life is one long multiple-choice test. We need to inspire a generation of thinkers and achievers who can meet the challenges of the new century.

I stand with my Task Force for Educational Accountability, and with State Superintendent Barbara Nielsen, in calling for a major overhaul to create tests that truly measure the skills our children need.

We also need to raise our standards and set new goals. As Chairman of the National Education Goals Panel, I have worked with America's leadership to promote the six ambitious goals agreed to by President Bush and all 50 governors. We must meet these goals in South Carolina.

Today I created by Executive Order the South Carolina Education Goals Panel, made up of top-ranking leaders from state government, the General Assembly, and the business community -- people who can effect real change.

I have given the committee this charge: bring me a plan by September for meeting the National Education Goals which shows what we're doing now and how we can do it better...no if's, and's or but's.

While we recognize education as our bridge to the future, we've come to another bridge that must be crossed.

We have been more than fair in our operation of the low-level waste facility at Barnwell. Nevertheless, our neighbor to the north has dragged its heels, hampered by demagoguery and extremism. Such forces are at work here in South Carolina, but the fact remains: North Carolina will not have a facility ready by next January.

So I explored options to protect our interests and keep the eight state Southeastern Compact alive.

Some would have the facility remain open beyond this year to handle only South Carolina waste. If we do so, we run the risk of courts forcing us to accept out-of-state waste, as they did in the Michigan case.

And if we shut down and dissolve the compact, New Year's Day, 1996 would be a bleak day for this state. Federal law would then require us to take title to all low-level waste and assume all liabilities.

The waste generated by our own power plants and hospitals would have to be stored at dozens of sites all over this state, creating an environmental risk and a heavy burden on taxpayers. It doesn't make sense and I will not be a party to it.

Instead, we should bridge the gap until 1996. Under a new fee schedule I seek to impose on these wastes, there will be no increase for South Carolina industries. There will be higher fees for compact members and dramatically higher fees for non-compact states.

The money should be used -- as one-time expenditures -- to replenish the Reserve Fund, retire the Hugo debt, buy new textbooks, and, if any is left over, to build new schools.

That way, the money would not have to be replaced when we shut down on January 1st, 1996 and we will not have to raise taxes.

Some have criticized the difficult choice I made in this proposal. But no one has come forward with an alternative that does not reach into the taxpayers' pockets.

Endorsements for this proposal have come from the Board of the Department of Health and Environmental Control and from the bipartisan Budget and Control Board.

And the people of Barnwell support it. Contrast that with what you will hear when the waste from hospitals and power plants starts piling up in your community.

My plan and federal law requiring action by January of 1996 provides the necessary leverage to force North Carolina to open a site. It establishes deadlines and imposes penalties to be paid directly to our treasury for failure to meet these deadlines.

And it is the quickest and surest way to get South Carolina out of the low-level disposal business.

Don't confuse this issue with our attempts to block out-of-state hazardous waste. And don't try to confuse the public with regard to this issue.

A federal court forced us to reopen our borders and the hazardous waste problem continues to hang over our heads. We need a traffic cop to police these toxic wastes and we need enforcement today.

So, tonight, I implore the United States Congress to act on the comprehensive hazardous waste recommendations I made last year...or any similar plan...but act quickly.

And I would further beseech the federal government to loosen its Medicaid stranglehold. The states are choking on Washington's health care mandates which force upon us priorities not necessarily our own. This year, I shall again stand shoulder-to-shoulder with my fellow governors as we appeal to Washington for relief.

Ladies and gentlemen, the cost of health care, if it can be afforded at all, is straining family budgets across this state.

In too many cases, we have thrown money at problems without tracking progress. And when we throw money, the taxpayer foots the bill.

Recognizing this trend, I joined forces with health care leaders to develop a system that works. We needed a long-range strategy and the State Health Plan was the result.

The plan addresses seven priority issues, ranging from cost-containment to school-based health initiatives.

Planning and coordination will put money back into family budgets. But our efforts to contain skyrocketing health care costs have been frustrated.

For example, we have a virtual medical equipment arms race underway because hospitals are trying to keep up with the Joneses rather than keep track of their patients' actual needs. The Certificate of Need program must resist duplication and promote coordination.

Of course, getting any government to change what is wrong and do what is right can try the patience of the most dedicated among us.

In spite of our best efforts and the talent of many fine employees, state government today is cumbersome and inefficient.

Like some of you, perhaps, I resolved in the New Year to eat a little less and exercise a little more. We all want to be healthy and fit.

With that in mind, let me share with you the results of state government's most recent physical examination.

In too many ways, it lacks muscle coordination, response time is slow and flexibility is poor. Its arteries are clogged with bureaucratic fat. And when the people speak, this old government sometimes can't hear them.

Ladies and gentlemen, 1992 is the time to start whipping government into shape. We must reform government and we must start now.

Unfortunately, many of the suggestions I've heard are cosmetic only: like giving a facelift to a heart attack victim.

This government is run by a vast array of part-time board and commission members. You can't run a full-time government with part-time help. They appoint agency heads who are unknown to the public and isolated from the people's will. And isolation leads to tunnelvision.

How else do you explain trying to raise 54 million dollars by doubling the cost of license tags and raising other fees in a recession when people are out of work?

In some cases this unmanaged government squanders opportunities for our citizens to work and be self-sufficient.

Nearly 40 jobs were lost in Jasper County because of an arbitrary Highway Department policy. The owner of a roadside restaurant tried to reason with the agency. Trees had grown up on state property along the highway obscuring the restaurant and the sign. Business began to drop off.

He asked my office for help. The response we received from the Highway Department was simple and blunt. "It's against the policy."

This policy, which is not a law or regulation approved by this General Assembly, resulted in the loss of badly needed jobs in Jasper County.

And except for a vague department directive, no environmental issue is in question. The owner is ready to reopen his business if someone could get the Highway Department to cut the trees.

In this instance, jobs could have been saved. In another, hundreds of jobs were nearly lost in the Pee Dee last year because one low-level bureaucrat wanted to tie a knot with red tape at the last minute. And we barely got the knot untied in time to rescue these much needed jobs.

You are all familiar with the problems at the Department of Social Services, where tangled lines of authority have created an endless series of disasters.

Every day, the media seem to uncover a new horror story: unchecked foster homes, sexual abuse, a child's death which might have been prevented if someone were in charge.

Changing commissioners will not solve the problem, because the problem is the system.

How long before we realize that someone must take responsibility?

How many children must die before someone will be accountable to the people?

For at least 62 years, governors have stood at this podium appealing to the General Assembly for an efficient government, accountable to the people.

Eight studies spanning 70 years echoed this call, yet much of government answers to no one.

The South Carolina Commission on Government Restructuring, chaired by Lieutenant Governor Nick Theodore and Representative David Wilkins, has written what should be the final study. It contains a prescription to cure the ills of our government by creating 15 cabinet departments that will answer to the governor.

I am not telling you that I support every word of the Commission's recommendation. But when men and women, Democrats and Republicans, public and private citizens come together and recommend sweeping change, we must listen.

I am not asking you to support my call for reorganizing state government. But I am asking you to trust your voters with the question of whether their government should be reformed.

Let me speak directly to the people who are listening tonight across the state.

Are you satisfied with your state government?

When you speak, does government listen?

And shouldn't you have the opportunity to decide what kind of state government your children and grandchildren will have?

I'm willing to let you, the people, decide if you're happy with 11 natural resources agencies instead of one...or ten agencies dealing with commerce instead of one.

I'm willing to let you, the people, decide whether there's overlap, duplication and waste in government.

I'm willing to let you, the people, decide if unelected boards and commissions should control so many aspects of your lives.

To this General Assembly, I'm calling upon you to approve a constitutional amendment creating a cabinet form of government to be in place on Inauguration Day, 1995 -- the day I leave office.

I say let the voters make the decision this year.

The people have already conducted their own referendum on another issue. They have rejected our auto insurance laws.

I came to you in 1987 and asked for regulatory reform. You passed Act 166 and it created some minimal savings for good drivers.

Recognizing the connection between highway safety and insurance rates, we enacted the Safer Highways Act in 1988 and empowered law enforcement to crack down on bad drivers. The highway death rate has been reduced, but none of the changes provided the relief we need.

So, in 1989 I proposed an overhaul of the entire system.

Major savings would have been achieved, but the bill was gutted. You merely had to glance at the balconies in the House and Senate chambers to see the special interests at work stopping meaningful insurance reform.

I called for repeal of the mandate to write physical damage coverage, but the answer was no, even though it would have put money directly into consumers' pockets.

Three years and thousands of dollars later, many of the naysayers are now saying yes to that idea. But that alone is not true reform.

Clearly, the basic system adopted back in 1974 is still in place. We don't need to reform that system. We need to throw it out and start over again...and the frustrated drivers of this state will settle for nothing less.

Tonight, I propose to do just that with "choice no fault" insurance which minimizes major factors in high rates...namely inflated claims and lawsuits.

Let's face it: there are some people who look at the courthouse and see the Publisher's Clearinghouse.

Under my plan, you may choose coverage with complete personal protection and eliminate the lengthy and costly process of proving who is at fault. And, understand this, you will still have the right to sue in accidents involving death,

serious and permanent injury, or serious disfigurement, including payment for pain and suffering.

If you want to sue for even the smallest injury, you may choose a tort policy, but no fault rates will be cheaper.

Part of South Carolina's problem is that 42 of every 100 automobile accidents result in claims for bodily injury, many of which are questionable at best. Money comes from every insured driver's pocket to pay exorbitant awards for invisible injuries, court costs, lawyer's fees and non-economic damages.

My "choice no fault" plan will work. In states where they strictly adhere to money saving principles, it works. Premiums are lower and benefits are greater.

Elsewhere, they might call it "no fault", but they've gutted the concept. And that means "no savings".

To achieve real savings, drivers must be classified initially under no fault. By requiring the consumer to ask specifically for tort coverage, we reduce the pool to only those who want to pay significantly higher rates for it. Therefore, we cut claims and we cut costs.

No fault is the heart of my plan. But there are other details.

Competition will be restored. Good drivers will no longer subsidize the bad because I abolish the recoupment fee.

As a result, habitual speeders, drunk drivers, and those who cause accidents will bear the burden of their recklessness...as they should.

To every good driver in this state I say: if you remain under no fault, my plan means you will pay substantially less than if you choose the tort system.

But, make no mistake, my friends: if you whittle away at my proposal, you will be reaching directly into the pocketbooks of South Carolina's good drivers. And they make up 80 percent of those on our roads.

If you put every driver in the tort system to begin with and require them to opt out, you will not have a reformed system and you will not have reduced rates.

I detect a heartening sense of cooperation from some of you in this chamber. I sense a useful energy in the anger expressed by those who continue to pay higher and higher premiums. But I also hear the clamoring of the wealthy opponents of reform.

So, tonight, let me issue this call: the ratepayers of South Carolina should fill the balconies of this State House when debate begins, displacing the special interests who continue to profit from this system.

No right is more important to the democratic process than the right to vote.

It is our duty to ensure that every citizen is fairly represented, from the rolling hills of the Upstate to the coastal plains of the Lowcountry, from the banks of the Savannah River to the Great Pee Dee.

Therefore, I urge you to pass an equitable reapportionment plan as quickly as possible.

Regardless of the outcome of court challenges, the Voting Rights Act of 1965, as amended in 1982, is a federal law which applies to South Carolina. And we are sworn to uphold the law.

Let us not attempt to circumvent this law and deny minority representation, nor delay the 1992 election cycle by engaging in conspicuous incumbent protection.

Some have suggested that the tone of this legislative session is set for confrontation. I agree.

This General Assembly and this Governor stand before the people ready to confront problems and ready to solve them.

Mindful of the will of three-and-a-half million proud and strong people, we shall strive to conquer ignorance and foster opportunity with a government fit to do battle, no matter what the odds.

A 13-year-old boy, facing overwhelming odds, came into my office recently. He has terminal cancer. Yet, his outlook on life was bright.

He was accompanied by his mother and a teacher...a retired lady from the public schools who vowed that this child would learn for as long as he lives.

That's the spirit we need. As long as there are people who are willing to teach, we can learn. As long as we breathe, we can hope for a better life.

We can renew our hope in the same manner as Alberta Narciso, who rejected dependency through sheer determination and hard work.

This is our task: to renew faith in state government's ability to do the right thing with its authority, with the taxpayers' money and with the public's trust.

This is our vision: to resolve problems of the 20th century and inaugurate the new South Carolina of the 21st century.

An ancient proverb should set our course: "A task without vision is drudgery. A vision without a task is a dream. But a task with a vision is victory."

We have work to do, you and I, and with God's help our victory will be growth and prosperity for the Great State of South Carolina.

Thank you and God bless you.