

WEDNESDAY, JANUARY 27, 1993

S. 101 -- Senators Courson, Bryan, Cork, Courtney, Drummond, Elliott, Ford, Giese, Glover, Gregory, Hayes, Holland, Jackson, Land, Lander, Leatherman, Leventis, Macaulay, Martin, Matthews, McConnell, McGill, Mescher, Mitchell, Moore, O'Dell, Passailaigue, Patterson, Peeler, Rankin, Reese, Richter, Rose, Russell, Ryberg, Saleeby, Setzler, Short, Greg Smith, J. Verne Smith, Stilwell, Thomas, Waldrep, Washington, Williams and Wilson: A CONCURRENT RESOLUTION INVITING HIS EXCELLENCY, CARROLL A. CAMPBELL, JR., GOVERNOR OF THE STATE OF SOUTH CAROLINA, TO ADDRESS THE GENERAL ASSEMBLY IN JOINT SESSION AT 7:00 P.M. ON WEDNESDAY, JANUARY 27, 1993.

Governor Carroll A. Campbell and distinguished party were escorted to the rostrum by Senators Glover, Rankin, Peeler and Drummond and Representatives WILKINS, INABINETT, ROGERS and J. HARRIS.

The President of the Senate introduced Governor Campbell who then addressed the Joint Assembly as follows:

ADDRESS BY GOVERNOR CARROLL A. CAMPBELL

"Thank you, Mr. President, Mr. Speaker, Ladies and Gentlemen of the 110th General Assembly, Constitutional Officers, my fellow South Carolinians... I am delighted to be here with you tonight for the seventh such occasion. I would like to take this opportunity to introduce my wife, Iris, and my family who are in the balcony and I am delighted to have them accompany me on this occasion. As the 60th General Assembly convened in 1893, it stood on the threshold of a new century of progress. State government was in transition, facing stringent finances, inefficiency and a dire need for economic reform. The legislature decided that a new government and a new constitution would help South Carolina surmount those challenges of the 20th Century. This General Assembly convenes facing similar challenges because of greater pressure on our limited resources in a new era of progress. To this point, we have done well. You will remember I pledged six years ago to devote my greatest energies to job creation and economic growth. The General Assembly joined this quest, fueling it with pro-growth legislation and for that I thank you. As I announced Monday, capital investments totalled nearly three billion dollars last year. We had the highest rate of foreign investment in South Carolina history. And 665 new or expanding businesses made 1992 our third best year ever for economic development. In the last 18 months of a worldwide recession, South Carolina has attracted the attention of the best companies in the world, creating thousands of jobs and bolstering our

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defenses against economic stagnation and provided opportunities for people. A prime example is Hoffman-La Roche, which is building a major research and manufacturing center in Florence. Four officials of this world-class pharmaceutical company have joined us in the gallery this evening. Please welcome Roche-Carolina President Guy Steenrod, and his Roche colleagues: Frank Pasquino, Ron Chatham and Rick Ricardi. Thank you for being in South Carolina. Job creators like our Roche-Carolina partners are making a difference. Just last January, our unemployment rate was 7.4 percent. But by December of 1992, we had reduced the rate to 5.6 percent... nearly two points below the national average. That is progress ladies and gentlemen. A defining moment of our progress came last June, when South Carolina took center stage in the international business arena. I'm speaking, of course, of our partnership with BMW. Seven months after the official word was given, let's take stock. This project, with its billion dollar, ten thousand job impact, is coming together in a remarkable way. As one recent news account put it, 'already the plant is coming sooner, growing bigger, and producing cars faster than first announced.' The Washington Post took note of our success, stating: 'South Carolina serves as a model for salvation because it shows how a region can re-tool itself, how America can create, or at least attract, jobs in the 1990's. I am glad to see South Carolina leading and getting the attention of the Washington Post. Pro-growth legislation that adds to our momentum will soon be delivered to you. I pledge my full support for bills that promote commerce and job creation, including reform of our workers' compensation system to control costs. This system exists to help people who get hurt on the job, not those with make-believe injuries. It should be a felony in South Carolina for anyone to defraud this system, including those who would aid or abet such fraud. Growth in one region of the State was at a standstill when I took office because of a century-and-a-half old argument over land rights. But new avenues of growth will open in the York County area thanks to an agreement with the Catawba Indians, hammered out by my office and local, state and federal leaders, in particular Congressman Spratt. It is going to give us open opportunity for development on 144,000 acres of land on the South Carolina side of the border near Charlotte. We have been a long time getting there. However, if state government is to be a catalyst for growth rather than a barricade of bureaucracy, we can no longer ignore our responsibility to enact reform. Just as businesses throughout the Palmetto State are re-tooling their plants to meet 21st Century competition head-on, we must re-tool state government to provide assistance as needed and accountability as demanded. Ask yourselves: where does the buck stop in

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South Carolina government? I'll tell you where it stops, ladies and gentlemen. Nowhere! It just breaks down into nickels and dimes. We deserve better. So, tonight, I renew my call for every South Carolinian to have a voice in government reform. I renew my call for a referendum on cabinet government for the State of South Carolina and I ask you to support it. As I said from this podium last year, I'm asking you to trust your voters with the question of whether their government should be reformed. Only you, the members of the General Assembly, can let the people decide the long-term direction of South Carolina. Don't deny them this right to vote on this. It is something that needs to be done. Unfortunately, we can't give the people a vote before 1994. But there is no need to wait. Some state agencies can be reorganized now in direct response to changing times. In 1917, sweeping progress was well underway when the South Carolina Highway Department was created. The plow was still our most significant economic development tool, but the importance of the highway was becoming more apparent. We had more than 38,000 motor vehicles registered in the State. There were more than 3,000 miles of roads and only 28 of these miles were paved. Today, it's not unusual for a county to have as many as a thousand miles of state maintained roads. Our growth demands coordination. For example, the Port of Charleston is only as good as the planes, trains and automobiles that connect every town and county to this gateway to world markets. New federal legislation is prompting states to coordinate transportation planning, even across state lines. Unfortunately, South Carolina is one of the last three states in which transportation planning is fragmented. We have three independent agencies: a Highway Department, an Aeronautics Commission and a Railways Commission. These agencies need to be streamlined and coordinated. And we need accountability! Again last year, headlines written in oceans of black ink told a sorry tale of corruption and waste at the Highway Department. Again last year, public confidence was undermined by the abuses of a few. But some of the powers-that-be at the Highway Department simply didn't understand and still don't. They are good people. I went before the Highway Commission last week for the privilege of swearing in the new Highway Commissioner and I outlined our compelling case for reform. A few of the commissioners nodded politely. A few of them frowned. But they all waited until I had left to speak their minds. The door had barely closed behind me when the old guard's indignation flared before reporters. 'There's no need for it,' one of them said. He called our ideas 'change for change sake.' Another called our plan 'radical reform for the sake of radical reform.' Ladies and gentlemen, this is change for the sake of the

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taxpayer. This is real reform! Tonight I call on this General Assembly to reduce three agencies into one; to reject inefficiency and encourage coordination; to create accountability and, thereby, cast out corruption. Tonight I call on you to create a South Carolina Department of Transportation. Of course, this raises the question of what we should do with our invaluable Highway Patrol. Our troopers, who earn the respect of South Carolina drivers every day, are handcuffed to a political system awash in waste and favoritism. Remove the political handcuffs. Put our Patrol in an environment where protection and enforcement are the only missions they have and not politics. Like our Highway Patrol, the State Law Enforcement Division is one of the most respected law enforcement units in the country. Therefore, I believe we should merge the Highway Patrol and SLED as divisions in equal partnership under a Chief of Law Enforcement. Speaker Sheheen has proposed that the state's chief law enforcement officer be appointed by the Governor for a ten year term. I agree. Meanwhile, there is one agency of state government that sits as judge, jury, enforcer and licenser. It's been this way for nearly 25 years, creating an atmosphere ripe for abuse. When indictments were handed down against Alcoholic Beverage Control commissioners and staff members last year, we were paralyzed by our lack of authority. Under our current system, the governor appoints more than 1,500 people statewide. Nearly all do a fine job. There are times when some don't. Regrettably, this was one of those times. I agree with Senator Williams' proposal to empower governors to remove their appointees at will when they need to. The problems at the ABC Commission run deeper, though. The agency was in disarray. So I created a Task Force to recommend an overhaul. The Chairman of this Task Force, Boykin Rose, is also Chairman of the ABC Commission and I applaud him for recommending the abolition of his own job and those of two other commissioners. The enforcement arm of the ABC Commission will become part of SLED, while the licensing arm would be returned to the Tax Commission, where it was until 1967. Abolishing an entire agency is a great start for government reform and I urge you to undertake it immediately. Scandals, of course, are not just measured in dollars and favors. Is it not scandalous that children in state foster care are dying? Last year, I discussed with you the continuing problems at the Department of Social Services. I asked: 'How many children must die before someone will be accountable to the people?' Despite interim measures, this question rings unanswered in the ears of compassionate South Carolinians. Some of you suggested that the Governor's office be given responsibility over the agency. Ladies and gentlemen, I will accept that responsibility in the interest of bringing

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accountability to a state agency in dire need of reform. Yet, I will accept that responsibility with conditions. A commissioner, appointed by and responsible directly to the Governor, must oversee daily operations and serve at the pleasure of the Governor. The same should apply if a board is to be appointed, but it should serve only in an advisory capacity. Tonight, we can begin to renew our government. We have an historic opportunity to re-invent the way we do the people's business and to revise the way we spend their money. A palpable sense of frustration infects the body politic in this nation. The public cries out for restoration of the linkage between word and deed. Together, we can - and we must - restore the public's trust through bold reform. I say we can start with term limits. I urge you to pass Speaker Pro Tempore Wilkins' plan for a twelve year cap on legislative and the other constitutional offices. Further, I believe that the public's confidence in government is tied directly to their tax bills. As taxes go up, confidence goes down. We were reminded of some important lessons over the summer of '92 as we weathered mid-year budget cuts. We were reminded that there is never enough money to satisfy the special interests and never enough money to do full justice to the services our government provides. But we protected our triple-A credit rating and we held the line on taxes. Thanks to the reform measures this General Assembly enacted last year to improve the accuracy of our revenue projections, I now have more confidence in our Board of Economic Advisors. And, tonight, I urge you to join me in reforming South Carolina's budget writing process. According to our latest projections, once the General Reserve and Capital Reserve Fund requirements are met and debt service is addressed, we will have only twenty-two million dollars in new money left over. I know it's hard to imagine, but every major state agency has asked for at least twenty-two million dollars more next year. Push has come to shove, friends, but we cannot give in. I'm open to new ideas on budget reform, but not if they create upward pressure on taxes. Representative Boan and I are working on a vital safety measure... an increase from two to three percent in the capital reserve fund. Join us in building upon our national reputation for fiscal conservatism. Program effectiveness should rule our spending, but the integrity of the line item veto must be maintained. It is a protection for the people and any attempts to dilute it would be unacceptable. If you are determined to reform the budget process for the General Assembly, then reform it for the Executive Branch, too. Representative Clyborne's line item veto bill adds precision to the budget cutting process. Last year you voted to keep the low-level waste facility at Barnwell open. This year, it becomes the only such facility in the country. We have been more than

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cooperative in hosting the facility. And I'm pleased to report that revenues are coming in on schedule. Every dollar should continue to be earmarked for the General Reserve Fund and non-recurring items. Tonight I remind you: if we stick to the plan we adopted last year, South Carolina will get out of the low-level waste disposal business once and for all. You may have heard that the federal government is fishing around for a temporary storage site for high-level waste from the nation's commercial reactors. I'm not waiting to be asked. Today, I informed federal authorities that since they haven't found a permanent storage site, don't look to South Carolina for a temporary Monitored Retrievable Storage facility. I'm proud of the fact that a recent report by the American Public Health Association gives us high marks on environmental issues. The Association says we have the fourth cleanest drinking water and the 10th lowest level of air pollution in the country. I say we keep it that way or make it better. Of course, we cannot have a truly safe environment until we clean up crime. Our dedicated law enforcement professionals stand shoulder-to-shoulder as our first defense. Tragically, in the last year, ten South Carolina officers, a record number, died in the line of duty. I ask you to join me in a moment of silent remembrance for them. Amen. Justice Toal and a task force of experts are working hard on some solid recommendations on juvenile justice and we await their report with interest. All of us are concerned with the rise in crime, particularly juvenile crime. Sadly, each year brings new fads in violence. Carjackings have come to South Carolina. What do you do with a 15- or 16-year-old who holds a gun in a young mother's face, threatening to kill her if she doesn't let him take her car? I say he belongs in a court room on trial as an adult. Senator Richter has drafted a law to make this happen and it deserves your support... just as automobile insurance reform deserves your support. Time and again over the past six years, I have proposed sweeping changes to South Carolina's auto insurance laws. Time and again, true reform was swept aside. When the smoke cleared, we had agreed to minor changes. In 1987, I worked with you to reduce the subsidy good drivers pay for bad. In 1988, I worked with you to increase penalties for drunk drivers and habitual traffic offenders and to crack down on uninsured motorists. And, in 1989, we required drivers to wear seat belts and we increased the safe driver discount to 20-percent. We've seen some results. Our rates were the 22nd highest in the nation in 1987 and our ranking improved to 30th last year. But make no mistake: our rates are not lower. Our national ranking improved because we've merely slowed our rate of increase. We still need to reform the system. We must put an end to the litigation lottery that allows some to convert neck braces

and imaginary pains into cold, hard cash. Last year, I asked you to give South Carolina choice no-fault insurance. Again this year, it's on your desk and the drivers of our State deserve it. Give it a fair hearing. Remember, what you doing is giving your constituents an option, not locking them into a system as they are today. I don't think you want to deny your constituents an option. Let's not kid ourselves. Insurance rates will never go down under the current system, just as the cost of health care will never go down if we fall prey to the political posturing that has characterized the automobile insurance debate. As Chairman-elect of the National Governors' Association, I am committed to working with my fellow governors, the new administration and Congress on health care reform. It is time for Washington to provide us with the tools we need to manage cost-effective health care systems, and then Washington should get out of the way. If we let federal bureaucrats control our health care system, we may as well pull the plug on our budget's life support system. Last year, I joined you in an effort to stop the costly medical technology arms race by tightening regulations and creating a review panel for the Certificate of Need process. This was an important first step in getting costs under control. This summer, a committee I created will recommend ways to reduce unnecessary testing, the kind doctors perform as protection against costly malpractice suits. Yesterday, Senator Leatherman began hearings on health care reform, and I urge you to carefully consider the issues raised. One concept that must be advanced is managed care. Thousands of South Carolinians think they have nowhere to turn but a hospital emergency room for basic treatment. They include the uninsured, the under-insured and those who are eligible for government health programs. Let me tell you about a Columbia-area family on Medicaid. They don't have a regular doctor or pediatrician, even though there are two children under the age of two. The children were taken to the emergency room 45 times last year for minor ear, nose and throat problems. Forty-five times! More than 643,000 South Carolinians went to emergency rooms last year for problems which should have been treated elsewhere. At a conservative estimate of one hundred fifty dollars per visit, that's ninety-six million dollars in costs shifted to you and me and everyone who pays for health care. Look at it this way. Going to an emergency room for a cough is like buying a new car when you run out of gas. We can lower these costs through preventive medicine and family health care. Representative Mattos has a bill to require that all children have their immunization that are of age before they even go into day care. We require it for school, let's back it down. I think Jim Mattos' bill is a good bill. The technocrats say we need 'primary care providers.' I call

them family doctors. Call them what you want, but Medicaid patients should have one. They should be treated like anyone else who has insurance. So we must ensure access. This is managed care and it can save us millions. That's why I'm announcing tonight two managed care pilot projects. In three Lowcountry counties, under the direction of MUSC, Medicaid recipients will select a family doctor to keep costs down. And in a seven county region of the Pee Dee, pregnant Medicaid patients will be enrolled in a plan that offers access to quality care for less money. But there are nearly half a million uninsured South Carolinians tonight who simply can't afford health care. They work for the neighborhood grill, the corner laundry or the local video store. Health insurance is too expensive for their employers to provide. So, what are our choices? We can mandate health insurance for small business owners and force lay-offs across the State. Or we can create group health associations to drive down costs and improve access for small business employees and individuals. That's what I want to do! Improved access to reasonably priced, high quality health care is our goal. We already have a program in South Carolina that meets the goals of managed care and preventive medicine. It's called 'Caring for Tomorrow's Children.' It's a non-bureaucratic solution to a problem that exacts a tremendous toll in dollars and lives. Does it work? You bet it does! Since I joined Blue Cross and Blue Shield of South Carolina three years ago in developing it, our infant mortality rate has dropped 12 1/2 percent because we have improved the access to health care. Through this program, we have promoted the importance of a healthy lifestyle in getting a head start on life. We are obligated to build a strong foundation for our children's growth. I believe part of that foundation should be daily prayer. Send me your bill on voluntary prayer in school and I will sign it. You know, government has awesome responsibilities in education. But the system perpetuates a lie by promising parents classroom excellence without insisting on their involvement. On the other hand, parents also have responsibilities in the education of their children. And too many parents don't fulfill those responsibilities. Parents must be the child's first teacher. Schools are classrooms for the intellect. Homes are classrooms for the heart. That's where children get their world view, their value system, their understanding of rules... and the discipline to follow the rules. Let us not get so caught up in budgets and programs that we forget that parents... not schools... are the most important part of child development. And let us do everything within our power to include parents in education. During my tenure as chairman of the National Education Goals Panel, we called for higher standards and set out to make learning a lifelong process. We said

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children must be ready to learn from the very first day of school. South Carolina spends sixty-six million dollars a year to teach basic skills to students who didn't learn them the first time around. I believe the learning problems, in many cases, stem from a lack of readiness. Senator Setzler and I have discussed redirecting ninety million dollars in Education Improvement Act funding to strengthen readiness and early learning. I support this approach. Legislation to that effect can sharpen our focus on family and parenting skills and quality preschool. And South Carolina can lead the states in meeting another national goal. My Math and Science Advisory Board, chaired by Tim Walgren, has developed a blueprint for improving this vital area of education. And the State is now a finalist for ten-million dollars worth of federal funding to carry out that plan. By this summer, we will start providing teachers statewide with immediate help in meeting world-class standards for math and science. We want every student to have access to state-of-the-art instruction... the kind 130 select students get every year at the Governor's School for Science and Math in Hartsville. Since its creation in 1988, every graduate has gone on to college, with more than seven-million dollars in scholarships offered to pay their way. Of course, there are other skills we need to develop in our young people. We have a world-class, part-time Governor's School for the Arts. I support the statewide effort to make it a year-round program and I ask you to join in this effort. We are focusing, too, on what the teachers teach. I support Superintendent Nielsen's efforts to promote a more challenging curriculum in our public schools. We founded the Curriculum Congress, calling together nearly two-thousand teachers, business leaders, administrators and parents. They are defining a framework for higher standards of instruction and student improvement. But I caution you. Let me say this very clearly. We must not and we will not compromise by lowering the standards for gifted students just to make it easier for others. Quite frankly, we don't want today's student to end up in a basic skills training program tomorrow. However, today, we have a need for programs such as my Initiative for Work Force Excellence. We must help the adults who lack the skills needed for today's work place. There is a Family Learning Center at Spartanburg Steel Company. It offers readiness classes for kindergarten students and SAT prep classes for college-bound seniors. But mostly, it helps employees. Judy Folk, the director of the Learning Center, told me about an employee in his fifties who couldn't read. She had been trying to enroll him in classes. One day, he came by and asked for a moment of her time. He said, 'I know Spartanburg like the back of my hand, but I have to make a delivery in Greer and I can't read the street signs.' Judy told him she would help him

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make the delivery if he would enroll in her reading program. Today, this man enjoys a thrill that I hope to enjoy someday: he reads to his grandchildren. I've often talked to you of the hopes we have for our children and our grandchildren and the promises we've made to them. We hope they will gain wisdom without ordeal, learning from our mistakes and building on our successes. And we've promised them a safe environment in which to dream. We hope they will have greater opportunities than we had. And we've promised to do everything in our power to get them ready for those opportunities. We hope they will succeed. And we've promised them the education and the freedom to develop their talents. I ask you: who among us is not ready to build a better government for our children to lead someday? Who among us is not willing to lay aside political differences to solve today's problems for the sake of tomorrow? And who among us is not able to muster the courage to throw off the shackles that hinder our progress? Longfellow wrote that we judge ourselves by what we feel capable of doing; others judge us by what we have done. Our capabilities are manifest, ladies and gentlemen. It is the consequence of our labor that must stand the judgement of time. When the time comes, I'm certain our children will be proud. Thank you and God bless you."

Upon the conclusion of his address, Governor Campbell and his escort party retired from the Chamber.

JOINT ASSEMBLY RECEDES

The purposes of the Joint Assembly having been accomplished, the President announced that under the terms of the Concurrent Resolution the Joint Assembly would recede from business.

The Senate accordingly retired to its Chamber.

THE HOUSE RESUMES

At 7:45 P.M. the House resumed, the SPEAKER in the Chair.

Rep. CARNELL moved that the House do now adjourn, which was adopted.