

**2004 State of the State Address**

**Governor Mark Sanford**

**January 21, 2004**

Mr. Speaker, Mr. President, Ladies and Gentlemen of the General Assembly,  
Constitutional Officers, My fellow South Carolinians:

It's an honor to be with you tonight to deliver my view on the state of our state.

Last year from this podium I said that I wished I could say that the state of South Carolina's economy was strong but that Dickie Moorehead, working construction in the Upstate, knew better.

I said last year I wished I was assuming leadership of a state whose budget was sound – but everyone in this chamber knew it was not. We begin this year with a \$350 million shortfall.

Last year I said that I wished I could tell you our education system was second to none – but that too many children in South Carolina don't graduate or graduate without skills necessary for success in the 21<sup>st</sup> century.

But I also said that despite these challenges we shared a great opportunity because if we addressed them properly, we could move South Carolina forward.

I am here to report to you, and am pleased and encouraged to say, that we have begun that process.

My dad used to say Rome wasn't built in a day, and clearly we have many, many miles to go – but I believe we've begun the process of changing things here in our state's capital.

I'd like to start off tonight by walking through some of the things I talked about in last year's State of the State and some of the things that have happened in the capital as a result of your hard work here in the House and Senate – then I'd like to move from the past to present challenges and future goals over this next year.

In last year's State of the State, I focused not on more money for programs, because we didn't have the money, but on root causes that I believed boiled down to five things.

- I. Did you have a voice in our state government and was government accountable?
- II. The economy and the need for wealth creation
- III. Government's structure
- IV. Education
- V. Quality of life

Those five root causes are things I plan to think about not just in the first or second year I'm in office, but every year I'm in office. And while certainly in many cases, more money would help in each of these areas; it once again is not realistic in this budget year. So one of our best shots at raising income levels in our state lies in government using new tools and new approaches, and that's what I find so encouraging about what has begun over this last year.

**I. Do you have a voice in our state government and was government accountable?**

The largest single accomplishment of this administration in the last year lies in the way we have asked that question.

Too many people, because they were white and poor, black and rich, or just plain busy with something other than politics, have felt they had no voice in our government. And because their voice wasn't heard in many cases government wasn't as accountable as it should be. In concrete ways we have tried to change things so that people had a better voice in our government.

We have as well respectfully tried to challenge the way things have been done in the past because for changes to occur you have to change attitudes first. The Super Bowl will soon be upon us, but what's fascinating about the games leading up to it is the way attitudes change results. Two years ago the Panthers went 1-15, so along with players and practices was a belief that things could be different. They believed they could win before they did win. Brett Favre, quarterback for Green Bay played the game of his life

the day after his dad died because he believed it was a way of honoring his dad. John F. Kennedy said in 1961 we are going to send a man to the moon and back, only problem was that at the time he issued this national challenge half the technology to make it happen didn't exist. He made us as a nation, and the NASA team responsible, challenge assumptions that brought about a history making success.

In this vein, what is the Promised Land for us as South Carolinians? What represents our trip to the moon and back? I bet we could agree it's a place in our future where better education, economic opportunities and quality of life exist for all of us.

I'm not so foolish as to believe everyone will want to take my road map to getting there – or that there isn't great value to debating how we get there.

I just know we have to change to prosper. It's what I believe, what thousands of South Carolinians have told me over the last few years, and what Michael Porter and the Monitor Group highlighted in their in-depth review of our state.

So every time we have tried to ask the simple question “why,” challenged conventional wisdom or introduced new ways of doing things, it has all been part of an effort to move us forward, to make us a little bit more responsive and just a little bit more accountable.

Let me give you just a couple of things tied to this central theme of an accountable government and doing things differently that have happened this year. I said in last

year's State of the State that I believed in the concept of servant leadership. Too many people in government seem to think they are above regular folks, and I said I would expect humility in the way each member of my team served— that they would recognize that the taxpayer is boss.

While I could cite many examples, I don't think there is a better example of how this administration has tried to hit that mark than with Judge Byars, my Cabinet appointee to Juvenile Justice. For 13 years the court system said that the state of South Carolina wasn't accountable, and as a consequence took over the juvenile justice system and ran it. That changed this year because of a lot of hard work by folks in that agency that was complemented by a man at the top who was smart and competent but who also had a servant's heart in what he did. Judge, thank you for what you are doing and the way you have upheld the marker I laid out last year.

I said each of us in this chamber were stewards, and the divide between taxpayers and tax spenders, and that this administration's goal was to help each of you to strengthen that trust. For that reason I said I would, and did, sign an executive order directing my agencies to end the practice of stonewalling the legislature as you do your job of gathering information.

I asked you to send me the campaign finance reform bill that had been vetoed in the past and was gathering dust in Columbia. You sent it, I signed it and every one of you should

be proud of the work that Speaker David Wilkins, Wes Hayes, Doug Smith, and Tommy Moore put into making this bill a reality. Thanks to each one of you.

Just as we needed disclosure of campaign finances, we needed to end the long standing practice of hiding expenditures at the Department of Commerce. We believed in the simple premise that all government spending, wherever that might be, should be disclosed. Jakie Knotts worked hard on this, and I thank all of you for passing that bill.

I mentioned last year South Carolina government spent \$1.9 million lobbying itself. Governmental agencies hiring lobbyists to lobby for more taxpayer dollars creates an unacceptable cycle that fuels the growth of more government. We began the process of changing that – when I signed an executive order that ended agency lobbying for all my cabinet. I'd still ask you to go one step further and pass Jim Merrill's bill which would extend this prohibition to all of state government.

I also said last year, too many people had to travel to the statehouse complex to be heard and I wanted to change that. We did two things in the Governor's Office that I think went a long way toward making me a more accountable governor. We held neighborhood office hours in people's home towns, at places like Agri Supply in Florence or the Wal-Mart in Anderson – and I learned a lot.

Probably the spot I learned the most though fell on the first Wednesday evening of every month. I held what I called “Open Door After 4” office hours and anyone from anywhere in South Carolina could sit down in the governor’s office with the governor for a visit.

All of this has been about changing the culture of the way things have been done in Columbia – and my hope is we’re making an impact on people’s attitudes – inside and outside of state government – and that this leads to an environment more conducive to changing a whole lot of things necessary to raise income levels for all South Carolinians. Working to change Columbia’s culture has been a major focus in my office, but by no stretch of the imagination is that all that’s been done this last year.

Working together we passed, among other things, the Predatory Lending Bill, Securities Fraud legislation and DMV reform – but let me just mention two bills. I think a critical component of quality of life lies in not getting run over by a drunk driver on a South Carolina road. JoAnne Gilham deserves credit for pouring years of effort into doing something about it. Last session we passed .08 legislation that’s intent was to make our roads safer. While it was a positive step to move to .08, law enforcement friends have told me it’s tough to effectively administer the new law. It’s become a fertile ground for legal questions and a weak spot for the law enforcement community in attempts to arrest a drunk on the road. I’d say we owe it to them and JoAnne to go back to the drawing board and tighten up this legislation that was made weaker in conference.

Second, we substantially strengthened our state's domestic violence laws, and in the process thousands of women in our state are just a bit safer because of the great work of Jim Ritchie, Robert Ford, Gilda Cobb-Hunter, Becky Richardson and the entire woman's caucus. I want to stop for just a minute though, and issue a challenge to every man in South Carolina, and that is to live up to the gentlemanly tradition of our ancestors. Whether Robert E. Lee or Booker T. Washington, both were Southern men who passionately believed things, but never reduced those passions down to physical control in the house as their way of expressing an idea or getting a thought across. We can't either. I'd ask every South Carolina man to work as individuals to change South Carolina's deplorable statistics on the domestic violence front.

Let me move on, though, from what's happened in this last year to the present and future and put it within the context of the 5 root causes I mentioned a moment ago.

## **II. The economy and the need for wealth creation.**

The number one front burner issue for us in this next year is the number of jobs, the quality of jobs, the pay of jobs and the economy in South Carolina.

In fact, if you look at this chart (see Appendix I) you'll see exactly the direction in which our state's been heading over the past few years – namely the wrong direction. From 1998-2002, our state lost over 3,600 small businesses and saw net employment drop by 2%. By contrast, Florida – where there is no income tax – saw the addition of almost 36 *thousand* small businesses and a ten and a half percent employment increase. Georgia,

where the income tax is a full percentage point lower than ours, saw the addition of almost 3,600 small business and a net employment jump of almost 6%.

I believe, and the data supports, that the most significant single tax change we can make to improve the climate for small business generation and job creation in South Carolina is to lower the income tax. It's what the Beacon Hill study showed, when twenty-five thousand new jobs were gained in New Jersey because they cut the income tax from 7% to 5.68%. It's what the American Legislative Exchange Council found when they looked at the ten states that raised their income tax versus the fifteen states that lowered their income tax over the last ten years. It's what newly elected Democratic Governor Bill Richardson talked about as he lowered the income tax in New Mexico from 8.2 to 4.9%.

We need to ask ourselves this simple question. Should we have a greater proportional tax on work, savings and investment, or for instance on one's choice to buy cigarettes or a lottery ticket? Our income tax is effectively the highest income tax rate in the entire southeast and that's rough on families, workers and retirees in South Carolina. I passionately believe that cutting the income tax will stimulate job growth in this state. We need jobs, and we need to improve our economy, and I don't think we can afford to delay. This is my number one priority, and I strongly ask for your help.

On the subject of jobs and economy, I would ask that you adhere to what we laid out in our budget, which is to not raise the tax load in South Carolina. We're in a global competition for jobs. We don't just compete with southern states anymore. We're now

competing with the likes of China and India. For us to be competitive in the twenty-first century, I don't think we can excel by being simply midrange in taxes.

Let me add this though ... in not raising the total load of taxes it does not mean we can't or you shouldn't raise a single tax category while lowering another. Let's have a serious discussion and take a close look at the overall structure of taxes and tax reform at a larger level. I happen to think our cigarette tax for income tax idea is a good tradeoff. It's also a pure rifle shot on this theme of tax reform, geared specifically at job creation, but I think it's worth discussing whether or not more comprehensive reforms along the lines of what David Thomas, Vince Sheheen, Rick Quinn or Bobby Harrell are talking about are worthwhile – let's just make certain we don't use tax reform as a vehicle to raise taxes.

Let's also provide more tools for all of us interested in economic development – and very specifically for Secretary Bob Faith. Bob is doing a fabulous job as the head of Commerce. He's somebody that every one as taxpayers should be proud of and he needs more tools. In that vein, the Life Sciences Bill, the Capital Access Program, Venture Capital Bill, Pathways to Prosperity, the Small Business Regulatory Act and our income tax cut could all be additional arrows in the quiver to help with economic development. One surprising little arrow of help would be for South Carolina to no longer be the only mini-bottle state in the union - something the House worked to change just last week.

I want to say as well, on the economic development front, I applaud the work of David Wilkins and Jim Harrison in advancing a long needed debate on Tort Reform. We aim

*ultimately* to complement those actions with Workers' Compensation Reform. The bottom line is that change on both fronts would help create a more competitive playing field in South Carolina for building a business or delivering a baby.

### **III. Government's structure**

Front burner issue number two for us this year is restructuring.

We've begun the process of laying out our restructuring priorities in our budget in painstaking detail. For any of you who want real detail about what we want to add, leave, or change in the structure of government, please grab our budget. If you don't want to carry it around, just log onto [www.scgovernor.com](http://www.scgovernor.com) to pull it up on line. You will see a broad swath of structural change from our belief that the Governor and Lieutenant Governor ought to run on a ticket just as the President and Vice President do at the national level, to healthcare, natural resources management and procurement reform.

Not only have we laid out where we want to go, we have in fact begun that process of restructuring. I think we began it with the budget. Each one of us can find individual parts we like or dislike. Its greatest value came in a different approach that indeed focused on how the individual pieces of government are connected to one another. So I'd say while you will certainly add or delete programs in your budget – based on different opinions of what works and what does not – I ask you hold to a few of its principals: not cutting across the board, cutting annualizations, and restoring money to trust funds where possible.

Similarly the MAP Commission looked carefully at state government, and I'd compliment Ken Wingate and the entire MAP Commission in finding \$200 million in yearly savings that could come with changes to government structure.

The biggest thing we did though was to go ahead and restructure the parts of government within our cabinet and within our control. Some of it was tough, but these are tough budget times – and since I'm going to highlight a part of what they have been up to I'd ask my cabinet to stand and ask that you recognize these great individuals.

Bob has led efforts to cut the overall size of the Department of Commerce by twenty-six percent. We've gone from eleven divisions down to four, and from four floors down to two floors in the SouthTrust building. In the process of saving the taxpayer 1.8 million dollars we have more importantly been able to move money from administration and into actual economic development and recruitment.

Jon Ozmint led our efforts at Corrections to start our own grist mill for grits and chicken laying operation for eggs. It is a win-win because it will save taxpayers \$750,000 a year and, more importantly, it will teach inmates a little bit more about work ethic and agricultural practices.

In exceeding tough times he has been willing to think outside the box, and I want to announce tonight a new program he will help implement. Jon and I both believe in

restorative justice – but don't have a budget year that has allowed us much room. I have a small start though, born from a conversation I had with my friend Lonnie Randolph.

In our prison system right now, there are almost 24,000 inmates and about 63% of the total prison population doesn't have a high school education or equivalency. Up until now, if a capable inmate wasn't interested in getting an education, there was nothing we could do about it. I've instructed Jon Ozmint to change that policy at Corrections, and to make participation in education programs mandatory for appropriate inmates. If an inmate refuses, they don't get privileges, period. Despite these budget times, I propose allocating \$2.5 million to this program because it is crazy to continue sending folks out of a criminal justice system with no better educational leg to stand on and expect good results.

Back to this year's restructuring – at the Department of Parks, Recreation and Tourism we cut full-time staff by 12% and part-time staff by 38%. We moved money from operations to marketing and actually raised our direct marketing budget by \$2 million. We did this because while they might grow great wheat in Kansas they don't have the mountains and lakes and beaches that we do, and we wanted to more strongly market one of our natural competitive advantages as a state.

I want to pay a particular compliment to Chad Prosser and his crew at PRT in the way that creative thought has mirrored structural change. The Highway Department receives about \$100,000 each year in federal funds to produce highway maps with evacuation

routes from the coast in the event of a hurricane. PRT each year produces maps to be given at our Welcome Centers. Chad and his team, to their credit, said wait a minute – if the Highway Department already produces the map, can't we just flip it over, put our stuff on the other side and hand those maps out at the Visitor's Center – and in the process save state taxpayers one hundred thousand dollars.

The Judge consolidated Juvenile Justice's use of dental clinics with the Department of Corrections and has saved us \$450,000 up front and \$100,000 annually.

Even John Frampton and DNR who are not part of my cabinet were good enough to implement our plan with Chief Stewart and SLED, and Bob at Commerce, to consolidate the State's air fleet for a one time savings of more than \$1 million and annual savings of over \$100,000 – as they sold off two planes and a helicopter.

I would report to you that within my cabinet restructuring has brought real savings and even greater accountability. What I must also report is that I have gone as far as I can go. My cabinet only represents 16% of state government. For restructuring to continue it will now require legislative change. Whether we expand on these successes or stop where we are and allow further restructuring to die on the vine is in your hands. I ask for your help.

I want to single out Glenn McConnell in the way he has reviewed our case and found merit to what we are asking. Glenn has been an absolute statesman in his efforts to help us with the restructuring bill. I also want to thank so many in the Senate, both

Republicans and Democrats, for their help in the just released restructuring bill. I ask you to join them.

Part of what I think tipped the scale for Glenn is how real the benefits were to South Carolinians in DMV restructuring. I think the evidence in this real world test case makes a compelling case for restructuring. I want to recognize JT Gandolfo, Marcia Adams and Maurine Boyles. JT was the head of our DMV task force, Marcia is our DMV director and Maurine joins us tonight on behalf of all DMV employees.

Maurine's been there for 10 years, and all through those years she's poured her heart into providing a good service to folks here in South Carolina. Many times though the system worked against her personal effort, so much so that as we all know many people complained of the one to two hour waits when they went to a DMV office. We recognized that problem, and put together a DMV task force during my transition last year, headed by JT. Its recommendations complimented the work of Ronnie Townsend and the House DMV task force and together we put together a reform bill that worked its way through the legislative process. The structure of government matters. Same people in place, Maurine and her peers are still there – but because of a different structure, a decidedly different result. It means people who were before standing in line instead can spend that time with their family, at work or at play. That's what we ought to be about in government – helping people with their problems not adding to them.

I want to say one additional thing. The changes we propose to the constitutional officers' means constitutional change, which means direct input by the voter at the ballot. Giving South Carolina voters the chance to vote on the structure of their government doesn't mean that you agree or you disagree, as House or Senate members, with that constitutional change. It does mean, though, that you believe voters of South Carolina deserve the right to vote. Given the significance of this issue, I personally ask each one of you to give South Carolinians the chance to vote on this.

I do want to mention three legislative items tied to government's structure. The first is Doug Smith's State Spending Limitation Bill. Please help him because if we don't do something like this, a few years from now, when the economy next turns south we'll be in exactly the same financial mess we've been in over the last couple years. A bill like this guards against the upswings and downswings of the economy wreaking havoc in state government.

Second, Richard Eckstrom, our Comptroller General, deserves great credit for the way he found and highlighted a budget deficit that had been swept under the rug for two years. In response, David Wilkins, Bobby Harrell, Hugh Leatherman, and Glenn McConnell in leadership joined me in endorsing the idea of the fiscal discipline act of 2004. I appreciate their leadership, and I join the credit agencies in asking for its adoption.

Finally, we need a sunset commission. In the budget hearings we ran across far too many programs and laws that had outlived their purpose. Please join me in creating one.

#### **IV. Education**

Whether it's K-12 or Higher Ed – the international competition for jobs I talked about earlier tonight is going to be won or lost by the quality of a South Carolina education.

In signing a bill twenty years ago that raised our sales tax 25% to add funding to education, Gov. Dick Riley said – “We will not build the new South Carolina with bricks and mortar. We will build it with minds. The power of knowledge and skills is our hope for survival in this new age.” I completely agree, as do a whole lot of teachers in our state who show it in their lives as they pour all kinds of energy into making a difference in a young person's life. In looking at the numbers though I 'd argue that just as the DMV structure worked against the individual effort of Maurine Boyles, at times our current educational structure works against the individual effort of these teachers, of Inez our Superintendent or an individual principal or administrator. I say that because too many people have been working too hard for too long for the numbers we've seen to make sense.

Did you know during the last 30 years, we have raised K-12 funding in our state by over 130%, yet last August, we learned our state's SAT scores once again ranked next-to-last in the nation – the third consecutive *decade* that we've ranked either last or next-to-last *every single year*. The Commission on Higher Education's numbers showed we ranked last in the country in graduation rate – 49% of ninth-graders failed to graduate from high school in four years. Just last month, we found out not a single South Carolina school

district met the new federal guidelines for adequate yearly progress. In fact, almost a full third of our eighth graders tested below basic on last year's PACT test.

Now you certainly need money for our public school system and in the midst of a \$350 million shortfall we went to remarkable lengths in our budget to keep education our state's #1 funding priority and actually added \$30 million for K-12, but money clearly isn't the only answer. Too many parents, kids and teachers are working too hard not to have a debate on new ideas in education. Given our 30 years of history, is it fair to say to any student, "You've got to stay put in a situation not meeting your needs until we get it right?"

Next month I'll be announcing one of those new ideas – a universal tax credit for education. Along with reforms we've already talked about on charter schools and making sure money gets down to teachers, the goal of this plan is simple: open up the education marketplace by giving parents more choices. In addition to empowering parents, you would improve the quality of public schools. That's what's happened in Milwaukee, where schools in low-income neighborhoods closest to the choice program have increased performance by significantly larger amounts than schools in other parts of the state. It's what happened in Florida, where the number of failing schools has been cut in half since the state implemented its "Opportunity Scholarships" four years ago. I think it's also a novel way of addressing equity concerns raised by a number of rural counties in our state.

On other reform fronts, conduct grades are close in the Senate, I just need help from one particular friend. I'd sure appreciate that help. Our SMART Funding bill passed the House and I want to thank Speaker Wilkins, Bill Cotty and Roland Smith for their work in making that happen. State funding currently goes down to local school districts in 80 different silos. This bill would change that so that local schools have much greater flexibility in how they spend that money. It is up to the Senate now and I'd sure appreciate your help.

On the subject of higher ed, we need to have another serious discussion – something that's been highlighted with current efforts to move USC-Sumter from a 2-year school to 4 year school. Let's take a look at this process. First of all, the President of USC is opposed to it. Second, the USC Board of Trustees is opposed to it. Third, the Commission on Higher Education is opposed to it. So what happens? The local delegation tacks it onto a bill nobody wants to vote against and tries to get it passed. That is exactly the problem we have in South Carolina with respect to higher ed – namely that politics, not a statewide plan, too often drives the decisions we make. As a result we've got duplication – one reason tuition costs in South Carolina are well over the national average – and going up every year.

This issue is far bigger than whether friends in Sumter do or don't want a four year school. It is about Michael Porter's report and its insistence that we as a state have got to do a better job targeting the limited dollars we've got to spend on higher ed.

We have got to have a true statewide vision for higher education – and one that’s backed by a governing board that makes decisions in the best interests of South Carolina. I don’t care whether we call it a Board of Regents or a strengthened CHE, I just know we can’t afford to continue down a path that is making higher ed less available and less effective in meeting the challenges of the new economy.

## **V. Quality of life**

Quality of life is many things. It’s a state trooper going into harm’s way on a daily basis to maintain order on our roads, it’s good drinking water. But tonight, I’d like to ask all South Carolinians to join with me in advancing quality of life on two fronts – first, by getting personally involved in protecting the way we look and feel as a state but – perhaps even more importantly, getting personally involved in the way we look and feel as individual South Carolinians.

On that first front – how we look and feel as a state – we took a step forward last year by passing Neighborhood Schools legislation. As a result, State Department of Education restrictions were lifted and local communities are now much more empowered to incorporate new schools within the fabric of their own towns and cities. I’d credit Bob Leach, Dwight Loftis, Ronnie Townsend, Greg Gregory and Joel Lourie in particular for their help in getting this measure through the General Assembly. Empowered doesn’t necessarily mean a local board does it, though, because there are a lot of institutional biases to build these remote mega schools that have proven themselves to be less effective as learning environments. I know of one such situation in northern Beaufort

County. Unless we want to continue this costly practice of using schools as an excuse to drag infrastructure across the countryside, all I can say is that I would encourage voters to demand schools are built in communities that reflect the size of that community.

Our budget proposes we fund the Conservation Bank this year. I'd ask you do the same. Once land is developed you never have a second chance to preserve it so that our children's children will have a glimpse of the beauty that makes our state so special. I'd also go a step further and ask each of you to support the notion of Priority Investment Areas, and my friend Ben Hagood's bill in particular, which would work with local communities to better target public investment and reduce sprawl in our communities.

On the second front, how we look and feel as individual South Carolinians, I'd like to single out the work of a businessman up in Greenville, Jim Anthony. He and Dr. Jim Silliman have come together on a concept called Zest Quest, which is all about getting South Carolinians in better shape. The A.M.E. Church and the Medical University are doing the same kind of thing at the opposite end of the state. Bottom line is that we eat the wrong things and don't get enough exercise in South Carolina – which is part of the reason we lead the nation in stroke deaths and rank in the top 10 in obesity, heart disease and diabetes.

Do we propose to fund Medicaid fully and with recurring money this year? Yes. Do we propose health care restructuring to better the system? Yes. But we could have all the

money in the world to fund the best health care system in the world, yet if we're not making better choices as individuals we're still going to have a serious problem.

I'd like to issue a personal challenge tonight to every South Carolinian. In this year's list of New Year's resolutions commit to being just a bit more active. You can do that, one, as a youngster by joining up with an effort like Zest Quest. If not a program, find something you can do in your own backyard, or at the local Y, or on your street. As for me, I'm going on a bike ride across South Carolina this Spring. I'll start out in the mountains - hoping it's more or less downhill and I'm taking Jenny, the boys, and I'd invite anybody in South Carolina to join us on that ride. We'll do it in a couple Saturdays throughout the spring. From the mountains to the seashore we will see a little bit more of our great state, but more importantly get some exercise on the way. If you can't join us on that bike ride, then what I'd ask is that you commit to walking, to running, to canoeing that same three hundred mile distance over the course of a year. That's only eight tenths of a mile per day. It's something you can do. It'll make a difference in your life. It'll make a difference in the health care system in South Carolina.

While we are still on this theme of quality of life, let me mention four other things. First, adoption. It's a priority for us because it goes straight back to the significance of a family in our state. Unfortunately it takes twice as long to get kids out of government and into homes in our state, and I want to thank Kim Aydlette and her team over at DSS for their efforts to change this. I'd also credit Chief Justice Toal for her willingness to assist Kim and her team on the court side of the equation. We've tried to leverage their efforts by

increasing the adoption incentive payment from \$250 to \$1,500, and we're going to continue to look for ways to improve an orphan's chance to be a part of something we all need – a family.

Quality of life means a state government retiree knowing their retirement will be there – on this front, TERI needs reform and I ask for your help.

Quality of life means many of the state services we enjoy, ranging from the great work law enforcement does on a daily basis to DMV or DHEC. It is important we reward great efforts as we have the chance given these budget times. It's the idea behind our proposal to move \$25 million over from sales in our large car fleet to state employee healthcare.

Finally, I'm a big fan of the Socratic Method and looking at issues based on their merits, not on their politics. Essential to that process, though, is perspective. That's why I'm particularly proud that we've included minorities in my appointments to boards and commissions in a way that's never happened before under Republican leadership. As we continue that process moving forward, I'd renew my commitment not just to having an administration that works for all South Carolinians, but one that includes its diverse perspectives.

Let me close tonight with a story – one I think sums up the kind of courage and attitude it's going to take if we're truly going to create the kind of change our state so desperately needs.

It's the story of Captain Josh Byers, a soldier originally from Anderson, who commanded an armored cavalry unit in Iraq. In letters sent back to his folks at home, Josh writes about the responsibility of the mission, the duty of leadership, the reward of service and yes, even the fear of sacrifice.

In a letter dated July 3 of last year he wrote. "Dear Mom and Dad, I'm healthy and doing fine – and although I really want to get that redeployment order and come home (as everyone does) I don't dwell on it. We are accomplishing our mission here and I think I'll take a lot of pride in that for the rest of my life. Although the sacrifice is great, the rewards of service are so much greater."

Tragically, the "rest of Josh's life" would be short-lived. He was killed during a guerilla attack on his convoy west of Baghdad, just two days after his last letter home.

I'd ask that we honor the life of Josh Byers, and all the South Carolina servicemen and women killed in Iraq, by renewing our commitment tonight in this chamber – to the ideals and process of self-governance for which they've given their lives.

If we could bring to each of our roles just a fraction of the leadership, courage and unity our men and women in uniform have shown – there is truly nothing that can hold us back as a state. We need to remember, as Josh did, that our service is a blessing, and in place

of the political differences that so often haunt this process, it is and always should be about serving others.

If we can do those things, we can indeed make strides toward keeping this state home to future generations. As Josh said, “although the sacrifice is great, the rewards of service are so much greater.”

I look forward to your help in that service, and I ask for your prayers. God bless this great state and good night.