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STATE OF THE STATE MESSAGE BY GOVERNOR JOHN C. WEST

January 27, 1971

(Hold for release until 12:00 Noon)

Mr. President, Mr. Speaker, Ladies and Gentlemen of the Joint Assembly, and my fellow South Carolinians:

It has been eight days since I assumed the office of Governor, and I have begun to realize more than ever before the task facing South Carolinians in the years immediately ahead. I freely admit that I would even at this early date be discouraged or disheartened were it not for the certain knowledge that for the next four years I, as Governor, will have the advice, counsel and full cooperation of you of the General Assembly. Being a product of the legislature and having served for 16 years with you, I know that no task is impossible provided we work together. So, at the outset of this new era and new phase of our relationship, I want you to know that I am depending on you, individually and collectively, to join me in this and subsequent sessions to move our state forward.

The single most critical item facing this General Assembly and our state is the planning and preparation of the budget for next year's operation of government. This problem is more acute than it has been in many years because the national recession has resulted in reduced revenues, causing a financial crisis in state government. It is small comfort to know that virtually every state in the Union faces a similar crisis which, in most instances, is far more acute and serious than ours. The fact that this condition has been brought on by national conditions over which we in state government have little, if any, control is also of small comfort. The Gross National Product of our country declined in the year 1970, for the first time in eight years. Because of national conditions, and textile problems in our state, I would express the fervent hope that the national Congress will without delay enact a textile import quota bill to insure the continued health and prosperity of our textile industry.

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The fact is that for the first time in more than a decade our revenue fell short of expectations. We ended the last fiscal year with an \$8 million deficit, and it was apparent several months ago that a similar deficit would occur in this fiscal year. Governor McNair and the Budget and Control Board acted quickly and responsibly to avert that deficit. Thanks to the effort and the cooperation of state agencies, departments and institutions, expenditures for the present year have been reduced by approximately \$15 million with the result that a deficit of only slightly more than a million dollars will remain for the fiscal year ending June 30.

The revenue picture for next year is encouraging, but we cannot afford to be overly optimistic. We are projecting a revenue growth rate of approximately 9%, which is good by any standard. This means that based on last years appropriation level of \$508 million there will be approximately \$39 million more revenue for the next fiscal year. However, built-in increases in government costs, over which we have virtually no control, will absorb most of this additional revenue. These items include:

- \$8.7 million as debt service on the \$160 million in capital improvement bonds issued over the last three years;
- \$4.9 million to cover anticipated enrollment growth at our colleges and universities;
- \$1.0 million to activate the fourth year at Francis Marion College and to bring fully into our state's system the College of Charleston;
- \$5.7 million in additional money to continue the Department of Public Welfare's Medicaid and Aid to Dependent Children programs;
- \$1.5 million to cover costs of increased inmates at the Department of Corrections;
- \$1.6 million for the Department of Mental Health, largely to replace funds lost in federal budgetary cutbacks;

- \$2.9 million to cover proportionate increases in aid to subdivisions, fixed by statute.

- \$1 million to meet federal requirements that school bus drivers must be paid minimum wages.

These essential increases alone necessitate over \$27 million in new revenues, drastically reducing amounts available for other purposes.

First priority in allocating the scarce remaining funds must be given to people... specifically, the people employed by our government... in the two main categories -- state employees and teachers. The compensation of teachers and state employees is made more critical because the increased cost of living, coupled with our inability to provide adequate increases last year, has resulted in what amounts to a salary cut for these dedicated people.

Therefore, we have attempted to analyze the proposed revenue picture and to assign as a first priority a meaningful raise for those who perform the essential functions of our government.

Therefore, I recommend that the classification system for state employees, which has worked so well, be continued and that approximately \$6 million of the additional revenue be allocated for state employees within the operation of the classification system. State employees will, therefore, average a raise of between 3 and 4%.

I also recommend that the General Assembly enact a health insurance plan for state employees providing comprehensive health insurance on a matching basis. Such a system will require considerable planning, some of which has already been accomplished, and a great deal of administrative work; therefore, I recommend that its effective date be no earlier than January 1, 1972, and no later than July 1 of that year.

The matter of teacher compensation causes me great concern. Despite the fact that we have increased state teacher supplements by over 60% in the last ten years, we are still below the national and the southeastern averages.

This year, for example, according to State Department of Education figures, the average teacher in South Carolina will draw \$6,933, while the southeastern average is \$7,591. We can take pride in the fact that South Carolina ranks number six in the nation in percentage of total school revenues coming from the state level; however, our local support is the sixth lowest of any state in the nation. Therefore, it is apparent that additional support for our schools, including teacher salaries, must come from local as well as state sources.

I have worked closely with other members of the Budget and Control Board in attempting to effect economies in our existing budget, to search and find innovative methods to perform essential services at less cost, thereby making available sufficient funds for a meaningful raise at the state level for our school teachers.

It disappoints me that this amount cannot be greater. It should be. But the simple fact is that the only way to make it greater is to impose additional taxes upon the people of this state, at a time when so many of the working people are actually taking home less money than they were one year ago. This I cannot recommend.

In the present budget figure, approximately \$7-1/2 million in additional funds is recommended to finance a \$250 per teacher raise. I hope that the General Assembly will follow this recommendation.

I also recommend the immediate enactment of an escheat law. I recognize the difficulties, legal and financial, of making any funds from this source available during the next fiscal year; however, I recommend that whatever interest income may be available from any escheat accounts be considered as an additional source to increase the amount of the teacher pay raise heretofore recommended.

I approve President Nixon's proposal for a massive revenue sharing program. The Federal Government is a good tax collector, but at times a poor tax spender. The President's proposal, if enacted, would result in substantial sums being made available to the state in the next fiscal year. The best estimate of the amount

which might be available for state use in the coming fiscal year is approximately \$20 million. If this money becomes available, I recommend that it, too, be earmarked for education.

I want to emphasize that in view of the increasing cost of education, we must use new and innovative approaches to stretch our education dollar. An example of such an approach with its prospective attendant savings has to do with the education of our mentally retarded children. Approximately \$3 million would have been necessary in extra funds to have funded the reduced teacher-pupil ratio authorized by the 1969 General Assembly. It has been difficult to get qualified teachers in these categories; therefore, I am recommending a program of training and utilization of teacher aides on a voluntary basis to assist in this phase of our education. Such a program has been used successfully in other areas, and I am convinced that the quality of education of the handicapped will actually be improved by the involvement of additional trained volunteers as well as resulting in a substantial savings which can be utilized to help fund the teacher pay increase.

I also recommend that we move immediately to begin pilot 12-month school programs. The details of these programs should be left to the State Department of Education, utilizing the results of similar programs now conducted in other states. I personally favor a quarter system, with a child's attendance at any three of four quarters in a calendar year being considered in compliance with our school attendance law. The optional feature of this 12-months program is essential for its initial acceptance and success.

I also recommend increased use of teacher aides on a voluntary as well as a paid basis. Initial programs in our state involving the use of paid teacher aides have been quite successful, and the utilization of these aides under the direction of professional educators can improve the quality of our education as well as reduce the expenditures therefor.

Another innovative approach to minimize the cost of education both to the parent as well as the taxpayer, is to institute a program which will allow qualified

high schools to give credit for a full year of college work. We already have a system in which placement tests often put qualified high school graduates in advanced college courses. Our high schools have the capacity to give within the 12-year framework a full year of college credit work to the qualified high school student, thereby reducing the time of his attendance at a college or university from four years to three. The savings to all concerned are apparent, and I am requesting both the Department of Education and the Higher Education Commission to proceed with plans to accomplish this goal.

HIGHER EDUCATION

The cost of higher education is rising, but we must continue to expand our facilities and programs to make available to all qualified South Carolinians adequate post high school education. To accomplish this goal, I recommend that the sum of \$250,000 be appropriated for the tuition grant program for students wishing to attend privately-supported colleges, assuming the present legal test confirms the validity of this legislation. Such a system not only broadens the opportunity for each individual student, it will also make better utilization of existing private facilities, and it will ease the burden of increased enrollments being experienced by our state institutions.

Because of the increased costs of college, I am recommending that a division for student assistance be established within the Commission for Higher Education for the purpose of helping college students to obtain scholarship and loan assistance. The South Carolina Bankers Association is studying a workable loan program for student assistance which will be presented later this session. I commend their findings to you as part of this comprehensive program.

LEGISLATIVE RECOMMENDATIONS

Beyond budgetary considerations, there are certain matters of legislative necessity which this General Assembly should consider as priority items. Among them, I suggest the following:

--Enactment of a state law reducing the minimum voting age in state elections to 18 years;

--Ratification of all state-wide Constitutional amendments approved by the voters in the November election, with particular emphasis on the vital urban renewal sections approved in some counties;

--A meaningful statute limiting campaign expenditures and establishing an adequate reporting system;

--Immediate attention to the reapportionment situation in the Senate. I especially urge that the Judiciary Committees, subcommittees or special committees initiate action so that the process of reapportionment may be as orderly as possible, and may be accomplished hopefully without the necessity of a court order. I particularly caution that if the matter is held over until next year, a March, 1972, deadline would only increase pressures and make the whole process more difficult.

--Completion of action on the revisions to our State Constitution. I am happy that the five major amendments which constituted the first step in the revision process were approved and I recommend that this General Assembly act on the remaining twelve so they can be submitted to the voters in 1972.

--Granting of a homestead exemption to citizens over the age of 65, with the exemption being phased in over a period of four to five years to ease subsequent revenue losses to local government.

--Creation of a Second Injury Fund so that workers once injured may find employment without creating undue liability for employers.

--Transfer of State Tricentennial properties to the Department of Parks, Recreation and Tourism when the Tricentennial Commission goes out of existence at the close of this fiscal year.

--Enactment of legislation which would give any new or existing industry state income tax credit for any investment in air or water pollution equipment.

--Immediate and serious consideration of credit law reform, with special attention to the extensive study and recommendations of the joint committee which has studied the Uniform Consumer Credit Code during the past two years. Special rate statutes enacted since 1935 have exempted consumer credit from usury laws, and have proven to be inadequate to deal with the rapidly growing market of consumer finance.

I would also call your attention to a matter outlined in Governor McNair's final address to this General Assembly, and a problem to which immediate attention should be given. The time has arrived when South Carolina must take a hard and realistic look at the structure of its state government. The growth of government in our state in recent years has been neither controlled nor orderly.

Over the last two decades, some 68 functioning units have been added, bringing the total number of agencies, departments, commissions or other entities in state government to 168. Some of them report to the Governor, some to the General Assembly, some to neither, some to no one. This is unwieldy and inefficient, and represents a serious impediment to the overall growth and effectiveness of state government.

I, therefore, ask that the State Reorganization Commission be reactivated and that the House and Senate appoint its members as soon as possible so that the commission may begin functioning during this session. I am pleased to announce that three distinguished South Carolinians have agreed to serve as my appointees to the Commission--Dean Robert Figg, who has served previously as Chairman of this commission, Dr. Paul Hardin III, and Mrs. Keller Bumgardner. Dean Figg has agreed to serve as Acting Chairman, and I have asked him to convene this commission as soon as the legislative members are named.

LAW ENFORCEMENT

In these days of new and growing pressures on our system of criminal justice, there must be no compromise in South Carolina with the principle that

justice must be fairly and swiftly administered. To that end, I recommend that full administrative control of our state courts be placed in the hands of the Chief Justice of the South Carolina Supreme Court, and that he or his administrative assistant be authorized to take whatever action is necessary to provide immediate trials of cases, both criminal and civil. Believing that the prospect of a speedy trial and certain punishment is a major deterrent to a prospective law-breaker, I recommend that we establish a legislative mandate that every person accused of a crime be tried within 60 days after his indictment and that any appeals be disposed of expeditiously. The office of solicitor should also become a full time position.

I also recommend that law enforcement agencies be empowered to confiscate any vehicles used in the commission of a major crime, including drug traffic, bank robbery or any other felony.

The activities of the special study committee on Drug Abuse, created by the 1970 General Assembly, have been enlightening to us all. I have met with this Committee and have been impressed with its approach to this complex problem. I recommend that we take advantage of their findings, and implement their recommendations, including a provision that responsibility for all law enforcement with regard to drug abuse be placed under the jurisdiction of the State Law Enforcement Division (SLED).

HIGHWAY SAFETY, INSURANCE

It is not by coincidence that our state has one of the worse highway death rates, and highest uninsured motorist rates, in the nation. While our highway accident level has improved in recent years, it is still far too high, and is a direct contributor to the present intolerable situation in South Carolina with regard to automobile liability insurance.

It is my intention to present to this General Assembly in the coming weeks a comprehensive program by which this state can attack these two problems.

Our highways must become safer, and every citizen of this state must have the right to purchase as much automobile insurance as he feels necessary at a reasonable cost.

HUMAN NEEDS

It would be misleading to suggest that all the goals and ambitions of this administration can be accomplished through the spending of more dollars, or the enactment of new laws. Particularly as we address ourselves to the deep-rooted human problems of our society, it is with the understanding that solutions are at hand by administrative action, as well as legislative mandate. We are already discovering that, if anything, there are too many programs, too many conflicting procedural arrangements, and all too often, too little administrative will to attack the problems head-on. If the State of South Carolina is to provide true advancement and leadership in the fight against plagues of the generations such as hunger, malnutrition, poor housing, inadequate health care and others, it must first sort out and put in order the complicated maze of programs now coming into our state.

It is my intention to reshape the entire thrust toward solving these problems so that individual agency or program interests become secondary to the goal of total service to citizens in need. With regard to hunger and malnutrition, there are as many as 13 different programs operating in South Carolina, administered by seven different agencies. I propose:

--That the Governor's Council on Health and Welfare assume responsibility for the coordination of all hunger and malnutrition programs in the state;

--That local councils be formed which activate citizen interest and involvement, and which provide us direct input of information for the improvement of program services;

--That clearing houses of information be provided at the state and local level to better inform citizens of how they may participate in programs.

I further urge that every means possible be used to put food stamps into the hands of all citizens who need them, and that present feeding programs for children under six and expectant mothers be expanded. Administrative procedures must be simplified at every level, and innovative steps taken to reach those who need services the most.

I commend the Clemson Extension Service for the excellent work it is doing in assisting low income families in 14 counties to make maximum use of their limited resources, and I recommend that the program be expanded state-wide. I also commend the innovative approach the Department of Public Welfare, OEO and others have made in recent weeks. I refer to the institution of vans for the delivery of food stamps in rural areas and the establishment of a system by which food stamp payments may be deducted from welfare assistance checks. These are but early examples of what I fully expect to be continuing breakthroughs in our fight to make available resources and existing programs go farther in South Carolina toward solving the basic problems of human need.

Within the next few weeks, I will announce the formation of South Carolina's first Commission on Human Relations as an adjunct to the Governor's Office. This Commission will be comprised of outstanding citizens from throughout the State, and will be staffed on a full-time basis to direct its full energies toward the elimination of discrimination in our state and the improvement of relations among all the people of our state.

Also within coming weeks, I hope to announce major strengthening of our state's approach to its massive housing problems, and I ask your interest and cooperation in providing the necessary legislative tools for making adequate shelter a reality for every citizen in this state.

Obviously, we are addressing ourselves to new priorities, but they are priorities consistent with the basic thrust of this state to advance itself through the progress of all its citizens. Just as technical education, vocational education, and other training programs provided the essential human input for the enormous

gains of the 1960s, so, too, do we see the uplifting of our human resources as being the key to further advances in the seventies. Let it be recorded that this new decade saw full opportunity extended to every citizen, whatever his physical or mental capacity, whatever his particular interest, whatever his level of skill. If the result is economic growth of the state--and I am convinced it will be--then all citizens will share in the material benefit. And if the result is a new recognition of the essential dignity of all human beings--and I am convinced it will be--then all citizens will benefit from a spiritual growth even greater than the material advancement.

It is irrelevant to think of government in terms of anything other than service to the people. It is illogical to justify any act of government which does not improve or enhance the living condition of every citizen. It is unreasonable to tolerate anything less than full productivity from a government built upon the limited resources of a state which is far from wealthy.

If our institution of government has grown unwieldy, let us streamline it, and modernize it, and make it fully effective and fully operational. If our instrument of government has become dulled to the basic public needs, let us sharpen it and direct it with new precision. If our motivations of government have drifted, let us recommit our energies to the essential requirements of human survival, growth and development.

The future of South Carolina will be no greater than the future of each individual citizen. Through whatever means possible--new programs, revamping of old ones, reorganization of agency approaches, new funding sources at every level--I intend to bring this state's resources to bear on the problems of hunger, of ignorance, of illiteracy, of poor housing, of inadequate health care, of outdated educational philosophies, of all the barriers to the realization of our state's full potential.

I invite, I urge and I solicit your full partnership in this adventure in conscience and conquest. Let us mobilize the hopes and aspirations of our people, and let us for all time conquer enemies of human welfare and progress which have plagued the 300 years of this state's existence. I offer only the advocacy of those priorities which can advance us all together, as one people, one state, one community of harmony, dignity and self-respect.

Thank you.

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