

STATE OF THE STATE ADDRESS BY GOVERNOR JAMES B. EDWARDS
COLUMBIA, SOUTH CAROLINA

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STATE DOCUMENTS

Mr. President, Mr. Speaker, members of the General Assembly, and my fellow South Carolinians. It's a real pleasure for me to be able to share with you tonight some of our ideas about the state of our historic and beautiful South Carolina.

This past year was one of many problems -- together we met those problems head on -- and tomorrow South Carolina will be a better State for it. We did it in a spirit of camaraderie and cooperation that was unsurpassed -- and I will always be grateful for your help.

The General Assembly and the Budget and Control Board took courageous actions by reducing the current budget by 61 million dollars. This preserves our financial integrity and avoids any tax increases for our overburdened workers.

You responded to my recommendations in a responsible fashion. You implemented many of our requests.

You moved to set aside a reserve fund in times of future budgetary surpluses. You implemented the Home Rule Amendment, reformed property tax laws, and passed significant ethics legislation. You moved toward reform of our judicial system, improved law enforcement and our educational system.

Let me commend you.

In the past year, we improved management to meet the economic realities.

The hiring freeze imposed by the Budget and Control Board saved 6.3 million dollars. The Board initiated a central personnel and payroll system, which when complete, will be a great step forward in furnishing personnel information that is essential to good management. In other words,

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it will allow us, for the first time, to know how many people actually work for the State and in which agency they are located.

A newly established State Energy Management Policy should save an additional 6 million dollars a year while it conserves energy.

The new office of Motor Vehicle Management is estimating an annual savings of about 1.8 million dollars. These savings are a credit to the action of the Budget and Control Board members and the cooperation of our State employees.

The General Services Division with the help of the Governor's Office has taken advantage of a more favorable billing arrangement to save more than 100,000 dollars annually in State telephone costs.

BUDGET PLANNING

Even with these savings, let's look at our budget situation. -- In the ten years since 1965, our State's budget has increased from 241 million dollars to well over a billion dollars. In the last five years, the budget has increased much faster than can be explained by "real" growth or by inflation.

In recent years we have spent right up to the limit of the State's income. We have exhausted our reserves to cover new and expanded programs. We have spent surpluses and unpredictable federal revenue sharing funds. We have drastically increased our bonded indebtedness.

Simply put, we have been living beyond our means.

We must return State government in South Carolina to a reasonable and financially sound level, and we must keep it there. Our resources are sufficient. We will not, we must not tolerate further tax increases.

Our uncoordinated spending trends have produced yet another undesirable

side effect. Most of our time and resources have been used just to meet entrenched agency demands. The General Assembly, the Governor and the Budget and Control Board have been virtually unable to contain and coordinate State programs and State spending. Our budget process has become a job of "juggling" figures to meet pre-existing demands from State agencies, court actions, accreditation organizations, and federal guidelines.

If this trend continues, I fear that you, the elected representatives, will soon have no voice at all in setting the priorities of South Carolina.

The situation is critical.

I recommend that we move away from this concept that all revenues received in one year must be spent. We should establish a basic amount for our State to operate within. I had hoped to recommend a figure of 11 nines -- that's one cent under one billion dollars. We have already surpassed that amount however, so that figure would be counter productive. We should, nevertheless, choose some basic limit.

Since 1960 there has been an ever increasing percentage of the total amount of the personal income of our laboring people going into government. In fact this percentage growth has increased by 50% during this 15 year period. I suggest that the growth rate of our basic budget in future years not be allowed to exceed the total growth rate of personal income in the State for the preceding year. This allows for flexibility in growth of our government -- as the incomes of our working people increase -- but only then!

We should require all the agencies collectively to stay below this amount. If an agency desired a new high priority program, they would have to discontinue a program of lesser importance within that agency to free up the resources and manpower for the establishment of their new priority item.

There are many valuable advantages to this concept. It would limit the uncontrolled growth of government, require better agency management, demand adequate planning and establish priorities.

This concept should provide an automatic surplus in years of economic growth. This surplus, I recommend, should be kept with the State Treasurer drawing interest until the following legislative year. At that time you, the elected officials, should then make the decision as to where these monies should be spent. It should be invested in the established priority needs of our State, such as capital improvements, the retirement of bonded indebtedness, equalization of school finance, increased services to the local governments, the expansion of certain programs or the creation of new ones. It may even be possible, somewhere along the way, to give the hard working, over-burdened taxpayers of South Carolina a tax rebate.

This allows an orderly, deliberate, fiscal planning opportunity that we have never experienced before. It would in short, allow us, collectively, the elected representatives, to once again be the Captain of South Carolina's Ship of State.

Management Team

The need for improved management and program coordination is essential in this time of economic restriction. For this reason I recommend the creation of a capable and competent management team under the Budget and Control Board to offer advice, counsel and assistance to those agencies who have a need for such services. This team would carry out a review of our ongoing programs to determine if benefits justify the expenditures.

STATE EMPLOYEES

We are indeed fortunate to have such an outstanding and dedicated group of State employees, including teachers, working for us in South Carolina. Let me

express to our State employees my sincere appreciation for the job they are doing. I want to point out that the reason we are unable to pay the dedicated workers the salaries they deserve is because the number of our personnel has proliferated in such an uncontrolled fashion during recent prosperous years, that it is now impossible to adequately carry this burden in the face of reduced revenues. -- The dollars simply are not available.

Since 1969, the number of State employees in South Carolina has increased by two-thirds. This is a faster rate than any other state in the continental United States. The number of State employees has grown from approximately 30,000 in 1969, to 50,000 this year.

Because of this, I recommend that the tight hiring freeze be continued, and we gradually reduce our personnel through normal attrition. Through this method, I hope soon to be able to resume the merit, and cost-of-living increases that our employees deserve.

I intend to monitor the State revenues closely in the coming weeks, and if additional funds become available, I recommend that first priority be given to reinstating these raises.

BONDED INDEBTEDNESS

I want to commend the General Assembly for its actions last year in limiting our bonded indebtedness. In view of the recent court decisions, I urge the General Assembly to give favorable consideration to the proposal of the Ways and Means Committee to permit the issuance of the 14 million dollars in State capital improvement bonds for education. Capital improvement bonds is not precisely correct as most of this money is being used each year for maintenance. Each year, we have been borrowing approximately this amount and paying off this

same amount. This is a very expensive means of operation and as soon as possible we should include this 14 million dollars routinely in the general appropriations bill for education.

I urge favorable consideration of legislation to allow the Budget and Control Board the legal authority to approve issuance of bonds to pay for only those projects for which South Carolina has a moral obligation. This will provide for those projects where there was no legally signed contract on the date the 5% limitation bill was signed.

I further recommend that the General Assembly review the currently approved, but unissued bonds totalling some 285 million dollars, and consider cancelling all but the absolutely essential parts of this authorization.

HUMAN SERVICES

Americans and especially South Carolinians are inherently a compassionate and generous people -- who stand ready to help a fellow man in need. This charitable feeling has been weakened recently as government has expanded its role; and, as abuses, fraud and waste in social services have come to light.

The working people, those who carry the load, have the right to know that these programs are run effectively, with minimum waste and administrative costs, and a maximum spent on helping people truly in need.

This taxpayers' right is the basis of my position. We should demand that social service dollars be spent well and that waste be eliminated. We should increase help to those truly in need, while maintaining a cost to the taxpayer that is fair, just and defensible. The thrust in social services should be to change the needy person's situation to make that recipient, whenever possible, a productive member of society.

The Department of Social Services is one of the few agencies in which the

Governor has no authority or avenue for input. I therefore recommend that the DSS Board be expanded to 13 members -- two from each Congressional District, with one being elected by that district's delegation members and one being appointed by the Governor. I also recommend that the Governor appoint (at large) the Chairman of the Board, with the advice and consent of the Senate.

JUDICIAL REFORM

Judicial reform is another critical area needing improvement. Since the recent Supreme Court ruling on this subject, you are all aware that this is a must legislation.

Chief Justice Lewis and I have proposed a revised judicial reform plan. This plan reduces the cost of the system and spreads implementation over a longer time period.

Under our proposal, we have reduced the State's cost to 2.4 million dollars the first year by relying on a 750,000 dollar grant our office obtained from the Law Enforcement Assistance Administration.

Briefly, the plan calls for a phased in two-tier program. We recommend that no less than eight additional circuit court judges be added as early as they can be absorbed into the system.

We recommend the statewide expansion of the Family Court System including no less than 31 judges.

I make these recommendations based on a review of the current caseload and population. If we err in setting these numbers, let us do so on the "low side." It is always easier to add judges than it is to remove them.

I want to repeat my recommendation of last year, calling for the merit selection of these judges, and the selection of magistrates in non-partisan, preferential general elections.

In addition, I want to recommend the establishment of a Judicial Grievance and Disciplinary Board. This Board should be placed under the State Supreme Court and have disciplinary authority over all judges and magistrates.

I urge the General Assembly to adopt these proposals in this session.

CORRECTIONS

Among needed improvements in the State's criminal justice system is the overcrowded situation in our correctional institution. In the first quarter of 1975 the State prison population was 33% higher than the previous year.

I urge that the General Assembly approach this problem from two points:

1. Investigate all plans aimed at alleviating the facilities' problem, and take action within our current budget limitations.
2. Review and reconsider the present law providing for transfer of local prisoners to state facilities after only 90 days.

Our Department of Corrections was the first adult corrections agency in the nation to qualify for Title XX funds. Through a cooperative effort with the Governor's Office, the Department will be funded for special rehabilitative services.

I recommend strengthening of the legislation calling for separation of juveniles and adults in detention facilities. We should also separate juvenile status offenders from real juvenile criminals.

My Committee on Criminal Justice, Crime and Delinquency has continued its efforts toward the development of goals and standards for the criminal justice system. The Governor's Office of Criminal Justice is allocating more than 7 million dollars in law enforcement grants to State and local programs.

We are developing a statewide Criminal Justice Information System to store data from all State agencies in this field.

The Criminal Justice Academy reports that it is training record numbers of

law enforcement officers.

We have appointed a "blue ribbon" committee to improve the police-community relations. The Governor's Office has secured funds for training officers in community relations.

I am happy to announce to you a grant of more than 40,000 dollars to the South Carolina Bar Foundation for a review and possible revision of the South Carolina Code of Criminal Procedure.

Further legislative action in this area is needed.

I encourage the extension of mandatory training of all law enforcement officers at the Criminal Justice Academy. This should include training of police forces from towns of less than 2500 people and of forces of fewer than five persons.

I recommend the addition of the mandatory five year sentence when an individual is convicted of carrying a firearm in the commission of a felony. This sentence should be a consecutive penalty.

So far as crime control is concerned, I believe the pendulum is swinging back to reason. Judges are handing down stiffer sentences, juries are not so lenient, our circuit solicitors are prosecuting more aggressively and our courts' dockets are being reduced. For this we are grateful. This, along with the proposed judicial reform, will go a long way to helping, but each and every citizen of South Carolina must be dedicated to the task of monitoring and reporting any suspicious criminal activities before our increasing crime rate can be brought under control.

EDUCATION

Education is still our most difficult assignment in South Carolina. In the past twelve months, we have made progress.

We established the Committee to Study Equalization of Opportunity and Finance in the Public Schools. The Committee has made its report and I urge

the General Assembly to consider legislation to fulfill its recommendations as funds become available.

We allocated more than 6.5 million dollars in CETA funds to expand our statewide kindergarten program, provide for para-professionals and other school personnel, and create summer jobs for students.

We established the Governor's School for Gifted and Talented Students at the College of Charleston for a six-week session this summer.

Through funds from the Appalachian Regional Council we are working to develop a pilot system of teaching consumer economics in the public schools. This system will be used to teach the fundamentals of the free enterprise system at all levels.

In spite of stringent budget limitations, we have appropriated 2.9 million dollars of State funds for kindergartens. We increased the budget for elementary and secondary education by 17.9 million dollars.

In spite of this progress, we need significant improvements in the organization of our educational resources.

We must define, through legislation, the areas of responsibility for finance, programs, and policy among the three major educational boards of this State.

We recommend legislation as follows:

(1) Give the State Board of Education the power to initiate, expand, reduce, terminate, or relocate all primary and secondary programs and courses. This would include those for persons of any age that award credit leading to a high school diploma or its equivalent and for all basic educational courses that are financed in whole or in part by the State in any educational institution.

(2) Give the State Board for Technical and Comprehensive Education similar authority over all post-secondary technical or vocational programs and courses.

This would include all those that do not award high school credit, and include Associate Degree courses leading directly to employment that are financed in whole or in part by the State at any educational institution.

(3) Give the Commission on Higher Education similar authority over all programs and courses that carry credit leading to an Associate, college or higher degree that are financed in whole or in part by the State at any educational institution.

(4) Restructure and strengthen the Commission on Higher Education in order to provide an effective decision-making body.

I recommend that the Commission should be composed of 19 members. In addition to the Chairman of the Commission on Technical and Comprehensive Education, three persons should be appointed by the Governor from each Congressional District. No more than three appointees should be graduates of any one State supported university; no more than two appointees should be graduates of any one of the State supported colleges; and no member of any board of trustees or any administrative officer of any State supported institution should serve on the commission.

The Commission on Higher Education must have as a principal goal the development of a master plan for post-secondary education. Until this plan is completed, I support a moratorium on any new or expanded programs in higher education, unless these are first approved by the Higher Education Commission and the Budget and Control Board.

South Carolina no longer can afford the existing low teaching productivity in higher education in this State. Minimum standards of teaching hours and student loads must be developed and put into effect in our educational institutions. I expect the development of these minimum standards to be a first priority

of the Commission on Higher Education.

(5) As this reorganization of the Commission on Higher Education occurs, each of the 4 year State-supported campuses should have their own Board of Trustees responsive to the needs of that campus, overseeing its operation, and responsible to the Commission on Higher Education in designated areas.

(6) I recommend the repeal of the legislation allowing any additional 2 year regional campuses to expand to 3 or 4 year institutions and that existing 4 year branches of the University of South Carolina be given independent status governed by their own board of trustees.

We must insure that our TEC schools continue to train South Carolinians for higher paying skilled jobs in the industries of our State. To do this the State Board must have the right to prevent unnecessary duplication statewide, to insure equitable expenditures, to maintain the technical and vocational thrust to attract new industry, and to aid in the expansion of our present industries.

Teacher Qualification

The State Board of Education has placed a temporary ban on issuing certificates to teach in our Public Schools. This freeze is to be in effect until the State Department of Education completes the validation for the use of the NTE for certification in South Carolina. I urge the General Assembly to insist that the State Department of Education either use the NTE or some comparable test of cognitive knowledge with a high enough cut-off score to insure that we certify the best prepared teachers for the classrooms of this State. Once the validation has been accomplished, I recommend that all persons who have scored below that validated cut-off score be required to retake the examination to qualify for a full professional certificate.

HEALTH CARE DELIVERY

The passage of the National Health Planning and Resources Development Act of 1974 has opened a new chapter of health care delivery in South Carolina.

We have already established the four health service areas in our State. I urge your cooperation and participation in the work of the local health care planning boards.

We intend to work as much within the private sector as possible in these programs. We certainly intend to exercise local control of these programs rather than allowing control to revert to the federal government.

Regional Hospital

I am happy to announce that the long-needed regional hospital in the Pee Dee area is nearly ready for groundbreaking. This facility should serve as a central point for upgrading all medical care in this great region.

Emergency Medical Service

We have improved our state system of Emergency Medical Service over the past year. Two federal grants are currently assisting statewide planning and initial operations.

Medical Malpractice

Medical Malpractice insurance poses a major problem in the coming years.

The Joint Underwriters' Association was created last year as a temporary solution. We do not intend for the State to remain in the malpractice insurance business on a permanent basis.

The Medical Injury Reparations Committee is working on proposals to solve this problem. I urge that they complete their recommendations as quickly as possible and that the General Assembly take prompt, responsible action on their proposals.

ECONOMIC DEVELOPMENT - GROWTH POLICY

In the past decade our industrial, business and agri-business development has been substantial.

In the last year insured unemployment has dropped from 11.3% to 6%. Under the Comprehensive Employment and Training Act of 1973, 32,000 people received jobs or vocational training. Over 3,000 jobs were provided through public service employment.

During the coming year, we expect to serve an additional 37,000 people with similar programs.

In 1975, some 500 million dollars of industrial development produced nearly 6,000 new jobs in private business.

We must continue our economic expansion through the efforts of the Development Board and our State Ports System. These are vital links to our progress.

At the same time we must pursue an aggressive program of agri-business development.

My office has coordinated a series of regional seminars to learn the needs and the problems of agri-business.

In November of 1975, the U.S. Office of Minority Business Enterprise awarded a grant for the establishment of a Statewide Minority Business Development office. I support the activities of this organization to encourage the further development of minority business as a vital part of our free enterprise system.

As we expand our economic development, certainly we are mindful of the need to preserve and protect our environment and natural resources. However, at no time should we allow unreasonable demands to limit our growth.

We are already studying the existing State legislation pertaining to planning

and zoning authority granted to local government. There are between 150 and 200 separate acts which bear directly or indirectly on the use of land. While we protect the environment -- we must guard against unreasonable laws and regulations that impair freedom and bring our already weakened economy to a halt.

TAX REFORM

The General Assembly took positive action last session to reform property taxes including assessment based on actual use. Full equalization of our property tax procedures should be a top priority this year. This is a must.

In addition, I ask that the General Assembly enact legislation to permit citizens a hearing in the courts on their property tax assessment grievances.

I urge legislation to implement the recommendations of the Tax Study Commission in order to simplify the State tax computation burden on our citizens.

ELECTION LAW REFORM

Let me commend the work of the Election Law Study Committee in their efforts to improve our laws prior to the 1976 elections. I urge the legislature to be responsive to their recommendations, especially those related to insuring broad-based representation during the party reorganization.

REAPPORTIONMENT

I regret that the shadow of reapportionment still hangs over our heads. Reapportionment is a disruptive factor. If, however, the courts require this, let's move rapidly to accomplish it with a minimum amount of disruption so that we might move forward to take care of the urgent business of South Carolina.

FREEDOM OF INFORMATION

Since becoming Governor, the public's right to know has been the cornerstone

of my Administration. I want to renew my pledge to that basic concept.

I recommend further strengthening of the State's freedom of information law, as I proposed last year.

PUBLIC SERVICE PROGRAMS

There are numerous other programs in our State aiding our quality of life.

The legislation which would permit further expansion of our State's housing programs remains before the courts. I continue to support it.

We are currently studying ways to improve transportation in both rural and urban areas.

Let me also urge you to approve legislation which would remove the outdated restrictions on the rates charged for legal advertising in our State's newspapers.

Agencies such as the Department of Mental Retardation, the Department of Mental Health and the Department of Vocational Rehabilitation continue to operate programs that serve many of our people. I urge you to support within our resources their efforts to relieve human problems.

As the legislative year continues, I am sure there will be some issues to arise that we cannot now foresee. Let's face these issues with a sense of what is best for South Carolina -- with meaningful debate -- and a feeling of responsibility. Let's guard against partisan bickering that is unworthy of the confidence that the people of South Carolina have placed in us.

CONCLUSION

In closing, let me read you a section from another State of the State message delivered by Governor Sheppard in this State House in 1886. The words still ring true today:



"(The people) demand strict economy and rigid accountability in the expenditure of public moneys. They demand a simple and business-like conduct of the affairs of the Government. . . . it should not be forgotten that efficiency is the great purpose to be achieved, and from this end our attention should not be diverted."

"The people demand that the burdens as well as the benefits of government shall be distributed with fairness, justness and impartiality."

I submit to you in 1976 that this is the business before us. We must give the people benefits they need, the accountability they demand, and the responsive government they deserve.

I trust that you will join me in meeting these commitments -- and with the help of God -- we shall together be successful.

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