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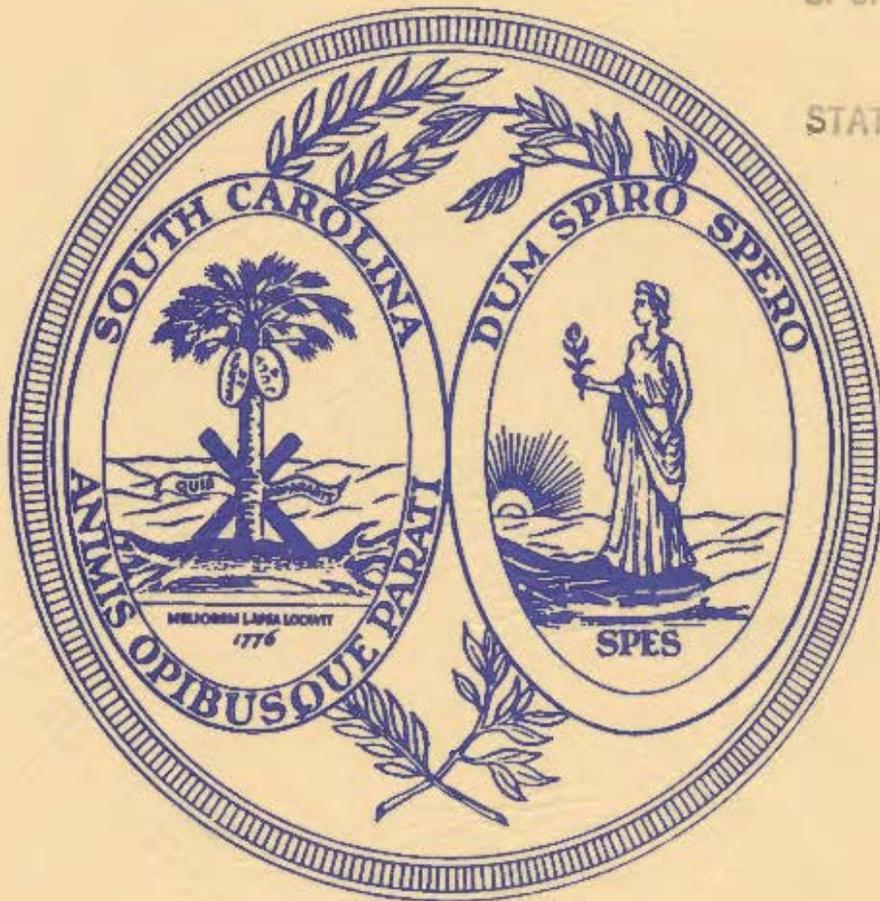
State (Condition) of the State 1978

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STATE DOCUMENTS



James B. Edwards
Governor
State of South Carolina
January 24, 1978

STATE OF THE STATE MESSAGE
Governor James B. Edwards
January 24, 1978

Embargoed for 7:00 p.m.

Mr. President, Mr. Speaker, members of the General Assembly, and my fellow South Carolinians; it is a special honor for me, once again, to report to you on the condition of our State.

During the last three years, we have had difficult financial times requiring tough, hard-nosed, often unpopular and difficult decisions to be made. Together we made those decisions and today, South Carolina is better off for them. We froze employment, cut appropriations, improved management, streamlined executive operations, cut back expenditures, limited bonded indebtedness, and expanded our industrial base. At the end of the last fiscal year, we finished with a \$21 million surplus. By law that surplus will go into a reserve fund to be used only in times of financial crisis. I urge you to keep this fund intact.

Highlights of the progress of these three years include enactment of Home Rule legislation; adoption of a responsible Ethics Law for public officials; legislation to protect our priceless tidelands; establishment of a sound financial base for our children's education; modernization of our State's court system; substantial improvement in delivery of health care services; major efforts to reduce crime; and dramatic improvement in management and accountability in governmental operations.

There still is much to be done. We must not, and will not, accept any form of tax increase that will have to be borne by the working people of South Carolina.

In order to do this, our Government organization must be improved to strengthen executive authority.

REORGANIZE STATE GOVERNMENT

Today we have 133 agencies operating in an uncontrolled, unplanned, duplicative manner. There is no central authority.

Our system of "executive government" by part-time boards and commissions has served us well in past years, when government was small and unsophisticated; as it was, for example, in 1950. That year we employed 8,000 people and our budget was \$145 million. Today taxpayers are paying the salaries of more than 53,000 State employees, and our budget, including Federal funds, exceeds \$2.6 billion. If we are to carry out the affairs of our ship of State in an effective and efficient manner, please give the next captain of this ship authority to ensure that his commands are carried out.

I further urge that this executive authority be exercised through the Budget and Control Board, with the Governor as chairman. This would ensure continuity and a stable executive branch.

I recommend a cabinet composed of seven members, each to serve over a functional grouping of the present State agencies. Each agency would report to the Governor as chairman of the Budget and Control Board. Cabinet members would be appointed by the Governor, with the advice and consent of the Senate and would serve at the pleasure of the Governor. For the most part, the various boards and commissions would serve in an advisory capacity only.

To strengthen the Governor's Office, I feel that we should submit to the people of South Carolina, a referendum to change our Constitution allowing future Governors to succeed themselves in office for one second four-year term if the voters so choose.

Evaluation in the executive branch can be enhanced by strengthening the Auditor's Office to allow for quicker audits of agencies, especially those in service delivery fields. Greater attention must be given to auditing the impact of programs as well as the expenditure of dollars.

The Budget and Control Board is reviewing the financial reporting systems within State government in order to make uniform those vital information and control sources.

They have started an agency five-year planning process designed to overcome the traditional weakness of annual planning. These plans will be updated and modified as necessary each year.

A third accomplishment provides for the first time, some semblance of control over Federal and non-State funds. The Grants and Contract Review Unit, established this past July, has brought to us specific awareness of Federal grants and contracts in this State.

For years we had no idea how many Federal dollars we received. We now know the State has received over \$800 million in Federal funds and \$56 million from private sources so far this year.

In the future, before agencies seek Federal funds, we should be able to compare priorities identified by the Legislature with State plans and direct our own destiny instead of jumping to the Federal tune with no understanding of the impact or long-term commitments of these Federal grants.

I am pleased to support a 5 percent cost-of-living increase for State employees and funding of merit raises to allow for the rewarding of our truly outstanding State employees.

In the legislative branch, you will be blessed by the people if you shorten legislative sessions. I recommend recessing the General Assembly

until the Ways and Means Committee completes its work on the budget bill. An alternative to this is a Constitutional amendment to allow annual sessions to begin on the second Tuesday in March, with committees working prior to the start of the session.

The new proposed legislative salary increases, if approved, should be set on an annual basis, to keep down costs when special legislative sessions become necessary.

You will ease the task of the courts in interpreting, and that of the people in understanding, if all legislation passed by the General Assembly includes a statement of legislative intent. Each bill should include, in its report from committee, a statement of the long-term cost implications of the bill.

ECONOMIC AND INDUSTRIAL DEVELOPMENT

I am happy to report that this year we have had the greatest industrial development year in the history of our State. We have attracted \$1 billion \$235 million in new industrial expansion.

This translates into 17,600 new manufacturing jobs. This means an additional 50,000 jobs in the service sector, increased State personal income of \$800 million, an increase of \$543 million in retail sales, and growth in State general fund revenues of \$65.3 million. Today our unemployment is 5.1 percent, which is the lowest it's been in the last 4 years.

As we continue to grow, we must be ever mindful of that delicate balance between progress and preservation of our valuable natural resources.

We need to diversify and disperse our industries into the rural areas. This carries jobs to where the people are and keeps down in-migration of workers to the cities, which often creates socio-economic problems and breakdown of our central cities. Our Great Towns Program should help

accomplish this. The quality of life in our small towns is unsurpassed if jobs are available for the people living there. It is our responsibility to make sure that better jobs are there, and our citizens are better prepared to handle these jobs.

ENERGY AND ENERGY DEVELOPMENT

Energy is our potential problem. Without energy there can be neither industrial development, nor modern agriculture, which of course, means no jobs. We are fortunate in that utility leadership has insured us a sufficient supply of electricity at this time. We have created the South Carolina Energy Research Institute to develop new energy potentials. We must develop all possible known sources; and those sources yet unknown. We must aggressively push for the development of our Outer Continental Shelf.

We should give tax incentives to those who voluntarily insulate homes and businesses. Banks and lending institutions should be encouraged to offer cost conscious loans for insulation.

We must instill increased confidence in the Public Service Commission as this group faces the awesome responsibility of determining fair and reasonable utility rates for the future. Again I call for the appointment of all PSC members by the Governor, with advice and consent of the Senate.

As we continually seek to maintain the people's confidence in their government, I believe we should work for the enactment of a law that would prohibit any public official involved in the selection or confirmation process of any board or commission from representing a client for a fee before such a governmental board or commission.

JUDICIAL NEEDS

Continued improvements in our judicial system are needed. I would like to renew my recommendation for a sound and effective merit selection procedure for all judges. A system should be established whereby a continuing merit selection panel would recruit, interview and screen all applicants for judicial positions and recommend the three (3) most qualified to the proper appointing or electing authority.

Our Chief Justice has implemented a program of mandatory training for all magistrates and this effort should be supported. It is essential that the magistrates of our State have the training necessary to fulfill their functions.

I recommend that no vacancies in the office of magistrate be filled until the need for such magistrate be determined, taking into account such factors as case load and geographical area covered.

As a means of improving the magisterial system, I recommend that a uniform system of jury selection be implemented, whereby names are drawn from a list of registered voters.

There have been ever-increasing demands for the establishment of a small claims court in South Carolina, and I feel that an upgraded magisterial system can provide the most economic answer to our needs in this area.

The State Supreme Court has experienced a tremendous increase in the number of cases reaching it. In light of this, it is becoming more evident that the idea of establishing an intermediate Court of Appeals, at least initially for criminal appeals, should now be studied and plans made to implement it as soon as the need becomes certain.

The backlog of cases in the circuit courts has been drastically reduced in the last two years. Under existing statutes, the county courts will be

phased out as of July 1, 1979. The workload of these county courts can be absorbed by existing circuit courts and family courts, except in the Counties of Greenville, Richland and Charleston. I recommend the election of these three additional circuit judges, and one additional family court judge for the 6th Circuit.

I recommend that the earlier decision against the abolishment of Masters Courts be reappraised in light of our experiences in the next year.

I recommend that a Constitutional Amendment be submitted to the voters this year to seek their approval of six-member juries in circuit courts to try civil cases where the amount involved does not exceed \$10,000, and in criminal cases where the punishment does not exceed five years.

My office recently sent each of you copies of the excellent reports and recommendations from my two Conferences on Criminal Justice. I hope you will study this material and use it as we continue our efforts to further upgrade our criminal justice system.

I urge the development of a statewide restitution plan, including residential centers. Establishment of such a system could relieve the pressures caused by a growing prison population while allowing non-violent offenders to work and repay the victims of their crimes, as part of their punishment.

It is my view that the crime of first offense simple possession of one ounce or less of marijuana should be so established that it could be tried in magistrates courts. This would enable us to bring about swifter prosecution for the crime and substantially reduce the cost to the State of trying this type of case in a higher court. It would allow higher courts to prosecute heavy users, drug pushers, and more serious offenders.

We need to allow grand juries to be called into session, at any time, not just when General Sessions Court is being held.

I urge immediate action to review laws dealing with the sexual and physical abuse of children and to increase criminal penalties for these crimes. Protection of our children is a must.

There have been numerous problems with juvenile traffic offenders. We should take action to insure that convictions for traffic offenses by minors appear on the violator's motor vehicle records.

I have established a 12-member task force to study and recommend improved methods of enforcing our State's liquor laws. I have also created a 26-member advisory panel to recommend and generate support for improved highway safety in an effort to curb our rising highway death rate. Their recommendations will be submitted to you shortly.

Startling information concerning highway deaths indicates an immediate need for stronger law enforcement and legislative action. During the past 18 months, 95 out of every 100 automobile fatalities have occurred on roads other than our Interstate System. Fifty-seven percent of all driver pedestrian fatalities involved people who were legally drunk. Chemical analysis, after death, indicates that as many as 81 percent of the drivers or pedestrians killed had alcohol in their body fluids.

The speed limit must be strictly enforced in these high accident areas. It is also obvious that additional efforts need to be made to discourage drinking while driving.

I would like to add my support to the use of prison labor to remove litter from our streets and highways. Inmates engaging in this program would earn credit toward early release, thereby saving taxpayers dollars in prison costs, while serving a useful purpose.

EDUCATION

Passage of the Education Finance Act of 1977 must be recognized as a landmark in elementary and secondary education for this State.

This Act has a built-in cost-of-living increase for teachers. Since we have no similar guarantees for other State employees, this provision should be reevaluated.

I am proud to say that for the first time we are adequately financing an educational system for our State. It is now our responsibility to create a system that guarantees excellence in teacher performance. School Boards are the ones charged with the responsibility of removing the mediocre or incompetent teachers from the classrooms. It is time that they evaluate teachers in relation to the progress that their students make.

As Governor, I am pleased to learn that some teachers are getting good results with students heretofore considered hopeless because of socio-economic factors. We must selectively direct our incentives and rewards to the people who are getting these results.

We should set aside a certain amount of money in each district, not to exceed one percent, to be used on a competitive bid basis for establishing new and innovative, result-oriented alternatives to the techniques which have failed. Rules for competitive bidding, evaluation and selection would be required. Results should be checked against these objectives.

We should reassess our program of continuing teacher education that allows credits for courses not related to a teacher's specialty. We should check the value of paying our teachers bonuses of up to \$1,000 in State-aid for taking a certain number of subject hours beyond their bachelor's degree, when these courses often are not related to the courses being taught by that teacher.

I recommend a system to allow professionals who are teaching educational courses in our colleges and universities to occasionally return to the real world of teaching to keep them abreast of the current problems. I would be curious to know how many of them have taught in a public school classroom in recent years.

I propose that we treat our teachers as we do other professionals and require a year's successful teaching experience as an internship prior to full certification. I also recommend a three-year probation period for new teachers and a two-year probation period for transfer teachers.

A test of reading, writing and mathematical skills should be given each year in grades 1 through 6, and used to evaluate students, teachers and school systems.

A test of these basic skills should also be established to determine the graduating student's ability to cope with the modern adult world. It should be given in the 11th grade and again in the 12th grade if the student is unsuccessful the first time. Passage of this test should be required before a State high school diploma is awarded. All schools should offer remedial work to the students who fail to reach the mandated level on this examination.

I believe that a diploma from any school in South Carolina should symbolize a certain level of achievement. Those who are not successful in reaching the minimum standards should receive a certification of attendance.

The Commission on Higher Education must be strengthened. Coordination among the numerous and diverse institutions is essential. Declining

enrollments and other problems facing higher education underscore the need for the House to act favorably on Senate passed Bill 251 with selected amendments to improve the higher education commission.

Our Tuition Grants Program in 1977-78 has awarded funds to some 7,500 South Carolina students who were attending 20 private institutions in our State. These grants averaged a little over \$1,000 per student, which is less than one-third the taxpayers cost of maintaining a student in a State-supported institution. I recommend the full funding of this four-year tuition grants program at a total cost of \$9.2 million.

HEALTH CARE AND SOCIAL SERVICES

The new health planning effort is ending its organizational phase and is starting to improve the health care system. Our regional hospital program is working well and the new 300 bed Pee Dee Regional Hospital is nearly half completed. We now have 22 family practice residency programs. From these programs, about 50 percent of the graduates establish their practices in the State and are significantly improving physician availability.

A new era of mutual respect and cooperation has developed between my office and the chairman and board of the Department of Social Services. Our new Commissioner of Social Services is a man with a fine record and a sincere dedication to solving problems of the needy. Senator Roddey and his committee have worked closely with my office and the DSS Board to resolve the management and administrative problems of the State's Medicaid Program.

I have concluded that we must redirect resources to the elderly that will aid them in maintaining their independence through services delivered to their homes, such as home-based health, adult day care, transportation,

and meals on wheels. These services make sense not only in providing dignity to the elderly, but as an alternative to long costly stays in nursing homes.

We must continue support for the ever-improving Emergency Medical Services System in our State. A fully developed, effective system will result in a 25 percent reduction of deaths from heart attacks and automobile accidents.

It may be worthwhile to examine closely the State's mandatory retirement laws. Where possible, we should allow our senior citizens to work as long as they are able and willing to do so. South Carolina has more than 220,000 citizens 65 or older. These men and women are making significant contributions to the growth and development of South Carolina. Meaningful activity is also important to the maintenance of good health, both mentally and physically.

AGRICULTURE

Agriculture and the farmer have long been forgotten by many of our leaders in Washington. I want to promise my full support to all reasonable and sound efforts to ensure our farmers a fair return for their investment and labor. We must, however, work in an orderly manner to improve our farming sector without placing unreasonable burdens on the consuming public.

I pledge to continue to work with you and Commissioner of Agriculture, Bryan Patrick, to find new and expanded domestic and foreign markets for South Carolina's farm products.

AUTOMOBILE INSURANCE

In 1974, the General Assembly passed the Insurance Reform Act. With more than 1.9 million licensed vehicles in South Carolina, it is apparent

that your deliberations on various changes in this Act and other insurance legislation will directly affect the lives and pocketbooks of most South Carolinians.

There are obvious inequities in the law which my committee on automobile insurance outlined to you in detail. There is growing concern that poor risk drivers are not paying their fair share for insurance. This category of insured drivers has cost an estimated \$71 million to all customers in the form of increased rates. Careful review of subsidized rates by good drivers should begin immediately.

I recommend that we consider using non-binding arbitration to settle claims under \$10,000. This system would remove a burden from our court dockets, and would be less costly.

Under my proposal, the right of either party to reject the arbitration would be maintained; however, the party rejecting the arbitration would be responsible for his opponent's legal and other case-related costs if the trial does not result in an improvement of his position, as compared with the arbitration results.

This alternative to court settlement could have a tremendous positive effect on the cost of insurance and the time required to reach a settlement.

There is a serious need to establish a strong actuarial service under the Budget and Control Board in the Division of Research and Statistics. This service could be used in several areas and would ensure maximum benefits from dollars spent.

TAX REFORM

In the field of taxes, we need simplified tax procedures and forms. We need to provide for five-year filing periods for property taxes of homeowners and farmers, instead of the present annoying annual requirement.

We need the same five-year period for homestead exemptions for the elderly. Where possible, tax constraints to business should be closely reviewed for irritating and unnecessary items.

I recommend that the General Assembly pass the necessary act to provide that after a taxpayer has exhausted all his administrative remedies, if he is still of the opinion that he has not been treated justly with the assessment against his property, he should have a right to a trial by jury.

Finally, on the matter of taxes, I renew my pledge to veto all tax increases coming to me that would be borne by the already over taxed working people of South Carolina.

CONCLUSION

During this session, we will be passing numerous and varied laws. Our citizens are already suffering from too much government. Let's be a part of lifting their burdens, not adding to them.

As I enter my final year as your Governor, I want to sincerely thank you and our constitutional officers for the confidence and cooperation you have extended me. We have worked together in a warm and friendly spirit, often debating issues, but never without that mutual respect which is so essential to satisfactory resolution of differences.

God has blessed this State and its people. As we enter this, another legislative year, let's recognize His importance in all our deliberations and ask for His help and guidance as we face the challenges of giving South Carolina a brighter future.

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