H. 2130.—Messrs. BELSER, EDMUND G. GRANT, HARPER, HYATT, KNEECE, LOURIE, McELVEEN, MEDLOCK, SANDERS and YONCE: A Bill to ratify an amendment to Section 7 of Article VIII and Section 5 of Article X of the Constitution of South Carolina, 1895, relating to bonded indebtedness of certain political subdivisions, so as to allow the City of Columbia to increase its bonded debt limitation to fifteen per cent of the assessed value of taxable property in the city.

Without reference.

H. 2131.—LAURENS DELEGATION: A Bill to increase the membership of the Laurens County Board of Public Welfare from three to five members.

Without reference.

H. 2132.—LAURENS DELEGATION: A Bill to increase the membership of the Board of Registration in Laurens County.

Without reference.

H. 2133.—Mr. HOWELL: A Bill to provide for four-year terms for the Mayor and Aldermen of the City of Walterboro in Colleton County.

Without reference.

H. 2136.—Messrs. COMER, ABNEY A. SMITH and JENRETTE: A Joint Resolution Proposing an Amendment to Article VII of the Constitution of South Carolina, 1895, relating to Counties and County Government, so as to allow the General Assembly to authorize Counties and Municipalities to establish Regional Councils of Government and provide financial support therefor.

Referred to Committee on Judiciary.

H. 2137.—Messrs. COMER, JENRETTE and ABNEY A. SMITH: A Bill to Amend Section 65-902 Code of Laws of South Carolina, 1962, as Amended, Relating to Exemptions from the Electric Power Tax so as to exempt all Electric Power Sold by Municipalities.

Referred to Committee on Ways and Means.

H. 2139.—DARLINGTON DELEGATION: A Bill to Amend Section 21-2251, Code of Laws of South Carolina, 1962, Relating to the Darlington County Board of Education, so as to provide for Appointment of Members Thereof at Large from the County.

Without reference.
face the challenge of consolidating those gains, and preparing for a new and greater period of progress ahead.

CONDITION OF THE STATE

In terms of material growth and development, the past decade has been a highly successful one. Private industry has invested almost four billion dollars in South Carolina, and has created more than 160,000 new and better jobs. It is significant that more than two-thirds of this growth took place in the last half of the decade, and that we closed the 10-year period at a peak level. In a year which was characterized by tight credit and limited capital expansion nationally, South Carolina in 1969 experienced a record year with $706 million being invested in new and expanded industry, and 29,000 new jobs being created.

In human terms, this growth has meant a better standard of living for many thousands of South Carolinians. The average annual salary for production workers in the state has risen from $3,200 to $7,200 in ten years; per capita income is up 80 per cent, and personal income has risen 102 per cent. Better jobs mean higher payrolls, which in turn mean better business in general. The economic upswing has strengthened and stabilized the fiscal position of state government so that in present fiscal year. Thus, instead of being able to apply the full $42 million in additional revenues to budget requests for fiscal 1970-71, only $33.4 million to just slightly more than $237,000. Last year, I counselled you that “the rainy day fund is gone.” Now we find ourselves in a situation where a miscalculation of even one-twentieth of one per cent in our revenue projections or appropriations would result in a deficit. Thus, we must exercise particular caution and restraint this year in our budget planning, bearing in mind that there is no cushion to protect us from even a slight economic reversal.

BUDGET AND CONTROL BOARD REPORT

Because of spending in excess of income during the last two years, our present level of expenditures has been raised from the anticipated revenue level of $465 million to $474 million for the present fiscal year. Thus, instead of being able to apply the full $42 million in additional revenues to budget requests for fiscal 1970-71, only $33.4 million is actually available for appropriation increases.

State agencies and departments have requested $88.8 million in additional funds, of which the Budget and Control Board has considered as priority items requests which total $31.4 million, most of which are specifically authorized by existing law. These include:

to Europe and South America during the past year have not only revealed potential new sources of industry for our state, they have also pointed the way to new markets of immense proportions which should be thoroughly studied and developed by our industrial, agricultural and tourism agencies and interests.

REVENUE PROJECTION

As the result of a growth rate which continues to be above the national average, South Carolina anticipates general fund revenues from existing taxes for fiscal 1970-71 in the amount of $507.5 million, approximately $42 million above the present fiscal year revenue projections. Of this amount, however, approximately nine million dollars will be required to maintain the present level of general fund operations, which have been increased by appropriations from surplus revenue and by unexpected deficiencies. Despite all warnings and previous recommendations, the General Reserve Fund has been virtually eliminated. By the end of this fiscal year, the Reserve will have been reduced from the $21.8 million level of July 1, 1967 to just
—$8.6 million for personnel and to implement the second phase of the state employee classification system begun last year;
—$6.1 million for higher education institutions simply to cover enrollment increases and to fund the first year of operation of Marion State College;
—$6.1 million for the Department of Education, primarily for teacher salary adjustment in compliance with the certification system, and for increased school construction allocations authorized last year;
—$4.2 million for the Retirement System, including $1.5 million for the first year of the new death benefit program;
—$3.8 million in aid to subdivisions to comply with statutory allocation rates.

After making provision for these items of absolute necessity, we have only $2 million remaining which is actually available to apply toward requests for expanded services. The Board’s recommendations are detailed in the budget report which is before you now. It is apparent that we have not been able to comply with many worthwhile requests for funds this year.

With no more than $2 million available for program expansion, only minimum needs could be met this year. We regret that provision could not again be made for a teacher salary increase beyond the normal increment, or for expansion of the kindergarten program, for increases in allocations for supervisory personnel in our schools, or for expanded programs at our colleges and universities. Neither have we been able to include funds for immediate implementation of the proposed health and hospitalization program for state employees.

Regrettably as this situation may be, I caution you that any additional funds voted for these or any other programs should and must be accompanied either by new revenue sources, or by a reduction in the level of operation of an existing program. We must now remind ourselves of the state’s fiscal policy and the constitutional prohibition against any action which would deliberately create a deficit. I must warn you that I will not sign any legislation which will involve the state in deficit financing.

EDUCATION

Exciting things are happening in education in South Carolina. By its positive action last year, the General Assembly indicated its awareness of the need for new direction and philosophy. Now we see such imaginative programs as kindergartens and adjunct education helping to remove some of the barriers which have restricted the full development of many of our young people. Although the programs are only in the early stages, we already see sufficient evidence to convince us that they must become permanent parts of our system, and serve the foundation of an entirely new approach to education. In adjunct education, in particular, methods are being developed which will make education relevant to each individual, and help motivate and develop the borderline student, and at the same time, accelerate the more academically-oriented student.

We must not let our vision end at the high school level, however. Unless we are willing to extend the new philosophy of relevant education and full opportunity to the post high school level, our higher education system will become a blind alley of frustration for many thousands of qualified young people.

Last year, the General Assembly took a major step in this direction by creating a board to administer a new statewide four-year college system. Marion State College at Florence has become the first member of that system, and is offering to the young people of the Pee Dee region the type of broadened and expanded opportunity which must become the pattern for all areas of the state. You also made higher education possible for more people in the Rock Hill area by authorizing Winthrop to accept and grant degrees to male students on a temporary basis. This authorization should now be made permanent. The College of Charleston has now been made available to the state, and should be taken into the four-year system with funding to begin July 1, 1971. Thus, we are moving toward the development of a four-year college program better geared to meet the needs of many young people who have previously had no place in our system.

Before we can extend real opportunity to all qualified young people, however, we must add another level—a statewide junior college system keyed to the skills of the average student and offering college parallel as well as two-year terminal programs. As we have mentioned many times, South Carolina is far behind in providing total higher educational opportunities for all its qualified young people. There is no more serious education problem facing us today than the fact that only one out of every four college-age young people in South Carolina are actually enrolled. When you compare this percentage to the national average of one out of every two, you realize that we are not only denying
years to come.

A statewide junior college system must be the next logical step in our educational development. In this regard, legislation is now being prepared at the federal level to make new resources available in the immediate years ahead for such a program. It is my recommendation that we move this year to authorize the new State College Board to establish two-year programs where they are feasible and needed, subject to the approval of the Higher Education Commission and the General Assembly. Although these would not interfere or conflict with the present system of two-year university regional centers, it would be possible, however, for any of them to become part of the two-year state system where the community, the institution and the state so desired. I would hope particularly that existing regional campuses which are experiencing financial difficulties would take advantage of this opportunity to serve a broadened enrollment base in their communities by joining this new two-year system. Enrollment has fallen at some of these centers, and during the 1966-68 period, total enrollment at our 10 regional campuses actually declined by 26 students, while the total number of high school graduates in the state increased by 672.

While we plan for the extension of the public higher education system, we realize that private institutions are faced with growing financial problems which jeopardize their very existence. As a state in which one of every three college students attends a non-public institution, we must do all within our power to extend assistance and to assure the survival and growth of these colleges. While we are prevented by strict constitutional prohibition from giving either direct or indirect aid to sectarian colleges, we have taken several steps designed to provide assistance. Last year, we made it possible for non-public institutions to issue tax-free revenue bonds, and the Higher Education Commission is working now to make available certain state services to these institutions.

The Higher Education Commission has, at my request, studied and prepared a report for you on the feasibility of establishing a state-supported student scholarship fund. Because of revenue limitations this year, I recommend legislation which will authorize $500,000 in the next fiscal year for scholarships to students attending non-public institutions, each grant not exceeding $300 annually. The grants would be made on the basis of both scholastic ability and financial need.

In medical education, South Carolina has made significant progress in recent years. The Medical University has increased the size of its incoming class by 40, or approximately two-thirds the number which would have been accommodated in the proposed second medical school. We have developed the capability of producing para-medical personnel through allied health science programs in our technical education system. We still face, however, a problem in retaining South Carolina-educated doctors in our state because of attractive intern and residency programs outside the state. I would urge that the Medical University, working in cooperation with the developing medical centers in our urban areas, seek to find means of putting our state in a better position to compete for the graduates of the Medical University and other medical institutions.

It is implicit in all these recommendations regarding higher education that we must continue to support the full range of programs now being offered by our existing institutions, with particular emphasis on graduate and research programs. Their role must be one of continued and increasing importance.

HEALTH AND WELFARE

The growing complexity involved in meeting the human needs of modern society makes it increasingly difficult to draw the distinct line which once existed between the functions of the Department of Health and the Department of Public Welfare. Both of these agencies now direct their activities toward the common goal of providing basic health and social services to the public, and the structure of each new program reflects this growing trend. Thus, in attempting to administer programs such as Medicare, Medicaid, Food Stamps, and others, we find an artificial separation of administrative duties and responsibilities where there should be total coordination of resources and efforts. We have just experienced the type of inefficiency which results from attempting to administer a program on a segmented basis. Much of the problem with regard to nursing home care under the Medicaid program can be traced to a breakdown in communications.

It appears that until we actually bring these two major agencies together under a single administrative board, we are
not only compounding our administrative difficulties, but we are also increasing the likelihood of fiscal uncertainty for the state as we plan these costly programs. If we fail now to respond to the need for reorganization, we perpetuate these problems, and we impair the effectiveness of both agencies. I, therefore, renew my recommendation of last year that the Department of Health and the Department of Public Welfare be merged under a single Board of Health and Social Services, with welfare and health becoming divisions of this agency.

ENVIRONMENTAL CONTROL

In order to assure that the basic conditions of human environment in South Carolina are not only preserved but improved for future generations, we must take a realistic approach to both present and long-range problems.

The protection of environmental conditions is more than simply the control of air and water pollution. When we speak of environmental control, we are speaking of balance, and the type of diversification which permits the compatible growth of all interests—industry, conservation, tourism, wildlife, marine interests and all others. This is not an impossible assignment; it is, in fact, the only way in which our state can reasonably expect to continue its growth in the future. We must realize that whereas population, industry, and all other aspects of our society continue to grow, our supply of water and other natural resources remains fixed and does not grow. If we are to protect the environment for future generations, we must control not only pollution, but also the planning, allocation and natural use of our resources.

Under the present administrative structure which separates pollution control from water use planning, such a total development program is impossible. We can effectively meet these problems only when we have a well-coordinated program which combines the responsibilities for stream classification and pollution control with those of long-range water-use planning. Thus, I recommend that responsibility for pollution control be transferred from the State Board of Health to the Water Resources Commission and that it be renamed the Department of Water Resources and Environmental Control.

We must restore the public's confidence in the state's willingness and ability to control pollution and other environmental conditions.

In this regard, I also recommend that you study the feasibility of a water user fee for major non-residential water users, with the proceeds going into a trust fund for such projects as watershed development, pollution control facilities and marine resource development. With such a fund, it would be possible for the state to participate in programs for construction of pollution control facilities in which the federal government would absorb 55 per cent of the expense, the state 25 per cent, and the local governments only 20 per cent.

I remain convinced also that sportsmen who enjoy our saltwater fishing should assume their fair share of the cost of protecting and developing our marine resources, and should be required to pay a license fee equal to that now paid by all other fishermen.

TRANSPORTATION

In meeting the growing transportation needs of our state, we face a challenge equal in magnitude to that of the 1920s when South Carolina committed itself to a road program “to get the farmers out of the mud.” The development of the farm-to-market road system is a tribute to the determination of the people of our state to produce a superior transportation system. We need that same determination to meet the needs of our metropolitan areas, and to work toward the completion of the Interstate-primary freeway system. We have come a long way since the 1920s, but the rapidly changing economic conditions of the state make it even more important that we provide a transportation system capable of not only meeting present and anticipated needs, but stimulating growth and development.

Unfortunately, we have fallen three years behind in our present 20-year plan for a statewide system of major highways. In addition, we have been unable to begin the vital urban throughfare systems which are so critical to the orderly growth of our cities. In providing access through and around our major urban areas, these systems would also serve as valuable links in our statewide freeways.

The Highway Department estimates that its 20-year statewide program will cost an estimated two billion dollars, and that development of urban transportation systems will require an additional two billion dollars. Right-of-way costs alone for these metropolitan systems will be approximately $600 million. In the
face of these projected costs, the Highway Department has asked for an increase in the gasoline tax of two cents per gallon, and a standard registration fee for all private passenger automobiles of ten dollars. So that we might at least get these programs underway, I recommend an increase in the gasoline tax of one cent, from seven to eight cents, with the understanding that this would preclude the necessity by local governments to levy any special tax or fee on highway users to finance the purchase of rights-of-way. As difficult as tax increases are, I point out that there are two alternatives to this recommendation: either we delay even further these vital statewide and urban programs, or we look toward the possibility of diverting farm-to-market road monies into these purposes. I would favor neither of these alternatives.

We can no more expect the municipalities to impose special taxes to pay for these systems than we can require counties to impose special taxes for farm-to-market roads.

CAPITAL IMPROVEMENTS

During the past year, we found it necessary to defer all requests for capital improvements because of unfavorable bond market conditions. As a result, a backlog of capital needs has accumulated among our state agencies and institutions; total requests are now more than $400 million. Of this amount, slightly more than $200 million is requested for the fiscal year 1970-71. The Budget and Control Board will begin hearings Wednesday to examine these requests and to make recommendations. In the meantime, however, I recommend that we proceed with authorization for certain priority projects which have been delayed for two years or more, and which should be considered as urgent, regardless of market conditions. I include among these the following items:

—A new student union building, and addition to the School of Architecture at Clemson;
—A new school of law, a new school of nursing, and funds for the state’s share of a new college of business administration at the University of South Carolina;
—A new library and science-classroom building at Marion State College;
—Funds to begin development of a new maximum security center for no fewer than 600 inmates at the Central Corrections Institute;

—A new women’s correctional institution to replace the Har­bison facility now being leased;
—The new state office building, which was approved for planning in 1968;
—Long-delayed facilities for aphasic children and other pro­grams at Cedar Springs.
—Renovation and improvement of facilities at Pineland;
—Further development of our Ports facilities.
—Adequate equipping of technical education centers.

In committing ourselves to long-term debt, we must recognize our present needs, but exercise extreme caution in financing them. I point out the fact that for the retirement of such debt, we must be prepared to set aside from general revenues each year an amount roughly equivalent to 10 per cent of the total amount of the bonds issued to meet both interest and principal payments. In light of the state’s present financial limitations, I thus recommend that no bonds or anticipation notes be issued for which payment would be required prior to the next fiscal year.

STRUCTURAL REORGANIZATION

During the years of this administration, one of our primary goals has been to coordinate more closely the functions of those agencies which are working toward common goals and purposes. Agency proliferation and program fragmentation are problems common to most states in these days of rapidly expanding govern­mental services. We have been pleased to observe the increased coordination of various agencies in our state.

In the immediate years ahead, it becomes vitally important to continue and expand this type of administrative relationship, particularly as we look toward the need for an efficient approach to such sophisticated and costly operations as computers and data processing system. We are establishing a division within the Budget and Control Board to plan for the orderly growth and development of data processing systems, as well as telecommunications and other high electronics operations.

As a more general means of modernizing state government, I also recommend that the State Reorganization Commission, which was created by statute more than 20 years ago, be reacti­vated to take a total look at the structural and organizational needs we face today. There are now more than 160 different
functional units in state government, of which almost half—over 70—have been created during the past 20 years. Inasmuch as the Reorganization Commission is comprised of legislative members and Governor’s appointees, I urge you to select your representation as soon as possible so that this commission can organize and function before the close of the legislative session, and can make recommendations to the next administration.

CRIME

As a means of combating the rising crime rate in South Carolina, the Police Training Academy last year trained over 800 law enforcement officers, and is prepared this year to cooperate with all law enforcement agencies in the state in the use of these services and facilities. As a result of this development, we should now move to implement minimum standards for all law enforcement officers, and to make the completion of formal training mandatory for all officers.

We are also developing a computerized criminal information system which will provide instantaneous information to law enforcement officers throughout the state regarding the full record of any person convicted of a crime in our state. This system will be of obvious benefit in the law enforcement process in our state, but it cannot be fully effective without cooperation at every level of government. I am therefore asking that you provide legislation requiring all agencies involved in the administration of criminal justice to begin reporting to this system as of January 1, 1971.

Because of the alarming growth in the crimes of armed robbery and grand larceny in our state, I renew my recommendation of last year that we stiffen our armed robbery penalties providing minimum sentences of 10 years for the first offense, 15 years for the second, and 20 for the third and subsequent offenses.

With regard to highway safety, I am distressed at the fact that 988 persons lost their lives in traffic accidents in our state last year. It is my hope that as our implied consent program goes into effect February 1 with 550 trained officers at 62 locations across the state, we can begin to see results from all the important safety legislation which has been passed during recent years.

We are also aware of the increased use of narcotics in South Carolina and we have called a conference of all concerned agencies to discuss the problem.

HUMAN RESOURCES

No state concerned with the total development of its human resources can overlook the need to improve conditions and opportunities for its lower-income citizens. In South Carolina we have extended the food stamp program statewide, and have made free food stamps available in many counties. We have initiated programs to study the problems of malnutrition, and have taken steps to make health and welfare programs more effective.

Last fall we also created the Governor’s Advisory Committee on Housing, under the chairmanship of Lieutenant Governor West, and this group is taking a thorough look at the serious housing problems in the state. The state must take a leadership role in making housing one of the priority needs of the seventies, and it must mobilize all public and private resources, including such new programs as Operation Breakthrough, in attacking this problem.

I also call your attention to two vital matters which we recommended to your attention last year, and which need your positive action this year. If we are to take full advantage of programs available at the state and local level, it is necessary that we either ratify the pending constitutional amendment regarding multi-county districts or initiate another amendment for the same purpose.

There also continues to be an urgent need to equalize tax assessment rates on a statewide basis, and I ask again for your immediate consideration and approval of pending legislation which would accomplish this purpose.

In view of problems we experienced last year, I ask that you enact legislation clarifying the state’s policy prohibiting collective bargaining and strikes by public employees.

CONCLUSION

While there is not sufficient revenue available this year for the type of new programs we require, we can use this period to prepare ourselves, and our governmental structures, for the enormous challenges and opportunities of the seventies. We are a state which is impatient to move ahead, but we realize that the problems of the generations cannot be solved in a single year. It should be our purpose this year to maintain the momentum of the sixties through responsible fiscal management and planning.

This should be a year of consolidation, implementation and
coordination of effort; it should be a year of follow-through; it should also be a year of planning for a new thrust into the decade of the seventies.

Although the realities of budget limitations this year make it necessary that we impose certain restrictions on the scope of some important programs, they should in no way reduce the vision and determination with which we have committed our state to a course of progress.

As I come before you today, I deliver my fifth State-of-the-State message, and in all probability, this will be the last time I bring to you a comprehensive program of detailed recommendations. It has been a long term—the longest ever served by a South Carolina governor since colonial times—but it has been a rewarding term characterized by close association and harmony with the legislature. It is my hope that as we enter this final year together, the same spirit of cooperation and mutual respect will continue and grow.

JOINT ASSEMBLY RECEDES

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

The Senate accordingly retired to its Chamber.

THE HOUSE RESUMES

At 1:14 p.m. the House resumed, the Speaker in the Chair.

CONCURRENT RESOLUTION

The following was introduced:


Be it resolved by the House of Representatives, the Senate concurring:

That the Senate and the House of Representatives meet in joint session in the Hall of the House of Representatives at 12:30 p.m. January 20, 1970 for the purpose of electing a circuit judge to succeed the Honorable Julius B. Ness whose term expires in 1970.

The Concurrent Resolution was agreed to and ordered sent to the Senate.

CONCURRENT RESOLUTION

The following was introduced:

H. 2135.—Messrs. RUDOLPH MITCHELL, CAIN, GEORGE H. GRANT, JONES, STROM, BRANDT, KEMP, BLATT, GRAVES, HARVEY, DERRICK, LIGHTSKEY, and BALDWIN: A Concurrent Resolution Providing for a Joint Session of the General Assembly on Tuesday, January 20, 1970, to Elect a Successor to the Honorable A. D. Amick, Member of the Third District of the Public Service Commission, whose term expires in 1970.

Be it resolved by the House of Representatives, the Senate concurring:

That the General Assembly shall remain in joint session on Tuesday, January 20, 1970, following the election of judges for the purpose of electing a successor to the Honorable A. D. Amick, member of the Third District of the Public Service Commission, whose terms expires in 1970.

The Concurrent Resolution was agreed to and ordered sent to the Senate.

CONCURRENT RESOLUTION

The following was introduced:

H. 2134.—Messrs. BREAZEALE and SANDERS: A Concurrent Resolution to Provide for a Joint Assembly of the Senate and House of Representatives for the Purpose of Electing Members of the Board of Trustees of the University of South Carolina to succeed the Honorable Rutledge L. Osborne, the Honorable James W. Cothran, the Honorable T. Eston Marchant, the Honorable Daniel S. Henderson, the Honorable R. Markley Dennis, the Honorable Michael J. Mango, the Honorable Hugh L. Wilcox, and the Honorable James D. Poag, whose Terms of Office Expire in 1970.

Be it resolved by the House of Representatives, the Senate concurring:

That the Senate and the House of Representatives meet in joint assembly in the Hall of the House at 12:30 p.m. on Janu-