

WEDNESDAY, JANUARY 16, 1985

H. 2070.--Reps. Toal, Sheheen, J. Anderson, Gregory and Wilkins: A BILL TO RATIFY AN AMENDMENT TO SECTION 3, ARTICLE X OF THE CONSTITUTION OF SOUTH CAROLINA, 1895, RELATING TO PROPERTY EXEMPT FROM AD VALOREM TAXATION, SO AS TO PERMIT MUNICIPAL GOVERNING BODIES TO EXEMPT FROM MUNICIPAL AD VALOREM TAXATION FOR NOT MORE THAN FIVE YEARS ALL NEW MANUFACTURING ESTABLISHMENTS LOCATED IN ANY OF THE MUNICIPALITIES OF THIS STATE AFTER JULY 1, 1985, AND ALL ADDITIONS TO THE EXISTING MANUFACTURING ESTABLISHMENTS, INCLUDING ADDITIONAL MACHINERY AND EQUIPMENT, LOCATED IN ANY OF THE MUNICIPALITIES COSTING FIFTY THOUSAND DOLLARS OR MORE MADE AFTER JULY 1, 1985, AND TO PROVIDE THAT THE EXEMPTIONS FROM MUNICIPAL TAXATION MAY NOT RESULT IN ANY REFUND OF TAXES.

H. 2095--DEBATE ADJOURNED

The following Concurrent Resolution was taken up.

H. 2095.--Reps. Blatt, McEachin, J. Arthur and J. Anderson: A CONCURRENT RESOLUTION TO FIX 12:00 NOON ON WEDNESDAY, JANUARY 23, 1985, AS THE TIME FOR A SESSION OF THE JOINT ASSEMBLY TO ELECT A JUDGE IN THE TENTH JUDICIAL CIRCUIT TO FILL THE UNEXPIRED TERM OF JUDGE WALTER T. COX WHO RESIGNED.

Rep. SHEHEEN moved to adjourn debate upon the Concurrent Resolution which was adopted.

MOTION PERIOD

The motion period was dispensed with on motion of Rep. O. PHILLIPS.

Rep. WINSTEAD moved that the House do now recess until 6:50 P.M. which was adopted.

STATEMENT OF ATTENDANCE

I came in after the roll call and was present for the Session on January 16, 1985.

Jarvis R. Klapman

Total Present--120

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THE HOUSE RESUMES

At 6:50 P.M. the House resumed, the SPEAKER in the Chair.

HOUSE STANDS AT EASE

On motion of the SPEAKER the House stood at ease subject to the call of the Chair.

THE HOUSE RESUMES

At 6:56 P.M. the House resumed, the SPEAKER in the Chair.

JOINT ASSEMBLY

At 6:57 P.M. the Senate appeared in the Hall of the House.

The President of the Senate called the Joint Assembly to order and announced that it had convened under the terms of a Concurrent Resolution adopted by both Houses.

H. 2097.--Rep. Schwartz: A CONCURRENT RESOLUTION INVITING HIS EXCELLENCY, RICHARD W. RILEY, GOVERNOR OF THE STATE OF SOUTH CAROLINA, TO ADDRESS THE GENERAL ASSEMBLY IN JOINT SESSION AT 7:00 P. M. ON WEDNESDAY, JANUARY 16, 1985.

Governor Riley was escorted into the Hall of the House of Representatives by a committee composed of Senators Newman, Nell W. Smith and Theodore and Representatives Archibald, B.L. Hendricks and Blanding.

The President introduced Governor Riley who then addressed the Joint Assembly as follows:

ADDRESS BY GOVERNOR RICHARD W. RILEY

Mr. President, Mr. Speaker, Members of this Joint Assembly, My Fellow South Carolinians:

Tonight, as newly elected members to this General Assembly, you have been sent here by the people of this state; sent here as stewards of the public trust and with the people's power; sent here from

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single member districts to make the difficult choices that will determine the entire state's future.

Constitutional Amendments

You can be proud, I think, of the work that has immediately preceded this 106th General Assembly. We have accomplished many goals while maintaining the long tradition of responsible, conservative fiscal management. This businesslike approach to government was reaffirmed in November when the voters approved five constitutional amendments requiring a balanced state budget, spending and hiring limitations, limits on state borrowing, and redefining the reserve fund. They make a firm declaration, I think, that State Government will continue to be responsive to a changing world, while operating in a responsible manner.

The amendments to the Court of Appeals and the Supreme Court rule making policy reaffirm our principle of three separate branches of government working together in a spirit of cooperation to improve and strengthen the overall effectiveness of our State. These constitutional amendments further cement that relationship.

Tonight, I urge final ratification of these and other amendments approved by the voters at the earliest possible opportunity.

Now let us examine together the state of our State.

Education

I'm proud to report that last year's investment in quality public education is already reaping rich dividends for our children. Although the Education Improvement Act has been in effect only six months, one significant measurable impact we are already seeing is fewer absences. Approximately 7,700 more children are in school each day. This will amount to over 8 million additional hours of learning time this school year. I tell you it is the result of our new no-nonsense approach to quality public education, and this benefit doesn't cost us any more

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money. It's a result of an improved attitude toward learning by our children and their parents, and an inspired renaissance by the entire educational community.

For all of those future generations of South Carolinians who will have to work harder but who will now live fuller and more productive lives, I thank you. We all can be proud of the great statement made last year when we in South Carolina declared that our children and their future capacity will always be this state's Number One Priority.

Now we must turn our attention to other equally tough but important decisions. Your public stewardship causes you to make choices between two paths. One path leads to the frustration inherent in easy short term reactions to the tough long-range problems which face our state and our people. This path, my friends, is no path at all. It's a dead end -- dead end jobs, a dead end quality of life, a dead end for opportunity.

The other path leads through that gateway of opportunity, built last year by our response to our educational needs. It is a new approach to government, offering long term solutions to long term problems. Yes, it is a path that requires tough choices, but they are choices we must make in order to give our people the capacity to fully participate in the 21st Century. It is a path not easy to follow, but as the great American poet Robert Frost reminds us in his poem The Road Not Taken, it is a less traveled path that, as Frost says, can make "all the difference."

Two years ago, I pledged that education and jobs would be the top priorities of my second term as Governor. We have embarked upon the road to quality education. Now we must turn our attention, with equal energy, in the direction of jobs.

Jobs and Job Training

We must encourage and support the creation of jobs by the private sector. But government's principal responsibility must be to help train workers to take advantage of those same jobs. Just

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as a model technical education system was central to a new economic development policy some 25 years ago, now we must undertake a similar new direction in our total job training efforts.

Our state's economy is certainly in a period of difficult transition. Automation is having a significant impact on jobs in every industry. While we have maintained record levels of investment and steady increases in job creation, we have lost about 25,000 textile jobs during the past five years. It is estimated another 10,000 will be lost by 1990. And for every job lost in textiles, another job is lost by suppliers and other businesses which do business with the textile industry. We must support our textile industry, but its fate, I'm afraid, will be decided more in Washington than here in Columbia. The sting of this transition, however, can be felt throughout our manufacturing community and threatens our economic potential. And, it brings the pain of unemployment and insecurity to thousands and thousands of good and decent South Carolina families.

This year the state will spend about \$400 million on job training. We cannot afford to waste time or money on programs which will fail to train South Carolinians for "jobs with a future." What we need most is a job training system that coordinates all of our dollars and all of our resources -- TEC, Vocational Education, Vocational Rehabilitation, and other agencies and programs, both in and out of government -- which contribute to the total job training effort. In sum, what we need is a state-wide job training policy that prepares people for jobs that do have a future. A system that will address the following five priorities:

1) Basic skills training for those in school and for those already in the workforce who need new skills -- a prerequisite for any "job with a future."

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2) Programs that teach the technical literacy necessary to perform a wide range of jobs in the future.

3) Lifetime training that enables workers to keep up with changes in the workplace which will occur over the course of their careers.

4) Revitalization of our business-entrepreneur training so that more of our citizens will learn to make a job, and not just take a job; and

5) Job training programs specifically designed for those who might be left behind in this transition, whether they might be lifelong textile workers, those economically and educationally disadvantaged, or those who carry the burden of a handicap.

Redirection of our job training efforts will not be an easy path, but it is a path we must take. To reach these goals, I have asked a distinguished panel of business leaders, education leaders, citizens and legislators to develop recommendations. These recommendations are to be ready within the next two months, so that you and I can begin to implement these new directions during this session of the General Assembly.

But our task does not end simply with this part of the program. The plight of communities hit hardest by plant closings demands our immediate attention. I propose that we fully staff our Rapid Response Team to assist those workers and communities in getting back on their feet. We may not be able to prevent this tide of shutdowns, but we can certainly throw a lifeline to these hardworking people and their families.

Creating "jobs with a future" must involve everyone. We must make cities and towns our partners in our job development effort. Accordingly, I propose:

1) An infrastructure development program to finance the basic facilities like water and sewer that support economic expansion.

2) Establishing a highway set-aside fund to be used for constructing and improving access roads to new and expanding industries.

3) Passing streamlined annexation and consolidation legislation -- effective changes we committed to eight years ago with the Home Rule Article of the Constitution.

With the help of this General Assembly, we have laid a solid foundation for our state's new approach to economic growth and job creation. These additional steps will show we are prepared for economic change. Job training, job creation, job recruitment and job development -- these are the milestones on the roadmap to a future of jobs -- "jobs which have a future."

The Environment

Yes, South Carolina is on the threshold of great economic potential. But for our citizens to realize the full blessings of this potential, we must make tough choices about our environmental future. A renowned Harvard scientist once observed that "Man shapes himself through decisions that shape his environment." There is room in South Carolina's future for both good jobs and a clean environment. If we make the right decisions today, we can shape both our economic and our environmental destiny.

Low Level Nuclear Waste Management

Tonight, that economic and environmental opportunity is threatened here in this state -- threatened by the long lines of radioactive and hazardous waste trucks hauling in their unwanted nuclear and chemical garbage from every other state in the union. We have tried and tried to help chart a national solution to these national problems; but, make no mistake about it, we are still the nation's dumping ground for low-level nuclear waste and hazardous waste.

This General Assembly, along with seven other states in the Southeast, has approved a regional

interstate compact for low-level nuclear waste. But it is now the responsibility of the Congress to simply approve this compact. We will participate in any sincere and reasonable effort to ratify regional compacts. However, if the Congress fails to act by January 1, 1986, we will take whatever action is necessary to close the site entirely, or to halt unrestricted access to South Carolina as a nuclear dumping ground. As Governor, I do not intend to let our beautiful state continue to be endlessly abused and threatened by the cavalier action of weak elected officials in other states -- politicians who refuse to face any path but the much traveled path of political convenience -- dumping their waste on us.

Hazardous Waste Management

Taking a lesson from our experience in nuclear waste management, I am further recommending a state hazardous waste policy that will achieve two major objectives: 1) gain control of hazardous waste being buried in our state and 2) minimize the use of landfill burial as a means of disposal.

To accomplish this, I propose:

1) That before any hazardous waste can be disposed of by landfill burial in this state, all efforts must be made to recycle, reuse, treat, or incinerate; and that land burial should be used only as a last resort.

2) That we raise the fees for burial of hazardous waste to discourage landfilling, to better prepare the State for cleanup at any abandoned hazardous waste site, and to care for the Sumter County burial site, should that become necessary.

3) That we require any new or expanding hazardous waste disposal site be constructed on land owned by the state, in order to give us control over waste disposal practices; and

4) That any future disposal site permitted by the state be limited to an annual volume of 50,000 tons; and that the existing site phase down its volume to this limit.

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This four-point hazardous waste policy would, I submit, allow us to better control what is being buried in our precious land, encourage better methods of disposal, and begin to limit the volume of such waste entering our borders.

Preservation of Natural Resources

For years we all have enjoyed special places in this state -- hikes to mountain waterfalls, visits to historic sites, boat trips on slow black water -- good times made possible by the existence of beautiful environmental wonders, such as those highlighted in the new edition of South Carolina Wildlife Magazine, entitled "Carolina Waters." And I refer you to this excellent publication. Tonight, I ask that we reaffirm our commitment to preserve and protect all of our natural treasures -- Scenic Rivers, historic sites, Heritage Trust Preserves and our state parks, forests, prime agriculture land, and wildlife sanctuaries. Further, I strongly support legislation establishing a clear water policy stating that protection of our water resources is, indeed, in the public interest. Also, I recommend the package of legislation being proposed by the Water Resources Commission, including a state drought plan, notice to the Attorney General of judicial water disputes, and legislation for interbasin transfers of significant amounts of water.

Industrial Development Assistant and the Environmental Council

Finally, to offer sound development and our quality environment a better opportunity to become partners, I make two compatible proposals: the establishment of an Industrial Development Assistant at the State Development Board, and the creation of a Coordinating Council for Environmental Protection. This Development Assistant will have the responsibility of guiding assigned business prospects through the state system, helping them work with the state agencies as they go through the permitting process.

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The Coordinating Council for Environmental Protection would be composed of the directors of the eight major natural resource agencies of State government. The Council would:

- 1) Assist potential developers with official notification of all necessary state environmental permits, thus providing a one-stop entry into the permitting process.
- 2) Publish a single project description for all major developments for use by the state and the public as a common basis for review.
- 3) Involve natural resource agencies in a coordinated program of gathering environmental information.

The combination of this assistant, the Development Board, and the Council will better coordinate review of development in a way that facilitates sound progress, yet provides greater opportunity for consideration of overall environmental quality. I believe both will benefit developers by streamlining entry into the state's permitting process, and better protect the long-term future of our precious natural resources.

Indigent Care

Another major issue facing our state and all other states is the dual monster of escalating health costs to individuals and businesses, and the complex problem of indigent health care. Health care costs are a drag on the success of any business, large or small. Lee Iacocca, in his recent autobiography, states that the health care bills of Chrysler's employees add over \$600 to the price of every car -- a bottom line cost to Chrysler of \$1 million per day. In State Government, where we are concerned about the growth of government, we see employee health care costs as one of the fastest growing expenditures.

The problem of indigent care is acute in South Carolina because we have so many poor people who cannot afford to pay or who do not have health

insurance. This unpaid health care strains the pocketbooks of paying patients and of those businesses and individuals that do have health insurance. It is estimated that the cost of a patient's bill in the hospital is increased by 20% per day to pay for the unpaid health care.

This simply is not fair to either the people who can pay or those who cannot but are desperately ill. To resolve these inequities and deal with a major state problem, we must make the hard choices to achieve a long-term solution.

The Health Care Planning and Oversight Committee has proposed a comprehensive plan to tackle this issue. This plan would reduce the number of medically indigent people by making them eligible for Medicaid coverage, thereby enabling the State to take advantage of the very favorable federal match. These people are some of the poorest in our state and this can help improve the quality of their lives immensely. We still would be reaching only 50% of the federal poverty level. But it would be a bold step toward helping those who need it most and would also eliminate our state's current bias against poor two-parent families.

In addition to the Medicaid component, this proposal would establish a medically indigent assistance fund. It would pay for hospital care for those not poor enough to qualify for Medicaid, but so poor that they cannot afford hospitalization. The people qualifying for this fund would generally pay a portion of their hospital costs according to their ability to pay. By enacting this fund, we can further reduce the impact on paying patients who now pay for indigent care through hospital cost shifting. We will also reduce the impact on many counties, which now appropriate dollars to help provide care for poor patients, achieving a more equitable funding basis statewide. The fund would consist of contributions from counties and from hospitals, and that's proper. Indigent health care is a problem we all recognize; and I say to you, it is a responsibility we must all share.

Finally, this proposal also includes concrete measures to encourage health care cost containment, includes incentives to use outpatient services, second surgical opinions and an annual target to limit overall growth in hospital charges. In addition, it includes paying hospitals a set amount for each illness, thereby limiting costs and time spent in the hospital.

This package, taken as a whole, will be a new approach to dealing with the growing problem of indigent health care. It will reduce the cost shift now imposed upon paying patients, and will implement measures to reduce the rate of increase in the escalating cost of health care. And with the new estimates of state revenue, together with the Budget and Control Board's recommended budget, this program can be fully implemented without any new state taxes and without use of the income tax rebate for food.

Over the next few weeks I shall be forwarding separate messages to you concerning: 1) Modernization of our probate code to better serve today's elderly; 2) A public safety message to include legislation on missing children, child abuse, raising the drinking age for beer and wine to 21, seat belts, prison overcrowding, and other related issues in that area; 3) An infant mortality and child health package; 4) Election law reform, and 5) Reform of the state's blue laws.

Tonight, I have outlined recommendations that continue our journey in this state to a better quality of life for all South Carolinians. Together, we can take a new approach to government decision making, and if we do, I submit to you, it will make a difference. Our tough decisions of last year are making a difference today in the lives of 610,000 public school children. This year, we can make a great difference in the lives of our working people, who depend upon sound training and "jobs with a future." We can make a difference to those who believe in the value of free and vibrant enterprise, as partners with those who believe in clean water and pure air. And, yes, it

