THE COMMISSION ON THE FUTURE OF SOUTH CAROLINA

Assembly on the Future of South Carolina
October 6-9, 1988
Hilton Head Island, SC
THE ASSEMBLY ON THE FUTURE OF SOUTH CAROLINA

POLICY STATEMENT

At the close of their discussion at the Assembly on the Future of South Carolina at Hilton Head Island October 6-9, 1988, the participants reviewed as a group the following paper. This document represents general agreement; however, no one was asked to sign it. Furthermore, it should not be assumed that every participant subscribes to every recommendation.
TO THE READER

This document is the policy statement of the Assembly on the Future of South Carolina.

This report does not necessarily reflect the views and opinions of the Commission on the Future of South Carolina, its Commissioners nor its sponsors. It will be used by the Commission on the Future of South Carolina in developing its final report.

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INTRODUCTION

South Carolina is a state where everyone has a great future. The Assembly on the Future of South Carolina included discussions on four major topics of importance to the future of South Carolina. The degree to which we as a people are successful in dealing with the issues raised will have a major impact on our collective ability to successfully compete in the 21st Century.

GOVERNMENT
The role of government is to provide order and social infrastructure that enables citizens to achieve their potential. Some would argue that this role is necessarily minimal, while others would argue for a larger one. South Carolina, with limited financial resources, is faced with the challenge of how to make certain government is properly structured to appropriately address current needs, future needs, and transitional needs.

EDUCATION
Education is now universally recognized as a lifelong experience. Education has always been a major factor in transmitting the knowledge and values of a society and in providing opportunities and incentives for creativity and ingenuity. Now the challenge is to develop educational goals which meet lifelong learning expectations of students in an innovative rather than imitative context. We must not be followers; the Twenty-First Century calls us to be leaders. The policies developed and implemented will determine the future of education in South Carolina.

ECONOMIC OPPORTUNITIES
Economic development is a vital part of the "lifeblood" of any state. A responsive educational system, a supportive government, and a positive living environment are critical to economic growth, and, in turn, are ultimately supported by it. South Carolina faces the challenge of critical decisions, insightful investments, and dynamic leadership that encourage the development of our human and natural resources in ways that value our heritage and respond to the needs of this state. We must have the vision to create the legislation and policies that balance the attracting and creation of new businesses with retaining existing ones. The policies we develop and implement will have a major impact on the economic future of the people of South Carolina.

THE LIVING ENVIRONMENT
Over three hundred years ago, the land that would become South Carolina attracted people because of her many resources. Those same resources and many more that we now identify as important are just as critical today. The early settlers faced unique opportunities and unfamiliar challenges as they developed a society that would succeed. The challenge for modern South Carolinians is to identify current needs and face new opportunities in order to nurture and to enhance the "Living Environment" in the 21st Century. The policies developed and implemented will determine the future living environment of our people.
The Assembly on the Future of South Carolina

From October 6-9, 1988, more than 100 South Carolina citizens representing the public and private sectors and the public at large, met in Hilton Head (ironically, one of the booming employment centers that has transformed the state’s economy) to debate the issues in the First Assembly on the Future of South Carolina. The Assembly, funded entirely by private donations, focused on the four issues discussed above.

Committed to achieving excellence in education, economic development, governmental function and quality of life, South Carolina will aggressively embark on a development program which will protect and enhance the health and welfare of all its citizens.

The conclusions and recommendations reached by the Assembly are set out in the following report.
GOVERNMENT

INTRODUCTION
The role of government in providing services will not decrease and will almost certainly increase. Efforts to halt the rate of growth have been ineffective because elected leaders have not failed to heed demands for more and better services.

Realizing that there is a mandate for continued government service improvements, the Assembly discussed the best way to provide and pay for those services.

In tackling the problem of service delivery, the Assembly began its deliberations with the realization that problems start at the top. South Carolina was found to be governed by semi-autonomous commissions, agencies, bureaus etc. It is the perception that none of these entities are controlled to any great extent by the Governor's office or the Legislature. Because of this, the state's bureaucracies are highly insulated from people they were created to serve. This insulation from the citizenry has increased feelings of disenchantment, frustration, and apathy among our citizens, producing dismal voter participation over recent years.

The Assembly had several suggestions for dealing with this problem. First, more power should be given to the Governor. A cabinet form of government was suggested.

While this would give more power to the Governor -- in a state that has eschewed centralized governmental power throughout its 300 year history -- it would also make the governor directly responsible for the operation of those agencies. If the agencies failed to satisfy the voters then those voters would know to whom to complain. As it is now, agency heads are insulated from the public by a commission, whose members are appointed, frequently to a single term.

Despite this major problem, the Assembly realized that there will be no major restructuring of state government overnight. Other, incremental steps can be taken in the areas of more uniformity in composition, method of appointment and geographic distribution of members of the various state boards and commissions. The Assembly also believes that many boards, commission and agencies could be consolidated, or at a minimum be required to develop in coordination with other agencies, one-stop-shopping centers which would be responsive to the needs of our citizens.

The General Assembly must concern itself with affairs of state, and leave the responsibility of municipal and county government to the elected City and County Councils.

There was a strong consensus on the part of the Assembly that South Carolina's municipal annexation laws must be eased. South Carolina's cities are stagnating and some are even losing population, as suburban areas become "the tail wagging the dog." In the absence of any adequate service consolidation mechanism, the situation of who provides services to
unincorporated urban areas is often divided between the nearby city, special purpose districts, and county governments.

Secondly, in the area of consolidation, South Carolina has a myriad of elected councils and boards, plus advisory groups and special purpose districts. The number and kind of these groups has gotten to the point where no one can keep up with them or comprehend their functions.

Special purpose district boards, for example, are often appointed by the county Legislative Delegation. Yet the districts often provide the same services, and sometimes in competition with, city and county agencies.

There is a strong need, the Assembly feels, for consolidation of service agencies. Some of this can be accomplished through annexation. But in large part, the Legislature must be willing to provide the mechanism to allow consolidation of services to take place by enacting appropriate legislation.

In the interim, more coordination of service provision can be accomplished by intergovernmental service contracts. A mechanism for coordinating such contracts already exists through South Carolina's ten Councils of Government.

In the area of financing there was significant support for lotteries and in addition there was significant support for paramutual betting. User-service fees were also endorsed.

There was a consensus that local property taxes are probably as high as they can go for the time being. The Assembly voiced its support for the local option sales tax.

One final point should be made. The Assembly members strongly felt that there was an urgent need for more and better training services for local elected council members, school board members, and all elected and appointed officials. Although a hodgepodge of such services are provided by universities, these were not deemed adequate. A better model is provided by the University of North Carolina Institute of Government, a comprehensive, on-going and professionally managed training school.
Financing government is and will continue to be an important issue. Efficient use of resources as well as the appropriate sources of tax and other revenue to finance government services will continue to be critical.

The consensus of the Assembly was as follows:

A. As we consider the tax structure of South Carolina, we must recognize that the State does not exist in a vacuum. We must remain competitive in tax structure and services with surrounding states. Any consideration of the tax structure must include an examination of the whole. Making one change will not necessarily solve problems. The Assembly recommends that several areas be carefully examined.

1. Bring the estate tax exemption into conformity with the federal estate tax.

2. Reduce the number of sales tax exemptions.

3. Establish a depletion tax on nonrenewable resources.

4. Higher tax on hazardous waste.

5. Establish a property tax "circuit breaker" tied to income to encourage home and property ownership by low income people.

6. Revise the homestead exemption to eliminate the homestead exemption for high income people.

7. Review legislation regarding tax exemption of nonprofit activities and tax those functions, and real property, on which for profit businesses operate, in the same manner as regular for-profit business is taxed.

8. Support a local government finance act to provide alternative revenue sources for local governments.

9. Local governments should have the authority to impose impact fees to defray the cost of new and expanded services directly related to new developments.

10. Eliminate dual taxation where counties tax municipal areas for services they do not receive.

B. To increase efficiency and effectiveness in the use of tax resources, the Assembly recommends:
1. Reform the State's annexation laws to make the annexation process easier.

2. The General Assembly should enact legislation to permit consolidation of local governments.

3. Special purpose districts should be eliminated and all local government services be provided by cities and counties.

4. Encourage multi-jurisdictional cooperation.

C. Where state and federal governments mandate functions and actions for local governments, they must provide the financial resources to implement the mandates.

D. There must be a general understanding that economic development and increasing the per capita income are essential ingredients to increasing revenues available to state and local governments. This could preclude the necessity of new or higher taxes.

E. The negative concept of taxes must be transformed into a recognition that taxes are a cost of citizenship.

F. The "mill" is a confusing term and should be replaced by terminology that can be better understood by the taxing citizen, i.e., the property tax rate is "X" $ per $1,000 of assessed value.

G. Needed capital infrastructure may require borrowing which will be paid back by existing and future beneficiaries. Such investments will promote development and, therefore, increase revenue.

H. A time limited local option sales tax to finance capital projects.

Efficiency and economy in local and state government will continue as issues in governmental operation.

The consensus of the Assembly was as follows:

A. As a society we expect governmental services to be thoughtfully considered, effective and delivered in a professional manner. We often, however, overlook the commensurate respect and compensation due these governmental employees.

B. In order to improve the quality of State services and their delivery, the following is recommended:
1. Creative incentive programs should be developed to reward outstanding performance.

2. Salaries and benefits in the governmental sector should be monitored and improved in order to attract and retain qualified, professional employees.

3. Pay equity must exist in state government between male and female as well as minority employees.

4. Early retirement incentives should be considered as a recruiting tool.

C. The potential of privatization should be explored and implemented when it would result in a more cost efficient, effective delivery of services.

D. Governmental service also includes elective office. The consensus of the Assembly is that far too much is spent in campaigns for elective office. Measures to control those costs should be seriously explored. Similarly, those funds which are contributed to state political campaigns should be subject to greater scrutiny and disclosure.

_Crime prevention and correctional issues continue to demand attention and financial support, recognizing that the vast majority of people in the corrections system return to society, the future challenges us to deal with these issues from as broad a perspective as possible._

The consensus of the Assembly was as follows:

A. The primary role of the correctional system is to deter crime and to ensure the safety and property of all individuals. The Assembly also recognizes that rehabilitation is one of the primary roles of the correction system and toward that end education and training of inmates to include literacy and job skills should be mandatory prerequisites for early release. These efforts should include the technical education system and higher education system as appropriate. In addition, programs offering alternatives to incarceration should be strengthened. The public should be encouraged to provide volunteer support to the criminal justice system through agencies such as the Alston Wilkes Society, church or civic groups.

B. In considering the issue of drug abuse, the Assembly concluded that alcohol abuse is the principle substance abuse problem in the schools. The problem of substance abuse in schools must be addressed via early and on-going programs for prevention and intervention beginning from the time students enter the educational system and continue throughout the educational experience. The Alcohol Beverage Control Board should terminate the licenses of establishments selling alcohol to minors. Considera-
tion should be given to suspension of drivers licenses until age 21 for juveniles convicted of substance abuse.

C. It was recommended that South Carolina make every effort to develop a national and international reputation as being a State tough on drugs. To achieve this status, it is recognized that efforts will be required at the federal, state and local level. The statewide grand jury system was endorsed as a mechanism to help achieve this goal.

D. The Assembly recognized that there is no simple solution to substance abuse. Stronger enforcement and better education are needed to prevent substance abuse.

E. The Jail and Prison Overcrowding Project should be encouraged to proceed as quickly as possible in their charge to explore meaningful alternatives to incarceration.

*The implementation of state functions is presently directed by boards and commissions for the various state agencies. The assembly seriously questions whether this method of governance is the most effective and whether it is the best for South Carolina.*

The consensus of the Assembly was as follows:

A. The General Assembly is urged to review the structure and responsibilities of our state boards and commissions. These boards and commissions may need to be reorganized, eliminated or given more authority. A "Grace Commission" type study would be welcomed.

B. The Executive branch of our government should be strengthened. The Assembly recommends the legislature consider adoption of a cabinet appointed by the Governor with constitutional revisions made to enable this change. In the absence of a cabinet, the Governor should have sufficient control over our agency heads. A strong executive branch will provide focused accountability.

C. Incentives should be offered for volunteer efforts of consolidation for agencies, boards, commissions, and/or services.
Local government authority in South Carolina is fragmented among cities, counties, and special purpose districts which often overlap and duplicate services. As the population of South Carolina increases, a major part of its growth will be in urban and urbanizing areas of the state.

The consensus of the Assembly was as follows:

A. The Assembly recommended that the General Assembly adopt a comprehensive urban policy to include:

1. Local government committees in the House and Senate.

2. Legislation that permits consolidation of City and County governments, and special purpose districts.

3. Annexation legislation which enables municipalities to include fringe area urban development.

Metropolitan area governance which permits innovative governmental organization in the state's multi-county, multi-city urbanized areas.

5. Expansion of methods for electing County Councils, to include a combination of at large and single member districts.


7. Providing broader opportunities for local governments to raise revenue.

B. The inclusion of minorities and women on City and County Councils is considered essential.
Regional intergovernmental cooperation in South Carolina has been in place for over 20 years through the ten regional councils of government or regional planning councils. Federal financial assistance to local governments requires regional planning and coordination as a prerequisite for federal financial assistance for sewer, water, recreation, transportation, aging and other services. As federal assistance is reduced, there must be continuous incentive for regional cooperation.

The consensus of the Assembly was as follows:

A. The Assembly supported economic incentives to encourage local government participation in multi-jurisdictional planning and development through the use of the ten Councils of Government (COG's) which cover the entire state.

B. The COG's are seen as a major assistance to local governments in providing services and technical assistance.

C. The State should use COG's as an extension of state planning staffs and fund the COG's accordingly with a measurable standard of productivity. The COG's should be used to develop the regional aspects of the statewide master land management plan recommended herein.

D. The Assembly endorsed the continuing efforts of the South Carolina Advisory Commission on Intergovernmental Relations in encouraging intergovernmental cooperation.

E. By the year 2000, multi-county service districts should be standardized so that all state agencies and COG's encompass the same counties.
EDUCATION

INTRODUCTION
The Assembly determined that South Carolina's education system reflected its economy: relatively prosperous urban school districts and generally poor, rural districts. Dramatic increases in funding in recent years were helping all school districts, but the gap between urban and rural districts has increased. The solution was not within the scope of the Assembly, but participants felt that changes in school management structures were needed, from the state school superintendent's office down to the local school board and within schools themselves.

The State Superintendent of Education is elected but is nominally charged with the responsibility of implementing policies developed by an appointed state school board. This relationship between the State Superintendent of Education and the State School Board is regarded as confusing. However, the groups were divided over whether South Carolina needs a stronger, perhaps even a cabinet level superintendent responsible only to the governor; or a stronger school board, whose members serve longer terms and appoint the superintendent. There was considerable sentiment that maintaining the momentum of recent years would be enhanced if state school administration was de-politicized.

Regarding school funding, there was a general feeling that funding levels need to be higher for all levels of education to include a solution to the public school system's school construction crisis. There was, however, no real consensus on how to achieve the additional funding.

It was broadly agreed that there are too many school districts and that many school districts have too few pupils. No "ideal" district size was decided upon - or even attempted - but the state definitely needs to move in the direction of consolidation. Consolidation of school districts does not necessarily mean consolidation of individual schools.

In the area of accountability of local schools, it was felt that accountability requirements, particularly those mandated by the Education Improvement Act, have placed a great paperwork burden on schools and teachers and could be handled effectively with computers.

In the field of higher education, groups felt that the system of a commissioner appointed by the Commission on Higher Education, was serving the state in an adequate fashion. Higher education salaries are not regarded as out-of-line, but a close monitoring is necessary, particularly in higher demand fields such as engineering.

As previously noted, one stark statistic stands out -- if present trends continue, South Carolina will only have one-half the number of college graduates it needs in the year 2000. But the solution to this imbalance lies with the elementary and secondary education system and the state's economy.
In discussing the organization of the state department of education, there was a wide divergence of opinion. Some of the discussion groups could not reach a consensus on the issues of the composition of the State Board Of Education or the method of selection of the State School Superintendent. There was general consensus for the state to continue to stress quality education to allow students to compete effectively in a global economy.

The consensus of the Assembly was as follows:

A. School districts in South Carolina should be consolidated/redistricted by the legislature to an optimal size to take advantage of economies and uniformity of scale in local financing and apportionment of state funds.

B. A minimum/maximum standard for district size should be established.

C. The teacher continues to be the focal point for real learning. The education programs offered must provide mechanisms for increasing teacher quality and involving students, parents and the community in increasing student motivation and reducing dropout rates. Encouragement of and freedom to restructure the organization of individual schools to allow flexibility in curricula, methods and use of facilities is essential for schools to be responsive to the community they serve.

D. For each student to achieve his or her optimal performance we should provide mechanisms for recruiting better quality teachers. This should start with the development of policies to aggressively recruit and maintain the best teachers available. Improvement of the teaching environment will make South Carolina more competitive for better teachers. Such improvements should include:

1. No longer using our public school teachers as crossing guards, lunch room monitors, secretaries, etc.

2. Lowering teacher-student ratios in the normal classroom.

3. Adopt maximum class sizes rather than class size averages.

4. Teacher salaries which are nationally competitive.

5. Availability of reasonable teacher fringes and perquisites i.e., teacher lounges, available child care services.

6. Programs such as the teacher "Cadet Program."
7. Reduction in the State Board of Education’s excessive and redundant paperwork, will allow for creativity and innovation more conducive to long-term learning.

8. Availability of scholarships and awards as rewards and as a means to encourage and enable continuing teacher education.

9. In the recruitment and placement of teachers, emphasis should be placed on the field of specialty. For example, math majors should teach math, history majors should teach history, etc. Graduate requirements for teachers should reflect a reduction in the number of method and theory courses required and a subsequent replacement with content and subject matter courses.

10. A workplace which is suitable for teachers as professionals.

11. Increased recruitment of particular types of persons into the teaching profession, with a special effort to include minorities, males and persons educated in critical teaching areas.

12. Strengthen the partnership between schools, family and community in the educational process.

E. The paperwork involved in the Teacher Incentive Plan and Principal Incentive Plan must be dramatically reduced in order to encourage people to participate in these programs.

F. A strong emphasis should be placed upon the early detection and recognition of children with special needs. Once identified and evaluated, these children should be given whatever assistance is required to enable them to succeed in school. Advocacy groups yearn to be involved at the local level, and their efforts should be tapped.

G. The literate and the illiterate suffer the consequences of illiteracy. Thus, we will never move unencumbered into the 21st century until our state dramatically reduces its rate of illiteracy. Means to accomplish this objective include:

1. Innovative adult education/literacy programs mandated to South Carolina’s ETV network.

2. Criminal rehabilitation/correction system emphasis upon minimum proficiency levels for inmates.

3. Encourage private efforts with incentives.

4. Targeting illiterate social service clients.
H. One group recommended consideration of a North Carolina program which prohibited the issuance of drivers licenses until age 18 unless the prospective licensee completes his or her high school education.

I. A major growth development initiative should be undertaken. Agenda items and policies to be approached include:

1. The encouragement of self confidence, personal esteem and personal development from the earliest years of school to raise self esteem and prevent dropouts.

2. Earliest possible diagnosis of at-risk students.

3. Early and continuous intervention on behalf of these at-risk students.

4. Attempt to keep students in regular schools but tailor teaching methods to their learning abilities.

5. Teacher training and certification must include identification of and sensitivity to at-risk students.

6. Other methods to prevent dropouts such as Columbia’s "Cities in Schools."

7. We must be aware of and sensitive to students of diverse cultural experiences. Courses that focus on cultural difference should be a part of the teacher development process. Efforts to retrain and recruit teacher role models for these students should be maintained and increased.

8. Summer use of school facilities should provide alternative programs for enrichment, reinforcement, arts, and parent education.

J. Better qualified local school board members may be obtained through the careful recruitment of candidates. The non-partisan election of local school board members is the preferred method of election.

K. Once elected, these lay leaders must be offered complete training to facilitate their efforts. Orientation programs with attendance requirements should be mandatory.

L. Some discussion groups concluded that to de-politicize education, an appointed lay State School Board of top leaders should set policies and hire the State Superintendent of Education.

M. It was specifically recommended by one group that the State Board of Education’s composition include:
1. Six year, staggered terms.

2. Members unable to succeed themselves.

3. Governor appoints all members with ratification by the General Assembly.

*Our future economic well being as a state competing in a global economy is inextricably tied to our ability to successfully challenge our youth to take full advantage of the educational opportunities available. We must continually be alert to ensure that the educational offerings are relevant to emerging trends. By the year 2000, some 30 percent of the jobs available in the United States will require bachelor's degrees while only 15 percent of South Carolina's population currently hold such degrees. The roles and relationships of elementary/secondary education, technical education, and higher education must be clear in order for South Carolina to compete in the global economy.*

The consensus of the Assembly was as follows:

A. Because jobs for the future will require increasing educational levels, efforts should be made to increase the number of students who can and will pursue a bachelor's degree. Bachelor's degrees, however, must be made affordable so that they can be pursued.

B. The private sector, especially the business community, needs to be more involved in the education of children. The private sector can play a vital role by providing job incentives, funding, equipment and training. The private sector can also help students better understand the relationship between classroom training and the "real world".

C. Foundations, similar to the ones currently aiding colleges and universities, and similar to the nationally recognized Spring Valley Foundation, can provide needed financial assistance to the State's primary and secondary schools. Each school should seek help in establishing a foundation.

D. Because we are participating in a global economy, foreign language should be introduced as early as pre-school or elementary school, so that South Carolinians can fully and successfully compete in the international business community.

E. Throughout all grades of public school, teachers should place emphasis on community pride and pride in personal performance and production.

F. There must be strong emphasis on coordination of existing programs to eradicate illiteracy as provided through Adult Education, literacy volunteers and the tech system so that the illiterate population skills training can be provided in any part of the state.
G. Recognizing that some school districts do not have professional expertise in developing grant applications for competitive state, federal, and foundation funds, it is suggested that the ten (COG's) assist those school districts in this area.

H. The Assembly advocates magnet schools to provide foreign language, science, math and enrichment curriculum to gifted and special interest students.

*The amount of money and the apportionment of available resources to all educational needs will continue to be an issue for all levels of education. Maximizing results with scarce resources is a continuing challenge.*

The consensus of the Assembly was as follows:

A. There was general consensus that more money needs to be spent for education. Suggested sources of such funding included lotteries or paramutual betting, eliminating existing sales tax exemptions, and increasing "sin/luxury" taxes.

B. State-of-the-art equipment must be made available to ensure quality training.

C. Prisons should provide educational and technical opportunities and give credits for technical and educational advancement with points accruing toward early release or consideration for parole so that instead of automatically reducing sentences, early release is earned.

D. Increased educational spending and dropout prevention programs should be viewed as ways to avoid future spending on prisons, welfare, and other social service programs.

E. Students at risk of becoming dropouts should be targeted throughout the spectrum of K through 12 with programs to involve the total community - business, churches, civic clubs and others in assisting those identified to stay in school through a variety of programs.

F. Full formula funding should be provided for public higher education institutions.

G. The affordability of a college education for all students is a growing concern. Means of making a college education affordable must be addressed.

H. The Equity and Access Program to recruit and maintain minority students in college must be maintained and expanded.
I. Investment in undergraduate and graduate schools produces payoffs in attracting research and development.

*We have all suffered from a lack of coordination among post secondary educational opportunities and the clarity of roles among these institutions. Such lack of coordination has resulted in, among other things:*

1. *Wasting valuable and limited resources.*
2. *Creation of unnecessary turf, which breeds turf protection.*
3. *Constructed but seldom used facilities.*

The consensus of the Assembly was as follows:

A. To achieve a more comprehensive coordination of the public education system in the state, one suggested approach is to combine all of the state’s educational agencies (State Board of Education, State Tech, Vocational Education, Higher Education) into a unified State Education Agency to provide the best use of the State’s limited educational-designated funds. The Commission on Higher Education must be given the authority to carry-out the master plan as a means of controlling duplication and coordination.

B. The State should study and accelerate the process of simplifying the transfer of credits between post secondary education institutions.

C. The Commission on Higher Education should see that class offerings throughout higher education are coordinated to eliminate any unnecessary duplication of courses at neighboring branch campuses and technical schools.

D. Regardless of the method selected, the Assembly urges centralized governance of post secondary education and implores those individuals vested with governing responsibility to, above all, provide leadership.

E. Mechanisms should be imposed to facilitate communication between tech and high schools to identify early those students with aptitudes and interest for technical education.

Economic growth and quality of life in the United States result largely from improvements in the quality of the labor force which is tied to education. Education, economic development, and quality of life are mutually reinforcing. These issues, if addressed, will allow South Carolina and its citizens a greater chance in participating in the prosperity of the future.
ECONOMY

INTRODUCTION
The challenge to South Carolina businesses and policy makers is that while relative economic conditions improved significantly for the state between 1930 and 1970, since that time we have more or less just held our own.

Though South Carolina has improved its rank in per capita income from 48th to 45th between 1980 and 1986, the gaps in dollar terms between the state and the rest of the United States and the Southeast actually widened.

This is most apparent in comparisons with our immediate neighbors. Looking at relative living standards compared to North Carolina and Georgia one sees that in 1980 North Carolina's per capita income exceeded that in South Carolina by $383. A similar gap of $765 existed with Georgia. By 1986, these gaps had grown to $1,149 and $2,128.

Per capita income in South Carolina is still 20 percent below the national average.

In terms of job creation in the past 13 years, South Carolina has added 486,000 jobs, an impressive figure and above national averages. But it still lagged behind the southeastern or "sunbelt" average.

Unemployment rates in urban and costal counties are significantly below national levels, to the point that workers have to be "imported" from surrounding counties, which are enjoying a spin-off economic boom. But the result is the emergence of "two Carolinas": one population is urban and relatively well-off, the other, rural, stagnant and poorer.

Overall, state non-farm employment grew in South Carolina by 54.3 percent between 1970 and 1985. But displaced farm workers were not shifting into manufacturing jobs particularly textiles, as had been the rule since the turn of the century. Manufacturing employment in the highly industrial Upstate counties has been growing at a rate lower than in Columbia, Charleston and the coastal counties of Horry and Beaufort. Tourism, as an industry, has topped agriculture as the state's second leading employer and now threatens textiles as number one in South Carolina.

The emergence of the two South Carolinas is probably no more dramatically evident than in the state's education system, despite determined efforts, like the Education Finance Act, to shift resources to rural areas.

The lagging of rural economies and the education system, perhaps more than any other factor, threatens South Carolina's emergence into the 21st Century. One statistic tells why: In the year 2000, if current trends continue, the state will only have one-half the number of college graduates needed to serve its businesses and industries.
Like other states, job gains have been largely in the service and trade sectors, rather than in manufacturing - a particularly significant trend since South Carolina has the second highest percentage of workers employed in manufacturing in the country. But the result is that relative increases in employment have not significantly lifted per capita income because the new jobs are in low-wage service and trade sectors, not in the high-wage manufacturing area.

The further challenge to policy makers is dealing with the "two South Carolinas," one urban and relatively prosperous, with unemployment levels at or below national levels and the other relatively poor, rural and sliding further downhill compared to urban areas. This trend is dramatically illustrated by noting that between 1970 and 1985, 83 percent of the new jobs created in the state were in only 14 counties.

The Assembly raised concerns that the state is not adequately addressing these problems.

In the area of industrial recruitment, the Assembly recommended that tax incentives, infrastructure enhancement and seed capital funding programs be offered for industrialists seeking to locate or expand in South Carolina.

The Assembly also endorsed the statement: "One key to economic development is the education level of the work force." Education and economic development are mutually reinforcing. It has become apparent that "economic miracles" in other states are largely due to improvements in human capital through education.

Finally, the Assembly concerned itself with the image of South Carolina as it affects potential economic development, particularly from the outside. A negative image from the past is not intractable, and increased efforts can be made to improve this negative image, outside the state and within. It has sometimes seemed that South Carolinians settle for less because they do not perceive themselves as deserving of the best. A positive image must be created among its own citizens before it can be convincingly transferred to others. The quality of life factors provide a competitive edge in economic development.
All parts of South Carolina do not share equally in the economic progress of the state. We are in danger of having two South Carolinas: the urban rich and the rural poor.

The consensus of the Assembly was as follows:

A. One of the reasons for this dichotomy is the lack of a statewide economic development plan. Therefore, the Assembly recommends the designation of growth centers across South Carolina as the principal focus of this statewide plan.

B. To ensure that this approach enhances the growth of the entire state, the Assembly also recommends:

1. Transportation improvements to link rural areas with growth centers. Funding for such improvements could be derived from toll roads and gas tax with full integration of the Strategic Highway to Improve Mobility and Safety program.

2. Regional cooperation in planning and development. The ten COG's should be fully utilized to facilitate necessary cooperation among local governments.

3. Quality infrastructure serving the growth centers is critical to economic development. To improve the capacity of local government to help finance economic infrastructure, adoption of a local option sales tax may be the best available alternative.

C. Recognizing that more than half of our fellow South Carolinians live in urban areas, South Carolina can no longer afford not to have an urban-development policy as an integral part of our statewide economic plan. Thus, we call for the creation and adoption of such a policy.

Economic progress through good job opportunities for the people requires a multifaceted approach.

The consensus of the Assembly was as follows:

A. The South Carolina State Development Board should coordinate activities toward matching needs with resources to include:

1. Anticipating emerging employment opportunities.

2. Publicizing available programs to facilitate business financing and growth.
3. Developing homegrown businesses to include minority businesses.

4. Promote full capitalization of the Palmetto Seed Capital Fund.

5. Developing an information resource base for successful community revitalization programs and disseminating this information to communities around the state.

B. As an economic development program the Assembly recommends the implementation of paramutual betting on dog and horse racing as well as lotteries. The proceeds from these activities should be applied to our education needs. Additionally, regulations should be developed to cure bingo abuses and poker machine abuses.

C. Funding should be provided at the state level to generate small business incubators to encourage growth of small businesses.

D. Private venture capital groups should be encouraged through tax incentives.

E. Promote small and minority business development to include encouragement of women-owned businesses through enhancement of small and minority business office programs.

F. Our Small Business Development Centers should be better publicized.

G. The expertise of retired business executives should be tapped to aid start-up and operation of new businesses.

H. All areas of the State should be served by a viable economic development program.

I. Economic development agencies, at all levels, must recognize that cooperation should replace provincialism. All must adopt the watchword, "It is in our mutual self-interest to cooperate."

J. The state should promote better access to risk capital for small businesses by establishing a loan guarantee fund for start-up and expanding firms.

The skills and characteristics of the work force will be critical to the future health of the economy of South Carolina in the emerging global economy.

The consensus of the Assembly was as follows:

A. Recognizing that a high percentage of the additions to the future work force will be women, the Assembly endorsed policies that would implement support services such
as child care programs and adult day care which can be a barrier to employment. Successful child care programs and adult day care will require:

1. The use of existing private and public physical facilities.

2. Increased involvement of families, public agencies, the private employers and religious and nonprofit organizations.

3. The school system may need to be incorporated into the whole child care system, at least in the use of facilities for afternoon and evening child care.

4. The utilization of flex time.

5. Recognition that liability insurance cost may limit the number of providers that can exist.

6. Providing child care and adult day care as one of the benefits in a cafeteria plan offered by public and private employers.

7. That all such programs - irrespective of service provider - must meet basic operational and licensing standards as established by the state.

B. With people living longer, dependent care programs, which include care for the elderly, will be necessary for many people to participate in the work force.

C. The rapid pace of technology requires an accelerated training and retraining of the work force. The education system must produce potential employees with sufficient cognitive skills to receive training and retraining provided by employers.

D. For training and retraining requirements to bear a significant impact on our present and future work force, vigorous programs such as the Governors Initiative on Work Force Excellence, Adult Education, and other service providers should be applied to attack adult illiteracy. The state should have a goal of 0% illiteracy in the year 2000.

The business climate in South Carolina must remain competitive with other areas.

The consensus of the Assembly was as follows:

A. The State should implement an efficient, centralized permitting system in South Carolina. The permitting process should be consolidated and simplified with early
public notification of permitting intent and adequate public review. Strong standards must be maintained.

B. More innovative uses of research capabilities at universities are needed to address governmental and business needs.

C. South Carolina should be courageous enough to not accept any industry just because it provides jobs. The State should not hesitate to turn down an industry that might be hazardous to the quality of life of South Carolinians.

D. Incentives to encourage investments should be carefully examined for their return on investment.

E. Employers should be encouraged to use positive state-of-the-art employee practices so that the doctrines of employment at will and the right to work are preserved for our citizens.

F. The goal of South Carolina should be to maintain a balance between economic development and natural resource conservation and protection.

G. The Governor's Council on Competitiveness should be encouraged to continue to deal with the issues of tax structures, regulatory climate, constitutional and statutory law, etc., in order to enhance South Carolina's competitive posture in economic development.

H. Retention and expansion of existing businesses must not take a back seat to programs aimed at the attraction of new businesses. All existing programs that support existing businesses should be better publicized.
LIVING ENVIRONMENT

INTRODUCTION
The living environment of South Carolina encompasses not just the traditional definition of environment as the land, water, and natural resources. The living environment includes: the relationship between government, businesses and the public; it includes social service agencies that serve the poor; and it includes our art, culture, and cultural heritage.

Policy makers need to be aware that a growing population and economic base will place strains not seen before on our natural environment. Care and planning must be exercised in seeing to it that development does not damage the very natural resources that make South Carolina attractive in the first place. Our quality of life in South Carolina, the health of our citizens and the vitality of our cities, towns and rural areas are limited to our land, water and air. We must plan and manage these resources as an integrated system thereby enhancing the long-term prospect of our environmental quality.

A clear consensus emerged from the Assembly that South Carolina's natural environment must not take a back seat to economic development. There was a definite feeling of Assembly members that the state is less aggressive than others in dealing with hazardous waste. The problem could be addressed by national and regional compacts, tied to higher disposal fees for imported wastes.

The environmental problems were only one part of the overall dilemma of grappling with growth. Urban areas are attempting to provide basic services by reacting, rather than planning, for population influxes. Rural areas, on the other hand, are faced with trying to pay for a minimum level of services despite a shrinking tax base.

There also was an overwhelming determination that South Carolina's cultural environment was deficient, particularly in rural areas. The state must make an effort to integrate art and cultural education into the regular school curriculum. It was felt that an outstanding cultural environment was necessary to an improved business environment.

South Carolina has unique environmental and cultural resources. But many of those resources are being wasted because of poor planning and a lack of coordinated efforts. Lastly, there was a feeling that the public at large, and elected officials, fail to understand how critical and immediate is the need to deal with growth, environmental destruction and cultural deprivation.

Common sense observation and research demonstrate that the future of South Carolina is dependent on the present and the future of the family. Family disorganization is the source of major social ills. Regardless of form, the family must be empowered to function.
Exposure to and appreciation of the fine arts and our cultural heritage sustains and enhances the quality of life and has a palpable economic component.

The consensus of the Assembly was as follows:

A. Cultural education is not a frill. It should be considered one of the basic skills. Cultural experience and education should be integrated into the total fabric of life to permit complete immersion of people in the arts.

B. Earlier exposure to the arts is needed especially through public schools via the curriculum and all community youth programs. The EIA and similar programs should not impede cultural education programs.

C. Since our public schools are often the only place where many of our children are exposed to art, particularly for the economically disadvantaged, the significance of our public schools in art, culture and cultural heritage awareness cannot be over emphasized. Cultural education is also one of the basics and must be woven into the fabric of instruction of English, history and other basic subject matters.

D. Teacher education in the arts is critical to the success of meaningful cultural education in our schools. Thus, South Carolina’s teachers must be made aware of the inter-relationship between the arts and our cultural heritage and the other basic subject matters.

E. Beyond inclusion in the basic curriculum, cultural education can be thoroughly presented in school halls as well as classrooms. Public schools and colleges should be better used as sites for cultural exposure.

F. There are a plethora of existing arts programs which are not exposed to enough of our citizens. Current arts programs must be better publicized. We must make the arts more mobile, or make our citizens more available to the arts. South Carolina’s metropolitan areas currently present many forms of cultural offerings and education. However, our rural areas are suffering. We must encourage the movement of these presentations, into the rural areas. The arts and local crafts are significant to the overall health and education of our communities. The Assembly was in strong support of state and local arts councils, their proliferation and sustenance.

G. The relationship between the cultural environment and our economy is clear. Business involvement in the arts should be encouraged. Similarly, business’ role in the presentation of arts in the workplace must be developed.
H. Greater consideration and appreciation of our rich cultural heritage must be a part of a comprehensive arts/education curriculum.

I. In order to further the development of the arts and cultural activities there should be cooperation and coordination among state agencies, local governments and the private sector.

J. The Assembly recommends the strengthening of state and local programs armed at preserving our architectural and cultural heritage.

_Responsible peoples have always recognized their individual and collective responsibilities to those less fortunate than themselves._

The consensus of the Assembly was as follows:

A. As individuals, we often establish expectations of excellence in our businesses, homes, recreational and civic activities. As a society we must impose these same expectations of excellence on all of our citizens and institutions.

B. South Carolina’s fragmentation of social efforts wastes available resources and often hurts those whom the efforts are intended to assist. Information as to the services which are available and coordination of those services will maximize the reach and impact from the providers to those in need. An effective vehicle should be established to coordinate the public and private health and human service programs at the local level.

C. The private sector is willing and able to effectively aide in the provisions of social services. Often, however, this willingness is stifled by regulatory difficulties with the public sector. A linkage should be developed between the public and private sectors in the creation and delivery of social services. Volunteer, civic, and non-profit organizations must be considered an integral part of this service provision process. Existing tax incentives for these organizations must be preserved/enhanced. Such a linkage should integrate opportunities for the private sector to participate in the provision of services. Incentives to entreat and maintain the private sector’s involvement must be added.

D. Coordination within the public sector is necessary to reduce fragmentation of social services. Data linkages must be created within agencies in order to streamline access to social services. The work of the Joint Legislative Committee on Children in its study of children’s services should be encouraged whether or not those services are combined into one agency.
E. All South Carolinians should enjoy housing and no South Carolinian should suffer sub-standard housing. Government cannot alone achieve this objective, but must facilitate the private sector's willingness to become involved. Regulatory complications often hinder and frustrate the private sector's development of moderate to low income housing. Presently, the public sector's unnecessary red tape leaves otherwise willing private developers with the more appealing alternative of maximizing profits by participating in the development of other markets. This lack of housing impacts the full community.

F. Similar public/private cooperation is essential to the resolution of our growing child care and elderly care dilemma. Government incentives must be made available to the private sector to encourage the private sector's provision of all forms of child and elderly care services. In addition, the creative use of existing facilities, such as school buildings, must be thoroughly examined.

G. The state has a special responsibility to those children who have been removed from their homes and placed in foster care. To improve the quality of their lives, we must review how we currently care - or do not care - for wards of the state so that payments and regulations might be evaluated and improved.

*The physical and mental health of our people are fundamental to our economic health, and it is the economy that generates resources that sustain people enabling them to enjoy a better state of health.*

The consensus of the Assembly was as follows:

A. South Carolina must have a preventive health care policy. Preventive care will save dollars for remediation and is more cost effective. Taxes on tobacco and alcohol are recommended as sources of revenue to fund preventive health care efforts.

B. Inclusive in preventive health care is complete and comprehensive education with respect to infant mortality and teenage pregnancy. Teaching our youths as to the responsibilities of being parents should be incorporated into the state's Comprehensive Health Education program. Similarly, sex education should be used to prevent teen pregnancy. Other vehicles include in-school health clinics, as they are essential for preventive disease control and the prevention of substance abuse and addiction. Similarly, wellness programs should be integrated into the health programs of public schools, tech schools and colleges.

C. Preventive health care should become more widely available in the workplace. Private sector employers should be encouraged to provide insurance that pays for wellness
programs and services. Such programs should be considered and implemented in the public sector as well.

D. Wellness programs are considered an integral part of preventive health programs and disease control efforts. Local health departments, the Clemson Extension Services nutrition programs, and senior center are part of the overall wellness program.

E. The state needs to begin now to recognize the problems of the elderly. The Assembly supports full funding of Medicare and Medicaid. Coastal areas, in particular, must provide adequate elderly health care infrastructure for retirees.

F. All South Carolinians should have the opportunity to be healthy and no South Carolinian should be deprived of adequate health services. In addition to prevention programs, those for early detection and intervention should have priority. Further, the continued improvement in the location of providers and full funding of health services for those below the poverty level should be South Carolina's goal.

G. Public transportation and creative housing options are essential components for the continued quality of life and maintenance of the well being for the state's older population.

H. The state of South Carolina has recognized the enormous personal and societal problem of AIDS and must now move hurriedly along to plan and provide educational and preventive programs for all its citizens (children and adults). South Carolina must develop and encourage humane and supportive policies that enhance the quality of life for persons who are AIDS positive, persons who have AIDS and AIDS related complex and persons who have been exposed to the AIDS virus.

I. State medicaid programs for health and home services must encompass the provision of expanded services to those persons affected by AIDS.

South Carolina's unique and invaluable environment is vital to economic development and our quality of life. Consequently, the maintenance of our environmental quality must be our highest priority.

The consensus of the Assembly was as follows:

A. The state should consider the feasibility of integrating all natural resource responsibilities into a single agency. The agency would be responsible for establishing sound natural resources and environmental policies, implementing resource management plans which include protection, accurate monitoring, enforcement, and penalty
guidelines, reviewing proposed activities for overall environmental impact and providing an efficient accessible permitting process.

B. The protection and preservation of our environment is as much an individual responsibility as it is a corporate one. In order to maximize individual involvement, the public must be educated with respect to the consequences of its way of life upon the environment. We have become a throw-away society. Those items which we throw away often result in heavy economic and environmental costs.

C. Use of biodegradable and recyclable items must become part of our way of life. This adjustment should be facilitated through taxes on non-biodegradable materials, including, but not necessarily limited to, bottles and plastic containers. Creative homegrown anti-litter efforts must be encouraged, e.g., beach sweeps and adopt-a-highway efforts. In addition, littering penalties should be enforced.

D. Often, a county’s chief expense is dedicated to the maintenance of solid waste disposal facilities. An informed society, committed to limiting consumption and waste will necessarily reduce the expense of solid waste disposal sites through recycling and other alternatives to the burial of waste.

E. Regional cooperation for solid waste disposal sites and location of water and sewer facilities must be considered. State incentives to encourage multi-jurisdictional cooperation must be offered.

F. South Carolina’s treatment, use, and disposal of all forms of waste carries significant interstate implications. To end South Carolina’s status as a dumping ground for other states’ waste, interstate compacts must be thoroughly investigated.

G. Just as individuals must bear the financial burden of solid waste through bottle taxes, etc. -- generators of hazardous waste must bear the financial burden of the proper generation, transportation and disposal of hazardous waste. User fees must be elevated to their constitutionally permissible levels.

H. In the event that an environmental catastrophe involving hazardous wastes and materials occurs, well trained and properly staffed emergency response teams must be established throughout the State.

I. Encourage state policy calling for beach renourishment with state and federal funding for such projects. Require public access to beach in return for funding of these projects.

J. Public and public/private acquisition of natural areas for preservation, recreation, and access should be encouraged.

K. A comprehensive long-range statewide land management plan with state, regional and local elements should be formulated and given a high priority.
L. The Assembly believes it is unclear who has responsibility for planning and permitting of freshwater wetlands. This information needs to be widely published and disseminated. Protection of this important resource requires that this responsibility be clearly defined.

M. Protecting our water resources and providing all citizens with safe drinking water must be of utmost concern.
CONCLUSION

The Assembly was charged with the task of identifying major issues that must be addressed if South Carolina citizens are to benefit from the optimum quality of life and compete economically as we enter the 21st Century. They are complex and controversial issues. Preparation for the future can only be realized through professional, progressive and cooperative planning and management and only with courageous leadership by state and local leaders and citizens. Aggressive steps in the areas included in this report will testify to our state motto:

"While I breathe, I hope."
THE ASSEMBLY ON THE FUTURE OF SOUTH CAROLINA

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