

Mr. Speaker, Mr. President, ladies and gentlemen of the General Assembly, constitutional officers and my fellow South Carolinians:

Each year we come together to discuss the state of our state, and each year we begin by acknowledging those who lost their lives in the service of our state and of our nation.

By the grace of God, this will be the first year I do not list a single active duty member of our armed forces who was taken from us. That is a blessing.

But the men and women of our military are not alone in their willingness to sacrifice for us and in their dedication to keeping us safe.

So now, please join me as we pay tribute to those who gave the last full measure of devotion in the service of South Carolina and her people:

Officer Gregory Thomas Alia, Columbia;

Officer Stacy Lynn Case, Columbia;

Deputy Sheriff Delton Daniels, Bennettsville;

Firefighter Stuart Gregory Hardy, Beaufort;

Firefighter Kenneth Michael Stanton, Sr., Pendleton;

Firefighter Tyron Weston, Columbia.

On behalf of all South Carolinians, to their families, know we will never forget.

I have always felt blessed to have the support of my family. Michael has always been my most trusted advisor. This year, that was even more true. He supported me through the grief, the decisions we made, and the prayers as we moved forward through South Carolina's tragedies. A public servant is only as strong as the strength she has at home. Please help me welcome my strength, my partner, and the coolest First Man ever, Michael Haley.

It is hard to believe how much my little ones have grown. They have spent so much of their lives in the public eye, and these two handle it in a way that makes us so proud. This is Rena's last year at home before she ventures off to college, which breaks my heart, and Nalin is finishing his last year in middle school. Please help me welcome my pride and joy, Rena and Nalin.

Recently, we lost a senator whose warmth and graciousness touched so many here at the Statehouse and across his district. Billy O'Dell was a loving husband, father, and grandfather. For more than 25 years, his work for the people of his district made South Carolina a better place, and along with his wife, Gayle, his son and daughter-in-law, Chip and Angela, and his daughter, Michelle, we mourn his passing. Mrs. O'Dell, your husband was loved by those within this chamber and by so many more outside of it. Thank you and your family for being here and for your service to our state.

This has been a different kind of year for South Carolina, a year that warrants a different kind of speech. While there is plenty to celebrate in our state, it would be neither honest nor productive to ignore the great challenges that were thrust upon South Carolina in 2015.

Ladies and gentlemen, the state of our state is bent but not broken.

As I look around this distinguished chamber tonight, there is a hole. It is a hole felt far beyond this Statehouse, a hole that tore deeply through the very soul of South Carolina.

Senator Clementa Pinckney served the people of South Carolina, in this very building, for eighteen years. He should be sitting with us tonight. Sadly, he is not.

This is an infinitely dimmer room because of it.

But his legacy lives on. It lives on in his works. It lives on in his church. It lives on in his friends. It will soon live on in the portrait that his colleagues will raise in the Senate Chamber, just across the hall. But most of all, it lives on in his family, in his wife, Jennifer, and their two beautiful daughters, Eliana and Malana.

They are here tonight.

Please join me, and all of South Carolina, in paying our deep respect to the Pinckney family.

Thank you for taking the time to be with us. This is an infinitely brighter room because you are here.

In the days following the tragedy at Mother Emanuel, and in the many months since, I have thought a great deal about Senator Pinckney.

I did not know him well, but what I knew was that in every interaction we had, he was always kind and respectful.

I knew him to be a goodhearted public official. I knew him to be a senator who spoke infrequently, but when he did, it was with great intensity and even greater authority. I knew him to be a man who never seemed to speak against anyone or anything but, instead, to advocate for the people and the ideas that he believed in.

The building we sit in invites disagreement. That is a good thing, a healthy thing – we should not pretend to all believe the same things nor should we be silent about where and when we differ.

But disagreement does not have to mean division. Honest policy differences do not need to morph into personal dislike, distrust, and disillusion. After all, to paraphrase something I read last June, we are more than just members of warring political tribes but brothers and sisters and fellow South Carolinians.

Senator Pinckney was more than just a senator; he was a father, a husband, a brother, a son, a reverend.

We should all spend a little more time getting to know the people behind the policies.

Before the tragedy of Mother Emanuel in June, there was the tragedy of Walter Scott in April.

We all recall what happened in that case: Mr. Scott was stopped by a North Charleston police officer for having a broken taillight. What ensued was caught on video for the entire world to see: Mr. Scott began to run from the officer, who shot him repeatedly in the back, tragically ending his life.

We were betrayed by one of our own.

The vast, vast majority of police officers in this nation are honorable men and women. They keep us safe.

But, unfortunately, what happened in North Charleston on April 4th was not a unique event in America today.

What happened after was.

In the face of overwhelming video evidence that something had gone terribly wrong, South Carolina did not erupt in riots or violence.

Instead, we focused on justice and progress.

Justice for Walter Scott and his family. Progress for our state.

That focus meant everything to South Carolina. And it began with the Scott family.

They started the calming of our community. Their words and actions allowed South Carolina the chance to right this wrong, the best we could, without the influence of outsiders.

Their response drove ours. And just two months after Mr. Scott was senselessly killed, I stood with his family and signed into law the first body camera bill in America.

I was proud to stand with the Scott family that day. I am proud to recognize Mr. Walter Scott, Sr., his wife, Judy, and their son and daughter-in-law, Rodney and Jenarious, who are here with us tonight.

Thank you for your graciousness in a time of unimaginable sorrow. South Carolina will forever grieve the loss of your son and be forever grateful to you and your family for helping us learn from your tragedy, grow from it, and take action to make sure, to the best of our ability, it never happens again.

South Carolina was devastated by man-made tragedies in 2015.

As if that wasn't enough, last year also saw the biggest natural disaster our state had endured since Hurricane Hugo.

Starting my first year in office, we have conducted emergency tabletop exercises that allow us to go through disaster situations in real time. Each year we work to improve our planning and our preparation. The disaster we always thought we were preparing for was a hurricane. Thankfully, that hurricane has not come this way.

What did, in 2014, were two winter storms that challenged our infrastructure, our utility companies, and our resources. South Carolina shined through those storms.

But this year was something neither we, nor the weathermen, could ever have imagined. Rain at unbelievable levels, pouring from the sky for hours. Enough rain, according to one report, to give each American one bottle of water every day for the next 182 years.

October's 1,000-Year flood was one that challenged our state in a way few natural disasters ever have.

I cannot give enough credit to General Bob Livingston, Director of Emergency Management Kim Stenson, Secretary of Transportation Christy Hall, and the other leaders of our agencies who understood that can't is not an option.

This team knew they couldn't sleep until we made sure we had done everything in our power to keep people safe, provide aid to those in need, and strengthen our citizens with the information and the resources to move forward.

Please help me thank a group of people who didn't back down from a historic challenge, one I am proud to call Team South Carolina.

With good reason, we talk a lot about the things South Carolina does well, the records we are breaking, the rankings that show us rising to the top.

Number one in foreign investment. The number one exporter of tires. One of the fastest growing economies on the east coast. The friendliest state in the country. The most patriotic.

All of South Carolina should take pride in those facts.

There are others, however, we talk about less. And that we should never be proud of.

There is no excuse for South Carolina to rank as the state in America with the highest percentage of women killed by men.

Domestic violence is an issue that has plagued us for far too long. Tonight, I say it will plague us to that extent no more.

Last year, the General Assembly passed a very real, very important bill to help rid South Carolina of the poison of domestic violence. Thank you for all the work that went into sending that bill to my desk.

But we also know that our domestic violence epidemic is not going to be fixed by legislation alone. In order to truly solve this problem, it will take a complete culture change.

So a year ago, we established a domestic violence task force, made up of 135 members representing 65 organizations across South Carolina. We committed to educating ourselves and each other about every aspect that a survivor goes through and all the contact points touched when a situation occurs, contact points that could be opportunities to save a life. We looked at not just the root causes but also how these cases were being handled, county by county, throughout our state.

We learned a lot. And we're taking action.

First, victims are not victims – they are survivors. We know that domestic violence is a choice the abuser makes, not the survivor. We need a culture of empowerment, rather than one of re-victimization.

Second, those survivors need to know that we have their backs – they need lawyers, not law enforcement officers, prosecuting domestic violence crimes. We need officers to be officers out in the field, and we need prosecutors to be prosecutors in the courtroom. South Carolina is one of only three states that allow law enforcement officers to try domestic violence crimes. That ends this year.

My Executive Budget includes additional prosecutors to fix this problem. No survivor deserves to show up in court and see a legally untrained police officer arguing his or her side, while a highly-paid defense lawyer argues on behalf of the abuser. If you join me, in South Carolina, no survivor ever will again.

There is more that we have done and still more to do. That's why I have extended the task force. But after the action we have taken together this past year, survivors of domestic violence across South Carolina can take comfort knowing that their government and the people of our state see them, hear them, and that they are no longer alone.

You've heard me say it before – growing up in Bamberg, we didn't know what we didn't have.

For me, that's not the case anymore – I know exactly what we didn't have. And after visiting hundreds of schools across our state, I know exactly what many of today's kids don't have.

I have seen the disparities, and I won't stand by and allow them to continue.

We want to raise our children to know they are worthy of a good education. We want to raise our children with the confidence and the resources so they believe the sky is the limit.

Our focus for the last three years has been to right some wrongs. All of us did that together.

Thanks to your support, we changed the funding formula so that no one can ever say again that we educate children based solely on where they are born and raised.

Thanks to your support, we have put reading coaches in every elementary school and will no longer pass a child out of the third grade if they can't read.

Thanks to your support, wealthy districts are not the only ones investing in technology anymore – meaning wealthy districts are not the only ones that teach their students for the future, not the past.

And thanks to your support, we did it all without raising taxes.

But we're not done.

First, we need to let the voters of South Carolina decide if they want the Governor to appoint the Superintendent of Education. Education must be a priority for every governor – and to be successful, every governor must have a partner in the Education Department.

Superintendent Spearman has been a great partner since her election. But the history of South Carolina shows that has not always been the case, and our children have suffered as a result.

This is a change that will not take place until after I'm long gone from the Governor's Office, so it is not for my benefit that I ask you to support this initiative. It's for our children. And for theirs.

Second, in South Carolina we have high turnover of teachers in rural and challenged school districts. That affects a child, as they don't have consistency in their teachers. And it affects teachers, who are either constantly adapting to new environments or constantly watching their colleagues leave.

So this will be the first year we aggressively start recruiting teachers to rural districts and, just as aggressively, incentivizing them to stay there.

If a student agrees to teach in a challenged district for eight years, we will cover the full cost of their education at a state university. For recent graduates who agree to the same commitment, we will repay their student loans. For career educators who want to grow professionally and teach in these challenged districts, we will cover the cost of their graduate coursework. And we will support mentorship programs for all of the above.

Children deserve to know that teachers believe in them enough to stay. We have to slow this revolving door. I know we can, and now, I know we will.

Finally, we cannot continue to ignore that in much of our state, we have a facilities problem.

Children can't learn as well when the walls of their classrooms are crumbling around them. Teachers can't teach as well when the hallways they walk are littered with puddles. Our students and our teachers deserve no less than to go to school each day in a place that is safe and clean.

Over the last year, there has been much discussion about floating a bond bill.

I am not unilaterally opposed to using South Carolina's bonding capacity to serve the most critical needs of our state. There are times it makes sense. It is why I signed a bill in 2012 to use that capacity to invest \$1 billion in our roads. It is why I have supported using that capacity for extraordinary economic development projects.

It is also why I opposed last year, and will oppose this year, any effort to bond out hundreds of millions of dollars to fill a wish list for our already bloated higher education system. No one can look at the tuition hikes parents and college students have seen over the last decade and tell me that higher education doesn't have enough money. And no one can drive the campuses of Clemson, South Carolina, and so many others, see the brand new facilities and massive new construction projects, and tell me that they represent our greatest need.

That is not true of elementary, middle, and high schools in Denmark. Or Clarendon. Or Abbeville.

So here is what I propose: Let's pass legislation permanently dedicating up to one percent of our state's bond capacity to K-12 education facilities.

Now, I do not propose that all school districts in South Carolina are eligible for state support. Nor do I propose that the school districts themselves determine whether or not they qualify. This must be a thorough, priority-based process by which those districts that truly need our help get it, and those that don't, don't.

It starts with a complete evaluation of the facilities in which our children are currently attending school.

It includes the development of a strict set of building standards so that school districts will be able to build age and size-appropriate schools but not break the bank or waste millions of dollars on architects and blueprints, dollars that would be far better spent if that money actually touched a child and a teacher.

And finally, it includes restrictions on local governments – we are not helping school districts construct a school so that they can turn around and raise taxes on their people to build another one, or worse, a more extravagant one.

We have the opportunity to help those children in South Carolina who need it most. We have the opportunity to give dedicated teachers a safe place that allows them to do what they've always wanted: Impact the lives of their students. We have the opportunity to do it responsibly and without raising taxes.

We can waste that opportunity, if we so choose, on high-rise dorms, sparkling new graduate centers, and world-class administrative buildings. But if we don't focus on K-12, and focus on it now, higher education won't even be a possibility for far too many South Carolina children.

Last year, I told you I didn't know what else to say about ethics reform, that we'd talked about it for years and that we weren't asking that much, just for some simple, common sense, good government changes. Yet here we are again.

Our two main priorities haven't changed: Requiring public officials to disclose who pays them and having independent investigators oversee legislators, just like they do for every other elected official in the state.

The House has passed both. Repeatedly. South Carolina thanks you for that.

The Senate has refused to even vote on either. Repeatedly.

It should not be this hard. We should not still be having this conversation four years in. We owe our people better. We owe them an up or down vote. Give it to them this year. And then we can celebrate.

As you may have noticed, I love to celebrate. We build things in South Carolina. We build planes with Boeing. We have five international tire companies. We are the BMW capital of the world. We broke ground yesterday on a billion dollar investment by the largest producer of carbon fiber in the world, Toray Industries.

This past year our South Carolina family continued to grow, and we will soon be building more automobiles than ever before.

Mercedes-Benz Vans will soon be manufacturing Sprinter and Metris vans in South Carolina. Their custom automobiles are designed for commercial and freight transport and for executive purposes, with swivel chairs, cup warmers, coolers, and more options than you can imagine.

Daimler also has Freightliner Custom Chassis operations in Cherokee County, and today, they announced an expansion there with a \$22 million investment.

Please help me welcome Michael Balke and Roger Nielsen as we give our total support to Mercedes-Benz Vans and Daimler.

In May, I sat with Secretary Bobby Hitt and our teams in the Governor's Mansion library with Carroll Campbell's portrait looking over us. We took a long-awaited call that Volvo Cars had chosen to partner with South Carolina as they begin their journey of manufacturing in America.

Volvo is known for its reputation of quality and safety. We are so proud that they trust South Carolina to help them continue to deliver to their customers. To our friends at Volvo, I have total faith in our workforce. We won't let you down. Please help me welcome Katarina Fjording and Katherine Yehl of Volvo Cars.

And there is more to celebrate over the last year than those two major additions to the South Carolina family.

South Carolina's unemployment rate sits at 5.5 percent, the lowest since 2001.

In the last two years, we've saved businesses more than \$151 million in unemployment taxes.

We have cut our debt service by almost half over the last five years, while at the same time doubling our General Reserves.

We've moved almost 30,000 people from welfare-to-work.

The most recent data shows the rate of released inmates returning to prison has decreased by more than 25 percent.

2015 was the third year in a row with record-breaking tourism.

And there are more people working today than ever before in the history of South Carolina.



These things don't happen by accident. World-class manufacturers don't make multi-billion dollar decisions to call South Carolina home on a whim, and our historic employment levels are not the result of a great string of luck.

We have worked for our successes. We have been smart; we have paid attention to the changing world around us and to the growing competition for good jobs that pay good wages. We have kept our fiscal house in order and protected our credit rating. We have invested in our ports, in our workforce, and in our children's futures.

It is a great day in South Carolina. But as I learned a long, long time ago, good times don't last if we squander them. So let's continue to be smart, to work together, so that we grow our success and not sit back, complacent, and watch it drift away.

To that end, transportation has been a topic of great interest and even greater discussion of late, so I will be brief, and also, I hope, clear: I think no differently of our roads situation than when I stood before you one year ago.

I will not sign any piece of legislation that raises taxes – not in year one, not in year five, not in year ten. I will not sign any piece of legislation that does not include real reform to the Department of Transportation – the days of horse-trading South Carolina roads have to end. And I will not buy into the idea that we somehow cannot afford to cut income taxes for our people.

In December, a University of South Carolina economist said, "In 28 years of forecasting our state's economy, rarely have I seen [it] in such good shape and on such steady footing." We had \$1 billion in new revenue last year. We have \$1.3 billion in new revenue this year. My Executive Budget includes every dollar needed to pay for this year's tax cut. Next year's will too.

This is not our money. It belongs to the taxpayers. We can and we should return it to them.

Pass legislation that cuts our taxes, reforms our flawed transportation system, and invests in our roads, and I will sign it.

Pass legislation that does not do all three of those things, and I will veto it.

The choice is clear, and it's all yours.

I cannot end a speech about where the state of South Carolina stands in January of 2016 without first talking about the most impactful experience of this past year: The Mother Emanuel tragedy.

Sharonda Coleman-Singleton;

Depayne Middleton Doctor;

Cynthia Hurd;

Susie Jackson;

Ethel Lance;

Clementa Pinckney;

Tywanza Sanders;

Daniel Simmons;

Myra Thompson.

The nine we lost in the most sacred of places. Their memories will forever be with us. My family and I pray for them and for theirs. Every day.

When I speak of the tragedy, I no longer speak of the "Emanuel Nine." I speak of the "Emanuel 12."

Why?

On June 17th, there were twelve men and women who went into that Bible study.

I have said it before, but I imagine I will say it until I no longer have the capacity to speak at all: Those twelve people did what so many South Carolinians do on a normal Wednesday night. They went to Bible study, to profess and to grow their faith.

But that was not a normal Wednesday night. That night someone else joined them. He didn't look like them, didn't sound like them, and didn't act like them. They didn't call the police. They didn't throw him out. Instead they pulled up a chair and prayed with him. For an hour.

For reasons only God knows, we lost nine amazing souls that night.

So too, for reasons only He knows, God decided He wasn't ready to take three more, that He still had work for them to do.

I ask that you join my family as we pray for Mrs. Felicia Sanders, for her eleven year-old granddaughter, and for Mrs. Polly Sheppard, as they continue to live with that memory.

Mrs. Sanders and Mrs. Sheppard are here, joining us in the chamber tonight.

I am so grateful that they are.

Just as the nine we lost inform my belief that angels must exist in Heaven, these two women, and the precious little one who was with them that night, are proof that we have angels living here on Earth.

Please join me in expressing to Mrs. Sanders and Mrs. Sheppard the warmth, gratitude, and above all the love that the entire State of South Carolina feels toward them.

Ethel Lance, who despite losing her daughter to cancer, was a woman of love and joy, known for constantly singing her favorite song. "One day at a time, Sweet Jesus, that's all I'm asking of you," she would sing. "Just give me the strength to do every day what I have to do."

Just give me the strength to do every day what I have to do.

We are a different South Carolina than we were one year ago. Of that there can be no doubt. A place, a people, cannot go through what we have gone through and not come out changed on the other side.

The questions we in this room must ask ourselves are: What does that mean? What do we do with it?

My hope is that we follow the example set by those around us.

Those twelve who prayed with a stranger.

Their families who forgave a murderer.

That community that came together.

Our state that inspired a nation.

There is greatness in South Carolina, a greatness embodied by our people, a greatness unequalled in our country.

We have all seen it. We all know it.

It is my fervent wish that, in this year, we, as the representatives of those people, act in a manner that is worthy of that greatness.

For if we do, there is no limit to where we can take our state.

So I will continue to work toward a brighter future.

I will continue to believe in a stronger South Carolina.

And I will continue to pray that God gives me – and you – the strength to do every day what we have to do.

Thank you, God bless you, and may He continue to bless the great State of South Carolina.