

Title: **Haley's State of State: other topics than gas**
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Haley's State of State: other topics than gas

BY JEFFREY COLLINS
Associated Press

COLUMBIA — While Gov. Nikki Haley's proposal to raise the state's gasoline tax by 10 cents will make headlines from her State of the State speech on Wednesday, the 40-minute speech made several other points. Here are more things the governor discussed, and the response to her speech by Democrats.

Education

In her re-election campaign, Haley promised to focus on education like she focused on bringing jobs to South Carolina in her first term.

In her speech Wednesday, Haley talked about ideas she said will help get and keep quality teachers in struggling rural districts. Those include paying for tuition at in-state colleges for students who want to become teachers in poor districts, especially ones where they went to school themselves.

Haley also offered to pay first-year teachers in these rural districts a pay bump that would advance their salary as if they had been teaching for five additional years.

"We want that shining star teaching in Lexington to decide it's time to take on a new challenge and teach in Denmark, because nothing can ignite a child's desire to learn quite like a great teacher," Haley said.

Ethics

After hammering lawmakers on failing to pass ethics reform in her first term at her inauguration last week, Haley said in her State of the State address that she has spoken about the issue enough.

"Many words have been spoken on this issue and much time wasted in these chambers with no result. I believe I have said all I need to. You all know exactly where I stand. Reform our ethics laws, restore the public's faith in our government. Let's do it right, and let's do it now," Haley said Wednesday.

Haley wants to see two things in any ethics bill passed this session. She wants to end the practice of legislators investigating their colleagues and require them to disclose their income sources. Both the House and Senate have sent their own ethics bills to the floor of their chambers this week.

Workforce training

Haley also announced a new initiative called Succeed. She said it will expand on the state's existing training programs for large corporations such as Boeing and BMW, by helping more residents and smaller companies. She gave few details beyond saying the state will pay upfront for classes to learn a

certain skill a company needs, which the worker can repay after getting the job.

Democratic response

Democrats chose one of the governor's biggest critics to give their response to her State of the State. But Sen. Joel Lourie in his speech after Haley's remarks offered to compromise with the governor as he said she has made some wrong choices for the state in her first four years.

The Democrat of Columbia said it is illogical and senseless that South Carolina continues to refuse to accept federal money to expand Medicaid. He touched on Haley's favorite theme during her re-election campaign, saying healthy workers make for more productive workers. Lourie called for more money for education, the state to raise the minimum wage and a stronger ethics bill and domestic violence bill, without a lot of specifics.

"The answers are not overly complicated, and they should not be about what is best for either Democrats or Republicans, but what is best for South Carolina," Lourie said. "My hope and my prayer is that this will be the year that common sense prevails."

Title: **Worker-training plan looks well-mapped; what about roads?**
 Author: By ANDREW SHAIN ashain@thestate.com
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STATE OF THE STATE

Worker-training plan looks well-mapped; what about roads?

By ANDREW SHAIN
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Gov. Nikki Haley's fifth State of the State address – her first since her decisive re-election victory in November – comes with some mystery: Will she introduce her long-awaited plan to fix the state's dilapidated roads?

What is known is that Haley's speech Wednesday will debut a new worker-training program for South Carolinians to get certification in fields where qualified workers are scarce.

"The tens of thousands of new jobs announced in South Carolina don't mean anything if it's not our people who are filling them," according to a portion of Haley's address shared with The State. "The massive drop in our unemployment rate over the last five years is amazing, but we must recog-

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nize there are still thousands out of work."

Haley wants \$15 million to pay for the training program, called Succeed, included in next year's budget. That should be enough to train 6,000 to 7,000

workers, the governor's office said. Succeed would be a companion to the state's readySC job-training program, used to help lure larger industries to South Carolina.

As part of readySC, the state sets up and pays for specialized education pro-

grams at technical colleges to train workers for companies bringing at least 100 new jobs.

With Succeed, small businesses could work with technical colleges on new or existing classes, while workers would be able to check unemploy-

ment and Social Services offices for in-demand job certifications, the governor's office said.

Potential Succeed students would go through an evaluation to ensure they are a good fit for job training, the governor's office

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said. They also must pass background checks and drug screenings.

"The best part? If that single mom wants to get started, we'll pay for her training," Haley plans to say in her address.

"And when she gets the job we've trained her for, which she will, she'll pay us back and pay it forward."

While individual workers would repay the state for their training, companies would get state grants to train larger groups of employees, the governor's office said.

Improved worker training is a priority of business groups, including the S.C. Chamber of Commerce. Haley has said worker training would be a main focus of her second term after announcing companies had plans to create more than 50,000 jobs during her first four years in office.

ROADS: 'EVERYONE WANTS TO KNOW'

Finding the billions of dollars to repair thousands of miles of S.C. roads is another priority for Haley and business community.

However, what Haley will say on the subject is unclear.

Nine chambers of commerce along the S.C. coast urged Haley and lawmakers Tuesday to fix the state's roads to help preserve the state's \$18 billion-a-year tourism industry, which draws more than 20 million visitors.

While the chambers noted neighboring states have higher fuel taxes than South Carolina's near-national low of 16 cents a gallon, Haley has promised to veto any gas tax hike.

The Lexington Republican has not revealed any portion of her roads plan, saying only that it will come before the end of the month.

The S.C. House is weighing proposals that would ask voters if they want to pay an added statewide penny sales tax for roads and levy the state's 6 percent sales tax on fuel wholesalers, a cost that which would be passed on to drivers.

House Minority Leader Todd Rutherford, D-Richland, said Haley has no excuses to delay revealing her proposal until after the State of the State address.

"If she does not give us (a) plan for how she is go-

ing fix roads, she is wasting our time," he said.

"This is what the business community wants to know. This is what the education community wants to know. Everyone wants to know how we are going to dedicate our funding."

'THE CLOCK IS RUNNING'

Luke Byars, a political strategist who was on Haley's grassroots re-election committee, said he could see the governor previewing her roads plan.

While State of the State addresses don't always include details of initiatives, "You've got to have a starting point," Byars said.

Despite the prodding of Democrats, state Rep. Rick Quinn, R-Lexington, said Haley can wait to announce her roads plan until later this month.

"It's more complicated than just throwing more money at it," Quinn said. "We have plenty of time. It's just the second week of session."

Citadel political scientist Scott Buchanan said he expects Haley to disclose her roads plan in the address. The speech is crucial since time is running out for Ha-

ley, who was elected to her second and final term as governor.

"Governors know the clock is running because year seven and year eight, you become a lame duck," Buchanan said.

"Eyes start wandering to who will be the next governor. This year will be her best opportunity to get her agenda through."

Both Byars and Buchanan said Haley has some momentum from her 14.5-percent victory over Democratic state Sen. Vincent Sheheen of Camden in November.

Haley took a shot at lawmakers in her inaugural address last week, urging them to stop focusing on themselves and pass ethics reform after a series of scandals.

Now, any roads plan that Haley proposes will carry weight with legislators, the political experts said.

"She's a force to be reckoned with," Byars said.

STATE OF THE STATE

When: 7 p.m. Wednesday

To watch: Go to thestate.com to see the speech livestreamed



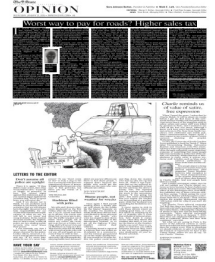
Gov. Nikki Haley

Title: **Worstwaytopayforroads?Highersalestax**

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Worst way to pay for roads? Higher sales tax

IF YOUR highway system has turned into a pock-marked parking lot, and the price tag for patching the potholes and propping up the bridges and adding the lanes to ease congestion was pegged at \$1.5 billion a year — for the next 20 years — would you:

A. Increase a tax that's already higher than any of your neighbors' and that, with the increase, would become the second highest in the nation?

B. Increase a tax that's the fifth lowest in the nation and that, even if raised the most that even the outliers suggest, still would be a lot closer to the bottom than the top?

C. Overhaul the governance of your road-building-and-maintenance system to make sure that your spending goes first to projects the state needs rather than the ones a handful of politicians like, and then overhaul a special-interest-driven tax system that is more loophole than whole, and set rates commensurate with your needs?

I have no illusions that anyone besides me would pick "C," even though that's the obvious answer if you understand what a mangled mess our tax system is, and how much it hurts our competitiveness, and how much more money we could generate at the current or even lower tax rates if we cleaned out the loopholes, exemptions and deductions.

But do our lawmakers really have to keep picking the worst answer?

At 6 percent, our state sales tax is the 16th highest in the nation. At 7 percent — which is where more and more leg-

islators want to take it — it would be second only to California. And the higher it goes, the more people flock to the mostly untaxed Internet, harming local merchants and our economy.

By contrast, the 16.8 cents-per-gallon excise tax on gasoline — the tax that most legislators are afraid to talk about because Gov. Nikki Haley has said she'll veto it (Here's some news, guys: She'll veto a sales tax increase too.) — is the fifth lowest in the nation. Add a nickle a gallon, as some suggest, and there still would be 30 states with a higher gas tax.

To be clear, I'm not advocating a gas tax increase. My editorial board and I have argued for more than 15 years that we should neither raise nor lower any taxes until we clean up our tax system.

But if the Legislature is not going to do that — and it has made clear year after year after year that it is not — then at least it ought not further skew our tax system. At least it ought not shoot for a No. 1 ranking when it comes to any tax. (Well, except sin taxes. There's something righteous about having nation-leading sin taxes, which, quite surprisingly, we have for alcohol; not surprisingly, we're nowhere in the running on cigarettes.)

If the Legislature is not going to overhaul our tax system, at least it ought to do something that moves in that direction — like eliminating a big, fat sales tax exemption.

Say, the one on gasoline.

Or, if you really want to get crazy, you could eliminate the poster child for sales tax reform: the \$300 cap on the sale of cars, trucks, yachts and airplanes.

But who wants to get crazy? Certainly not our legislators, at least not in a smart way. You might recall that this exemption

was part of a deal with the auto dealers, back in 1984, to quiet their objections to raising the sales tax from 4 percent to 5 percent. Give us this cap to keep us competitive with North Carolina and Georgia, they said, and you can get rid of it if North Carolina and Georgia ever raise their taxes on car sales. Which both states did, long ago. But we still have

the cap, and the dealers turn out in force whenever anyone even *thinks* of removing it, and as a result someone who buys a \$6,000 car pays a tax that's 5 percent of the sales price, while someone who buys a \$56,000 car pays just 0.54 percent.

It's bad policy to steal general tax revenue away from education and law enforcement and child protection and other general needs and give it to road repairs, which we've always funded through user fees. But there's nothing inherently wrong with directing a new revenue stream to road repair. Particularly not a new stream that is as closely related to road use as the sales tax on either gasoline or automobile purchases would be. Particularly when one alternative that legislators are seriously considering is leaving that ridiculous car-tax cap in place and diverting what little revenue car sales generate to road repair; unfortunately, they've already diverted half of that money to roads, a \$61 million-a-year raid on the general fund that has made no appreciable dent in that \$1.5 billion-a-year backlog.

Eliminating the no-way-to-justify \$300 cap on automobiles would generate \$170 million a year. (And no, it wouldn't drive people across state lines to purchase vehicles in North Carolina or Georgia, because both states require S.C. purchasers to pay the S.C. sales tax rather than the N.C. or Ga. rate.)

But here's the eye-popping thing: Lifting the sales tax ex-

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emption on gasoline would raise \$720 million a year — which is \$105 million more than the \$615 million we'd get by increasing the sales tax on *all* the taxable items we purchase.

Granted, at current prices that would increase the cost of a gallon of gas by 12 cents; it would go up by 18 cents if the price were still \$3 a gallon, as it will be

again. Additionally, it would hit the poor hardest. But so would a general sales tax increase. And the result of this change would be a gas tax that adjusts itself to inflation while still containing the element of revenue stability that a sales tax lacks. The result would be a tax code that is free of one of its biggest exemptions.

That's not as good as an overhaul of our tax code, and it's not

something we ought to consider unless we also overhaul the Transportation Commission and State Infrastructure Bank. But it's a lot better than any other proposal out there for increasing road revenue.

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Title: **S.C. tourism leaders warn industry suffering from deteriorating roads**
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S.C. tourism leaders warn industry suffering from deteriorating roads

BY BRUCE SMITH

Associated Press

CHARLESTON — The chorus calling for lawmakers and Gov. Nikki Haley to fix South Carolina's roads got louder on Tuesday as tourism officials warned deteriorating roads are threatening the state's \$18 billion tourism industry.

The Coastal Chambers Alliance urged the General Assembly and Haley to come up with the money and a plan to fix South Carolina's roads.

The alliance is comprised of nine chambers of commerce along the coast, the center of South Carolina's tourism industry. Tourism provides almost 115,000 jobs and generates \$1.6 billion in tax revenue, according to the state Department of Parks, Recreation and Tourism.

"From our perspective, if state government were a parent and the infrastructure system were a child, government agencies would have rushed

in to put this child into foster care and labeled the parent negligent," Brad Dean, president and CEO of the Myrtle Beach Area Chamber of Commerce, told The Associated Press.

The alliance said a majority of South Carolina's 20 million visitors each year visit the coast which is also the state's fastest-growing area for permanent residents.

On summer weekends, U.S. 501 is snarled for miles as visitors creep along trying to enter or leave Myrtle Beach. Dean said lengthy waits in traffic jams mean less time people can enjoy their vacation.

"The bigger issue is when your first impression and last impression of South Carolina is potholes and traffic jams, invariably some visitors will end up going elsewhere," he said.

The Department of Transpor-

tation said it will need an extra \$1.5 billion a year to get all state roads in good condition by 2040.

A nonprofit group, The Road Information Program, said almost half of the state's major roads were in poor shape last year and such roads cost the average South Carolina motorist at least \$1,100 extra a year. The figure represents the cost of maintenance for vehicles from pothole and road damage, extra fuel and the cost of fatal crashes.

"The current system is placing our coast and our state at a competitive disadvantage for both economic development and tourism," Bryan Derreberry, president and CEO of the Charleston Metro Chamber of Commerce, said in a written statement.

South Carolina's almost 17-cent-a-gallon gas tax has

been unchanged for 30 years,

the alliance said, noting that neighboring North Carolina and Georgia raise more money for highways.

North Carolina's gas tax is 39 cents a gallon while Georgia gas and use taxes amount to almost 27 cents a gallon.

Haley opposes raising the gas tax. She is expected to outline her road improvement plan in the coming weeks.

And Dean said raising the gas tax alone will not be enough, and the state will have to find other money.

"We have let ourselves fall so far behind that raising the gas tax is not a panacea," he said.

He noted that Horry County, where Myrtle Beach is located, has invested \$2 billion in roads over two decades largely through a local option sales tax, much of it paid by visitors.

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AP PHOTO/BRUCE SMITH, FILE

Traffic moves along a section of Interstate 26 being widened southwest of Columbia. A group of nine chambers of commerce along the South Carolina coast warned on Tuesday that the state's deteriorating roads are putting the state's tourism industry at a competitive disadvantage. The tourism industry, centered along the state's coast, is an \$18 billion industry.

Title: **Clemson asks lawmakers for additional \$47 million**

Author: By CASSIE COPE and ANDREW SHAIN ccope@thestate.com, ashain@thestate.com

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S.C. LEGISLATURE

Clemson asks lawmakers for additional \$47 million

Ethics plans head to House, Senate floors

By CASSIE COPE
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The S.C. House and S.C. Senate will debate whether an independent group will investigate ethics complaints against public officials after committees sent ethics reform legislation to each chamber's floor Tuesday.

The House and Senate propose two different ways to restructure the S.C. Ethics Commission to investigate ethics complaints.

The current Ethics Com-

mission, appointed by the governor, cannot investigate legislators. Instead, the House and Senate ethics committees police their own members, though the state attorney general also can in-

vestigate lawmakers.

Calls for changes to the state's ethics laws were renewed as former House Speaker Bobby Harrell, R-

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ETHICS

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Charleston, was investigated by prosecutors – but not the House Ethics Committee – for misusing campaign money to pay for personal expenses. Last fall, Harrell entered a guilty plea and agreed to resign from office.

Under the Senate's ethics plan, the S.C. Ethics Commission would have eight members, four appointed by the governor and two each appointed by the speaker of the House and the Senate president pro tempore.

Senate Judiciary Committee chairman Larry Martin, R-Pickens, addressed criticism the Senate's ethics proposal does not establish independent

oversight. That complaint, which arose because the House and Senate leaders would make appointments to the commission, is "totally bogus," Martin said.

At no point does a House or Senate ethics committee get to decide if a complaint is without merit, Martin said. Instead, the new Ethics Commission would review the complaints.

Meanwhile, the House Judiciary Committee also approved a new ethics commission, sending its proposal to the floor.

The House version of the new commission would have 12 members — four members each appointed by the governor, General

Assembly and S.C. Supreme Court justices.

The commission would have the same responsibilities as the Senate version — investigating complaints against public officials.

The commission would refer technical violations by state lawmakers to the House and Senate ethics committees for punishment. Potential criminal violations would be sent to prosecutors for possible prosecution.

The House bill also creates a new judicial review panel made up of 24 members — eight appointed by each the governor, Legislature and S.C. Supreme

Court justices.

The judicial review panel would replace the 26-member Commission on Judicial Conduct, which includes 14 judges, four attorneys and eight members of the general public.

The House had included oversight of judges in its initial proposal to overhaul the ethics commission, but the move is seen as a poison pill — likely to kill the proposal — by Gov. Nikki Haley.

Senate leaders have said they have no interest in including judges in the revamped ethics laws.

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SENATE COMMITTEE DEBATES DOMESTIC VIOLENCE REFORMS

The Senate Judiciary Committee will continue debating Wednesday a proposal that would bar domestic abusers from possessing guns for up to 10 years after their conviction.

The senators will decide whether to approve some recommendations from Attorney General Alan Wilson, including removing the word “criminal” from criminal domestic violence and classifying offenses by degree, which takes into account previous convictions.

The worst offense, domestic violence of a high and aggravated nature, would include cases of extreme indifference to human life. It also would involve great injury to the victim, use of a deadly weapon or strangulation, or committing the offense in the presence of a minor. The felony includes a possible sentence of up to 20 years in prison.

Title: **House Democrats push Haley for roads plan**

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S.C. POLITICS

House Democrats push Haley for roads plan

House Democrats urged Gov. **Nikki Haley** on Tuesday to share her vision for funding repairs to state roads during the Republican's State of the State address Wednesday.

At a news conference, Minority Leader **Todd Rutherford**, D-Richland, said House Democrats are waiting for Haley's plan to pay for the added \$1.5 billion-a-year that state transportation officials say is needed to maintain the state's roads. Democrats would "fall in line" with that plan, he said.

Rutherford did not specify proposals his caucus will support. Instead, he said, "The Democrats plan for roads is all of the above."

Haley has proposed using \$61.4 million a year now in the state's budget to repair S.C. roads. That money would come from the state's vehicle sales tax, money that now helps pay for other state programs, including education and Medicaid.

Lawmakers have promised to make roads a priority in this legislative session.

House Democrats' other legislative priorities include pushing for equal pay for women, raising the minimum wage, increasing state tax breaks for the working class, education funding reforms and reforming how legislative district lines are drawn.

Inaugural activities dominate governor's schedule —

Gov. **Nikki Haley's** publicly announced schedule for this week, released Tuesday by her staff, is:

Wednesday, 7 p.m.: Deliver the State of the State address to a joint session of the General Assembly

Friday, 9:30 a.m.: Cabinet meeting, State House grounds

According to her staff, Haley's activities last week included:

6: Inaugural activities

4: Meetings on state policy

3 each: Meetings or calls concerning state agencies; legislative meetings

2: Calls to U.S. Senate offices — one to U.S. Sen. **Tim Scott**, R-Charleston; the other, unidentified

1 each: Economic development meeting; a news conference to announce her executive budget proposal for the state's fiscal year starting July 1; a meeting with members of the ABATE motorcyclists' rights group at the State House

Busiest day: Friday, with seven activities

Slowest day: Thursday, the day after the inauguration, with one activity

— *Jamie Self, Staff Reports*

Title: **Haley fails to give credit where due**
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ATTRIBUTION

Haley fails to give credit where due

BY PHIL HAYES

Prior to using my television's remote control tonight to change channels, I was listening to Gov. Haley's State of the State address. She was making introductions and one of those recognized was Cpl. William "Kyle" Carpenter, U.S. Marine Corps (Ret.), as a recipient of the Medal of Honor.

There was no attribution of the ceremony in the East Room of the White House on June 19, 2014, by President Obama or the president of the United States. The mention of the president was not part of the speech that was used to introduce one of the eight living Medal of Honor recipients tonight.

There was a quote that was used during the Medal of Honor ceremonies but no attribution as to where or who delivered the quote. In researching the ceremony, I did find this information and I am quoting The New York Times:

"Cpl. William Kyle Carpenter, an automatic rifleman who shielded a fellow Marine from a grenade thrown at them during a firefight in Afghanistan in 2010, received the Medal of Honor from President Obama on Thursday.

" 'Corporal William Kyle Carpenter should not be alive today,' Mr. Obama said during the

ceremony. 'But we are here because this man, this United States Marine, faced down that terrible explosive power, that unforgiving force, with his own body – willingly and deliberately – to protect a fellow Marine.' "

Cpl. William "Kyle" Carpenter is one of America's heroes and during the ceremony, he was given the opportunity to express his feelings. This is also from The New York Times:

"After the ceremony, Corporal Carpenter said he would wear the medal on behalf of his fellow Marines. 'As the President put the Medal of Honor around my neck, I felt the history and the weight of a nation,' he said in a brief statement. 'I will wear it for those who have been wounded on distant lands who still continue to fight in battle, and through long and difficult days of recovery here at home. And for those who have given it all, I can never express in words what you mean for this nation.' "

Thanks for the opportunity to express my opinion and when quotes are attributed, please give credit to those who delivered them, Gov. Haley.

The writer lives in Myrtle Beach.