

Title: **SC's Haley: 'Goodbye thisis, for now'**

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SC's Haley: 'Goodbye this is, for now'

Excerpts from Gov. Nikki Haley's final State of the State address, as prepared for delivery Wednesday night to a joint session of the S.C. General Assembly:

"I don't presume to know what people will remember from my time as governor – I imagine it will be different for everyone. But I do know some of what I will take from the last six years, some of what I will remember.

"I will remember that we brought a level of accountability to state government that never existed before, and that legislators now show their votes on the record, disclose who pays them, and no longer police themselves.

"I will remember that we changed the structure of a state government that was antiquated and broken. ...

"I will remember the willingness of the people in this room to step into someone else's shoes, find genuine understanding, remove a divisive symbol of an oppressive past and move South Carolina forward. ...

"I will remember the devastating fire in Georgetown, the two winter storms, the shooting of an unarmed man by a North Charleston police officer, the hate-filled atrocity committed against 12 faithful men and women in the most sacred of places, the 1,000-year flood, the loss of a precious child to a school shooting, and Hurricane Matthew.

"But above all, I will remember how the good people of South Carolina re-

sponded to those tragedies, with love and generosity and compassion, and what that has meant for our state.

"I spoke earlier of my dear desire to see the image of South Carolina changed for the better. Standing here tonight, I can say with every confidence that it has happened, that that desire has been fulfilled.

"But not because of me. The people of South Carolina accomplished the highest aspiration I had for our state all on their own.

"They did it by showing the entire world what love and acceptance looks like. They did it by displaying for all to see the power of faith, of kindness and of forgive-

ness. They did it by stepping up to every challenge, through every tragedy, every time. ...

"What a blessing to serve such people. What a profound blessing. Thank you for giving our family this opportunity. ...

"It is a bittersweet thing ... moving on from this state that I so love. ...

"When the bitter gets a little too strong for the sweet, I try to think of the children's author, A.A. Milne, whose loveable character Winnie-the-Pooh so put it like this: 'How lucky I am to have something that makes saying goodbye so hard.'

"And goodbye this is, for now."

 **ONLINE**

THESTATE.COM: Read Gov. Haley's full speech online.

Title: **Supreme Court set to hear lieutenant governor issue**
 Author: BY CASSIE COPE ccope@thestate.com
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Supreme Court set to hear lieutenant governor issue

BY CASSIE COPE

ccope@thestate.com

The S.C. Supreme Court could decide soon who will choose the state's next lieutenant governor.

The court will hear arguments in that dispute Jan. 18 at 2:30 p.m., state Sen. Tom Davis, R-Beaufort, said Wednesday.

Davis had asked the court to rule the governor cannot appoint the lieutenant governor until after the 2018 general election.

In 2014, voters approved a constitutional amendment allowing the governor and lieutenant governor – now elected separately – to be elected on the same ticket starting in 2018, as the president and vice president are.

However, ratification language for the amendment omitted a 2018 starting date for the governor to gain the ability to appoint a new lieutenant governor if that post becomes vacant, Davis says.

The issue has more urgency because S.C. Gov. Nikki Haley is slated to join the Trump Administration as ambassador to the United Nations. That will elevate Lt. Gov. Henry McMaster to the Governor's Mansion but leave open the state's No. 2 elected post.

It is unclear whether McMaster then can name his lieutenant governor or the Senate president pro tempore will move up to the post.

Title: **NIKKIHALEY**

Author:

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@nikkihailey



Title: **Gov. Haley tells SC goodbye, 'for now'**
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STATE OF THE STATE ADDRESS

Gov. Haley tells SC goodbye, 'for now'

As she prepares for her appointment as UN ambassador, governor reflects on the past six years of challenges

BY CASSIE COPE
ccope@thestate.com

Nikki Haley reviewed her six years as South Carolina's governor during her final State of the State address Wednesday, touting bringing jobs to the Palmetto State, re-branding the state's image and spending more on schools.

"Ladies and gentlemen, the state of our state is blessed," Haley told lawmakers.

FROM PAGE 1A

HALEY

Wednesday.

Haley directly addressed Lt. Gov. Henry McMaster, who will become governor. "Your love of South Carolina gives me great comfort, as I know you cherish our state and its people, and I know you'll take care of them."

Much of Haley's address was, in fact, a goodbye to South Carolina — "for now," the Lexington Republican said. Reaction

Haley, the first woman and first minority elected to lead South Carolina, is poised to resign as governor to join the Trump Administration. A confirmation hearing on her nomination to be U.S. ambassador to the United Nations is set for next

SEE HALEY, 6A

“
EVERY SINGLE
ONE OF OUR 46
COUNTIES HAS
SEEN NEW JOBS.
EVERY ONE.

Gov. Nikki Haley

➔ MORE INSIDE

A look at Gov. Haley's #SweetMemories on her Twitter feed, **1C**
 Democrat calls for solutions to long-standing problems, **6A**
 Excerpts from Haley's State of the State address, **6A**

➔ ONLINE

THESTATE.COM: The full text of Haley's speech and state Sen. Thomas McElveen's

Democratic response

from the GOP-controlled Legislature, with whom Haley frequently has squabbled, was subdued, seldom interrupting her with applause.

SUCCESS IN JOBS

Recounting her six years in office, Haley said an economic revival has taken place in South Carolina.

She touted her jobs record, saying her office

has announced 85,613 new jobs and \$21.5 billion in capital investment.

"Every single one of our 46 counties has seen new jobs," Haley said. "Every one."

She also highlighted her push for changes in the state's K-12 education system, including holding back third-graders who do not read proficiently and providing reading coaches.

Democrats said Repub-

lican Haley left key problems unsolved. State Rep. John King, D-York, said Haley is leaving office with S.C. roads and bridges crumbling, and without a solution to fully funding the state's schools.

"Even though she is leaving, she could have still called on the Legislature to ... continue to work on education, work on roads and bridges and infrastructure, and eco-

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nomic development,” said King, chairman of the S.C. Legislative Black Caucus. “Unfortunately, we didn’t get that tonight.”

‘A GREAT DAY IN SOUTH CAROLINA’

Much of Haley’s speech was a pep talk.

She praised her alma mater, Clemson University, for its national football championship win Monday over Alabama. “If I wasn’t proud enough of this state already, our Clemson Tigers winning the national championship took it to a whole new level.”

She also praised the state’s improved image.

When she first ran for governor in 2010, Haley said she often heard people speaking negatively about South Carolina.

“Those were difficult words to hear,” Haley said. “This was the state that adopted my parents and the state that raised

and the state that raised me.”

But, she added, “South Carolina was never the state it was portrayed to be. We are so much more than the punchline of a late-night joke. We always have been.”

As governor, Haley pushed for S.C. state employees to answer phones with: “It’s a Great Day in South Carolina, how may I help you?”

“They hated it,” Haley said Wednesday. Now, Haley said she almost always hears her “Great Day” tagline wherever she speaks. “And they are right. Because it almost always is.”

But much of that greatness, she said, is attributable to the reaction of S.C. residents to hardships and tragedies — flooding, a hurricane, a huge fire, a police shooting and the Emanuel Nine massacre.

“I will remember how

the good people of South Carolina responded to those tragedies, with love and generosity and compassion, and what that has meant for our state,” Haley said.

A NEW GOVERNOR

McMaster is expected to bring a different style to the Governor’s Mansion.

Haley, for instance, has been criticized for being quick to blast those who don’t agree with her. McMaster, meanwhile, is known as an affable politician, and fellow Republicans in the GOP-controlled Legislature are hoping he will be more willing to compromise.

Haley said “it has been a little amusing” to read comparisons of the two state leaders, saying some have been accurate, others not. “(F)or clarity’s sake, here are two things I know for certain we have always shared: a love of South

Carolina and a love of music,” Haley said.

Said McMaster, “We’re going to miss her.”

Haley’s UN confirmation hearing next Wednesday

S.C. Gov. Nikki Haley will appear before the U.S. Senate Foreign Relations Committee next Wednesday at 10 a.m. for a hearing on her nomination to be U.S. ambassador to the United Nations. Haley has said she will resign as governor once she is confirmed by the Senate for the post.

— BRISTOW MARCHANT

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SEAN RAYFORD Associated Press

Gov. Nikki Haley celebrates the Clemson football national championship win while delivering the State of the State address Wednesday night.

Title: **NIKKIHALEY ON FAMILY, FOOTBALL AND SC IN TGHE NEWS**

Author:

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@nikkihaley on family, football and SC in the news

It's the beginning of a new year – and, for Gov. Nikki Haley, a year of new adventures. She's been posting #SweetMemories on her Twitter feed, from favorite family moments to Clemson Tiger wins to new jobs and more in South Carolina. Here, a selection of some of those Tweets, with more on page 5C.



Title: **South grapples with Confederate flag's future**
 Author: BY ROSALIND BENTLEY The Atlanta Journal-Constitution ATLANTA
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CHARLESTON CHURCH MASSACRE AFTERMATH

South grapples with Confederate flag's future

BY ROSALIND BENTLEY
The Atlanta Journal-Constitution

ATLANTA

As a federal jury decided to give Dylann Roof the death penalty for his massacre of nine African-American churchgoers in Charleston, the rest of the South is still grappling with one contentious symbol that Roof embraced.

Photos which emerged showing Roof posing with the Confederate battle flag in the months leading up to the killings left little doubt about the gunman's motivation. Both Alabama and South Carolina hauled down their own emblems from state Capitol grounds. And pressure grew to eliminate Confederate iconography from other public places.

Now, more than 18 months later, as a jury hands down Roof's punishment, the national and statewide momentum to remove the

Confederate flag from public spheres has slowed, although local efforts continue. It's a natural ebb and flow that happens after any major flash point moment, observers say. But for the South, the dispute over Civil War symbols never quite seems to abate.

Many Southerners, black and white, said the Confederate flag harkens back to the days of slavery, the ugly Jim Crow era and contemporary neo-Nazi movements. In the months after the killings, that argument forced a spate of initiatives to remove not only the flag from government properties around the South, but also to remove monuments of Confederate generals from public properties and erase their names from public schools and buildings.

Alabama Gov. Robert Bentley summarily had four of the flags removed from his state's Capitol. When South Carolina Gov. Nikki Haley signed a law to take down the flag from in front of the State Capitol in Columbia, it seemed the anti-flag push had gained significant momentum. After 121 years, a massive statue at the University of Louisville was removed late last year with plans to relocate it to a city 45 miles away.

"There's a lot more built-up resentment against those symbols then I think I realized," said Kenneth Noe, professor of Southern history at Auburn University.

In Georgia, the debate heated up quickly after the Charleston shootings. A

flurry of measures were proposed, and some action taken.

Just a couple of months after the murders, Gov. Nathan Deal signed a memorandum that changed the names Confederate Memorial Day and Robert E. Lee's

Birthday from eponymous holidays to more generically named "State" holidays. But while Deal supported a measure to mount a "freedom bell" in honor of the Rev. Martin Luther King Jr., atop Stone Mountain, he called efforts to have the images of three Confederate leaders erased from the mountain's face "not useful."

But as the 2017 legislative session prepares to get underway, no bills have been filed regarding the Civil War symbols.

“

**THERE'S A LOT MORE BUILT-UP
 RESENTMENT AGAINST THOSE SYMBOLS
 THEN I THINK I REALIZED.**

Kenneth Noe, professor of Southern history at Auburn University

Title: **McElveen to give Democrats' reply to State of State**
 Author: BY AVERY G. WILKS awilks@thestate.com
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McElveen to give Democrats' reply to State of State

BY AVERY G. WILKS
awilks@thestate.com

State Sen. Thomas McElveen will give the Democratic response to S.C. Gov. Nikki Haley's State of the State address Wednesday.

The 38-year-old Sumter Democrat told The State his prerecorded video response will highlight problems the state faces again this year, including its underfunded pension system, crumbling roads and maligned public school system.

"It's time for the legislative branch and the executive branch of our government to work together with a sense of urgency to answer the bell in South Carolina," said McElveen, considered a rising star in the state's minority party.

McElveen said Tuesday he will appeal directly to GOP Lt. Gov. Henry McMaster to help fix those problems during this legislative session,

which started Tuesday. McMaster is expected to become governor within the next month, after Haley is confirmed as U.S. ambassador to the United Nations.

"This one is a little bit unique because we anticipate we're going to have a new governor, but we're going to have a lot of the same challenges," McElveen said,

adding his speech will "be geared more toward talking about some of the things the Legislature has failed to get done and some of the things

the governor has failed to get done."

McElveen, an attorney whose Senate district extends into Richland County, said he expects Haley to detail her successes during her six years as governor. But, he added, S.C. leaders have ignored outstanding issues and "now the chickens are

SEE SPEECH, 6A



THESTATE.COM: McElveen gives a preview of the Democrats' response.

FROM PAGE 3A

SPEECH

coming home to roost."

"When you talk about the challenges — the infrastructure, the pension fund and public education in this state — the one thing they have in common is they have all been neglected and ignored for too

long," McElveen said.

"A lot of folks have had frustration that we know what some of these issues are, we know the

things that we have to get done, and we need to just go and do them. That's going to take some courage, some strong will and some bipartisanship, quite frankly."

Haley will give what is expected to be her final State of the State address Wednesday at 7 p.m.



McElveen

Title: **Haley's legacy: 'History will judge'**
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Haley's legacy: 'History will judge'

■ South Carolina's first female and minority governor will give her final State of the State address Wednesday.

BY CASSIE COPE

ccope@thestate.com

S.C. Gov. Nikki Haley will reflect on her six years as S.C. governor when she gives her final State of the State address Wednesday.

"You reflect on the hard times, and you reflect on the good times," Haley said in an interview Monday. "You reflect on the relationships."

Haley will resign as governor to join the Trump Administration after she is confirmed by the U.S. Senate to become U.S. ambassador to the United Nations.

South Carolina's first female and minority governor will leave a complicated legacy of dramatic successes, half measures

FROM PAGE 1A

HALEY

to winter storms, historic flooding and Hurricane Matthew.

Haley's legacy also includes announcing thousands of jobs in the Palmetto State, highlighted by Volvo's decision to build a Berkeley County car plant.

But Haley, who often clashed with S.C. lawmakers, also accepted partial steps — that she claimed as victories — on issues that she cham-

celebrated as successes and agencies that failed to protect the state's residents.

Haley will be remembered for comforting grieving South Carolinians in the wake of the Charleston Emanuel AME Church shooting and successfully pushing to remove the Confederate flag from the State House grounds.

The Lexington Republican thrived during natural disasters — managing the state's response

SEE HALLEY, 6A

State of the State

What: Gov. Nikki Haley's final State of the State

address

When: 7 p.m. Wednesday

How to watch: SC ETV or scetv.org

➔ MORE INSIDE

S.C. Gov. Haley on Donald Trump, **6A**

Legislators will push medical pot bill, **3A**

Troubled state pension system takes center stage, **3A**

Sumter senator will give Democratic response to Haley, **3A**

Graham, Scott endorse Trump's nominee to be attorney general, **4A**

Scope: 11 of our lawmakers' worst ideas for 2017, **2C**

pioned, including restructuring state government and toughening state ethics laws.

Agencies under Haley's oversight also failed S.C. residents. Children died under the supervision of the S.C. Department of Social Services. Poorly regulated dams broke during heavy rains. Hackers stole S.C. taxpayers' personal information.

"I walk out of this door

knowing that I worked as hard as I possibly could putting every ounce of my being into South Carolina, loving a state that raised me," Haley said earlier this week. "We moved the ball in this state, and we moved the ball because of the way I pushed through and because of the way I stood up and because of the way that I made my voice known.

"In some cases, it

worked, and in some cases, it didn't."

REMOVING THE CONFEDERATE FLAG

On June 17, 2015, nine black parishioners in a Bible study at Charleston's Emanuel AME Church were shot and killed by white supremacist Dylann Roof.

The day after the shootings, Haley joined Charleston leaders for a news

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conference. She fought tears, trying to articulate what the killings meant.

"We woke up today and the heart and soul of South Carolina was broken," Haley said, weeping. "Parents have to try to explain to their kids how they can go to church and feel safe, and that is not something we ever thought we'd deal with."

Haley transformed that sadness into removing the Confederate flag, which Roof had posed with, from the State House grounds. "We are not going to allow this symbol to divide us any longer," Haley said to a packed news conference.

Legislators quickly agreed. The flag was furlled July 10, 2015.

"She acted swiftly, gracefully and with great leadership," said former S.C. Gov. David Beasley, who in 1996 unsuccessfully proposed moving the flag.

"South Carolina is not the state that people assumed it was or thought it was years ago," Haley said earlier this week.

Having grown up in rural South Carolina, Haley said she has watched race relations — often divided by the flag — change.

"I've watched the acceptance. I've watched the kindness. I've watched the respect that has played out," she said. "Are we going to have racial issues? We always will. ... But (after the Emanuel slayings) South Carolinians had the chance to put themselves in other people's shoes and ... see that there was a hurtful symbol that had been hijacked by a murderer and made to be something other than

what it was intended to be."

THE JOBS GOVERNOR

Haley's State House office is decorated with groundbreaking shovels and hard hats.

When Haley took office in January 2011, South Carolina had a 10.5 percent jobless rate and was reeling from the Great Recession. In November, that jobless number was 4.4 percent and the state boasted more than 2.2 million jobs, 400,000 more than in 2011.

Haley's largest economic development coup was convincing Volvo to build a Berkeley County auto plant.

Other sectors expanded as well as the economy recovered nationally.

Today, for instance, South Carolina is the country's No. 1 tire producer, having landed Continental and Giti plants under Haley.

"One of the best things about Governor Haley is the jobs she's brought to South Carolina," said Sen. Katrina Shealy, R-Lexington, noting Lexington tiremaker Michelin also expanded during Haley's tenure.

CRIPPLED BY POOR RELATIONSHIP WITH LEGISLATORS?

While Haley had real successes, she also proved willing to declare victory when issues have not been resolved.

For example, Haley pushed for lawmakers to tighten the state's ethics laws. Last year, lawmakers passed a law creating an independent ethics commission to investigate lawmakers and requiring

legislators to report their sources of private income.

"We really brought accountability to the system — whether it was recorded votes on the record or whether it's now that elected officials have to show who pays them and the fact that they don't police each other anymore," Haley said earlier this week.

However, watchdogs say those ethics reforms don't go far enough.

For instance, lawmakers are not required to disclose how much money they earn from private sources or required to report if their businesses earn money from groups that lobby state government.

Haley's almost poisonous relationship with legislative leaders of her own party, who control the House and Senate, was part of the problem, says John Crangle, head of S.C. Common Cause.

"Nikki Haley antagonized the leadership of the Legislature almost from the get-go," Crangle said.

During her first term, Haley, a former legislator, issued report cards for lawmakers.

After abandoning that idea, she often took to social media, calling out specific legislators she disagreed with. Last year, she campaigned against Senate leaders.

As a result, Haley's bully pulpit lost much of its clout with legislators.

"She was unable to really do much to push the ethics reform," Crangle said.

"There's a lot more that should have been done (that), obviously, wasn't done in large part because

Haley was not an effective advocate with the General Assembly."

Similarly, Haley was forced to settle for half a loaf when it came to another top priority, restructuring state government to give the governor more clout.

She also is blamed by many legislators as the reason a fix to repair the state's crumbling roads did not pass the Legislature.

Haley vowed to oppose a gas-tax hike when she was running for re-election in 2014.

In 2015, however, she changed her mind, unveiling a plan to increase the gas tax in exchange for a far larger income tax cut, which critics said would force major cuts other parts of state government to the tune of \$2 billion when fully phased-in.

'HISTORY WILL JUDGE ME'

Haley's tenure as governor also has been marred by failures at state agencies that report directly to the governor.

In 2012, the state Department of Revenue was hacked, compromising sensitive taxpayer information belonging to hundreds of thousands of South Carolinians.

In 2014, Haley's head of the S.C. Department of Social Services resigned under pressure after an investigation into the deaths of children overseen by that agency's overworked, underpaid staff.

In 2015, dozens of dams — regulated by the short-staffed S.C. Department of Health and Environmental Control —

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broke during historic rains. Dozens more burst last year during Hurricane Matthew.

“(W)hen tragedies or situations came up, I couldn’t always control what happened, but I could control how we responded,” Haley said earlier this week.

But critics say Haley was slow to respond to problems at the agencies that she controlled.

“It took her time to realize how catastrophic things had become,” said former Sen. Joel Lourie, a Richland Democrat who played a key role in the state Senate’s investigation

into Social Services.

“We could tell, very early in our deliberations, that the problem was enormous and that a leadership change needed to take place as soon as possible.”

Haley says she did the best she could with what she had.

“I always tried to do the

right thing for the people of South Carolina,” she said. “History will judge me based on whether I made the right decisions or not.”

———
Cassie Cope:
 803-771-8657,
 @cassielcope

Haley understands why Trump uses Twitter

Gov. Nikki Haley says she understands why President-elect Donald Trump uses social media.

“Sometimes, if you feel like your voice isn’t being heard through one avenue, you make sure that it’s heard through another, and I think that’s what he’s trying to do,” Haley said in an interview Monday.

Haley used social media during her tenure as governor, including urging legislators to sustain her vetoes — almost always overridden. “Anything that was happening in the state, that was my way of communicating with the public.”

For weeks, Haley has been preparing for her U.S. Senate confirmation hearing to become U.S. ambassador to the United Nations. “Preparations come in a lot of ways,” Haley said. “They come in reading. They come in talking to people. They come in all types of things. So I’m doing anything and everything I need to to work towards confirmation.”

Haley said her husband, Michael Haley, and son will go with her to New York. Meanwhile, her daughter will stay in school at Clemson University.

When she first visited Trump in New York in November, Haley said the topic was the secretary of state’s position. But, she added, “I knew that I didn’t have the experience to take on a role that big.”

When Trump asked if she were interested in any other Cabinet position, Haley said she told him no, returning to South Carolina. After that, she received a call about becoming U.N. ambassador.

Trump picked Haley despite her vocal criticism of the billionaire during the Republican presidential primaries. Haley said she was concerned about Trump’s approach and “the words that he used” on the campaign trail.

Haley is unfazed by critics who say she does not have enough foreign policy experience to be ambassador to the United Nations. “When I came into the governor’s office, everybody said I didn’t have enough experience to be governor,” Haley said.

Her goal, then, was to make everyone proud, she said. “I’ll say the same thing with this.

“I have been challenged all of my life in just about everything I’ve ever done, and that has built me up — to have strength and humility and a conscience — and to understand the power of my voice.”

Title: **Roads, pensions top General Assembly list**
 Author: By Judith Brown and John Clayton Staff Writers
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Roads, pensions top General Assembly list

By Judith Brown and
John Clayton

Staff Writers

A change at the top and many of the same old problems awaited the 122nd South Carolina General Assembly as it convened Tuesday for its first session of 2017.

Upon Gov. Nikki Haley's expected confirmation by the U.S. Congress of her presidential appointment as U.S. Ambassador to the United Nations, Lt. Gov. Henry McMaster will move into the governor's mansion. Haley's first confirmation hearing is set for Jan. 17, said District 16 Rep. Mark Willis, and the governor has moved her annual State of the

State address from late January up to tonight, 7 p.m. on Wednesday, Jan. 11.

"I think it will be a smooth transition," said Rep. Mike Pitts. "Henry McMaster has worked well with the General Assembly. In 14 years, I've only found us to be at odds and to be red-faced at one another one time."

Local legislators agree that two major issues will face McMaster as he ascends to the governor's office: Improvements to the state's roads and bridges and funding of the state

pension system.

"They're equally important and both of them have a hefty price tag," Pitts said.

Willis agreed, explaining he feels a responsibility to those who have provided decades of hard work to the state.

"There's been a special task force that was to look at the retirement plan and we'll need to look at their recommendations," Willis said. "It's my responsibility that their investment gets a good return."

Sen. Danny Verdin said another

issue the General Assembly must consider during the budgeting process is higher and secondary education.

"The General Assembly will face budget challenges this year," Verdin said. "Continuing our commitment to improving roads and bridge infrastructure and at the same time reforming the State Retirement

■ See Roads, page 12

■ Roads

Continued from Page 1

System which has a rapidly growing unfunded liability.

"General fund allocations to colleges and universities has been in decline for most of the last decade and has contributed to tuition inflation which has created hardships for many South Carolina families. K-12 education in rural communities continues to face particular challenges recruiting and retaining the best teachers. (There is) an increasing demand on the state's health and medical infrastructure for Medicaid and Medicare recipients. (There are) many needs and limited resources affecting the state budget."

Finding revenue streams to fix and maintain roads and bridges has been a point of contention between state legislators who support increasing the state's gasoline tax and the governor's office.

South Carolina's state gasoline tax of 16.8 cents per gallon is among the lowest in the U.S. Only Alaska (11.3 cents per gallon) and New Jersey (14.5 cents per gallon) are lower, according to USA Today.

"I think the (legislative) body will be challenged with passing some kind of a roads bill to create a revenue source to have a recurring line to fix our roads and bridges," said Rep. Mike Anthony. "This could be

done with a gas tax or maybe a bond bill that would be dedicated to roads and bridges only. We are also faced with some big changes in the state retirement system. People who are retired or already in the system do not have to worry. We are looking at the new hires coming in being on a defined contribution compared to defined benefit program. This is similar to business and industry allowing folks to manage their own retirement system."

Haley had been unwilling to approve any gasoline-tax bill that did not include comparable tax cuts for high earners in the state.

"I can't speak for (McMaster) on

that issue but I think he will be much more open to dialogue between the House and Senate to achieve a revenue resource. If that includes the gas tax, then that's the way it will go," said Pitts, who has been a supporter of an increased gas tax.

Pitts also said that he welcomes the change in the governor's office.

McMaster, a former state attorney general and chair of the South Carolina GOP, is a veteran of statewide politics.

"I've been in the General Assembly for 14 years, and with Henry McMaster, I will have my first opportunity to work with a governor who is willing to work with me."

Title: **Haley bids farewell after 6 years as S.C. governor**
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S.C. STATE OF THE STATE

Haley bids farewell after 6 years as S.C. governor

BY CASSIE COPE

ccope@thestate.com

Nikki Haley reviewed her six years as South Carolina's governor during her final State of the State address Wednesday, touting bringing jobs to the Palmetto State, rebranding the state's image and spending more on schools.

"Ladies and gentlemen, the state of our state is blessed," Haley told lawmakers.

Haley, the first woman and first minority elected to lead South Carolina, is poised to leave the job of governor to join the Trump Administration. A confirmation hearing on her nomination to be U.S. ambassador to the United Nations is scheduled for next Wednesday.

Haley directly addressed Lt. Gov. Henry McMaster, who is set to take over as governor.

"Your love of South Carolina gives me great comfort, as I know you cherish our state and its people, and I know you'll take care of them."

However, much of the Lexington Republican's address was, in fact, a goodbye to South Carolina — "for now," she said.

Reaction from the GOP-controlled Legislature, with whom Haley frequently has squabbled, were subdued, seldom interrupting her speech with applause.

ECONOMIC DEVELOPMENT, EDUCATION

Recounting her six years in office, Haley said an economic revival has taken place in South Carolina.

She touted her jobs record, saying her office has announced 85,613 new jobs and \$21.5 bil-

lion in capital investment.

"Every single one of our 46 counties has seen new jobs,"

Haley said. "Every one."

She also highlighted her push for changes in the state's K-12 education system, including holding back third-graders who do not read and providing reading coaches.

"Schools in rural and high-poverty areas couldn't afford the technology necessary for a 21st-century education, so we found a way to provide it to them," Haley said.

Democrats said Republican Haley left key problems unsolved.

State Rep. John King, D-York, said Haley is leaving office with crumbling roads and bridges, and without a solution to fully funding S.C. schools.

"As a leader, even though she is leaving, she could have still called on the Legislature to make sure that ... they would continue to work on education, work on roads and bridges and infrastructure, and economic development in the state," said King, chairman of the S.C. Legislative Black Caucus. "Unfortunately, we didn't get that tonight."

'A GREAT DAY IN SOUTH CAROLINA'

Much of Haley's speech was a pep talk.

She praised her alma mater, Clemson University, for its national football championship win Monday over Alabama. "If I wasn't proud enough of this

state already, our Clemson Tigers winning the national championship took it to a whole new level."

She also praised the state's improved image.

When she first ran for governor in 2010, Haley said she often heard people speaking negatively about South Carolina.

"Those were difficult words to hear," Haley said. "This was the state that adopted my parents and the state that raised me."

As a result, Haley said she pushed for S.C. state employees to answer phones with: "It's a great day in South Carolina, how may I help you?"

"They hated it," Haley said.

But, she added, "South Carolina was never the state it was portrayed to be," Haley said.

A NEW GOVERNOR

When he becomes governor, McMaster is expected to bring a different style to the Governor's Mansion.

Haley, for instance, has been criticized during her tenure for being quick to blast those who don't agree with her.

McMaster, meanwhile, is known as an affable politician, and lawmakers in the GOP-controlled Legislature are hoping he will be more willing to compromise.

Haley said "it has been a little amusing" to read comparisons of the two state leaders.

"(F)or clarity's sake, here are two things I know for certain we have always shared: a love of South Carolina and a love of music," Haley said.

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“Your love of South Carolina gives me great comfort, as I know you cherish our state and its people, and I know you’ll take care of them.”

Cassie Cope: 803-771-8657



SEAN RAYFORD AP

South Carolina Gov. Nikki Haley, right, with Sen. Harvey Peeler, R-Cherokee, raises her fists to celebrate the recent Clemson football national championship while delivering her final State of the State address.