

Densmore, Donnelly, Dutcher, Dyball, Dysart, Egger, Eisasser, Ernst, Essam, Gallagher, Garber, Gilmore, Gordon, Gould, Green, Hall, Hansen, Hall, Hardin, Harrington, Heffernan, Hueftle, Hughes, Hyde, Jacoby, Johnston, Kautsky, Keck, Kefer, Kemper, Kendall, Keyes, Lamb, Lundy, McCain, Miner, Mears, Mitchell, Moore, Morgan, Neff, Nelson, North, O'Gara, O'Malley, Orr, Osterman, Otteman, Parkinson, Peterson, Pollard, Quinn, Raasch, Reece, Regan, Reynolds, Rourke, Schneringer, Smiley, Smith, Staats, Stibal, Strehlow, Svoboda, Thatcher, Thomssen, Timme, Vance, Ward, Wells, Whitehead, Wilson, Wilson, Wingett, Wise, Wood, Yochum, Yochum, Mr. Speaker.

MOTION

MR. PRESIDENT: I move that a committee of five consisting of three members of the House and two members of the Senate to be appointed to wait upon the Governor and escort him to this chamber for the purpose of delivering his budget message.

D. S. HARDIN.

The motion prevailed.

The president appointed on that committee Representatives Hardin, Ernst and Dennis and Senators Saunders and Purcell who retired and subsequently returned with the Governor, who presented the following Budget Message:

SUPPLEMENTARY BUDGET MESSAGE GOVERNOR CHARLES W. BRYAN, JANUARY 18, 1923

To the Members of the Forty-second Session of the State Legislature of Nebraska:

GENTLEMEN:

The Budget Law, as found in the Session Laws of Nebraska 1919-1921, Chapter 210, Section 2, Page 746, provides "that in case of a change of administration, the outgoing Governor shall deliver the budget to the legislature previous to the close of his term and the incoming Governor shall have fifteen days in which to review the budget as prepared and delivered by his predecessor and may send to the Legislature a supplementary budget message making suggestions of any changes which he deems wise, and the constitutional requirements for a three-fifths vote to increase the items and recommendations contained in the budget shall relate to the supplemental message of the Governor."

The Budget Law referred to was apparently prepared with the idea that a Governor in Nebraska was elected for life and had a

continuing responsibility for expenditures; that the taxpayers and voters would not be interested in the cost of state government or the state government's various activities or its spending agencies, and that an incoming Governor's and an incoming Legislature's duties would be merely perfunctory, and that it would not be necessary for them to have a detailed knowledge of the state's activities in order to discharge their responsibilities to the voters and taxpayers.

The members of your honorable body, after perusing the budget submitted by the outgoing Governor, will realize that it would be physically and mentally impossible for an incoming Governor to make a thorough investigation, or any more than touch the surface of all the state's many activities, trace expenditures of moneys, pick out the overlappings, duplications, unnecessary departments, extravagances, wastes, etc., within fifteen days. According to construction by the Attorney General's office, the fifteen days referred to means "calendar days," and I assume includes Sundays, and that the incoming Governor would be required to report to the Legislature before the fifteen days expired whether it was in session or not.

I suggest that it might be well for your legislative body to give this Budget Law some attention with a view to harmonizing it with the idea that the Governor, state officers and the Legislature elected at a regular general state election, should have sufficient time, and that it should be their duty to familiarize themselves with their obligations to the people so that they could be prepared to discharge those obligations as the principles upon which the government is founded require.

After an almost continuous investigation covering the time allotted the incoming Governor to investigate the financial condition of the state government and the various state activities, spending agencies, etc., it has not been possible to make an entire new budget but only to make a tentative report for your guidance and for further investigation on your part, and with such recommendations from the Chief Executive as the short time allotted to him permitted. I want to assure you that I will continue my investigations and will gladly cooperate in every way possible with members of your body and with the members of committees appointed by you whose duties require them to present a budget for the consideration of your body.

DEFICIT IN GENERAL FUND

The incoming administration is confronted with what appears to be a large deficit in the State Treasury, amounting to over \$2,225,000.00. The overdraft, as shown by the Treasurer's report, amounts to \$875,000.00, and there is approximately \$1,096,000.00 unpaid on contract work done on the state highways last year. These road contracts

entered into during 1922 seem to mortgage the revenues of the state for nearly a year ahead. Other incidental state obligations due amount to about \$377,000.00.

The total cash balance in all state funds seems to have fallen off from about \$4,373,000 on July 1, 1922, to about \$2,763,000 by January 4, 1923, the date when the present administration took charge. Of the sum remaining on the latter date, approximately \$2,000,000 belongs to the capitol fund, which has large expenditures now being made for construction.

On January 4 it appears that a total approximating \$1,500,000 is credited to other funds, but this amount does not seem to be sufficient to pay the total impairment of the general fund if the impairment was charged against it.

The sum of \$300,000, which was due the first of the year to the various school districts out of the semi-annual apportionment made in December, was not paid by the outgoing administration, and is a liability to be taken care of by the present administration.

It is necessary that the utmost economy be practiced to catch up with the accumulated liabilities, and that eliminations of all duplications, overlappings and unnecessary activities of the state's affairs, together with a marked reduction in the appropriations, if the state's affairs are to be put on a business basis and the people given relief from their tax burdens.

ELIMINATION OF DUPLICATIONS, ABOLISHMENTS AND TRANSFERS OF DEPARTMENTS

Before making recommendations as to the amount of appropriations for the various activities that may be needed or required, it first seems necessary to recommend some eliminations of duplications, abolishments, and transfers to other departments in the interest of efficiency, economy, and a simplification of the state's business and educational affairs.

When the code system was established, it appears that departments and salaries for each were created to correspond with a plan being tried in Illinois, a state which, in population and business, was many, many times greater than the state of Nebraska, and that the governmental activities in Illinois were necessarily a great deal larger and were also handled by different executive, administrative and spending agencies.

In Nebraska, after providing that six code secretaries with annual salaries of \$5,000 each and six divisions of the state's administrative affairs set up, it then became necessary to try and find a sufficient

number of departments and activities to place in the hands of the various code secretaries to justify the existence of the secretaries and the salaries paid. In endeavoring to fit a business system devised to conduct the business of a very large state into a business system for a comparatively small state, the duplications in the state's activities have multiplied, the state's employees have greatly increased in number, educational departments have been established in administrative departments, and duplications of effort and expense have become manifest everywhere.

An effort was made to create numerous new executive officers or middlemen in the form of code secretaries and to set them up between the people's representatives—the constitutional officers—and the state's administrative, executive and educational departments.

The estimates for appropriations for the state's executive, administrative and educational departments have been placed in the hands of these middlemen, and we are presented with a so-called budget, which is a maze of figures, technical terms, a complicated system of bookkeeping that is almost impossible to fathom or to trace how the various funds are created, how the state's money is spent by the various spending agencies, or where the authority comes from to create new activities, or how a check on the money can be made that may be expended by the various middlemen or code secretaries.

As the Governor has authority to discontinue any departments he deems unnecessary and to remove or discharge any employees under what is known as the code system, and as the new constitutional provision authorizing the Legislature to create new executive positions and define their duties cannot apply to the code secretaries or the code departments as now organized, inasmuch as the civil administrative code was passed by the Legislature prior to the adoption of the new constitutional amendment and has never by statute been brought under the new provisions of the constitution, I will first recommend for your consideration how some of the work of the various code departments can be redistributed or discontinued and how the remaining activities can be grouped, and will recommend the amount of funds which, in the judgment of the Chief Executive, will be necessary for each.

DEPARTMENT OF FINANCE

The Department of Finance seems to be a duplication of the work which the constitutional departments were intended to perform. The Division of Accounts of the Finance Department is a duplication of the State Auditor's work, and State Auditor Marsh has consented to have the Division of Accounts of the Finance Department placed

in his office, and states that he will not require any additional help or appropriation other than that originally provided for the Auditor's office.

The Budget Department should be placed in the hands of the Tax Commissioner. The Tax Commissioner is appointed directly by the Governor, and during the time that the budget is made up, the Tax Commissioner is not busy on other tax matters. The Budget can be handled by the Tax Commissioner without any additional expense. The Division of the Purchase and Supplies, which is now connected with the Department of Finance, should be turned over to the Commissioner of Public Lands and Buildings, and Mr. Swanson says that he will handle it without any additional expense to his Department other than the expense of a multigraph operator and a small amount for maintenance:

Since provision is made for the abolishment of the Department of Finance, it will be necessary to make an appropriation for the printing of official reports and the Blue Book, which appropriation should be placed under the Commission of Public Lands and Buildings as part of the former Purchase and Supplies Department. This distribution will represent a saving of about \$44,000.

DEPARTMENT OF PUBLIC WELFARE

The Department of Public Welfare is largely a duplication of time and effort of other departments with the addition of unnecessary and expensive middlemen. The activities of the Department of Public Welfare should be distributed as follows:

The elimination of the secretary and the salary.

The Bureau of Health corresponds to the former Board of Health, and I recommend that a bill similar to the former Board of Health bill be enacted and the Bureau of Health now under the Department of Public Welfare be transferred to the Board of Health together with all of the activities that were formerly under the State Board of Health. This would include:

Division of Contagious and Communicable Diseases.

Division of Vital Statistics.

Division of Venereal Diseases.

Division of Sanitation.

Laboratory Division.

Board of Medical Examiners.

Bureau of Examining Boards.

It appears that the laboratory in the Department of Public Welfare is supplying services free to all at a considerable expense to taxpayers. Members of the Medical profession and hospitals conducted for profit are given free service in the state laboratory, and it seems that the patients of these same men or institutions have some times charged for the tests and inspections that the state is supplying free. I believe that a reasonable charge for the laboratory service will pay the operating expense of the Health Department, as suggested under the former Board of Health Department, and that no appropriations need be made to care for the support of the Department of Health. I recommend, however, that laboratory service be supplied free to charity cases and to institutions operated without profit.

The Division of Child Hygiene under the Department of Public Welfare receives federal aid and is also duplicated under the University Extension Department of the Agricultural College, which also receives federal aid.

The Bureau of Child Welfare is also duplicated in the University Extension work. It is so apparent that child hygiene and child welfare, to produce practical benefits, would have to be handled where they could reach the children of those who needed attention, and as the public school is the only place where this can be done on a general scale, and inasmuch as the child hygiene work and the child welfare work are handled in nearly all the other states through the schools, I believe that these departments should be transferred and brought under the control of the Superintendent of Public Instruction, and he could handle it there effectively and without additional expense. Therefore, I am making no recommendations for appropriations for these departments.

The Bureau of Social Service and the Division of Charities and Corrections are duplications of the University Extension work, and I recommend that this department be transferred to the Extension Department of the State Agricultural College.

Under the provisions of the Sheppard-Towner Maternity Bill federal aid is supplied. The Department of Public Welfare, without an appropriation or legislative authority, has been matching the federal aid under the Sheppard-Towner Bill. I believe this work can be handled more effectively in connection with the Extension service of the University, and I recommend that it be transferred to that department, and as the University Extension work at the State Agricultural College is also supplied with federal aid for similar work, that provision be made through the University Extension Department for carrying on the work intended by the Sheppard-Towner Bill.

The Division of Athletics under the Public Welfare Department, I believe should be transferred to the Game and Fish Department, as it is in Idaho, where it could be operated as Game, Fish, and Athletics.

The hurried investigation which I have made of the Public Welfare Department indicates that it can be abolished after making the transfers indicated above, and that the appropriations heretofore made for that department will be unnecessary, representing a saving of about \$200,000 for the biennium.

THE DEPARTMENT OF LABOR

For the purpose of bringing the administrative responsibility directly under the Chief Executive, I believe that the Department of Labor should be operated as it was prior to the code system. This will provide for a Deputy Commissioner of Labor and eliminate the position of secretary or middleman. I believe that the compensation of the Deputy Commissioner of Labor should be fixed at \$3,500, and that the operating expense of the department can be considerably reduced without lessening the efficiency of the service, making a saving of about \$17,000 as shown by the supplementary budget attached.

TRADE AND COMMERCE DEPARTMENT

Continuing the plan of simplifying the government, cutting out unnecessary executive offices or middlemen for the purpose of fixing responsibility directly on the Chief Executive, who is made the supreme administrative power by the constitution, I believe that the position of Secretary of the department could be eliminated and that the Department of Banking and the Department of Insurance should be made separate and distinct departments, the heads of which should be appointed by the Governor, who would have the responsibility for their administrative work, and that the Executive Council suggested in my message to the Legislature should, by a majority vote of its members, have the authority to determine the administrative policy of the Department of Banking and also that of the Department of Insurance

I recommend that the Deputy Commissioner of Banking's compensation should be fixed at \$4,000 per year and the salaries and wages of the others in the department be fixed as indicated in the supplementary budget attached. The active administrative head of the Insurance Department should be known as the Deputy Commissioner of Insurance and his compensation fixed at \$3,500 per year, with the salaries and wages of the others in the department as shown in the supplemental budget attached.

I recommend that the Division of Hail Insurance be brought directly under the supervision of the Deputy Commissioner of Insurance, where it can be handled by the addition of a clerk-stenographer at an expense of \$90.00 per month.

BUREAU OF SECURITIES

I believe that the Division known as the Bureau of Securities, which is in the Trade and Commerce Department, should be abolished; that legislation should be enacted that would provide severe penalties for the misrepresentation of the value of stocks and securities, and that the officers and directors should be made personally liable for criminal acts of corporations. I also recommend that the enforcement of these provisions be placed under the legal department of the state.

I recommend that the educational features of the state activity known as the Division of Fire Prevention should be transferred to the Superintendent of Public Instruction, where the work is already duplicated. The Inspection Department of Fire Prevention should be transferred to the Department of Inspection as provided for below in these recommendations. The Investigation Department of the Division of Fire Prevention is unnecessary as the Fire Underwriters supply experts on demand without charge to investigate the cause of fires.

The abolishment of the Department of Trade and Commerce and the carrying out of the suggestions above will represent a saving of approximately \$150,000 for the biennium.

DEPARTMENT OF AGRICULTURE

The Department of Agriculture, on account of its many departments, a number of which are educational instead of administrative, and the numerous inspectors and the administration of various and numerous departments, and the vast amount of money spent, is the cause of probably more criticism than all the other departments connected with the state's activities. The investigation which I have made of the activities of the Department of Agriculture, while not as thorough as it should be owing to the lack of time allotted to me by the Budget Law, leads me to believe that the Department of Agriculture has combined in its activities a number of departments that are of no service to the farmers of the state, and there are other departments which in the interest of economy and efficiency should be reorganized and regrouped.

DEPARTMENT OF INSPECTION

I recommend that a Department of Inspection be established under which all inspections under the various activities of the present

Department of Agriculture and the Division of Fire Prevention, except the inspection for bovine tuberculosis and inspection of dairy herds, and that this Department of Inspection be placed directly under the Governor. This will enable the inspections to be consolidated and simplified, and later I will make recommendations for legislation that will reduce the number of inspections, provide for inspections at the source of supply, and recommend other inspections that can be made by local governmental units. The new Department of Inspection should include the present department of Bureau of Food, Drugs and Oil,

Division of Dairy Industry,
 Division of Inspection,
 Weights and Measures,
 Division of Standardization and Inspection,
 Laboratory Division,
 Fire Prevention Inspection.

I recommend that the Bureau of Markets be abolished as it is a duplication of work done both by the Agricultural College and the federal government and seems to be of no value to the farmer.

The Division of Seed Analysis I believe should be transferred to the State Agricultural College, where it can be done without additional expense.

I believe that the Division of Agricultural Statistics, which is of an educational character, is duplicated by the federal government and also by various other organizations, and should be abolished.

The Market News and Publicity Department should be abolished. Under this department a radio system has been installed. This radio outfit is a duplication of the radio work at the Agricultural College, and the radio service that is furnished by both the department of Agriculture and the State Agricultural College, is also duplicated by the Livestock Commission of Omaha. The Radio Department was established without an appropriation or legislative authority, and the market news matter and other publicity that is radioed in triplicate by the three organizations referred to above, goes principally to children of well-to-do parents in the cities and towns and reaches very few people in the country.

I recommend that a separate department be established directly under the Governor, known as Department of Game, Fish and Athletics; that the acting head of the Department of Game, Fish and Athletics be designated as Deputy Commissioner of Game, Fish and Athletics, and

that compensation be fixed at \$3,000 per year, and that other salaries and wages be fixed as indicated in the attached supplemental budget.

I recommend that the Bureau of Animal Industry be transferred to the State Board of Agriculture, the Governor to appoint the State Veterinary, and his work to be under the direction of the State Board of Agriculture.

I recommend that the inspection of state dairy herds be transferred to the State Agricultural College, where a similar work is already being done and where the inspection of dairy herds is self-supporting.

BOVINE TUBERCULOSIS.

I am making no recommendation of an appropriation for the eradication of bovine tuberculosis. An investigation of that work indicates that large sums of money are being spent on the eradication of the disease with very little attention being paid to eliminating the spread of the disease. Two hundred thirty-five thousand dollars has been spent for tests and indemnities during the past year and a half, but the treatment is not compulsory. Those herds that are not treated continue to spread the disease, and under the present plan would continue as a heavy burden on the taxpayers and others who are not engaged in the packing business, the veterinary or in the business of breeders of thoroughbred live stock, and with the direct benefits going to a very limited number of people and corporations. The average life of beef cattle is between two and three years, so that it does not seem practical to spend large sums of money raised by general taxation to inspect these cattle on the farms and ranges, when the federal government supplies inspectors to eliminate tubercular animals in the slaughter houses. There is also a law that requires all cattle brought into Nebraska for breeding purposes to show by certificate that they are free from tubercular trouble, and as a protection to Nebraska livestock, they are kept in quarantine sixty days. It appears, however, that there is no law that prevents the sale of animals for breeding purposes that are grown in Nebraska regardless of whether they are tubercular or not. If a statute is passed with strong penalties for violation that will require a certificate showing every animal sold in Nebraska for breeding or dairy purposes to be accompanied by a certificate showing them to be free from tubercular trouble, this, together with the inspections of dairy herds as recommended above through the State Agricultural College, should entirely free Nebraska of tubercular cattle in two years and a half and prevent its recurrence, without any expense to anyone in Nebraska other than the ones that directly profit by the sale of animals for breeding and dairy purposes.

The carrying out of the above recommendations will make the

continuance of the Department of Agriculture unnecessary, and I am therefore making no recommendations for an appropriation for the same.

These recommendations also contemplate the elimination of the Secretary of Agriculture and the salary and expense for himself and staff.

Later in recommending legislation for the creation of the Department of Inspections, I will also plan for the use of the accumulated funds in the present Department of Agriculture, where funds have been dissipated in large amounts for new activities, etc., in the Agricultural Department without provision for an appropriation or without legislative authority.

The saving as provided for in the above recommendations will amount to several hundred thousand dollars.

DEPARTMENT OF PUBLIC WORKS.

The Department of Public Works is a vast business organization that will require considerable time to investigate the various branches its organization and to comprehend how the large amounts of money handled by this department are spent.

The first recommendation in connection with this department that I will make is that it should be dissolved as an intended executive department under the code system and re-established as it was formerly under a state engineer appointed and supervised directly by the Governor.

I believe that the automobile license plates and collections can be handled for considerable less money and more satisfactorily in the Department of the Secretary of State, and in recommending appropriations in the supplementary budget, provision is made for this change. I believe that it is vitally important that all plans for road construction before they are executed should be submitted to the "Executive Council" for their approval, rejection or modification. I find from a hurried examination of the administration of the Department of Public Works that there was \$1,049,000.00 spent for new construction of federal roads out of the automobile license tax receipts. The term "Maintenance of Roads" I find also covered the construction work on new roads that could be done by plowing and grading, or what is commonly known as blade work. It is therefore not necessary that so heavy an automobile license tax be levied for the purpose of raising sufficient funds for maintaining federal aid roads.

In view of the necessity for economizing in the expenditure of funds, I again recommend that the automobile license tax be reduced fifty per cent. This will make a direct saving to the taxpayers of the state

of an average of six dollars each to those who own a car and represent a direct total saving of \$1,500,000 annually. This saving can be made exclusive of all funds needed to maintain federal highways, and it will also give to the various counties in the state as much funds for maintenance of their county roads, etc., as they have been using for the past two years.

In view of the probable action of this Congress in extending the period to six years from which the federal aid appropriation will be available, I recommend that the state provide for \$1,500,000 for the biennium to meet the federal aid allowance for roads. The change in the law, as has been promised by the federal committees in charge of public highway appropriations will reduce the loss of federal aid in this state to a small amount for the next two years, probably not to exceed \$500,000 per year. This saving in the appropriation to meet federal aid, and the reduction that should be made in the automobile license tax as outlined above, will represent a saving to the taxpayers of Nebraska on these two items alone of about \$4,500,000 for the biennium without seriously interfering with good road construction that is being carried out in this state.

Other reductions which have been worked out with the assistance of the State Engineer will make an additional saving of about \$300,000 in appropriations for the biennium in the Department of Public Works. I do not believe that it will be necessary to raise the per cent of the automobile license tax money that is now being used for administrative purposes after transferring the department to the Secretary of State, although the amount of money received from the automobile license tax will be reduced fifty per cent.

When the Public Works Department is reorganized as outlined above, with the responsibility of the administrative part of the work placed directly under the Governor and the determination of the policies of the department to be decided by the Executive Council, composed of state officers, other reorganizations and savings in this department can be brought about.

I believe a general statute should be passed requiring the municipal, county and state governments who are advertising for bids on road contract work and public improvements work to not only fix the hour at which bids should close, but also to provide by law that the bids should be immediately opened in the presence of the bidders when the hour is reached for the bids to close. This would prevent any misunderstandings and charges of unfairness, discrimination, favoritism or of teakettling of bids, etc., that are often gossiped about.

LEGISLATIVE, JUDICIAL AND EXECUTIVE DEPARTMENTS.

I have made no change in the spending agencies' budget covering the Legislative and Judicial Departments.

In the Governor's department a small reduction has been made in the maintenance fund of the Governor's office and a reduction of \$15,000 in the Law Enforcement Department. This reduction can be made without lessening the service or efficiency of the department. In view of the occupation of the Executive Mansion by the Governor and his family, the two items covering repairs and improvements to the mansion and grounds and the janitor service, etc., have been transferred from the Board of Educational Lands and Funds to the Governor's office and a small reduction made in the amount necessary for this service.

No change is made in the appropriations for the department of the Secretary of State, State Auditor, and State Treasurer from what they were two years ago with the exception of the additional amount for the Secretary of State's office to handle automobile license registration.

There is a reduction of \$7,500 made with the approval of the Attorney General in his department, making the total appropriation for his department \$100,000.

It has been the aim of the Chief Executive in preparing these budget recommendations to not permit if possible the appropriation for the department to exceed what it did two years ago and to make a reduction wherever possible from the amount spent by said department during the present biennium.

The appropriations for the Department of the Superintendent of Public Instruction is fixed the same as it was two years ago with the exception of an additional amount to cover statutory provisions.

The appropriation for the Commissioner of Public Lands and Buildings shows a slight increase for salaries and wages over two years ago owing to the plan to take over the Department of Purchase and Supplies. The operating expense in this department also shows an increase, which is to cover the printing of official reports and the Blue Book.

The Tax Commissioner's Department shows a reduction on account of the elimination of the position of Deputy Tax Commissioner and also a reduction in the operating expenses, making a total saving in this department of \$14,000 notwithstanding the contemplated merger of the budget department under the Tax Commissioner.

RAILWAY COMMISSION.

The Railway Commission which formerly had control over railroad rates and the Blue Sky Department, but whose powers and duties have been greatly reduced, do not appear to me to require the large sums of money that the expending agency requests for the coming bien-

nium. The appropriation for this department has been reduced \$73,000, leaving a total appropriation of \$85,000 which is \$55,000 in excess of the amount to cover the salaries of the commission.

THE CAPITOL COMMISSION.

No change is made in the amount requested by the expending agency of this department, but an effort will be made to prevent any increase of unnecessary salaries or wages and to prevent if possible the costs of the building exceeding the appropriation.

THE PUBLIC LIBRARY COMMISSION.

The state government maintains by taxation five state libraries in the city of Lincoln. This is more or less duplication of expense and overhead without apparently increasing the efficiency. My investigation leads me to believe that the Public Library Commission should be abolished by an act of the Legislature and its activities transferred to the University Library as a special extension section operated through the University Library Extension Bureau. I believe that the University has sufficient income, together with appropriations, to take care of this activity without providing additional funds.

LEGISLATIVE REFERENCE BUREAU.

The Legislative Reference Bureau was established to supply information to and prepare bills for the members of the Legislature. This department has however, been merged with University activities and is used to send out documents and information on various questions, upon request. I believe this department should be abolished by an act of the Legislature and its activities merged into the University State Library and its work done in connection with the Library Extension Bureau. It does not seem that it would be necessary to provide additional funds to the University to care for the work done by the Legislative Reference Bureau. This will leave the State Library at the Capitol Building, which is intended to be a law library but which is branching out somewhat in duplication of the work of the University State Library. The other library is the State Historical Society, and it seems that the library and office work of this activity could be handled by the librarians of the University State Library. I will not make a recommendation at this time to that effect.

VOCATIONAL TRAINING.

There seems to be a triplication of organizations, appropriations and overhead in three activities of similar character; namely, Industrial Re-education, Vocational Education and Trade School. It appears that these

three activities also receive federal aid. It would seem that if consolidation of this effort could be had that it might promote efficiency as well as proving more economical for both state and federal government.

BOARD OF PARDONS AND PAROLES

The salaries, wages and operating expense for the Board of Pardons and Paroles has been reduced in the amount of \$3,000, and if the Indeterminate Sentence Law is repealed, as was pledged in the state platforms of both of the two major parties, the remaining expense for this department could be cut in two.

NORMAL TRAINING SCHOOLS

In considering budget provisions for Normal Training Schools, great care has been exercised to prevent any lowering of the educational standards or in failing to provide adequate housing facilities for this activity. In following the plan to try and not permit the expenditures for the coming biennium to exceed the cost of the past two years, I have provided in the supplementary budget attached for the same amount for normal schools that they have for the present biennium. This expending agencies request provided for an increase of their appropriations of upwards of \$800,000 to cover the new building program and maintenance cost for same, etc.

At this point I desire to call attention to what appears to be a duplication, if not a triplication, of effort and expense in the training of teachers. The normal schools are now providing a four years' training course. The high schools of Nebraska are providing a two years' training course for teachers, and the State University is providing a two years' training course for teachers. The limited time will not permit me to consider these matters at this time other than to call attention to them.

BOARD OF CONTROL

In considering the request of the Board of Control for additional funds for new buildings, maintenance, etc., it is impossible for one to confine his thoughts alone to a business proposition or to the matter of taxation. Everyone feels the humanitarian obligation that we owe to the wards in the various state institutions. After devoting considerable time in conference with the Board of Control, they have assisted in preparing a revised budget covering the request of the Board. The head of the Board, however, does not endorse reductions, but in the interest of economy owing to the general demand for a reduction of taxes, assisted in working out a reduction from

their original request of \$536,900. The appropriation, however, as it appears in the attached budget is \$77,000 in excess of the amount provided in the budget for the present biennium.

UNIVERSITY OF NEBRASKA

The great educational institution, known as the University of Nebraska is an institution of which we are all proud and of which the people are willing to be taxed to meet its necessary needs. The University not only should be a leader along educational lines, but its business and efficiency system be a model for other business organizations to emulate. The activities of the University are so diversified and cover such a wide area that a careful investigation of the activities of this institution and spending agencies would require more than the entire time allotted to the incoming Governor by the budget law to familiarize himself with.

I have gone into the matter of the activities and expense for same with the Secretary of the Board of Regents at several different conferences. The Secretary, however, was not of much assistance in supplying information as to what activities could be dispensed with or what activities could be operated on less expense without injury than had been requested by the spending agency for the entire institution. The Secretary advised me that he was not authorized to give any opinions as to where possible savings could be made or activities reduced with the least injury to the educational system, and he also advised me that the two regents who were in the city stated that they would not assume any responsibility without the concurrence of the other members of the Board of Regents, which they said could not get together at this time.

The plan of making appropriations in large lump sums to be apportioned by the Board of Regents as they deem advisable makes it almost impossible for a reduction in the expense of any one or more of the activities of the institution.

It appears that there are about 800 non-resident students from other states being educated at the expense of the taxpayers of Nebraska, in the University of Nebraska. The cost per capita for each student at the University is about \$375, and figured at this rate for the biennium there would be an additional cost for these outside students of about \$600,000 for the biennium. Of course it is not accurate to figure the cost of an education on a per capita basis to non-resident students, but the cost to Nebraska taxpayers is sufficiently increased on account of the non-resident students coming to the state that I believe a fee should be charged to such students of at least \$50.00 per year. It seems that almost all universities in the United States

other than the Nebraska University charge an additional fee for non-resident students. This additional fee would bring an additional revenue to the University of about \$40,000 a year, or \$80,000.00 for the biennium. Owing to the increased attendance, the cash receipts for the University are also increased, and taking this into consideration and after consulting with persons who are conversant with the University's activities and needs, I have made a recommendation that a reduction be made of \$300,000 in the maintenance fund, as will be shown in the attached supplementary budget. This does not represent, however, a reduction of that amount owing to the increased receipts of the University from other sources.

A number of representative farmers, and some representing farm organizations, have requested me to make recommendations for the elimination of some of the activities in the University, especially the Agricultural College Extension work, but the time that I have had to prepare recommendations covering the activities under the state government and paid for by the taxpayers has not been sufficient for me to go into the matters referred to.

SUMMARY

In submitting this supplemental budget message in its present form and condition is to enable me to comply with the provisions of the Budget Law applied to incoming Governors. This supplemental budget message no doubt contains errors, omissions, etc., as it is the rough draft submitted without an opportunity to revise the stenographer's construction of the dictated message. In investigating the various departments of the state's activities for the purpose of recommending appropriations needed for same, it has been my aim to cut out unnecessary middlemen, fix the responsibility and the work on the executive officers elected by the people and thus make it necessary for them to give personal attention and devote their personal time to administrative and executive work of their respective departments. The saving and the expense as the suggested appropriations indicate is brought about not by reducing executive salaries and the salaries of constitutional officers of the state, but to retain, at salaries fixed by the constitutional commission as reasonable amounts needed by the various officers in their respective positions and then increase their duties by cutting out unnecessary assistance and reducing or abolishing divisions and sub-divisions chiefs and requiring the work to be done by the constitutional officers. The plan will also prevent employees, in the future from recommending budgets to the Legislature and will confine that work to the constitutional officers who are elected by and responsible to the people. The budget and these recommendations are prepared without thought of partisan advantage or political effect.

In taking up the duties of Chief Executive, I asked for and secured the services of upward of three hundred persons who were connected with the former administration in the various code departments. I have retained these appointees and employees as concrete evidence that this administration is trying to place the state on an economical and efficient business basis without partisan bias or influence. Retaining the former business staff in their accustomed places has also given me an opportunity to familiarize myself with the work of the various departments and subdepartments of the state's activities. The supplementary budget, as submitted by me, shows a reduction in the appropriations of upwards of seven and a half million dollars, as compared with the appropriations of the regular legislative session of two years ago, and a reduction of nearly six million dollars from the appropriations made by the special session of the Legislature which was called in response to a demand for a reduction in the appropriations made at the regular session two years ago. The reduction of fifty per cent in the automobile license taxes, as recommended and urged by the Chief Executive, will represent an additional saving of taxes, over two years ago and a total savings of upwards of ten million dollars.

If time had permitted me to go more fully into the state's activities and the various expending agencies' business methods, I feel that it would have been possible to have made further reductions in the amounts as shown in the budget table attached herewith. I feel that it is the duty of the Chief Executive and the members of the Legislature to give most earnest and careful consideration, at this time, to every item of expense and activity in the state's jurisdiction in an effort to bring the expense of the state within the taxpayers ability to meet, and I assure you that I will co-operate in every manner possible with the members of your body to this end. I submit herewith copies of the supplementary budget appropriation bills as provided by statute.

CHARLES W. BRYAN, Governor.