

The roll of the Senate was called and all members were present except Callan and Howard who were excused.

The roll of the House was called and all members were present except Dinan, Nickles and Sullenberger who were excused and Bock, Buresh, Fleming, Frank, Hansen, Soderstrom, Steele and Thompson who were absent.

### LETTER OF TRANSMITTAL

Honorable R. L. Cochran, Governor,  
State of Nebraska,  
Lincoln, Nebraska.

Dear Governor:

Budget tabulations are herewith submitted to you, setting forth the recommended appropriations for state activities for the biennial period of 1935-7, together with figures showing the appropriations for the 1933-5 biennium, the expenditures the first fiscal year thereof, and the requests of expending agencies for the ensuing biennial period.

Respectfully submitted,

WM. H. SMITH,  
State Tax Commissioner  
and Budget Director.

Dated January 25, 1935.

### SUPPLEMENTARY BUDGET MESSAGE

OF

R. L. Cochran, Governor

Delivered to the Fiftieth Session of the Legislature of Nebraska

in Joint Session, January 28, 1935

To the Members of the Fiftieth Session of the  
Legislature of Nebraska:

Ladies and Gentlemen:

Section 81-302 Article 3, Chapter 8, of the Compiled Statutes of Nebraska for 1929 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 supplementary message of the governor.”

In accordance with the foregoing statutory provision, I am transmitting herewith my budget recommendations to your honorable body. In the preparation of this budget I have kept in mind the minimum needs of the various institutions and spending agencies, as well as the conditions of our people and the great difficulty of paying taxes at this particular period.

It is to be noted that the total recommended appropriations of tax monies in this supplementary budget is slightly less than that contained in the budget of my predecessor.

### BOARD OF CONTROL

In studying the needs of the Board of Control I have utilized the services of technical state employees. In making this study it was realized that considering our economic conditions it would be quite impossible to meet the requests of the various state institutions, in view of which, it has been our purpose to try to determine where the greatest emergency existed, laying particular emphasis on the correction of fire hazard conditions such as exist at the Hastings Institution where I am recommending that provision be made for electrical wiring, new food elevators and increased water supply, together with fire walls and other fire protection. These items account for the increase in my recommendations for the Hastings Institution. These provisions seem to be amply justified because of the fact that there are seven hundred and fifty patients in one building of which total I am advised two hundred and fifty are bedfast.

I have eliminated from my budget an item for one hundred thousand dollars for a new building at the Lincoln State Hospital. This has been done having in mind the possible consolidation of the Soldiers' and Sailors' Home into one institution located in Grand Island, and the use of the Milford Institution to relieve congested conditions elsewhere, this being in addition to the Genoa Institution in regard to which I have made previous recommendations to you. I recommend the gradual conversion of this property into a state institution to be supervised by the Board of Control.

In my opinion the repair, remodeling and fire proofing of these buildings should not be undertaken with the idea of completing this work at once, since this would delay occupancy and would require a large immediate expenditure. In order that some of these buildings may be occupied as soon as possible and that they may be put in the same general condition as existed prior to vacating same, minor repairs, remodeling and general repairing such as painting, patching roofs, plastering and fixing floors, could be accomplished at an estimated cost of

\$40,000.00. Approximately the same sum would probably be required for furnishings. The above work contemplates occupancy of only a part of these buildings during the coming biennium.

It is my idea that this legislature together with succeeding legislatures should make possible the carrying out of a definite program of reconstruction of this institution which would spread the cost over a period of years and provide for the demolition of at least two of the large buildings and replacing them with structures of proper design and construction. However, no immediate construction is recommended at this time. Considerable study should be made as to the economy of completely replacing the interiors with fire-proof construction as compared with demolishing the above mentioned two structures and replacing with new ones. These matters should be gradually worked out before the institution becomes heavily populated such as exists in some of the present state institutions.

The items in the above recommendations are not to be considered as a part of my budget, but are recommended for your study in conjunction with separate legislation now pending. The general maintenance item carried in my recommendation for the Board of Control contemplates the carrying out of the above program with reference to the Genoa Institution except for addition of the items above specified.

Requests have been made by the Board of Control for an appropriation for prison industries. I have not had time to satisfactorily investigate the matter sufficiently to make definite recommendation. However, this appears to be an item which should merit your study and consideration.

Without increasing the amount of the requests, I have included in my recommendation under the Board of Control, by deducting from replacement and repair funds, provision for an efficiency engineer with the thought in mind that a trained technical advisor would be able to decide on repairs and replacements that are needed. He also could act as a fact finding agent in determining various costs entering into the maintenance of the institutions, to prepare and plan replacements and new buildings so that money spent for these purposes would be spent in accord with some previously prepared and definitely correlated program. It is felt that such a trained technical man will be able to determine the emergency items on which expenditures are most required and thereby keep the institutions in repair at a minimum of cost.

### EDUCATIONAL INSTITUTIONS

In studying the budget for the Educational Institutions, I have, in general, concurred in the views of my predecessor.

In considering the responsibilities of this state as to matters of education, I believe that we should give consideration to education in

a broad sense keeping in mind educational service to all of our citizens and not limit these advantages to those who may avail themselves of a higher education. It is with this thought in mind that I recommend appropriations for vocational education and the Nebraska Public Library. In connection with the Nebraska Public Library, I recommend the passage of pending legislation which will amend the present library law and make more effective its provisions. In case these recommendations are carried out it is hoped and expected that this will lay a foundation for expanding the library service so that all rural communities may eventually be served.

### CUSTODIANSHIP OF THE CAPITOL

In accordance with recommendations contained in my inaugural message, I have prepared this budget contemplating legislation which will place the custodianship of the capitol and the mansion under the governor and the department of roads and irrigation.

### LAW ENFORCEMENT

It is to be noted that I have made the total amount recommended for law enforcement including traffic control the same as that of my predecessor. However, with the thought that one-half of the service performed will be in connection with traffic control and enforcement of motor vehicle laws, I am recommending that one-half of this total appropriation come from the motor vehicle registration fees and one-half from property tax.

### STATE PARKS

Numerous requests have been made that the revenue from fish and game licenses be used only in connection with game and fish activities and that state parks be financed from other sources. I concur in this view. However, I believe that due to the economic conditions action should be deferred on this until conditions are such as to justify expenditures of tax funds for the maintenance of our parks.

### BOARD OF EDUCATIONAL LANDS AND FUNDS

Considering the large amount of money which is invested by the Board of Educational Lands and Funds and the fact that on some investments which have been made where both interest and principal are in default, the Board of Educational Lands and Funds has recommended that an appropriation be made to provide for investigation, litigation, and other miscellaneous service relating to the preservation and protection of school lands and funds. In accordance with this request, I am recommending that a small appropriation be made.

### **GAS TAX AND MOTOR VEHICLE FUNDS**

The Seventy-third Congress passed an act which authorized expenditures of federal aid monies for highways commencing July 1, 1935, and continuing for a period of two years, Nebraska's proportionate share being two million five hundred eighty thousand dollars per year. Under the terms of this authorization, however, it is necessary that each state match such funds with a like amount of state funds. It is estimated that the revenue from that part of the present gasoline tax which goes to the state together with the state's share of motor vehicle fees will be approximately sufficient to maintain the state and federal highway systems and leave an amount estimated as probably sufficient to match these federal authorizations.

Attention is called to a provision in the federal highway act to the effect that any diversion of gas tax or motor vehicle funds which were in existence at the time of the passage of the act will serve to reduce by one-third any federal funds allotted to the states. This means, in effect, that any diversion of gas tax or motor vehicle funds, or any change in distribution of same whereby less funds would go to the state for highway purposes would mean a resultant loss of federal aid.

### **BEVERAGE TAX**

Attention is called to the message of my predecessor in regard to the beverage tax and I concur in his statements relative to the present procedure of handling these funds. I take this opportunity to again call your attention to the necessity of providing means for the paying of administration costs in connection with the collection of such tax in the regular manner.

### **LAPSED BALANCES**

I concur in the recommendations of my predecessor relative to lapsed balances.

### **DEPARTMENT OF INSURANCE**

In connection with the financing of the Insurance Department, it is my understanding that a bill has been introduced under the terms of which additional registration fees will be paid by insurance companies in order to make possible more adequate administration of the department's duties.

I am including an item in my budget to cover this additional revenue but have left out the estimated amount for your insertion in the event that this bill is passed by you.

### **STATE PLANNING BOARD**

The request has been made of the Governor by a Representative

of the Public Works Administration that their organization wishes to confer with a State Planning Board rather immediately for the purpose of planning projects to be built under the appropriation now pending in Congress. I have accordingly appointed a State Planning Board to serve without salary. However, I have included a nominal sum in the cash funds of the Department of Roads and Irrigation to take care of incidental expenses in connection with the Board's activities.

### RELIEF

I have received a communication from the Federal Relief Administrator in Washington stating that it will be necessary for Nebraska and its sub-divisions to raise the sum of four million dollars per year as a condition precedent to our taking advantage of the federal relief program now being considered. Definite information is not yet available inasmuch as Congress has not taken final action on the program covering relief work projects and old age pensions.

In view of this, I have no definite recommendations to make at this time other than to say in my opinion and in accordance with the recommendation of the Federal Relief Administrator, the financial burden should be borne on the basis of one-half by the state and one-half by the counties. I mention this at this time for the reason that it appears to be a problem which will have to be dealt with by this session of the legislature. As any additional information becomes available I will be glad to confer and cooperate with you in solving this problem.

Accompanying this budget are bills carrying the recommended appropriations, which I am delivering to the Speaker of the House for introduction.

Respectfully submitted,

R. L. COCHRAN,

Governor.

### MOTION—To Adjourn Joint Session

At 11:20 A. M., on motion of Senator Regan, the Joint Session adjourned.

### CERTIFICATE

I, Hugo F. Srb, Secretary of the Senate, hereby certify that the foregoing is a full and complete record of the Joint Session of the House and Senate of the Nebraska Legislature held in the House of Representatives the 28th day of January, 1935.

HUGO F. SRB,

Secretary of the Senate and  
Ex-officio Secretary of the  
Joint Session.