

Lee—delegate at large

Martin—alternate at large

ENROLLMENT AND REVIEW—McGinley, Chairman

(Signed) Otto Kotouc, Sr.,
Chairman

MOTION—Adopt Report

Mr. President: I move the adoption of the committee report.

(Signed) Otto Kotouc, Sr.

The motion prevailed.

MOTION—Escort Governor

Mr. President: I move that the President appoint a committee of five to escort the Governor to the Legislative Chamber for the purpose of delivering his budget message. (Signed) Hal Bridenbaugh

The motion prevailed and the President appointed the following members to serve on said committee: Bridenbaugh, chairman; Person, Metzger, Martin, Aufenkamp.

The committee withdrew and escorted the Governor to the rostrum, where he delivered the following:

BUDGET MESSAGE

OF

ROBERT B. CROSBY, GOVERNOR

Delivered to the Sixty-seventh Session of the Legislature of Nebraska

MR. PRESIDENT, MR. SPEAKER AND MEMBERS OF THE
LEGISLATURE:

In presenting this budget I am adopting a theory entirely different from that used in my last budget.

Two years ago I delivered to you a budget based on a point of view that I called "restraint." I defined this as meaning that "Only the essential services of State Government should be maintained, and that must be done with the least outlay of money and employment hours. There should be no expansion of State Government except in the case of a clearly demonstrated need related to a fundamental public service."

This approach to the budget problem emphasized the taxpayers' position. It required a sharp knife. For almost half of the agencies I

recommended a less amount than they had received in the previous biennium. I approved a reduction in my own office budget of almost 25%. I vetoed a number of bills that would have increased State costs. I obtained passage of legislation such as Bills 391, 392, 566, 24, which reduced cost through elimination or consolidation of functions.

It worked.

The average taxpayer during my term has paid \$3.47 less in property taxes to State Government than he paid during the preceding biennium. The over-all cut in the State's share of property taxes during my term has been \$1,641,493.24. This was the first State property tax reduction in 12 years. Admittedly this remains a paradox for most of the landowning class, whose traditional dominance was affronted by the court-mandated equalization of assessments and whose understanding was bemused by the variables and complexities of our property tax system.

However, in some respects it was not a happy role which I assigned to myself two years ago. I cut the budget requests of the agencies and bore the ill will of the numerous groups which have a special interest in those agencies. The Legislature in most instances increased the amounts I had recommended, thus winning the plaudits of those same special-interest groups.

It is not necessary that the Governor play the villain. The roles can be reversed.

In this budget, with a few exceptions, I am applying a different measure. I am recommending for the agencies the amounts of money of which each can make good use in the public interest. I am here emphasizing the service performed by each agency and the public need for that service. I am thinking of the amount of money needed to permit a reasonable performance of the duties that the Legislature has assigned to the agencies.

To be sure, I have applied the above measure conservatively and in most instances I have recommended less than the agency requested. In some cases I have not been consistent. In general, however, this budget is not based on the idea of "restraint."

Some parts of the budget deserve special comment or explanation.

LEGISLATURE

At the beginning of each odd-numbered year it is necessary to dispossess some State agency of two or three of its office rooms in order to provide space for the Legislature. I am indebted to Colonel Harry F. Cunningham for the suggestion that permanent office quarters for Legislative use could be constructed in the two Loggias which are now waste space. An expenditure of about \$30,000.00 would provide 12 modern office rooms, each about 14 feet square, with windows on

the courts like the other office windows, and each room opening through its own door from the Foyer. I suggest that the Legislature investigate this proposal. It should also eliminate the necessity of making unsightly use of the corridor on the south side of the Legislative Chamber.

I have recommended a 25% increase in the appropriation to the Council of State Governments, from \$8,000.00 to \$10,000.00. This is in line with the action being taken in other states.

GOVERNOR

In my budget two years ago I reduced my administrative help from two persons to one, and the secretarial help from three persons to two.

In my judgment the office has been understaffed. Members of the staff and myself have been required to work many evenings and week-ends.

Further, reasonable improvements and replacements in the equipment of the office and the furnishings of the Mansion have had to be deferred.

I have recommended a substantial increase in the Governor's budget, which I think should be allowed in fairness to the incoming Governor.

By the time this budget message is published I expect to have acquired for the State the entire frontage on H Street between 14th and 15th Streets. This makes an adequate and ideal location for a new Mansion. Nebraska needs a new Mansion in keeping with the beautiful State Capitol Building. It should have adequate accommodations for the many public and semi-public meetings for which the First Lady is expected to be hostess. I have recommended an appropriation of \$150,000.00. Probably \$200,000.00 could be justified.

Our State has become a member of the Interstate Oil Compact Commission under the authorization granted by the Legislature in 1953. No provision was made for payment of our share of the expenses of that Commission, and I have included an appropriate amount in the Governor's budget.

RAILWAY COMMISSION

This Agency should be more nearly self-supporting. No fees are charged at all for many services, and many of the fees which are charged are inadequate under the circumstances. The Statutes should be amended so that this Agency charges reasonable fees for the various services which it performs for the public utilities under its supervision.

CUSTODIAN

During the last two years much has been done toward restoring our Capitol Building to a state of good repair. The terraces have

been waterproofed and the offices beneath them have been repaired and redecorated. We have refinished the beautiful woodwork in many parts of the building, and shabby hallways have been cleaned and painted. More remains to be done.

In justice to a great building and as a matter of true economy as well, the Legislature should make provision for the continuous upkeep, repair and general maintenance of the Capitol Building. I fully agree with the recommendation of the Legislative Council Committee on the budget in its Report No. 59 which deals with this subject.

BOARD OF EDUCATIONAL LANDS AND FUNDS

The Statutes should be amended to provide for the direct collection of lease rentals by the staff of this Board and its successor. Collection by County Treasurers is cumbersome, time-consuming and involves needless expense.

With regard to teachers' retirement the appropriation recommended in the bill represents only the amount that probably will be paid out in benefits. A greater amount than this will be collected if the half mill levy is re-enacted. I recommend the re-enactment of this levy so that we can continue toward the goal of making this retirement system solvent.

BOARD OF PARDONS AND PAROLES

I have increased the appropriation for this Board in order to permit the employment of two assistant probation officers. In having only one probation officer Nebraska places an impossible burden on that individual and we fail to supply probation services that are badly needed.

BOARD OF VOCATIONAL EDUCATION

Two years ago I recommended that the Milford Trade School be abolished. The issue was thoroughly debated in the Legislature and the decision was that the school should be retained. This being so, I think the school should be adequately financed. It has not been in the past, and many badly needed improvements have been deferred. I have recommended a substantially increased appropriation so that the school can discharge its full duty to its students. In my judgment this school is well managed and within its very limited budget it has performed a fine service.

In the field of vocational rehabilitation there are many unmet needs in Nebraska and I have recommended a larger appropriation.

TAX COMMISSIONER

Almost every state, through illustrated booklets and other devices, seeks to inform its citizens about the nature of the tax system and the uses to which tax dollars are put. Nebraska has done nothing along this

line. Public information and understanding in this area are as much needed in Nebraska as in other states. I have recommended the addition of \$12,000.00 to the Tax Commissioner's budget so that he can initiate a modest program of public education.

HEALTH DEPARTMENT

Some of the fees in this Department should be increased, such as those for birth certificates and for renewal of some of the professional licenses. I anticipate that the State Board of Health will furnish leadership so that the Statutes can be properly amended.

On reviewing the printed budget, I fear that I may have cut the budget request of this department too much. For instance, the Division of Vital Statistics cannot operate on less than it received the last biennium, but I am hopeful that its cash receipts from fees will be increased by this Legislature. This department faces a problem of declining federal funds.

SAFETY PATROL

At the present time the Highway Department is furnishing the personnel for the weighing stations and the drivers license examinations. I am responsible for this arrangement. As most of you know, the Safety Patrol was relieved of these duties last June so that 26 additional Patrolmen could be placed on highway duty. The result has been a saving of about 90 lives.

However, it is my judgment that the operation of weighing stations and the examination of applicants for drivers licenses can be done more efficiently by the Safety Patrol. If these functions are returned to the Safety Patrol then approximately \$480,000.00 of highway funds which would otherwise be needed for these activities can be freed for highway construction, and can be matched with Federal funds. I am recommending a very substantial increase in the appropriation for the Safety Patrol. The increase is intended to enable the Safety Patrol to add 24 Patrolmen for operation of the weighing stations, and 13 Patrolmen for drivers license examinations. Also, and more important, it is expected to permit the addition of 23 additional Patrolmen for highway duty. This would bring the effective highway patrol force up to 160 Patrolmen from its present number of 137. This is still much less than the 200 Patrolmen recommended for Nebraska by National authorities.

DEPARTMENT OF PUBLIC WELFARE

Forty states are now participating in the Federal program for aid to the permanently and totally disabled. Nebraska citizens are paying in taxes to the Federal Government for the support of this program in the other states the sum of approximately \$700,000.00 each biennium. We get none of this money back. In addition, we care for the permanently and totally disabled through direct county relief. Further, we

are undoubtedly falling far short of our duty to aid in the rehabilitation of these unfortunate fellow citizens. I recommend that appropriate legislation be enacted after the pattern of our state assistance to dependent children, the aged and the blind, so that we can participate in the program for permanently and totally disabled people.

MILITARY DEPARTMENT

In times of disaster parts of the National Guard are called to active duty. During my term the National Guard has rendered excellent service on two such occasions.

It has been the custom for the budget bill to provide the Military Department with a "cushion" in order to have funds available to meet these unforeseeable emergencies. For purposes of better budget control I think this "cushion" should be identified in the budget and should be expended under the direction of the Governor.

CAPITOL BUILDING COMMISSION

In line with my earlier remarks about the necessity for adequate maintenance of the Capitol Building, I think it is wise that the Custodian should be able to avail himself of the advice of an expert. For this reason I have included in the budget bill an additional amount for the employment on a part-time basis of a "building maintenance consultant."

BOARD OF CONTROL

This Board is responsible for the spending of about one-third of the entire state budget. It is my observation that the members of the Board are now engulfed in administrative details. The Board sorely needs the services of highly qualified staff assistants to whom the Board could delegate responsibility. Under the guidance of a special committee appointed by myself, the Board has made significant progress with the institutions related to mental health. At the time this message is dictated there has been substantial improvement at the Penitentiary, and I hope by the time this message is published the Board will have decided to obtain a highly qualified staff assistant to guide it in formulating policies for the penal institutions. In my judgment the Board of Control needs definite direction from the Legislature in assisting it to improve its organization and should have adequate budget allowances for that purpose.

The Board of Control has made excellent progress in its building program and Nebraskans have cause to be proud of what the Board has accomplished. Among the further building needs is the School for the Blind. This is one of the institutions where the need is critical. I think it can be fairly argued that this school should be located in some town where there is a good college so that special educational services could be obtained on a reasonable basis. The plight of these sightless

children is touching and they should be afforded the best possible opportunity. The Board will need legislative direction as to the location of the new building to house this school.

UNIVERSITY OF NEBRASKA

I have recommended a General Fund Appropriation of \$17,800,000.00. This compares with \$15,000,000.00 budgeted two years ago.

The amount I have recommended is approximately \$1,000,000.00 less than the sum requested by the University. In fairness I must admit that the University could make good use of the entire sum that it requested by developing new programs and strengthening some of its present programs.

It is not easy to fix upon the right amount for an institution such as our only State University. Unquestionably higher education is becoming increasingly important not only to the maintenance of the economy of a State like ours, but also to the maintenance of our western civilization against the threat of Russia and its allies. It is estimated that at this time in Russia there are being graduated two and a half times the engineers that we are producing in this country.

In recommending a General Fund Appropriation of \$17,800,000.00 I am guessing—and it is no better than a guess—that this amount would keep the performance of our University at about the level of the average of other Universities in our region.

During my term I have been disturbed by the fact that it is increasingly difficult for our young people to obtain an education in veterinary. Apparently the only correction for this situation is for the Legislature to authorize the University to enter into a contract with a College of Veterinary in some other State. This is the solution that has been adopted in some other states like ours which have no College of Veterinary. I recommend that the Legislature enact such authorization and make a proper budget provision.

With regard to building funds I attempted to budget the amount that it is anticipated will be spent during the coming biennium. This same method has been followed in connection with other departments which are included in the fixed levies for building purposes.

TURNPIKE AUTHORITY

This Authority was created by the Legislature two years ago. The members have been diligent and effective and I am proud of their performance.

However, they have been handicapped by having no budget allowance whatever. I think they would continue to cheerfully donate their time and pay their own expenses. However, this is not the problem. They should have some independent fund at their disposal so that

they can conduct preliminary engineering surveys. Perhaps this could be accomplished under an authorization which would provide that the fund would be returned to the State when and if revenue bonds are issued. I recommend a budget allowance for this purpose, and I further recommend that the Legislature re-examine the basic statutes which were enacted two years ago with a view to strengthening some sections of this law.

AGRICULTURE DEPARTMENT

The Grade A Milk Law is accomplishing a very useful purpose, but its administration is being conducted at a deficit. The law should be amended to require the payment of proper fees particularly from plants under municipalities.

HUMAN RELATIONS

The work of the volunteer Human Relations Committee has disclosed that there will be a continuing need for public education among the people of Nebraska. It is my recommendation that a staff member be added to the Department of Public Instruction to work on these problems during the coming biennium.

SALARIES

Executive salaries in Nebraska are very inadequate in amount. This is true whether one compares our State salaries with those of other similar states or whether one compares the salaries with those being paid in private enterprise. This is a serious handicap to a Governor in obtaining the quality of executive leadership that he would like to provide for the State. I recommend that the Legislature do what it can under our present Constitution to correct this situation, and further that the Constitutional Amendment eliminating the eight-year limitation be again submitted to the people.

In many branches of State Government the salary classification systems are inadequate, and there is a persistent lack of uniformity among the Departments in the pay for similar classifications of employment. It is suggested that a reasonable merit system be established with authority to enforce uniformity of salary levels and classifications.

The attention of the Legislature is directed to the amendments to the Federal Unemployment Tax Act enacted by the 83rd Congress. Some amendments to our Nebraska Employment Security Law are probably desirable. Further, since Congress has extended unemployment insurance protection to the civilian employees of the Federal Government, consideration should be given to the question of whether employees of State and local government should have similar protection.

I have noticed the recommendation of the Legislative Council Committee on the budget in its Report No. 59 concerning insurance on

state-owned automobiles, and I endorse its suggestion that the statutes be amended to permit blanket insurance coverage of state-owned automobiles.

Because I knew that each of you is aware of the emergency concerning the distribution of gasoline taxes to the counties, I did not include any mention of it in my printed budget message. However, if anything, the situation has become more acute during the last few days. Therefore, I am departing from the printed text to place this emphasis upon that troublesome situation. I have caused to be prepared an emergency bill which would permit the State Treasurer to distribute the money for the time being on the basis of the formula used during the month of July, 1954. This would ease the situation and allow the counties to receive some of the money which they badly need until you have time to enact permanent legislation.

CONCLUSION

The foregoing comments and suggestions leave much unsaid. Further, because of their partial character, it is probable that what has been said creates an unfair emphasis on some points.

I hope that this recommended budget will be of some help to you. I am keenly aware of the fact that the budget problems in this session of the Legislature will be unusually difficult. Speaking both as a Governor and as a citizen, I have every confidence that you will handle these budget problems in the way that will best serve the interests of Nebraska.

Respectfully submitted,

(Signed) Robert B. Crosby

GOVERNOR

The committee retired and escorted the Governor from the Chamber.

RESOLUTION

LEGISLATIVE RESOLUTION 1. Re: Title of Speaker Emeritus for all former Speakers who are currently members of the Legislature.

Introduced by William Moulton of Legislative District 10, John E. Beaver of Legislative District 12 and Glenn Cramer of Legislative District 27.

WHEREAS, by the Rules of the Nebraska Legislature a Speaker is elected at each regular session of the Legislature, and

WHEREAS, many senators serve in the Legislature in sessions after they have had the honor of serving the Legislature in previous sessions as Speaker, and no designation is provided to show the previous honor.