

districts by cities of the metropolitan class, and the termination of tenure of the offices of trustees and other officers of the district; and to declare an emergency.

Governor Escorted

The committee escorted Governor Brooks into the Chamber where he delivered the following:

BUDGET MESSAGE OF GOVERNOR RALPH G. BROOKS

January 23, 1959

The recommendations contained in the budget I am today presenting to this honorable body represent the same fiscal views I have employed in my thirty-two years of service to the school systems of Nebraska. Those fiscal views require that each budgetary request satisfy the primary and fundamental test of a public demand for the service represented by the budgetary allotment.

This year, this legislative body, confronted with almost unprecedented budgetary demands, must weigh and evaluate two factors which form a very necessary part in the preparation of any budget. The first factor in that budget is the ability of the people to pay for the budgetary item; the second factor is the evaluation of the demand for the budgetary item proposed.

I have said that I do not feel that there should be any budgetary increases over the amounts provided by the previous legislative sessions unless there is a distinct showing of the additional service to be furnished by virtue of that budgetary increase and a distinctly demonstrated demand for such additional service.

To that end, I have attempted to analyze, with all possible care and consideration in the short period of time allotted to me for that purpose, every fund comprising a part of our state financial framework and it is my thought that the budgetary recommendation hereinafter set forth represents an application of conservative realism to the demands of Nebraskans for service and to the ability of Nebraskans to pay for that service.

In that connection, permit me to first set forth that a distinctly demonstrated demand for additional service is that evidenced by the demand for an improved highway traffic safety program and, in response to that distinctly demonstrated demand, I have proposed that the budget of the State Safety Patrol be increased over

that set forth in the 1957-59 biennium in order to enable the Superintendent of Law Enforcement and Public Safety to add 50 men to his present comparatively small staff; this recommendation contains the proviso, however, that these 50 additional men, properly equipped, shall be used for the sole purpose of serving as highway patrol officers and shall not be assigned to any other incidental purpose in connection with the administration of the State Safety Patrol system.

A further indication of a distinctly demonstrated demand is that which has been made known to me by those interested in developing the Nebraska park and recreation sites, not only as tourist incentives but also for the enjoyment of our own good people. Here again, in response to that demand, I have recommended a substantial increase in the budget of the Game, Forestation and Parks Commission from that of the previous biennium.

Of additional interest to all Nebraskans, and I can assure you that there are few things closer to me personally, is our fine system of colleges and universities. With reference to our four state teachers' colleges, which operate in a very limited area within the realm of tax revenue, I have recommended an increase over the previous biennium which will enable equitable salary adjustments.

With reference to the University of Nebraska, I respectfully call attention to the fact that there are two operating funds in the University fiscal area that neither of these funds is affected by tax revenues that these funds are available, nevertheless, for the payment of instructors' salaries and for the advancement of research programs as well as for the purchase of equipment the University also participates in the Building Fund levy to say nothing of the grants received through federal funds and other sources such as the University of Nebraska College of Medicine levy and the levy for the care of indigent persons. With reference to the two cash operating funds, one of those funds results from student tuition and student fees and this year's proposed increase for the 1959-61 biennium is \$1,700,000.00 greater than it was in 1955 and \$400,000.00 greater than that of the 1957-59 biennium, indicating that this fund is increasing at the rate of an approximate one-half million dollars each biennium. Attention is also respectfully drawn to the fact that in the other cash operating fund account of the University, the amount appropriated in this fund has increased from an approximate sixteen and one-half million dollars in 1955 through an approximate eighteen and three-fourths million dollars in 1957 to a \$20,750,000.00 appropriation in 1959, further indicating that this fund is increasing at a rate in excess of two million dollars each biennium. The over-all increase in the budget for the University of Nebraska by virtue of the increase in these cash operating fund

appropriations, along with the two million dollars I have recommended for application upon salary adjustments, makes the total University of Nebraska budgetary increase in the sum of approximately \$7,600,000.00 of which increase, however, but two million dollars will be derived from general property tax funds.

In the preparation of this budget, I have been highly appreciative of the excellent conclusions reached by the Legislative Council and particularly those committees on the Budget and on Cash Funds and Budgeting. Pursuant to the recommendations of those two committees, I have directed that the most realistic estimate possible be applied to the unexpended balances expected at the end of the present biennium. In addition, I have observed the suggestions with reference to the appropriation of cash funds on a not-to-exceed basis and you will note from an examination of the budget that the number of funds to which this suggested budgetary practice is applied has been increased from three in 1957-59 to twenty-three in the 1959-61 biennium. I know that we will be submitted to a great many expressions of opinion on this budgetary practice but I urge you to join with me in a careful evaluation of this fiscal policy which seven of your members formulated, and your entire Legislative Council approved. We may be reasonably certain that adherence to this budget practice at this time will provide a substantial reward in the examination of unexpended balances two years hence.

Despite a conscientious and determined effort to be conservatively realistic in every phase of the preparation of this budget, it, nevertheless, displays an over-all increase in the grand total budget of approximately seven million dollars. Of this seven million dollars, there will be raised from the property tax levy the sum of \$4,688,065.52, subject to an additional downward revision for estimated cash funds to be received during the biennium in the sum of \$600,000.00.

An additional item of consideration in the preparation of this budget has been my desire to provide for reasonable salary increases in each department and these figures are reflected in the budgetary recommendations. Consideration must be given, if legislation is enacted, to an additional budgetary recommendation for any retirement system to state employees which may be instituted.

The budget contains a recommendation with reference to the Governor's mansion and this has been made on the basis of the belief that the legislature desires to have the mansion used for state functions; if the mansion is to be used only as the private home of the Governor, the Governor will be the first to recommend a reduction in this budgetary proposal.

This budgetary message constitutes the framework of the financial proposals of the various departments that I am recommending to this legislative body in accordance with a statute which requires me, within fifteen days after the presentation of the budgetary message of the outgoing governor, to present to you the results of my study of that budget. These budgetary proposals represent the result of these studies. It may well be that additional evidence will be brought to my attention which will reveal that there is a distinctly demonstrated demand for services reflected through budgetary increases beyond those I have included in this financial framework. If such evidence is presented or if additional data be made available upon which any upward or downward revision can be predicated, I look forward to the opportunity of visiting with the informed members of your Budget Committee as well as each member of this distinguished body to consider any phase of this financial picture which will serve to advance our State and our people in the Nebraska we all know and love so well.

Respectfully submitted,
(Signed) Ralph G. Brooks
GOVERNOR

The committee escorted the Governor from the Chamber.

BILLS ON FIRST READING

The following bills were read the first time by title:

LEGISLATIVE BILL 299. By Michael P. Russillo of Legislative District 9 and George Syas of Legislative District 4.

A bill for an act to amend sections 31-716 and 31-760, Reissue Revised Statutes of Nebraska, 1943, and section 39-1635, Revised Statutes Supplement, 1957, relating to annexation of cities and villages; to eliminate metropolitan cities from the provisions for annexation of cities and villages by sanitary and improvement districts and road districts; to repeal the original sections; and to declare an emergency.

LEGISLATIVE BILL 300. By Ray C. Simmons of Legislative District 11.

A bill for an act to amend section 77-1734.01, Reissue Revised Statutes of Nebraska, 1943, relating to revenue and taxation; to extend the time for filing a claim for refund of tax paid as a result of clerical error; and to repeal the original section.