

Visitors

Mr. Bowen introduced Mrs. William McHenry from Nelson.

Member Excused

Mr. Knight was excused for the afternoon.

NOTICE OF COMMITTEE HEARINGS**Agriculture**

LB 144 Wednesday, January 25, 1961

2:00 p.m.

Reference Committee Report

LB	Committee
167.....	Government and Military Affairs
168.....	Government and Military Affairs
169.....	Government and Military Affairs
170.....	Government and Military Affairs
171.....	Public Health and Miscellaneous Subjects
172.....	Public Health and Miscellaneous Subjects
173.....	Education
174.....	Revenue
175.....	Labor and Public Welfare
176.....	Judiciary
177.....	Labor and Public Welfare
178.....	Public Works
179.....	Education
180.....	Revenue
181.....	Education
182.....	Education
183.....	Education
184.....	Judiciary

(Signed) Dwight W. Burney, Chairman

Governor Escorted

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

BUDGET MESSAGE

HONORABLE FRANK B. MORRISON
 TO THE LEGISLATURE OF NEBRASKA
 Seventy-Second Session
 January 17, 1961

Mr. President, Mr. Speaker, Senators of the Seventy-Second Session of the Nebraska State Legislature:

Pursuant to the provisions of our statutes, the Honorable Dwight W. Burney, immediate past Governor of the State of Nebraska, has submitted to you for your consideration, his budget recommendations for the biennium 1961 - 1963.

While I know of no statute which requires the incoming Governor to submit a budget message to you, both custom and the exercise of official responsibility as outlined in the Constitution of Nebraska, suggest that the incoming Governor present for your consideration his recommendations. With reference to the State budget, both the Governor's office and all personnel of the Administrative Departments of State government are at your disposal for the purpose of supplying you with information. I pledge to you my wholehearted cooperation toward this end.

Budget recommendations which I am submitting to you with this message are not intended to be controlling. They are submitted solely for your consideration along with all other evidence and recommendations submitted to you.

In the preparation of my budget recommendations I would like to acknowledge both for myself as Governor and on behalf of my entire Administration, the debt of gratitude which we owe to past Senator Otto Leibers. He has donated generously of his time and experience to work with us on these budget figures. Senator Liebers has spent weeks of his time in detailed examination of the budget requests of each department. He has, with me, not only examined the figures but has interviewed personnel and given us the advantage of his years of experience in your body as a member of and as Chairman of your Budget Committee.

In our interviews with department personnel I am convinced that generally all departments are attempting to perform in a creditable manner.

It is inherent in all human institutions that they expand their activity. No man and no organization can be expected to be objective in analyzing his or its own needs. Our job is to supply that objectivity. In determining any requests for increased salaries we must grant only those which increased living costs, competitive labor market and incentive and stability require. As public officials our judgment must always be measured by the yardstick of the welfare of the entire state and not that of any individual or single group as distinguished from the whole.

In determining whether or not a department should be granted any part of its request for enlarging its staff and activity we must consider whether progress of the state demands this additional fund.

Any function which can be or is being adequately performed by agencies outside of government or can better be performed at a local level without state interference is not, in my opinion, a proper function for us to exploit.

I regret that in my recommendations it has been necessary in most departments to suggest an increase over the budget of two years ago. Due to the fact that we have had the responsibility of government for only a few days it has been impossible for us to analyze fully the possibilities for consolidation of functions, elimination of inefficiency, and improved techniques which would enable additional savings. We plan, immediately, to undertake a thorough investigation to promote these and look toward further savings in the future.

ELECTRONIC DATA PROCESSING AND MICROFILMING OF RECORDS

I believe we must keep our state government sound, healthy and efficient. I have always supported those proposals which I would find desirable in any successful business, such as combining the work of agencies wherever possible, competitive purchasing, and payment of salaries sufficient to keep competent people in state government. I recognize that sometimes these things increase taxes, but in the long run they give us more for our tax dollar.

Our state needs a complete overhauling of its fiscal accounting system and we should hasten the day when our state government will be fully mechanized and our records microfilmed, comparable to successful business. The data processing will save money and make for greater efficiency. The microfilming of records will improve space utilization and release space now used for storage. This space to be saved is badly needed for governmental activities.

I recommend that we discontinue our piecemeal methods and proceed on an overall program that will (1) Include all departments of state government that can benefit by this service, (2) Require that all equipment be purchased on competitive bid and on the basis that it will fit into the overall program rather than the program of any particular department. This is my reason for not recommending all departments' requests for their own program in this area as distinguished from the overall approach.

THE BOARD OF CONTROL

You will remember that in my Inaugural Message I advocated abolition of the Board of Control and the substitution of a different form of administration of State Institutions. We believe this is necessary to effect the maximum efficiency from the tax dollar. With reference to the budget request of the Board of Control for the ensuing biennium, I have recommended a reduction over the last biennium primarily due to the fact that two institutions, namely, the School for the Blind and the School for the Deaf, have been transferred to the Department of Education and hence no longer appear on the Board of Control budget. Additional funds to support these two institutions have been provided for in the Department of Education budget. Improved psychiatric treatment by both the medical profession and public agencies has reduced the work load in some of our other institutions and we are looking forward to substantial reduction in the number of patients confined in the near future. It also appears that there are very substantial balances in the various county levy funds. Renewed emphasis should also be made to collect funds due from patients for treatment in our state institutions. We are informed that many thousands of dollars are due the state from this source which have not been collected.

PARDONS, PAROLES, AND PROBATION

We believe that the Board of Pardons as now constituted should be abolished. Elective state officials such as the Governor and the Attorney General are members of the board. The administration of criminal institutions and the granting of paroles should be completely divorced from political action. Modern development of insight into the abnormal human mind and its corrections, together with both humanitarian considerations and conservation of our human resources demand that we take a second look into this area. Prevention of crime, the parole of inmates and their proper discipline requires ever increasing improvement in our approach.

We believe that you should study and enact legislation to improve our approach to this problem. Additional parole officers can serve a useful public function. I have recommended one additional parole officer for two years of the biennium and the second parole officer for the second year of the biennium.

Two years from now we will have the advantage of knowing what has been accomplished if we grant this expansion of our parole force.

PSYCHIATRIC INSTITUTES

In analyzing the budgets of both the Department of Health and the Board of Control we have been reluctant to expand medical services supplied by the state. We do feel that state intervention in the field of psychiatric treatment is necessary. State intervention in this area has been recognized as established policy for many many years.

Psychiatry is a science in its infancy. We do feel that dealing with emotionally disturbed people in the early stages can prevent later institutionalized treatment and therefore, serve not only a humanitarian purpose, but eventually save the state many dollars.

We have recommended the establishment of a psychiatric institute at Lincoln at the Bryan Memorial Hospital to serve the fourteen southeast counties in mental health problems. This can serve as a beginning to determine the value of this approach in meeting the state needs in this area.

INDUSTRIAL DEVELOPMENT

We feel that one of our most neglected areas of industrial development is tourist promotion. The Game, Forestation and Parks Commission has been doing some desirable work in that area in recent years. I intend to appoint a state-wide committee of unpaid civic leaders to draft and implement a program of development of our tourist potential. This committee would cooperate with the Game, Forestation and Parks Commission, the Highway Department, the Resources Division, Chambers of Commerce, and all other agencies in an all out approach to attracting people from out of our state to visit Nebraska. In addition, we need to develop the appetite of our own people to visit other parts of the state and enjoy its intellectual and recreational facilities and points of interest.

Hand in hand with the promotion of tourist development must go a corresponding development of facilities. Improvement of our State Park System is an integral part of this program. We recommend to you, therefore, the levy for this purpose suggested by the Game, Forestation and Parks Commission.

With reference to industrial development, our Department of Resources is doing excellent work and is badly in need of an expanded budget. The Department of Agriculture is doing some good work by interesting processors of castor beans and safflower in Nebraska locations. Industrial development is intimately tied up with our agriculture.

At the present time we have many state and private agencies doing good work in industrial development programs in Nebraska, but there is no overall coordination of effort. Many of these agencies do not know the plans nor the programs of other agencies. The development of the Atomic Energy Plant at Hallam, increased activity by way of scientific research at the University of Nebraska, the Atomic Energy Commission and Consumers Public Power District and others interested in the area, make necessary not only the passage of an act controlling atomic energy but an additional responsibility on the Governor's office as a coordinating agency for this development.

There is also an imperative necessity that we coordinate and integrate the activity of the various agencies dealing with the problems of promotion of the state's economy. With this in mind, we recommend the employment of a qualified man as coordinator to keep in touch with these various plans and programs, under the Governor's direction, to be designated as Nebraska Promotion Coordinator. This will increase the effectiveness of our overall programming toward this end.

PROMOTION OF SAFETY

We do not recommend granting to the Highway Safety Patrol their full request for increasing the number of Highway Patrolmen. We do feel, however, that the advent of the interstate highway system and the increased number of automobiles on the highways do necessitate some increase in the number of patrolmen on duty.

We do not feel, however, that our traffic safety program can be implemented by merely increasing the number of Highway Patrolmen. An all out attack by the Governor's office on that problem is needed. We need to coordinate and utilize all agencies now dealing with traffic safety problems. We need stepped up activity to create the proper psychological climate making every individual citizen aware of the necessity of traffic safety. We do feel that there is some need for additional radio equipment for the Highway Patrol for improved dissemination of information.

All news media must constantly alert the traveling public to drive more carefully and to save lives. This is not an activity which should or can be supported by the taxpayers dollar but is an activity to which the Governor's office can and must lend its support.

In this area each individual member of the Legislature will serve an important public function by cooperating toward this end.

EDUCATION

Education is the most important single function of organized society. American public education at all levels, primary and secondary, as well as higher education, has become the envy of the world. Our educational system has made America the leader of the free world. In all accumulated history we have only begun to scratch the surface of the human mind. Our new frontiers will be implemented by human ingenuity. Nebraska must always bear its full share of responsibility in this area. We feel that full development of our human resources is the number one challenge of our times.

The University of Nebraska and our state colleges, like all human institutions, are not perfect. They should never be exempt from informed criticism. They should, however, remain free from political manipulation. I do not feel that it is the function of either the Governor's office or the Legislature to dictate the teaching policy or curriculum to our educational institutions. Both the Board of Regents of the University of Nebraska and the Board of Education of the State Normal Schools have supplied detailed budget requests. Both of them have done a very comprehensive and detailed analysis. Their budget requests indicate the high degree of responsibility existing in higher education in the State of Nebraska. In the case of the University of Nebraska, the original budget submitted to me by the Board of Regents was returned to them for priority breakdown. I did not feel that in view of the \$900,000.00 necessary for financing the Retirement Program adopted by the 1959 Session of the Legislature that our economy should be called upon to bear the full University of Nebraska budget request. The Board of Regents were very cooperative and submitted a priority analysis dividing their budget requests into three groups designated as Group I, Group II, and Group III. It is my recommendation that the requests set forth in Groups II and III be deferred for consideration by future legislatures. I recommend the budget request of the University outlined in Group I. As I understand the budget request outlined in Group I, any curtailment of the amount requested would result in reduced prestige of the University. A mistake in the University budget request is hereinafter mentioned. Nebraska can and must have a university with the quality of performance second to none in the United States. The Chancellor and the Board of Regents have pledged to me their full cooperation in University progress in all areas. Recent accomplishments of the University of Nebraska have attracted national attention. Both basic and applied research are necessary to our progress and survival. The Atomic Energy Plant at Hallam has made it necessary that we attract to our University staff, atomic scientists. Our agricultural development necessitates expanded research in the

field of agriculture. By continuing to upgrade the University of Nebraska we are attracting grants of money from outside sources that will enable us to rapidly expand our research programs. We cannot afford, under any circumstances, to curtail our movement in this direction. I cannot emphasize too strongly the necessity of continuing to upgrade the University of Nebraska.

Our various State Teachers Colleges have shown continued progress. I have recommended curtailing their budget only to bring their requests over the last biennium to approximately the same percentage as that recommended for the University of Nebraska.

Historically, primary and secondary education have been a local function of government and all state-aid programs must be critically analyzed. We have no way of knowing what the incoming Congress will do with reference to the Federal Aid Program. Therefore, intelligent analysis of the need of state-aid for education is an almost impossibility at this time. We have recommended only very modest increases in this area.

We cannot regard expenditures for education as a normal expense for operation of state government. Wise investment in education is an investment in a capital resource resulting in increased productivity of our people and must, in many aspects, be regarded as an investment and not an expense of operation.

Bearing in mind the foregoing facts, we have recommended a University of Nebraska total general fund appropriation in the amount of \$30,193,000.00. This appropriation is \$5,097,000.00 greater than the \$25,096,000.00 appropriated for the 1959-1961 biennium. Of this increase, \$900,000.00, of course, represents the amount required to activate the funded retirement program authorized by the last session of the Legislature. The increase remaining for general operation of the University is \$4,197,000.00 - an increase of 16.7 per cent over the 1959-1961 appropriation. The proposed budget reflects a total appropriation for the University of Nebraska \$1,744,491.00 greater than its total request. The difference comes from the fact that the requests for funds from the building fund special levy and the college of medicine special building levy were \$2,255,000.00 less than the recommended total appropriation with estimated unexpended balances included which must be reappropriated in any building fund to develop it to an amount which can be efficiently used. We have recommended for the State Teachers Colleges an increase of approximately 20 per cent over the last biennium because of their widely expanded programs of development. We did not feel that we could grant a full budget request to the Teachers College in view of the curtailment of the budget for the University of Nebraska.

SOIL AND WATER CONSERVATION

I recommend that the requested budget for Soil and Water Conservation be cut less than that of other agencies in state government for the reason that I regard expenditures in this area as also an investment rather than an expense of operation of state government. Holding our soil and water on the land for the purpose of increasing its productivity is, for all practical purposes, a capital investment. Not only ourselves, but future generations will have increased tax paying potential as a result of this investment. We must analyze state expenditures in this area in this light.

I have advocated that you curtail the budget only to the extent which I felt would insure maximum efficiency of operation of the agency. Too rapid increase of budget requests, even in this type of activity, can result in inefficiency of operation to be guarded against.

In closing, I would like to say that I have every confidence in your ability to analyze the needs of various state services and conformity with our ability to pay and our need for advancement. We must and will find ways to implement our progress without extravagance.

I shall appoint, within the next few days, a Governor's Preliminary Tax Study Committee to make recommendations to the Governor with reference to our tax problems and will immediately release for your consideration the findings of this committee.

I would like to renew my pledge to make available to you the services of the Governor's office and all Administrative Agencies of state government to aid you in your work.

In addition to the new money herein recommended, I respectfully request the reappropriation of unexpended balances as indicated in budget recommendations this day filed with your honorable body.

In closing I would like to add that twelve days is far too short a time for any Governor to prepare an accurate budget. There may be mistakes in my budget which, I can assure you, we have used every precaution to guard against. We invite your careful analysis and checking to avoid all possible human error.

Respectfully submitted,

(Signed) Frank B. Morrison
FRANK B. MORRISON
GOVERNOR

The committee escorted the Governor from the Chamber.

Visitors

Mr. Knight introduced Mrs. V. Vearl Williams, Teacher, and seven students from Denton School District 136.

Adjournment

At 10:34 a.m., on a motion by Mr. Moulton, the Legislature adjourned until 10:00 a.m., Wednesday, January 18, 1961.

Hugo F. Srb
Clerk of the Legislature