

**LEGISLATIVE BILL 865.** By Committee on Government and Military Affairs, Terry Carpenter, Legislative District 48, Chairman; William R. Skarda, Jr., Legislative District 7; William F. Swanson, Legislative District 27; Rick Budd, Legislative District 2; Herb Nore, Legislative District 22; Leslie Robinson, Legislative District 36 and S. H. Brauer, Sr., Legislative District 21.

A BILL FOR AN ACT relating to elevators; to provide for switches on all photoelectric tube devices which control the closing of automatic, power-operated elevator doors as prescribed.

### SELECT FILE

**LEGISLATIVE BILL 298.** E and R amendments found in the Legislative Journal for the Forty-ninth Day were adopted.

Advanced to E and R for engrossment.

### Committee—Escort Governor

The President appointed Miss Reynolds, Mrs. Hughes, Messrs. Syas, Klaver and Ruhnke to escort Governor Tiemann to the Chamber to deliver his Budget Message.

## BUDGET MESSAGE OF GOVERNOR NORBERT T. TIEMANN TO THE LEGISLATURE OF NEBRASKA

March 13, 1967

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

Today I come before you with the largest budget in this State's history. It is a budget which I am prepared to support and defend in these chambers and in townhalls throughout Nebraska. I am also prepared to support and defend the tax legislation necessary for its implementation.

The increases which I have recommended are not arbitrary. They are the product of long hours of effort by state agencies, and even longer hours of critique by members of my budget staff.

For the biennium, agency requests from the general fund total \$286.7 million. I have recommended general fund appropriations of

\$220.6 million, a \$65 million reduction. These budget requests have been closely scrutinized and carefully trimmed. Nevertheless, I am convinced that this is a budget which will move Nebraska in the right direction at the right pace.

A few weeks ago I indicated that my sales-income tax budget would be in the vicinity of \$80 million per year. I am pleased to be able to report to you that this figure can now be revised downward to approximately \$68.8 million. The budget will, of course, necessarily increase if the tax on intangibles, the head tax, and the tax on household goods are repealed. It will likewise increase upon approval of state aid to junior colleges and local school districts. Legislation on each of these subjects is now before you, and is deserving of your support. This legislation will not only eliminate a trio of unfair, unenforceable taxes, but will also provide needed property tax relief at the local level. The enactment of these measures will obviously affect the rate structure of LB 377. Nevertheless, if they are funded at a reasonable level, it may be possible for you to lower the sales tax rate of LB 377 to 2% effective July 1, 1968.

The emphasis of this budget has been carefully and deliberately delineated. Education, industrial development, agricultural research, and mental health are in the forefront. More specifically, the emphasis is as follows:

## EDUCATION

### University of Nebraska

We are justifiably proud of the athletic accomplishments of Nebraska's Cornhuskers. But is it not equally as important that we be able to continue to also take pride in the University's academic accomplishments? The educational world is as competitive as the business world, and in recent years Nebraska has not kept pace. Tax support for higher education in Kansas has increased 96% during the 1960's. In Colorado it has increased 113%, in Missouri 192% and in Nebraska 44%. Though it takes more than just dollars to build and maintain a quality educational institution, this kind of competitive disadvantage cannot be tolerated any longer. More than 200 faculty members have resigned from the University during the past two years. The majority of these have been associate and assistant professors—the intelligent, dynamic young men and women who should be the foundation of our educational system. These talented people must be retained if Nebraska's graduates are to enter the job market on an equal plane with graduates of other institutions.

The University of Nebraska ranks near the bottom of the Big Eight in salaries for associate and assistant professors. This budget grants significant salary increases to these two ranks. My goal is

to place Nebraska at the Big Eight salary median during the ensuing biennium, and near the top of the Big Eight during the 1969-71 biennium.

The University of Nebraska will have about 1,850 more students next fall than it has today. Another 1,400 will be added in September 1968. The total increase is equivalent to adding three or four private colleges to a state system in one biennium. This is necessarily disquieting to those of us involved in the budget process, and especially to our taxpayers. Much of the budgetary increase at the University of Nebraska can be explained by this factor alone. More students are interested in a University education than ever before, and fewer drop out. This phenomenon has proved to be an enigma for most of us. Our initial reaction is to say "Let's restrict enrollment and reduce taxes." But most of our students cannot afford to attend private schools or the public institutions of other states. This means that enrollment restrictions at our state University will deprive many deserving young people of a chance to ever obtain a college education. In a scientific era, such an alternative is intolerable. Surely we want more for our children than this. If so, we must be willing to sacrifice so that they can become productive members of our society. But they must sacrifice too. Students are the direct beneficiaries of our educational system. As such, they must be willing to bear a reasonable share of its cost. I have, therefore, recommended that resident tuition at the University of Nebraska be increased from \$260 per year to \$355 per year and non-resident tuition from \$786 to \$855 per year. Such action will increase tuition income by \$3.3 million during the next biennium.

At the present time, engineering research in Nebraska is virtually non-existent. Without this capability, we can neither hope to attract industries to this state nor properly service those that are already here. Approximately \$5 million is included in this budget for a new building which will serve as the first stage in the development of an engineering research center. Another \$600 thousand is added as "seed money" in a limited but notable effort to begin to provide engineering knowledge to Nebraska industry. Complementing this emphasis on scientific and industrial development are a \$4 million zoology-physiology laboratory, and a \$1.3 million computer complex. The University of Nebraska has pioneered in the use of computers for legal research. As legislators, your task will soon be made easier and, hopefully, your sessions shorter because of this activity.

Many of our small towns are in drastic need of medical services. To resolve this problem we must be able to, first, educate more doctors and, second, keep them here after they graduate. This bud-

get provides for approximately 35 new staff members at the College of Medicine, thereby making possible a significant increase in enrollment during the next biennium. As a followup, I am hopeful that the College of Medicine and local communities will continue to cooperate in a renewed effort directed at retaining more of these physicians in Nebraska.

I am recommending the funding of a substantial capital improvements program at the College of Medicine. Included are a hospital and clinic, a library, and a mental retardation unit. These structures will cost approximately \$14 million, with over \$10 million being contributed by the federal government. Omaha stands at the threshold of national prominence in the field of medicine. The building program which I have just described, coupled with similar expansion in nearby hospitals, will produce an area medical complex second to none.

During the next decade, the greatest potential for industrial development in Nebraska lies with agriculture. Farming is still the state's largest industry. Each breakthrough in agricultural technology thus adds millions of dollars to Nebraska's income. University of Nebraska agronomists have, for example, recently developed hybrid wheat. When made available for commercial production, this will have a tremendous impact on Nebraska's economy. Agricultural research redounds to the benefit of all of our citizens. For this reason, I am recommending significant increases in the research budgets of the plant and animal sciences. The latter is particularly important since Nebraska is making impressive strides in livestock production.

### **State Normal Board**

Our worrisome enrollment increase at the University of Nebraska is matched by an equivalent at our four state colleges. These institutions will add approximately 1,600 students this fall and another 1,300 in September 1968.

Salaries at state colleges have fallen behind those of similar institutions in other states and our turnover rate is excessive. To curb this trend, I am recommending a two stage increase that is designed to place the average salary of our four colleges at the mean of a group of 43 comparable institutions by 1971.

Faculty members of the state colleges have been teaching an average of 650 credit hours per year. This is too many. In most of our society, size is an indication of efficiency; not so in the classroom. Heavy teaching loads lead to classes so large that rapport between instructor and student becomes impossible. This is the antithesis of academic excellence. I, therefore, recommend that teaching loads be reduced to 635 credit hours per year.

Once again I am asking that students bear their fair share of the increased financial burden. Resident tuition at the four state colleges will, in this budget, be increased from the present \$250 per year to \$320 per year. In essence, I am asking resident students to furnish about 40% of the cost of their education.

### **Board of Education**

We dare not underestimate the importance of vocational training in Nebraska. Demographic trends indicate that our farm population will continue to decline. This should not, however, be cause for alarm. On the contrary, such a potential employment reserve should be a major attraction to industry. A more conscientious, hard-working coterie of people cannot be found anywhere. But these people, and the unemployed in our cities as well, must be trained. Few jobs are available for unskilled and semi-skilled workers. In contrast, we have a waiting list for graduates of our vocational training schools. It is essential, therefore, that programs at Milford and Sidney, along with the university curriculum at Curtis, be expanded. The number of students trained at these state institutions during the next biennium will probably number in the hundreds. This is a fine beginning, but it should be recognized as only a beginning. We must do much more in subsequent years.

### **Educational Television**

Nebraska will soon complete an educational television network consisting of two originating and five satellite stations. For the first time, ETV coverage will almost blanket the state. Educational television is expensive, but a wiser investment could never be made, for this is an investment in the minds of our citizens, and particularly our children. Students from kindergarten to graduate college will benefit. So may those in our generation who can now observe live, unexpurgated versions of legislative debate in these hallowed chambers.

## **GENERAL GOVERNMENT**

### **Economic Development**

Just a few days ago, this Legislature took a major stride forward with the creation of a new Department of Economic Development. In response to your action, I have placed within this Department not only the Division of Resources, its predecessor, but also a new Industrial Research and Information Service. IRIS will have two major functions. First, it will be a contracting agency for industrial research, including Agresearch projects which have heretofore been administered by the Department of Agriculture. I would

hope that the Legislature would see fit to broaden this contractual capability much beyond agriculture. Secondly, IRIS will distribute and publicize the findings of industrially oriented research. This endeavor should benefit businesses throughout Nebraska.

I have also created a Division of Urban Affairs within this Department, with a \$200,000 budget for community development and local planning activities.

In the broader area of attracting industry to our state, I am doubling the Department's promotional budget. Even then, our effort scarcely compares with that of many of our competitors.

### **Administrative Services**

The management potential of this new department is almost unlimited. Its budgetary, accounting, and data processing sections should be saving tax dollars every day of the week. This has not occurred, but it will occur, and soon. The Department should be able to tell the Legislature or the Governor whether the state has a surplus or a deficit of funds. This has not occurred, but it will occur, and soon.

I have begun to man this department with highly qualified, professional personnel. Such action is expensive in the short run, but inexpensive in the long run. Most businesses have learned that it is easy to be penny wise and dollar foolish. I intend to make sure that the state learns this same lesson.

### **Motor Vehicle Department**

The federal Highway Safety Act requires that all states initiate certain safety programs at the earliest possible date. You now have before you several bills designed to bring Nebraska law into compliance with the Act. Among the most significant are proposals relating to driver re-examination and vehicle inspection. Perhaps Nebraska should have had such laws long ago. Highway fatalities can evoke no pride in ourselves, either as citizens or as drivers. Grim statistics on this subject have finally provoked federal legislation. Though safety laws will be costly to administer, we must do so vigorously and unhesitatingly. Incompetent drivers and unsafe vehicles have no place on the highways of Nebraska or any other state.

### **Safety Patrol**

A substantial amount has been added to the budget of the Safety Patrol. This is essential if we are to have effective law enforcement on Nebraska highways. The interstate system now

spans 2/3 of our state; its traffic load continues to climb. By 1971 nearly all of this gigantic highway network will be finished, nationally and in Nebraska. In addition, many more miles of state and local roads will be hard-surfaced. Though these improvements inure to the benefit of all of us who travel, they likewise magnify the problems of law enforcement officials. I have, therefore, recommended that the Safety Patrol be authorized to employ 21 additional troopers, and have included sufficient funds to permit this agency to initiate 24 hour radio service.

### **Soil and Water Conservation**

The small watershed program, a cooperative federal-state endeavor, has led to the construction of hundreds of small reservoirs in Nebraska. Some of these have become tourist attractions, but most have achieved popularity with our own citizens who like to boat, fish, swim, and camp. At the same time, these reservoirs can serve an even more important function in controlling floods. Just last year, Nebraskans suffered \$37,000,000 in flood damages; in 1964, damages reached \$70,000,000. These sums would have built hundreds of flood control structures.

This budget will permit the acceleration of small watershed development in Nebraska. Included are funds not only for the purchase of necessary land at reservoir sites, but also for upstream land treatment practices.

### **INSTITUTIONS**

No part of this budget means more to me than the portion dealing with the Department of Institutions. It is here that the compassion, or lack of it, which you and I feel for our fellow man becomes self-evident. As you know, the Department of Institutions deals primarily with persons who, sometimes through no fault of their own, are not or cannot be accepted by society.

This department has now been separated into two divisions—one for corrections, the other for medical services. Both divisions are headed by professionals. In the Division of Corrections, I expect to use the director's unique capabilities to design and effectuate rehabilitation programs in all our correctional institutions. This is one of the prime functions of these institutions, but one which rarely receives sufficient emphasis. Toward this end, I have increased the correctional budget by nearly \$1,000,000. Most of this sum will be used to establish and improve training programs. For example, the state penitentiary will add programs in automobile mechanics and electricity. Part of these funds will be used to lower the inmate-counselor ratio at the Kearney Boys' Training School from 47:1 to 25:1.

This expanded rehabilitation-training effort should be accompanied by other complementary legislation. First, the State Parole Board should be manned by professionals in penology and auxiliary fields, not elected public officials. I will strongly support legislation to this effect. Second, the directors of our correctional institutions should be given authority to establish work release plans for selected inmates. I will likewise support carefully drafted legislation to this effect. Training programs coupled with a work release plan should substantially increase an inmate's chances for successful adaptation to society. This will not only benefit the inmate and his family, but will ultimately reduce the tax support required for correctional institutions.

### **Mental Health and Mental Retardation**

I expect the director of the division of Medical Services to achieve closer coordination among the state medical institutions than has ever occurred in the past. I also expect him to provide the state with forceful and imaginative professional leadership. The latter has already been forthcoming and is reflected in this budget.

The division's long-range plan in mental health is composed of several stages. In the first stage, state mental hospitals will intensify patient care. This is costly, but necessary, if patients are to be returned to their homes at the earliest possible date. Though such a policy will ultimately permit the treatment of many more patients than is now the case, its short term effect is to increase the budget demands of these institutions.

The second stage involves the establishment of mental health clinics throughout Nebraska. We now have five; others will be needed as the shift in emphasis from in patient to out patient care continues. In the long run, such clinics will save our taxpayers millions of dollars. Had clinics of this type been available in Nebraska over the past 20 years, the patient load in our mental hospitals would be far lower than it is today. Most mental illnesses can be effectively treated on an out patient basis, at a fraction of the cost of hospitalization. In addition, patients would much rather be home with their families than in a hospital bed many miles away.

The third stage involves a reduction in in patient load and hospital staffing. This is the ultimate goal of a sound program in mental health, a goal that Nebraska can reach within a reasonable period of time.

During the next biennium, the Department of Institutions proposes to initiate the first, and to some extent the second, stage of this long-range plan. This will require a budget increase of several million dollars—an expenditure which I believe must be made.

Mental illness is a health problem of such magnitude that it can no longer be ignored. You and I have all known mentally ill persons. We owe them an opportunity to receive effective and dignified treatment at a minimum of personal expense and inconvenience.

The wage scale of ward aides at our state mental institutions is deplorable. These salaries now stand at \$220 per month. I am recommending that they be raised to \$242 during the first year of the ensuing biennium, and \$264 during the following year. Even the latter can scarcely be construed as little more than a subsistence wage.

A major portion of the institutions budget is to be devoted to mental retardation. For a first hand budgetary evaluation, I implore you to visit the Beatrice State Home. May I only say that the need there is unlimited; the self-satisfaction of assistance boundless.

### CONCLUSION

The first 60 days of my administration and your legislative session have been hectic, sometimes frustrating, always challenging. The people of Nebraska have thrown down the gauntlet to you and to me. They expect value received for every dollar spent, and they are entitled to that expectation. I will do everything in my power to bring it to fruition.

But the public also expects performance. Nebraskans do not want a "do nothing" legislature or a "do nothing" Governor. They appreciate candor, and courage, and honesty. This is what you and I must offer as we pick up the gauntlet. There are legitimate needs to be met in the State of Nebraska. We have an obligation to meet those needs, irrespective of criticism. There are some who will object to budgetary increases, no matter how justifiable they might be. But to heed their hue and cry would be to abdicate our responsibilities as public servants. I am not willing to warehouse patients at our mental institutions. I am not willing to freeze the pay of ward aides at \$220 per month. I will not accept an economic development program that is only half effective. I will not support a restriction of enrollment at the University of Nebraska and our state colleges. I will not be seduced by talk of stop-gap tax measures and blue ribbon studies of Nebraska's needs. We know the needs of this state. Now let us meet them. I want Nebraska to progress, not regress, and I ask for your support in carrying out this task.

Respectfully submitted,

(Signed) Norbert T. Tiemann  
Governor

The Committee escorted Governor Tiemann from the Chamber.