

**JOURNAL**  
**OF THE**  
**House of Representatives**  
**OF THE**  
**SECOND CALLED SESSION**  
**OF THE**  
**Fifty-seventh Legislature**  
**OF THE**  
**STATE OF TEXAS**  
**BEGUN AND HELD AT**  
**THE CITY OF AUSTIN**  
**AUGUST 10, 1961**



Governor Daniel then addressed the Joint Session, speaking as follows:

MESSAGE OF GOVERNOR PRICE DANIEL, 57TH LEGISLATURE, SECOND CALLED SESSION, THURSDAY, AUGUST 10, 1961

TO THE MEMBERS OF THE 57TH LEGISLATURE, SECOND CALLED SESSION:

I regret it was necessary to call you back so quickly, rather than allow all of us a few days' rest after the labors of the first session, but it is my hope that this will be one of the shortest special sessions in the history of our State. I shall do my part in making this the shortest message which I have ever delivered to the Legislature.

One of the main purposes of the First Called Session, and certainly one of the main purposes for the tax bill which was enacted in the closing hours of the session night before last, was to provide improvements for our public school system, including teacher salary increases. Time ran out before the school bill was reached in the Senate.

The purpose of this session is to complete the job and to keep faith with the important purposes which led many members to vote for and support the largest tax bill in the history of our State.

The urgency for prompt action and for the emergency call is due to the fact that school boards throughout the State have scheduled their budget hearings for Monday and Tuesday of next week in order to comply with the law which requires that these budgets be mailed to the Commissioner of Education by the end of next week.

In the closing moments of the session night before last, I prepared a message to call you back immediately for this purpose, but I did not receive a copy of the appropriation bill or the tax bill in time to know what money would be available and what recommendations to make on such short notice.

Yesterday I spent most of the day in conference with the State

Comptroller, our budget officers, public school and teacher representatives, and had several conferences with the Lieutenant Governor and the Speaker of the House. The result of the conference with the Comptroller indicates that the tax bill is approximately \$11 million short of providing sufficient revenue to care for all of the appropriations and all of the Hale-Aikin program on which tentative agreement was reached by action of both houses during the Regular Session (this is shown on the attached Financial Statement for the Next Biennium).

Those with whom I conferred yesterday, including representatives of our schools and teaching profession, agree that this amount could and should be supplied by transfer of income from lease bonuses and rentals of public school lands in a sum not to exceed the 1% specifically authorized by the Constitution of Texas. It is proposed that this transfer to the Available School Fund be included in the Hale-Aikin bill and as a part thereof. This would supply \$12,000,000 during the next biennium and would provide the State with a balanced budget at the end of the next biennium according to the estimates which have been submitted to me by the State Comptroller. I think this transfer is fully justified at a time when we are making such vast improvements in the public schools of our State. This permissive transfer has long been contained in the Constitution of Texas. It was authored by Lieutenant Governor George T. Jester, father of the late Beauford Jester. It was first passed by the Legislature of Texas upon the recommendation of Governor Jim Hogg. Both of these men were staunch defenders of the Permanent School Fund of Texas, and I remind you that I have spent many years of my public service defending that fund and its property. I can see no reason why this small amount of income should not be used exactly as was done under the administration of Governor Jim Hogg and again as late as 1957 during this administration.

The most serious problem which had to be resolved yesterday in or-

der to arrive at an agreed bill which could be recommended to you for prompt action was the fact that our appropriations—our outgoing money—will begin on September 1, but our income from the new tax bill is payable on a quarterly basis and will not add any substantial sum to the General Revenue Fund until November of this year and February of next year. Hence, the outgo of our appropriations, including the proposed Hale-Aikin bill, would so far outstrip the tax collections that we would end up in December of this year with a deficit of approximately \$133 million.

These projections which I have obtained from the State Comptroller show that we would end up on February 1st of next year with a Treasury deficit of approximately \$152 million, and that we would end the fiscal year with a deficit of approximately \$40 million. In my opinion, such a situation would be intolerable. You can imagine how the taxpayers of this State would feel after paying the new taxes from September 1 to February 1, and then find that we had timed our expenditures no better than to end up with an all-time high deficit—temporary as it may be.

Yesterday I presented this entire situation to representatives of the Texas State Teachers Association and to others who are vitally interested in the public school program. They were most understanding and cooperative in agreeing to a program for deferred payments so that the teacher salary increase would go into effect on September 1st of this year but that payments to the school districts to cover the State's portion of the increases would be made not monthly, but in two lump sums. The first in March and the second in June of next year. They were further agreeable to a change in the present law with reference to teacher retirement so as to make the State's matching payment of approximately \$44 million per year payable at the end of the next two fiscal years rather than on the bimonthly basis which now exists. After such two-year period, the State's matching funds for teach-

er retirement would return to its present schedule.

These proposals will enable us to put the Hale-Aikin program into effect with the full \$810 per year salary increase, with payments to be made in line with our tax collections. This should keep the deficit from exceeding its present condition at any time during the next fiscal year, and it would mean a completely balanced budget and no deficit on August 31st of next year, according to the Comptroller's estimates.

These proposals have been incorporated in two bills. The first would enact the Hale-Aikin program and provide for the deferred payments and the 1% transfer to the available school fund. The second would provide for a teacher retirement matching payment at the end of each fiscal year for the next two years. Copies are attached to this message. I submit this subject and these specific proposals with my recommendations that they be adopted. They will provide one of the historic and most important improvements in the public school system of our State, and the improvements will be timed in keeping with our aim to retire rather than increase the deficit of our State.

I submit only one other subject for your consideration. That is the matter of providing for majority determinations in special elections for the Congress and the Legislature. Since this legislation passed the House and a majority of the Senate voted to consider it, I submit and recommend your enactment of legislation which will provide that members of Congress and members of the Legislature must be elected by a majority vote in run-offs where necessary, and for such other related provisions as may be deemed advisable in special elections.

In conclusion, let me say that few Legislatures in the history of Texas have matched your record for hard work, courage, and determination, and I offer my cooperation in help-

ing to make this a short but highly  
important addition to your record of  
service.

Respectfully submitted,  
/s/ PRICE DANIEL,  
Governor

FINANCIAL CONDITION OF THE STATE OF TEXAS  
FOR THE NEXT BIENNIUM

		BIENNIUM ENDING 8-31-63
<u>INCOME</u>		
Comptroller's Estimate of Revenue—July 7, 1961		\$ 190,117,024
H. B. No. 20		353,960,969
Department of Corrections Income		4,600,000
Available School Fund Supplementary Distribution		1,350,229
Total Income		550,028,222
<u>EXPENDITURES</u>		
General Appropriation Bill—S. B. 1 (General Revenue)	398,320,825	
Medical Payments for Welfare Recipients	13,300,000	
Sub-total Expenditures		411,620,825
BALANCE AVAILABLE		138,407,397
<u>PROPOSED PUBLIC SCHOOL IMPROVEMENT PROGRAM</u>		
\$810 Salary Increase	112,734,000	
Transportation Aid	5,001,000	
Increment Increase	12,050,000	
Operation and Maintenance Increase	9,317,000	
Driver Education	2,000,000	
Teachers Retirement Increase due to Salary Increase	8,400,000	
Total Recommendations		149,502,000
BALANCE NEEDED		11,094,603
One per cent transfer from Permanent School Fund		12,000,000
Balance		\$ 905,397