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**REPORT TO THE 66TH LEGISLATURE  
OF TEXAS  
FROM  
DOLPH BRISCOE  
GOVERNOR OF TEXAS  
1973-1979**

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THE BRISCOE YEARS  
1973-1978

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## THE BRISCOE YEARS 1973-1979

*“Dolph Briscoe . . . is a champion of the free enterprise system, as well as a forceful advocate of energy development and production free from excessive governmental interference.*

*“Dolph is a quietly effective man of the land, who has earned our respect and appreciation for his many contributions . . .*

*“Therefore, the Governors of the Southern Governors Conference formally record our esteem for the Honorable Dolph Briscoe, a forceful member of the SGC and a Governor who created an economic climate which has made his State of Texas a model for progress in the South . . .”*

*— adopted September 20, 1978, at Hilton Head, S.C.*





## LEGISLATIVE PROGRAMS

During my six years as Governor of Texas, I have tried to apply the philosophy of my old friend from Uvalde, the late Vice President John Nance Garner:

Government should do only two things:

- Safeguard the lives and property of our people.
- Ensure that each of us has a chance to work out his destiny according to his talents.

This has been the theme of the Briscoe Administration from its beginning on January 16, 1973. Our program has been built on these two principles. I believe we have succeeded reasonably well.

The need for confining our government activities to these two directives is as real today as it was six years ago, and I believe the public support for them is greater than ever. It means services for the people, but not government domination of their lives and pocketbooks.

When I ran for office in 1972 I believed most people wanted no new taxes. It hadn't been done in recent years. Now, six years later, it is an accomplished fact. I'm proud of the proof that it could be done, and that the policy will still generate more income for the State, and more jobs for its people, through building a healthy economic climate.

The major accomplishment of our administration was establishing the no new tax limitation on our State government.

A limitation on State government taxation is an accomplished fact. Limitation on spending is an idea whose time has come.

To be in Texas in 1979 is to be in the right place at the right time. Texas is the best place in which to live, to work, to be in business, to raise a family. It is essential that we keep it that way in the years ahead. Texas has the best climate to encourage further investment of any state. Tremendous new investment in our State in recent years has provided new and better job opportunities.

We must recognize, however, that competition is going

to be keen in the future. We have to recognize that Texas has benefited from the anti-business attitude that existed in other industrial states, particularly California. Today, that attitude has changed in most of these states.

California, New York, Pennsylvania and other states are actively recruiting new business investment, where just a few years ago they were doing everything possible to run business away. It will be more difficult, more competitive for us to attract business investment now and in the years ahead.

The success story of Texas is well-known to these other states and they are definitely going to be more competitive with us.

It will not be enough to "keep what we have," but it is going to take a very active effort to improve the business climate in our state in order to retain any competitive advantage with other states.

We have proved in Texas that government can live within its income, that we can end each budgetary period with a balanced budget and begin the next budgetary period with a sizeable surplus.

Further, we have demonstrated beyond doubt that if government will follow a policy of fiscal responsibility and a balanced budget, the increased economic activity which results will generate enough additional tax funds within the existing structure to meet the essential services of government.

For example:

In recent years, our State has doubled the money we spend on education. Funding for medical education has increased 250%.

We have established a comprehensive long-range highway financing program without raising taxes. Welfare rolls have been reduced by one-third. Four billion dollars of new money has been put into education.

— All without increasing or adding State taxes.

State government alone cannot determine the economic health of our nation. I believe that if the federal government during the past six years had followed the same economic policy that we have followed in Texas, inflation would be no problem at all in the United States today and the



American dollar would be stronger than ever abroad.

All the guidelines, band-aid approaches, to the problem of solving inflation will never work until the one essential — a balanced budget — becomes a reality on the federal level.

Many self-professed "experts" today say that it cannot be done. It CAN be done. It is only a matter of attitude and determination.

When I ran for Governor in 1972, I stated there would be no additional State taxes, that the State government would live within its income.

I remember well that the editorial boards of some major newspapers, as well as most political experts, said it couldn't be done. The four previous administrations all had increased State taxes, although prosperity was increasing greatly the revenue from existing taxes.

When the Legislature met in 1973, many of our institutions and agency spokesmen said "it can't be done." Legislative leaders came in and said they could not fit the spending requests into the State's prospective existing income. But neither could they override a veto.

Thereby, we established the principle of living within the income of the State without additional taxes, a principle now accepted and supported by all State officeholders and most legislative leaders. It is a principle from which we must never vary in the slightest.

We must constantly remind ourselves that the government can spend all the money there is. The only limitation on spending rests in the hands of those who are elected to represent the people. Government can and MUST live within its income.

Reviewing the objectives stated in my first inaugural address, I feel that major progress has been made toward the stated goals during my six years in office.

"We must restore politics to a high level of respect instead of it being thought of as a dirty business," was the first principle stated in that inaugural address.

I leave this office with the belief that confidence in our State government and its officials has never been higher. The enactment of ethics legislation may have assisted in this ac-

complishment, although I feel basic integrity and respect must be earned without resorting merely to what is "legal."

The second principle stated in January 1973 was "to make our streets and our homes safe once again."

Although much has been done in this direction, much more needs to be done. Efforts have been made to speed up the trials of persons indicted for crime. The Court of Criminal Appeals has been enlarged, and our bail bond system improved to keep repeaters from being turned loose on the public pending appeal of felony convictions.

My third principle was "the public is entitled to a dollar's worth of goods and services for every dollar spent." With the help of the Legislature and State agencies, we have tried to achieve this goal and with some success. More can and should be done to improve the efficiency of our programs, including expenditures for education.

Another objective has been "to create an environment in which every person has the opportunity to rise to the maximum of his or her potential." Education for jobs at every level has been improved greatly. The State's work force has increased by more than one million jobs to 5,683,000 in April 1978 and our unemployment has been relatively low. Yet more than 200,000 Texans remain unemployed, particularly among racial minorities. Efforts are being increased to raise the level of employment.

However, government cannot do it all. We still must motivate young people better to finish high school and to recognize and accept work opportunities when they arise. Special efforts are being made to reduce unemployment among Mexican-Americans in South Texas, and this problem is complicated by the steady flow of job-seekers from Mexico — both legal and illegal aliens. This group often performs tasks for which no other labor is available.

An entirely new team of State officials came into office in 1973 — Governor, Lieutenant Governor, Speaker of the House, Attorney General and Chief Justice of the Supreme Court. We have worked in harmony for the most part and my relationship with the presiding officers and leaders of the Legislature has been especially good.

The stated theme of this administration was "Cooperation for Progress." That has been achieved.

While some persons doubt a Governor can carry out a pledge to be non-political in his official actions, this administration has succeeded to a large extent, I believe. We have even been criticized for this by friends.

"Politics . . . must not be played," I said in that first address to the Legislature. "I will not play it. The complex of relations between men and society and the adjustments, creativity and improvements in these relations will be my ultimate and all-consuming goal . . ."

Others must evaluate how well this goal has been achieved.

On March 6, 1973, the first budget of my administration was submitted.

The State government had \$1 billion more to spend than for the previous biennium, and I recommended that \$300 million be set aside as a contingency fund. Two succeeding Legislatures also have convened with large amounts of new revenue available, and each spent virtually the total sum.

Most of this increase went for public education and health care.

This improvement in our financing for State services was done without levying any new or additional States taxes. The 63rd (1973) regular session was the second in 20 years when the Legislature approved a budget that did not require any tax bill.

During the Briscoe administration, annual appropriations of State aid for public schools alone have increased by \$1.2 billion compared to an \$835 million total increase in four previous administrations. Some argue even this was not enough. I disagree. While the money may not have been spent always in the best possible manner, the State taxpayer has been generous to public education.

The State's contribution to the Foundation Fund now averages \$2.5 billion per year.

The average teacher salary, incidentally, has been increased from \$8,680 in the 1972-1973 year to an estimated \$13,260 this year. This represents a \$4,580 per year average



increase. Even larger percentage increases have been made in funds provided by the State for maintenance and operation of public schools, and for transportation — both made necessary largely by higher prices for fuel.

In its first regular term of this administration, the increase of appropriations for public education and higher education totaled \$800 million.

“— A wise investment in the future of Texas,” I told the 63rd Legislature at the end of its regular session. In addition, the session made a significant commitment to bilingual and adult education, both badly needed.

Other accomplishments in 1973:

- The most far-reaching package of ethics and reform legislation in Texas history — legislation designed to restore public confidence in their officials and to open the doors of government more widely to public scrutiny.

- A frontal attack on the crime problem — reinstatement of the death penalty for murdering peace officers, guards and firemen; the first major revision of the penal code in a century.

- Increased Workmen's Compensation payments to families or persons killed or injured while working.

- Competitive insurance rates, the first in Texas history.

- A comprehensive Consumer Protection Act.

In 1973, at my suggestion, the Legislature created a Property Tax Study Committee, a badly needed move toward fairness in the tax system. Further steps have been taken in the ensuing years, and we now have available proper information on which the Legislature in 1979 can establish an equitable tax program under the Tax Relief Amendment just adopted by the voters.

Property tax revision may well be the most urgent task facing the new Governor and Legislature.

With inflation diminishing the purchasing power of all persons on fixed incomes, and the skyrocketing cost of utilities worsening the financial pinch, I asked the Legislature in January 1975 for an emergency increase in the retirement checks of already-retired State employees and public school

teachers. This was accomplished promptly.

On the eve of the bicentennial year of the Declaration of Independence of the United States, I noted the pessimism of many citizens about the future of this great State and nation.

I did not share this pessimism then, or now. Our future is unlimited if we heed the concepts of our forefathers. Freedom and success are fragile commodities. The greatness of this land could crumble into dust if we fail in our determination to manage our affairs wisely and honorably.

If we are not willing to preserve and conserve what we have, then we do not *deserve* what we have.

As stewards of the people's government, we must prove ourselves worthy of that stewardship. The mark we leave on the pages of history must be the mark of success and honor and integrity.

My remarks beginning a second term on January 22, 1975, ring as true today as then, and evidence is all around us that the public, especially the property taxpayers, are more concerned than ever in history.

From my first address to the 64th Legislature:

"One right each Texan has is the right to economical, efficient and responsive State government which spends his hard-earned tax dollars wisely and frugally.

"To put it in plain terms, we must waste absolutely nothing.

"We must counter spiraling inflation with more productivity from available resources . . . better utilization of personnel . . . more productive use of office space . . . increased efficiency."

Simply put, the country is tired of rising taxes and wasteful government. The State of Texas has operated in a more responsible manner than most, and we can all take pride in the record being made in the years of growth during the 1970's.

In 1975, I recommended that the Legislature eliminate the 4% sales tax on gas and electricity utility bills to help citizens cope with the rising cost of living. This was recommended again in 1977. The special session of July 1978 did



follow my suggestion to abolish this tax, in view of the State treasury's surplus. It is saving our residential customers about \$250 million per year.

The 1978 summer session approved another of my suggestions to liberalize the exemption of property subject to inheritance taxes. It was a wise move, and in line with the rising value of property and estates.

A highlight of the 64th Legislature's regular session in 1975 was the passage of legislation aimed at reducing the duplication and waste in higher education, and putting more authority — especially over new construction and new degree programs — in the Coordinating Board, Texas College and University System. That is where it belongs, and the board which I appointed has supported Commissioner Kenneth Ashworth in the effort to provide wiser expenditure of funds available for the State's universities and colleges. It is a difficult task, but progress is being made.

In this regard, I call attention to the State program of assisting private and independent universities and colleges. It is important to preserve these institutions, and it is less expensive for the State to assist students to attend these existing schools than it is to provide new facilities financed wholly by the taxpayers.

Steps were taken during the 1975-1977 biennium to improve communications between the State government and its citizens, and within the government. The Texas Register was established, an official publication for notices of hearings, proposed State regulations, the rulings and decisions of State government. We also installed TEXHELP, a free long-distance telephone system whereby any citizen can address a question about State government, and get a reply.

Easier registration and more open elections were another recommendation.

I reiterated the need for higher pay for educators, and for student-centered budgets. This goal is still to be achieved, but my administration has pressed steadily for it.

My 1975 recommendations included greater spending on care of the mentally-ill and mentally-retarded, especially for programs which prevent many of them from being institu-

tionalized.

Water development was emphasized. This remains one of the State's greatest needs. If Texas continues its growth and progress, our water supply must be improved. This means water for those who live in the cities as well as water for industry and for the farmers who grow our food. It is a problem which will not go away, but will increase until a long-range solution is applied.

The combination of water, energy, climate and know-how has put Texas near the top in the nation's agricultural productivity.

Already the Number One industry in Texas, agriculture is definitely a major weapon in America's economic arsenal. It is the best hope of our country in its efforts to compete effectively in the world's markets. It promises new jobs, new industries, and new revenues here in Texas.

For decades, Americans have enjoyed a bountiful supply of food at a very small percentage of their disposable income — 17% during October 1978. Most of the world's peoples spend more than half of their labor and money for food.

The days of cheap and plentiful food here in the United States may be numbered, and government at every level should give a high priority in assisting in the survival of our livestock raisers, farmers and dairy industry.

Tax relief, which the voters have just authorized, is one factor. A stable supply of energy at reasonable prices also is necessary. It is needed for agricultural chemicals as well as for fuel.

My address to the Legislature in 1975 also stressed the importance of recognizing the needs of our older citizens as well as the young. The Governor's Committee on Aging has been active in this area. The federal government and private employers are coming to realize that older citizens can contribute much to the nation's well-being as well as provide dignity and income for themselves. It is a welcome realization.

A special session was required on school finance following the 1977 regular session, but a reasonable bill was quickly passed.

In its 140 days, the regular session enacted the other three major proposals which I placed before it: more revenue for the highway system, a better public health program, and crime control.

One of the great achievements during this administration was the passage in 1977 of a law creating a fund to ensure adequate financing in the future for the State highway system, which was suffering from inflation, increasing use, and weather damage.

Texas faced the worst highway funding crisis of our times. The Legislature responded with a long-range solution which will assure continuation of the finest highway system in the world. This was an act of great responsibility in the midst of unjustified criticism that highways were being "placed ahead" of school children.

The issue never was whether we should have good highways or good schools. The true issue is whether Texas state government is responsible and far-sighted enough to maintain a system of quality public education AND a system of quality public transportation — both vital to our standard of living and our future well-being.

The Legislature's 1977 highway bill, which I strongly supported, will assure greater funding for the State Department of Highways and Public Transportation.

The initial two-year appropriation was \$528 million. Two hundred million dollars of this went to repair damaged State highways and bring the system's maintenance up to reasonable standards.

The law also provides for an assured \$750 million of State funds for the department in the 1979 fiscal year, and for allocations hereafter to be made according to an inflation factor. This will be determined by a Highway Cost Index Committee composed of the Governor, Lieutenant Governor, and Comptroller.

For fiscal 1980, the inflation factor increase in funds will be an estimated 8% which will assure the department of \$810 million from State sources, including the dedicated tax funds on motor fuel, vehicle licenses and motor oil.

This action to increase highway funds is one of the ma-



for accomplishments of this administration. By the dedication of additional funds, highway improvement can continue. Without additional funding, we would have been reduced to mere maintenance, or less, for the highways previously constructed.

I believe very strongly in dedicated funds. It is the only way for proper long-range planning.

Texas' growth has been made possible through transportation: first the ox cart, then the wagon, the railroad, and more recently the great highway system on which all of us depend so much.

Let me express here also a belief in toll roads and bridges where this is the most feasible method. The Texas Turnpike Authority has performed ably, and toll projects such as the bridge over the Houston Ship Channel will assure early development of an expensive, much-needed facility financed by revenue bonds to be repaid from tolls.

This administration has produced a needed change in right-of-way purchasing for State highways. Formerly, local governments paid half of the right-of-way cost. Now the State pays 90% and local communities 10%. Construction is being expedited and the public will benefit.

When the 65th Legislature met in January 1977, I requested that highway financing-public transportation, public education, public health, and crime control be given priority consideration.

During the regular session, three of these four recommendations were substantially enacted into law. Highway financing received emergency action, which it needed to preserve the State's \$35 billion investment in the road system.

Under very difficult circumstances, mainly resulting from widely different viewpoints of medical people and trial lawyers, the Legislature passed a medical malpractice insurance law. It was not the most that could have been done, but probably the best that could have been done in view of these sharp differences of opinion.

In 1975, the Legislature had passed a law to establish a Joint Underwriters Association as a stop-gap policy to insure that Texas physicians, hospitals and other medical personnel

could obtain malpractice insurance. Premiums had become very high and some companies had stopped writing malpractice policies because of the risk resulting from numerous lawsuits and large awards to plaintiffs.

In 1977, a law authorized the Texas Medical Association and Texas Dental Association to set up insurance trusts which will protect both plaintiffs and the health professions from the ill-effects of malpractice.

The law also established procedure by which individuals considered unworthy to continue medical practice could be weeded out by the State Board of Medical Examiners without risking suit against persons who participate in the action.

The Legislature also put a ceiling of \$500,000 plus unlimited medical expenses, on the amount which could be recovered by a malpractice action against an individual physician, hospital or other defendant.

Just as significant in that session was a package of crime control legislation, whose fruits we will see far into the future.

It resulted in Constitutional Amendments expanding the Court of Criminal Appeals from five to nine members, hearing most cases in three-judge panels, and a provision for judges to deny bail to repeat offenders.

In addition, new laws provide for mandatory supervision of persons released from the State prison, define organized criminal activity as a separate felony, and provide separate felony actions against fraud in obtaining welfare or welfare medical benefits.

Hopefully, the malpractice laws for medicine and the welfare fraud punishment can result in reducing both of these costs to the public.

## SPECIAL SESSIONS

Because the Legislature failed to agree on a school finance bill during the 1977 regular session, a special session was called a few days later to finish this task. I recommended to it a \$100 million reduction in the "local fund assignment" which school districts collectively pay into the basic state-wide Minimum Foundation Fund.

My recommendations also include \$300 million for increasing salaries of teachers and other school personnel, doubling of the state's contribution to equalization of opportunity to \$200 million and continuing an in-depth study of the complex ad valorem tax system as a basis for local fund assignments.

The Legislature responded with a "middle ground" finance law under which the schools are now being financed. It placed an additional \$955 million into public education. State participation in paying for the Foundation Fund was increased from 76% to 85%, leaving local districts 15% plus their separate expenses for buildings and enrichment.

Teachers' salaries were improved greatly to compensate for inflation, with strong emphasis on rewarding the career teacher who remained in the profession for three years or longer.

The signing of this law July 22, 1977, represented a 61% increase in state funding for education since 1973 — an impressive figure, in my opinion.

This was the second of three special sessions which I called as Governor.

My dislike for calling special sessions is well known, but circumstances occasionally dictate this action and I never hesitated to do so when it was considered essential.

The first special session came in December, 1973, during the fuel shortage precipitated by the Organization of Petroleum Exporting Countries placing a temporary embargo on shipments of oil to the United States.

Our nation had been plunged into an energy crisis that none of us could have predicted when the 63rd Legislature held its regular session earlier in 1973. Steps already had been



taken to reduce fuel consumption in the United States, but more drastic action was needed, according to our national officials.

At my recommendation, the Legislature in a short special session, authorized the Texas Highway Department (later named the Department of Highways and Public Transportation) to set maximum highway speed limits necessary to conform with federal law. The alternative was for the state to lose \$240 million a year in federal highway funds.

The department established a 55 mile-per-hour speed limit on highways, and has maintained the level ever since. In a state as large as Texas and so dependent on motor vehicles for transportation even over distances of several hundred miles, many viewed reducing the maximum speed limit from 70 miles-per-hour to 55 miles-per-hour as a hardship. Nevertheless, the state government has done everything asked of it, and more, to assist in solving the energy problem, and our citizens have generally accepted this role.

One gratifying result of the first special session in 1973 was an immediate reduction in the highway accident rate, with a consequent saving of many lives, personal injury, expensive medical bills and vehicle repairs.

After the initial shock of a temporary gasoline shortage, many motorists have gradually increased driving speeds and the death and injury rate increased also.

Often Texas has disagreed with national energy policies, such as a mandatory 55 miles-per-hour highway speed limit in a state with such great distances as ours. But we have cooperated in conservation matters such as this one.

The third special session which I called produced legislation which I consider an outstanding accomplishment of this administration.

As a national reaction to increasing government spending and taxing made the time opportune, the Legislature was called into session July 10, 1978, to enact a program for Texas.

It passed a law to repeal the state sales tax on residential gas and electric utilities and to modernize exemptions under the state inheritance tax.

But the most important action was adopting The Tax Relief Amendment to the Texas Constitution which the public approved by an 84% majority in the November, 1978, election.

It mandates productivity value as the basis for taxing farm and ranch land as property; gives \$5,000 valuation exemptions for school taxes to homeowners; prohibits taxing personal possessions as property; authorizes the Legislature to remove intangibles from the ad valorem tax structure and to grant additional exemptions to the elderly and disabled. State-wide ad valorem tax appraisals are prohibited, and taxing agencies are required to give notice and hold hearings before any substantial increase is made in total tax levies.

These are commendable and the Legislature doubtless will follow through with implementing the expressed will of the people.

Two proposals which I made were excluded from the tax-relief package and both deserve further consideration by the Legislature.

One is a constitutional amendment which would allow the people to call for higher or lower taxes by the initiative-referendum method.

The other, also requiring a constitutional amendment, would require two-thirds approval by both the House of Representatives and the Senate for final approval of any new or additional state tax or tax increase.



## CONSTITUTIONAL AMENDMENTS

Fourteen Constitutional Amendments have been adopted during this administration.

Unusually significant is The Tax Relief Amendment submitted by the Legislature after a special session last summer and adoption by the voters in November, 1978, by an 84% majority. Much of the amendment awaits implementation by the Legislature in this regular session. There is no question about what the public wants — tax relief and restraint on government spending.

The overwhelming vote clearly reflects how strongly the public feels on this subject, and I know the Legislature and the new Governor will act with dispatch to carry out their mandate.

The idea of reducing taxes, of tax limitation, spending limitation on state and local government was fought by the liberal big-spenders in our Legislature and by elements within the agencies which the state taxpayers support. Liberal segments of the press also were critical of the idea of reducing taxes and reducing spending.

But the vote emphasizes very strongly the determination of the people — when they have a chance to express their desire — their determination to cut state spending — indeed the cost and size of government at every level. This is the most encouraging trend seen in many years. If it continues, as I believe it will, this trend will lead to more responsible government, more nearly reflecting the wishes of the people. It is the path of fiscal responsibility and a balanced budget.

A second constitutional amendment which I consider unusually significant, adopted in 1977, permits the denial of bail to repeat offender criminals. It removes these dangerous persons from the streets and is a major contribution to public safety.

The Texas Constitution now has been amended 233 times since it was adopted in 1876.

Proposals adopted during this administration include:

- Modernizing the jurisdictions of our courts and expanding the appellate system, both civil and criminal, to give

swifter justice and make judges more able to handle the enormous increase in litigation and crime during our rise as an urban state.

- Additional bond authority for the Veterans Land Program and improvement of water quality.
- Increased pay for state legislators, to salaries of \$600 per month and more liberal expense allowances.
- Increased retirement benefits for public school teachers and state employees.
- Authorizing property tax exemptions for wind and solar energy devices.

Perhaps the most disappointing defeat was that of the proposal to permit issuance of \$400 million more water development bonds in the state. Well-meaning, but I think misguided, environmentalists were responsible for the defeat of these needed funds, which would be repaid from the water projects they help finance.

Texas needs now and in the future all the water projects it can develop. The need is just as great for our growing cities as for rural areas. Hopefully, the state can keep ahead of its water needs and not "wait until the well runs dry" to deal with this critical problem.

During this administration, Texas voters defeated overwhelmingly a new Constitution which had been produced by a dedicated Revision Commission of 1974 composed mostly of outstanding laymen and by the Legislature meeting in 1975 as a Constitutional Convention.

The product which went before the voters contained some changes which I believe would have been beneficial. But it also contained much vague language and changes which I believe would have been detrimental to the public.

So, I recommended voting against the new Constitution.

My major objection was the requirement for annual sessions of the Legislature.

I am convinced annual sessions would increase the cost of state government. Experience in other states with annual sessions reflects this. We also have bad examples of what happens with annual budget meetings of the Legislature in Texas.

In 1971, the Governor vetoed the second year of the budget bill. When the Legislature returned to write a new second-year budget, the cost was about \$60 million more than the Legislature originally appropriated for the period. In 1967, the Legislature decided to write two one-year budgets. The result: An increase of about \$30 million dollars over what it would have been under a biennial budget.

My opinion of the Texas Constitution of 1876 has changed since I came here as a new state representative from Uvalde in 1949. Then, I had the pre-conceived notion that the State's constitution must be re-written completely or there would be no way that State government could function in the years ahead.

During the years I served in the Legislature I heard discussion and debate on the issue. I left the Legislature in 1957 convinced that writers of the 1876 Constitution did an exceptionally good job.

The State has prospered and developed. I am convinced that Texas today has a better opportunity for all of the people to seek and secure their destiny than any state in the union. Reasonable means are available to amend the existing constitution when the Legislature sees the necessity and the people agree. This has been done 233 times.

I see a Texas that is as modern as the Dallas-Fort Worth Regional Airport . . . a Texas where the nation's first domed stadium was built . . . a Texas that is the lifeline for voices from the moon announcing that the eagle has landed . . . a Texas that is a world fashion center . . . a giant business community . . . an industrial titan . . . a productive and resourceful working force . . . unexcelled educational facilities . . .

Hardly the accomplishment of a state operating under a "horse and buggy" constitution!

Some idealists in politics and government fail to realize that the founders of this nation and the writers of constitutions of the Republic of Texas and our state purposely established restraints upon the power of those in government over the people governed. Call this a "negative" approach if you wish, but it is a fact of our history, and one can hardly disagree with the wisdom of the Constitution writers, either of

the United States or this State.

Constitutions are written purposely to retain power in the hands of the people — not to surrender it to those temporarily in places of authority.



## GOVERNOR'S CONFERENCES

For six years, I have been attending national and Southern regional meetings with governors of other states. We have seen the emergence of the "Sunbelt" across the South from the Atlantic to Arizona and Southern California. The area is growing rapidly in industrial, financial and political importance.

The day is coming when Texas will become the world's principal financial center, as it already is in financing energy and many other activities.

Texas will gain one, perhaps two, seats in the United States House of Representatives after the reapportionment based on the 1980 census. Other gains will be made in the South and West, with a proportionate loss representation in the Northeast. Our political strength will be greater in Washington.

We must not let competition for industry develop into regional antagonism, for much more is to be gained by cooperation than controversy in the development of all areas.

Yet, the future growth and importance of "Sunbelt" states is assured if we can maintain a healthy economy through proper development of water and energy resources, education and training of our citizens, and a tax system which encourages investment and enterprise.

My efforts in the National Governors' Association have been directed principally in the areas of energy and agriculture. In 1973, Texas and the other oil and gas producing states received a hostile reception to pleas to the governors of other states to support free-market prices for oil and gas, building of the trans-Alaska oil pipeline, and development of oil and gas resources along the Atlantic Coast and Great Lakes areas.

The embargo imposed in late 1973 by the Organization of Petroleum Exporting Countries (OPEC) brought a sudden realization to many more Americans that we could indeed have shortages unless the federal government pursued realistic policies of pricing and regulating our domestic energy resources.

One of the main accomplishments of the Southwest's governors was to bring about an understanding of the real problem by the governors of other states, many of whom were under heavy political pressure from consumer groups to oppose the interests of those who discover and produce our oil and gas.

A high point came in 1976 at Hershey, Pennsylvania when the National Governors' Conference (later renamed National Governors; Association) adopted a resolution urging removal of federal price controls on "new" natural gas. One refreshing part was that the resolution was proposed by several governors from New England and other states who had previously opposed our position but had come to realize that free-market development under reasonable regulation was the best answer to the nation's energy shortages.

Although relatively few members of Congress represent constituencies which can be described as agricultural, the governors of the major agricultural states, including Texas, have maintained a strong voice in Washington. We have supported fair prices for farm and ranch products and opposed unfair competition from foreign countries.

Because "consumer" districts elect so many more officials on the national and state levels than do agricultural districts, the way of the producer has been difficult and may remain so unless the importance of this segment of our economy is kept constantly in mind.

Officials of Texas should remain vigilant for the welfare of producers in agriculture. Otherwise, the farming and ranching population will continue to decline, particularly the small family operations which have contributed so greatly to the benefit of Texas and the nation.

It has been my pleasure to serve as Vice Chairman and Chairman of the Southern Governors' Conference, which held its annual meeting in San Antonio in 1977. This is a strong organization, and the region is fortunate to have such capable governors elected from both major political parties.

As Chairman and a member of the Interstate Oil Compact Commission, I have been able to give further impetus to the interests of states with oil and gas production. This is a

voluntary organization, recognized by the Congress, and it serves as a clearing house for information and discussion of our common problems.

I have made numerous trips to Washington and conferred with Presidents Richard Nixon, Gerald Ford, and Jimmy Carter. Many of these discussions with Presidents, members of Congress, and other officials have been on matters affecting oil states' oil and gas resources and supply.

Our efforts have met with some success, but the political climate has been difficult.

The Governor's Office includes an Office of State-Federal Relations. It was headed by Alan R. Erwin early in my administration and later by Harry E. McAdams, both very able officials. Members of this staff perform a very useful service for the State of Texas, obtaining information, distributing detailed information about matters affecting this state, and keeping officials in Washington informed of Texas' interests and official position.

Also on the interstate level, Texas belongs to the Southern Regional Education Board which serves our common interests in matters of higher education. The SREB, for example, has pointed out in recent years the leveling-off of enrollment in colleges and universities over the region, and specified fields in which opportunities for graduates are the greatest as well as those which face an over-supply of graduates seeking employment.

The Legislature implemented my recommendation for a reciprocal plan among the states, where graduate students from Texas might enroll in other schools at the resident tuition rate, and graduate students from other states could enroll on the same basis in Texas.

The Southwest Border Regional Commission has grown in importance during this administration. It encompasses Texas counties along the Rio Grande River as well as counties bordering Mexico in New Mexico, Arizona and California. I have cooperated with governors of these states in planning and implementing development of this vital area. A recent example is the allocation of \$400,000 to develop solar energy technology to assist low-income families living along

the border. A grant of \$110,000 was made to Texas for the purpose, and my successor should see a rapid growth in the importance of this Commission's work.



## **A SIX-YEAR HISTORY**

## Aeronautics

Passengers carried on airlines certificated by the Texas Aeronautics Commission has increased approximately five-fold during the six years of this administration. In 1978, more than four million passengers were carried within the state on seven TAC certificated lines.

During the period, these airlines have extended service to 29 Texas cities, compared to 14 in 1973.

Texas also has received national attention for its role in developing and improving general aviation airports within the state. Since fiscal year 1973, the State has provided matching grants to construct and improve 156 airports. Twelve of these are new airports.

The number of requests for this program outstrips the funds available, a situation made worse by inflation.

## Agriculture

One major goal of this administration has been to make Texas the "Number One" State in agriculture, and significant strides have been made in this direction despite the fact that Texas is becoming increasingly an urban and industrial state.

My appointment of Reagan V. Brown as Commissioner of Agriculture was made with this in mind. He is highly qualified by interest and experience to assist in the development of rural Texas. His predecessor, John C. White, was also active in similar development and the effort is being accelerated.

I also have worked toward improving the foreign market for agricultural products, particularly those from Texas, and some progress has been made. More needs to be done, especially at the national level in promoting overseas sales of agricultural products.

Despite its urbanization, Texas remains a state of people close to the soil. Thousands of part-time farmer-stockmen with jobs in the cities are repopulating our small towns and rural areas, largely because of the quality of life for their families.

Becoming first in U.S. agricultural production alone will not be enough for Texas, if the men and women who devote their lives to farming and ranching cannot realize reasonable rewards for their labors, including financial rewards.

In 1978, the 75th anniversary of the Texas A&M Extension Service was celebrated at its birthplace, the 70-acre Porter Farm in Kaufman County where a demonstration center was started by Dr. Seamen K. Knapp and William C. Porter.

It was a venture which revolutionized American agriculture and helped establish Texas farming and ranching as among the most scientific, progressive and productive in the world. The Extension Service now operates in all except one of the State's 254 counties.

In 1977, the Governor sponsored in Austin an international conference on screw worm control, a project in which I have been vitally interested for years as a South Texas rancher

as well as a citizen and public official.

Many participants came from Mexico for the meeting, which stressed the need and means to maintain international vigilance and eradication against this insect pest which has added hundreds of millions of dollars to the cost of raising cattle, sheep and goats. Another control method employing release of scientifically sterilized flies in infected areas has worked well, but it is a recurring problem.

It is a problem in which the consumer has as vital an interest as the producer, since the cost of livestock losses nearly always must be borne eventually by the consumer.

## Appointments

During a six-year administration, a Texas Governor appoints about 7,200 persons to various boards, commissions, committees and office.

This is one of the most important duties which a Governor has, and one which consumes a great deal of time.

The Briscoe administration has seen an unusual number of vacancies occur in elective statewide offices, which the governor filled by appointment pending the next election.

Due to resignations, I appointed all three members of the Texas Railroad Commission, a first for any administration since the agency was created in 1891. My appointees were Mack Wallace, John Poerner and James E. Nugent.

This administration has also seen the creation of a major new state agency, the Public Utility Commission of Texas, and the appointment of its first three members. These are non-elective offices.

To this important commission I appointed George Cowden, Alan Erwin, and Garrett Morris, three highly-qualified men of varied experience in government.

Reagan V. Brown was appointed to be Commissioner of Agriculture when John C. White resigned to accept a federal position.

Warren G. Harding was named State Treasurer to succeed Jesse James, who died.

Ross E. Doughty, Charles W. Barrow, and T. C. Chadick, all experienced judges on the lower courts, were appointed to the Texas Supreme Court.

When the Constitution was amended to expand the Court of Criminal Appeals, I appointed District Judge Wilbur C. Davis of Bryan and State Prosecutor Jim Vollers to new positions on that court.

In six years, I have appointed, or in many cases reappointed, every member of every appointive State agency. Some have argued against tenure for a Governor which would permit so many appointments. It seems to me that an eight or ten-year administration would be little different in this regard

than an administration longer than four years.

Staggered terms enable the appointees of previous governors to stay in office for two, four, or six years, and this provides a smooth transition into a new administration. It has been argued also that a new Governor should be given authority to appoint his "own people" immediately to control State agencies. This is a highly political suggestion and is usually not good government.



## Corrections

Texas' Department of Corrections, under Director James Estelle, is, I believe, the best in the United States. But it also has problems of growth and very large turnover in security personnel that the new Legislature needs to address.

The Beto Unit scheduled to open in 1979 will initially house 1,000 prisoners and later another 1,000 can be accommodated. The Department is requesting an additional unit for 2,000 inmates for construction as soon as possible.

The reason is simply that Texas is growing, the cities are expanding, and crime is rising. Prison population keeps growing steadily, despite a better parole system and other efforts to rehabilitate errants and get them back into useful roles in society.

The prison population on August 31, 1978, totaled 24,615, almost double the 12,630 just a decade ago. The number increased by nearly 7,500 in the past six years.

Since 1970, the parole and probation population in Texas has increased by 100%, indicating the willingness of communities to handle at the local level those convicted of crime who are considered safe risks to return to a self-supporting status.

Despite this great increase made possible by improvement in our parole system, this Governor has been cautious about approval of inmates for parole.

In fiscal 1972, for example, only three were denied by the Governor's Office of 1,480 submitted by the Board of Pardons and Paroles. In my first full year in office (1973-1974) denials totaled 173 of 4,631 submitted.

The peak year (1976-1977) showed 1,210 denials and 7,779 approved by the Governor, a denial rate of 13.4%, the highest in many years.

We must weigh the chance of rehabilitation against the chance of harm to innocent people, and we should never release persons from the Texas Department of Corrections just to relieve over-crowding.

The Work Release Program is one noteworthy feature.

Initiated in 1969, this program has been used conser-

vatively and without significant incident. Director Estelle reports that once the prisons had 335 inmates on work release in construction jobs near New Waverly.

It should be understood that these prisoners are not competing with "outside" labor for jobs. They work only where the Texas Employment Commission certifies that other labor is unavailable.

At latest count last August, 42 prisoners were on work release. Since its inception, the program has seen more than 1,000 inmates employed at earnings totaling \$3.4 million plus payment of more than \$500,000 by employers for room, board and transportation of these workers.

The staff of the Department of Corrections and the governing board wholeheartedly favor the concept of work release with this footnote:

"Those people committed to the Texas Department of Corrections who can be treated and given responsibility to the degree required by work release probably should be paroled or discharged.

"We are also convinced that the most positive impact this program can have is at the county jail level where inmates have been convicted of misdemeanors, are known to the community, and probably had jobs at the time of their conviction.

" . . . the jail inmate could be required to pay his room and board while incarcerated; he could be required by court order to make restitution to the victim; and the balance of his salary could be used to defray his family's expenses thus reducing the likelihood of supporting them with public welfare monies."

Director Estelle cautions that failure to screen prisoners carefully in a work release program can result in a serious community backlash, and that it has not resulted in any significant reduction in total prison population in states which conducted work release programs.

It is a step in the right direction, which I commend for the future.

In addition to the new 2,000-bed prison unit which the Board of Corrections is requesting from this Legislature, a



new prison hospital will begin construction in 1979 in connection with the Galveston Medical School.

While the Department of Corrections does an outstanding job of educating prisoners, most of them are previous school dropouts, and it gives training for many industrial and technical occupations, we must keep in mind the importance of maintaining agricultural production at each unit.

This provides a means of keeping inmates busy in productive work where they grow food for the thousands of persons in prison.

In locating another unit, as this administration tried to do, one requirement should be a high rainfall area suitable for intensive agriculture or a location in an irrigated farming area.

Much more attention is needed to the personnel problems in state prisons. Two of every three security officers recruited quit during the first year. Needless to say, this is a great handicap in prison operation for there is no substitute for well-trained, experienced, loyal staff people. Higher pay and more personnel are indicated, but the rate of quitting by new personnel indicates something more is needed in the selection and training process.

Prison management also is made much more difficult, in Texas and elsewhere, by the activities of well-meaning but sometimes over-zealous persons and organizations outside the prison to enforce their ideas of corrections on those who are entrusted with the responsibility of managing the system.

Frankly, I believe those working in the prison system deserve better protection from such outside influences, including frequent lawsuits filed on behalf of inmates. There is no easy answer here, and it deserves study by those responsible people in state government.

## **Criminal Justice Division**

Considerable progress has been made during the past six years in crime control, although the statistics continue to rise and our lives and property are in far greater danger from the criminal element than this society should tolerate.

In 1968, Congress enacted a Crime Control Act providing federal money for projects intended to train police, improve communications in catching criminals, and speed the trial of persons charged with crime.

Final decision on the allocation of funds, as recommended by the Criminal Justice Division of this office, is placed with the Governor. We have allocated funds regionally on a formula based on population and incidence of crime. In fiscal 1979, Texas has a \$30 million fund to distribute in this manner.

Some of the results have been tangible, such as better police radio networks, and some have been more subtle, such as a better spirit of cooperation among the law enforcement agencies across the State.

Budget decisions are made basically through local Criminal Justice Advisory Boards, composed of people most likely to understand local needs and problems.

Police training has been a major effort. Every law enforcement officer in Texas now lives within two hours of a police training academy, partly the result of this program. More than 30,000 Texas peace officers are certified by the Texas Commission on Law Enforcement Officer Standards and Education.

This requires at least 240 hours of basic law enforcement training. Many officers have earned college degrees and many others have received specialized advanced training. Many police departments pay incentive raises for officers attending college, and there now are a variety of cadet, intern and career development programs.

With financing through this program, many towns and counties now provide 24-hour dispatch services throughout a county while eliminating duplication in record-keeping. Tarrant County and Fort Worth are moving toward consolidating

police service on a countrywide basis, including combining the jails.

In specific cases, funds have been provided for establishing special programs to fight organized crime and narcotics. Millions of dollars worth of stolen property have been recovered through "sting" operations which catch rings of thieves attempting to sell stolen goods.

A high-speed teletype now provides communication for all police agencies in the State.

Burglaries were reduced by about one-third in Midland and Tyler in a program of prevention which now is spreading across the State.

Through special manuals and seminars, prosecutors, judges and their supporting staffs have been aided through CJD. The Office of Court Administration and Texas Judicial Council use grants to gather statistics on the court system.

Through special manuals and seminars, prosecutors, judges and their supporting staffs have been aided through CJD. The Office of Court Administration and Texas Judicial Council use grants to gather statistics on the court system.

Computerized information now is available through the Secretary of State's Office to help develop evidence in complex "white collar crime" cases.

Other projects in which this agency has been associated include:

- Improving and expanding the probation system and assisting ex-offenders in returning to law-abiding lives.
- A Center for Criminal Justice has been established at Sam Houston State University in Huntsville, one of the nation's outstanding training institutions in all aspects of this problem.
- A screening program for juvenile offenders to separate those least likely to be rehabilitated from those who mostly are very young runaways, truants or petty offenders.

## Energy

Perhaps no administration in history has been confronted with more critical problems concerning energy supply.

A few months after I became Governor in 1973, the Mid-East oil embargo dramatized a situation which many Texans long had foreseen but which national leaders had ignored.

The fact that America faced a fuel shortage was brought home vividly. Prices for natural gas, oil for gasoline and for heating, and utility bills all soared. Citizens were understandably upset, and many were misled by uninformed persons into believing the shortage was contrived. It was all too real.

Five years later, most citizens have a better understanding of the problem but our national leaders continue to ignore the advice of those who know the most about fuel production — including our own Railroad Commission, economists and industry experts in Texas and other Southwest states.

The Congress has finally passed, and the President signed, an energy policy bill. I disagree with its effort to extend federal price controls on natural gas and to set prices for oil produced within the United States below those paid for foreign oil. It is a short-sighted policy.

Texans have cooperated with our national administration, despite our differences.

The first example came in December, 1973, at a special session of the Texas Legislature called to provide for reducing the highway speed limit from 70 miles-per-hour to 55 miles-per-hour.

Many of us had long recognized that a problem existed. Indeed, forecasts of shortages and over-dependence on foreign oil and gas had been made for a quarter of a century by such informed persons as the late Ernest O. Thompson, longtime member of the Texas Railroad Commission.

But, this is no time for recrimination. I told the 1973 special session:

“There is plenty of blame to go around. As a people, we



have been wasteful. Every national administration for 20 years has ignored the warning signs. Environmental concerns have not been properly balanced against our energy needs. The important thing now is not to decide who is responsible for the energy crisis, but to determine what our response to this crisis is going to be."

Officials of Texas, including our representatives in Washington, have tried to be helpful in solving this problem. But, the State's interest needs protection today more than ever before. We must look to the year 2000 and beyond to develop alternative fuels, and Texans are in the forefront of this movement.

The Texas Railroad Commission, long before officials acted in other states, established priorities on the use of scarce natural gas and ordered a phase-out of its use as boiler fuel.

Our vast deposits of lignite are being developed, mainly for generating electricity. Nuclear energy is being developed as the best hope for cheap electricity in the next century. The State is a leader in developing solar, wind, geothermal and other little-used energy sources.

As Governor of the greatest energy producing state in this nation's history, and as an energy spokesman for National and Southern Governors' Conferences on many occasions, I have appeared often before Congressional committees and discussions with the President.

The real answer to our energy dilemma is obvious: Increased production.

Remove government controls and production will increase. Under federal regulations, other parts of the nation have experienced repeated shortages. Texas has had none except in local situations not related to the total supply available.

It is another instance where governmental interference and governmental regulation have proven to be the wrong answer and the results have been disastrous. Only a free market can successfully produce the energy which this nation needs to survive.

More than one-third of the oil ever produced in the

United States has been produced in Texas. Texans continue to stand ready to aid their nation. But Texans should not be asked and must not be made to make enormous sacrifices while other areas of the country are allowed to profit at our expense.

Texans have a very special stake in the solution of this "energy crisis." Our economy is built largely on oil and gas. Our government and our schools are supported largely by taxes on oil and gas, and by endowments and royalties from mineral production on land owned by the University of Texas System and the public schools.

While oil and gas tax revenues have risen in recent years, production has declined steadily.

This means simply that the State can no longer rely principally on this source of revenue. Within a decade, our oil and gas production likely will be considerably less than today unless large new reserves are discovered, which geologists consider improbable within the State's boundaries.

Each of us should be grateful for what oil and gas has meant to Texas, and plan for the time when reliance must be placed on other sources of fuel and taxation.



## Governor's Mansion

Every governor since 1856 has lived in the mansion which was our home for six years. We came to love this place just as we have the magnificent Capitol which houses the executive and legislative branches of government.

Some years ago, I thought it might be a good idea for the State to build a new mansion for governors and turn the existing one into a museum or a place for ceremonial occasions.

After occupying the residence for six years, my family and I would be unalterably opposed to converting use of the building into any purpose other than its historic one.

While there have been some structural problems in the past, the mansion now is in good condition. The location is very convenient.

But the hardest feeling to convey to others is the sense of history that every governor has lived in the mansion.

One thing has always been important to me. When confronted with a tough problem, at night I could go out on the porch or to the Sam Houston Room . . . to reflect on how many other tough decisions had been made here . . . many more difficult than ones we have faced in these last six years. It is an humbling experience, which would be lost for any governor who moved into an expensive new mansion somewhere else in Austin.

The mansion provides privacy yet is accessible to the public on a regular basis. In my opinion, that is the way it should be.

## Governor's Staff

When the Briscoe Administration started, there were 510 employees and we reduced the number to 282 over a period of months through attrition and transfer. No employee was discharged.

Especially during the 1960's the Governor's staff had expanded greatly, partly to administer federal-aid programs.

Sixteen federal programs plus several sub-divisions are administered through this office.

Here are the basic ones:

- Revenue Sharing (State and Local Assistance Act of 1972), allocated \$112 million for fiscal 1979.
- Public Works and Economic Development Act of 1965, with almost \$1 million to spend in Texas during fiscal 1979, including discretionary funds. In addition, the Governor has some responsibility over urban transportation programs but without financial assistance through this office.
- Comprehensive Employment and Training Act of 1973, assisting unemployed and others in training and job-finding.
- Education Amendments of 1976, requiring formulation of a State plan for Vocational Education and appointment by the Governor of an advisory State Manpower Services Council.
- A 1976 federal law requiring the Governor to establish a statewide clearing house of notification and information on city development and environmental policy.
- National Coastal Zone Management Act, which requires State review of local development plans and environmental reports including wastewater.
- A matching program for management improvement in pay and retirement programs for public employees. The Governor's office has about \$300,000 a year to allocate among State agencies for this purpose, plus a like amount of federal funds distributed to local governments from the Department of Community Affairs.
- Omnibus Crime Control and Safe Streets Act of 1968, with about \$30 million annually for distribution to

local agencies for improving law enforcement and criminal justice.

- Old Americans Act of 1965. In 1978, more than \$27 million was allocated to Texas to assist needy citizens over 55 years of age obtain lunches, employment, and social activity.

- Energy Policy and Conservation Act. The Governor's office has \$4 million per year, starting in November, 1978 for programs to conserve energy conservation around the State, mostly through educational programs.

- Energy Extension Service, through sub-contract to universities, the State has been allocated more than \$1 million for a pilot project on energy conservation for households, small business firms, hospitals and other consumers.

- Payments in Lieu of Taxes Act of 1976, by which local government received \$1 million from Washington to offset tax losses in federal land management, forests, parks, and reclamation areas.

- Public Works Employment Act of 1976, by which the State will receive \$15 million and local government \$51 million over the life of the act. Basically, this is to furnish jobs in areas where unemployment rises above 4.5 %.

To assist in administering these and other programs, the Governor assigned his Executive Assistant as a coordinator for division directors.

Separate staffs served the Commission on the Status of Women, the Film Commission, Greater South Texas Cultural Basin, Equal Opportunity Employment Office, Committee on Aging, Office of Migrant Affairs, Energy Resources Office, Criminal Justice Division, Budget and Planning Office, and Border Commission.

From the above, it can be seen that the Governor has been assigned a difficult-to-impossible task of efficient administration of programs assigned to his office by the federal government and occasionally, the Legislature.

There is no way you can supervise them properly under existing conditions. Dealing with these programs has been my most difficult and time-consuming problem. Competing groups seek the same grant funds, for example. There is absolutely no way of knowing in advance which group would do

the best job of supervising the programs on a local basis.

The Governor has the responsibility for such programs but really is a middle man without any real authority to see that the intent of the programs is carried out. Often, the law specifies the type of persons to be chosen for managing the program. There is much variation from program to program — each becomes a world unto itself.

Grantsmanship has become a profession in this country, and one over which there is inadequate control. This leads to waste of money, mismanagement, and frustration on the part of persons or communities the programs were designed to help.

Since "aid" programs of allocating money from one level of government and spending it on another level have become a way of life for the United States, its states and subdivisions, I see no way that we can remove them completely from the fabric of our system of government.

Certainly we can and must make them better, and perhaps smaller. Certain programs, such as highway assistance, have worked very well. But too many others have been originated and designed with political as well as useful purposes in mind, and the whole structure should be reviewed, from Washington to the community level, and including the state government.

I do not favor "pass-through" where the federal government deals directly with each community or special local agencies. The state government is the proper place for supervision, so some coordination can exist over how the taxpayer's money is being spent at each level, and duplication and extravagance controlled to some extent.



## Health

Public health has made impressive gains in Texas during the past six years, partly as a result of state government action and partly from the advance of medical science generally.

Since 1972, the Texas Department of Health has created 10 regions, integrated into effective public health teams within reach of every Texas county. Before 1972, 179 counties had little or no public health service and the remaining 75 were served by local units.

Here are some other accomplishments in public health during this administration:

- A mandatory school immunization law passed in Texas has become an example for other states. Cases of diphtheria, measles, pertussis, polio, tetanus, rubella and mumps have decreased 70%. Deaths declined 30% from these childhood diseases, which are largely preventable through immunization.

- Tuberculosis, an age-old ailment, has shown a 45% drop in number of deaths during the period and 45% in total cases.

- With chest hospitals in San Antonio and Harlingen, the Department's program of dealing with respiratory lung disease has been vastly improved. After treatment in the hospitals, lung disease patients are usually returned home for further treatment and follow-up care by public health personnel.

- Heavy emphasis is being placed on health services for mothers and children. In 1978, through statewide clinics, 42,200 maternity patients and almost 64,000 family-planning patients received assistance. Child health clinics have been operated at more than 400 locations, which served 96,000 patients in 1978. Included were thousands needing special treatment — babies born with speech, hearing, or eye problems, and others with potential mental retardation except for early detection of metabolic problems.

- Mobile units operated under contract with the Department of Health Resources have screened 182,000

children for dental and health defects.

- On recommendation of the Governor, the Legislature assigned full regulatory authority over nursing homes to the Department of Health. Much criticism had been received of nursing homes. While many of these are excellent, others neglected or even abused patients.

- Under this administration, the quality of patient care for 84,000 persons in more than 1,000 nursing homes has been improved greatly. Open hearings have been held regarding the adequacy of facilities. Citizen advocates and volunteers have assisted in seeing that patients receive adequate care.

- Health care generally has been greatly improved for older citizens. A program of screening to prevent ailments in detecting diseases has been introduced. In fiscal 1978, nearly 16,000 such cases were referred to private physicians or to public health centers.

- A statewide plan for controlling hypertension resulted in screening in the last year of more than 143,000 persons, many of whom had undetected high blood pressure which could have shortened their lives.

- A previous program for crippled children has shown results in the last six years that are described as "outstanding," with a caseload averaging 13,570 children per year. A new Supplemental Security Income plan inaugurated in 1978 will enable even more crippled children to receive assistance in the future.

- In 1973, the Legislature passed a Kidney Health Care Act which has extended the lives of about 4,500 Texans. A new program also has been established, aiding 40 hemophiliacs.

- A recent estimate indicates malnutrition — both undernourishment and over-nutrition — costs Texas about \$192 million annually. A new nutrition information program, which will be expanded in 1979, looks toward relieving this source of health problems.

- Emergency Medical Services have been vastly improved. The number of trained emergency medical personnel has been increased ten-fold during this administration, with

much better training, equipment and communications than before. This simply means chances of surviving an accident or medical emergency today are far greater.

- Occupational hazards are being pointed out through a free consultation plan sponsored by the state. More than 163,000 violations of safety and health regulations have been discovered by state inspections in six years. One important result was to bring these firms up to standards which will avoid an estimated \$16 million dollars in penalties by the federal Occupational and Health Administration.

- Water and solid waste systems also have been improved through state aid, making water safer to drink and waste treatment plants less of a health problem. Much of this has been accomplished through training of operators for such facilities, as well as through inspection and education programs.

In all, Texas is a fast-rising star in the health field, both in its great medical centers, its expanded education of physicians, dentists, nurses and other health personnel, and for its up-to-date public services provided by the state and local communities.

## Highway and Mass Transit

Through allocations of the Legislature in 1977, at my urging, arrangements have been made to keep Texas' great highway system in first-class condition rather than deteriorating as it was doing without adequate funds.

Without this assistance, the Department of Highways and Public Transportation would have been reduced to mere maintenance rather than new construction and reconstruction. Now the system's future is bright. Highways are the lifeblood of this State's economy and it would be shortsighted indeed to overlook this fact of life.

Long-range planning, as we must have for highways, is impossible without dedicated funds. It takes years to develop a construction project before any highway actually is built. Hearings, locations, plans, environmental statements, right-of-way acquisition, and other steps take a long time.

This administration believed strongly in good highways and used its efforts to extend this philosophy for years into the future. Foremost has been the dedication of resources by the 65th Legislature, which has allowed the Department to develop a 20-year highway Project Development and Control Plan. There also is a Master Plan for Public Transportation in Texas.

From 1973 through 1976, the Department completed 4,565.7 miles of new and reconstructed highways. Another 1,884.8 miles is currently under construction or has been completed. This averages more than 1,000 miles of construction and reconstruction each year of the Briscoe administration.

More striking is the fact that this has been accomplished while the department's total work force was being reduced from more than 20,000 to about 15,000. This was done mostly through attrition, although in 1975 some reduction in work force became necessary for financial reasons.

This significant result was achieved through increased use of computer technology and new management techniques. I am advised that the current staff of about 15,000 will continue to be adequate even though the volume of work ahead will be significantly increased. Employment has been



stabilized through increased efficiency and productivity.

In addition to our highway program, technical and financial assistance has helped to increase transit ridership in our cities from 120 million passengers in 1973 to more than 130 million in 1977. Increased acceptance is expected for mass transit in the future.

The most important developments in highways and transportation during the last six years also include:

- A Weigh-in-Motion system for truck weight surveys and development of portable scales for weight law enforcement.
- Development of methods to recycle deteriorated roadway surfaces with savings in asphalt and aggregates, both in short supply.
- Installation of "crash cushions" developed through research, and other safety devices, to reduce the severity of accidents when motor vehicles strike fixed roadside objects.
- Increased highway beautification. Roadsides are planted with trees, shrubs and wildflowers to make driving a more delightful experience. Our roadside parks also contribute to the pleasure of travel in Texas.
- Removal of more than 30,000 illegal billboards along Texas highways.

## Higher Education

The Coordinating Board, Texas College and University System, noted a changing of trends during the six years of this administration. Growth of enrollment and facilities featured the early years.

More students were able to attend close-at-hand colleges, and financial assistance was more plentiful than ever before. Efforts also have been increased to collect on loans made to students, through court action if necessary. It is regrettable that many students who have attended school on loans guaranteed by the taxpayers later felt little or no obligation to repay. This applies only to a fraction of those who received help, but it is too many.

Progress has been made in getting better coordination of our higher education system, both public and private. Efforts are being made to improve and regulate off-campus courses.

Financial support for higher education by the State has almost doubled, from \$1.5 billion in 1974-1975 to \$2.9 billion in the 1978-1979 biennium.

At a time when many other states were curtailing higher education programs in 1977, Texas legislators increased appropriations for this two-year period by 27%.

Enrollment in higher education, both public and private, in Texas has grown from 501,644 to 730,718 by preliminary totals for 1978-1979, a 45.7% increase.

In the past six years, 19 state-supported units began operation bringing to 122 the total of campuses for higher education provided at public expense in Texas. Although no new community junior college district has been created since 1973, seven new units have been added by existing districts and another is scheduled for 1979.

Five additional upper-level institutions have been provided mainly to assist community college graduates in further education. Two four-year public institutions and two new public medical schools have gone into operation.

By 1975, an estimated 98.9% of all Texas citizens lived within 50 miles of some higher education facility, and only

141,000 of the State's 12.2 million people lacked access to higher education within 50 miles. Most of those lacking such close access to public campuses have private universities nearby.

Two out of five students receive some form of State or federal financial aid, aside from our low tuition fee.

Over \$83 million has been loaned to 38,146 Texas students under the State Hinson-Hazelwood College Student Loan Program since 1973. More than \$39 million was appropriated by the State to help 76,420 students attending private colleges and universities. While the trend has been toward loans rather than grants, the Coordinating Board has yet to receive any appropriation under the Texas Assistance Grants Program.

As enrollments began stabilizing in the mid-1970's, the Board put a temporary moratorium on approving new degree programs while it studied more carefully what we already had. Even so, 388 new degree programs were established in Texas during 1973 to 1978.

A large increase has occurred in professional training during this administration. The State's universities have graduated 4,189 physicians, about 20,000 nurses, 1,540 dentists, 8,692 lawyers, plus more than 70,000 holders of master's degrees and more than 7,000 PhD's.

During the last three years, the Coordinating Board has exercised the authority to approve or disapprove major construction projects, other than those specifically requested by the Legislature. Since 1973, more than 580 building projects were initiated on 76 campuses. Bonded indebtedness of public universities including medical schools rose from \$327.5 million to \$1.6 billion.

The Legislature also approved eleven new construction projects costing \$41.8 million and appropriated \$59 million for repairs. Educational space in senior institutions increased by 23% and in community colleges by 18%.

One major accomplishment has been to increase the output of medical personnel. In 1973, entering medical students numbered 787; last year, 1,103 started training to become physicians in Texas.



An appropriation for State financing for Family Practice medical residency programs assisted in training 267 such physicians in 1977, and by 1980 the number is expected to reach 398.

Enrollment in higher education is expected to rise more slowly in the years ahead than the 1965-1975 decade of rapid growth in Texas. The Coordinating Board advises, and I concur, that we need to hold the line on new four-year institutions and medical schools.

The ad valorem tax program to aid universities other than the University of Texas and Texas A&M systems should be revised and brought up to date, which will require changing the Constitution. The ad valorem tax distribution should be broadened to include four-year institutions established after the current group of seventeen schools were put on the program.

Just as important, the funds should be made available for purposes other than new construction. The present wording of the Constitution prohibits spending the funds for repairs or rehabilitating existing buildings, and thus encourages the over-building of new structures.

This administration has taken steps to restrain such over-building. The Coordinating Board has also begun, at the request of the Legislature, a program to make more efficient use of faculty and to give students greater access to teaching by senior faculty members.

In 1977 the Coordinating Board issued the first statewide report on the supply and demand of prospective graduates into occupational fields. It determined in some fields there are far too many seeking college degrees, and in others the prospective demand exceeds the expected supply. It would be far better if a student entering college understood the job market to be faced a few years later and thus avoid frustration and expenditure of time and money which might better be directed elsewhere.

Technical-vocational education is being increased steadily in community colleges as well as the public schools, a pattern which this administration has strongly recommended.

The Coordinating Board offered this 1979 situation



report as a new administration takes over:

"Although substantial progress has been made in higher education in the past six years, much remains to be done. And if high quality is to be sustained where it exists and achieved elsewhere in our colleges and universities, considerable support will have to be maintained and perhaps even increased for the institutions already in operation. At the same time, it will be necessary to hold the line on expansion of new four-year institutions and medical schools."

The Board added these suggestions:

- Statewide review of existing degree programs, beginning with the doctoral level.
- Tuition law revision to require foreign students to pay the same tuition as other non-residents and reclassification of refugees the same as other aliens living legally in the United States on permanent residence visas.
- A study of the law concerning expansion of community college districts in view of financial difficulties arising from the fact that some districts include only part of the territory served by the college.
- A review of energy conservation and utilities costs in higher education.

## Human Resources — Welfare

The past six years have seen a decline in the percentage of federal assistance for the human resources-welfare program.

Most significant has been the reduction in the number on Aid to Families with Dependent Children by approximately 50%. Those receiving Old Age Assistance declined slightly as more became eligible for Social Security. The principal increase was in the program for the Permanently and Totally Disabled.

More than one million Texans were receiving food stamps under that federal program in fiscal 1973 and a larger number in the following year. Through federal and state action, this has been reduced to about three-fourths of a million persons.

(See following page for yearly comparisons of programs administered by the Texas Department of Human Resources.)

We have been successful in moving more people from welfare rolls to work. Each of us should take pride in the expanding day care centers for children of working mothers. Whether or not one favors so many families with small children having mothers who hold jobs outside the home, it is a fact of life. It will continue to happen. So we have a continuing need for first-class foster care. It is thrilling to see what some of these centers are able to do with young children. Basically, it is like starting to school early.

Much has been accomplished in the human services area during recent years, and the attitude toward these programs has become more positive. Even the State's agency name has been changed to "Human Resources" from "Welfare."

The State's population is changing from primarily young to one which is aging progressively, which means future Governors and Legislatures must be aware of the needs of the old and infirm. One requirement will be additional state medical assistance to those who are unable to afford adequate care themselves.

The Texas Department of Human Resources lists

**NUMBER OF RECIPIENTS — AVERAGE MONTH — STATE FISCAL YEAR  
AVERAGE MONTHLY NUMBER OF RECIPIENTS/CASES**

Program	Sept. 1972-	Sept. 1973-	Sept. 1974-	Sept. 1975-	Sept. 1976-	Sept. 1977-
	Aug. 1973	Aug. 1974	Aug. 1975	Aug. 1976	Aug. 1977	Aug. 1978
Aid to Families with Dependent Children/ Supplemental Security Income						
Families	120,253	120,068	111,824	102,845	95,182	92,139
Adults	116,124	112,447	101,311	90,224	81,325	77,103
Children	325,244	314,813	286,572	257,530	233,218	220,481
Old Age Assistance/ Supplemental Security Income	230,851	225,430 <sup>1</sup>	232,636	235,059	229,078	227,091
Aid to the Blind/ Supplemental Security Income	4,692	3,847 <sup>1</sup>	4,186	4,206	4,087	4,137
Aid to Permanently and Totally Disabled/ Supplemental Security Income	31,064	40,636 <sup>1</sup>	70,551	85,618	90,441	95,909
Foster Care	3,238	3,656	4,198	4,887	4,911	4,565
Food Stamp Participation						
Households	Not	298,444 <sup>2</sup>	307,487	265,001	230,602	220,957
Persons	Applicable	1,025,130 <sup>2</sup>	1,127,687	983,589	833,073	751,326

1. Eleven months average—four months D.H.R. and seven months S.S.—Money payments transferred to Social Security Administration effective January 1, 1974—no January 1974 figures available.

2. Ten months average—Food Stamp participation went statewide effective November 1, 1973.

among important changes of the past six years:

- Increasing emphasis on maintaining elderly and disabled citizens in their own homes unless full-time nursing care is required. The Alternate Care Program provides home-maker and chore services for many who otherwise must be institutionalized. Adult Day Care and Supplemental Security Income also help keep many elderly persons in familiar surroundings of a home.

- The Texas Family Code, implemented in 1974, permitted the Department to embark on a major program of locating child abuse cases around the state, and this continues to be an important effort. A Child Abuse telephone "hot line" provides a way for citizens to contact authorities about these cases. A computerized reporting system on abuse and neglect cases provides instant access to information about individuals.

- The Interagency Task Force on Youth Care and Rehabilitation, established by this administration, serves in many ways. One is the training of school-age parents in family care and responsibility. A statewide consulting service promotes excellence in day care centers and the Task Force has renewed emphasis on family planning.

- A vigorous child support collection program has contributed significantly to the decline in rolls of AFDC. A comprehensive effort to find missing parents and to obtain court orders for them to support children has been highly effective.

- The Food Stamp Program has been revamped in line with federal regulations liberalizing eligibility requirements and to acquaint potential recipients with availability.

- Great success has met the efforts of an Investigation Division established in the department in 1974, seeking to punish fraud in welfare payments, particularly AFDC and Food Stamps. More than 24,000 cases involving \$16 million have been referred for criminal prosecution.

- Assistance has been extended to victims of natural disasters and Indochinese refugees settling in Texas have been, in qualified cases, assisted with medical care, food stamps and other means of starting new lives in a new land while they become self-sufficient.



- A program for better understanding of Medicaid shows results. A counseling service for recipients of unusually large medical bills has resulted in an average drop of \$145 per month in costs to the State, department figures reflect during a trial period.

- New minimum standards for Child Care licensing were issued in 1976, the outgrowth of Interagency Task Force recommendations. Revised standards were adopted after public hearings around the state.

## Older Texans

More than 1.2 million Texans are age 65 or older, and this administration has given special attention to their needs. It is the fastest growing segment of our population.

This administration successfully sponsored new laws for regulating nursing and convalescent homes. Penalties for abuse of patients have been increased. Much greater assistance is now available for those with mental health problems. More doctors are becoming available, including those practicing in rural areas.

This administration also has seen the Department of Public Safety provide identification cards for citizens who do not have driver licenses — a valuable public service.

Most of all, we have maintained low taxes on the homes of older citizens and The Tax Relief Amendment to the Texas Constitution will enable the Legislature to provide even greater security from excessive taxation on homes.

## Parks and Wildlife

The Texas Parks and Wildlife Department has seen its programs grow steadily in the past six years. It reports that much remains to be done as the state becomes more urbanized and park usage, hunting and fishing all come under greater pressures.

During 1973-1979, the department established 25 new parks totaling nearly 68,000 acres. About one-fifth of this land was donated and the remainder purchased at a cost of approximately \$30 million. The system today encompasses 103 parks totaling 130,000 acres.

Thirteen of the new parks are historic sites which were acquired and restoration started under a new law passed in 1973.

More than \$50 million was spent improving state parks, including 35 miles of new trails and more than 300 new campsites. Utilization of parks increased greatly during the past six years. A Texas Outdoor Recreation Plan, a blueprint for present and future development, was completed in 1975.

The former Fish and Wildlife Division was separated into Wildlife and Fisheries Divisions in 1974 for better operation in these two areas.

Fisheries in Texas made their most significant advances in research and management of salt water finfish and shellfish during the Briscoe years, according to experts in the field. The nation's first re-stocking program for red drum fish in bays was inaugurated in Texas.

Researchers at Palacios and Port Aransas are seeking commercial production of these fish in bay areas, and other fish species will be studied for inclusion in this program.

Three fish species from other areas have been successfully introduced in Texas fresh waters. Included are trophy-size Florida bass and striped bass in several reservoirs, and walleyes in the Texas Panhandle. Small-mouthed bass have been introduced in new areas of Texas.

Game birds and animals are likewise furnishing new sport in Texas, thanks to efforts of the Parks and Wildlife

Department plus cooperation with Mexico and other states.

Over 1,100 antelope and 1,000 deer have been transplanted to new ranges.

The Eastern wild turkey has been restored to huntable numbers in East Texas. Release of more than 20,000 pheasants on the Texas coast has resulted in re-opening hunting of these birds in four counties.

A 45-acre whitewing dove habitat has been purchased in the lower Rio Grande. Texas also has participated with Canada, Alaska and other states in banding 80,000 wild geese to study the habitats of these majestic birds.

The Non-game and Endangered Species program in Texas is recognized as the best in the country.

The Department moved into new state headquarters in 1976 in McKinney Falls State Park near Austin, part of 632 acres donated by Mr. and Mrs. J. E. Smith and his sister, Annie. Previously, the headquarters officed in 11 separate locations.

The Law Enforcement Division expanded from five regional offices to 10, allowing better supervision of game wardens. Although 41 game warden positions were eliminated for reasons of economy, the number of arrests increased by about one-third through more efficient operation.

Four classes of new game wardens have been trained during the last six years in the Game Warden Academy operated by the state.

A 65-foot patrol boat purchased by the state is helping law enforcement in the Gulf of Mexico, particularly to curb shrimping violations.

Circulation of Texas Parks and Wildlife, a magazine published by the department and sold by subscription, has increased from 90,000 to nearly 110,000. The magazine annually is voted one of the best of its kind in the United States.

With increased recreational boating, a water safety course has been inaugurated. Two school districts participated in the pilot program and 11 others will start in 1979.

The increased use of Texas' outdoor recreational facilities and commercial activity makes it difficult for the supply of services to keep up with the demand. Fish re-stocking can



be expanded in public waters.

The Department also would like to increase its work with farmers and ranchers in preserving habitat to maintain or increase Texas' fish and wildlife resources.

Another major problem for the future is control over hydrilla, a noxious water plant which is rapidly encroaching on many of the State's waterways.

## Public Safety

Traffic . . . crime . . . population . . . all increased at record rates in Texas during the Briscoe years.

Texas has more than nine million registered motor vehicle driver records, which the Department of Public Safety converted to microfilm by August 1977. In 1978, the department commenced a two-year trial in selected areas of instant, over-the-counter issuance of driver licenses.

There are currently more than 10 million motor vehicles registered in the State, and mileage driven is at an all-time peak.

Yet traffic deaths dipped in 1976 to an all-time low of 3.5 fatalities per 100 million miles traveled. This represented 3,230 deaths on Texas highways and streets.

Imposition of the 55 mile-per-hour speed limit in 1973, which required a special legislative session, resulted in a decline in deaths and traffic accidents in Texas. Since 1976, however, the rate is increasing again despite the efforts of State police, safety campaigns, and others to stop the slaughter.

In 1977, the last full year of available statistics, the death rate was 3.8, representing 3,698 dead. Further, more than 161,000 were reported injured in traffic accidents and property damage estimated at almost \$2 billion for the year.

Unhappily, these grim statistics do not tell the whole story of pain and suffering, loss of income to families, rising insurance rates, and expensive legal fees.

The Department of Public Safety reports an unprecedented demand for all types of law enforcement, which have strained the department's manpower supply. DPS is requesting more personnel and higher salaries in its new budget.

One major improvement in 1973 was the start of operations by the Texas Crime Information Center, which by the next year contained computerized criminal histories, and data on wanted persons and property. This has vastly increased the department's ability to serve all law enforcement in the State, with instant responses to inquiries for information. All telecommunications have been improved greatly.

The past six years also have seen these changes in DPS activity:

- Formation of a Motor Vehicle Theft Service in 1974 to deal with increasing theft of motor vehicles and heavy equipment.

- Stepped-up enforcement along the South Texas border against drug traffickers, smuggling, and other illegal activities. The special unit formed in 1977 with funds from the Governor's Criminal Justice Division has enjoyed considerable success in target areas of the lengthy Texas-Mexico border. It is manned by specially-trained agents and uniformed State troopers.

- DPS has installed a better radio-communications system coordinated with local law enforcement agencies. A mobile unit serves in disaster and emergency situations.

- Laboratory services have been improved and expanded, including four new full-service crime labs at Tyler, El Paso, McAllen and Abilene and expansion of six others to full status. State headquarters has a new building in Austin for its expanded activity in identification-Criminal Records and Criminal Law Enforcement.

- Training of law enforcement personnel has been stepped-up. In this administration, 757 police schools have trained nearly 28,000 officers from throughout Texas and some from other states.

- Establishment of an affirmative action program for recruiting qualified racial minority members and women has shown fair results.

- A new State Disaster Plan has been developed through the Governor's Office and DPS, and it has been used more than 300 times in hurricanes and other emergencies. More than 160 public property damage grants have been made and approximately 1,500 to individuals and families.

## Public Schools

Certainly in terms of money, the past six years have seen more support for public education than any previous period in the State's history.

A teacher's average salary has risen from \$8,680 in 1972-1973 to an estimated \$13,260 in the current school year. This represents an average salary increase of \$4,580 per year — 52.8% in six years.

State financing of Maintenance and Operation increased 281% in the same period to an estimated \$301 million this year. Transportation payments are up 142%.

The State now spends more than \$2.5 billion per year on its public schools, double the amount of the year when this administration started. We have added expensive programs for the disadvantaged, for driver training, and placed kindergartens under the Foundation Fund for state financing.

In 1977-78, the Foundation Fund to guarantee a good basic education to each school-age child cost \$4.9 billion. The state paid over 85% of this.

During the Briscoe administration, state spending on public schools increased by almost \$1.2 billion, twice as much as the increase in the previous 20 years under four other Governors.

With public schools being criticized increasingly because many graduates are unable to read, write and figure competently, citizens are demanding greater accountability of how these vast sums are spent. Society may be asking too much of its public schools by way of social engineering. It is a good time to examine this situation and I am glad my successor comes into office free of any obligations to increase spending without taking a hard look at the educational results.

The solution, of course, remains largely with the Legislature which has qualified members to re-direct our educational priorities if this is indicated.

Six years ago, 2,833,203 children were enrolled in Texas public schools. Last year, enrollment totaled 2,998,277, partly because of increased numbers in kindergarten.



Vocational and adult education has also increased. More than one million Texans currently are enrolled in such courses, including about 365,000 adults. The state is putting more than \$273,000 into such programs this year, more than double the amount provided in the year this administration started.

Another big increase has been in the cost and numbers in bilingual education, started in 1974 with 26,628 enrolled. The number currently is estimated at nearly 200,000 in the first five grades of public school. Local districts pay the cost of bilingual programs after the fifth grade.

While bilingual education is commendable, and necessary to an extent, questions arise frequently as to whether a Spanish-speaking child is being done a disservice by not learning English, the principal language of this country, early in public school. We need bilingual education for the very young from homes where languages other than English are the main conversational language. But how much longer?

Further, Texas is becoming the home of increasing numbers of youngsters whose native tongue is neither English nor Spanish. They come from all over the world, particularly the Orient, and apparently most learn the English language rapidly without special programs.

Handicapped students have received special attention and state-financed programs — regional day schools for the deaf, supplemental services for those with poor eyesight, and assistance to others with physical handicaps.

School finance has been a regular topic for each Legislature and it will continue to be for the one meeting in 1979. Indeed, it may be the most important subject since it is coupled with revision of the ad valorem tax structure which has been education's main support.

The 65th Legislature established the State Tax Assessment Practices Board which has conducted extensive studies into market value of all property and productivity value of agricultural land. New standards have been set for local school tax administration. This data is available to the new Governor and the Legislature.

## Public Utilities

Since the Governor signed the State's new Public Utility Regulatory Act in June 1975, the Public Utility Commission of Texas has become one of the most respected regulatory agencies in the nation. The three members I appointed as the first commissioners still hold the offices, and have done an outstanding job of launching this major new State program.

Regulators, utility representatives and consumer groups from all over the nation have commended the Texas Commission as an innovative well-functioning, efficient body.

It was born during the hectic period of energy crisis which sent utility bills soaring. But the Commission's even-handed approach has won such respect that other states look upon Texas' Commission as an example they can follow in improving their own state regulation.

When it started accepting rate cases in September 1976, the Commission's first was the request from Southwestern Bell Telephone Company to increase rates to Texas customers by more than \$298 million. The Commission conducted a hearing and within 125 days issued an order granting the company a \$58 million increase.

The Commission's procedure in this first rate case was attacked in court, but was upheld by the Texas Supreme Court, thus giving the new agency a solid base from which to proceed.

Other rate cases followed, and the Commission has acted with deliberate speed in disposing of them. Its work has included certifying 2,383 utilities to operate in Texas. Included are 175 electric utilities, 95 telephone, 114 radio-telephone, 539 sewer, and 1,459 water utilities.

One outstanding aspect is that the Commission's regulation has been accomplished without reducing the bond ratings of utilities in Texas — as many had feared previously. Only three utilities firms in the nation were rated AAA in 1975 by the two principal rating agencies — all in Texas — and today these three enjoy the top rating.

The Commission has assembled a professional, respected staff, which has among other things handled about 5,000 individual consumer complaints since its creation. The staff is one of the smallest in the country for an agency of similar responsibilities and it has operated on a relatively-low budget, financed by a tax of one-sixth of one percent on gross receipts of regulated utilities.

Gas utilities and municipally-owned facilities are not under the Commission's jurisdiction. The Railroad Commission, an elected body, acts as arbiter between gas utilities and their customers, mostly Texas cities.

## Taxation

Texas has been fortunate in being able to finance its government adequately without personal or corporate income taxes. With a tax system geared to economic growth, the State government has been operated during this administration on a pattern of rising expenditures without new State taxes because taxes are levied mostly on sales, business franchises, and the production of oil and gas.

It should be emphasized that the revenues from oil and gas taxes which have so long sustained this State's tax program and general economy are from diminishing resources and plans should be made immediately for the time when less reliance can be placed on petroleum taxation.

The oil and gas production rate depends on conservation, exploration, and such negative factors as federal price controls and other regulation.

Recent figures reflect State revenues running about 14% higher than the year before — without new taxes — but with expenditures 18% larger than the previous year. These figures will be reduced somewhat before the fiscal year 1979 ends by the impact of tax reductions made in the Tax Relief Constitutional Amendment adopted in November, 1978.

Severance tax receipts on oil and natural gas have increased since 1973 because of rising prices, and it should be kept in mind that actual production has declined for several years. This is a development to keep in mind for future financing of the State government.

This administration ends with a very large balance of State funds on hand. The Comptroller reported the balance totaled \$2.7 billion as of August 31, 1978. During fiscal 1978, the balance increased by nearly \$245 million despite higher expenditures for virtually every State service during the year.

During the year, State government spent \$8.4 billion, while its revenues and beginning cash totaled \$11.1 billion, the Comptroller reported.

About \$5 billion came from tax collections during the year, \$2 billion from federal sources, \$665 million from investment of State funds, \$414 million from licenses and fees,



and \$405 million income from State-owned lands.

Public education at all levels accounted for 46% of the State's spending during the last full year of my administration. This represented a \$3.7 billion outlay.

The second largest expenditure was public welfare with \$1.6 billion, while State highways received just under \$922 million.

The Comptroller included some interesting data about Texas:

- As of June 30, 1978, the State's population was estimated at 12,830,000, an increase of 1.8 percent during the year. For the past decade, Texas has been gaining population at an annual rate of 1.7 percent, double the national average growth.

During the last year, Texas showed a net population growth of 231,000 people.

- Per capita personal income averaged \$6,803 in 1977, up 10.3% for the year.

- Excluding agricultural, more than five million Texans were employed.

- The number of State employees declined relative to the State's population during the year.

- Despite declining production of crude oil, higher prices have been responsible for an average gain of 3.3% in revenue from the oil severance tax over the past six years.

- Higher prices for natural gas, taxed according to a percentage of wellhead value by the State, have approximately tripled despite declining production during the same period.

We have one of America's lowest State tax levies and neither a corporate nor personal income tax. We should keep it that way.

Why should Texans apologize because of low taxes as some taxers-and-spenders seem to prefer? I ran for office on a "no new taxes" platform. I repeatedly endorsed this principle during my term of office, and I commend it to my successors.

Texas has a booming economy. It has public services equal to those of any state in the union. Perhaps we do not excel in every category, but nobody can deny honestly that

the State of Texas is giving its citizens as much for their tax contributions as any government in the land.

For many years, Texas' highway system has been the envy of the world — not just the other states. Our higher education facilities are the best in the United States, and these institutions have become competitive for academic talent and students with the world's finest universities.

Lately we have seen a resurgence of conservative government — as evidenced by the adoption of Proposition 13 to reduce taxes and spending in California, and followed by a wave of similar actions across the country including our own Tax Relief Constitutional Amendment of 1978.

Fortunately, Texas has been on a pay-as-we-go plan of State government for more than 30 years. No other State, and certainly not the federal government, has such a safeguard against excessive spending. Appropriations cannot exceed the revenues estimated by the Comptroller from existing taxes.

Further, the special session of the Legislature called in July 1978 brought about an estimated \$1 billion of tax reductions for two years if the Legislature in 1979 implements the options as provided under the Tax Relief Amendment adopted by the voters in November, 1978. Except for reductions ordered in California by the Proposition 13 amendment, no other government has achieved such a reduction as Texas has available. Our taxes were never as high as California's, so the need for reduction was less.

Certainly, the time has come to put brakes on wasteful spending which has engulfed so many governments in this country, from Washington to New York City. Texas has been a shining exception and we should keep it that way.

Because of the rising economy of Texas, the State government can and should keep pace with the reasonable needs from existing sources which respond to the economic climate. Ours is truly a healthy State and a healthy State government.

## Texas Department of Community Affairs

Some progress has been made in the last six years through the Texas Department of Community Affairs, a federally-financed affiliate of this office, in helping local communities with problems of planning, assistance to disadvantaged citizens, manpower development and training, drug abuse treatment and prevention, child care, youth and family programs, housing and community development.

Legislation has been passed both at the state and federal level which places financial and administrative obligations on local government. This has become a national problem. Texas now requires that a fiscal note be attached to any legislation requiring local spending, but means must be found to assess more accurately the financial burdens placed on local government from Washington and Austin.

It is unfair to local officials and taxpayers to impose such obligations without their advance knowledge and consent.

Further, a trend has developed in Washington to penalize areas with healthy economies by allocating federal assistance funds on formulas which favor communities which have been less prudent or less fortunate in managing their affairs.

Programs should be developed which strengthen the capacity of local government to handle its problems and financing, rather than imposing programs from the outside which require local taxes.

Also, TDCA reports that county officials frequently express the need for ordinance-making powers to govern developments outside metropolitan limits.

## Texas Industrial Commission

During the 1970's, Texas was the fastest-growing of the fast-growing "Sunbelt" states. It also has become the nation's leader in industrial development at a time when other states were losing industry and suffering economic decline.

Through a State-financed advertising program, Texas has become identified as the State with the best business climate in the nation.

These are considerable achievements in view of the fact that until a few years ago, Texas was regarded as primarily an agricultural State.

The Texas Industrial Commission has directed this effort, and during the Briscoe administration is credited with locating 261 new industrial plants in the State. Many of these are outside the major cities or even in rural areas, assisted by loans under the Texas Rural Development Act. Seven rural-area new industries have been identified as furnishing more than 1,000 new jobs.

The Industrial Commission's training programs have aided more than 23,000 persons acquire new skills, increasing the State's equal employment opportunities.

"Texas First" Job Fairs held in various cities brought prospective employers and employees together, with 2,600 placed in new jobs. The project has been so successful that the City of Amarillo has held four Job Fairs, and plans to hold them semi-annually hereafter.

With the State's population growing rapidly and more people entering the labor force, industrial expansion and economic growth must be encouraged so our citizens will have an opportunity to work. Careful monitoring of the economic and job scene must be continuous to avoid Texas falling into the same pitfalls that have caused deterioration of industry in some northeastern states.



## Volunteer Program

On September 11, 1973, we initiated "Operation Peace of Mind," a program run by volunteers to assist runaways in contacting their families on a confidential basis.

This came in a period when tens of thousands of American youths, mostly teen-aged boys and girls, had left home and were out of touch with their families.

As of November 1, 1978, more than 250,000 calls had been received at Operation Peace of Mind headquarters in Houston (toll-free telephone number 1-800-392-3352 for Texas residents and 1-800-231-6762 for calls from out-of-state).

More than 40,000 runaways had made contact with their families in this manner. The center does not notify relatives of a missing person's whereabouts unless asked to do so, but only relays the information that the youngster is alive and well.

The Texas Center for Volunteer Action, Office of the Governor, maintains five toll-free lines seven days per week, twenty-four hours per day, operated by volunteers from the Houston area. Some 240 volunteers per month donate their time to help the nation's runaways. The program has received national acclaim and the number of calls has risen from 31 in the first month of operation to about 2,000 per month.

This is purely humanitarian service in which the entire State and nation, as well as the many volunteers, can take pride.

Operation Peace of Mind is one of the many services of the Texas Center for Volunteer Action, in which First Lady Janey Briscoe has taken an active role.

Services have included:

- Operating the Old Bakery and Emporium, co-sponsored by the City of Austin, as a tourist information and gift center on Congress Avenue in Austin, just south of the Capitol. Here are sold handcrafts of older citizens.
- A statewide volunteer organization involving thousands of Texans. These work an average of nine hours per week in State agencies and insitutions, including hospitals

and mental institutions. It serves as an information clearing house and coordinator of the many volunteer projects operated within the State. It is estimated that one in every four Texans are involved in some type of volunteer service work to less fortunate members of our society.

- A statewide immunization program against communicable diseases among pre-school children was co-sponsored in 1975. A pilot project was operated in four counties of the Lower Rio Grande. The volunteers now work with the Texas Department of Health and 26 other private and public organizations in health activities.

- In cooperation with the State Bar of Texas and the Texas Classroom Teachers Association, instruction was given to students in a special program devoted to learning how to cope with legal problems.

- Many projects were co-sponsored for elderly citizens, including use of skills which often are needed but neglected because of our society's accent on youth in employment. Fortunately, this attitude is changing, as exemplified by Congress recently increasing the compulsory retirement age from 65 to 70 years old.

- Assisted several school districts in obtaining federal funds for establishing "Right to Read" programs.

- Helped the American Diabetes Association in a Lower Rio Grande area screening program to discover diabetics.

- Assisted regional Councils of Government in recruiting and setting up volunteer programs.

- Worked with the Governor's Committee on Aging and other agencies, including the Department of Health in assisting nursing home patients.

- Collaborated with the Texas Department of Community Health in distributing literature for new parents concerning child care.

- Published the *Texas Volunteer* disseminating information of interest to workers all over the State.

## Water

In a water-short State such as Texas, the development of additional supplies and protection of the available water and its quality are extremely important. It is a problem which is likely to be with us always, for an ample supply of good quality water is absolutely essential to the economy of the State.

One of this administration's most significant developments was the reorganization of three previous water agencies into a single new Texas Department of Water Resources effective September 1, 1977. In addition to simplifying and increasing the efficiency of the department, the change is saving an estimated \$2 million per year in administrative expense.

With federal water development funds being curtailed, an aggressive state water policy is essential.

The Texas Water Development Fund helped finance 59 projects costing nearly \$140 million in 1973-1978. Included were reservoirs in Choke Canyon, Titus and Palmetto Bend.

In 1976, Texas voters approved an additional \$100 million for water quality enhancement programs but rejected a proposal for \$400 million more bonds to develop water resources. This may prove to have been short-sighted, particularly in view of the fact that such bonds are repaid from revenues from sale of the water and are no burden on taxpayers.

During 1973-1978, the federal government appropriated an estimated \$396 million to water conservation, flood control and navigation projects in Texas, much of which will be repaid. About 25 projects have been financed annually.

Since 1972, annual capital expenditures for water resources development in Texas have averaged \$245 million (excluding wastewater treatment and related facilities). Nearly 60% of this money comes from private investors buying bonds of local government subdivisions. About 10% of the financing came through the Texas Water Development Fund and 30% from federal appropriations.

More than \$57 million were allocated during the six



years for 105 water quality enhancement projects.

Other developments in this area during the Briscoe administration include:

- Updating of the Texas Water Plan to outline the State's long-range water needs and recommend how to supply them.

- Initiation of a regional study with five neighboring states to evaluate the economic and social impact of declining underground water supplies from the Ogallala area which covers the Texas High Plains. Involved with Texas in the \$6 million federally-financed research are Oklahoma, New Mexico, Colorado, Kansas, and Nebraska.

- The critical importance of water in this "bread-basket" area of the United States cannot be over-estimated and the solution deserves the highest priority from state, national and local government in the years ahead.

- In cooperation with the U.S. Army Corps of Engineers, the Texas Department of Water Resources is conducting field inspections of dams for safety hazards, and has recommended steps to correct deficiencies. More than 4,000 dams have been inspected.

- Water quality standards have been established for the State. Our generally improving and good water quality conditions are attributable both to improved wastewater treatment programs of cities and industries. Seventy-six percent of our stream segments already are known to meet the federal government's 1983 "fishable and swimmable" goal. Over 83% of the 16,000 miles of Texas rivers and streams tested by the State are currently in compliance with federal standards.

- During these six years, more than \$750 million have been spent on wastewater treatment facilities in Texas. The Environmental Protection Agency recently has given the State full administration of this program.

- The Governor's Interagency Council on Natural Resources and the Environment has developed a statewide natural resources information system.

- The Governor's Water Resource Conservation and Development Task Force established in 1973 has developed priorities and made recommendations toward solving the



State's water problems.

- Representatives of Texas, Oklahoma, Louisiana and Arkansas have agreed on terms for an interstate compact governing division of waters from the Red River basin. Louisiana's Legislature has ratified the pact, which is now ready for consideration by Texas, Oklahoma, and Arkansas lawmakers. Interstate compacts already cover the Rio Grande, Pecos, Canadian and Sabine Rivers.

- Texas, including state-owned property, is now eligible to participate in the National Flood Insurance Program.

- Although weather modification is still controversial, Texas water agencies have been leaders in this field. It has issued 26 licenses for weather modification, under authority of state law, and 50 permits have been issued since 1972 for efforts of licensed operators to increase rainfall and/or suppress hail. Most of the permits are sponsored by West Texas farm and ranch groups and water supply districts.

Several weather modification research projects have been conducted in West Texas, some financed by the State and others by federal agencies. The State and U.S. Bureau of Reclamation are into the fifth year of research to establish the physical basis for enhancing rainfall from summertime shower-producing clouds on the High Plains.

## CONCLUSION

To my successor, Governor William B. Clements, Jr. go my best wishes and hopes for the success of his administration. He will be working with a very fine Legislature. Political parties are important, but more important is the welfare of the people of Texas, and I know that he will have the same cooperation that has made these past six years so enjoyable to me, and productive, I think, for the people of Texas.

I commend the remarks made by Governor Clements when his victory was pronounced November 8, 1978:

"The future of Texas needs all of us working together," he said. "It is not a one-man job. I need the help of all my supporters, of John Hill, of Governor Dolph Briscoe, of Lieutenant Governor Bill Hobby, of House Speaker Bill Clayton, of the Legislature, and of all Texans.

"Today is the beginning of a new challenge for all Texans to lock arms and work together to continue the progress and prosperity that has been achieved in the last six years under our present administration. I realize the awesome responsibility that lies ahead and with your faith, help and prayers, I pledge that I will not let you down."

As the outgoing Governor, I pledge my full cooperation with the new administration.