

of the Committee on Taxation and Fiscal Matters. You will note that the general fund increase over appropriations for the current year is substantially less than it has been in recent years. The main reason for this is that the State has paid off its obligation of accrued liability under the teachers and State employees retirement systems. The expenditure for this obligation is not required in this budget, and the result is that the net general fund increase for operating purposes amounts to only \$7,080,416.

This favorable condition for fiscal 1962 should not be considered a preview of conditions for the years ahead. On the contrary, there is every indication that the budget increase for fiscal 1963 will revert to the \$17,000,000 which has been an average in the trend of the past several years. And thus, a general fund budget of approximately \$258,000,000 is indicated for fiscal 1963.

Now, the best revenue estimate available at this time— an estimate reflecting optimism for the economy of our State and the nation— indicates revenues amounting to \$237,700,835 thus leaving a gap of some \$20,000,000 between requirements and resources for fiscal 1963. The use of the revenue deficiency fund, which we have tried to keep intact, plus the surplus we estimate to be on hand at the end of fiscal 1962, will substantially close this gap and leave nothing to finance a further rise in the spending level.

In casting our eyes over this relatively short span of time, the necessity to raise new revenues to finance new programs such as that recommended by the Committee on Taxation and Fiscal Matters, becomes even more apparent.

As usual, requests for appropriations by the several departments and agencies were carefully screened. The total budget recommended is \$14,315,025 less than the amount requested. In every instance, I attempted to practice severe economy, reducing expenditures where it could be done without lowering the quality of services and curtailing necessary functions, but increasing them when an expansion of present programs seemed advisable.

Time will permit no more than a cursory discussion here today of the departmental programs contained in this budget. You will find these programs set forth in considerable detail in the printed message. Meanwhile, I should like to direct your attention to what I consider to be some of the highlights in these programs.

An increase in population and school enrollments, together with the staffing of new facilities which you from time to time have