

publication, said that as a result of your action here at the 1964 regular session, you deserved to be called "the education Legislature." This is a proud accomplishment, and one for which you will be remembered long after the controversy surrounding the financing of the program has subsided.

But let us get back to the sequence of events. In my message, I said it had been the consistent policy of this Administration that any new program the State adopts involving the expenditure of additional money contain the necessary measures to finance it. Now, it was estimated that the new program of State aid to Baltimore City and the counties to help them improve their educational system would cost the State an additional \$16,200,000 in its first year of operation. You will recall that I proposed that \$6,000,000 of this be financed from the revenue deficiency fund. According to the estimate of revenues, provided me by the Board of Revenue Estimates on December 19, 1963, this left a remaining \$10,200,000 to be financed presumably by tax revision, to operate the program for the first year. The point to be emphasized here is that the Constitution of Maryland requires us to adopt a balanced budget. Deficit spending is forbidden by law. The Board of Revenue Estimates is the legally constituted body whose responsibility it is to estimate the revenues which we may expect for any given fiscal year. Using its estimates, as I did, and as fiscal prudence would require, it appeared at the time the new school program could not be financed without additional taxation. Accordingly, I suggested, and you approved, a 1-per-cent increase in the ordinary income tax to finance the school program and other anticipated needs for State services.

As you remember, some disagreement arose during the session as to the amount of revenues that could be expected for the fiscal year 1965. One member of the Board of Revenue Estimates, changing a position he had taken earlier, contended that the estimates were too low. But the other two members of the Board, constituting a majority, declined to concur in that opinion and held that the original estimate was realistic. You and I, of course, had no choice but to accept the estimate of the majority of the Board, and we proceeded on the plan that had been offered in the beginning. It was at this point that the move was made to protect the taxpayers of our State against the possibility of overtaxation in the event that continued upward rise in the economy produced a greater revenue yield than had been expected.

Acting on what we thought was an abundance of precedent, namely,