

sales during November and December 1966. It is still too early to classify this as a trend, but we must watch the situation to determine if any downward revision in revenue estimates is necessary.

Second, we must be concerned over the possible impact on State revenue if the Congress enacts the 6% surtax on personal and corporate incomes effective July 1, 1967, as recommended by the President. Just as State tax revenue increased after a reduction in Federal taxes, so shall we suffer a loss of revenue if this additional tax is imposed by the Congress. It should be noted that this recommendation by the President was made after the State revenue estimates had been certified, and such estimates do not reflect any reduction because of the possible tax increase.

PROGRAM HIGHLIGHTS

I have described the budget as the meeting place of ideals and reality. Each year the budget expresses the direction of the administration and reflects the will of the Legislature in the allocation of funds to implement, expand, or continue programs. While it is a process disciplined by priority and tempered by available revenue, it is in this area of financing programs and services that the budget gives expression and reality to our ideals.

Education continues to claim our highest ranking, preempting 32% of all funds in the total budget. Standards of excellence in education are predicated upon facilities, programs, and personnel. While the 1968 Budget recognizes all three factors, it is my hope that through fiscal reform, increased State aid will be available for educational services.

This year we are recommending new faculty salary scales and an increase of \$2.3 million in faculty salaries at the State colleges and the University of Maryland to assure these higher educational institutions a competitive position in the recruitment and retention of faculty and administrators.

A major program innovation recommended is \$1.5 million in General Funds to develop and operate a system of educational television. In addition, \$1.3 million is needed for Capital Funds to construct the production studio and control center, the initial step required to get the network under way. Maryland is overdue in providing the cultural and educational benefits of this service to its citizens.