

A third innovation made in the 1933 budget bill in response to the deepening depression was the creation, in section 11, of two large emergency funds to be controlled by the Board of Public Works. For each of the two years provided for in the act (fiscal years 1934 and 1935), the legislature appropriated a reserve fund of \$400,000 and an emergency contingent reserve fund of \$250,000. The appropriations were to the board, and it was authorized to allocate the funds among the various state agencies, schools, and institutions. The only criterion for this allocation was that the board be convinced "beyond all reasonable doubt" that the disbursement was necessary to enable the agency "to perform the most essential functions" for which it was created.

Most of the detail work with respect to these allocations was delegated to Kirkman, the state purchasing agent who served as the principal staff to the board, but the review and resolution of the agency requests became a major part of the board's agenda. The board itself was very conservative in handling these funds, especially in the beginning. For fiscal year 1934, for example, the board allocated only \$444,000 of the \$650,000 available to it, reverting \$206,000 to the treasury. Regularly throughout the year it rejected appeals from state agencies and institutions for additional allocations, and rejected as well their requests to carry over into fiscal year 1935 unexpended fiscal year 1934 appropriations. For fiscal year 1935 it was somewhat more liberal; in the first three months of that year it allocated almost \$550,000 of the \$650,000.²⁵

With some hiatus, this responsibility of supervising a lump appropriation to an emergency fund has continued with the board ever since 1934. The 1935 budget bill created a fund of \$500,000 for fiscal years 1936 and 1937, although none seems to have been created for the two years thereafter.²⁶

Finally, as perhaps the most drastic measure included in the 1933 budget bill, by section 12 the General Assembly cut the salaries of nearly all state employees by 10-15 percent, depending on the amount of the salary. If the annual salary was less than \$1,200, the cut was to be "not less than 10 per cent"; if more than \$3,600, it was to be "not less than 15 per cent." The Board of Public Works was not immediately and directly involved in implementing these cuts, that thankless task falling to Governor Ritchie, but it did become involved in implementing their restoration.

In the 1935 budget bill the General Assembly made some additional salary reductions, but with respect to the reductions made in both the 1933 and 1935 bills it empowered the board "at any time, when it appears that the revenues of the State are sufficient over and above the amount required to pay the specific appropriations as provided in this Act, to restore such salary reductions, or any part thereof, as in its judgment may be deemed necessary and expedient." To fund any such restorations, the General Assembly appropriated \$500,000 "out of any excess in the State Treasury" during the ensuing two fiscal years. Similar authority was given to the board by a separate measure to restore up to one-half of the cuts that had been made in teachers' salaries.²⁷

The first beneficiaries of this authority appear to have been the employees in the Court of Appeals clerk's office. In September 1935 the board allocated \$512 to restore the 1936 salaries of four employees. Later it voted to restore one-quarter of the cuts made in the teachers' salaries and agreed to restore the salaries of the clerks of court.²⁸ Most of the restorations were apparently approved through the normal budgetary process and are not specifically reflected in the board's minutes. The board ran into one problem, however, when it authorized restoration of salaries paid to some of the department heads and other high executive officials. The attorney general declared those individuals to be "officers" in the constitutional sense and viewed the restoration

25. BPW Minutes, 18 March 1935, 13 November 1934, 3:493-94, 434.

26. See Acts of 1935, ch. 92; 1937, ch. 515.

27. Acts of 1935, ch. 92, sec. 12; ch. 447, sec. 6.

28. BPW Minutes, 24 September, 5 November, 4 December 1935, 4:121, 190, 210-11.