

Now I would like to turn to the 1970 Budget, which takes into account another crisis and another set of hard decisions. According to the Board of Revenue Estimates report submitted to me on December 17, 1968, Maryland, without major alteration in its revenue receipts policy, would face an estimated deficit exceeding \$33 million at the close of the 1969 fiscal year. In addition to this deficit, budget requests considered only in terms of essential minimums would compound the fiscal crisis.

The 1970 Budget, as it now stands, reflects my desire to provide the citizens of Maryland and my successor with a blueprint that is both financially sound and responsive to basic needs. To achieve this goal, I have remained in office until presumably reliable revenue estimates were available to form the basis of final judgments.

It would be unfair and unwise to place the new Governor and the Legislature in a bind by presenting a budget begging for a deficit or crippled by austerity slashes. In this situation, complicated by the \$33 million plus deficit, I did what best I could. I provided a *balanced budget* which gives my successor the full options of gubernatorial leadership.

This was achieved by first accepting the recommendation of the Board of Revenue Estimates to transfer the credit of April to June 1969 income tax receipts from the first quarter of fiscal 1970 to the last quarter of fiscal 1969 and pursuing this policy in all years hereafter. In addition, June receipts from the Retail Sales and Use taxes will also be counted as revenues in the 1969 fiscal year.

Consequently, instead of facing a deficit of more than \$33 million at the close of fiscal 1969 we should have an approximate surplus of \$45.5 million. But it can never be forgotten that this \$79 million transfer is a one-time bonus. That has not been forgotten in the disciplined 1970 Budget, which assures the continuity of virtually every program and service presently operated by the State. Growth at existing program levels required a General Fund increase of almost \$85 million over appropriations for current fiscal year. There are mandatory increases in State and Education retirement systems, and statutory increases in State aid to the subdivisions, but additional funds are being recommended only where absolutely essential.

The Department of Social Services budget has been increased \$6.5 million to accommodate an anticipated expansion in the Aid to Families With Dependent Children caseload. The Mental Hygiene budget has been raised \$5.3 million to finance the employment of additional staff for new facilities opening at Crownsville, the Eastern Shore State Hospital, Rosewood, Springfield, and the long awaited Metropolitan Washington Retardation Center, which is scheduled to open in March of 1970.

The University of Maryland and the State College system budgets have been increased by \$9.9 million, mostly for faculty salaries. The balance of the recommended increases are mainly allocated to the Comptroller of the Treasury and the Departments of Juvenile Services, Correction and Health.

I am passing on a clean slate with every option open. This fulfills a vital obligation on my part—a responsibility not to burden my successor with debts nor dictate policy. The new Governor is free to be his own man, to establish new directions and new policies for Maryland. This is his right and his responsibility.