

# AUSTIN

P. O. Box 12368, Capitol Station, Austin, Texas 78711  
Phone 478-5663 Capitol Press Room

STUART LONG, Editor

# REPORT

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A GUESS would be that the Legislative Budget Board's budget proposals will run to \$4.4 to \$4.5 billion a year, and that it was held within expected income. Board members completed their decision-making, and staff work on feeding the decisions into the computer got under way. Basic pay decisions were 3.4% a year pay raises, with merit raises allowed in State agencies, but not in the universities. Administrators couldn't give a person more than two one-step raises in a year, and they would be given in November, not on Sept. 1 when the 3.4% takes effect. Contractor Ben Barnes was irked at estimated costs of new buildings ranging from \$28 to \$34 a square foot, and the Board ordered a study of costs, but agreed to put a temporary ceiling of \$30 per foot on the Education Agency's request for an \$11,683,170 project for its forces. Colleges will get the \$12.50 a month for health insurance which went to regular State workers earlier.

Lt Gov.-Elect Hobby sat in on Board sessions and took part in discussions. He felt that as a matter of principle, the Coordinating Board should be asked to comment on the college "special items" which include development of new programs, addition of graduate work and the like. The several regional TV networks for higher education got nothing. Budget Dir Keel freely admitted that they don't know what the cost-per-student will be at the upper-level universities getting started at Dallas, Texarkana, Corpus Christi, Victoria, Odessa, Clear Lake City and Tyler. The only one in operation is A&I's Laredo Center, with 680 students, and its cost is \$1,700 per student, compared to \$1,200 in 4-year and \$900 in junior colleges. The Coordinating Board is making a study on costs per student which would be fed into the proposed budgets for the upper-levels. The one expected to hit the ground running is UT-San Antonio, planning for 10,000 students the day it opens 9-1-74. Based on enrollments rising from this year's 246,000 to 252,000 in '74 and 261,000 in '75, the 22-college, all-funds total will rise from \$273.6 million this year to \$312,554,102 and \$320,699,440. During the biennium, all medical schools are expected to reach the goal of 200 entering students a year, so their budget hikes are staggering, not counting the almost doubling of the physical plants to handle the extra students. UT-Med-Dallas will go up from \$11 to \$15 million a year, for example.

THE Legislative Budget Board's \$7,850,000 recommendation for Building Comn spending includes \$5,500,000 for continued acquisition of property in the Capital neighborhood, but no actual construction other than \$800,-

000 for a central services building. The other \$41,726,050 worth of projects sanctioned by the commission--parking facilities, two new State buildings, 45,000 additional square feet under the Capitol, an office building in Bexar County--were not recommended. In fact, LBB Exmr Ellis noted that future Legislatures will have a time financing them, since the phase-out of State participation in the ad valorem winds up in '76, and when the Comptroller transfers the last of it Jan. 1, '77, to the Building Cmn Fund No. 7, there will be just about \$10.5 million "and that's the end of it." The '74-'75 recommendation also calls for reimbursing the Highway Fund for the \$1.5 million it's "losing" on the downtown Austin Highway Bldg site the Legislature nixed. Lt Gov. Barnes was irate about that, especially when told that it was to cover cost of land plus some \$750,000 "lost in architectural fees." When LBB members kept demanding to know what the money "was for," Barnes said, "I'll tell you what that is for: That million and a half was used to buy off the Highway Dept's opposition to not putting that building over there!" Trying to mediate, Speaker Price said, "Their position is that they should have it (back) for whoever they're responsible to--the Lord, or somebody."

ANOTHER heavy issue was salary supplementation for MH-MR Cmr Wade, whose \$33,000 annual salary, plus house and maid, is supplemented by a \$9,000 grant from the MH-MR Foundation. On hearing that the foundation's trustees are identical to the Texas MH-MR Board membership, the LBB ordered its staff to get a disclosure from the trustees, showing who puts the money up, and if it's earmarked. That led Barnes to wonder whether State medical faculty are getting the short end of the stick since they can't dabble in private practice, but faculty at Baylor Medical, which is subsidized by the State, just about match their school pay through private fees...A State "airplane pool" came up again when staff surveys showed the State owns 29 aircraft and leases four, and hours flown per year ranges from about 100 per plane to 653. The staff is to draw up a recommendation on pooling...Some technical decisions included a plan to change the title of Art. II of the appropriations act to Health, Welfare and Rehabilitation Agencies, and include in it Cmns on Alcoholism; for the Blind; the Deaf; Youth Council; Dept of Health; MH-MR; Public Welfare and the Rehabilitation Cmn. Another approved idea is to combine three physical fitness-oriented agencies into one, call Cmn on Physical Fitness, Athletic Trainers and Physical Therapy Examiners...When the Board got to the Board of Pardons and Paroles, Sen. Moore renewed the move to send it to Huntsville, but Sen. Aikin said wait til Spring...Wildlife projects would be short-changed fiscally under the \$78-million Parks & Wildlife budget, because Special Game and Fish Fund No. 9 isn't doing so well, and that led to discussion favoring the increasing of license fees...A fifth of the \$20 million recommended for Agriculture is earmarked for fire ant control. That \$4 million is to be matched with Federal money, and local contributions will be "encouraged" (much the same as under the screwworm eradication program)...There were some groans and yelps of pain when the Board of Control budget reflected an expected expenditure in fiscal '74 of \$520,000 for TEX-AN telephone service, since, Sen. Aikin recalled, the

December 17, 1972

cost estimate of \$35,000 had been given two months before. A \$350,000 chunk of that was what Barnes maintained was a "telephone company deposit," but LBB staffers insisted simply was a "revolving fund" for payment.

AT Sen. Aikin's suggestion, the LBB approved a "contact hour" method of funding jr colleges, using the hours spent in class as a criterion for academic appropriations, instead of the 12th class day enrollment in the Fall. That would mean more money than the \$99 million tentatively approved for the individual public jr colleges, but would seem to obviate the need for the additional lump sum contingency appropriation, since it would contemplate spring and summer attendance and the schools wouldn't have so much catching up to do.

GEORGE LOWRANCE, Gov.-Elect Briscoe's first foothold in the Capitol, sat in on Budget Board sessions. He's locating the dozens of agencies scattered around Austin that work under the governor's office, and got a print-out of the Board and Commission appointments which will come up in Briscoe's term. (Gov. Smith still has about 175 to make, and he says he is going to make them all). The Briscoes were celebrating their 30th wedding anniversary this week, so he broke up his round of speeches and meetings on legislative programs his friends want him to espouse. Dan Petty, Gov. Smith's No. 1 assistant, had no word from Briscoe, so he's taking the UT-System public affairs directorship held by the late Frank Miskell...Bill Gardner, who worked in Briscoe's campaign, moved into the State Demo Exec. Cmte office to handle details for the inauguration committee headed by Gov. Shivers and Charles Nash. Briscoe expects to have some other appointments to announce soon, but may not make the Dec. 15 deadline he had talked about. He meant "middle of the month," not Dec. 15...One of the biggest appointments left for Smith is the Employment Cmn, where Sherman Birdwell's term has run out as employer member.

THAT might not be as easy to fill as the three vacancies coming up on the UT Board of Regents. Gov. Smith said that is the "most popular" of all boards, and so far, he has "at least 100 good men" volunteering. Next most "popular" appointments, he said, are to the A&M U. board, then Texas Tech. To show how determined Smith is to fill all appointments due him: Thursday, he appointed John S. Justin Jr of Fort Worth to the Board of Corrections, to serve out the less than two months left of W. Ervin (Red) James' term...Gov. Smith denied any knowledge of reports that Larry Teaver, who's working on candidates for "Superport" Commission appointments, is running for the job of director. But he said he thought Teaver would do a great job as director if the appointees (to be named about Jan. 1) elect him.

NINE reform bills prepared for Rep. Daniel have been released. Each will be sponsored by one old and one new House member. They include a one-term speaker limit, campaign expense reporting by speaker candidates and a tighter general campaign spending reporting law, a prohibition on threats or promises to get speakership votes, a limit on conference com-

mittees to the "differences," a tighter open meetings law, an open records law, a new ethics code applying only to State and not to local officials and a lobby registration and reporting bill. These, plus House rules changes to be released this week, and constitutional revision, are the Daniel reform program. He is sending them to Lt Gov.-Elect Hobby and Gov.-Elect Briscoe, and hopes to get their support for them. Daniel says he will talk to Rep. John Allen about the threat by Rep.-Elect Bales to move to deny Allen a seat because of his pleas of guilty on nepotism misdemeanor charges. Daniel says a fight on such an issue would "hurt the House." It should be noted that quite a few House and Senate members might also be guilty, if uncharged, of nepotism violations...Daniel said flatly that he would refuse to accept a draft for a second term as speaker...If you heard loud noises from El Campo this weekend, it was the Senate having a gentlemanly discussion of the new Senate rules.

GOV. Smith got a check in a plain brown envelope from the U.S. as the first revenue-sharing payment. It was \$40,958,303 for the first half of '72, and the total will be about \$300,000,000 by the end of the biennium starting 9-1-73. Smith will recommend how it's to be spent as a part of his budget message to the Legislature. But over at Welfare, they are puzzling through the draft of proposed regulations under HR 1, the Federal social security act which is much like the Bible, subject to interpretation. As they read now, Welfare's experts guess that it will cut the Federal grants to Texas for social services from \$148,000,000 a year to \$49,000,000, and perhaps to as little as \$12,000,000. So it's likely that Uncle Sam's right hand will taketh away more than the left giveth to State government. It was this social services gimmick which prevented new taxes this year. When the new HEW regulations become official, they will be protested by the States, of course...HR 1 also affects Health, and a \$4,500,000 program is being launched by that agency (equal to the total budget of the Dept in '59, the year newly-reelected Cmr Peavy got the job the first time) for medical and dental checkups on the 300,000 children on welfare. The new law also has tough fire safety regulations on hospitals qualifying for Medicare and Medicaid care. Guesses are that 50 to 100 Texas hospitals won't be able to qualify, and that 75% of the nursing homes will have to put in sprinkler systems. With contractors specializing in that field limited, there may be problems getting work done, even if the homes and hospitals can find the money.

TO & FRO: Parks & Wildlife Cmn raised royalty on shell from 13 to 25¢ a yard, on sand & gravel from 10 to 20¢...Democrats painfully chose Bob Strauss of Dallas as natl chairman. Pres. Nixon announced George Bush is the new GOP chairman. Anne Armstrong will resign as GOP co-chairman, so it won't be an all-Texas hierarchy...Gov. Smith urged State agencies to close Dec. 22-26 for a 5-day Christmas...Rep. Grant Jones' no-fault cmte decided to have no hearings. Jones will write a factual report with no recommendations...Reps Carl Parker and Kubiak were sued as stockholders of a Corpus furniture store. Creditors claim the corporation management hasn't paid its bills.