

AUSTIN

P. O. Box 12368, Capitol Station, Austin, Texas 78711
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STUART LONG, Editor

REPORT

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LEGISLATORS got some more previews at an LBJ School seminar on some of the bigger issues. Jim McGrew of the Research League gave them his view on the fiscal situation. In particular, he told of the impact of the Rodriguez school financing decision, if it stands up in the Supreme Court. If the courts insist on bringing the most economically-deprived schools up to average levels, it will cost \$132,500,000 a year. If they say they should all be brought to the level of the richest district, it will take \$1.419 billion a year. That figure could be raised by a State property tax; a 1% increase in sales tax would yield \$260,000,000 a year as would a personal income tax. Dean John Gronouski talked at the real problem--equalization of tax assessing. He feels the only solution is to have a State system. Exec. Dir James Ray of the Cmn on Intergovernmental Relations talked of revenue sharing. The fact that the Federal law is retroactive to 1-1-72 means a backlog of two years' money will be available for the Legislature to spend in '73, but if it should go into programs, it would create new problems in the years ahead. Sen-elect Grant Jones thinks the State share should go into capital improvements of a one-time nature to avoid this problem...A measure of how State outgo has grown is the spending for the first two months of the current fiscal year--\$695,177,093 against \$639,537,587 in the comparable two months of last year. The General Revenue Fund deficit rose to \$152 million during October, and will stay in the red until springtime, something Treasurer James apparently succeeded in explaining to the voters as the reason for interest-free State deposits in banks which are holding the State's hot checks.

THEY counted the votes officially, and sure-enough, Pres. Nixon got 2,298,468, almost 2-1 over Sen. McGovern's 1,154,109. With 8,664 going to the Socialist Workers and 9,432 to write-ins, the total vote came to 3,470,673. That recount in Harris County delayed the unofficial totals in the governor's race. Unofficially, Bill Hobby's 2,343,570, with 27,141 for Alewitz, 130,828 for Canales and 1,649 write ins will put Hobby as the No. 2 vote getter. John Hill's 2,344,586 made him No. 1, and Land Cmr Armstrong's 2,274,284 made him No. 3. Other totals: Comptroller Calvert, 2,271,971 to the SW's 98,583; Treasurer James' 1,640,259 to Rep. Angly's 1,509,244 and Raza Unida's 123,491; Agri. Cmr White's unopposed 2,087,356; Railroad Cmr Tunnell's 1,878,533 to Jim Segrest's 1,078,169 and RU's 158,272. Justice Daniel was high among the judges with 2,111,036, to 2,065,453 for Chief Justice Greenhill, Judge Sam Johnson's 2,028,248 and Judge Odom's 2,035,132. Of course, the governor and lieutenant

enant governor's votes will be counted by the Legislature Jan. 9, so as to know whom to inaugurate Jan. 16. Republicans re-elected their two district judges, John Furrh and Ray McKim at Marshall and Odessa, but lost in their other 5 efforts to win benches, and their 2 to win district attorneyships...Sen. Herring was the vote-gettingest senator, with 107,128 to 10,071 for his SW opponent. Rep. Mengden's 94,934 to Lee Mc-Lemore's 53,681 made him No. 2 vote-getter. The only close Senate race was Mrs Betty Andujar's 60,654 to Rep. Moncrief's 58,087. The Congressional race of incumbents came out like this: Rep. Price (R), 87,084; Rep. Purcell, 41,730...The defeated constitutional amendments: legislative pay, 1,436,910 to 1,251,773; water district directors, 1,441,773 to 1,060,370; and pay raises for Speaker and Lt Gov, 1,666,239 to 906,223.

REPUBLICAN Congressmen Collins and Archer's victories carried along State Board of Education GOP candidates, Stanley McCaleb and Joe Butler, in their respective districts. No Republican was running in the district Alan Steelman won. Board of Education Incumbents Morgan, Mathews, Baird, Willborn, Gregg and Howell were reelected; 4 women will be on the board --Marie Grimes, Dist 5; Mrs Ronald Smith, Dist 6; Jane Wells, Dist 10, and Mrs Albert Trevion, Dist 20. Mrs Trevion and Omar Garza of Dist 15 will be the Mexican-Americans on the board, and a black, Dr Joe Gathe of Houston, also was elected. Other winners and their districts: William Kemp, 8; William H. Fetter, 9; Glenn L. Smith, 11; Duane J. McCullough, 14; James M. Binion, 17; James H. Whiteside, 19; Frank M. Pool, 21; E. M. Huggins Jr, 22; George Guthrie, 23, and Carlisle Cravens, 24.

THERE has been no word from Gov-Elect Briscoe as to staff. His latest was that he would have some announcements by Dec. 1. That's the day he's to talk to the West Texas Chamber of Commerce legislative gathering at Wichita Falls. Gov. Smith's top staff people say only that "we hear we're going to hear something." Briscoe is considering Jerry Hall as his press secretary, but there's been no decision. What complicates things is that there are now 528 employes of the Governor's office, if you consider the 132 in the Dept of Community Affairs, a newly separate agency headed, like the Secretary of State, by a direct governor's appointee. Govs Stevenson and Shivers would be amazed to find how big the offices they ran with a handful of people have grown under the impact of Federal planning and grants...Speaker Price says he has no political plans, but he wants to keep his options open. He was commenting on a Dallas News item that he might turn full-time Republican...Rep. Daniel insists that he can't confirm any rumors on committee chairmanships until he's elected speaker...Beryl Milburn resigned as State GOP vice chairman so they can select "someone with fresh enthusiasm." She was intrigued by the idea of running for lieutenant governor if Anne Armstrong runs for governor...Of the 7 Texans on the Demo Natl Cmte, Jess Hay and Jane Blumberg say they'll vote to replace Natl Chmn Jean Westwood; Billie Carr will be for keeping her; Sen. Bernal, Hall Timanus, Sen. Jordan and Calvin Guest are non-committal...Sen. Tower's first problem after his greatest victory: What about the closing of those military bases in Texas, and Nixon's

determination to thin out the military civilian forces?...Tower's final expense report shows he took in \$2,597,544 and spent almost all of it. Barefoot Sanders spent \$579,530, more than \$2,000,000 behind Tower...And Dolph Briscoe set a new record for governors' races, spending \$2,436,199 while Sen. Grover spent \$1,010,026, but got only \$622,100 in gifts, so he's deep in debt. Briscoe took in \$500,000 less than he spent, so that must be his personal contribution.

ATTY GEN. Martin ruled that neither Parks & Wildlife nor any other State agency has authority to issue licenses to hunt from aircraft; the '71 bill to allow the Anderson County county judge to appoint a probation officer is unconstitutional, because it's an unlawful delegation of legislative authority, and the Rockwall County commissioner's court can call an election on the question of separating the sheriff-tax assessor-collector's office into two offices.

THE Interim Cmte To Study the Sales Tax meets in the Lt Governor's Cmte Room Tuesday at 2 p.m....Sen. Schwartz pre-filed six bills, including twice-monthly State paydays; a constitutional amendment to have cities and counties record support for or opposition to a proposed water district, and some locally-oriented proposals...Sen. Harrington urged cities, counties and school boards to implement quickly the constitutional amendment to give persons over 65 a \$3,000 homestead exemption from ad valorem taxes...Rep. Tupper said he'll introduce a bill for free vehicle registration for veterans who have lost limbs in combat.

SPEAKER Price appointed Reps Wyatt, (chairman), Truan, Longoria, Parker, Grant, Agnich and Wolff to a committee to make a "thorough investigation" of the OEO report, "Poverty in Texas." While new members were examining every nook and corner of the Capitol with office decisions in mind, Price named Reps Bynum, Lewis, Cole, Grant and Wyatt to an Interim Cmte on Rooms and Office Space, and told them to "concentrate on the feasibility of establishing a public information office" for the House...One of the helpful materials Chief Clerk Dorothy Hallman has produced is a list of senators and House members by county delegations...At least two Barnes' staff members, Margaret Behrens and Jason Perlman, will be joining Lt Gov.-Elect Hobby's staff.

EMPLOYEES in the Capitol Complex will be getting new identification cards from the Board of Control, in an effort to "improve security." The new cards will include photographs, similar to drivers' licenses. Employees will use the cards to enter buildings during off-duty hours. The Board of Control will be carrying out an elevator traffic study in the Finance Bldg, with a view to staggering work hours and adding a second snack bar to ease the traffic problem. But the Board expects that it will have to add two more elevators, at a cost of \$450,000.

TREES from the LBJ Ranch and from the homes of other Presidents will replace some of the trees on the Capitol grounds which were victims of a

recent windstorm. Mrs Johnson is donating pecan trees from the ranch, along with seedlings from the Andrew Jackson Magnolia and Adams American Elm at the White House. The Hermitage, Monticello, Mount Vernon and the Roosevelt Home at Hyde Park, N.Y., have been asked to assist, and five Austin banks have given \$1,000 to cover expenses. One holly from The Hermitage has been planted already.

TO & FRO: Gov. Smith will name three new UT and A&M regents Jan. 8 and it's safe to assume he won't reappoint John Peace, Jenkins Garrett and Frank Ikard...Nancy Barnes has opened an art gallery in Brownwood... Mary Jane Bode will be leaving AR Jan. 1, after 11 years, to join John Hill's Attorney General's crew. You'll miss her writing...They've moved Rep. Shannon's No. 1 desk to the back row, far right...Rep. Holmes got the same treatment Rep. John Allen got--reduction of the charge to misdemeanors, and payment of three \$1,000 fines plus replacement of the stamps used to buy a pickup...Senate Chaplain Townsend has published a book of his Senate prayers...State College regents sold bonds at 3.591% interest...Losing GOP House Candidate L.J. Rawlins sued for \$1,000,000 damages on an unsigned campaign ad labeling him as a "black political prostitute for Tower." The suit is against Black Activist Larry Jackson of Austin and Barefoot Sanders.

TALK about the cost of living! The Dept of Corrections net operating cost increased from \$6.9 million (with 12,130 inmates) in fiscal '62, to \$19.3 million (14,715 inmates) in fiscal '71--or, from a daily average of \$1.56 to \$3.61. The prison system earned \$8 million last year, which did keep the net cost down...Board of Pardons and Paroles Member Whiteside said the TDC and other agencies involved in preparing prisoners for parole are doing a good job, since the rate of revocation went down from 25% a decade ago to 10% year before last, then 7% last year--"meaning 93% are making it." He also credited parole system field officers, of course ...The Public Safety Cmn meets here Thursday at 11 a.m.

WEST Texans complaining that they haven't been getting a fair shake on windstorm insurance will have their day in court Wednesday when the Board of Insurance will hold a hearing on fire and windstorm rates, and whether to have some kind of "graduation" of "extended coverage" rating territories...The Highway Cmn sent out a reminder that owners of advertising signs along US and State-numbered highways must apply by Dec. 31 for the permits required under the '72 Highway Beautification Act...MH-MR has available a "Directory of Texas Facilities Serving the Developmentally Disabled," compiled by UT's Special Education Component. It cross indexes more than 300 agencies and is available free from MH-MR...The Dept of Health's report to TEA shows 79% of school children have been immunized against diphtheria, tetanus, whooping cough and measles; 78% against rubella, and 74% for polio...The Welfare Board said it will support legislation to allow paternity suits, make fathers of illegitimate children financially responsible for them, and for garnishment of wages for child support (which was tried in '69, but defeated).

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THAT sound you hear is the typewriters writing those drafts of bills for the legislative session. Austin's biennial December occupation of bill-writing appears to be booming. Two rival plans appear to be taking the forefront on the Big Issue--school financing. Where the State Board of Education's tentative plan, to be considered at a hearing-meeting in Austin Dec. 9, would to some extent "level down" school programs, the State Teachers Assn plan would "level up." The TSTA's plan is complete and ready to go. It would change the financing ratio to 70% State and 30% local where the Board's plan would switch to full State financing by '78-'79. TSTA's plan would cost \$2 billion the first year; the Board's would come to \$1.4 billion in '73-'74. TSTA would base local-fund assignments on full market value, doing away with the economic index, and this would come to \$600,000,000 the first year. Districts would continue to levy and collect taxes, but would have to raise a dollar amount based on full market value at a 47¢ per \$100 tax rate. TSTA would put in a \$700 increase in the salary scale in '76 and, of course, retain the \$600 raise already enacted for '74 and the \$660 raise enacted for '78. The big feature of the TSTA plan is that the enrichment being added to the tune of \$700,000,000 a year by the more affluent districts would be built into the State minimum program. Other features would be a \$75 extra for compensatory education for children from poor families, a 50% rise in transportation allocations (estimated to cover what districts are now spending on transportation) and \$125 per child in average daily membership for operating costs. The Board would make it \$120 with an inflation factor, and would have a State grant of \$100 per poor child. At any rate, the Supreme Court is expected to be upholding the Rodriguez case early in '73, making certain that this Legislature will have to be deciding between these and other school programs.

TEACHERS also plan a retirement improvement program, and a batch of other school bills, including a delay to '75-'76 in the mandatory plan for the quarter system, more secretaries and administrative personnel and changing the State (and school) fiscal year end to June 30, to fit the Federal system...The Water Quality Board will be asking for State financing for sewer-plant construction, now that a combination of a new Federal grant formula and Pres. Nixon's withholding of appropriated cash is cramping the sewer-plant construction program into which the Board has forced the cities. Rep. John Allen's Natural Resources Cmte will be hearing about that at its Dec. 19 9 am hearing...Rep. Luther Jones will be pushing a bill to say that newsmen can keep their sources confiden-

tial, and press organizations will push for improvements in the open meetings law...The Civil Liberties Union will sponsor bills to lower the marijuana penalty and to revise the bail-bond law. It will oppose reinstatement of the death penalty...Lt Gov. Hobby and Speaker Daniel will try to water down the seniority-on-committee rules, and with so many new members, may succeed...Hobby has moved into Sen. Grover's office, and is getting all sorts of visitors about legislative problems. He'll have a meeting of the new Senate Dec. 11-13 at his ranch at El Campo, where his first chore will be to head off Sen. Mauzy's renewed effort to have the Senate elect its own committees. Hobby's staff will be Steve Oaks of Butler, Binion et al and Dr June Hyer as executive assistants, Margaret Behrens as secretary, Houston Post Reporter-Pilot Bob Cargill as press secretary, Harry Ledbetter of the Budget Board on research and legislation, and Tom Hagan of Houston and Bill Jenkins of Amarillo as administrative assistants.

GOV-Elect and Mrs Briscoe came to Austin to visit the Smiths at the Mansion and to talk with Dan Petty and Gov. Smith about the staff setup. They also talked with Bill Hobby about plans for the inauguration party. It now appears that Briscoe will be announcing his staff people before Dec. 15, but so far there is nothing but rumor, with John Brunson, Lewis Timberlake and Phillip Patman among those being guessed at for top jobs like Secretary of State. Jim Rose might make it back to the Adjutant General's Dept. But so far the only sure Briscoe staff member is Ken Clapp...They had a quiet hanging of Gov. Connally's portrait the day after Nixon said Connally wouldn't be in his cabinet. The portrait has been ready for over a year, but the hanging was delayed to see whether it should be public or private. The gallery of governors in the Capital rotunda was reversed, with the latest ones on the ground floor, with a space left for Gov. Smith. History now starts upstairs.

TESTIFYING that the Atty Gen.'s sales tax collection staff amassed 15,000 files on 33,000 certifications of delinquencies during the year ended Nov. 1, Asst Atty Gen. Gordon Cass told the Senate Cmte To Study the Sales Tax that represented \$12.1 million in "hard core" hold outs. There oughta be a better way, he said, agreeing with U. of Illinois Economist Dr John Due, that one way would be to require a security, such as a bond, of businesses collecting and charged with remitting the tax. Chmn Christie seemed to like that idea, but fastened on Cass' showing that while certifications usually are referred by the Comptroller on an average of seven days, there were 2-month droughts around '70 and '72 primary elections. What seemed worse to Cass was the recollection of receiving 12,057 certifications on one day, Sept. 5 ("when you receive 12,000 certifications in one day, you've got your day's work cut out for you!"). Asst Atty Gen. Lewis Jones said a major collection problem is the judgment-proof corporation, and said the only way to break that is to authorize the State to "pierce the corporate veil" and make officers liable. Dr Due, who has analyzed State sales tax problems in other states as well, said Texas doesn't have enough auditors working on collections-

December 3, 1972

--about one for every 2,000 tax accounts, compared to the ideal of one to 500. Adding the necessary number would cost \$3 million a year, but bring in an additional \$8 million, he predicted. Farmers Branch City Councilman Bill Binford urged committee support of the Municipal League proposal to provide cities with an "accurate check list" of sales tax payees, so they can keep their city sales tax accounts straight. And Cmte Staffer John Birkelbach said cities should have the right to file suit on their own, because they don't get their penny until the State gets its four the way things go now. Birkelbach also knocked the 2% administration fee the State gets from city shares, saying the \$3 million deducted for administering city sales taxes last year seemed a bit much, considering the Comptroller's whole budget was \$16 million.

SENATE Horse Racing Study Cmte Chmn Harris called a hearing for Dec. 14 at 10 a.m. ("opposition will be heard"), but it was a sure bet that Harris, the race horse breeders and the lame duck senators on the committee will recommend legislation to legalize pari-mutuel betting. Harris said 5,000 questionnaires have been sent to horsemen to get "hard facts" about racing...The House Cmte on Administration of Public Education meets Tuesday at 9:30 a.m. in the Inn of Six Flags, Arlington...Also Tuesday, at 11 a.m., the Senate Interim Cmte To Study Rising Medical Costs meets here...House Cmte To Study the OEO Report on Poverty Chmn Wyatt called a meeting for Monday at 1:30 p.m. in G-13 in the Capitol, and appointed these citizen members, all community action agency officers: Milton Guess, San Antonio; Samuel Price, Houston; Oscar Reyna, Corpus Christi, and Hidalgo County Judge Ed Gomez, Edinburg...Sen. Brooks, who authored the resolution to create a Senate committee to study abuses in creating and operating water districts, was named chairman of the committee. And Lt Gov. Barnes appointed Sens Harris and Creighton to help, as well as George M. Darsey of Houston and Dee Kelly of Fort Worth...Senators didn't show for the consumer protection study committee hearing Thursday (Chmn Hall was absent because of a death in the family), so witnesses lined up by the Texas Consumers Assn, legal aid society and poor peoples' organizations told the lay members about landlord abuses of tenants. They asked the committee to recommend laws to govern security deposits, repairs of leased premises, and to prohibit lock outs and utility cut-offs as methods of eviction. TCA Pres. Lloyd Doggett of Austin claimed that consumers should start worrying every time they hear about a "consumer bill" because so many "consumer bills" end up favoring the creditor.

THE Traffic Courts Study Cmte headed by Supreme Court Judge McGee approved proposals to ask the Legislature to make peace justice and municipal courts courts of record, with appeals to go to district court. The plan would require a motorist to surrender his driver's license when stopped, getting a receipt, to insure he will show for trial. (In Mexico, it's even simpler. They take the license plate off the car, and the driver can't go anywhere else until he goes to court)..The Supreme Court held unconstitutional the '67 law exempting fraternal organizations from State and local property taxes, in an Amarillo-Masonic case.

ATTY GEN. Martin must have been surprised when Wharton County County Atty Homer R. Taylor asked if the law (Art. 353c VPC) prohibits persons from "furnishing alcoholic beverages to a prisoner in county jail." The Atty Gen. ruled, however, that it does not, but that he doesn't know if some other law bars it...Martin also ruled that the Dept of Public Welfare may refund monies advanced for the purpose of providing non-federal shares of social services programs when the costs are less than expected; that a Water Quality Board secretary may make and sell transcripts of official meetings and keep the money, if that doesn't "interfere" with her performance of State duties; where income from agricultural use is exceeded by other income, a landowner still can get an agricultural use designation if that land use is the primary source of income; Welfare may contract with the Building Cmn and Board of Control to renovate the 5th floor of the Reagan Bldg; Harris County commissioners can act as the board of trustees for the Harris County Community MH-MR Center; reserve deputy constables are not appointed for a time certain, but they may serve without pay within a prescribed period; the \$40,752 for studying the feasibility of a trail and waterway system in Parks & Wildlife's budget item 10-B does not limit the amount that may be spent for that, so Parks & Wildlife can use other funds in addition; barbers and beauticians can perform about the same services, except that barbers can't teach hair cutting in beauty schools, and beauticians can't shave beards (heaven forbid!); a district attorney choosing early retirement fixes the day his office is vacated and the day he goes on the retirement payroll...35th Dist Judge Joe B. Dibrell Jr joins Atty Gen.-Elect John Hill's staff Jan. 1 as supervisor and coordinator of litigation. Austin Atty Joe K. Longley will head the consumer protection division, and Texas Legislative Council Atty Liz Levatino will be assistant chief. News stories about Houston Atty Mike Willatt being designated chief of environmental protection made Willatt sound mighty militant about polluters. He is a chemist, too, having taken his graduate work at Rice U.

TO & FRO: Gov. Smith made Chick Morris his press secretary for the remaining days...Rep. Semos was elected chairman of the Dallas delegation...Speaker-to-be Daniel's one-term pledge means that the session is going to be wrapped up in the '75 speakership race. Among the hopefuls are Reps Nugent, Hale, Clayton, Finney and Head. Clayton was elected chairman of the Interstate Conference on Water Problems this week...Rep. Nichols heads the Harris delegation...Gov. Smith asked his successor to attend the Democratic governor's caucus in St Louis Sunday, and Briscoe has endorsed Bob Strauss for national chairman. Ex-Sen. Yarborough came out against Strauss...The computer experts are still recounting Harris County votes...Education Board Member Jack Binion died...Ranger Capt. Bob Crowder, one of the first "professional" Rangers, died. He walked into the Rusk Hospital criminal ward riot in '55 and talked the patients into giving up...Former House Exec. Asst Ken Barnes became development director for Southwest Texas State...Mrs Maurice Angly resigned as Federation of Republican Women chairman...Sen. Wilson gave State government back to the Indians, with his gov-for-a-day party at the reservation.