INAUGURAL ADDRESS

of

The Honorable

Stephen L. R. McNichols

Governor of Colorado

Delivered to the

Forty-First General Assembly

of the State of Colorado

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Governor Steve McNichols

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TO THE
FIRST SESSION
OF THE
FORTY-FIRST COLORADO GENERAL ASSEMBLY

INTRODUCTORY

Mr. President, Mr. Speaker, Members of the General Assembly, Distinguished Guests, Ladies and Gentlemen.

This appearance before the General Assembly, distinguished jurists, department heads, state employees, guests, and members of the television and radio audience, is certainly the most inspiring in my relatively brief political career. Members of the General Assembly and those within the hearing of my voice surely must realize the tremendous significance of being elected Governor of one's native state. The great honor is only diminished by the awesome responsibility which attends such elevation.

Tribute to Edwin C. Johnson

This inauguaration ceremony would not fulfill its complete function without at least a brief tribute to one of our most beloved and distinguished public servants, Governor Edwin Carl Johnson. This humble and kindly gentleman has effectively and courageously nurtured and fostered the interests of this great state and its people with complete disregard for personal and normal family pursuits and his own personal health and well-being. The long history of his public devotion has reflected his courage, his integrity and his unique character.

Monuments to his statesmanship of every kind and description are in evidence throughout our entire state and throughout the nation. I cannot recall any projects in the state, ever since "Big Ed" loomed on the political scene, that have not been made possible in one way or another by his adroit political acumen and perseverance. Highways, dams, storage projects, the air academy, the National Bureau of Standards, his dogged insistence

on the need for a transcontinental tunnel, his strategic persistence to bring us an interstate highway designation—are only a few of these lasting monuments. The farmer, the laborer, the industrialist, the serviceman, and the ordinary man and woman on the street have all reaped the benefits of his vision and foresight, and the fruits of his calculated efforts. Every one of Governor Ed's thousands of friends and acquaintances from every walk of life in Colorado and the nation, joins me in extending genuine and heartfelt thanks and appreciation for his notable contribution to this great republic and to the perpetuation of its processes which he has helped to formulate and preserve.

May the full and gratifying life that Governor and Mrs. Johnson have lived continue to be enriched, and may God's blessing always be with them.

Congratulations and Welcome to General Assembly

I appear before you today in the discharge of a traditional privilege—that of bringing to you a message from the executive department of our state government to the legislative branch of that government. In meeting with you, I want most sincerely to congratulate you on your dedication to the public service, and to welcome you—chosen by your constituents to represent them in the General Assembly of Colorado.

I have had the privilege of serving with many of you in the General Assembly in the past several years, and I am looking forward to renewing my friendships with you, and to meeting the many new members among you.

Yours and mine is a difficult task, and I know that we shall work closely together to accomplish for the people of Colorado a sound and carefully devised program, to the end that the solemn obligation which you and I have assumed—to uphold the constitutions of Colorado and of the United States—shall be carried out.

Three Divisions of Government

The people who wrote our State Constitution wisely provided, as did their forbears nearly a century earlier in preparing

the United States Constitution, that the powers of government should be divided into three departments. The specific language of Article III of our Constitution states that "The powers of the government of this state are divided into three distinct departments—the Legislative, Executive and Judicial—and no person or collection of persons charged with the exercise of power properly belonging to one of these departments shall exercise any power properly belonging to either of the others except as in this constitution expressly directed or permitted."

The Executive department is defined as including the elective executive, and Section 2 of Article IV clearly vests the supreme executive power in the Governor, who shall take care that the laws shall be faithfully executed. I take this obligation soberly and seriously, and promise to keep it to the best of my ability.

Article V vests the Legislative powers in the General Assembly, except for the right of initiative and referendum reserved by the people to themselves. I will scrupulously respect your rights and duties, and avoid any intrusion beyond my constitutional duty of recommending such measures as I deem expedient and my significant obligation to sign or veto measures.

Our system becomes endangered when an over-zealous executive encroaches upon the legislative domain or threatens the independence of the judiciary. Similarly, the executive department's total program can become emasculated when encroached on by a too-assertive legislature which assumes executive powers. We each, in our separate branches of government, need to perform discreetly and well the duties appropriate to our offices. We must each be properly respectful of the prerogatives and the powers of the other two branches.

Our form of government functions best when each of the three branches of government operates with a keen sensitivity as to the proper scope of its authority, a wise and restrained use of that authority, and a mutual and cooperative respect for the area of authority of the others.

Legislative Improvements

I know the people of Colorado want to see a thoughtful and effective legislature: one that continues to improve its capacity to perform legislative duties. The legislative council, for example, has been a substantial improvement. Its performance over recent years has earned wide respect. It deserves our continued interest.

The General Assembly acted last year in response to a recommendation by Governor Johnson to create a permanent staff to serve the joint subcommittee on appropriations. It is evident from the work now going on that this was a significant step forward in improving our budget process. I suggest to the General Assembly that it revise the joint appropriations committee structure by enlarging its membership in order to further strengthen its review. The enlarged joint committee on appropriations could then subdivide itself into a series of interim subcommittees with each member of the joint committee acting as subcommittee chairman. The members of the subcommittees should, of course, be selected from the House Appropriations Committee and the Senate Finance Committee. In this way the entire budget could be carefully scrutinized by both houses of the legislature and would always have an ever-present pool of experienced members in this important financial field, regardless of which political party has numerical control.

The work of this committee in advance of a legislative session would be enhanced if the two houses were to provide by joint rule or by statute for the existence and operation of the legislative budget review. There is no present rule covering the process.

Citizen Participation in the Legislative Process

There may be other steps the General Assembly should take to insure that bills get full hearing and deliberate consideration. I commend to your study the rules and practice of other state legislatures. Some of them regularly print all bills, so that the people may know what legislation has been proposed. Some also schedule and publicly announce hearings on all bills well in

advance, so the rights of people to be heard with respect to the proposed measures can be effectively exercised. Legislation that will not bear scrutiny does not deserve the status of law. We have a solemn obligation to so perform our duties that the rights of the true sovereign—the citizen—are not weakened or destroyed, but rather are extended and enhanced by our actions. Our present rules and practices make it easy for the professional lobbyists to be heard, but they fail to provide sufficient opportunity for and, in effect, even limit the rights of the citizenry to participate.

Democracy has been defined as providing the opportunity to and protecting the right of every person to participate effectively in making the decisions which affect himself. I trust that you will re-examine your procedures to be certain that we continue to improve these rights.

Improving Administration

I shall be zealous of the rights of the executive agencies and will guard against legislative or judicial encroachment upon them. The proper way for a Governor to protect executive powers is to use them in service to the public. I shall do my best to treat this office as a public trust of the highest order and make the office of Governor, in fact as well as as in name, the office of the chief executive.

To that end, I am suggesting today certain changes in the administrative structure that I believe will be helpful. I am also suggesting a series of studies that will give us the basis for sound reconsideration of certain portions of the administrative structure. The executive department will cooperate fully with the General Assembly in making these studies, because there are aspects of these problems that properly concern both.

In connection with the administration of the affairs of this government, I should like to emphasize that we have a body of fine, loyal, and conscientious public servants. I have worked with many of them. Many of them are worth more than we are paying them, or can pay them. Each of them is doing his job to the best of his ability, within the structure as it now exists.

It is my purpose to use the office of Governor to help to improve the state service, and to help our employees to do their work more effectively and economically. The Governor is properly held accountable by the people for all the actions of the executive agencies.

All of us employees of this state should bear in mind, constantly, that we are working for the same boss—the people of the state of Colorado. It is our common job to work together in providing the services they have ordered and are paying for. Citizens have the right to be irritated and dismayed when they see their employees dissipating their energies in fighting among themselves.

The job of chief executive is to coordinate the efforts of all departments and to require their employees to work together with each other, so that all of us may best serve the people. As an immediate step in that direction, I intend to hold conferences regularly with major department heads, and to seek and foster interdepartmental cooperation.

From time to time, and on specific issues, there will be among the department heads differences of opinion. Where there are, we shall seek out the facts, have full and frank discussion, reach agreement, and get on with the job. There is important work to be done, and we want to spend our energies doing it.

Improving the Budgeting Process

One of the important forward steps that Colorado must take is to strengthen the executive preparation of the budget. The controller has done a fine and often heroic job of putting the requests together for your review, but Colorado has not yet followed the lead of other states in providing for full and orderly advance executive review of the budget requests. This is the best way to effectuate legislative and administrative policy.

Our wise and experienced controller has most graciously expressed to me his full willingness to cooperate with the Governor in the preparation of future budgets, so that even without statutory revision, his office will work with the executive depart-

ment during the coming year in the development of an executive-approved budget. This will speed the review and amendment of budget requests, as well as expedite the work of the legislative budget review.

From this experience we may find a basis for sound statutory revision of the budget machinery, in the executive offices. This again requires the absolute and unrestrained cooperation of department heads and employees. As I view it, this cooperation provides the only way to remove the frustrating experience of trying to accomplish a program where lines of administrative policy and authority are hazy and not clearly defined. Once the policy has been defined by agreement with the respective department heads the proper delegation of administrative authority may proceed properly.

ADMINISTRATIVE REORGANIZATION

In securing sound reorganization of its administrative structure, Colorado shares the same experience of other state governments and of the federal government: the legislative body has difficulty in realizing reorganization.

Since 1922, every Colorado Governor has seriously concerned himself with this problem. It is not new. It is of great and continuing importance because of the tremendous increases in governmental costs, the increases in demands for efficient governmental services which accompany our population increase, both coupled with the attending need to reduce the duplication of services in the interest of economy. Committees of inquiry are able to come to fairly logical conclusions, but these conclusions, experience indicates, are difficult to translate into law. Chief Justice Oliver Wendell Holmes quite aptly said, in speaking to this point, "The life of the law has not been logic but experience."

Happily, there is another way—both logical and practical—to obtain reorganization of the executive departments of the government. Governor Johnson pointed the way in 1955, when he drew upon his United States Senatorial experience. He said, in his inaugural address, "Congress has found a way to have reorgani-

zation proposals approved without abridging the legislative process. The Congress enacts enabling legislation authorizing the President to submit specific reorganization plans. After these plans are submitted to both houses, under the terms of the Enabling Act, each house has 60 days to veto or reject the proposal. If either house, by affirmative vote, rejects the proposal, it is defeated. If neither house rejects the proposal within the 60 days, the proposal becomes law. Such a system, if adopted here, would enable Colorado to write into law many sound reorganization proposals."

Upon investigation, I find that this power has been used by Presidents of the United States for at least 25 years, since the Honorable Herbert Hoover was in office. Congresses, regardless of party control, have extended and enlarged the power, and have been content with a congressional veto over proposed plans. In 1955, Governor Johnson asked for such legislation in Colorado. Unfortunately, it was not adopted at that time. The legislatures of Pennsylvania, New Hampshire and Puerto Rico have adopted such legislation. The council of state governments, in its "suggested state legislation for 1957," has proposed a draft of a bill based on the Pennsylvania law, which draft embodies what I am suggesting.

This measure can be the foundation of good government and lead to better government here in Colorado. I strongly urge that you adopt such a bill. If you do, its wise, circumspect and judicious use is hereby guaranteed. It is not intended that violence will be done to the state's administrative structure, nor can we accomplish wonders overnight. The seniority, and other accumulated rights and privileges of the employees, will be faithfully and fully respected. The executive office intends to improve employee pay and working conditions. In exchange, the employees owe it to the people to give their full cooperation in improving the administrative organization of the state so that better service can be provided.

On behalf of all past Governors and all future Governors, I ask that you make it possible for us to provide you with re-

organization plans that will be subject to your approval—or your joint veto.

Planning and Public Works

In the course of the past campaign, I mentioned certain areas in our state government needing immediate reorganization. There will be others that need study and action in 1958 in accordance with the foregoing proposal.

Population growth creates increased needs in education, mental health, highways, and welfare. Constantly changing concepts coupled with this growth make the solutions even more complex.

Officials must allocate limited funds among competing demands, since each need is considered by its advocates as the most pressing.

The conscientious public official obtains objective and impartial information, based upon research, study, experience, and foresight, to assist him in arriving at sound decisions, from a good planning service in the executive department, which we need more desperately as each year goes by.

Our present planning commission has been of great service to the state. Its small budget and small staff have been a severe handicap. Its effectiveness is also limited by a lack of agreement on what it should be doing, by a duplication of functions, and by a lack of an established position in the over-all government of the state.

What is wrong with the present law? To begin with, the commission inherited several functions which do not belong in a planning agency.

For example, the planning commission is listed as a part of the division of conservation and is responsible, under the law, for promotion of conservation and orderly development of the natural resources of the state, and for cooperation with the national program for conservation—which should be a function of a department of natural resources. It has inherited publicity functions which are duplicated in our state advertising and publicity committee.

Planning should be done by a division in the executive department. It should serve as a fact-gathering agency, publishing reports on various matters. Its reports are an invaluable source of reference material, used by state and local officials, legislators, editors, businessmen, students and others.

Such an agency should also have clearly defined powers with respect to public works. Colorado has embarked upon a $72 million institutional building program. We have to make certain that the taxpayers get value received for every dollar so spent. Presently we are not set up to do this properly. The commission is now responsible for approving the design, specifications, contracts and construction of all state buildings and for checking maintenance of all existing structures. There should be qualified, professional, experienced state personnel responsible to the director to make recommendations and inspections on the various aspects of our tremendous building program. The cost of such technically-trained people would be saved many times over to the state during the coming years, in time and money saved on construction.

The planning agency might also exercise supervisory and maintenance powers over the capitol buildings group. The commission is charged with that function now, but in actuality the duties are carried out by the superintendent of buildings, who operates more or less independently. From time to time conflicts arise, and there is no clear-cut authority to resolve them. Costly disagreement and delay over the construction of our new state office building is an example of these difficulties.

An important function that might well be assigned to such a planning agency is the obligation to provide information and counsel to various industries. We should make a concerted effort to convince every businessman in Colorado that he has a personal interest in attracting new industries and new people to the state. The planning agency could serve as a coordinator for the efforts of civic, business, and industrial organizations, local and state chambers of commerce, and other state agencies concerned with this vital work.

Natural Resources

Richly endowed with natural resources, the state of Colorado also has been in the course of time, richly endowed with agencies that operate in the field of natural resources. We have nineteen of them, all charged with responsibility for conserving and developing some part of our natural resources.

When the administrative code was written in 1941, some of these agencies gathered together in a division of conservation, others in a division or natural resources, others in a division of water resources, and a number exist without being tied to any of the first three. But only the division of water resources had an operating director. The Governor by himself, has been charged, these past sixteen years, with serving as director of conservation, and director of natural resources.

Each of these agencies was set up to perform some specific function. Sometimes these functions overlap. Sometimes there are gaps between them. They operate independently of each other, and in many instances, independently of any supervision. This is not good business, and state government is big business.

The functions of these numerous conservation agencies are not unrelated functions. All of them are working toward the same end. The most beneficial use and orderly development of all our natural resources. You are asked, therefore, to create a comprehensive department of natural resources to integrate the activities of all nineteen conservation agencies, to utilize and develop in an orderly manner all of our resources—soil, water, timber, minerals, wildlife, oil, gas, coal, and oil shale—to guard them against the encroachment of greedy rivals and preserve them for our posterity.

This cannot be accomplished tomorrow, nor brought to full flower in a two-year term. But at least a good beginning can be made. Creating a single department, headed by a single director, is the first step in that beginning. The second step—that of research—I shall discuss later in this message.

In its abundant resources, Colorado has a tremendous potential, which we have only begun to realize. Through the devel-

opment of resource conservation, protection and development policies which would become possible by consolidation, we can take a tremendous step forward in promoting the growth of our great state, and at the same time add to the wealth and well-being of our citizens. Development of our public lands and resources will result in greater revenues from leased public lands for use in our school program.

Aeronautics

The work of the state in the promotion of civil aeronautics was brought to a halt, some years ago, by cutting off appropriations. The importance of aeronautics to the state can be seen in the fact that there are now more than 2,000 licensed aircraft in the state. A system of lighted airports, with adequate runways and landing facilities, is becoming increasingly significant in the economy of the state.

Federal aid is available for airport land acquisition. The state has been offered surplus lighting equipment for the cost of moving it. I suggest a review and revitalization of this agency for this purpose, and an appropriation for staff and related services. A small investment here will pay large dividends.

EXTENSION OF PRESENT ACTIVITIES

We come now to recommendations involving an extension of present activities in order that we may better serve the needs of Colorado. Let us direct our attention to some basic considerations.

Water

The first of these items is water. The prolonged drought with its tragic impact on the lives of many ranchers and farmers, has dramatized powerfully the urgent necessity of a county-by-county, watershed-by-watershed, basin-by-basin analysis of our total available surface and underground water supplies. We need objective measurement of our present consumptive uses of water, and to project our future requirements for domestic, agricultural and industrial uses.

We must further study ways to avoid wastage in our present use of water. We must seek techniques to conserve above ground, and to store below ground, for future use, all water that we can store, with due regard to our commitments.

I believe such studies are properly within the present powers and duties of the water conservation board.

While the water conservation board has adequate authority to commence and carry out this task, many other public and private agencies and organizations have not only recognized the serious need for this survey, but have made specific recommendations toward accomplishing this vital initial step in our state water policy. These organizations include, among others, the Colorado Farm Bureau, the Colorado State Grange, the Rocky Mountain Farmers Union, the Colorado Association of Soil Conservation Districts, the State Agricultural Planning Committee and the recently organized Colorado Watershed Association. In addition, this water study is of vital interest to the municipalities, counties, and other local governments, as well as to various economic groups of our state.

I recommend that the General Assembly make it possible for us to proceed with regard to underground water in cooperation with the Federal government by now appropriating $50,000 for 1957-58, and $100,000 for 1958-59 to commence the initial phases of this huge and expensive undertaking. You may have seen reference to the estimate that such studies may ultimately cost over $2,000,000, half of which the Federal government would provide.

If the work could be accomplished jointly with the Federal government in less time, more would be requested. But finding trained personnel at present state salaries, especially qualified hydrologists and water engineers, will be difficult.

The completion of this study must be accomplished as soon as possible. The Federal government has requested, and will require affirmative proof of our continued interest. This can be done only by substantial appropriations on a long term basis. Because of their interest, we invite cities and counties to join wher-

ever possible in financing these studies, particularly with respect to underground water in areas now sufferng from falling water tables.

There is an understandable increase in public interest in underground water control. Many groups throughout the state have expressed intense interest in this matter, and urged that the legislature write an underground water code. I urge that you move with extreme caution in this area. The intricacies of water law, including our relationship with other states as to water rights, make it a matter of grave concern. Certainly no legislation in this important field should be approved without the considered comment of the Water Conservation Board. Much basic information necessary to prepare a comprehensive code is lacking at this time. Favorable approval of the requested funds thus becomes even more imperative.

Soil Conservation

The prolonged drought has underlined the necessity for us to accelerate our work in soil conservation. To the extent that more widespread use of conservation practices will improve crop yields from available rainfall, help hold our topsoil against wind erosion, and help put more water back into underground storage —the cheapest and best storage known—to that extent we are all enriched by soil conservation. I will have some specific recommendations to propose in a later communication to you.

Through wise conservation practices, we may be able, over the whole cycle of wet and dry years, to change our water table situation. In place of fighting over a dwindling supply, we can hopefully look forward to a growing supply. It is imperative that we conserve and store every drop of water available.

Public Utility Regulation

The people gave the General Assembly, through a constitutional amendment in 1954, "all power to regulate the facilities, service and rates and charges therefor" of public utilities. The General Assembly helped to implement this control in 1955, so that for the first time in Colorado, the Public Utilities Commis-

sion now has effective power to regulate all utilities except those municipally owned, which are specifically exempted.

This power is of great importance to the life and growth of the state. It affects directly every industry, and every resident. The commission must be staffed adequately, at salaries commensurate with the responsibility, so that it can give proper consideration to its duties. The Commission must protect the rights of every household, business, and industry to adequate and efficient service at reasonable rates. At the same time it must recognize the rightful need of the utilities to have an opportunity to earn a fair return on existing investment, a return adequate to hold and attract competent management, and to attract the capital needed for growth.

The Commission, at the same time, must protect the people against any abuse of monopoly privileges, and seek to distribute the charges through the rate structures fairly among householders, commerce, industry, and agriculture.

There are two things the General Assembly can do to help achieve these goals. The first is to remove the extraneous duties that now weigh upon the Commission, and transfer them to agencies that might better exercise such duties.

The second is the need to amend the 1955 law, which provided for a chargeback of 75 percent of the costs of regulation to the utilities. I recommend a one hundred percent chargeback, to make such regulation fully self-supporting, and to reduce the drain upon the general fund. The Commission can then seek the best qualified, fair and impartial, staff in engineering, law, accounting and economics, so that Public Utility Regulation in Colorado will serve fully its function. I shall ask the Commissioners to free themselves of some of their present duties by exercising their authority to appoint additional professional hearing officers, who can help to prepare matters for review by the Commission. This will free the Commissioners to give them the time now needed to plan and supervise the fast growing work of the Agency.

Unemployment Compensation

With regard to Unemployment Compensation, it appears that benefits, both in maximum amount paid and maximum duration, should be increased to bring them more in line with present wage levels and those benefits being paid by other states. The General Assembly may also wish to examine the possibility of increasing coverage as many other states have done. The period of time needed for a newly covered firm to qualify for a zero rate might also be reviewed, in view of the strong position of our reserve account.

The Industrial Commission

The Industrial Commission has suggested a number of amendments to laws which it administers, worthy of your careful consideration. Broader protection for disabilities, occupational in origin, should be provided by our Occupational Disease Disability Act, with clearer rights to medical benefits, and time periods for filing claims in line with those in the Workmen's Compensation Act. I also commend to you certain clarifications in the Workmen's Compensation Law, in the Wage Claim Law, and in the Private Employment Agencies Law, proposed by the Commission.

Flood Plain Zoning

Floods last year brought to many Coloradans a menace more frequently found elsewhere. Congress responded with an authorization of federal flood insurance which provides that no property can be insured which is in violation of state or local flood zoning laws.

In order that county zoning may conform to federal flood insurance requirements, the General Assembly should review the zoning laws, and provide by amendment specific authorization of flood plain zoning. It is desirable on its own merits; and it is even more desirable if it will help provide insurance protection to our people from natural disaster and causes not within their control.

Public Welfare Amendments

The passage of Amendment 5, last fall, makes it necessary to amend our Old Age Pension Law to conform to the Constitution. At the same time, to take full advantage of new federal aid for medical care expenses of welfare recipients, it is also desirable to modify the statutes with respect to other assistance programs. The Department of Public Welfare has recommended that our program of aid to the needy disabled be written into the statutes, rather than continue longer to operate solely under rules and regulations of the department. I commend these to your sympathetic review and appropriate action.

It appears that the adoption of such recommendations will help to reduce the burden upon the counties, and upon the state, by making available added federal aid.

RECOMMENDATIONS FOR LEGISLATIVE STUDY

State Employees Salaries

The Special Session last year voted a temporary increase in state employees salaries, and at the same time voted for a complete study of job classification and salary scales. The study was completed last month, and reported to the legislative committee. That report is now before you. You will note that it calls for further adjustment in salary scales in order that we attract and hold competent staff, particularly in critical areas of shortage among supervisory and professional employees. I hope you give sympathetic consideration to that report.

Specific suggestions concerning salaries will be submitted to you in connection with the budget message. We are operating in the State of Colorado, a nearly three hundred million dollar a year concern. For the public to get value received, we must operate on a business-like basis, and pay salaries commensurate with assigned responsibilities—compatible with those paid by other employers for similar talent. Our citizens want their public employees to be paid fair and adequate salaries and they expect, and are entitled to competent and courteous service. The adjustment in salaries is one of the major steps in recruiting and holding capable employees.

We face, this year, the full implementation of the forty-hour week at state institutions. This relates to the quality of service the staff can render, and to the capacity of the state to recruit in a competitive labor market. Establishing the forty-hour week is simply consistent with the standards of employment recognized by both Labor and Management in fields of private employment.

Education

No function of government is closer or more significant to the people than that of education. The state plays three significant roles, each of which has been intensively reviewed by the Legislative Council.

1. The state provides the basic statutory framework under which our local school boards are organized and operate. I commend to your study and sympathetic consideration a revision of the jumble of laws now on the books relating to school district organization. A subcommittee, on which the Speaker of the House served, did an outstanding job of research, and its proposals have special merit.

2. The state also helps carry the tax load of financing our schools, helping to guarantee the constitutional right that every child in the state has an equal opportunity to a decent education. There is increasing support for an equalization philosophy that recognizes that the taxes which support local schools should be equitably assessed and collected, and that state aid should be distributed so as to help assure these educational opportunities. The Legislative Council's recommendations are eminently worthy of your careful study and appropriate action.

State support for schools is built upon local property tax structure. Achievement of tax equalization of the burden of schools is not simply a matter of passing a school finance bill. It hinges upon sound and uniform assessment. Until this can be achieved, we would delude ourselves to think that equalization of school finance can be achieved by tinkering with the formula for distribution of state aid. I suggest that you proceed cautiously

about implementation of a School Finance Act this year, awaitng the necessary improvements in our tax assessment procedure.

Among the eleven western states, Colorado is third from the bottom in average teachers salaries. The midpoint salary, based on representative samples of the western states, shows Colorado to be paying $4222, compared to $4407 in Wyoming, or $5411 in California. Small wonder that the students we prepare as teachers typically take jobs out of the state! To build a sound school system in Colorado, we must raise teachers salaries throughout the state, just as we are raising pay scales of state employees.

It is my suggestion that you use whatever increased aid you appropriate for schools this year exclusively to increase the actual pay scale of teachers on the job. When we have these salaries at a decent and realistic level, we can then direct our efforts to an expanded educational program.

3. The state provides facilities for higher education, and helps to finance junior colleges. I commend to your study the very thoughtful and provocative report on higher education prepared by the Legislative Council. It raises searching questions about the future role of the state in higher education and relationships between our various insitutions of higher learning. Study of higher education must be continued. Wise and foresighted planning should help us to meet the rising tide of enrollments in an efficient and economical manner, not just from the viewpoint of the state treasury, but also in terms of the cost impact upon the student and his parents.

Colorado's system of higher education is growing, and the General Assembly has already voted funds for the immediate physical needs of the institutions. But new building activities and additional faculty, although terribly important, are not the sole consideration in our support of higher education. Our universities and colleges must assume and then retain their places as great institutions. Their faculties must be made up of the finest teachers available and we must establish salaries for these faculty positions that will attract top quality men and women and keep

the many that we now have. We must spend our tax dollars wisely, but we must provide top quality education as well.

I am more concerned, therefore, that the General Assembly at this time vote for a realistic salary scale for the faculties and staffs of our schools, than that they expand the present operations. Just as we are trying to get adequate salaries for our state employees in the rest of the Civil Service System, install the forty-hour week at the institutions, and improve the pay scales of school teachers, so we must bring faculty and staff salaries into line. When we have a sound base, and a clear line as to future program, then we can consider how best to expand.

The President of the United States has appointed a Committee on Education beyond the high school. I expect to ask a similar committee to work with us, in cooperation with the regional study, and with the Legislative Council, to analyze and review educational needs beyond high school and to help formulate a long-range program for the good of the entire state.

Tax Assessment Procedure

At the recent general election, the people approved Amendment 2, which gives the General Assembly power to exempt personal property and household goods not used for the production of income. It also clarified the powers of the General Assembly to prescribe by law the assessment procedures, more clearly than heretofore.

In the course of my duties as State Senator, Lieutenant Governor, and as Acting Governor, I have had opportunity to observe at first hand how much the machinery of property tax administration needs re-examination. The state constitution clearly provides that "all taxable property in the state shall be assessed at full cash value." Our constitutional and statutory machinery for achieving such purpose is woefully out of date, and pathetically inadequate. Yet the state is asked to appropriate large sums of state aid on a basis which presumes that there is actual equalization of assessment within and among counties. Many a property owner appreciates the insight of Chief Justice

Marshall, who noted nearly one hundred and fifty years ago that, "the power to tax involves the power to destroy."

Dissatisfaction with property tax assessment equalization persists, in spite of the appraisal program initiated by the state ten years ago. Clearly the entire state could benefit from a complete review of assessment procedure and equalization techniques. The study will be significant to every taxpayer.

The study must start with facts, and with all the relevant facts. These must be gathered and appraised with the guidance of persons who are not only well qualified for the task, but whose competency is unquestioned and free from bias or interest.

I strongly recommend, therefore, that the General Assembly provide adequate research funds and instruct the Legislative Council to undertake such a study. Until this is done, an increase in state school aid will only compound inequities, not relieve them. The full cooperation of the Executive Department will be provided in such a study. We enlist the sympathetic cooperation of the county officials, colleges and universities, of business and labor, of agriculture and industry, of forestry and mining, of state and local organizations, and of the press, television and radio. The people need and they want to understand what is being done, why it is being done, what the facts are, and what they mean. It is futile to engage in complicated and expensive studies that will only gather dust on shelves because the people did not have the opportunity to understand. Out of such studies, and the dissemination of facts, will grow the awareness from which good programs and good legislation will flow. This is the only way.

EXECUTIVE ACTION

Executive Research Budget

I am asking the General Assembly, as part of the executive budget, to appropriate for research and study under the sole direction of the Governor, the sum of $250,000, to be used during the next two years, starting immediately. This is how these funds will be used:

Natural Resources

I have already asked that you create a Department of Natural Resources, headed by a director, to coordinate the work in the field of natural resources, and to develop and promulgate adequate policies and plans. Colorado is richly blessed and endowed by divine providence with unmatched climate and magnificent scenery, ample areas for game, great forests, a rich store of mineral wealth, tremendous energy resource reserves, and precious water sources. The value of these resources can only be measured in many billions of dollars. Serious research in this field must be done, to learn how best to make use of our endowment.

Institutions

The state feeds, clothes, houses, and otherwise cares for almost ten thousand persons in our correctional and mental institutions, at an annual cost now approaching thirteen million dollars. We know now that we are on the threshold of radical changes in treating these persons: the mentally ill, the mentally retarded, and some of the criminals. Tranquilizing drugs, in conjunction with psychiatric treatment and care, are working wonders in mental health. New techniques are proving successful in the rehabilitation of persons with delinquent or criminal tendencies. Every time we discharge an individual from a mental institution, it saves the taxpayer a minimum of $50,000 over the patient's life span. Every inmate released from a correctional institution saves the taxpayer more than fifteen hundred dollars a year.

Preliminary studies made by the Legislative Council of our correctional program, and those of the Governor's committee on mental health, point up the need for careful re-examination of every aspect of our institution's program, from admission to discharge. We must shift emphasis from confinement to rehabilitation. We must reorganize administration of the institutions to help them do the job. We must restudy the entire fabric under which the institutions operate, and work out carefully constructed programs that will help restore more of these people to useful

places in society and at the same time save substantial sums of money for our taxpayers.

Patterns of cooperation must be expanded among the institutions and the State and Local Departments of Health, Education, and Welfare, as well as with judges, law enforcement officers, probation and parole officers, and with diagnostic centers and psychopathic units of Colorado General Hospital.

Thoroughgoing research by the best talent that can be assembled will ready such a program for both executive action and Legislative consideration. Without such research, wise judgments cannot be made for our future course of action.

There is a temptation to think that symmetry of organization for symmetry's sake in our correctional and mental health institutions is the ultimate to be obtained. This would mean duplication of staff, with competition among state agencies for the professional personnel who are scarce at best. It neglects the plain fact that in the operation of both correctional and mental health institutions, the need is not simply for food, clothing, housing, and routine medical attention. It is also for treatment programs for the alleviation and cure of emotional and mental conditions which must be dealt with at both mental and correctional institutions. It is logical, therefore, that both types of institutions can be supervised and serviced by a single staff of highly qualified professional personnel. Within a single department, we can centrally establish adequate and uniform standards and interchange of services for institutional and administrative management.

There are two levels of government operation in this whole field. One involves the institutional problem, and the other involves the wider problem of community relations, of public education with respect to corrections and mental hygiene. It seems to me the study should seek ways to use the second to help ease the burden of the first.

Expenditure, Revenue and Debt Study

I found a great deal of interest, last year, in the suggestion that we undertake a long-range study of our expenditure prospects, tax laws and revenue prospects, and debt structure. Need

for such a study gains impetus with the controller's statement that this year's budget requests exceed anticipated revenue by about seventeen million dollars.

Population growth factors clearly indicate that a far more rapid expansion of government plant and services is on the horizon. We need to take a long look at future demands for government services at state and local levels.

Our revenue pattern has evolved out of our history, in a haphazard fashion. No thoroughgoing study has ever been made on the impact of our tax structure upon our economy—nor on the refreshing possibility that our tax structure might be more equitably tailored to our present economy. Developments in the past fifteen years have been so revolutionary that a re-examination is clearly in order.

We have improved the administration of our revenue laws in recent years, but the possibilities of still more efficient and economical administration, of laws more easily and equitably enforced, of cooperation with other taxing jurisdictions, and of tax simplification, have not had competent review and analysis. If we can secure more revenue at less cost, by better administration and better laws, every taxpaying citizen will want us to do so.

Our debt structure also needs close scrutiny. If we are borrowing when we might better pay cash, or if we are paying higher interest charges than we need to, it behooves us to give this part of our financial structure a full study.

It is my intention to use part of the research money for these purposes. I think such an investment will pay good dividends in planning the financial future of the state, since even a minor adjustment in revenue administration and planning may mean a recovery or savings of millions of dollars.

We are urged to cut this tax, or increase that one. Such choices should be made in light of full understanding of their consequences upon the pocketbooks of the citizens, and the economy of the state. The study I have suggested will help provide that understanding.

Reapportionment

During the recent campaign, there was discussion throughout the state about the basis of apportionment of seats in the General Assembly.

Citizens of all counties felt that they should participate in the development of an apportionment formula. It was and is my belief that an amendment to the Constitution affecting the fundamental basis of apportionment is a matter of concern to all the citizens of the state.

I will create a Governor's Committee on Legislative Apportionment, to explore this whole problem. This committee should be compact, broadly representative of all interests and sections of the state, and of both political parties. It should hold hearings and take testimony from everyone who desires to be heard. I have no preconceived formula to sell. I want to provide an opportunity for this question to be openly discussed.

Colorado needs a mandatory, self-executing constitutional process, which will obviate the bitterness and recriminations over this issue which now threaten the tranquility of our state. We cannot work together harmoniously if we are fighting a continuing civil war over seats in the Legislature.

I expect to select for members of this committee, men of good will, big enough to see the rights of others as well as they see their own. I invite and will appreciate the cooperation of every legislator in this review.

Executive Office Staff

With the appropriation for research and study recommended above, the office of the Governor can help to direct the fact gathering and analysis that must be the prelude to sound action. To carry this increased work load, and help meet the increasing burdens placed upon the Governor, I am also asking for two additional professional staff positions in the office of the Governor.

Previously, this office has been understaffed so that former Governors have had very little professional help. Having the staff swamped with routine but necessary details has added much to the Governor's work load.

A slightly larger staff will give us the help needed to conduct direct study and research into administrative operation, and help us to coordinate the research programs in major substantive areas outlined above.

Training for the Public Service

Good government depends on conscientious and able public servants. The demand for trained and competent personnel is insatiable at all levels of government—local, county and state. And this demand is felt in all fields of government operation: in law, medicine, engineering, economics, forestry, agriculture, nursing, mining, and many other fields.

The state of Colorado competes with industry for trained personnel, and this competition is intensifying. We must attract a larger share of able and dedicated persons to the public service, and we should prepare them here in Colorado, rather than to depend on their migration from other states.

I propose therefore, that the Legislature encourage a program of training for the public service, which can offer training and in-service training assistance at the graduate level in order to expand the supply of public servants to meet the demand. What I am suggesting is an alliance between our institutions of higher learning and the state government of Colorado. They have much to contribute; we have much to gain.

Highways

During the past six years an immense amount of work has been devoted to our highway program. This planning and research has paid handsome benefits. Our highway laws are not by any means perfect. I recommend that the long-range highway planning committee reevaluate the revenue distribution formula with the view of increasing the city and county shares from the Highway Users Fund. The additional federal revenues soon to be provided for expenditure on the interstate system may provide the opportunity to readjust this formula. The accumulation of facts and information on vehicle weights and sizes and mileages obtained by actual experience under our gross ton mile law should put the committee in a position to reconsider the "split-tax"

method of computation and payment of ton mile taxes. The Oregon and New York systems could be studied because of the advantageous method from the state and operator point of view by which such taxes are computed and collected in these jurisdictions.

Interstate Tunnel

It has always been my personal opinion that retiring Governor Ed C. Johnson was correct in his recommendations with regard to the need for immediate construction of the interstate tunnel. By deleting a few words from the tunnel statute, passed by the 1956 Legislative Special Session, the construction could begin almost immediately. The tremendous economic benefits which will flow to Colorado cannot be ignored and should not further be postponed. In addition, an interstate designation will surely be forthcoming. I earnestly recommend your immediate action.

Human Resources

In many ways, Colorado has proved its concern about the protection and development of its human resources. We have undertaken specific projects on phases of this broad problem: in developing programs to improve the lot of migratory workers in housing, health, food, schooling and transportation; through our programs for the blind; in civil rights and fair employment practices; and, in promoting employment opportunities for the physically handicapped. I intend to pursue this problem of human resource conservation, working cooperatively with the several levels of Government, with Citizen's Committees and with the many civic and fraternal organizations, to the end that we may approach these difficult problems and deal with them as integrated parts of the total human resource problem.

Other Matters

Many other matters could be discussed for the good of the state. Various state agencies have suggested to me matters that they would like brought to the attention of the Legislature. As I have time to review these, I will submit to you short supplemental

suggestions and reports on legislation that, in the opinion of the executive departments would improve their capacity to give competent service.

These suggestions range from one for a tighter licensing of securities brokers and salesmen to remedial modification of the statutes for execution, attachment, and garnishment as proposed by the United States referee in bankruptcy.

I do not propose to discuss with you at this time the many departmental legislative proposals. I shall ask to appear before you at a later time with a message on the budget.

Your patience and attention has been deeply appreciated. This message, though long, has purposely included considerable explanation together with some of the reasoning which prompts the suggestions I have outlined. I sincerely hope that these subjects and their solutions will be given your studious attention. The doors of the Governor's office are always open to you. May God bless and guide your efforts.