

Authorization of an alternative major source of revenue was provided for subdivisions which previously had to depend almost exclusively on the property tax.

As a result, while enacting considerably increased local budgets, seven subdivisions were able to lower property taxes, and 14 maintained their existing rates. Twelve subdivisions inaugurated kindergarten programs, and virtually all local governments were able to improve their public safety efforts.

While the principal goal of last year was an expansion of ability to provide local services, this year's objective is a determination to live within the income available and not place further burdens on the general taxpayers.

Therefore, while you will find the overall budget of \$1.15 billion is \$82 million more than that of the current fiscal year, the General Fund increase over which we can exercise a true measure of administrative control, is preshrunk and tight. The General Fund total of \$660.2 million represents an increase of only 6.1 percent, the lowest growth in this critical area of State spending in the past two decades. The lowest increases during the three previous administrations were 8.1 percent in the 1963 fiscal year, 6.9 percent in fiscal 1954 and 1955, and 7.1 percent in fiscal 1951.

Of the \$37.9 million increase in proposed General Fund expenditures, \$35.2 million goes directly back to subdivisions in either shared tax revenues or State aid payments. Thus we have held increases in proposed State expenditures to an absolute minimum from this Fund which is financed principally from the sales and income taxes.

But lest there be concern that this is a budget of austerity in a time of affluence, it should be remembered that last year's budget represented a substantial increase in State spending and that the State is continuing to provide over \$1.1 billion in services to its citizens.

I will also be submitting to you at this session several important new State programs which are critically needed to meet pressing problems, but these will carry their own means of support within the legislation.

One will be the most comprehensive and substantial effort ever launched in this State to combat water pollution. Authorization of a massive, long-term bond issue will be requested to finance the program.

Another will involve full implementation of the community mental health program initiated in 1966, including a broadscale attack on the