

I have recited this resume of the financial history and present status of the University in order that you may have it before you in considering the budget which I am submitting to you. It seems, not only timely to me, but imperative that the State determine the policy it will pursue in the field of higher education in the State and the extent of its support of the University and the other colleges and schools, during the next several years.

From the comments of Governor Ritchie, in his several Messages to the General Assembly, it is apparent that he foresaw the gravity of the problem which lay ahead in the field of higher education in the State—all of which strengthens my conviction that some yardstick must be found to determine the State's financial support of the State-aided colleges and schools and the future development and expansion of the University in relation to the ability of the State to carry the total cost.

The University has requested for the years 1940 and 1941, for maintenance, \$1,535,293.50, and for new construction and capital outlay \$290,000.00 for 1940 and \$200,000.00 for 1941.

After much consideration of the entire problem and study of the cost of the many activities of the University, I have included in the Budget a recommended allowance to the University of \$1,164,135.00 to be used as follows: the sum of \$100,000.00 especially dedicated to the continuance of the campaign for the control of Bangs Disease, and the sum of \$40,000.00 especially dedicated to the continuance of the campaign to control the spread of the Japanese Beetle; and the University for its Educational and other diversified activities the sum of \$1,024,135.00 for each of the years 1940 and 1941. This, together with students' fees, Federal funds and other income will give the University a total operating budget of approximately \$3,364,000.00.

You will find a recommendation noted on the budget sheet relating to the University of Maryland—that the University be allowed to allocate this sum of \$1,024,135.00 to the various Departments on a pro rata basis—or, as nearly along that line as possible, as the Board of Regents and the President of the University deem advisable, subject to a Budget Amendment to be submitted to the Board of Public Works for its approval. In recommending this allowance for Educational and other activities of the University, I have included for 1940 and 1941 the sum of \$75,000.00 in each year more than I would have recommended if the University was not facing a deficit, on September 30, 1939, to which I have previously referred. With this additional sum included, I feel that it is the responsibility of the University to readjust its operations in such a manner as to enable it to absorb from this additional allowance during the next binennium any deficit which it may actually have at the end of the present fiscal year.

In view of the present extensive construction program in which the University is now engaged, I recommend no allowance from the proposed State bond issue for new construction or capital outlay.

State Roads Commission

The State Roads Commission derives all its income from gasoline taxes, net receipts of the Commissioner of Motor Vehicles, after payment of salaries and departmental expenses, and the net receipts of the Traffic Courts and Maryland State Police after payment of their respective salaries and departmental expenses. While no part of their income is from General Funds, the salaries