

and documents with great care, for, as I remarked in my message to you three weeks ago, the budget for fiscal 1964 will be one of your primary concerns during the remaining days of this session. The program which I am submitting to you attempts to carry on policies set by my Administration four years ago — policies based on sound financial doctrines and a prudent management of all public funds. It is my hope and my determination to continue these policies for another four years. The proposals which I am offering for your consideration call for a total fund expenditure of \$603,764,121 of which \$299,111,104 is in general funds.

It is most gratifying to me to be able to report to the General Assembly again that no new taxes are required to balance our general fund budget. This, I think, is a result of the sound fiscal management of the past four years — achieved through the joint efforts of the Legislature and the Executive — coupled with the strong and stable economic conditions which Maryland has enjoyed.

While it is comforting to contemplate that we may not be called upon to impose new taxes at this session, duty dictates that we give serious consideration to some factors and trends which indicate that this situation may change in the very near future. During the decade 1953-1963, the general fund budget of our State has increased at an average annual rate of approximately \$17.5 million. The budget which I am presenting to you today forecasts the end of that trend, and in fact increases general fund appropriations in the amount of \$25,551,060 over the current year. There are a variety of reasons why this increase is necessary. For example, \$3,650,000 was required to meet the salary increases of State employees which have been recommended by the standard salary board or ordered by the General Assembly. And aside from these salary requirements, an increased rate of budget expansion in future years over the rate of the past decade will be necessary because of accelerating enrollments in our public schools and colleges, increases in welfare caseloads and hospital and penal populations, expanding physical plant and stepped-up costs for retirement and social security.

In weighing the needs of the future and considering the steps that must be taken to meet them, we of course must attempt to predict as accurately as possible the revenues we may expect. Current estimates provided me by the Board of Revenue Estimates indicate that revenue yields for fiscal 1963 and 1964 fail to meet our budget needs by an amount in excess of \$25,000,000. With continued economic prosperity and strict control over our expenditures, it may be