

Budgeteers Puzzled

This is budget-making time for state officials and you can take it from department and institution heads that the chore is no picnic.

It is a comparatively simple matter to list the financial needs of an established agency in normal times when salaries and supply costs are static. But these are not normal times. No one can foretell the future trend of the financial spiral—whether it will go up or down.

Should salary and supply costs remain at the present levels for the next biennium the state will admittedly be hard-pressed to finance its activities within the 6 per cent constitutional tax increase. The last legislature—that of 1943—made allowance for a moderate increase in costs but experience has demonstrated that the allowance was far from adequate.

Many state departments and institutions have been able to struggle through without a deficit only by operating with sharply curtailed staffs. The saving thus made has gone into higher salaries in order to hold even a skeleton of an organization against the competition of federal agencies and war industries. Scores of state employees have deserted to federal agencies whose more generous appropriations out of Uncle Sam's treasury permit the payment of salaries and wages far above the state level. Not only has this competition taken many irreplaceable employees out of state departments and institutions but it has left a bad taste in the mouths of the loyal ones who have remained on the job. The fact that federal employees, in some instances working in the same room with state employees, were receiving from 25 to 30 per cent more pay for doing exactly the same type of work is not calculated to make for contentment.

Salaries and wages represent approximately 50 per cent of the cost of op-

erating appropriate departments and institutions in Oregon. Of a total of \$22,328,789 appropriated by the last legislature, \$11,287,331 represents salaries and wages. An increase of even 10 per cent in this amount—and it will probably take that much to restore Oregon's official family to its prewar basis and keep salaries up to present levels—means an increase of \$1,128,000. And such an increase is not to be treated lightly under Oregon's tax limitations.

Governor Snell is seriously concerned over the situation, and well he might be. It's going to take some skillful maneuvering to keep the budget balanced for the next biennium, especially if the state is to make any substantial dent in its long-deferred building program. That \$1,400,000 which the governor tucked away for a possible emergency in this year's tax levy will doubtless come in pretty handy when the ways and means committee gets down to doling out the appropriations for another two years.

A. L. Lindbeck in *Ore. Journal*,

Money in the Pot

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expended appropriations amounting to a total of \$687,308. This is largely due to the inability of the state to make capital improvements during the last biennium. The governor recommended an item of \$1,400,000 "for rehabilitation and reconstruction of urgently needed facilities."

It seems entirely proper to roll along these unexpended appropriations and to conserve the excess of miscellaneous receipts for capital improvements. The state will need all this money and more too merely to catch up with deferred building. The whole sum could wisely be spent out at the state hospital alone. So while the use of the device is unusual, it is entirely legal and sound public policy.

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