

ADDRESS
OF
MILLS E. GODWIN, JR.
GOVERNOR

TO THE
GENERAL ASSEMBLY
WEDNESDAY, JANUARY 10, 1968



SENATE DOCKET No. 1

COMMONWEALTH OF VIRGINIA
Department of Purchases and Supply
Richmond
1968

ADDRESS
of
MILLS E. GODWIN, JR.
GOVERNOR
TO THE
GENERAL ASSEMBLY
WEDNESDAY, JANUARY 10, 1968

Mr. Speaker, Mr. President, members of the General Assembly, distinguished guests, and my fellow Virginians:

Once more, I extend to the members of the House of Delegates and the Senate of Virginia the warmest of welcomes to this historic capitol, and to your labors on behalf of Virginia.

The familiar faces I see among you stir old memories, and rekindle friendships forged in the heat of debate, and tempered in the cool of the evening.

Some of you have yet to savor the traditions of this body. You will find that they become very much a part of your lives, the more so because they are so willingly shared by the more seasoned members.

You have come here, freshman and veteran alike, at a time of crucial decision for Virginia.

Two years ago, as a new Governor with the expectations of the electorate still ringing in my ears, I urged upon this body a series of new dimensions for this Commonwealth.

You responded with the first major new tax in more than a century, making possible unprecedented commitments to education, to highways, and to every phase of public service.

Wise as you are in the ways of Virginia and of her government, you realized then that these were long-range commitments, that they were, in effect, a down payment on Virginia's future.

Willingly, our people accepted the new burden you imposed because they could see immediate returns; an increase in teachers' salaries twice as large as ever before, new millions returned to each community for public schools, new community colleges already overflowing, a record number of new buildings on our college campuses, new help for hard-pressed summer schools, and the promise of State aid to kindergartens.

They could drive the new four-lane highways. They could see new mental health clinics and new mental hospital buildings. They could look forward to three times as many State parks. On every front, they could see that Virginia was moving, and they approved of what they saw.

In normal times, these new beginnings would have been handsome laurels on which you could rest. But for Virginia these are not normal times.

Our people are restless with change, impatient with things as they once were. As events have unfolded, it has become clear to them and to you that much of what you have done has been a catching up. Now comparisons with other states tell us unmistakably that even this is not fully accomplished.

Two years ago, you made possible the largest salary increase in history for our public school teachers, but today these salaries still are below the national average.

You supported the national average as a benchmark for college faculty salaries, but our colleges and universities have been hard put to maintain even this standard.

Great as they were, your increased General Fund appropriations for public schools have not attained for Virginia her rightful place among the states, and the pace continues to quicken. The disparity between one school district and another across Virginia still persists.

In spite of a completely new system of community colleges, and vast expansions at our four-year colleges, Virginia is still in the lower echelon of the South and of the nation in the percentage of her college age population actually in college. Surely in this respect, our people would have us do more.

For Virginia, the community college program was a major innovation, but today every state except one has publicly supported two-year colleges. California has 78, New York has 35, Florida has 25, North Carolina has 23, Alabama has 14, Virginia has eight.

Realizing that this State will never have a great system of higher education until we improve and expand our graduate programs, you provided a million dollar graduate incentive fund two years ago. But again, other states were ahead of us, and in the interim, Virginia has actually slipped back among the states in the number of graduate degrees awarded.

Even with new highway taxes and reduced diversions from the highway fund, forty per cent of the Interstate System and sixty per cent of the Arterial System remain to be completed. Meanwhile, the need for urban throughways becomes ever more pressing.

Despite new buildings at every mental hospital site and new community clinics added every year, Virginia's rank is low among the states in expenditures behind each mental patient.

Despite a beginning on seven new State parks, we turned thousands away last year, and we will again, until we realize your commitment to triple their number.

In the fields of public health and welfare, we must make a beginning on the new Federal program of Medicaid at a cost to the Commonwealth of some \$20,000,000 in the last year of the next biennium alone, or lose all Federal funds for medical care payments in public assistance programs. This cost to Virginia will certainly multiply drastically in the years ahead.

But if we are confronted with new dimensions of need, we can count also on new dimensions of ability to meet those needs. Incomes are rising with virtually full employment. New industry, commerce, world trade, continue to flow in our direction.

Most important of all, our people are ready. Time and time again in the past two years, they have let it be known that they would have you continue what you have begun.

With a minimum of complaint, they have accepted the sales tax because they knew it would bring better State and local services.

Many of them, including some of our soundest financial thinkers, are now asking why Virginia should not pledge her credit to house her institutions.

But our immediate concern is that these new dimensions in the thinking

of our people are dramatically reflected in State agency budget requests for the coming biennium.

The General Fund budget two years ago included operating funds from all sources totaling \$978,000,000 in round figures. Comparable requests for the next two years total some \$1,483,000,000.

Where you provided \$103,000,000 in capital outlays two years ago, these agencies have requested nearly \$250,000,000 for the next biennium.

These requests are not visions of sugar plums. They are no more than the honest attempts our State administrators always make to reach the levels of service demanded of them by our people.

To meet minimum essentials, I am recommending to you a total from the General Fund of approximately \$1,304,000,000 for operating expenses. Even this figure is more than \$179,000,000 short of requests for this purpose.

Excluding revenue bonds and certain other special funds, I am recommending approximately \$107,000,000 for new buildings and equipment, or considerably less than half of the total capital outlay requests from the General Fund.

Your first question will be, where will Virginia get that kind of money? My answer is that it will take the full use of every tax law now on the books, and in addition, the only Constitutional provision available to us in the coming biennium.

If this is a sobering thought, let me give you further pause. Excluding capital outlay, the minimum needs over the next two years will exceed the most generous estimates of total revenue from all existing tax sources, including the additional one per cent sales tax. In fact, it will exceed those estimates by some \$24,000,000.

Your next question will be, where then is the money for new buildings? My answer has to be that as our revenues now stand, there is nothing left for capital outlay.

At this point and time in her history, Virginia simply cannot live within these bounds. You cannot go back to the people and tell them they must partake of State services without a roof over their heads. I would be derelict in my own duty if I suggested that you try.

I therefore propose that you take two major steps.

The first is that you continue the modernization of Virginia's tax laws by requiring our major corporations to remit their tax obligations earlier and more frequently.

Specifically, I suggest that employers now collecting more than \$100 a month in State withholding taxes from their employees, be required to submit them to the Commonwealth on a monthly basis instead of quarterly.

I suggest further that firms with net incomes of \$100,000 a year or more, pay their corporate income taxes to Virginia quarterly instead of annually.

In order to treat all our corporate citizens alike, I suggest still further that the taxes on our public service corporations and on our insurance company premiums also be paid quarterly instead of annually.

In these suggestions, I am supported in principle by the recommendations of the Income Tax Study Commission, headed by the able delegate from Culpeper.

These changes would affect only our larger firms. The net result is that they would be paying their State taxes at the same time they pay their Federal taxes.

Bear in mind that this program is not a tax increase. No individual tax-paying citizen of Virginia would be affected.

But for you as budget makers, it will result in a one-time tax windfall of approximately \$61,500,000.

From this amount, you can cover the \$24,000,000 gap I mentioned earlier between our expected tax receipts including the additional one per cent sales tax, and our minimum needs for operating funds.

You will be able to reappropriate \$10,000,000 in capital outlays authorized in this biennium, but still not under contract, and another \$10,000,000 to complete the new college buildings which had to be curtailed in part over the past two years, in order to bring construction expenditures in line with appropriations.

These obligations will utilize approximately \$44,000,000 of the windfall funds. With approximately \$16,230,000 of the remainder, you can construct and equip vitally needed new buildings at our correctional, health, welfare and other institutions. The balance of \$1,270,000 will be available for other necessities.

But the windfall will not begin to meet the major capital outlay needs for mental health, and especially for our community colleges and our four-year institutions of higher learning. For these, we must take the next step.

Traditionally, we have financed capital outlays largely from accumulated surplus, but come next June 30, we cannot count on a surplus.

The one-time tax windfall I have described to you is the last lonely rabbit that the magic of our distinguished Tax Commissioner, Judge C. H. Morrissett, can produce.

I have examined every avenue and every alternative, but the ultimate question remains.

Unless we are willing to say to the families of those afflicted with mental illness, there is no room in our State hospitals and clinics;

Unless we can say to the parents of high school seniors, there is no room for your sons and daughters in our colleges and universities;

Unless we are prepared to say to our bright young undergraduate scholars and scientists and to the industries crying for their talents, we are sorry, but Virginia cannot afford good graduate schools;

Unless we say to our people in need of medical attention, we cannot meet your need for more nurses, technicians, doctors and dentists;

Unless we can in good conscience say all of these things, we must make a hard choice. We must raise taxes, or we must borrow the necessary funds.

Faced with such a choice, your initial reaction may be, as mine was, that there is surely some less painful means, that perhaps by patching and shoring up the present capital outlay program, or by juggling the figures, we may be able to put off the fateful day.

I suggest then that you look at the future capital outlay needs as they are projected by our State agencies, and ask yourselves how long they can wait.

My own conclusion is that they can wait no longer. Recognizing that the final decision is yours, I recommend that you make use now of the limited borrowing authority contained in Section 184-a of the Constitution of Virginia.

If this seems a drastic step, I remind you that various instrumentalities of the Commonwealth have already incurred approximately \$400,000,000 in bonded indebtedness, secured by revenues. As a similar safeguard, the Constitution requires that borrowings under Section 184-a be secured by a sinking fund.

If we must break precedent and pledge the full faith and credit of the

Commonwealth, this section places upon us the limitation of one per cent of the assessed value of all taxable real estate in the Commonwealth. The 1967 assessment sets this figure at approximately \$81,000,000.

From a reading of Constitutional history, it appears that the framers of Section 184-a had in mind the situation in which the Commonwealth now finds herself.

The section provides that borrowing may be only "for some single purpose constituting new capital outlay" to be authorized by law and that each such law must be separately presented to the voters in a referendum.

The mechanics of this section make it possible to have in hand the necessary capital outlay funds before the end of this calendar year, instead of more than two years hence. With proper advance planning by the institutions concerned, the actual delays in construction will not be burdensome.

The categories of higher education and mental health are the most appropriate ones for bond financing. Their capital outlay requests are by far the largest. Their needs typify graphically Virginia's growth and change.

In a referendum, they would offer the voters a clear, uncluttered choice. If our people will not pledge the full faith and credit of the Commonwealth for these purposes, then the issue will have been settled for some time to come.

My own conviction is that they will consent to this limited borrowing, because they will agree that something must be done, and this means would be their preference.

I therefore recommend that you enact the necessary statutes to authorize a state-wide referendum next November on the question of borrowing under the provisions of Section 184-a, in order to provide the necessary new buildings at our two-year and four-year colleges, and our mental hospitals and clinics.

The total of these will come to approximately \$70,000,000. Itemized amounts to match these borrowings are included in the capital outlay budget you will receive shortly.

Let me underline one vital point. Section 184-a is a safety valve built into the Constitution itself. Its use requires no Constitutional change.

The sum of these recommended general obligation bonds, of college revenue bonds and of General Fund commitments will give Virginia the means of meeting the heaviest capital outlay needs in her history. Current and anticipated tax revenues plus the one-time windfall will make possible a record budget for operating expenses.

I offer these recommendations to you with the conviction that to do less is to bring this State and its progress to a grinding halt at the very time when new and unprecedented opportunities are opening on every front for all our people.

Before you apply your own judgment to them, you are entitled to know what the total budgetary package will buy in the way of public services. Let us begin where Virginia's future begins, with education.

The recommended budget will provide approximately \$139,000,000 more for public schools from the General Fund than the budget for the current biennium.

It will provide \$20,000,000 in State aid for kindergartens, with a local option of applying the proceeds to a nine-month program or one of shorter duration.

It will raise the State scale for teacher salaries to a minimum of \$5,000 during

the biennium, with accompanying increases in retirement and insurance benefits for which the State pays the entire employer contribution.

It will provide State support to localities for one hundred more guidance counselors and two hundred more special education teachers than in the current year.

As an assist to localities, the number of teaching positions to which the State contributes will be increased by 1,770.

Teaching scholarships will be increased in number by more than 1,700, for a total of almost 13,000.

There are included additional funds to help localities with libraries, with summer school costs, with transportation, and to extend the reach of educational television among our public schools.

In distributing State aid to public schools, I am proposing an increase from \$100 for each pupil in average daily attendance to \$110 the first year and \$115 the second year.

To strengthen our post high school program, the budget will build seven new community colleges. I wish this figure could be higher, but I felt constrained to balance the distribution of the funds available as equitably as possible across the spectrum of education.

In this light, the budget will provide a total of nearly \$64,000,000 from the General Fund and from general obligation bonds for new buildings at our four-year colleges, plus more than \$53,000,000 from revenue bonds.

You placed in the current budget an item of one million dollars as a graduate incentive fund. Already it has attracted far greater sums in private endowments, and the combination has provided both new offerings and new facilities.

This time, the one million dollars has been included in the individual budgets of the respective colleges and universities, and a new item of \$500,000 has been added for graduate scholarships, as an incentive to the students themselves.

My hope is that when the impact of both these programs is fully felt, we will see a substantial improvement in Virginia's low rank among the States in the number of her graduate students.

Apart from the institutional appropriations themselves, I have recommended a lump sum of \$5,000,000 to maintain the relationship of our college faculty salaries to the national average. Another lump sum of \$2,500,000 has been added to upgrade college libraries, where needed.

The eminent scholars incentive program has been expanded in the budget by increasing from \$100,000 to \$400,000 the State funds to match private endowment income for this purpose.

A smaller item will help to launch pioneer experiments in recording entire college credit courses on video tape for use in collegiate educational television.

An entirely new dimension in education awaits your consideration in the report of the Wayne Commission, headed by a distinguished Virginian, with its prospect of a great new university for Central Virginia by welding together two institutions which now complement each other separately.

Here is an opportunity unique in Virginia, and one with virtually unlimited potential. I earnestly recommend to you the Commission's general concept.

Finally in the field of education, I have recommended that you extend the benefits of the wider perspective we have gained from Virginia's membership on the Southern Regional Education Board to include its new national counterpart, the Education Commission of the States.

There are other new dimensions aside from education. To one of these the Metropolitan Areas Study Commission, under the able chairmanship of Dr. T. Marshall Hahn, Jr., has devoted nearly two years of study, exploring virgin territory with creative diligence.

I recommend that you take the initial step suggested in the report and authorize the establishment of regional planning districts and reconstitute the State's Division of Planning into the Division of Planning and Community Affairs. I also commend to you the Commission's Service District concept, which can be provided on a voluntary basis, subject to approval by each affected jurisdiction.

These two phases can logically be separated from the interlocking package outlined in the Commission's report. The others raise Constitutional questions, which should be resolved before legislative action is taken.

These first steps taken now can pave the way for calm, cooperative action in the future on the vexing problems surrounding Virginia's rapid urban growth.

There are new developments also in Virginia's cultural and artistic life. These have been inventoried in detail and plotted graphically for us by the Cultural Development Study Commission, under the chairmanship of a man who spent many fruitful years in this body. I commend the report to you for your study and consideration.

A more specific and more tragic new dimension cries for your attention in the rising death and accident toll on our highways. To this threat, the Traffic Safety Study Commission, chaired by a distinguished member of the General Assembly, has devoted the most thorough study that this State, or perhaps any other, has yet undertaken.

Its recommendations are numerous and vary widely in their implications and importance. I will not try to discuss them individually, but I commend the entire report to your consideration, together with the caution from my own observation that there is a growing frustration among our people and an increasing impatience with half-way measures.

One other hazard darkens Virginia's horizon, the rising tempo of studied lawlessness across our nation.

I am gratified, as I know you are, that this virus of violence has not seriously infected Virginia, that the innate respect for law and order among our people has so far prevailed, but I am not so naive as to believe it could not happen here.

As a consequence, both our State and local enforcement agencies of every kind are now prepared to contain violence wherever it may erupt, just as they are aware that the responsibility for preventing the first spark from igniting rides in every squad car and walks with every policeman on the beat.

Every local official across Virginia knows that the full resources of the Commonwealth are available if they are really needed, and he knows too that this Governor of Virginia will not hesitate to use them.

The report of the Crime Study Commission, led by one of your number, offers you further thoughts on this subject, especially with respect to Virginia's riot control statutes.

In the unlikely event of an extreme emergency, I recommend for your endorsement the interstate compact covering an exchange of National Guard units, drawn up by the member states of the National Governor's Conference.

In the course of this session, you will approach many other problem areas with the guidance of able study commission reports, among them the Marine

Resources Study Commission and the Money and Interest Commission, and the many valuable recommendations of the Virginia Advisory Legislative Council.

The chairmen and members of each of these groups merit our grateful thanks, and the results of their labors deserve your careful review.

There remain the new dimensions to which you have already committed yourselves.

Critical among these is our long-range highway construction program, which is already paying such handsome dividends in new industry and new travel accommodations.

Virginia's highways are her lifelines. They carry her commerce and her casual motorists. They bring supplies to the farm, and food and fiber to market. They come to industry with raw materials and depart with its finished goods. They carry our men to work, our women on their errands and our children to school.

I feel that I reflect the strong sentiments of all our people when I say that I would oppose any reduction in highway revenues.

Another extended commitment has been made to parks and recreational facilities, with their returns in travel dollars for which no local investment is required.

Still another new dimension, and one long delayed, is the deepening of the James River channel to Richmond. Here a series of studies has assessed the benefits, and found no threat to our seafood industry.

State agencies with special interest or jurisdiction have all given their consent. The machinery for your own approval is spelled out by law. I recommend it to you.

One further and specific recommendation is that you increase unemployment benefits across Virginia from a maximum of \$42 to \$48 a week, and workmen's compensation benefits from a maximum of \$45 a week to \$51. These are in keeping with increases in the average wage since you last met.

Within the vast framework of Virginia's State services, there are many more items in need of your decisions. I have not tried to mention them all here, but I will have other recommendations for you before this session concludes.

In these last few turbulent years of growth and change, Virginia's new dimensions have many times extended to the Constitution itself. Now the time has come, in my judgment, for a studied and impartial analysis of its provisions in the light of today.

The Constitution has not had a thorough review in more than four decades. Federal court decrees, Federal law, and the inexorable passage of time all call us now to that task.

There are two ways in which the Constitution can be amended. One is in open convention.

Only twice in the past century has Virginia's basic law been rewritten by this means, once in 1867 and 1868 to impose the Federal will upon a prostrate people, and again in 1901 and 1902 to restore to that people an organic law of their own making.

It is worth noting that the second convention remained in session for more than twelve months before agreement could be reached. Thereafter, the resulting document was proclaimed to be the law of the land, without ratification by the people.

I would approach Constitutional revision by more thorough and deliberate means. No matter how time and passing storms may have eroded its bricks and mortar, it is still the foundation of this Commonwealth.

Before the General Assembly approaches a general overhaul, wisdom dictates that you have in hand a set of blueprints from which to work. I therefore recommend that you authorize the Governor to appoint forthwith a small Commission on Constitutional Revision.

It should be comprised of impartial and eminently qualified citizens, whose stature is commensurate with the task to be performed, and whose recommendations would command the respect and thoughtful consideration of the General Assembly and the people of Virginia.

Moreover, it should not be restricted in any way as to the scope of its study. Its members should have free rein in approaching the sensitive areas of bond financing, of voting requirements, of annual legislative sessions, and the recommendations of the Metropolitan Areas Study Commission.

The necessary resolution will be placed before you today, and I urge its prompt enactment. The Commission will be appointed without delay, and will be requested to submit its report by January 1, 1969.

Reasonably soon after receiving its report, I propose to call you to a special session. You will then have the options of approving the Commission's report, rejecting that report, amending its provisions, or of taking such other action as is your pleasure.

With this timetable, a carefully reviewed and properly revised Constitution of Virginia could be considered and approved for the second time by this body at its next regular session, and submitted to the people of Virginia for their ratification by the summer of 1970.

Mindful of the mounting needs projected for the future by our State agencies, and of the Constitutional borrowing question with which you will eventually wrestle, I have directed the Office of Administration to begin an independent, long-range study of our budgetary requirements, in order that you may have these clearly in mind for subsequent sessions.

I have spelled out for you today in some detail the new dimensions I propose for Virginia. I ask you now to look at them again as a whole, and at some of their implications.

In order to finance the Commonwealth during the coming two years, I have tapped every source of revenue available to us in this biennium.

With full knowledge that Virginia's future was thereby mortgaged, I have gone further, and recommended that you use large portions of a one-time windfall for recurring expenses. I did so because the only alternative was to raise taxes.

I feel constrained to add that it is highly unlikely the next Governor of Virginia will have that option.

I have recommended that you commit virtually all of the one-time borrowing authority authorized by the Constitution, within the limitation and with the safeguards provided by that document.

Again, I am acutely aware, as you must be, of the consequences you will face at future sessions.

In the meanwhile, I have assigned the one-time general obligation bonds exclusively to mental health and higher education. I feel strongly that on the critical issue of pledging the full faith and credit of the Commonwealth, we

owe our people a choice as precise and as unclouded by extraneous matter as we can possibly devise.

Finally, as a solution to a sea of troubles, financial and otherwise, I have proposed a procedure for a general revision of the Constitution itself, separate and distinct from the complex and far-reaching considerations facing you at this session.

If you accept these means of meeting Virginia's needs, you will do so, as I did, with the knowledge that you have committed yourselves to continue in subsequent sessions the momentum they will generate during the next two years.

But you will at the same time have pledged to the people of Virginia that you intend to carry out the wishes they have so often and so urgently expressed.

Having offered such a program, I now remind you that this is no visionary who speaks to you.

To this chamber, twenty years ago almost to the day, I came as a country lawyer from a farm in Southeastern Virginia, deeply imbued with a philosophy that only a closeness to the land can instill. That philosophy remains with me. It is still my guide.

Believe me when I say that whatever your initial reaction to what I have proposed, whatever may be the obstacles of law or of precedent, whatever the reservations of mind or of principle, I, too, have experienced each one.

For days and nights on end, I have pored over the figures, and weighed the alternatives. I have tested public sentiment from one end of Virginia to the other. I have probed the convictions of others. I have searched the depths of my own conscience.

But to every question I could raise, the answer was always the same, that to do less than this was to break faith with the people of Virginia. I offer you now the final product of that refining process.

In the aftermath of our great effort two years ago, some of you may yearn instead for a breathing spell. Others may be inspired to more precipitous adventures.

I remind all of you that as you assemble here, you take on a new dimension of your own, one that encompasses the whole of this Commonwealth.

I trust that you have come prepared for just such an hour, for in all of Virginia's long, proud and treasured history, few indeed have been given greater opportunity to fashion her destiny.

I N D E X

Page

EXECUTIVE DEPARTMENT

Office of Administration..... 15
 Division of Planning..... 15
 Division of the Budget..... 16
 Division of Engineering and Buildings..... 16
 Division of Personnel..... 17
 Secretary of the Commonwealth..... 17
 State Board of Elections..... 18
 Virginia Supplemental Retirement System..... 19
 Office of Civil Defense..... 19
 Art Commission 20
 Division of Industrial Development..... 21

EDUCATION

Department of Community Colleges..... 21
 Department of Education..... 22
 Education Assistance Authority..... 23
 Advisory Council on Educational Television..... 24
 Virginia School for the Deaf and the Blind..... 24
 Virginia School at Hampton..... 24
 Department of Vocational Rehabilitation..... 25
 State Council of Higher Education..... 26
 Virginia Commission on Higher Education Facilities..... 27
 University of Virginia..... 27
 Mary Washington College..... 28
 Virginia Military Institute..... 28
 Virginia Polytechnic Institute..... 29
 Radford College 30
 College of William and Mary..... 30
 Christopher Newport College 31
 Medical College of Virginia..... 31
 Longwood College 32
 Madison College 32
 Virginia State College..... 33
 Old Dominion College..... 34
 Richmond Professional Institute..... 35
 Virginia Associated Research Center..... 36

EMPLOYMENT

Department of Labor and Industry..... 36
 Virginia Employment Commission..... 37
 Department of Workmen's Compensation..... 38
 Compensation Board 38

	<i>Page</i>
LAW	
Office of the Attorney General.....	39
Division of War Veterans' Claims.....	40
OTHER AGENCIES	
Department of Highways.....	40
Division of Motor Vehicles.....	40
Department of State Police.....	41
Virginia National Guard.....	42
Auditor of Public Accounts.....	42
Department of Accounts.....	43
Department of Purchases and Supply.....	43
Department of the Treasury.....	43
Department of Taxation.....	44
State Corporation Commission.....	45
Alcoholic Beverage Control Board.....	45
Department of Agriculture and Commerce.....	46
Commission of The Industry of Agriculture.....	46
Department of Conservation and Economic Development.....	47
Virginia State Ports Authority.....	48
Commission of Game and Inland Fisheries.....	48
Commission of Fisheries.....	49
Virginia Institute of Marine Science.....	49
Water Control Board.....	50
Virginia Museum of Fine Arts.....	51
Virginia State Library.....	51
Department of Health.....	52
Department of Welfare and Institutions.....	52
Virginia Commission for the Visually Handicapped.....	53
Department of Mental Hygiene and Hospitals.....	54
Department of Professional and Occupational Registration.....	54
Division of Statutory Research and Drafting.....	55
Virginia Advisory Legislative Council.....	55
Virginia Athletic Commission.....	55
Virginia Truck Experiment Station.....	56
Milk Commission.....	57
Virginia Soil and Water Conservation Commission.....	57
Virginia State Bar.....	58
Virginia Commission on Constitutional Government.....	58
Governor's Highway Safety Committee.....	59
Air Pollution Control Board.....	59
Department of Property Records and Insurance.....	60
Jamestown Foundation.....	60
Virginia Historic Landmarks Commission.....	61
Commission of Outdoor Recreation.....	61

OFFICE OF ADMINISTRATION

Legislation became effective July 1, 1966, establishing the position of Commissioner of Administration in the Office of the Governor. The primary purposes of the reorganization were to provide the Governor with the machinery to more effectively administer the operations of the State Government and relieve him of burdensome detail.

Steady progress has been made toward achieving both objectives. The grouping within the Office of Administration of the Divisions of the Budget, Personnel, Engineering and Buildings, and Planning has produced a team of closely knit agencies better equipped to serve the needs of the Governor and to coordinate functions of common benefit to departments and agencies. The reorganization has laid the groundwork for even more tangible results in the future through better long-range planning, greater attention to mutual problems of the State and local governments, and a more logical alignment of responsibilities.

The Governor has been relieved of many day-to-day routines, including the time-consuming task of signing hundreds of documents. In addition, information prerequisite to promulgation of policies has been received, evaluated and transmitted in such form as to expedite decisions and their execution.

The experience of the past eighteen months will enable the Office, under the continued direction of the Governor, to further enlarge its role of coordination. This is typified in a current study of Automated Data Processing, which is being conducted with the assistance of an able advisory committee from private business and industry.

DIVISION OF PLANNING

The Division of Planning is responsible for developing a State plan. The Division's new concept of planning means planning for the social, economic and physical needs of the State. The Division also has five operating Sections.

The Local and Regional Planning Section provides professional planning assistance to over 50 communities, administers the 701 planning program and sponsors regional workshops.

The Economic Opportunity Section provides technical assistance to 31 Community Action agencies. There have also been 28 Neighborhood Youth Corps programs, 41 Head Start programs and this Section administers the state-wide On the Job Training program which provides job training for 500 persons.

The Research Section prepares population projections and economic analyses for the State and its localities. This Section is responsible for State statistical coordination. Economic data summaries were made for 43 areas of the State. Work continues on revenue projections for the long-range State revenue outlook.

The Federal Programs Section coordinates Federal programs between State agencies and local governments. This Section began operating in July, 1967, and has responded to some 12 specific local projects.

The Technical Support Section provides mapping, photographic, art and printing work for the Division and many other State agencies. Over 15,000 copies of reports, studies and papers for the Division and State agencies are printed monthly. This Section did the printing and graphic work for the Metropolitan Areas Study Commission.

The Division has served as secretariat to the Metropolitan Areas Study Commission; issued special State revenue projections; directed a special study of the

General Resources Task Force, Commission of the Industry of Agriculture; worked with the Computer Advisory Committee and provided selected information to State agencies. The Director served on the Potomac River Basin Advisory Committee and participated in drafting a compact, and spoke on planning to over 40 groups in Virginia.

DIVISION OF THE BUDGET

Prior to the 1966-68 Biennium, the Division of the Budget had the responsibility of administering six major functions within the Governor's Office. Effective July 1, 1966, following a recommendation of the Commission for Economy in Governmental Expenditures, the Division was relieved of the administration of operations not related to fiscal matters.

Responsibilities of the Division of the Budget are as follows: (1) Preparation of the biennial budget, a seasonal requirement which entails activity from the spring of the odd year through the spring of the even year. This is a review of all requests and application of judgments as to priorities and costs. Recommendations are made to the Governor and the Division then works with the Governor in presenting his program to the General Assembly. (2) Administration of the biennial budget. This is a review of current fund needs, current revenue collections and current, new and changed programs and costs, including approval of all new positions, increased salary adjustments and the financing of all capital outlay projects. (3) Inquiry into methods, organization and programs between biennial budget preparation periods. This is a review of areas which offer possibilities of reducing costs.

In 1946, the total State budget of \$343.3 million was administered by the Director with no professional staff. In 1966, the Division had five professional staff members with a total budget of \$2.3 billion which included infinitely more complex and diverse programs. It is proposed for 1968-70 to have a professional staff of twelve members. While this proposed staff is less than is now in North Carolina, Florida, or Kentucky, it will be able, after suitable training, to apply more intensive consideration to the three categories identified above.

DIVISION OF ENGINEERING AND BUILDINGS

The Division of Engineering and Buildings came into being on July 1, 1966. Over 96% of the capital outlay projects for the current biennium are underway in one stage or another, with over 60% completed or nearing completion.

Governor Godwin presided over two conferences designed to obtain the views of representatives of those most concerned with the capital outlay program. The first, in September, 1966, involved representatives of architectural, engineering, and construction firms. The second, in October, 1966, involved the heads of State agencies and institutions. Resulting ideas and procedures deemed appropriate for reducing cost, or for expediting projects, were implemented by memoranda issued from the Governor's Office and the Division.

The Hotel Richmond, purchased June 1, 1966, has been renovated and provides 72,000 square feet of prime office space. New or expanded activities resulting from action by the 1966 General Assembly were housed without renting additional space.

Occupancy of the recently completed James Madison Building started October 26, 1967. The Central Telephone System, having outgrown its quarters

and the capacity of its equipment, was relocated in this building and provided with modern equipment.

Arrangements have been made for State-wide leased long distance line service beginning in March of 1968. These changes should result in much improved service with some savings.

DIVISION OF PERSONNEL

Salaries have been improved for essentially all positions in the State service below the level of agency head. With a few exceptions, we are more nearly competitive with respect to salaries than at any time in recent years. In a constantly expanding economy and with one of the lowest unemployment rates among the states, this condition will not continue unless we continue to take positive actions related to economic changes.

We have endeavored to maintain salary levels for the teaching and research staffs of our institutions of higher education that enable our institutions to compete in the national market for scholars. We are continuing studies of the compensation plan for this group aimed at more equitable distribution of State funds and providing greater flexibility to the governing boards in administering compensation plans.

Utilizing existing computer capabilities to minimize cost, all personnel data have been adapted for electronic data processing.

Changes in the Rules governing leaves of absence have removed some inequities and strengthened the career aspect of State service.

Personnel of the Health Departments of Norfolk, Richmond, Alexandria, Lynchburg, Petersburg, and Roanoke have been integrated into the uniform classification and compensation plans of the State service, adding more than 500 new employees to the Virginia public service.

SECRETARY OF THE COMMONWEALTH

Following is a report of the transactions of this department for the two years beginning January, 1966, and ending December, 1967:

Receipts from fees, etc.	\$141,941.30
Commissions issued to notaries	20,800
Commissions issued to forest wardens	234
Commissions issued by Governor	583
Extraditions:	
Extradition waivers filed	430
Fugitives returned to other states	55
Extraditions issued	251
Travel orders issued	276
Letters on extraditions	736
Registrations on file at present	
Name, Badge, Insignia	64
Contractors	2,292
Insurance Brokers	3,575
Fisheries	30
Labor Unions	1
Agriculture Feed & Fertilizer	1,019

Remission of Forfeited Recognizance	1
Rewards	1
Payment of Reward	1
Pardons:	
Absolute pardons granted	1
Conditional pardons granted	9
Pardons	5
Simple pardons	1
Revocation of pardons	3
Letters to prisoners	1,196
Reports from Parole Board	151
Authenticated certificates issued	2,180
Proclamations issued by Governor	13
Reprieves granted	0
Political disabilities granted	127
Writs of election	1
General letters	464
Services of process	1,510
Service of process on out-of-state truckers	922
Lobbyists:	
Regular session of 1966	198
Political subdivisions on file:	
Counties	96
Cities	36
Towns	196
Other	167

In addition this office has published and distributed each year the Report of the Secretary of the Commonwealth which includes state, county, city and town officials and certain other information.

STATE BOARD OF ELECTIONS

The 1956 session of the General Assembly amended Section 24-213 of the Code requiring the electoral boards to send the State Board of Elections a list of the names of the candidates and of the offices to be filled before the official ballots are printed. We are required to check the certifications with the records in this office and notify the boards of the accuracy of the lists. We usually furnish a suggested form of ballot to use as a guide in printing the ballots. In this way the form of ballot used throughout the State is very much the same. We returned ballots for the November election to more than a dozen localities to be reprinted because they had not been printed according to the requirements of the law.

The two voting machines approved for use in Virginia by the Board are the Automatic and Shoup Voting Machines. The cost is approximately \$1,800 for the Automatic and \$1,600 for the Shoup. Voting machines are used in nine counties and nineteen cities in the State. A number of the counties have been interested in obtaining an inexpensive machine, but to date, the Board has not felt it could approve those submitted for consideration.

VIRGINIA SUPPLEMENTAL RETIREMENT SYSTEM

The 1966 Session of The General Assembly of Virginia approved several changes in the Virginia Supplemental Retirement System and the State Police Officers' Retirement System; the most important, an increase in the service retirement benefit, applicable to members retired and retiring.

In active service, as members of State Retirement Systems administered by The Retirement Board, are better than 107,000 employees of the State, School Boards and one-hundred ninety-four political subdivisions and educational corporations. The Retirement System Trust fund of more than \$372,000,000, which includes member and employer contributions and income on the fund, yields 4.56%. Of the total, 16.53% is invested in U. S. Government and Federal Agency issues; 1.83% in Municipals; 72.09% in Corporate bonds; 1.77% in Real Estate and 7.78% in Common stock.

More than \$1,000,000,000 in Group Life Insurance is also administered by The Board providing coverage for employees while in service in the amount of annual salary, or up to two times annual salary, depending on age. An additional \$1,000,000,000 is also in force for accidental death and dismemberment.

Another function of The Retirement Board is administration of the Federal-State Social Security agreement as it relates to 642 reporting entities, employing some 194,000 State and local governmental employees in Virginia. Quarterly Social Security reports filed with The Board total approximately \$72,000,000 annually in employee and employer contributions.

OFFICE OF CIVIL DEFENSE

The concept of the Civil Defense program in Virginia is one of survival of the population, continuation of the government, and the recovery of the economy should our Nation suffer a thermonuclear attack.

In the past two years, there have been four (4) significant additions to the regular Civil Defense program. They are as follows:

Calibration and Maintenance Facility—This 100% Federally funded program is administered by the State Office of Civil Defense for the purpose of repairing, calibrating, and inspecting radiological defense equipment for the local jurisdictions, State and Federal agencies.

Community Shelter Planning Program—This is a 100% Federally funded program initiated in June, 1966, under which all existing public shelters are identified, shelter deficits within the community are identified, and local Civil Defense emergency plans for shelter allocation are updated. The program is intended to be extended to every jurisdiction throughout the Commonwealth.

Emergency Operations Simulation Training Exercises—Emergency Operations Simulation Training Exercises have been developed for local governments to provide guidance and practice in implementing emergency operations based on the Federal Civil Defense Guides. Three such exercises have been held and four more are to be held in the Spring.

Resource Management Plan—A Post-Attack Resource Management Act was adopted and signed into law on 26 February 1966. The final Stage II Test was successfully held 7 March 1967 at the State Capitol.

THE ART COMMISSION

During the period January 1, 1966, to December 31, 1967, the Art Commission held 23 regular and five special meetings. Two inspection trips were made to the campus of Old Dominion College, one to Virginia State College, one to The College of William and Mary, one to Virginia Polytechnic Institute, and one to Longwood College.

Review of State projects at regular and special sessions included the design of proposed new buildings, alterations and additions to existing buildings, and various works of art, with the number of submissions as follows:

ABC Warehouse—2
 Capitol and Capitol Square—12
 Central Telephone Exchange—1
 Commission of Fisheries—1
 Consolidated Laboratory for Department of Health and Department of Agriculture—4
 Department of Agriculture—4
 Department of Community Colleges—22
 Department of Conservation and Development:
 Division of Forestry—2
 Division of Parks—8
 Department of Education—Colleges and State Schools—237
 Department of Highways—4
 Department of Mental Hygiene and Hospitals—26
 Department of State Police—4
 Department of Welfare and Institutions—14
 Governor's Mansion—3
 Jamestown Festival Park—3
 New Market Battlefield Memorial—9
 Painting of Virginia's Official Dog—American Foxhound—6
 Richmond School for Visually Handicapped—1
 State Office Building—Department of Health—4
 Virginia Associated Research Center—3
 Virginia Institute of Marine Science—3
 Virginia Museum of Fine Arts—3
 Virginia Research Center for Historic Archaeology—1
 Virginia School for the Deaf and the Blind—1
 Virginia State Library—1
 Virginia State Ports Authority—1
 Woodrow Wilson Rehabilitation Center—6

Miscellaneous items

Answered numerous inquiries regarding procedure for establishing similar commissions in other states.
 Correspondence about State Seal and Flag.
 Held conferences regarding procedures.
 Revised and printed new pamphlet—Rules and Procedures.

Mr. Floyd E. Johnson has served as acting chairman of the Commission since April, 1967, during the absence of the chairman, A. Edwin Kendrew, on account of illness. Mr. A. O. Budina has served as an acting member since April, 1967.

DIVISION OF INDUSTRIAL DEVELOPMENT

During the past two years, Virginia has invested approximately \$1.5 million in support of its industrial development program, and benefitted by the anticipated employment of some 31,300 people in new and expanded manufacturing operations, and an additional 31,300 positions in direct supporting activities. The overall growth of 105,000 in non-agricultural employment helped the total payroll of business enterprise in Virginia in 1967 run \$500 million over 1965 levels.

Manufacturers have invested more than \$600 million in new and expanded facilities during these two years.

Virginia's per capita income now exceeds all states, with the exception of Florida, in the Southwest and the Southeast.

During the fiscal year ending June 30, 1967, personal income tax receipts of the State increased more than 35% over fiscal 1965.

A feature of our recent growth is the increased penetration into the smaller towns and rural areas, thus contributing to the fact that to date, in this decade, only 18 of our Virginia counties have lost population as compared with 39 counties in the preceding decade.

From January 1, 1966, through September, 1967, more than 249 new plants have announced location in Virginia. In addition, more than 215 expansions of existing manufacturing firms have been announced.

Culminating a number of years of investigation and study, the Governor's recent Trade Mission to Europe resulted in a recommendation to the Governor that an International Development section be established within the Division to adequately promote the entry of Virginia's manufactured products into world markets.

DEPARTMENT OF COMMUNITY COLLEGES

The Virginia Community College System was established on July 1, 1966, to provide expanded education opportunities for high school graduates and adults.

From July 1, 1966, to June 30, 1967, 740 students have graduated from Virginia's community colleges. Many of these persons are already contributing to the State's business and industrial growth.

During the 1966-67 college year, two community colleges were in operation serving 4,599 full-time and part-time students, Northern Virginia Community College, formerly Northern Virginia Technical College, and Virginia Western Community College, developed from the University of Virginia and Virginia Polytechnic Institute branches in Roanoke. In addition, 2,676 students were served in the post-high school programs in five area vocational-technical schools in 1966-67.

On July 1, 1967, three more community colleges were added to the new system: Central Virginia Community College, formerly a University of Virginia branch, in Lynchburg; Dabney S. Lancaster Community College, previously the Virginia Polytechnic Institute branch, in Clifton Forge; and Wytheville Community College, formerly the Virginia Polytechnic Institute branch, in Wytheville.

Three additional community colleges enrolled students in September 1967:

Blue Ridge Community College on a new campus at Weyers Cave in the Shenandoah Valley, along with the post-high school programs at Valley Vocational Technical School; John Tyler Community College in all new facilities near Chester; and Danville Community College, formerly Danville Technical Institute.

Thus, in the fall of 1967 eight community colleges were in operation as well as the post-high school programs in three remaining vocational-technical schools serving 10,381 full-time and part-time students.

The new community colleges have seven basic types of programs: (1) occupational-technical, (2) university-parallel college transfer, (3) general education, (4) continuing adult education, (5) preparatory foundation, (6) special training, and (7) specialized regional-community services. Five curriculums are offered in the college-transfer programs, and 39 different curriculums in the occupational-technical programs. Strong emphasis is placed on guidance.

The community colleges have participated in the development of articulation guidelines with the State Council of Higher Education in Virginia to improve the coordination of programs between the community colleges and the state colleges and universities.

The Special Training Division has assisted approximately 5,000 Virginians for 45 different concerns (24 new and 21 expanding businesses or industries). Through this program the Department has played a strong role in encouraging new industry to locate facilities in the Commonwealth.

In 1967-68, the System will have new construction under way at Thomas Nelson Community College in Hampton, at Central Virginia Community College in Lynchburg, and at Southwest Virginia Community College in the Richlands-Buchanan-Tazewell area, along with newly expanded facilities under construction at Northern Virginia Community College on its Annandale campus, at Virginia Western Community College in Roanoke, and at Dabney S. Lancaster Community College in Clifton Forge.

A master plan for the Community College System, presented to the State Board for Community Colleges in January 1967, indicated a need for 22 colleges on 30-35 campuses throughout Virginia to serve an expected 32,000 full-time and 70,000 part-time students for a total of 102,000. These colleges were proposed to bring expanded educational opportunities to within approximately 30-45 miles of practically every Virginian.

DEPARTMENT OF EDUCATION

An appropriation by the 1966 General Assembly of \$430,000,000 in General Fund revenue for the 1966-68 biennium provided more State money than ever before to aid the localities in financing their public schools.

The highlight of the year (1966-67) was a Statewide Conference on Education sponsored by Governor Mills E. Godwin, Jr., and held in Richmond in October, 1966. This conference, which attracted more than 1,900 people, was followed by a series of eight regional conferences on education which were held in February and March and by meetings of citizens' groups which were held throughout the State to discuss local needs and objectives in education.

Another major development was the appointment by the Superintendent of Public Instruction, at the request of the State Board of Education, of a 15-member committee to make recommendations for producing substantial improvements in public education, particularly in localities where the needs are greatest.

The committee, composed of school superintendents, school board members,

State legislators, locally elected officials, and State Department of Education personnel, presented its report to the State Board on April 28, 1967. Major recommendations included proposals to: strengthen and expand the staff of the State Department of Education; increase the minimum offerings required for accredited high schools; increase support for special education programs; establish kindergarten education as an integral part of the public school system; provide additional scholarship aid for teachers; establish a program of accreditation for elementary schools; upgrade accreditation standards for high schools; improve library facilities; and to request a study by the Virginia Advisory Legislative Council of ways and means to effectively consolidate neighboring school divisions so that instructional programs may be provided with maximum efficiency and economy.

The study was actually step two of a current improvement program sponsored by the State Board and the State Department of Education to raise the quality of education in Virginia. Step one, adopted by the State Board in the fall of 1965 and supported by General Assembly appropriations in 1966, was a nine-point plan directed toward helping localities obtain and keep an adequate supply of qualified teachers.

This program was directed primarily toward upgrading the minimum qualification requirements and salaries for teachers, providing more teaching scholarships, expanding the in-service training program, improving library services and materials, expanding special education, establishing a uniform reimbursement rate for all State-aid positions, encouraging greater use of educational television, and implementing the State Board's policy on "time to teach."

Steps were taken by the Department of Education to assist localities which plan to operate kindergarten programs as part of their public school systems after July 1, 1968, when State financial assistance is expected to be available.

One of the major developments during the year was the appointment by the Superintendent of Public Instruction of a committee to develop the State's first accreditation standards for elementary schools. The committee has been directed to formulate standards governing pupil-teacher ratio, staffing, plant facilities, libraries and other instructional aids, and organization and administration.

Other educational achievements included the following:

1. The appointment by the Superintendent of Public Instruction of committees to study accreditation standards for the State's junior and senior high schools and to review qualifications for division superintendents;
2. The adoption of revised teacher certification standards, effective July 1, 1968;
3. The survey of all high school seniors in the State to determine their post-graduation occupations and educational plans and to determine factors influencing their decisions;
4. An increase in the number of teachers who have completed courses in basic economics to enable them to help their pupils have a better understanding of the principles of the American free enterprise system; and
5. The appointment in July, 1966, of an educational television supervisor in the State Department of Education to promote the extended use of ETV throughout Virginia.

EDUCATION ASSISTANCE AUTHORITY

The Legislature in January, 1966, made two amendments to the enabling act creating this Authority. First, insurance of loans was extended to students of

private institutions of higher education in Virginia. Second, insurance was permitted for loans to Virginia students attending vocational schools in this State, properly accredited.

Insurance of the loans to students of private institutions was commenced on July 1, 1966, and to students of vocational schools on July 1, 1967.

The Authority has been operating for six years and three months, with the volume of loans insured increasing each year. For the one-year and nine-month period from January 1, 1966, through September 30, 1967, we have insured 11,313 loans, amounting to \$8,935,253.58. This represents 52% of the total number of loans insured and 59% of the total amount of loans insured during the entire life of the Authority.

ADVISORY COUNCIL ON EDUCATIONAL TELEVISION

The Virginia Educational Television District Plan, dividing the State into four ETV Districts—Eastern, Central, Northern and Western, was adopted by the Council.

To provide more data needed for planning by different local groups, *additional* engineering surveys have been made by the Council to determine the facilities required and estimated cost in the following areas: Southwest Virginia, Western Virginia, Shenandoah Valley, Northern Virginia and the Eastern Shore. Development of the Southern Virginia Translator (Relay) System has been approved and completed, enabling some 60,000 additional pupils to receive ETV telecasts.

State matching funds have been approved for a new ETV station at Roanoke, believed to be the first in the country to go on the air with full-color capability; a new ETV station at Harrisonburg and related facilities for Shenandoah Valley which are being constructed; and for the expansion of the existing ETV stations at Richmond and Norfolk. Preliminary planning has been considered for a Virginia ETV Network, interconnecting ETV stations throughout the State.

ETV stations serving Virginia reported a total of 845,270 pupils to be covered by their telecasts in the 1967-68 session—an increase of more than 122,000.

VIRGINIA SCHOOL FOR THE DEAF AND THE BLIND

The major accomplishments of the Virginia School for the Deaf and the Blind since January, 1966, have been the constructing of a modern dining-kitchen facility for our young deaf and blind pupils, a combination building consisting of a dormitory for older deaf girls, and a kitchen-dining room for older deaf students.

The modern dining room-kitchen facility was placed in operation in September, 1966, and is currently serving 147 young deaf students and 45 young blind children.

The new dormitory for older deaf girls will house 96, and will contain a dining room on the ground floor that will serve 300 older deaf children.

A driver training course was introduced in the Department for the Deaf which now makes it possible for our older deaf students to become safer drivers.

VIRGINIA SCHOOL AT HAMPTON

The purpose of the Virginia School at Hampton is to provide educational training for children of the Commonwealth of Virginia with hearing and visual impairments.

The primary objective of the school is to provide adequate educational opportunities which will permit each child to develop to the maximum according to individual needs and capabilities.

The total school program, consisting of various facets is making satisfactory progress in many areas.

Major accomplishments during the past 22 months included the following:

Installation of individual heating units for Price Hall, senior boys' dormitory; Butler Hall, primary boys' cottage; Administration Building and the Superintendent's Residence.

Authorization was granted to employ an architect to up-date Master Site Plan and prepare working drawing for Phase I of New Vocational Education Building.

Art Commission approved New Master Site Plan and preliminary drawing of New Vocational Education Building, May 10, 1967.

Repaired Old Vocational Building #2 to make safe for occupancy.

Repaired damage area in Maintenance Shop encountered when steam pipe collapsed

Purchased two new nine-passenger station wagons, one as a replacement and one as an addition.

Equipped classrooms with new auditory training units for instructing hard of hearing and deaf students.

Regrade of one step granted for professional staff members.

Regrades were received by most of our classified employees.

Appointment of an Acting Principal was made to comply with an Act by the General Assembly and provide more effective training.

DEPARTMENT OF VOCATIONAL REHABILITATION

The Department is responsible for operating the State-Federal program of vocational rehabilitation services to assist disabled individuals in their effort to enter, remain in, or return to employment.

In the regular program, 5,175 disabled were rehabilitated during the fiscal year ending June 30, 1967, as compared with 4,572 rehabilitated during the year ending June 30, 1966; and 1,818 disabled have been rehabilitated during the four-month period July 1, 1967 through October 30, 1967, as compared with 1,342 for the same period in the previous year. There are presently 78 counselors in 19 local offices in the State, compared with 62 counselors in 16 local offices on January 1, 1966. Local offices have been established in Abingdon, Farmville, and Danville.

An in-serve training program for new professional employees has been established in cooperation with the Graduate School of Rehabilitation Counseling, Richmond Professional Institute.

Special service programs, financed through Federal funds, included establishment of rehabilitation units in cooperation with several public school systems, the Richmond Study Home for Boys, Beaumont School for Boys, Bon Air School for Girls, the Natural Bridge Forestry Camp, the Federal Reformatory in Peters-

burg, Central State Hospital and Western State Hospital. A rehabilitation counselor is employed full-time at Eastern State Hospital and the Petersburg Training School. Counselors are assigned on a part-time basis to Southwestern State Hospital and the Lynchburg Training School.

Woodrow Wilson Rehabilitation Center had an enrollment on October 30, 1967, of 418 in residence and 36 day students—the highest enrollment in history.

The Men's Dormitory, Constance Carter Hall, and the Harold E. Watson Student Activities Building were dedicated during this period and construction of the Vocational Training Building was begun.

Working drawings are being developed for a 212-bed women's dormitory and a Federal grant in financing plans for a Medical Facilities Building.

An eighteen-member Study Commission has been appointed by the Governor to conduct a two-year study on the vocational rehabilitation resources and needs in Virginia and to recommend a course of action to meet these needs.

STATE COUNCIL OF HIGHER EDUCATION

A system of eight professional advisory committees was established by the Council in April, 1966, as a means of obtaining institutional advice and counsel on policy matters, providing communications among the colleges and the Council, and promoting greater cooperation among various components of the State system of higher education. Each four-year institution and the State Department of Community Colleges has one or more representatives on each of these committees, and private institutions and related agencies hold membership on some committees.

Among the important developments which the committee system has helped create are: Two-Year/Four-Year College Articulation Guidelines; Guidelines for Extension Offerings; expansion of library experimental projects in TWX network and consolidated book purchases; revisions in the uniform chart of accounts; and experimental activities planning for educational television in higher education. The Council staff, with institutional assistance, also developed policies and procedures and supervised administration of the Governor's \$1,000,000 Graduate Incentive Fund Allotment.

During this period, the Council established an "Integrated Data Gathering and Analysis System" whereby institutional information is collected in a form to permit several uses and to offer the further advantage of easy updating. These data are collected in such areas as classes taught, student enrollment, programs, faculty and staff, finances, physical facilities, and others.

The Council was given the responsibility for supervising the State's participation in the Higher Education Act and in the State Technical Services Act and for the undergraduate scholarship program and State-matching monies for Federal higher education programs.

The Council has conducted one of the most comprehensive Statewide admissions studies available in the nation and is in the process of a follow-up study. It has studied and published comprehensive analyses on: Financing Virginia's Colleges; Faculties of Higher Education; The State System of Higher Education; Degrees Conferred; Enrollment Analyses; Physical Facilities; and has also established a quarterly higher education newsletter, "The Virginia Higher Education Report."

Deserving special mention are the "Goals for Higher Education in Virginia," formulated by the Council and widely distributed.

One hundred eighty-four new degree programs have been approved by the State Council since January, 1966. In this period, the Council has also visited al-

the senior, state-controlled institutions of higher education and discussed institutional developments with Board and college administrative personnel. In addition, the Council has sponsored a comprehensive study of oceanography needs of the State and of the organizational structure of the Virginia Associated Research Center. It has also served as the Secretariat to the Governor's Committee on Nursing and to the Commission to Plan for the Establishment of a Proposed State-Supported University in the Richmond Metropolitan Area.

VIRGINIA COMMISSION ON HIGHER EDUCATION FACILITIES

Since January 1, 1966, this Commission has recommended and the U. S. Commissioner of Education has approved 45 grants to 29 colleges, totalling \$16.8 million, under Title I of the Higher Education Facilities Act of 1963. These are partial grants for the construction of academic facilities; primarily classrooms, laboratories and libraries at private and public colleges.

The Commission also recommended 21 grants to 15 colleges under Title VI-A of the Higher Education Act of 1965. These grants, also approved by the U. S. Commissioner of Education, totalled \$507,000. These are 50% grants to purchase laboratory and other equipment and for closed-circuit television equipment, all for the purpose of improving the quality of undergraduate instruction.

The Commission received a grant of \$79,500 in 1967, under the Higher Education Amendments of 1966, for conducting comprehensive planning to determine the construction needs of institutions of higher education. The State Council of Higher Education is acting as subcontractor in carrying out these planning activities.

UNIVERSITY OF VIRGINIA

In fiscal year 1966-67 total enrollment in all divisions of the University and their summer schools was 37,000. For fiscal 1967-68 the figure is expected to exceed 42,000, of which 85% are residents of Virginia. This year the Bachelor's degree will be awarded at George Mason College, and during the biennium six new degree programs, including Doctoral degrees in Biophysics and in Business Administration, have been added in the University at Charlottesville.

The University now offers the Bachelor's degree in 54 fields of concentration, the Master's degree in 56 fields of concentration, and the Doctor's degree in 44 fields of concentration.

Well over half of the 2,084 degrees awarded in 1967 were graduate and graduate professional degrees. The 132 Doctorates awarded in 1967 were more than double those of five years ago and will double again before 1975.

During each of the past two years, more Woodrow Wilson Fellows, who are free to attend any American university of their choice, have elected to do graduate work at the University of Virginia—24 in 1966 and 37 in 1967—than at any other university in the southeastern states.

Enrollment in the University at Charlottesville has substantially increased, from 6,165 resident students at Charlottesville in the 1965-66 session to the present enrollment of 8,598, of which 5,097 are undergraduates. This gratifying increase stems not only from larger entering classes, markedly better prepared in Virginia's improving school system, but from a sharp decline in the rate of attrition. A higher proportion of matriculates now obtain the Bachelor's degree, and approximately 65% of the graduates then enter advanced professional or graduate studies.

Other highlights of the biennium at the University have included the establishment of the Center for Advanced Studies, the opening of the Tayloe Murphy Institute, in the Graduate School of Business Administration, to make long-range studies of Virginia's future development; a million-dollar grant from the National Institutes of Health to strengthen the School of Medicine, and an expanded program of new construction which will include among its benefits a substantial increase in the University's capacity to graduate Doctors of Medicine.

MARY WASHINGTON COLLEGE of the UNIVERSITY of VIRGINIA

In September, 1967, Thomas Jefferson Hall, a residence for 195 students, was completed.

Also, the College received appropriations in 1966-68 for the following projects, all of which are underway: physical education complex (\$1,548,900), expansion and modernization of dining hall facilities (\$198,000), and plans for renovation of a classroom building (\$8,500).

The faculty has increased since 1964-65 from 148 to 162. Well over half the faculty still has the Ph.D. degree.

During this period instructional salaries have increased from an approved session average of \$8,581 to \$9,460.

The College has eliminated outdated courses and added new ones in fields where student interests justified the addition. The last degrees in home economics will be awarded this June, the last in physical education next year.

Effort is being directed at strengthening area programs, such as Asian Studies, American Studies, and Classical Civilization.

VIRGINIA MILITARY INSTITUTE

The Cadet Corps of the Virginia Military Institute is composed of sixty-one percent Virginia residents and forty percent non-Virginians. The Institute is accepting all Virginia residents who meet academic and physical standards, and the enrollment remains around 1,200.

While recent innovations in the Institute program have not been revolutionary, they have broken some traditions. Women were admitted to the summer session for the first time, the grading system was changed from a 10.0 basis to the more generally accepted 4.0 scale, the degree residency requirement was reduced from three years to two years in support of the State's community college program, and an evening schedule of adult education was inaugurated.

The addition of equipment has increased the value of the computer center as a teaching and administrative aid, and the volumes in the library now exceed 144,000, with an average increase of about 7,400 volumes per year. Also, a physics honor society, Sigma Pi Sigma, was installed to recognize outstanding students, and the Institute was honored to have a cadet selected as the Institute's ninth Rhodes Scholar.

The addition of Lejeune Hall, the new cadet activities building, has assisted the cultural and social life of the Institute.

With the exception of the annex to Cocke Hall (swimming pool), all major construction authorized for VMI by the 1966 General Assembly involving general fund appropriations is underway. Initial bids on the pool far exceeded the appropriation, and the project is delayed. Kilbourne Hall, the new military and air science building, and the addition to Nichols Hall, which will house laboratories for the engineering departments and an expanded computer center, are scheduled for an early 1968 occupancy.

The restoration of Jackson Memorial Hall is in the final stages, the existing pool has been renovated, and extensive work has been completed in the barracks. An observatory was built to house a 16-inch telescope, the gift of a cadet's parents.

VIRGINIA POLYTECHNIC INSTITUTE

Virginia Polytechnic Institute in the past two years has experienced substantial academic and physical development.

Enrollment at Virginia's land-grant university climbed from about 7,000 in the Fall of 1965 to 9,400 in the Fall of 1967. Current enrollment includes approximately 8,250 undergraduates and 1,150 graduate students.

State appropriations totalling nearly 10 million dollars were made available during the 1966-68 biennium for construction purposes, and all projects for which capital outlay funds were appropriated have been under contract for some time. Major projects include the first phase of a classroom-laboratory building for several departments in Arts and Sciences; a building for the College of Architecture; a Home Economics building; the Donaldson Brown Center for Continuing Education; major renovation and expansion of Squires Student Center; and an addition to Burruss Hall, the administration building. Dormitory construction, financed by a 9.6 million dollar bond issue, has included completion of the university's first three high rise dormitories. Two older men's dormitories were renovated and converted to women's housing. A fourth high rise dormitory, for 1,320 students, financed by an additional bond issue, is under construction. Other major construction projects include Lane Stadium, financed entirely by gifts and short-term loans, and an extension of the VPI Airport runway.

Among new academic programs approved or established at the university during past two years are the Ph.D. Degree in Industrial Engineering, a major in Accounting at the Master's Degree level, Master's Degrees in English and history, and undergraduate majors in foreign languages, philosophy, psychology, and health and physical education. An Environmental Systems Studies program in Architecture, crossing the boundaries of physical and behavioral sciences, and a Center for Urban and Regional Studies, bringing together a community of scholars from 15 related disciplines, are examples of interdisciplinary programs being established at the university.

More than 100 new faculty members with doctorates joined the faculty in 1966, and more than 125 with doctorates in 1967. Seventy-four percent of the new faculty in 1967 had doctorates.

Legislation enacted by the 1966 General Assembly resulted in the reorganization of the university's extension and research activities, permitting greater flexibility and innovation in research activities and providing better coordination.

With the development of Virginia's Community College system, VPI's branch colleges at Roanoke, Wytheville, and Clifton Forge-Covington were transferred.

to the State Division of Community Colleges. The VPI Branch at Danville was retained.

RADFORD COLLEGE

Radford College received a capital outlay appropriation from the 1966 General Assembly in the amount of \$2,666,000 to construct three major buildings, and to build a new steam generating facility to heat the entire campus. The steam generating facility has been completed with the installation of three gas-fired, 40,000 lbs. per hour, boilers capable of heating all the buildings now on the campus or planned for the present 75 acres. The Art and Music Building is complete. The addition to Peters Hall and the Academic Building are under construction and will be ready to use in the Fall of 1968. Preliminary plans for the Fine Arts Building for which the college received planning money were approved by the Art Commission and the Engineering Office in November. The high-rise dormitory to house 873 new students authorized by the 1966 General Assembly to be financed by revenue bonds has been planned and bids will be opened January 31, 1968.

Enrollment has in two years increased from 3,137 to 3,593. During this two-year period, the college granted 140 master's degrees and over 1,000 bachelor's degrees.

The unique quarter organization of Radford College which allows for the admission of a freshman class in September, January, March, and June and a commencement to award degrees in December, March, June and August provides a flexible service to students and an economical use of the tremendous investment in a physical plant.

The educational program has been expanded by adding graduate majors in biology, home economics, mathematics, music, physical education, school psychology, and science education. Undergraduate majors added have been early childhood education, dance, dramatic arts and speech, political science, geography, statistics, recreational administration, and special education.

COLLEGE OF WILLIAM AND MARY

During the past two years, the College of William and Mary has progressed rapidly in programs, research, facilities, and in its stewardship for the branch colleges, Christopher Newport and Richard Bland.

Graduate programs at the master's degree level have been initiated during this brief period in business administration, sociology, and government, and a doctoral degree program in history. The State Council of Higher Education has approved additional master's degree programs in modern languages, special education, and doctoral degree programs in biology and psychology. The first two Ph.D. graduates in the history of the College received their degrees in physics in 1967. The extensive graduate program received strong support by the allocation of \$207,000 from the Governor's Fund for Improving Graduate Study Programs. Graduate enrollment has increased by 34 per cent in the past two years, and undergraduate enrollment by 18 per cent. Federal grants awarded the College for research, construction, student assistance, and teacher institutes totaled \$2,049,000, a 51 per cent increase in such funds over fiscal 1964.

Considerable progress was attained in new facilities with completion of the new library, a new dining hall, first phase renovation of old library for Law School, life science building, men's dormitory housing, new roads and physical

education area. The low bid exceeded funds available so extensively that a contract could not be let for the proposed men's physical education building.

During the summer, 1967, the Virginia Associated Research Center was reorganized and became a graduate center of the College of William and Mary. The major part of a study of the branch colleges, Christopher Newport and Richard Bland, has been made by the Southern Association of Colleges and Schools. Enrollments have increased in the evening college by 69 per cent; in summer session by 68 per cent; and by 34 per cent in extension.

In recognition of the extensive graduate programs, research contribution, high level scientific memberships, institutes and associations, broad extension offerings, schools and branch colleges, and stewardship for the Virginia Associated Research Center and partly for the Virginia Institute of Marine Science, the Board of Visitors on May 27, 1967, accorded university status in the definition of "modern university," but emphasized that the name of the institution must remain for all time to come as The College of William and Mary in Virginia.

CHRISTOPHER NEWPORT COLLEGE

In the 1966 session of the General Assembly, funds were appropriated for the construction of a physical education-gymnasium-auditorium building and a library-administration building. The first of these was occupied in September, 1967. The second building will be completed by November 15, and the administrative section of this structure was occupied early in October, 1967. In addition, the College has prepared working drawings and specifications for a pre-professional and business studies building.

In September, 1966, by administrative decision of the President of William and Mary, and with subsequent sanction by the Board of Visitors, the College initiated limited offerings at third-year level in selected academic fields. These course offerings are continuing throughout the session 1967-1968.

The College's enrollment has continued to increase during this period. The 1966 summer session enrollment was 494, and this rose to 657 for the 1967 summer session. In September, 1966, the College enrolled 1,110 students in its day and evening programs, and the figure for September, 1967, was 1,175. The library collection has grown from 12,946 volumes in January, 1966, to 18,060 volumes in October, 1967.

THE MEDICAL COLLEGE OF VIRGINIA

The Medical College of Virginia attained a long-sought goal in the fall of 1967 when 128 students were admitted to the school of medicine, the largest entering class in the history of the institution. This represents a 50% increase over the 84 students who were formerly accepted and has been made possible by the appointment of additional faculty and providing adequate teaching facilities.

A new building has been started for the school of dentistry which will permit an increase in the enrollment of entering students of 25%, from 80 to 100, when the building is completed in the fall of 1969. This addition will also permit the inauguration of programs for dental hygienists and other auxiliary personnel and extend the continuation education program for dental practitioners in the Commonwealth.

Enrollment in the schools of pharmacy and nursing is limited by the physical facilities now available. Plans have been formulated to accommodate a greater number of young men and women who seek training in these professions.

The former Civil War Centennial building has been converted for use as a student center. A lower level provides a student cafeteria and the upper level a lounge, offices, meeting rooms and areas for many student activities.

During the past year two new buildings were opened, one a dormitory for women and the second a clinical center and self-care unit. The latter will accommodate sixty patients who are ambulatory and do not require bedside nursing and the usual hospital services. Both of these buildings were financed by the sale of revenue bonds and both will be self-supporting.

Renovation of the hospitals has continued in accordance with a schedule established several years ago. Intensive care units have been opened, patient areas have been modernized, and some equipment installed as required by the modern standards of patient care.

LONGWOOD COLLEGE

Longwood College is dedicated to preparing teachers for the public schools of Virginia. Over a period of years, 95% of the students have been residents of Virginia and 85% of the graduates have entered the teaching profession.

In view of this distinctive purpose, the faculty and staff continue to keep abreast of new developments in public education and to maintain a curriculum through which graduates are adequately prepared for their role in the teaching profession. In keeping with these objectives, during the past two years the College has concentrated specifically upon:

1. Re-examining the basic academic and professional needs of beginning teachers and strengthening the curriculum accordingly.
2. Appraising carefully the expanding program of student teaching.
3. Designing the facilities for a Campus Laboratory School and an instructional program through which prospective teachers may witness teaching in which a variety of modern teaching media, currently being introduced as a means of motivating effective learning, would be used. Proposed facilities for this project are included in this biennium budget.
4. Surveying of library resources needed in relation to the expanding academic needs is at both the graduate and undergraduate levels.
5. Motivating individual faculty members to avail themselves of opportunities to engage in advanced studies in their teaching field or to attend special seminars related to newly developing programs. During the past two years, 30 teachers were given grants-in-aid for summer study; 9 were given a year's leave of absence for advanced study; 7 received aid for special study projects; and 26 others made studies that were published in national professional journals.

In 1966, a new dormitory was completed, thus making it possible to increase the enrollment from 1,466 in 1965-66 to the present enrollment of 1,735. The student activities building, which was opened in the fall of 1967, is now providing the opportunity for students to become involved in a substantial variety of academically related activities which are important in their college careers.

MADISON COLLEGE

During the past two-year period, student enrollment for regular sessions increased from 2,463 (including 123 full-time men day students) in 1965-66 to

2,999 (including 236 full-time men students) as of November, 1967. With second semester registrations, the total enrollment will probably reach 3,100 students.

For 1967-68, approximately 1,103 new students were accepted from over 2,664 applicants. This was done even though it meant placing 2,257 students in housing facilities designed for only 1,643—an excess of 614 students over the normal housing capacity.

There were 1,489 students enrolled in the summer of 1966 and 1,449 in the summer of 1967. There are 191 members on the present teaching staff.

The Fine Arts Festival, Visiting Scholars Program, lyceum events, substantial library acquisitions, and modest financial support of research projects have continued to enhance the opportunities for intellectual stimulation and growth on campus.

New undergraduate programs include Bachelor of Science degrees in Special Education (Mental Retardation and Emotionally Disturbed) and in Business Administration.

A gratifying increase has occurred in the graduate enrollment. New programs include a Master of Arts degree in English and a Master of Arts in Education with a major in Art. The Graduate Incentive Fund provided needed resources for establishing a Master of Science degree in Education with a major in Early Childhood Education.

Capital improvements completed during the 1966-68 period include parking areas, four new dormitories, Duke Fine Arts Center, completion of the Educational T-V Distribution System, Harrison Hall Annex and Phase I of Harrison Hall at an approximate cost of \$3,988,427. Completion of Phase II remodeling of Harrison Hall has been deferred to await additional appropriations by the General Assembly. Now under construction is a new dormitory for men at a cost of \$976,000.

Construction of the Student Activities Building is being delayed to await authorization by the General Assembly to sell additional revenue bonds. It was originally estimated that this building would cost approximately \$1,000,000, but current estimates now puts the cost of this building at approximately \$1,500,000.

During fiscal year 1967-68, it is anticipated that contracts will be awarded for the extension and remodeling of the library, surfacing of the rear campus road, relocation of the road in front of the library, and landscaping around Gibbons Dining Hall and Wilson Hall at an estimated cost of \$727,150. The above summary does not include completed projects for outside utilities.

The present physical plant consists of 38 buildings, roads, walks, parking areas, and utilities located on a campus of 302 acres.

VIRGINIA STATE COLLEGE

During the past two years, Virginia State College has made great progress in increasing its academic offerings and expanding its physical plant.

In the Spring of 1967, the College received accreditation from the National Council for Accreditation of Teacher Education for all of its teacher education programs. In addition, the College is now offering curricula in German, Geological Sciences, Applied and Music Therapy leading to the Bachelor of Arts, Bachelor of Science and Bachelor of Music degrees respectively. Instructors with advanced degrees have joined the faculty, strengthening the science offerings in particular.

The Health and Physical Education Building and a new dormitory for women are now in use. Final plans have been approved for the School of Education

Building by the Engineer's Office and we are now waiting for the bids to be offered. Preliminary drawings for the Science-Mathematics Building are complete and application has been made for a federal grant. Preliminary drawings also are being made for the addition of the wing to Foster Hall.

The College now has the largest enrollment it has ever had and its facilities are being taxed to their fullest capacity.

OLD DOMINION COLLEGE

In September of 1965 our Fall enrollment showed a head count of 7,417 students compared to a head count of 9,257 in September of 1967. Reduced to full-time-equivalent students the comparison would be 5,306 in 1965 to 6,685 in 1967. This represents a growth of over 25% during the biennium.

The State Council of Higher Education has approved proposals by our faculty for instituting the following new degree programs: Bachelor of Fine Arts, Bachelor of Arts—Major in Philosophy, Associate in Arts—Concentration in Dental Hygiene, Master of Engineering—Concentration in Civil, Electrical and Thermal, Master of Arts—Major in Economics with a specialization in International Commerce, Master of Science—Major in Biology, Master of Science—Major in Secondary Education with concentration in Guidance and Counseling, Master of Science—Major in Secondary Education with concentration in School Administration and Supervision, Master of Science—Major in Special Education with four emphases: Emotionally Disturbed, Mental Retardation, Speech Pathology and Audiology, Visually Impaired.

The State Council of Higher Education appointed a committee of consultants to study the marine resources of Virginia and to recommend a course of action. This report recommended that Old Dominion College develop a broad program in physical oceanography.

We have received gifts from a local citizen of land at Little Creek to establish a laboratory, five supplementary faculty chairs worth approximately \$2,500 each from a local citizen and a local philanthropic foundation, and two motor boats for research in the rivers and bays.

Organized as a four-year, degree-granting School in 1962, this School of Engineering is now accredited by the Engineers Council for Professional Development.

The following construction has been completed or is under construction during this biennium:

BUILDINGS COMPLETED

Kiwanis Child Study Center—11,000 square feet—\$170,000 cost
 John S. Alfriend Chemistry Laboratories—41,525 square feet—\$1,084,584 cost
 Lewis Webb College Center Building—54,892 square feet—\$1,990,000 cost
 Oceanography Building at Little Creek—1,440 square feet—\$28,000 cost

BUILDINGS UNDER CONSTRUCTION

Technical Institute Addition—42,865 square feet—\$986,000 cost

Physical Education Building—190,000 square feet—\$3,928,358 cost. Estimated completion date January, 1969.

Education Building—78,110 square feet—\$1,998,625 cost. Estimated completion date October, 1968.

Authorization has been given for payment from real estate funds of \$500,000 to the City of Norfolk to reimburse the City for a portion of its expenditure in acquiring land for Old Dominion College. Through a redevelopment program and by direct purchase the City has obtained for us approximately 35 acres.

RICHMOND PROFESSIONAL INSTITUTE

State appropriations to RPI for the periods indicated were as follows:

	1966-1967	1967-1968
General Fund	\$1,484,900	\$2,189,355
Special Funds	3,397,910	4,289,905
	\$4,882,810	\$6,479,260

The table that follows illustrates RPI's significant enrollment growth.

HEADCOUNT

Year	Day (total)	Evening (total)	Summer (total)	Grand Total
1966-67	5,143	3,706	3,577	11,426
1967-1968	5,975	3,988	4,312	14,275

Full-time-equivalency enrollment was 6,175 in 1966-67, and is expected to total 7,340 in 1967-68.

The 3,100 students (additional to the above) enrolled in continuing education courses at RPI this past year attest to the demand for a variety of non-credit courses, seminars, and workshops by adult Virginians.

As a multipurpose, five-year urban college, RPI awarded 135 associate degrees, 657 bachelor's degrees, and 122 master's degrees in June, 1967. During the three-year period between 1964 and 1967, the total number of bachelor's degrees increased by 77.6 per cent, and the total number of master's degrees increased by 121.8 per cent.

During the period since 1966, RPI has become the *fourth* largest institution in the Commonwealth in the production of graduate degrees, and is the only one to offer *graduate degrees* in Distributive Education, Music Education, Rehabilitation Counseling, and Social Work. Additionally, during the period RPI established the following:

A four-year undergraduate degree program in Law Enforcement, a four-year undergraduate degree program in French, a graduate program in Special Education, a graduate program in Elementary Education, a Ph.D. program in Chemistry (in cooperation with MCV), a Center for Rehabilitation Counseling at Fishersville, Virginia, a Bureau of Business Research, and a Data Processing Program within the School of Business.

At present, acquisitions and construction underway or approved will increase the value of facilities completed or in progress to approximately \$20,000,000 by

July 1, 1968. The additional buildings and property for which appropriations were granted by the 1966 General Assembly are: Physical Education, \$1,390,000; Art, \$1,905,000; Library, \$1,360,000; 700 Dormitory, Monroe Terrace, and other smaller dormitories previously owned by the RPI Foundation, \$4,630,000.

34 parcels of property were purchased during the period, at a value of \$966,768, to be used primarily as temporary dormitory space or as site locations for new buildings. Two additional parcels of property were purchased at a cost of \$268,873 and renovated at a cost of \$75,000 for one building, and \$150,000 for the other, to be utilized as additional classroom facilities.

On July 1, 1967, Dr. Roland Hill Nelson, Jr., formerly Chairman of the Department of Education at Duke University, assumed the Presidency of Richmond Professional Institute.

VIRGINIA ASSOCIATED RESEARCH CENTER

Since January, 1966, the Virginia Associated Research Center has completed and occupied its first academic and research facility, the Nuclear Science Building. It also appointed the first Director of the Space Radiation Effects Laboratory, which began operations in May, 1966, and has gradually developed a significant research program in intermediate energy physics, radiation biology and space radiation effects. The first courses and seminars to be held at the VARC location by the cooperating institutions began in September, 1966.

In the year since last September, the on-site VARC-affiliated faculty has grown from four to 14, and course enrollments from approximately 12 to approximately 50. Over 90 students in the local area are registered in VARC (as well as the graduate schools of one or more of the cooperating institutions), although not all are taking courses at this time. In addition, the College of William and Mary began in September of this year to offer graduate courses in business administration and education, with current enrollments of approximately 180.

As of September 1, 1967, upon recommendation of the State Council of Higher Education, VARC was reorganized under the administrative direction of the College of William and Mary and officially designated as a graduate center of the College.

DEPARTMENT OF LABOR AND INDUSTRY

In the last two years, the Department of Labor and Industry has expanded its efforts into several new fields in working with both labor and management groups.

Virginia ranks among the lowest in the country in time lost due to work stoppages.

The Safety Codes Commission in the past two years has adopted rules and regulations covering the manufacture, storage, use, sale and handling of blasting agents; safety provisions dealing with abrasive wheels; and rules and regulations covering excavation, demolition and construction work.

Our Division of Industrial Safety continues to make worthwhile strides in providing greater safety protection to all employees not only through the laws on the statute books of the State, but through an educational program rotated throughout the State. Several hundreds of the supervisory personnel in industries and institutions in Virginia have been exposed to these twenty-hour courses in safety.

Apprenticeship training continues to show remarkable growth. In the last two years, there have been more than 1,500 new apprentices registered; total enrollment in the program for more than fifty different trade objectives is about 4,300 apprentices; graduation from these classes on an annual basis is approximately 475 employees.

In 1966, 56,854 young people were certified for employment, and an increase of approximately 10,000 certifications is expected in 1967.

The Department has been instrumental in collecting approximately \$60,000 in wages for people who would not have been ordinarily paid.

Non-agricultural employment in Virginia September, 1967, was at an all-time high of 1,348,400 which represented an increase of 38,900 employees over September, 1966. The average weekly earnings now stand at \$96.05 or an increase of \$5.60 a week more than a year ago. In 1966, manufacturing in the State of Virginia expended a record amount of \$350,000,000 in capital expenditures, and value added by manufactures attained a record total of over three and three-quarter billion dollars.

In 1966, more than thirty-five and one-half million tons of coal were mined and considerable increase is expected in 1967. Educational programs and first-aid classes have been instituted in the coal industry and also special roof control programs. In the last two years, there have been two new shaft mines put into operation; they are the deepest on the North American Continent going down about 1,300 feet. There are approximately 1,200 operating mines in this State with an employment of about 1,350 people.

VIRGINIA EMPLOYMENT COMMISSION

The Employment Service Division placed over 115,000 applicants in non-farm jobs during 1966 and an estimated 110,000 in 1967. Employers placed 171,000 job openings in 1966 and an estimated 155,000 in 1967. Some 163,000 farm job placements have been made since January, 1966.

Since January, 1966, the Commission has sponsored 170 Manpower Development and Training courses, involving the selection and referral of 3,800 persons to job training. Over 460 workers have been moved from supply to demand areas under the Labor Mobility Program. Almost 3,400 young men and women were recruited for the Job Corps.

The opening of a Youth Opportunity Center in Norfolk during early 1966 and in Newport News this past May brought to three the number of such facilities now operating in Virginia. Almost 25,000 applications have been taken in these three centers since January, 1966, with around 40 per cent of these being referred to training, placed in jobs or returned to school.

A Smaller Communities Program was initiated to provide full employment services to areas far removed from local offices and to gather comprehensive manpower resources data. The mobile unit has completed visits in two areas since mid-April and registered over 8,500 persons.

A Human Resources Development Program was begun in metropolitan area offices to assist disadvantaged persons who are or will likely become chronically unemployed.

The policy of giving special welcome and preferential placement service to servicemen and women returning to civilian life was established this year.

A Commission sub-office was established in the Berkley section of Norfolk, to give special service to the disadvantaged. An office is presently being staffed in Hampton to give more complete service to that area.

The Commission conducted five Labor Supply surveys, two Wage Range studies, three Manpower and Training Needs surveys and two surveys of Salaries Paid to College Graduates. About 1,000 requests for labor supply estimates and wage rates were filled in addition to preparation of 16 regular labor area reports. A monthly publication of special interest to businessmen and economists, "Virginia Economic Indicators" was released in June, 1967.

Effective July 1, 1966, the maximum Unemployment Compensation weekly benefit amount was raised from \$36.00 to \$42.00. During 1966 over \$7.4 million was paid in benefits under the program with 1967 benefit payments estimated at \$10 million. The Trust Fund for benefit payments has reached the highest level in Commission history while the average employer tax rate has fallen below 0.7%, the lowest in nine years and one of the lowest in the country. Over 60 per cent of Virginia's covered employers enjoy the minimum 0.1% tax rate.

DEPARTMENT OF WORKMEN'S COMPENSATION

The Virginia Advisory Legislative Council is currently conducting a study of the Workmen's Compensation Act and the operations of the Industrial Commission, and the Virginia Code Commission is currently undertaking its decennial review of Title 65 of the Code.

The 1966 General Assembly increased maximum workmen's compensation benefits: from \$39.00 to \$45.00 weekly; from \$11,700 to \$13,500 in death cases where there were no surviving widow or children and \$18,000 where widow or child survived; maximum total disability payments were increased from \$15,600 to \$18,000; the period of medical extension allowance increased from two to three years.

During 1966 some 124,168 occupational accident and disease cases were reported to this Commission with compensation of \$9,091,164 incurred in 14,856 compensable cases. There were 1252 written opinions rendered by the Commission in 1966 contested cases. Despite the rising work load of the Commission the increase in the number of its employees has been minimal.

As of September 1, 1967, there were some 59,258 employers covered by the Act.

COMPENSATION BOARD

The Compensation Board met twelve times during the fall of 1966 and spring of 1967 in order to fix the salary and expense allowances for the periods mentioned.

The Board appeared in court five times with a representative of the Attorney General's office at the hearing of appeals.

The maximum compensation of Clerks of Courts of Record who are on a fee basis is fixed by statute, but the Compensation Board is charged with the duty of making allowances for expenses. Excess fees for the calendar year 1966 paid by Clerks of Courts of Record amounting to approximately \$1,050,583 were paid into the State Treasury and two-thirds of this amount returned to the localities, as required by Code Section 14.1-140.1.

For the period January, 1966, through October, 1967, the Board has held sixty-eight meetings to consider requests and/or adjustments in salaries and expenses of the constitutional officers.

OFFICE OF THE ATTORNEY GENERAL

In addition to the usual daily volume of advice and informal opinions, this office has rendered approximately 640 formal opinions to members of the General Assembly and to State and local governmental officials.

The office has participated in all criminal appeals argued before the Supreme Court of Appeals. In addition, it has represented the interests of the Commonwealth in numerous other cases, as set forth below:

All Federal courts	24 cases decided
	28 cases pending
Virginia Supreme Court of Appeals	61 cases decided
	29 cases pending
Courts of Record in Virginia	87 cases decided
	72 cases pending

This office also represented the Commonwealth in 14 cases before the State Corporation Commission.

The Attorney General's Office participated in the trial of approximately 1060 habeas corpus cases, in all of the above courts, as these cases continued to increase at a rapid rate. During the past two years approximately 66 extradition hearings were conducted by members of the office staff.

A number of cases decided during the past two years involved matters of notable significance. Without minimizing the importance of any case, it seems appropriate to note that in the spring of 1967, the United States Supreme Court held that Virginia's miscegenation statute was unconstitutional. In the spring of 1966 the United States Supreme Court held that the State capitation tax, insofar as it was a prerequisite for voting, was unconstitutional.

Additionally, it is appropriate to summarize the activities of the newly established Division of Central Criminal Records Exchange. The Exchange began its operation in July, 1966, and now has a staff of 10 employees. The first year was devoted exclusively to planning and research. For example: (1) visiting and studying criminal records operations of other states and FBI; (2) visiting and studying the operation of law enforcement agencies and penal institutions in Virginia; (3) compiling a master mailing list, to include all Virginia law enforcement agencies and courts; (4) speaking before numerous groups of law enforcement and court officials throughout the State; (5) preparing and printing forms necessary for the Division's work; (6) gathering statistical data from Virginia law enforcement agencies; (7) establishing office and data processing procedures and (8) moving to the Exchange office 150,000 sets of fingerprints, now being reviewed and indexed.

DIVISION OF WAR VETERANS' CLAIMS

The Division of War Veterans' Claims, within the Department of Law and under the Attorney General, has for its express purpose the assistance to veterans, their widows, orphans and dependents in obtaining their benefits, rights and privileges under various laws enacted for their benefit.

The Viet Nam conflict is increasing substantially those who may seek the services of this Division, as it is expected that in Virginia during 1967, 13,000 servicemen will become veterans, plus 14,000 in 1968 and 18,500 in 1969. It is expected that a projected death rate of 4,860 will occur in each of these years, making their dependents eligible for assistance.

Reliable estimates predict an increase in the overall caseload, exclusive of that generated by the Veterans Pension and Readjustment Assistance Act of 1967, will be 5% for Fiscal 1967-68; 10% for Fiscal 1968-69; and 15% for Fiscal 1969-70.

DEPARTMENT OF HIGHWAYS

The Commonwealth embarked on a nine-year improvement program for which the 1966 General Assembly provided additional revenue of approximately \$20 million in 1966-67 and which is estimated to increase to \$32 million for the current year.

Of the 1,060-mile interstate system and the 1,738-mile arterial network, more than 600 miles of interstate highways and 590 miles of completed arterial highways are now in use.

Meanwhile, the nine-year program is also providing basic advances on the primary, urban and secondary systems. In each case, the goal is to provide a minimum tolerable road system for the needs of 1975 traffic.

In cooperation with the localities, the Department has made the most comprehensive evaluation of urban traffic needs in Virginia history, including a major street and highway plan for every locality having a population of 3,500 or more, along with urbanized sections of adjacent counties.

Forty-five local reports are being developed in this manner, and they will guide the scheduling of future urban projects. In addition, the reports outline the vastly expanded urban construction program that will be required in the years ahead.

The urban studies have also pointed up anew the importance of developing a State-wide method of reserving land for future street and highway construction projects, as a step toward assuring that land acquisition costs are reasonable for these public improvements.

DIVISION OF MOTOR VEHICLES

During the past year, a program of complete utilization of the information available from the Driver Register Service of the Federal Department of Transportation has been implemented. This has resulted in detection of persons seeking license to drive in Virginia who have had their driving privileges revoked in other states, with appropriate administrative action following detection.

The Division continues conversion of the manual records of conviction and accident involvement to electronic data storage. This conversion is increasing the efficiency of the driver control program by the gradual elimination of manual processing of records.

Data processing of vehicle records now includes both rapid entry with new emphasis on fast retrieval upon inquiry of stored information. Later these devices will be used to transmit and receive data at the Division's branch offices located at Alexandria, Arlington, Danville, Lynchburg, Newport News, Norfolk, Portsmouth, and Roanoke. An increasing demand for fast statewide data communication is felt by the Division.

Better housing stemming from occupancy of the three-story addition to the Division of Motor Vehicles Headquarters building by the Bureau of Safety Responsibility and Operator's Licenses has promoted a greater degree of employee efficiency and morale.

STATISTICAL INDICATORS

Total collections for the calendar year, 1967, are estimated at \$205,050,000.00 up 9.30% over 1966;

Vehicle Licenses issued in the calendar year, 1967, estimated at 2,194,000 up 1.99% over 1966;

Operator and Chauffeur Licenses issued in the calendar year, 1967, estimated at 2,181,895, up 1.29% over 1966;

Sales Tax collection for calendar year, 1967, estimated at \$17,665,000.

DEPARTMENT OF STATE POLICE

From January 1, 1966, through August 31, 1967:

Cases of assistance to motorists	328,066
Arrests (96.40% involving highways)	336,311
Arrests resulting in fines, costs and liquidated damages amounting to	\$10,728,923.90
Recovered 1,422 stolen vehicles valued at	\$ 1,787,210.23
Other stolen and lost property recovered amounted to ..	\$ 1,843,972.08
Total returned to the Commonwealth and its citizens ..	\$14,398,106.21

The physical training building authorized by the 1966 Legislature is due for completion December 1, 1967. Construction bids received on the six area offices located in Page, Mecklenburg, Pulaski, Southampton, Bedford and Rockbridge Counties exceeded appropriations, therefore, were rejected. Bids were again received on these construction projects on November 2, 1967, and this time were reduced by approximately \$21,000 which is within the original cost estimates for the projects.

Three of the armored cars authorized by the 1966 Legislature have been delivered and we are awaiting delivery of the remaining three.

The 1966 General Assembly authorized 107 new police positions for the biennium. Fifty trooper, six investigator and one sergeant positions were established July 1, 1966, and the other 50 troopers were authorized for July 1, 1967. The total authorized police strength as of November 1, 1967, was 898. However, we had 71 vacancies as of that date.

During the calendar year, 1966, we employed 67 new police officers while losing 39 to industry, the Federal government and other organizations offering greater inducement. So far during 1967, we employed 69 and lost 42 for the same reasons.

While there were 1,106 persons killed on Virginia's highways during 1966, our death rate (number deaths per 100 million miles of vehicular travel) was 5.1—the lowest ever in Virginia and well below the national average which was 5.6.

VIRGINIA NATIONAL GUARD

To date, more than 250 Second Lieutenants have been appointed in our Officer Candidate School. It is the only means of producing Junior officers in our Virginia National Guard Program.

Considerable emphasis has been placed on civil disturbance and riot training along with other emergency State requirements.

Due to a directive by the Secretary of Defense, no armory construction has been authorized or commenced during the period. There are six locations ready to proceed with community and State funds but the matter must be held in abeyance until Federal funds are released. Present indications are that the National Guard Armory Construction Program may be resumed during the early part of Calendar Year 1968.

Federal funds for the National Guard are being supported with approximately thirteen million dollars (\$13,000,000) annually and full support for Army and Air Military equipment and hardware, this being exclusive of armory construction.

A radio communication net has been established during 1967 and will be in full operation the early part of 1968.

Much serious thought and planning was expended the latter part of 1967 concerning a realignment of the Virginia Army National Guard. Present plans contemplate the loss of twenty units but no loss in officers or enlisted men since the overall number authorized now will be the same under reorganization.

This Department completed its move from the State Office Building to the fifth and sixth floors of the Ninth Street Office Building on 9 January 1967.

For the first time in the history of the Air National Guard, its members have been included in riot-type training and now stand ready for the first time to respond to any call for riot-type training, civil disturbance or disasters. Their training along with the Army Guard will continue in full force for an indefinite period.

AUDITOR OF PUBLIC ACCOUNTS

From January 1, 1966, through October 31, 1967, we completed 1,052 audits of State and local governmental agencies. We made thirty-six comprehensive financial surveys of these agencies and installed or revised existing accounting systems for forty-six of them.

Since the State Commission on Local Debt does not have a staff of its own, the brunt of the work of this agency in planning, preparation, marketing, and obtaining bond credit ratings by the Commission for political subdivisions was borne by our office. During the period services were rendered to political subdivisions in connection with planning and sale of twenty-three bond issues in the aggregate sum of \$70,930,000.

Because the Committee of Circuit Judges vested with responsibility of fixing salaries of judges and employees of county courts has no staff, the Auditor's office furnished all clerical and accounting services needed by the Committee relative to certification of annual salaries of the courts and their employees, verification and certification of all county court payrolls and the maintenance of all records

necessary for Federal and State taxation, social security, retirement and sick leaves and vacations.

As required by Section 2.1-332 of the Code of Virginia, the Auditor of Public Accounts served as executive secretary to the Commission for Economy in Governmental Expenditures in connection with studies completed and submitted to the General Assembly during the period.

We succeeded in securing a reduction in the premium rates on surety bonds of county treasurers and directors of finance which will become effective on January 1, 1968. The new rate schedule will provide a calculated annual cost reduction of approximately \$23,594.00.

DEPARTMENT OF ACCOUNTS

There has been no appreciable change in the operation of this department since January, 1966, except the volume of work has increased immensely. This increase has been due to the expansion of most State institutions, the construction and operation of community colleges, the accelerated highway construction program and the vast number of allowances by courts in criminal cases. Statistical information covering State financial transactions is available in the comptroller's annual report to the Governor.

An order has been placed for new electronic equipment for checkwriting and related functions. This equipment is expected to be installed by January 1, 1968.

DEPARTMENT OF PURCHASES AND SUPPLY

A frozen food section was added to our central warehouse operation in February, 1967, as recommended in Senate Document No. 8.

The entire central warehouse program operates from the working capital fund with a 4% mark-up for expenses, including the cost of equipment, buildings, salaries and wages. To date, there has been no necessity for us to request any appropriation from the general fund for this function.

Effective January 1, 1967, Governor Godwin, by executive order, designated the Department of Purchases and Supply as the official agency of the Commonwealth of Virginia to perform the necessary functions of screening, acquiring, and distributing Federal surplus personal property under the provisions of Federal Property and Administrative Services Act of 1949, as amended.

We are pleased to report that during the past year, Federal property with an acquisition cost of \$5,142,475 was donated to 261 eligible institutions in the State.

Since there is no appropriation for the agency, service charges to cover the costs of operation are assessed for the property transferred to each donee. The service charge is usually a small percentage of acquisition cost of the property and therefore represents a substantial saving to the donee.

DEPARTMENT OF THE TREASURY

The State withholding tax has afforded this Department a much better flow of monies, which has enabled this Department to function without the necessity of temporary borrowing. Therefore, we have had more monies to invest throughout each fiscal year. However, this tax has created a considerable additional work load in that we have made 1,733,219 tax-refund payments during the past two years amounting in money to \$52,566,123.35.

In the fiscal year ended June 30, 1965, net interest revenue on funds on hand amounted to \$3,919,050.25, as compared to the fiscal year ended June 30, 1967, wherein we earned \$5,241,015.12.

The Virginia Public School Authority, administered by the Treasury Department, has sold its bonds and loaned to the counties and cities of the Commonwealth \$25,000,000 since its creation.

Sales tax collections and distributions are as follows:

Total Sales Tax Collections to 6/30/67.....			\$109,551,379.54
Less Distribution to Localities—			
	To June 30	June Paid July	
State	\$32,512,639.48	\$4,512,162.01	(\$37,024,801.49)
Local	31,144,786.46	4,356,990.10	(35,501,776.56)
Total Distribution to Localities.....			\$72,526,578.05
Amount available for General Fund.....			\$37,024,801.49

The Virginia Supplemental Retirement System investment portfolio in the period from July 1, 1966, to June 30, 1967, has increased in size from \$292,001,478 to \$340,014,916 and the net yield on the total portfolio has increased from 4.32 per cent to 4.46 per cent.

DEPARTMENT OF TAXATION

Since January, 1966, the Department of Taxation has been engaged in the administration of the general tax laws of the State as in the past. In addition, it has been engaged in the administration of the Virginia Retail Sales and Use Tax Act which became effective on September 1, 1966.

Preparatory to establishing a Sales and Use Tax Division, representatives of the Department visited the States of Alabama, Georgia, Kentucky, North Carolina and South Carolina. Officials of the Department made sales tax talks in many parts of the State during the spring and summer months to explain the act and discuss its application to various types of transactions. The Virginia Retail Sales and Use Tax Rules and Regulations were prepared and published in the summer of 1966. Necessary forms were made available for use in ample time prior to September 1, 1966. Appropriate procedures were prepared for obtaining and processing monthly returns from dealers and consumers, and accounting methods were established for handling remittances and depositing the same in banks to the credit of the State Treasurer.

As of September 1, 1967, the great majority of the counties and cities had imposed the authorized 1% local "add-on" sales tax for collection by the State and return to the respective localities. As of November 10, 1967, all cities and counties had imposed the local sales tax, except the counties of Cumberland and Pittsylvania.

Some 73,500 registered dealers are currently remitting sales and use tax revenues to the Department through its Sales and Use Tax Division. Collections of the State 2% tax by the Department through September, 1967, totaled \$102,265,213.08 (of which \$51,152,606.54 was distributed among the localities). The local "add-on" 1% sales tax collected and returned to the localities amounted to \$49,081,104.81.

STATE CORPORATION COMMISSION

The number of corporations doing business in Virginia has increased from 42,850 to 45,650. The fees received in the Clerk's Office of the Commission were \$616,000 in 1966 and \$520,000 in the first ten months of 1967.

The State taxes paid by railroads and other public service corporations have increased from \$25,000,000 to \$28,000,000, and the assessments of their property for local taxation have increased from \$968,000,000 to \$1,078,000,000.

The number of miles travelled in Virginia by motor vehicle carriers of property subject to the motor fuel road taxes has increased from 677 to 751 million. During 1966, the enforcement of the motor transportation laws resulted in 26,300 vehicle inspections and \$46,430 in fines imposed by the Commission and \$50,480 in fines imposed by the local courts. During the first ten months of 1967 there were 25,100 vehicle inspections and \$52,700 in fines imposed by the Commission and \$45,800 imposed by the local courts.

The number of banking offices has increased from 354 to 367; the number of savings and loan offices, from 71 to 77; the number of small loan offices, from 308 to 330; the number of credit unions from 106 to 109. The number of insurance companies has increased from 864 to 886; and the number of licensed insurance agents, from 29,500 to 30,000. The license taxes collected from insurance companies have increased from \$17,680,000 to \$20,770,000. The number of licensed stockbrokers has increased from 151 to 176; and the number of agents licensed to sell securities from 2,337 to 2,880.

The office of the State Fire Marshal made original inspections of 487 public buildings in 1966 and 263 during the first nine months of 1967. It reviewed the plans and specifications for 1,527 buildings in 1966, and 1,211 during the first nine months of 1967. It investigated 210 cases of suspected arson in 1966 and 140 during the first nine months of 1967.

The number of licensed airports has increased from 77 to 87; and the number of licensed aviators from 4,180 to 4,852.

Since January 1, 1966, electric rates have been reduced by \$1,200,000, gas rates by \$2,600,000, and telephone rates by \$3,700,000. Automobile liability insurance rates have been increased by 7.9% and fire insurance rates by 5%. Workmen's compensation rates have been reduced 2.6%. Pilotage fees have been increased by 29%.

The Commission's staff has increased from 273 to 287 and its semi-monthly payroll from \$76,564 to \$93,640. The Commission is not understaffed.

ALCOHOLIC BEVERAGE CONTROL BOARD

At the close of the fiscal year, June 30, 1967, there were 211 stores in operation and the Board's report for the fiscal year showed a net profit of \$18,935,287.47. Further study reveals that the total revenue collected under the Alcoholic Beverage Control Act and 3.2 Beverage Laws amounted to \$44,391,-313.24. Of this amount, \$31,965,685.89 went into the General Fund and \$12,425,-627.35 was distributed to the various counties, cities and towns on population basis of 2.925 per capita.

Since June 30, 1967, store sales have steadily mounted, and as of October 31, 1967, they increased \$2,888,802.55 or 6.37% over the same period in 1966.

Two additional ABC stores have been opened since June 30, 1967. As of the present, there are 213 stores in operation. Agreements have been entered into for at least ten more stores which the Board plans to open before the end of 1968.

The acute need for adequate warehouse facilities has progressively become more of an emergency as the demand for alcoholic beverages in the state increases.

DEPARTMENT OF AGRICULTURE AND COMMERCE

The Department's name was officially changed to the Department of Agriculture and *Commerce*—a name which more aptly describes its present diversified functions.

The 1966 General Assembly instituted new programs for hog cholera (indemnity payments), passage of the mandatory meat inspection act (effective July 1, 1968), and the enactment of special legislation affecting grain, sod, and seed.

Legislative action in 1966 also approved the creation of a specialized export staff within the Department who, assisted by the part-time services of a European export director, greatly accelerated the foreign sales promotion of Virginia agricultural commodities. New markets were opened in 1967 both as a result of these efforts and the successful Virginia Trade Mission to Europe led by the Governor.

Continuing progress in animal health programs has resulted in over two-thirds of the State's counties being declared brucellosis-free, while the control of hog cholera has moved much closer toward the goal of complete eradication in 1968.

During the 1966-67 fiscal year, new grading and/or inspection records were established for fruits and vegetables, processed foods, meats, feeder cattle and calves, and poultry, egg and dairy products. The number of feeder pigs sold at VDAC-organized sales reached the highest annual total ever recorded.

The Department also actively supported the stepped-up efforts of the Commission of the Industry of Agriculture and the newly-formed Virginia Agricultural Foundation, both of which benefitted from 1966 legislative action, with VDAC officials serving each of these organizations in important capacities.

COMMISSION OF THE INDUSTRY OF AGRICULTURE

The Commission of the Industry of Agriculture has concentrated its energies and talents in three broad areas of emphasis. The first two—comprehensive study of opportunities in Virginia agriculture and promotion of Virginia's industry of agriculture—may be called continuing Commission programs. The third—drought relief—is a special activity emphasized only when needed, as it was following the 1966 drought and previous drought years.

The comprehensive study to show the significance of agriculture to Virginia's society and economy was the most significant effort undertaken by the Commission since it was created by the 1962 General Assembly.

Over 200 agricultural businessmen and leaders are officially involved along with many others in striving to accomplish four objectives:

Evaluate the present situation and future potential of agriculture in Virginia, point out means for more efficient use of our land, labor, water, and capital, identify adjustment opportunities in agriculture, and define agriculture in relation to other facets of Virginia's economy.

Study areas include eight task forces encompassing all agricultural commodities in Virginia—Dairy, Livestock, Poultry, Horse, Forestry, Agronomic Crops,

Horticulture Crops, and General Resources (land, labor, water, and capital). These groups will determine where they realistically think Virginia agriculture can be in 1975 and 1980, identify the problems which might prevent agriculture from reaching the potentials, and recommend solutions to the problems. Plans are for the Commission to review the task force reports and draft a consolidated state report by June 30, 1968.

Already, a number of problem areas have been identified and are being carefully analyzed. One of the most important is that of rising farmland taxes, particularly in the more highly urbanized areas. Another is the possible need for an educational and training program beyond high school but below the college degree level. As an interim solution to the rising farmland tax problem, the Commission recommended that legislation be enacted to require assessment boards to take into consideration zoning when assessing land, where zoning and land use plans have been adopted by the localities.

With the assistance of other state agencies, federal agricultural agencies, and private organizations, the Commission continued its efforts to create a favorable climate in which the industry of agriculture can thrive and thereby make its maximum contribution to the general welfare of all the people.

It supported through exhibits and by other means the Food and Fiber building at the State Fair, visited by approximately 88,000 people, and developed a symbol to help convey to the public the true industrial nature of agriculture.

The 1966 drought, while not as severe nor as widespread in Virginia as the immediately preceding years, did create additional economic hardship on the farmers in some areas. All federal and state agencies with specific responsibilities concerning drought were brought together to help alleviate the adverse effects of the weather.

At the request of the Commission, the Virginia Bankers Association through its agricultural committee conducted a survey of the farm credit situation in Virginia which was instrumental, at the time, in relieving the tight money situation for Virginia farmers. V.P.I. compiled and distributed a summary of drought relief assistance available from all agencies which materially helped the farmers to take advantage of the various assistance programs available.

DEPARTMENT OF CONSERVATION AND ECONOMIC DEVELOPMENT

Since January, 1966, the Division of Forestry has established a new forest tree nursery in Augusta County to permit production of mountain tree species. The initial steps in establishing a source of seed from superior trees through cross pollination, grafting and testing is in progress at the New Kent Forestry Center. Seed will be used to produce 40 to 50 million seedlings annually.

The establishment of forest fire equipment bases at Halifax, Woodstock and Brunswick fills a long existing need.

The 1966 Forest Survey reveals the pine timber is being cut faster than it is growing. Somehow this trend must be reversed.

The Division of Mineral Resources topographic mapping program has progressed to the point where 40 per cent of the State has maps that meet modern standards.

The Division of Parks has one new park under development, acquisition is under way for six others, and master plans are being prepared for all new areas. More than \$1 million worth of construction and renovation in present parks has been accomplished or is progressing.

The Division of Public Relations and Advertising opened a travel information office staffed with five employees in New York City, and progress was made toward establishing several highway travel information stations and another in Richmond.

A study of the State's travel trade was completed, and another study is nearing completion.

The Division of Water Resources Comprehensive Study of the New River Basin is nearing completion.

A staff has been employed to administer, in cooperation with the Division of Mines, the coal strip mine reclamation law passed by the 1966 General Assembly.

VIRGINIA STATE PORTS AUTHORITY

Since January, 1966, nearly every phase of the Authority's operations have been influenced and/or altered by the effects of containerization. The cities of Portsmouth and Norfolk are constructing container-handling facilities. This action, coupled with the Authority's solicitation program, secured for Virginia new direct services to Europe; several commitments by steamship lines to utilize Hampton Roads as a container load center; two new freight consolidation services; and various new container-oriented businesses. The Authority was instrumental in having experimental shipments of tobacco in containers initiated. The results were encouraging and research is continuing.

The State currently is involved financially in three port construction projects—the 2-berth facility at the Portsmouth Marine Terminal; new fumigation chambers at Lamberts Point in Norfolk; and the new 3-berth general cargo pier at Newport News.

Other highlights of the past two years have included:

Securing equalization of rail rates between Virginia ports and a portion of Central Territory east of the Sandusky-Marietta line in Ohio in which Hampton Roads' rates had been non-competitive since 1963;

Solicited for, and promoted, the ports by calling on some 9,000 U. S. and foreign shippers, and staff attendance at numerous trade meetings;

Placed 88 U. S. and 750 foreign advertisements in 20 major countries;

Prepared foreign narrations for a ports film in Italian, German, French and Spanish.

COMMISSION OF GAME AND INLAND FISHERIES

The Commission acquired three new public hunting areas in Amelia, Nelson and Pittsylvania Counties, respectively, and added substantial acreage to existing units in Augusta, Highland, Powhatan, Rockingham and Tazewell. The 7,840 acres acquired brings Commission's holdings of public hunting lands to approximately 145,000 acres.

The new 124-acre Orange County Lake was opened to public fishing, 330-acre Laurel Bed Lake in Smyth County was constructed and is now filling, and construction of 80-acre Wythe County Lake was begun. This lake construction will bring the number of Commission-owned public fishing lakes to 18 with a total surface area of 1,837 acres.

A popular new daily fee trout fishing program was inaugurated at Douthat

State Park in Alleghany and Bath Counties, providing 20,000 man-days of good trout fishing during the past season.

Seventeen new access areas with boat launching facilities were established on public waters for convenience and enjoyment of pleasure boaters and fishermen, bringing the total such facilities owned by the Commission to 70.

The Law Enforcement Division was reorganized to provide an intermediate level of supervision, whereby an Area Leader generally supervises three other wardens who work a four-county area as a team. An immediate 20 per cent increase in the rate of convictions of game, fish and boat law violators was noted.

Increased emphasis has been placed on enforcement of boating safety laws, and 1,737 additional man-hours devoted to this activity. A corresponding drastic decrease in the number of reportable boating accidents and in the number of boating accident fatalities has been noted.

An I. B. M. data processing system was installed to provide better fiscal control and improve efficiency in motor boat registration, hunting and fishing license accounting, and distribution of publications. When fully operative it is estimated that this system will save in excess of \$10,000 per year.

COMMISSION OF FISHERIES

Dockside landings of finfish and shellfish at Virginia ports during 1966 amounted to 418.8 million pounds, valued at 21.1 million dollars. In addition, seed oyster production amounted to 1.1 million bushels, valued at 1.2 million dollars. Virginia's catch ranked fourth in the United States as to volume and seventh as to value.

During 1966, there were 50.2 million pounds of oyster meats produced in the United States which had a value of 26.1 million dollars. Virginia landed 19 per cent (9,442,556 pounds) of this quantity and received 30 per cent (\$7,941,326) of the value.

There were 165.7 million pounds of blue crabs caught in the United States during 1966, valued at 10.8 million dollars. Virginia watermen landed 39 per cent (64,760,353 pounds) of this quantity and received about 40 per cent of the entire dollar value. The 1966 catch of blue crabs in Virginia increased 13 million pounds compared with the 1965 catch.

From July 1, 1965, through June 30, 1967, we accepted 370 applications for oyster planting grounds and 375 surveys were made; 424 transfers were received, 391 were approved, the others pending subject to receipt of various legal documents or resurveys. On June 30, 1967, we had 134,492 acres of leased oyster ground. There are approximately 10,000 individual leases. We maintain on file about 12,500 plats and 700 master maps showing public and private grounds.

During 1966 and 1967, the Commission planted 5,712,029 bushels of shells on public grounds. Dredged submerged reef shells accounted for 87 per cent of this quantity. Prior to this program, about 500,000 bushels was the normal annual planting. During the same two years, 719,000 bushels of seed oysters were harvested from our shell planting. The Commission transplanted 122,205 bushels of these seed on public grounds, which will be harvested as marketable oysters.

VIRGINIA INSTITUTE OF MARINE SCIENCE

Operation James River, an evaluation of the physical and biological effects of the proposed James River Navigation Project, was completed in December, 1966. It resulted in the finding that the proposed channel deepening will have some effect

on the hydrographic features of the estuary but that there will be no deleterious effects on oyster production.

A Division of Applied Marine Science and Oceanic Engineering has been authorized and organized.

Several new projects have been started which involve cooperative funding by Virginia and the Federal government. These include attempts to develop disease resistant races of oysters, expansion of the industrial fishery, research on commercial and sport fish nursery grounds, biology of herring and striped bass, studies of Virginia estuaries related to their ability to absorb wastes produced by human activities, theoretical and mathematical studies utilizing the James River Model in Vicksburg, Mississippi, and development of an information service in conjunction with the State Technical Services Program. Federal support of these programs amounts to roughly \$325,000 per year.

Construction of the much-needed new marine research building, authorized by the last General Assembly, is well underway and should be completed in the summer of 1968.

New data processing equipment providing connection with the Cooperative Computer Center at Williamsburg has been installed.

The Institute provided opportunities for field trips and lectures concerning Virginia's marine resources, their uses and marine science to 979 precollege students and 710 members of adult civic and service groups. Field trips, formal courses and research experience were conducted for 140 high school teachers, 124 undergraduates from 16 different colleges and universities and 4 college teachers from 4 other institutions.

Applications for graduate programs in marine science (oceanography) operated with the two formal affiliates—the University of Virginia and William and Mary totalled 78 for 1966-67, and 150 for 1967-68. Of these, 14 (18%) for 1966-67 and 18 (12%) for 1967-68 were Virginians. Enrollment numbered 50 for 1966-67 and 55 for 1967-68. Total enrollment of all graduate students in oceanography at present is 55 students. Virginians now enrolled total 10, out-of-state students 42 and foreign 3. Five were graduated in 1966-67 and 14 are expected to graduate in 1967-68.

WATER CONTROL BOARD

On October 3, 1965, the Federal Water Quality Act of 1965 became law. This law required each state to adopt standards of quality on all interstate and coastal waters by June 30, 1967, or face the alternative of having the Federal Water Pollution Control Administration (FWPCA) adopt such standards.

Early in 1966 the duties of the Board's staff were realigned to accomplish this difficult task within the rather unrealistic deadline set by the Federal law.

Based on hearing and on comments received subsequently, the water quality criteria were adopted in March 1967. The standards on interstate and coastal waters, along with an implementation plan, were submitted piecemeal to FWPCA, the submittal being complete on June 30, 1967. Following some slight subsequent modification requested by FWPCA, we are now awaiting word of approval from the Secretary of the Interior.

The implementation plan centers around FWPCA's nationwide goal to eliminate all solvable pollution problems by July 1, 1972.

THE VIRGINIA MUSEUM OF FINE ARTS

During this period six new art organizations—bringing the total to 27—have joined the Museum's Confederation of Chapters and Affiliates, a unique statewide network created to facilitate the distribution of cultural services throughout the Commonwealth.

The addition of two new Artmobiles has brought to four the number of these unique touring art galleries which are now visited by hundreds of thousands of Virginians each year in nearly ninety civic and academic communities.

Other Museum services provided to its Confederation members include traveling exhibitions, distinguished out-of-State lecturers, a Loan-Own Art Service, children's art courses, group Safaris to the Museum in Richmond for performing arts events, and assistance in planning local arts programs.

A significant Museum innovation has been its statewide performing arts program which, in 1966-67, presented professional drama and music groups before 100,000 persons in more than 20 Virginia communities. This season the service has been enlarged to include a distinguished professional dance production.

Construction on the first phase of the Museum's expansion program began in January, 1967, and completion is scheduled for the fall of 1968. New facilities will serve the Museum's steadily increasing membership—now approaching the 12,000 mark—and the nearly 800,000 persons who each year participate in the Museum activities.

During the past two years, outstanding gallery exhibitions, highlighted by *Gold from the Age of Alexander*, and *William Hogarth*, drew thousands of visitors to the Museum. The latter display was featured in articles in *Time*, *Newsweek*, and other popular and scholarly publications.

The publication in 1965 of the catalogue, *European Art in the Virginia Museum*, was hailed as a handsome and scholarly volume, and the appearance of the Museum's *Guide to Four Hundred Years of Building in Virginia* is expected in early 1968.

VIRGINIA STATE LIBRARY

The Virginia State Library acquires and services books, public records and related materials for the benefit of the citizens of the Commonwealth. In addition it aids in the establishment and operation of public libraries, publishes scholarly publications, and supervises the management of current state records. In 1966-67 it increased its holdings of printed material to 489,565 volumes and its manuscript collections to 14,024,673. Some 143,000 items were served in the Library and some 47,000 were lent to other libraries and patrons. Motion picture films lent to public libraries were 4,752.

State appropriations for the promotion of public libraries remain at \$200,000 a year whereas Federal funds for the same purpose amounted to \$747,843 in 1966-67 and the same amount will probably be available in 1967-68. In addition the Federal government provided \$860,029 for public library construction in 1966-67 and probably will make available \$580,497 in 1967-68.

In 1966-67 the Library published a number of items including its quarterly periodical *Virginia Cavalcade*. The sixth and final volume of *Executive Journals of the Council of Colonial Virginia* was issued, as well as *Parish Lines, Diocese of Virginia*. Other scholarly volumes are in progress.

Preliminary planning for the addition to the State Library building was under consideration.

DEPARTMENT OF HEALTH

Within the past year a general reorganization of the administrative structure of the Health Department has been completed and the staff has been strengthened, particularly in the fields of child health and medical care administration. Every effort is being made to remain flexible, in order to keep abreast of new programs, professional procedures, and patterns of care.

Preparation of the new program of Medical Assistance for the Needy (Medicaid) has received first priority from the planning staff under the direction of the Governor's Advisory Committee on Medicare.

The Department was also instrumental in inaugurating the Medicare program for Virginia, surveying hospitals, laboratories, and nursing homes which applied for certification.

All except one of Virginia's cities now are affiliated with the State Health Department. Roanoke has asked to join the plan on January 1, 1968. Only two counties are at present unaffiliated.

Home health services, instituted last year, served 1,621 patients in the first twelve months. New family planning clinics were added throughout Virginia, and numbered three times as many visits in 1967 as in 1966. Mental aftercare, administered cooperatively with the Department of Mental Hygiene and Hospitals, provided home nursing supervision and care to more than 3,000 patients furloughed from the State mental hospitals during 1966-67.

Eight more communities began fluoridating water supplies or received permission to do so. Virginia in 1967 ranked fourth nationally in providing this dental protection.

Diabetes detection screening programs were stepped up. Medical Self-Help Training became available in most public schools, and a State plan was completed for effective management of health resources in time of disaster.

Rules and Regulations for the testing of infants for Phenylketonuria (PKU), which causes mental retardation, were established. At present more than 6,000 newborns are tested each month. New pediatric neurosurgery, cystic fibrosis and mental retardation evaluation clinics were opened. Efforts were begun to make State-wide the hospitalization program for complicated pregnancies and prematures considered a potent weapon in the fight against mental retardation.

A state-wide immunization program was initiated, directed at the eradication of measles as the prime target.

Also introduced by the Department was a billfold-size birth-certificate card.

DEPARTMENT OF WELFARE AND INSTITUTIONS

In each of the Department's four Divisions, the accent was on education, rehabilitation and improved welfare programs. Further, preliminary plans began early in the year which should result in new programs, new concepts in the handling and treatment of prisoners, stronger, more meaningful services to youthful offenders, updated education plans, and a general, overall effort to make this department the best of its kind in the entire southeast.

The approval of salary increases for all levels of employees brought about a higher morale and employment of better qualified personnel. In addition, higher quality of performance by staff is being obtained through increased emphasis on in-service training.

During the year, a study was made of the 18 worst jails in Virginia and the 17 additional substandard jails. Response was gratifying. A new jail has been

completed in one of our Northern Virginia counties and new lockups were completed in two of our major cities. At present, four new jails are under consideration and another is expected to be started soon. Plans for two new jails have been submitted for bids, and preliminary plans for two more have been completed.

With the greater emphasis on education, there are now 1,162 inmates in the school programs in the State penal institutions. Remodeling of facilities at the State Farm is being carried out so that school facilities can be expanded there. Dale Carnegie Courses for inmates were started at the State Farm and the Women's Farm, and an Alcoholics Anonymous group was organized at Bland. Because of lack of funds, services of a full-time chaplain are no longer available at the Road Camps.

The prison population trend continues downward. Population from January 1, 1966, to October 1, 1967, shows a decrease of 280. Because of this, and the numerous structural improvements, overcrowding conditions are being constantly relieved.

A central diagnostic center for all committed children is under construction in Chesterfield County at a cost in excess of \$1,500,000. A new institution to house the older and more aggressive delinquents was opened on October 1, 1967, in Southwest Virginia.

Appropriations made by the 1966 General Assembly enabled the Virginia Probation and Parole Board to more actively involve itself in staffing for service to the courts not-of-record.

To provide full reimbursement to the counties and cities for the State's share of public assistance expenditures and to provide for increasing the maximum rates for nursing homes, the Governor authorized increases of over \$2,100,000 in appropriations for the 1966-68 biennium.

These funds also provide a much broader scope for social rehabilitative services to recipients of public assistance, and the counting of only actual income available to recipients has resulted in more realistic public assistance grants.

A complete revision of standards for licensed day nurseries, institution type, has been completed and adopted by the State Board of Welfare and Institutions. The number of licensed day nurseries continues to increase. Fifty local departments of public welfare have initiated or strengthened child protective programs.

Last year, under the Bureau of Hospitalization and Homes for Adults, 10,504 inpatients were cared for and over 138,000 outpatient and emergency room visits were provided. The total cost for these services was \$3,371,075.

VIRGINIA COMMISSION FOR THE VISUALLY HANDICAPPED

During the two years since the 1966 General Assembly was convened, over seven thousand blind and visually handicapped citizens have received services through the Virginia Commission for the Visually Handicapped, from infants to elderly citizens.

Over 500 individuals were placed on jobs ranging from service occupations to the professions such as teaching and law, in addition to those placed in agency operated workshops.

Fortunately, the number receiving public assistance (Aid to the Blind) showed a slight decline, as a result of adjustment services through the Commission's Home Teaching Department.

Over six hundred visually handicapped children enrolled in public schools throughout Virginia were provided with special textbook materials, optical aids, and appliances.

A new workshop in Richmond is expected to open this year. Funds have been requested for the erection of a state-wide rehabilitation adjustment center for the visually handicapped.

DEPARTMENT OF MENTAL HYGIENE AND HOSPITALS

Since January 1, 1966, 28 buildings have been constructed at the various mental hospital and training school sites at a total construction cost of \$14,912,423. Included in this construction program were the Ira L. Hancock Geriatrics Center, providing modern living accommodations for the approximately 450 geriatric patients who have moved from the old site in downtown Williamsburg; and beginning of Medical-Surgical unit and utilities at Eastern State Hospital; a complex of geriatric and continued treatment units at Central State Hospital which will alleviate overcrowding and permit demolition of current outmoded buildings; Harry W. Smith Center at Lynchburg Training School and Hospital, a treatment unit which is unique in the United States in that it will serve as a dormitory for high-grade adult retardates who have reached the highest level of their mental capabilities, but who cannot compete in today's society outside of an institution; kitchen-dining hall to free the current space to be remodeled into administrative and physicians' offices and the first building of the geriatrics complex at Southwestern State; the Francis L. Stribling Activities Building at Western State Hospital; and the Northern Virginia Mental Health Institute, which will offer a new direction in the care and treatment of mental patients with a program revolving around short-term intensive treatment.

On July 1, 1967, the Department absorbed Piedmont T. B. Sanatorium, now known as Piedmont State Hospital. This facility will accommodate geriatric patients who are mostly in need of extended nursing and medical types of treatment.

Across-the-board salary increases for hospital personnel have been reflected in virtually every professional personnel classification. Total employment in the Department grew to 6,220, an increase of 674.

During the biennium the number of mental hygiene clinics has grown from 24 to 27, with new clinics opened in Harrisonburg, Lexington, and Clifton Forge.

Central State Hospital and Lynchburg Training School and Hospital have filed formal applications with the Joint Commission for inspections to gain accreditation. Inspections will probably be made within the next six months.

DeJarnette State Sanatorium, the Hospital section of Lynchburg Training School and Hospital, and several units at Central State Hospital and Eastern State Hospital have been approved for Medicare.

On February 15, 1967, in order to comply with the directives of the U.S. Department of Health, Education and Welfare, the State Hospital Board put into effect a geographic assignment plan under which a hospital service area was assigned to each of the major mental hospitals in the State. All judges and justices were instructed to commit the patients from their areas to the serving hospital regardless of race, creed, or color. This geographic program involved the transfer of 1,800 patients among the various hospitals.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGISTRATION

In the past two years, the Department has completed converting its system of record keeping to that of data processing and changing the renewal period

of all licenses of the Real Estate Commission, Board for the Examination and Certification of Architects, Professional Engineers and Land Surveyors, Board of Accountancy, Board of Registered Professional Hairdressers, and the Board of Barber Examiners from an annual to a biennial basis. It is believed that this change will make possible a saving of approximately \$25,000 within a biennium.

Eliminating certain administrative procedures made it possible to retain the same basic fees for renewal of licenses paid by the registrants to the Boards, which are the lowest in the Nation.

In February, 1967, the Department moved into its new quarters on the fourth floor of the Ninth Street Office Building.

It is believed the foregoing changes will enable the Department to absorb a normal increase in workload without increasing its staff during the next biennium.

DIVISION OF STATUTORY RESEARCH AND DRAFTING

The basic function of this Division is preparation of drafts of legislation for members of the General Assembly and State officials. During the 1966 Regular Session of the General Assembly it is estimated that the volume of bills drafted increased by more than one-third over the comparable period in 1964. Accordingly, the Division has been acquiring new equipment and improving procedures looking toward the improvement of our capacity.

The 1966 Session created fourteen interim study Commissions and the Division served as the Secretariat for eleven of these. These study groups, together with the Virginia Advisory Legislative Council and its committees and the Virginia Code Commission, held 251 public hearings and executive meetings between April 1, 1966, and November 1, 1967, at all of which one or more staff members attended. The staff also assisted in the drafting of the reports and recommended legislation to the Virginia Advisory Legislative Council and the Virginia Code Commission.

VIRGINIA ADVISORY LEGISLATIVE COUNCIL

The Director of the Division of Statutory Research and Drafting is *ex officio* Secretary to the Virginia Advisory Legislative Council and employees of the Division and of the Council provide staff services to the Council and to its Committees.

At the 1966 Session of the General Assembly, twelve subjects were referred by Resolution to the Council for study. In addition, the Governor requested the Council to undertake studies of seven additional matters.

VIRGINIA ATHLETIC COMMISSION

Submitted herewith is a summary covering the operation of the Virginia Athletic Commission for the years 1966 and 1967.

Receipts of the Commission	\$54,850.00
Cost of Operation	\$30,100.00

Net profit turned over to the State Treasurer for distribution \$24,750.00

During the past two years the Commission held seven regular meetings and conducted numerous investigations and hearings when certain licensees were

charged with violation of the Code of Virginia and the Rules and Regulations of the Commission.

As a result of said hearings one wrestling promoter and one professional wrestler were suspended indefinitely. One boxer was suspended indefinitely and one boxing manager was denied a license when a fingerprint check with the F.B.I. revealed that the applicant had an extensive police and prison record in other jurisdictions.

The Commission recently revised and rewrote its Rules and Regulations.

This Commission holds active membership in the World Boxing and National Wrestling Associations. Commissioner James H. Young now holds the office of President of the National Wrestling Association.

Boxing and wrestling activity is now at an all time high throughout the state. During the past two years the Commission licensed 65 boxing and wrestling clubs, issued sanctions for 573 individual events and licensed 417 contestants.

No serious injuries have been sustained by boxers and wrestlers in Virginia.

VIRGINIA TRUCK EXPERIMENT STATION

The Virginia Truck Experiment Station, through its Norfolk Branch established in Princess Anne County in 1907, and through its Eastern Shore Branch established in Accomack County in 1913, serves the commercial vegetable industry of eastern Virginia that has a cash farm income in some years as high as \$35 million.

The Truck Station has a professional staff of twelve, and its program involves 57 research projects in the fields of horticulture, plant breeding and varietal testing, entomology, plant pathology, plant physiology, soil science, and agronomy.

The Truck Station has cooperative work programs with the following State and Federal agencies:

1. V.P.I. Extension Division, Agriculture in which the results of research applicable to practical problems are communicated to the public. The Extension Horticulturist assigned to the Truck Station staff is a joint employee and *The Vegetable Growers News* is a joint publication.

2. V.P.I. research personnel in Horticulture and Food Technology in which joint research is conducted in the fields of mechanical harvesting of vegetables and of food processing. Also, V.P.I. research personnel in Agronomy in cooperative testing of soybean and field corn varieties and lawn and turf grasses.

3. Soil and Water Conservation Research Division, U.S. Department of Agriculture, in which office and laboratory facilities are provided at the Norfolk Branch for the study of the reutilization of food processing plant polluted waste waters for agricultural purposes in the northeast area of the U.S.

4. Virginia Department of Agriculture and Commerce in which office and secretarial help are provided at the Norfolk Branch for the administration of the State-Federal white-fringed beetle quarantine in the Norfolk area.

5. State-Federal Inspection Service in which samples of certified seed of Irish potatoes shipped into Virginia are grown in field trials by the Truck Station and evaluated for germination, trueness-to-type, and freedom from disease. This is a unique feature of the Irish potato seed law in Virginia.

6. Virginia Crop Improvement Association in which foundation stocks

of commercially important sweet potato varieties and technical assistance are provided by the Truck Station in a program in Virginia for the production of certified seed sweet potatoes.

MILK COMMISSION

The last General Assembly enlarged the Commission from three to five members. Three are consumers and two are producers of milk. One consumer is the Administrator, who devotes full time to the duties of his office.

The Commission consolidated its markets and thereby reduced the prior twenty-five markets to five as of June 1, 1967. These markets are Central, Eastern, Southwest, Tidewater and Western Virginia. Local Board offices were established in each market with full-time employees.

In September, 1966, producers' prices were increased by fifty cents per hundredweight for Class I, and twenty-five cents per hundredweight for Class II.

Resale prices were adjusted upward by six cents per half-gallon on the Southwest Virginia Market. This was the first change in prices in that market since October, 1955. On September 15, 1967, resale prices in all markets except Southwest Virginia, were adjusted upward by three cents per half gallon.

Amendments in the regulations now permit the sale of one-half ounce containers of half-and-half cream and the sale of milk in multi quart containers.

On October 1, 1967, a major revision in the resale pricing structure was instituted. Retail prices on the half-gallon were reduced by one cent and the quart increased by one-half cent, resulting in a differential of two cents when comparing a half-gallon to two quarts.

The Commission employed Case and Company of New York to perform a distribution cost study.

During the period of this report, eleven public hearings and sixty-eight distributor license application hearings were held. The Commission held seventy-seven meetings and fifty conferences and conducted three hundred and seventy-seven audits and fifty-five investigations. The butterfat check testing program included 4,261 check tests of producer milk. These items were accomplished with a staff of from fourteen to fifteen persons.

VIRGINIA SOIL AND WATER CONSERVATION COMMISSION

Individual landowners signed 3,514 new farm plans totaling 547,715 acres with Soil and Water Conservation Districts in the conservation program. Major conservation practices established were:

Land adequately treated—	406,494 acres
Open ditch drainage—	2,760,441 lin. ft.
Tile drainage—	1,969,298 lin. ft.
Farm ponds constructed—	1,847

The Commission has approved nineteen small watershed applications requesting planning assistance under Public Laws 534 and 566. Total land area in these projects is 313,634 acres.

Nineteen dams have been completed with a permanent pool storing capacity of 681,352,350 gallons. Total storage capacity of these dams for floodwater, water supply, and sediment pools is 7,734,049,750 gallons.

Seven new projects were planned. Included are five floodwater retarding

structures, one multi-purpose structure, and 75 miles of stream channel improvement.

The Commission has financed the cost of publishing a booklet entitled, "A Journey With a Raindrop Through a Small Watershed." 48,000 copies have been requested for students in the various elementary schools throughout the state.

VIRGINIA STATE BAR

Over eight hundred persons admitted to the Bar. Approximately one hundred fifty complaints filed against lawyers—most of them dismissed. Two licenses surrendered, three revoked, one suspension and several reprimands and injunctions. Twenty-five complaints of unauthorized practice of law—most of them disposed of by dismissal or agreement with the parties. Three consent decrees entered—one case still pending in court, *Virginia State Bar v. Brotherhood of Railroad Trainmen*.

Two Law Day participations—1966 at Mt. Vernon, and 1967 at V.M.I. At each of these a Naturalization Ceremony was held.

The Bar has revised and added to its insurance program, licensed three additional legal aid societies, answered many inquiries and assisted servicemen and their families. Fifteen Legal Ethics Opinions have been rendered, one Unauthorized Practice of Law Opinion, and one Judicial Ethics Opinion.

Created Committee on Crime and Crime Control and Committee on Specialization. There are three committees on cooperation with lay groups—with CPA's, medical profession, and bankers. Joint Committee with The Virginia State Bar Association on Continuing Legal Education has put on a number of outstanding programs and about 25% of the Bar each year attends these institutes.

N. S. Clifton, of Danville, has been employed as Assistant Secretary-Treasurer. In cooperation with The Virginia State Bar Association, the Virginia Bar Foundation has been set up and is functioning.

The Virginia State Bar is financed entirely by the members of the Virginia State Bar.

VIRGINIA COMMISSION ON CONSTITUTIONAL GOVERNMENT

The Commission has attempted, during its nine years of existence, to slow the erosion of State powers, and to create, in the minds of thousands of Americans, serious concern for the future of federalism. Working primarily through publications, the Commission has compiled a 45,000-name mailing list.

The Reconstruction Amendments' Debates. In 1966 the Commission began work on preparation of a volume designed to present and further a proper understanding of the original intent of the framers of the Reconstruction Amendments. The product is a large, well-indexed, 763-page work, consisting of debate on the amendments, the views of the framers, together with discussion on enforcement legislation.

Ten thousand copies were printed, of which approximately 2,000 have been distributed.

We The States, first distributed in 1964, continues to sell well. Distributed in 1966-1967 were nearly 1,100 copies, bringing the total distributed to over 7,200.

Short Publications. Since January, 1966, the Commission has distributed "Reform the Electoral College?" and "Sex, The Supreme Court and the States," and has redistributed "The Right Not to Listen" to approximately 8,500 govern-

Address of Mills E. Godwin, Jr.

ment officials throughout the United States. "Every Man His Own Law" was published and distributed in October of this year.

Public Education. The Commission has also distributed approximately 60,000 copies of "The Constitution of the United States of America" to Virginia public high school seniors and to numerous individuals who have written for the publication. This is done each year.

In October, 1967, the Commission was presented the Governmental Unit Activity "George Washington Honor Award" for "outstanding achievement in bringing about a better understanding of the American way of life" by Freedoms Foundation at Valley Forge.

The Commission has continued to adhere to its purpose of presenting material on constitutional, not racial, issues.

In its budget request for the 1968-70 biennium, the Commission has requested \$50,000 for educational TV programs on constitutional government.

GOVERNOR'S HIGHWAY SAFETY COMMITTEE

Staff members attended 118 safety meetings of various types, cooperated with the Virginia Safety Association in staging eight local safety conferences and jointly with the Virginia affiliates of AAA arranged two luncheons at which the Governor presented awards won in various national safety programs to state and city officials.

The Committee's films were shown 23,847 times to a total audience of 1,383,494. Approximately 940,000 pieces of literature and posters were distributed and special displays arranged for various occasions.

Spot announcements, taped messages, film clips and interviews have been made available to broadcast media on a regular schedule.

Operation Safety, a kit of publicity material centering around a monthly theme, went monthly to 200 key recipients and a monthly newsletter to about 6,000 persons. News releases and special articles were issued as newsworthy occasions arose. A full page ad appeared in all college football programs.

Thousands of personal calls, telephone calls and letters seeking information or assistance were handled and 828 staff visits were made to give assistance to various safety projects.

This staff coordinated the American Automobile Association Pedestrian Projection Inventory Program and is presently working with municipal officials in connection with the Federal Highway Safety Act.

Virginia received the AAA Award of Merit for pedestrian protection activities during 1966. Awarding Virginia a score of 100 on public information activities, the AAA commended the Governor's Highway Safety Committee "for its role in spearheading the state's safety program and for taking the program down to grass roots level where safety efforts are most effective. No other state has developed the close working relationship and teamwork between local officials, community safety coordinators and state safety personnel as in the case of Virginia."

AIR POLLUTION CONTROL BOARD

Created by an Act of the General Assembly of 1966, the Board is given the responsibility to study problems of air pollution and the necessary powers to adopt and enforce rules and regulations for its abatement and control. The Board has employed an Executive Secretary, and a staff of five, and sought the volun-

tary services of 30 qualified citizens for a Technical Advisory Committee on Air Pollution.

New or amended air pollution control ordinances have been approved for four Virginia cities or counties, and local air pollution control districts are currently in various stages of formation for three of the metropolitan areas. The first such district was established in December, 1966, composed of Covington and the surrounding area of Alleghany County.

After thorough study by the Technical Advisory Committee and staff, the Board has announced its first set of basic air pollution control rules. After public hearing and adoption by the Board, these rules should become effective in the spring of 1968.

Plans also have been developed for a statewide air sampling program with about 50 stations in operation by 1969. Eight of these are now being placed in some of the larger cities or metropolitan counties of Virginia, supplementing identical equipment operated in eight other locations around the State by the U. S. Public Health Service Interstate Project.

DEPARTMENT OF PROPERTY RECORDS AND INSURANCE

By Act of the 1966 General Assembly the former Bureau of Property Records and Insurance was established under jurisdiction of the State Insurance Board. All costs of operating the Department and the Board are paid from the State Insurance Reserve Trust Fund.

State agencies and institutions have cooperated in making payments of insurance premium savings into the Fund, which exceeds \$906,000 and is invested in U.S. Treasury Securities returning as high as five per cent interest. When the Fund exceeds \$1,000,000, exclusive of accumulated interest, State agencies and institutions will have insurance savings refunded on a pro rata basis which current estimates indicate may exceed fifty per cent of the savings during the coming biennium.

The Board and the Department have been responsible in effecting reductions in insurance rates that currently create annual insurance savings of over \$290,000 which are being added to the Fund. Quarterly self-inspection services, supervised by the Department, are reflected in reducing fire losses from an annual average nineteen years ago of \$80,000 to a current \$33,395 average based on the last five years' experience. Currently on file are records of over 6,000 buildings which, with contents, approach \$500,000,000 in value. They are insured for over \$400,000,000, with an annual premium in excess of \$275,000.

JAMESTOWN FOUNDATION

The Jamestown Foundation continued to acquaint an increasing number of Americans each year with the facts of America's first settlement by the English at Jamestown, in 1607. This was accomplished chiefly through the exhibits of Jamestown Festival Park, the 25-acre outdoor museum created by the Commonwealth on its 350th anniversary in 1957.

A total of 399,786 people visited the park in 1966. Attendance in 1967 will exceed 400,000. Since the park was opened in 1958 as a year-round operation, attendance has increased an average of eight per cent annually. Approximately 150,000 school children yearly visit the area in school groups, most of them from Virginia.

New publications include: *Jamestown, Virginia, and Jamestown Festival*

Park; Jamestown, Capital of An Empire; The Voyage to Jamestown; Virginia Indians, Before and After Jamestown; Glassmaking at Jamestown.

Receipts from admissions and concessions, which are repaid to the General Fund, continue to defray most of the Foundation's operating costs.

VIRGINIA HISTORIC LANDMARKS COMMISSION

This Commission was created by the General Assembly, 1966, for the purpose of safeguarding Virginia's heritage of historic buildings and sites, for coordinating historic preservation activities in the State for fitting the surviving components of these remarkable resources into the pattern of the State's planning for the future.

A comprehensive survey of the State's historical, archaeological and architectural resources is now in progress. This survey, which will be the basis of a statewide plan for historic preservation and interpretation, is presently engaging most of the attention of the Commission's staff. Members of historical societies and similar groups are giving generously of their time to the project through which the Commission hopes to increase the awareness of the citizenry of the rich historical and architectural heritage of Virginia.

COMMISSION OF OUTDOOR RECREATION

The 1966 General Assembly enacted important new legislation providing the machinery and authority for an accelerated program for outdoor recreation. The State-wide plan for this comprehensive long-range program formulated by the Virginia Outdoor Recreation Study Commission called for the creation of a Commission of Outdoor Recreation.

The newly appointed Commission held its first meeting on July 12, 1966.

Primary attention has been given by the Commission to the urgent need for new State parks. Virginia Outdoor Funds have been allocated to the Division of Parks, Department of Conservation and Economic Development, for the following new parks:

Mount Rogers, False Cape, Smith Mountain Lake, Mason Neck, Natural Tunnel, York River, and Chippokes Plantation (received as a donation).

Funds amounting to \$615,000 were allocated for the rehabilitation and further development of existing State parks, including additional campsites, docks, swimming facilities, utilities, etc.

Funds were allocated to the Commission of Game and Inland Fisheries for 2,919 acres of land for recreation and other uses, and for a new fishing lake and several boat ramps.

Local and regional park projects have been stimulated greatly by the Commission's assistance program, for which it has allocated about 25% of its total resources. Arlington, Fairfax County, Newport News, Richmond, Roanoke and the Northern Virginia Region have already received this aid.

Plans for Virginia's first Scenic Byway, following Route 5 between Richmond and Williamsburg, are under study by this Commission and the Department of Highways. These two agencies have also authorized a Recreational Access Road to Mill Mountain in Roanoke, and an improved access to Gunston Hall.