

HOUSE No. 2124

The Commonwealth of Massachusetts

EXECUTIVE DEPARTMENT,
STATE HOUSE, BOSTON, June 9, 1938.

To the Honorable Senate and House of Representatives:

I am returning herewith, without my approval, House Bill 242, entitled, "AN ACT TO AUTHORIZE THE TRUSTEES OF MASSACHUSETTS STATE COLLEGE TO RETAIN AND MANAGE IN A REVOLVING FUND OR REVOLVING FUNDS THE RECEIPTS FROM STUDENT ACTIVITIES."

This bill gives to the trustees of the State College at Amherst the power to retain and manage in a revolving fund or revolving funds the receipts from all student activities connected with the State College. It includes the operation of the dining hall, book store, home economics practice house, dramatics, debating, musical clubs, bands, athletics and other like activities.

At the present time the college dining hall whose receipts are reported to run close to \$100,000.00 annually is run wholly outside of state control, in that it does not conform to our various state laws.

The college book store represents a substantial activity. It does an annual business of approximately \$40,000.00, likewise not subject to any control other than that exercised by the school.

It is not well to encourage the setting up of revolving funds.

Some years ago our financial activities underwent a thorough revision and many small miscellaneous funds were wiped out, and the projects set up on the basis of an appropriation and the turning in of the receipts to General Revenue. That represented a distinct advan-

tage in so far as accounting and budgetary control was concerned. Therefore, to encourage the setting up of revolving funds is a step backward.

Completely apart from the preceding, but as a matter which should vitally compete in a consideration of this subject, is the constitutional provision prohibiting such action.

Section 1 of Article LXIII of the Articles of Amendment to the Constitution reads as follows:

All money received on account of the commonwealth from any source whatsoever shall be paid into the treasury thereof.

And again, Section 2 of Chapter 29 of the General Laws (Tercentenary Edition) definitely provides in part as follows:

All revenue payable to the commonwealth and available for meeting any costs or expenses of state offices, departments or undertakings, or for meeting any other cost or expense of the state government, shall be paid into the general fund or ordinary revenue, . . .

Because of the Constitutional provision and the General Laws applicable to the subject matter at hand there is made possible and now generally existent a well established policy to equitably distribute state revenues upon the basis of needs of all departments regardless of the source of revenue.

It does not appear that the situation at the Massachusetts State College warrants an exception to this established policy. If granted, it will give a precedent to other departments and institutions which collect revenues to retain control of these funds and disburse them without legislative approval or proper budgetary control. Should the privilege, now proposed to be granted to the Massachusetts State College under this bill, be extended to other departments, the practical result would be the transfer of a substantial portion of the powers of the Budget Commissioner of the Commonwealth to Trustees of various institutions, or department heads. Those in-

stitutions collecting substantial revenues would operate under a decided advantage over others where revenue collections are of small amount or of unimportance.

Therefore, I am accordingly returning to your honorable bodies this bill without my signature.

CHARLES F. HURLEY,

Governor.

