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(First of two numbers this month)

GRAPEVINE

A newsletter on state tax legislation; state appropriations for universities, colleges, and junior colleges; legislation affecting education at any level. There is no charge for GRAPEVINE, but recipients are asked to send timely newsnotes regarding pertinent events in their respective states.

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Page 652 (reverse hereof).

TWENTY-SEVEN STATES SHOW TWO-YEAR GAINS OF 47 PER CENT;
EIGHT-YEAR GAINS OF 232 PER CENT

Table 37. Appropriations of state tax funds for operating expenses of higher education, in thousands of dollars, for selected fiscal years from 1959-60 through 1967-68, with dollar gains and percentage gains over most recent two years and over eight years, in twenty-seven states.

States	Year 1959-60	Year 1963-64	Year 1965-66	Year 1967-68	2-year gain	%	8-year gain	%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Eighteen states previously reported (page 646, Table 34) --								
Totals	358,288	-	840,733	1,260,132	419,399		901,845	
Weighted averages						50		252
Nine states reported here for the first time --								
Hawaii	4,958	10,867	17,006	26,320	9,314	55	21,363	431
La	40,062	55,847	72,318	93,123	20,805	29	53,061	132½
Nev	3,682	6,042	7,114	11,773	4,659	65½	8,091	220
N J	21,982	40,020	50,826	83,758	32,932	65	61,776	281
Okla	27,014	33,505	41,867	46,858	4,991	12	19,844	73½
R I	4,477	7,963	12,868	18,401	5,533	43	13,924	311
Tenn	17,022	28,324	41,106	64,472	23,366	57	47,450	279
Texas	71,021	114,924	165,301	235,185	69,884	42½	164,164	231
Wash	46,909	69,913	94,979	137,051	42,072	44½	90,142	192
Totals	595,415	-	1,344,118	1,977,073	632,955		1,381,659	
Weighted averages						47		232

Detailed tabulations for each of the nine states named in Table 37 appear in this issue of GRAPEVINE, except Nevada and Texas. They will appear in a future issue.

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HAWAII. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1967-68:

Table 38. State tax-fund appropriations for operating expenses of higher education in Hawaii, fiscal year 1967-68, in thousands of dollars.

Institutions	Sums appropriated
(1)	(2)
U of Hawaii *	\$31,984
Research studies	25
WICHE	83
Less est fees and other receipts	-5,772
Total	26,320

* Includes community colleges and the educational TV network, but excludes the East-West Center, which is wholly supported from federal funds, estimated at \$5,800,000 for current year.

LOUISIANA. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1967-68:

Table 39. State tax-fund appropriations for operating expenses of higher education in Louisiana, fiscal year 1967-68, in thousands of dollars.

Institutions	Sums appropriated
(1)	(2)
Louisiana State U *	\$44,106
Southern University **	8,748
U of Southwestern Louisiana	8,026
Louisiana Polytechnic Inst	6,555
Northwestern State College	5,239
Northeast La State College	4,929
Southeastern Louisiana College	4,747
Grambling College	3,983
McNeese State College	3,880
Francis T Nicholls State Coll	2,910
Total	93,123

* Includes main campus at Baton Rouge; New Orleans campus; medical school at New Orleans; medical center at Shreveport; and branch campuses at Alexandria, Eunice, and Shreveport.

** Includes Baton Rouge campus; New Orleans campus; and a branch campus at Shreveport.

NEW JERSEY. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1967-68:

Table 40. State tax-fund appropriations for operating expenses of higher education in New Jersey, fiscal year 1967-68, in thousands of dollars.

Institutions	Sums appropriated
(1)	(2)
Rutgers, The State U *	\$33,697
Subtotal, R - \$33,697	
State colleges -	
Trenton	3,712
Glassboro	3,393
Montclair	4,135
Newark	3,404
Paterson	3,175
Jersey City	3,124
Subtotal, s c's - \$20,943	
N. J. Coll of Med & Dent **	4,005
Newark College of Engineering	3,949
State Scholarships and Loans	7,089
Office of Chancellor of H E	281
State aid to county jr colls	13,255
Union County Jr Coll.	539
Trenton Junior College ***	-
Subtotal, jr colls - \$13,794	
Total	83,758

* All units of the University, including \$5,270,211 for Agricultural Experiment Station.

** In Newark. Acquired from Seton Hall University, a private institution, in 1965.

*** Becomes Mercer County College July 1, 1967.

The total for fiscal year 1967-68 appears to be a gain of 65 per cent over the comparable figure for fiscal year 1965-66, two years earlier. The 8-year gain since 1959 seems to be 281%. This rate of gain may in fact be somewhat understated, because there has been occasional difficulty in separating institutional receipts from net state tax fund appropriations for the state colleges, because their local receipts are captured for the state treasury and included in the gross appropriations, from which they must be subtracted to obtain the net tax-fund figure.

(Continued on page 654)

NEW JERSEY (Continued from preceding column)

Chapter 38, New Jersey Laws of 1966, not previously reported in GRAPEVINE, raised the formula for state aid to county colleges (formerly fixed at one-third of annual operating expenses, and not to exceed \$300 per student per year). The new standard is one-half of operating expenses, up to a ceiling of \$600 per student per year.

Chapter 106, Laws 1966, established a New Jersey Educational Facilities Authority which operates in much the same manner as the New York Dormitory Authority, providing funds for the construction of sleeping and eating facilities, and other academic buildings as well, on the campuses of private colleges and also public institutions.

A knowledgeable observer tells GRAPEVINE that the new State Board of Higher Education is empowered to fix tuition and other fees at the state colleges, but only to establish minimum admission standards, and "nothing in this act shall be construed to prevent individual institutions from establishing higher minimum admission requirements."

The same observer says the state colleges (with their new boards of trustees, but within the jurisdiction of the State Board of Higher Education, as sketched on page 649 of GRAPEVINE) are now not as tightly entangled with noneducational fiscal and personnel agencies of the state as they were while governed by the State Board of Education, because they can now approach those agencies directly without going through either statewide educational board.

Whether the new system is still "too centralized" as remarked on page 649, will no doubt continue to be a matter of opinion. But all agree that New Jersey is making some progress toward appropriate structure and good support of public higher education.

OKALHOMA. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1967-68:

Table 41. State tax-fund appropriations for operating expenses of higher education in Oklahoma, fiscal year 1967-68, in thousands of dollars.

Institutions (1)	Sums allocated (2)
U of Oklahoma	\$9,584
Medical Center	5,443
Geological Survey	276
<hr/>	
Subtotal, U of O -	\$15,303
Oklahoma State U	9,533
Ag Experiment Sta	2,004
Ag Extension Div	1,965
Sch of Veterinary Medicine	520
Okmulgee Tech	1,063
Oklahoma City Tech *	104
<hr/>	
Subtotal, OSU -	\$15,189
Central State Coll	2,829
Northeastern State Coll	2,167
Southwestern St Coll	1,774
East Central St Coll	1,330
Southeastern St Coll	1,131
Northwestern St Coll	995
Langston University	767
Okla Coll of Liberal Arts **	724
Panhandle A & M Coll	722
Cameron State Ag Coll	789
Northeast Okla A&M Coll	703
Eastern Okla A&M Coll	494
Northern Oklahoma Coll	445
Murray State Ag Coll	394
Oklahoma Military Academy	350
Connors State Ag Coll	336
SREB and other special items	265
Reserve for adjustments	150
Total	46,858

* A new technical branch of Oklahoma State University.

** Formerly the Oklahoma College for Women.

The total for fiscal year 1967-68 is a gain of about 12% over the comparable figure for fiscal year 1965-66, two years ago. The 8-year gain since 1959 is about 73½ per cent.

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RHODE ISLAND. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1967-68:

Table 42. State tax-fund appropriations for operating expenses of higher education in Rhode Island, fiscal year 1967-68, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Rhode Island @	\$11,601
Rhode Island College @	3,956
Rhode Island Junior Coll *@	1,436
Bd of Trustees of St Colls **	45
<u>Subtotal, u &c's - \$17,038 @</u>	
State scholarship system ***	1,348
Scholarships, Brvant Coll @@	15
<u>Total</u>	<u>18,401</u>

* A state institution.

** Governing board of the university and the colleges.

*** Scholarships for 5% of annual graduating classes in public and private high schools, to attend any accredited college in the United States.

@ In each case the figures exclude sums appropriated for debt service on capital bonds.

@@ A private nonprofit 4-year institution specializing in business training. The scholarships are for teacher-training in business subjects.

The total for fiscal year 1967-68 is a gain of 43 per cent over the comparable figure for fiscal year 1965-66, two years ago. The 8-year gain since 1959 appears to be 311 per cent-- among the half-dozen highest in the nation.

Effective immediately, the general sales tax rate was raised from the former $4\frac{1}{2}\%$ to 5 per cent; and the coverage was broadened to include hotel and motel accommodations and take-out orders from food-selling establishments.

Both Rhode Island and Pennsylvania now have the 5% rate; and it may be noted that in New York, with a 2 per

cent statewide rate and 3% local rates in New York City and Rochester, more than half the people of that populous state are in effect subject to the 5% rate.

Rhode Island also enacted a tax of one per cent on transfers of real property, to be effective January 1, 1968.

TENNESSEE. Appropriations of state tax funds for operating expenses of higher education, biennium 1967-69, by separate fiscal years:

Table 43. State tax-fund appropriations for operating expenses of higher education in Tennessee, biennium 1967-69, by separate fiscal years, in thousands of dollars.

Institutions (1)	Sums appropriated	
	1967-68 (2)	1968-69 (3)
U of Tennessee (incl medical units)	\$25,832	\$29,218
Ag Exten Serv	2,185	2,335
Ag Experiment Sta	1,639	1,739
Memphis Res Hosp	275	275
Munic Technol Serv	139	154
<u>Subtotals, U of T *</u>		
Memphis State U	10,550	11,874
East Tennessee St U	6,062	6,832
Tennessee A&I St U	4,633	5,219
Tenn Technological U	4,487	5,059
Middle Tenn St U	4,756	5,348
Austin Peay State Coll	2,289	2,514
State community colleges -		
Columbia	750	970
Cleveland	400	750
Jackson	400	750
Higher ed Coordinating bd	75	100
<u>Totals</u>	<u>64,472</u>	<u>73,137</u>

* \$30,070,000 and \$33,721,000 respectively.

The total for fiscal year 1967-68 is a gain of 57% over the comparable figure for fiscal year 1965-66, two years ago. The 8-year gain since 1959 seems to be 279%, placing Tennessee among the fastest gainers over that period.

WASHINGTON. Appropriations of state tax funds for operating expenses of higher education, biennium 1967-69:

Table 44. State tax-fund appropriations for operating expenses of higher education in Washington, biennium 1967-69, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Washington (incl medical units)	\$108,733
Subtotal, U of W -	\$108,733
Washington State U (incl ag exp and ag exten)	55,592
Subtotal, WSU -	\$55,592
State colleges -	
Western Wash State Coll	16,656
Central Wash State Coll	15,111
Eastern Wash State Coll.	12,033
Fourth (projected) st coll*	500
Subtotal, st colls -	\$44,300
Community colleges **	65,477
Total	274,102

* For planning and site selection for a fourth state college authorized by the 1967 legislature.

** The statewide system of 2-year local public colleges was removed from the control of the lower school system and is to be headed by a State Board for Community Colleges. The appropriation includes \$300,000 for expenses of the Board.

The total for biennium 1967-69 seems to be a gain of 44½% over the comparable figure for biennium 1965-67, two years earlier. The 8-year gain since 1959 appears to be 192%.

The legislature proposed a constitutional amendment, for popular vote at the general election of 1968, which would create a State Building authority, empowered to borrow and finance physical facilities, and rent them year-by-year to the institutions, to amortize the cost.

Effective July 1, 1967, the Washington general sales tax of 4.2% is raised to the rate of 4½%.

WASHINGTON (Continued from preceding column)

A seemingly important statute changing the status of public junior colleges was enacted. Hitherto the state has had 22 local junior colleges, each based on a local public school district, supported in part from local tax funds, and governed by a local board.

The new law marks off 21 junior college districts covering the entire state. These are not taxing districts. Each will have a board of trustees, but all will be within the purview of a State Board for Community Colleges. All funds except those derived from tuition fees will come from state appropriations.

This apparently could be said to make state institutions of the Washington junior colleges — at least institutions largely supported by state tax funds and without local tax support, although perhaps not quite wholly state-controlled, if the local boards of trustees have any substantial authority.

Recall that a similar change occurred in Minnesota some four years ago; and that there is a nationwide tendency for the state's share in the support of public junior colleges to increase. Can we announce a trend toward complete state support of local public two-year colleges? Probably so.

In effect that is already the picture in several states where the state universities have statewide networks of "university centers" or "regional campuses". Many thoughtful persons are reluctant to abandon the idea of a local tax base and partial local support and control; but the logic of history seems to be against it.

Cities, counties, and local subdivisions of all kinds are having increasing difficulty in supporting their own public services, as the exercise of the taxing power continues to move upward to the states and the nation. Changed economic conditions make this tendency irreversible.

Increased subsidies to the local units, or full support, seem inevitable.

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