

M. M. Chambers
Education Building, Indiana University
Bloomington, Indiana
47401

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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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Statement of ownership and circulation of GRAPEVINE is on Page 742 (reverse hereof).

THIRTY SEVEN STATES REPORT TWO-YEAR GAINS OF 47%; EIGHT-YEAR GAINS OF 219½%

Table 15. Appropriations of state tax funds for annual operating expenses of higher education in thirty-seven states for fiscal year 1968-69, in thousands of dollars, showing dollar gains and percentage gains over most recent two years and over eight years since fiscal year 1960-61.

States	Fiscal years ending in odd numbers			1967-69		1961-69	
	1960-61	1966-67	1968-69	2-yr gain	%	8-yr gain	%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Thirty-four states reported in Table 8, GRAPEVINE page 736 --							
	820,688	1,799,866	2,616,697	816,831	45½	1,796,009	217
Alaska	2,323	7,314	10,400	3,086	42½	8,077	347½
New Hampshire	4,106	7,185	10,221	3,036	42½	6,115	149
Oklahoma	27,020	41,867	52,858	10,991	26½	25,838	95½
(Florida)	(Additions due to augmented appropriations for biennium 1967-69 made by 1968 special session) +			36,679*	36,679*	72½	36,679* 298
37 states	854,137	1,856,232	2,726,855	870,623		1,872,718	
Weighted average percentages of gain	-	-	-	-	47	-	219½

+ In the middle of biennium 1967-69, for which appropriations of \$256,218,000 had been made in early 1967, a special session in early 1968 made supplemental appropriations which brought the total up to \$294,266,000 -- an increase of about 15% for the biennium. Since Florida's original appropriation for half of the biennium has been reported earlier in this series of tabulations, only the estimated increase attributable to fiscal year 1968-69 is entered here.

* This figure is estimated, by attributing 56% of the augmented total for biennium 1967-69 to fiscal year 1968-69, to be added to the figures earlier reported in this series. No report of the exact division between the two fiscal years of the biennium is now at hand.

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Address communications to M. M. Chambers, Education Building, Indiana University, Bloomington, Indiana 47401.

ALASKA. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1968-69:

Table 16. State tax-fund appropriations for operating expenses of higher education in Alaska, fiscal year 1968-69, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Alaska *	\$8,013
Agricultural Exp Sta	335
Coop Ag Exten Serv	281
Geophysical Institute	396
Inst of Marine Science	200
Inst of Arctic Biology	158
Inst Social, Econ, Govt Research	107
Community colleges **	910
Total	10,400

* This includes appropriations for mineral industry research, arctic environmental engineering, and the electronic technician program, each of which were reported separately in prior years.

** Seven units, branches of the university, in Anchorage, Juneau, Kenai, Ketchikan, Kodiak, Palmer, and Sitka.

The total for fiscal year 1968-69 appears to be a gain of a little more than 42 per cent over the comparable figure for fiscal year 1966-67, two years earlier. The 8-year gain since 1960 seems to be 347½ per cent. Thus Alaska retains a place among some seven or eight states whose appropriations of state tax funds for operating expenses of higher education have been more than quadrupled within eight years.

The 1968 legislature enacted an increase in Alaska's regular oil and gas severance tax to 3 per cent, from the former 1 per cent. This was thought of as a temporary measure, pending the completion of a comprehensive state tax study in 1969.

ARIZONA. The special session of the legislature in December 1967 enacted two revenue measures, effective April 22, 1968. The tax on cigarettes was raised to 10 cents a pack from the former 6½ cents. The tax on distilled spirits went up from \$1.44 to \$2 per gallon.

FLORIDA. A tax-increase "package" designed to produce about \$350 million of new revenue during the final 15 months of the current biennium 1967-69, early this year became law without the signature of the governor. Most of the money is earmarked for education.

The package included a boost in the general sales tax rate to 4 per cent from the previous 3 per cent; established a new 4 per cent tax on commercial leases; raised the cigarette tax to 15 cents a pack from the prior 8 cents; raised the beer tax by 1 cent a bottle or 3 cents per 6-pack carton; and raised the liquor tax by 25 cents per fifth.

The special session also supplemented the appropriations for operating expenses of higher education for the biennium 1967-69 (originally made in early 1967) very substantially.

The new statewide total for the biennium is \$38 million larger than the original -- the change being from \$256 million to \$294 million approximately. This is an increase of nearly 15 per cent. Since fiscal year 1967-68 (the first year of the biennium) was half gone before the supplementary appropriations were made, it is probable that most of the added dollars will benefit fiscal year 1968-69, making the increase for that one year considerably more than 15 per cent.

GRAPEVINE has no figures for each of the two fiscal years separately. Accordingly, we shall use the crude expedient of attributing half of the original biennial appropriation to fiscal year 1967-68, and 56% of the supplemented

(continued on page 744)

FLORIDA (Continued from page 743)

biennial appropriation to fiscal year 1968-69, at least until we obtain some authoritative approximation of the sums actually attributable to each fiscal year.

The biennial appropriations as originally made in 1967 appear in Column 2, and as supplemented in 1968, in Column 3 of Table 17, which follows:

FLORIDA. Appropriations of state tax funds for operating expenses of higher education, biennium 1967-69, as supplemented by special legislative session in early 1968:

Table 17. State tax-fund appropriations for operating expenses of higher education in Florida, biennium 1967-69, as originally made in 1967 and as supplemented in early 1968, in thousands of dollars.

Institutions	Biennium 1967-69	
	As made in 1967	As revised in 1968
(1)	(2)	(3)
U of Florida	\$39,022	\$42,481
Health Center	13,421	13,672
Inst Food and Ag*	22,238	25,183
Grad Engrng Syst**	1,171	1,191
Engrng Exp Sta	970	970
Subtotal, U of Fla		
Florida State U	38,011	41,632
U of South Florida	18,578	21,432
Florida Atlantic U	9,933	11,354
Florida A&M Univ	9,409	9,813
U of West Florida	6,084	6,896
Fla Technological U	4,452	4,926
Bd of Regents, Genl+	1,651	3,881
Subtotal, all st u's		
U of Miami Medical Sch @	2,687	2,687
SREB & out-of-st aid	1,224	1,224
St aid for comm colls	87,367	106,923
Total	256,218	294,266

* Institute of Food and Agricultural Sciences includes Ag Exp Sta and Ag Extension.

(Continued in next column)

(Continued from preceding column)
Footnotes to Table 17 --

** Serves the middle East coast and Cape Kennedy areas.

+ Includes the following items which were funded by the special session:

Regents' Scholarships	\$1,500
Planning new inst Dade County	226
Planning new inst Duval County	226
For transfer to u's for increased enrollments ++	200
<u>Regional edn (TV)</u>	<u>78</u>

++ To be added to balance of \$2 million as yet undistributed.

@ Subsidy of \$4,500 per Florida student enrolled in the medical school of the private University of Miami.

If we compare undivided bienniums, it appears that the total for 1967-69 is a 57 per cent gain over 1965-67, two years earlier. The gain over biennium 1959-61, eight years earlier, appears to be 260 per cent.

If we compare our crude estimates of single fiscal years, then 1968-69 seems to represent a gain of 72½ per cent over 1966-67, two years earlier; and the gain over 1960-61, eight years earlier, is 298 per cent. These latter ratios we will use, at least until supplied with further information.

One should not fail to note that of Florida's supplemented total for biennium 1967-69 (\$294,266,085), approximately 40 per cent (\$106,923,000) is for state aid to 2-year community colleges. No other state appropriates so large a proportion of its total for higher education to junior colleges. Florida is placing heavy reliance, and probably wisely, on the swift development of a statewide network of local public community colleges generously subsidized with state tax funds. Florida's system consists of two elements (1) state universities, and (2) public 2-year colleges; with little or none of the "state college" type found in many other states. There are, of course, many diversities among Florida's state universities.

MARYLAND. The state Court of Appeals has sustained the 1967 act which replaced the flat-rate 3 per cent income tax with a graduated levy of 2 to 5 per cent.

The new measure was designed to produce \$184 million of additional state revenue during its first year, as well as a separate \$98 million for distribution to Baltimore city and the 23 counties of Maryland.

The recent decision of the Court of Appeals upheld the measure as against a supposedly successful referendum drive, by holding that the wording of affidavits on some 28,000 referendum petitions was erroneous and defective, and failed to comply with the referendum requirements of the state constitution.

NEW JERSEY. An organization known as the New Jersey Economic Policy Council is offering estimates regarding the probable productivity of various proposed tax measures.

A graduated state income tax at rates from 1 per cent to 5 per cent, as proposed, would yield \$268 million this year and \$284 million next year, says the Council. It is not making recommendations, but recognizes that the state's needs are pressing.

New Jersey's 3 per cent general sales tax, in effect since 1966, will produce about \$250 million this year. The Council estimates that each additional penny (1 per cent) on the sales tax would yield an additional \$70 million a year, which seems conservative.

The new State Board of Higher Education made a special report to the legislature May 13, 1968, in which it predicted that in addition to the 65,000 residents of New Jersey now students in public and private colleges in the state, 83,000 more would have to be accommodated by 1975. At present, the Board reported, 75,000 residents of the state are attending colleges in other states. This is more than half of New Jersey's students.

This extraordinary "exportation" of students is, of course, largely due to relatively poor support of higher

NEW JERSEY (Continued from preceding column)

education in the past. It is partly due, however, to the circumstance that New Jersey, small in area but with high density of population especially in its northern portion, is wedged between two of the world's largest cities, both of which lie outside its borders -- New York and Philadelphia.

Each of these huge cities has literally scores of institutions of higher education which attract students from New Jersey and other states; most of these institutions are private, making no distinction as to fees for residents and nonresidents of their respective states. Distances are comparatively short, and generally little thought is given to the crossing of state lines. All this, however, does not help the thousands of low-income students in New Jersey who need reasonably low-cost educational facilities in their own state and within easy commuting distance from their homes.

The State Board of Higher Education recommends that by 1975 the state should invest \$302 million in additional facilities for 83,000 undergraduates; \$10½ million for additional graduate students; and \$41 million for expanded medical and dental school facilities. This aggregates approximately half a billion dollars, for physical facilities alone, at Rutgers, the State University, the six state colleges, and two proposed new state colleges to be located in Bergen County and Atlantic County.

The Board says, "Although half a billion dollars seems large contrasted with the state's past commitment to higher education, we consider this amount to be the very minimum that must be invested to turn the tide."

By 1975, the Board predicts, the two-year community colleges must be able to accept 42,000 students; the eight state colleges 42,800; the Newark College of Engineering 3,400; Rutgers, the State University, 20,800; and the private institutions 36,000; with 75,000 New Jersey students continuing to go outside the state for their higher education.

(Continued in next column)

NEW HAMPSHIRE. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1968-69:

Table 18. State tax-fund appropriations for operating expenses of higher education in New Hampshire, fiscal year 1968-69, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of New Hampshire (Incl state colleges at Keene and Plymouth)	\$10,210
Coordinating Board for Advanced Education and Accreditation	11
Total	10,221

The total for fiscal year 1968-69 seems to be a gain of 42½ per cent over the comparable figure for fiscal year 1966-67, two years earlier. The 8-year gain since 1960 appears to be a trifle less than 149 per cent.

OKLAHOMA. The 1968 legislature voted to submit to popular vote at a special election to be held December 10, 1968, a state bond issue of \$99,808,000. Of this sum, more than \$57 million is destined for the State Regents for Higher Education, to be allocated as follows:

(In thousands of dollars)

College and university buildings	\$34,250
U of Oklahoma Medical Center	26,870
New state junior college at Tulsa	4,000
Community college building aid	2,000

A 1968 act of the legislature authorizes establishment of a new state junior college in Tulsa, and \$250,000 is appropriated to the Regents for planning and preliminary establishment of this institution.

There is also an appropriation of \$50,000 to the Regents for planning new local community junior colleges at Midwest City and such other locations as meet the standards established by the Regents in accord with an act of 1967.

(Continued in next column)

OKLAHOMA (Continued from preceding column)

Appropriations of state tax funds for operating expenses of higher education, fiscal year 1968-69:

Table 19. State tax-fund appropriations for operating expenses of higher education in Oklahoma, fiscal year 1968-69, in thousands of dollars, as allocated by the Regents for Higher Ed.

Institutions	Sums allocated
U of Oklahoma	\$10,901
Medical Center	6,280
Geological Survey	289
Subtotal, U of O -	\$17,470
Oklahoma State U	10,434
Ag Experiment Sta	2,207
Ag Extension Division	2,137
Coll of Veterinary Med	596
Tech Trng Sch at Okmulgee	1,261
Tech Inst at Oklahoma City	149
Subtotal, OSU -	\$16,784
Central State College	3,347
Northeastern State College	2,545
Southwestern State College	2,031
East Central State College	1,426
Southeastern State College	1,163
Northwestern State College	1,077
Cameron State Ag Coll	960
Northeastern Okla A&M Coll	859
Okla College of Liberal Arts *	814
Langston University	804
Okla Panhandle State Coll	751
Eastern Okla State College	548
Northern Oklahoma College	494
Murray St Coll of Agriculture	408
Oklahoma Military Academy	354
Connors St Coll of Agriculture	351
Student Ednl Asstnce Fund	200
SREB and dental edn asstce	85
Other (\$50,000 or less each)	187
Reserve for adjustments	100
State aid to comm-jr colls	100
Total	52,858

* Formerly Oklahoma College for Women, now coeducational.

The total for fiscal year 1968-69 is a gain of 26½ per cent over fiscal year 1966-67, two years ago. The 8-year gain since 1960-61 is 95½ per cent.