

M. M. Chambers, U.H.S. 4200-G
Center for the Study of Higher Education
The University of Michigan
Ann Arbor, Michigan

GRAPEVINE
* * * * *

A newsletter on state tax legislation; state appropriations for universities, colleges and junior colleges; state support of public school systems; 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.

WITH 26 STATES REPORTED, THE RATE OF GAIN OVER 1961-62 IS UP TO 28%

Table 28. Appropriations of state tax funds for operating expenses of higher education in 11 additional states for five successive fiscal years, in thousands of dollars, with dollar gains and percentage gains for 1963-64 over 1961-62, showing change over a period of two years. (This table is an extension Table 18 (page 345) which reported 15 states. The totals at the bottom of this table are for 26 states).

States	Year 1959-60	Year 1960-61	Year 1961-62	Year 1962-63	Year 1963-64	2-year gain	Percent gain
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Fifteen states reported in Table 18 (page 345).....					\$505,297	\$85,645	20 $\frac{1}{2}$
			\$419,652				
Alaska	\$2,111	\$2,323	3,023	\$3,301	4,817	1,794	59 $\frac{1}{2}$
Hawaii	6,277	7,374	9,185	10,778	13,819	4,634	50 $\frac{1}{4}$
Idaho	8,799	8,800	10,137	10,137	11,690	1,553	15 $\frac{1}{2}$
Iowa	34,230	34,230	38,914	38,914	47,997	8,533	22
Kentucky	14,954	19,672	24,491	29,573	32,164	7,673	31 $\frac{1}{4}$
Maryland	23,413	24,734	26,654	29,809	33,383	6,729	25 $\frac{1}{4}$
Mississippi	13,480	16,200	16,200	17,500	17,511	1,311	8
Montana	11,230	11,231	11,160	11,161	12,778	1,618	14 $\frac{1}{2}$
Nevada	3,682	4,107	4,863	5,299	5,994	1,131	23 $\frac{1}{4}$
New York	75,096	89,505	111,089	156,556	173,418	62,329	56
Virginia	19,943	23,187	23,983	28,859	35,858	11,875	49 $\frac{1}{2}$
Totals (26 states)		-	699,351	-	894,176	194,825	
Approximate weighted average			-	-	-	-	28

Why did the rate of gain (Column 8) jump from 20 $\frac{1}{2}$ % to 28% when these 11 states reported? Chiefly because New York's increase is approximately 56%. For more detail about New York, see page 355, this issue.

ALASKA. Appropriations of state tax funds for operating expenses of higher education for fiscal year 1963-64 are reported as in Table 29.

Table 29. State tax-fund appropriations for operating expenses of higher education in Alaska, fiscal year 1963-64, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Alaska	\$3,425
Community coll prog	250
Geophysical Institute	220
Ag Exp Sta	200
Ag Exten Serv	177
Inst of Marine Science	140
Inst of Arctic Biology	50
Mineral Industry Research	50
Rental of heating plant and facilities*	305*
Total	4,817

*This item is newly budgeted as an operating expense. The facility is financed by a nonprofit corporation, its cost to be amortized by annual rentals paid by the state.

The total is an increase of about 46% over the comparable figure for the preceding fiscal year. Even if the item for power plant rental were to be deducted, the percentage increase would be somewhat more than 36%.

Alaska's annual appropriations for operating expenses of higher education have substantially more than doubled within a period of five years. No doubt this is connected with increase of population, the attainment of statehood,

public confidence in a developing university, and good university leadership.

Increases at rates doubling within five years appear to have occurred in only four other states: Colorado, Hawaii, Kentucky, and New York; and it must be noted that in New York the rapid rise was very largely due to increased state subsidies to the municipal colleges and indirect aid to the private colleges through very greatly enlarged scholarship programs, rather than to large increases in support of the State University of New York.

More than 20 states are yet to be reported for 1963-64, however, and some of them may join the group that has doubled appropriations within five years.

HAWAII. Appropriations of state tax funds for operating expenses of higher education for fiscal year 1963-64 are reported as in Table 30.

Table 30. State tax-fund appropriations for operating expenses of higher education in Hawaii, fiscal year 1963-64, in thousands of dollars.

Institution (1)	Sums appropriated (2)
U of Hawaii	\$13,819
Total	13,819

The total appears to be a gain of slightly more than 50% over the comparable figure for 1961-62, two years ago.

 GRAPEVINE is owned and circulated by M. M. Chambers. It is not a publication of any institution or association. Responsibility for any errors in the data, or for opinions expressed, is not to be attributed to any organization or person other than M. M. Chambers. GRAPEVINE is circulated chiefly to persons in position to reciprocate by furnishing prompt and accurate reports from their respective states regarding tax legislation, appropriations for higher education, state support for elementary and secondary schools, and legislation affecting education at any level.

M. M. Chambers, U.H.S. 4200-G, The University of Michigan, Ann Arbor

ALABAMA. The state sales tax is increased from the present 3% to 4% effective October 1, 1963. This is expected to produce \$30 million a year of additional revenue for schools.

A new tax of 2¢ per bottle on beer has also been enacted, to finance the retirement of a \$15 million bond issue for construction of five new trade schools and five junior colleges.

IDAHO. Appropriations of state tax funds for operating expenses of higher education for biennium 1963-65 are reported as in Table 31.

Table 31. State tax-fund appropriations for operating expenses of higher education in Idaho, biennium 1963-65, in thousands of dollars.

Institutions	Sums appropriated
(1)	(2)
U of Idaho	\$11,235
Ag Research	2,100
Ag Extension	1,550
Special Research	135
Pure Seed	52
Lewis-Clark Normal Sch	502
Idaho State College	6,943
From Voc Ed approp	514
WICHE*	350
Total	23,381**

*Western Interstate Commission for Higher Education.

**Appropriation of \$155,000 for the Bureau of Mines, treated as an enterprise of the University of Idaho, brings the total to \$23,536.

The total for the biennium seems to be a gain of approximately 15½% over the comparable figure for the biennium 1961-63, two years ago.

* * * * *

IOWA. Appropriations of state tax funds for operating expenses of higher education for biennium 1963-65 are reported as in Table 32.

Table 32. State tax-fund appropriations for operating expenses of higher education in Iowa, biennium 1963-65, in thousands of dollars.

Institutions	Sums appropriated
(1)	(2)
State U of Iowa	\$31,968
U Hospital	13,606
Psychopathic Hosp	2,849
Bacteriol Lab	864
Hospital School	1,661
Lakeside Lab	9
Subtotal, S U I	\$51,656
Iowa State U	24,438
Ag Exp Sta	5,250
Coop Ag Exten	3,700
Subtotal, I S U	33,388
State College of Iowa	9,670
State Board of Regents*	181
Total	94,896

*Also governs Iowa Braille and Sight-Saving School, Iowa School for the Deaf, and Iowa State Sanatorium, which in the aggregate receive about \$5½ million in state tax funds for operating expenses.

Iowa makes appropriations for the entire biennium, undivided, leaving the amounts to be expended during each fiscal year at the discretion of the Board of Regents.

If we assume that the sum for each fiscal year is half the sum for the biennium, it appears that the 2-year gain for 1963-64 over 1961-62 is slightly less than 22%.

In addition to the operating funds, the Board of Regents was authorized to expend \$16 million for capital outlays. The board allocated \$7½ million to the State University of Iowa, \$6¼ million to Iowa State University, and \$2 million to State College of Iowa.

MARYLAND. Appropriations of state tax funds for operating expenses of higher education for fiscal year 1963-64 are reported as in Table 33.

Table 33. State tax-fund appropriations for operating expenses of higher education in Maryland, fiscal year 1963-64, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Maryland	\$24,696
Morgan St College	2,308
Towson S T C	2,072
Frostburg S T C	1,425
Salisbury S T C	683
Bowie S T C	660
Coppin S T C	580
St. Mary's Sem & Jr C*	243
For matching NDEA	66
<u>Subtotal (State insts)</u>	<u>\$32,733</u>
State-aided private insts	
John Hopkins U	210
Hood College	100
Washington College	100
Western Md College	100
St. John's College	80
Peabody Institute	35
Maryland Institute	25
<u>Subtotal (Private insts)</u>	<u>650</u>
<u>Total</u>	<u>33,383**</u>

*A state institution, not to be confused with the 11 county and local junior colleges.

**Appropriations of \$150,000 to the Board of Trustees of State Colleges, and \$25,000 to the Advisory Council for Higher Education bring the total to \$33,558,000.

The total seems to represent a gain of slightly less than 26% over the comparable figure for fiscal year 1961-62, two years ago.

MINNESOTA. Press reports of May 25 indicate that the legislature has passed a bill which looks toward complete state support and control of Minnesota's eleven local public 2-year colleges, after July 1, 1964.

Apparently the actual transfer of control in each case will depend upon the consent of the local board now governing the community college; but it appears probable that state assumption of full tax support will not be resisted.

Meantime, the state's contribution of \$300 per student as aid for operating expenses will be raised to \$350 for the fiscal year 1963-64.

Under the new measure the governor will be authorized to appoint, with the advice and consent of the senate, a 5-member state junior college board empowered to operate the eleven colleges and additional new ones, particularly three new ones which are projected for the metropolitan area of Minneapolis-St. Paul.

There was said to some surprise at the rather hasty inauguration of a policy of total divorcement of public junior colleges from local tax support. Of course most of the latitude for the exercise of the taxing power has already moved upward from the local subdivisions to the states and to the federal government; and the state's contribution to local services undoubtedly must increase; but should it go to the point of entire take-over?

One view is that the local taxing unit should continue to be a partner in community college support, even if its contribution be only a minor fraction of the necessary support.

If and when it goes into effect, the projected change will give Minnesota a "three-board" structure for public higher education at the state level: (1) the Board of Regents of the University of Minnesota, (2) the state board of education (governing the four-year state colleges), and (3) the state junior college board.

* * * * *

M. M. Chambers, U.H.S. 4200-G, The University of Michigan, Ann Arbor

MONTANA. Appropriations of state tax funds for operating expenses of higher education for biennium 1963-65 are reported as in Table 34.

Table 34. State tax-fund appropriations for operating expenses of higher education in Montana, biennium 1963-65, in thousands of dollars.

Institutions	Sums appropriated	
	(1)	(2)
Montana State U		\$8,571
Montana State College		8,443
Ag Experiment Sta		1,996
Ag Extension Serv		705
Eastern Montana Coll		2,331
Northern Montana Coll		1,263
Western Montana Coll		893
School of Mines		902
Bureau of Mines		273
Exec Sec & student travel		168
Total		25,545

The total seems to represent a gain of about 14 $\frac{1}{2}$ % over the comparable figure for the preceding biennium.

The biennium 1961-63 was memorable in Montana, because the total appropriations of state tax funds for operating expenses of higher education fell slightly below what they had been for 1959-61. Apparently the curve is again upward.

NEVADA. Appropriations of state tax funds for operating expenses of higher education for fiscal years 1963-64 and 1964-65 are reported as in Table 35.

* * * * *

Table 35. State tax-fund appropriations for operating expenses of higher education in Nevada, fiscal years 1963-64 and 1964-65, in thousands of dollars.

Institution	Sums appropriated	
	1963-64	1964-65
(1)	(2)	(3)
U of Nevada	\$5,994	\$6,470
Totals	5,994	6,470

The total for operating expenses for 1963-64 is a gain of 23 $\frac{1}{4}$ % over the comparable figure for 1961-62, two years ago.

The University of Nevada operates its main campus at Reno and its Southern Regional Division at Las Vegas.

For the ensuing biennium, for capital improvements on both campuses, the legislature authorized a total of \$4,716,700, and authorized the issuance of \$2 million in University bonds to finance additional laboratory and other facilities for the Radiological laboratory of the United States Public Health Service located on the Las Vegas campus. This will be amortized under a long-term Government lease.

Largest items for the Reno campus are \$1,456,000 for a new social science building and \$650,000 for a new stadium. At Las Vegas the chief items, in addition to the Radiological Laboratory mentioned above, are \$1,300,000 for a social science building and \$817,000 authorized for a dormitory-dining facility to be constructed with the assistance of Housing and Home Finance Agency financing.

NEW YORK. Appropriations of state tax funds for higher education for the fiscal year 1963-64 (exclusive of funds for capital outlay) are reported as in Table 36.

Table 36. State tax-fund appropriations for higher education in New York, exclusive of capital outlay funds, for fiscal year 1963-64, in thousands.

Institutions (1)	Sums appropriated (2)
State University of New York	
Central Administration	\$1,591
Cornell contract colls	
Agriculture	8,979
Home Economics	2,019
Ag Exp Station	1,925
Veterinary	1,735
Indus & Labor Rels	1,570
General services	1,915
State U Centers	
Buffalo	9,211
Albany	4,641
Harpur	3,015
Stony Brook	2,837
Professional colls	
Downstate Medical	5,498
Upstate Medical	3,990
Forestry	2,825
Maritime	1,265
Ceramics (Alfred)	1,100
Grad Sch Pub Affairs	219
State University Colleges	
Buffalo	4,199
Oswego	3,656
Cortland	3,346
New Paltz	3,134
Oneonta	2,800
Brockport	2,687
Plattsburgh	2,543
Potsdam	2,498
Genesee	2,492
Fredonia	2,309
Ag & Technical Institutes	
Farmingdale	2,185
Alfred	1,454
Morrisville	941
Cobleskill	838
Delhi	799
Canton	699
ALL SUNY institutions	1,949*
SUNY scholarships	1,250
Subtotal, SUNY	94,113
Scholarships & fellowships	21,955
"Scholar incentive" paymts	22,500
Subsidies to City U of NY	29,821
NY Higher Edn Asst Corp	5,029
Subtotal, other than SUNY	79,305
Grand Total	173,418

Note appertaining to Table 36.

*The item of slightly less than \$2 million for "ALL SUNY institutions" includes appropriations for the colleges' share of the National Defense Education Act student loan program, a sabbatical leave program, acceleration in teacher-training curricula, extension programs in teacher-training, some additional library staff, salary adjustments for certain professional positions, and utilities for new buildings.

The total of \$173,418,000 does not include \$9,500,000 appropriated as state aid to local public community colleges. This total represents a gain of 56% over the total reported in GRAPEVINE for 1961-62, two years ago. Actually the gain exceeds 60%, because our figure of two years ago included an item of \$5,690,000 for community colleges.

Considering state aid for local public community colleges separately, as we do in other states, New York's appropriation of \$9 $\frac{1}{2}$ million for that purpose in 1963-64 is a gain of 67% over the comparable figure of two years ago.

It is noteworthy that in New York only about 54% of the annual appropriations for higher education (exclusive of funds for capital outlays) goes to units of the State University of New York for operating expenses. About 29% goes for the student aid programs, chiefly scholarships, fellowships, and "scholar incentive" payments. About 17% goes for subsidies to the municipal University of the City of New York. These facts are essential to any meaningful comparison of New York with other states.

For example, if only appropriations to the State University of New York are taken into account, then New York ranks fourth among the states, following California, Illinois, and Michigan. But if the subsidies to the City University and the student aids are counted, then New York ranks second only to California.

* * * * *

----- M. M. Chambers, U.H.S. 4200-G, The University of Michigan, Ann Arbor -----

NEW YORK CITY. The new 4% rate for the city's general retail sales tax, effective June 1, 1963, is expected to bring in over \$200 million of additional annual revenue. The 5% rate on meals costing more than \$1, in effect in the past, is unchanged.

Collection at the new rate has been reported as not causing any perceptible change in the daily volume of sales.

PENNSYLVANIA. On June 1, 1963 the general retail sales tax at the new rate of 5¢ on the dollar became effective. Pennsylvania is the first state to push the rate up to that point.

The contrast with other states having a 4¢ rate is not as great as it might seem, however, because groceries, shoes, and clothing are exempt in Pennsylvania. This feature mitigates to some extent the regressive character of the sales tax by providing a considerable measure of relief for low-income families.

Governor Scranton earlier proposed a 4 $\frac{1}{2}$ ¢ rate with no exemptions, which was unacceptable to the legislature. The new measure now in effect will produce \$102 million a year more revenue than the former 4¢ sales tax.

To boost the annual revenue another \$26 million, the levy on each pack of cigarettes has been raised from 6¢ to 8¢.

Pennsylvania enacted its first general retail sales tax in 1953, at a 1¢ rate. In 1955 this was increased to 3¢; and in April and August 1959 it was put up to 3 $\frac{1}{2}$ ¢ and 4¢ respectively.

UTAH. Early in the year the legislature passed a measure authorizing a multimillion state bond issue for capital outlays, chiefly to finance state university and college buildings; but this bill was vetoed by Governor George D. Clyde, on account of his opposition to long-term state debt.

At a one-day special session late in May, the legislature appropriated \$18 million for construction starting July 1, 1963, and authorized planning for an addition \$24 million of construction. Borrowing for the initial projects is permitted, but the loans must be repaid from state revenues within 2 months after the close of the biennium 1963-65.

Most of the new buildings projected will be at the two state universities, Weber State College at Ogden, the four state junior colleges and the trade-technical institutes. The total amount involved is not greatly different from that stipulated in the earlier vetoed bill; but the program is "pay-as-you-go" rather than long-term borrowing.

GRAPEVINE. As soon as your legislature adjourns, please write GRAPEVINE a letter showing the amount of state tax funds (excluding income from student fees and other non-tax sources) appropriated to each of your state universities and colleges for operating expenses for the ensuing biennium (or fiscal year, or two fiscal years, as the case may be). Add any notes necessary to a comprehension of significant changes or innovations.

