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SINCE 1958 EIGHTH YEAR
Number 86 ----- MAY 1966 ----- Page 561

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.

IN THIS ISSUE

Georgia gains 41% in two years; 122% in six years 562

Maryland appropriates \$4 million for state aid to public junior colleges 563

New Jersey holds Academy of Medicine headquarters not exempt from property taxes 563

South Dakota captures institutional receipts and commingles 80% of them with the state general fund 564

Virginia appropriates 60% more for biennium 1966-68 than for preceding biennium 565

A PRELIMINARY GLIMPSE OF 35 STATES IN 1966 566

Statement of ownership and circulation of GRAPEVINE is on Page 562 (reverse hereof).

GEORGIA. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1966-67:

Table 76. State tax-fund appropriations for operating expenses of higher education in Georgia, fiscal year 1966-67, in thousands of dollars.

Institutions (1)	Sums appropriated* (2)
U of Georgia	\$13,045
Ag Exten Service	3,255
Ag Exp Sta	3,125
Continuation Edn Ctr	742
Subtotal, U of G -	\$20,167
Ga Inst of Technology	6,385
Engineering Exp Sta	1,707
Engineering Exten Div	115
Southern Technical Inst	729
Subtotal, GIT -	\$8,936
Medical College of Ga	2,679
Talmadge Mem Hosp	4,735
Subtotal, MC of Ga -	\$7,414
Georgia State College	4,532
Ga Southern College	2,022
West Georgia College	1,526
Fort Valley State Coll	1,322
Savannah State Coll	1,122
Albany State College	1,037
Woman's College of Georgia	1,033
Valdosta State College	1,006
Augusta College	837
Ga Southwestern Coll	775
North Georgia College	731
Armstrong State College	707

(Continued in next column)

Table 76. (Continued from preceding column)

State junior colleges---**	
Abraham Baldwin Ag Coll	757
Middle Georgia Coll	692
Kennesaw Junior Coll	673
Columbus College	554
South Georgia Coll	450
Brunswick Junior Coll	383
Gainesville Jr Coll	349
Albany Junior College	343
Regents of U System	500
Regents' Scholarships	200
Graduate Scholarships	200
Regents (for state jr colls)	75
Regional Edn (SREB)	75
Interest on const debt	8
Unallocated	77
State aid to comm colls***	690
Total	59,193

* Allocated to the several institutions by the Board of Regents of the University System.

** These are state junior colleges, units within the State University system of Georgia.

*** This is for the one junior college based on a local taxing subdivision (Fulton County) and not within the University System.

The total for fiscal year 1966-67 appears to be a gain of 41½% over the comparable figure for fiscal year 1964-65, two years ago.

The 6-year gain since fiscal year 1960-61 seems to be 122½%.

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MARYLAND. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1966-67:

Table 77. State tax-fund appropriations for operating expenses of higher education in Maryland, fiscal year 1966-67, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Maryland (incl medical units)	\$40,220
Subtotal, U of Md -	\$40,220
Morgan State College	3,398
Towson State College	4,185
Frostburg State College	2,084
Salisbury State College	1,135
Coppin State College	1,019
Bowie State College	1,004
St. Mary's Coll of Maryland	509
Subtotal, st colls -	\$13,334
State Scholarship Board	1,934
Higher Edn Loan Corp	102
Advisory Council for H Edn	136
Bd of Trustees of State Colls	102
State aid to jr colls	4,033
Subtotal, ALL PUBLIC -	\$59,861
Private institutions--	
Johns Hopkins University	279
Hood College	132
Western Maryland College	130
St. John's College	111
Washington College	119
Peabody Institute	42
Maryland Institute	40
Subtotal, private -	853
Total	61,567

The total for fiscal year 1966-67 seems to be a gain of 57% over the comparable figure for fiscal year 1964-65, two years ago. The 6-year gain since fiscal year 1960-61 is 144½%.

Maryland's appropriations to seven private institutions aggregate less than 1½% of the amount appropriated to public institutions. At least a majority of the favored private colleges

are denominational or "church-related". A lawsuit asking for a declaration that direct appropriation of tax money to a sectarian institution violates the First Amendment to the United States Constitution has been carried upward to the Maryland Court of Appeals, with the plaintiffs hoping that the issue will eventually be accepted for review and decided by the United States Supreme Court.

It is relevant to note that in Pennsylvania appropriations of tax money were made to selected sectarian and non-sectarian private colleges from about 1880 to 1920, when the Pennsylvania Supreme Court held that appropriations to denominational colleges were in violation of the state constitution, and must cease. -- Collins v. Kephart, 271 Pa. 428, 117 Atl. 440 (1921).

As readers of GRAPEVINE are aware, Pennsylvania continues to appropriate substantial sums to a dozen or more nonsectarian private universities and colleges. Very small vestiges of this practice can also be found in Vermont and possibly one or two other states. Maryland is now probably the only state which appropriates tax money to denominational colleges.

NEW JERSEY. Issues relating to the exemption of educational property from state taxation are numerous and often difficult, because the provisions for exemption are different in almost every state, and there is a host of diverse organizations, other than universities and colleges, which have some color of claim to being wholly or primarily of an educational character.

The Academy of Medicine of New Jersey is a private nonprofit organization of about 1,800 physicians and

(Continued on page 565)

NEW JERSEY (Continued from page 564)

surgeons, owning and using two houses only a few doors apart, as its headquarters. One of the houses contains the offices of the headquarters staff, some meeting-rooms and seminar rooms, and a historical display room. The other is devoted chiefly to housing the largest medical library in the state.

The State Division of Tax Appeals recently held both properties taxable; but on appeal to the Superior Court this decision was not wholly affirmed. As to the library house, the record was not entirely clear as to whether it was open and accessible to the public (if so, it might be exempt as a public library), or whether it was actually operated as a private library for the exclusive benefit of members of the Academy. Therefore the decision as to it was remanded "for determination, upon such proofs as the parties desire to submit, as to whether the premises was on the taxing date actually and exclusively used as a public library."

As to the headquarters office house, the decision adverse to exemption was affirmed. Its use, thought the court, was not exclusively for the public, but largely for the private benefit of the members. This was true though the lectures, seminars, and exhibits held there were educational in nature. It was not a "college" within the meaning of the New Jersey statute because there was no regular instructional staff, no regularly enrolled students, and no scheduled classes.

This view of medical associations is in accord with the holdings in many states, particularly in Illinois, where it has been applied to properties of the American Medical Association and of the Academy of Physicians and Surgeons, an international association.

-- Town of Bloomfield v. Academy of Medicine of New Jersey, 87 N. J. Super. 595, 210 A. 2d 420 (1965).

SOUTH DAKOTA. Supplementary appropriations were made by the 1966 legislature for operating expenses of higher education for fiscal year 1966-67, aggregating an additional \$2,865,000. The bulk of this (\$2,349) was appropriated to the Board of Regents of Education, to be allocated; but comparatively small sums were also appropriated directly to each of the institutions. Below is the revised tabulation for fiscal year 1966-67:

Table 78. State tax-fund appropriations for operating expenses of higher education in South Dakota, fiscal year 1966-67, in thousands of dollars, as augmented by supplemental appropriations in 1966.

Institutions (1)	Sums appropriated (2)
U of South Dakota	\$4,312
South Dakota State U	7,749
Sch of Mines & Technology	1,468
Northern State College	1,810
Black Hills State Coll	1,183
Southern State College	791
General Beadle State Coll	713
Board of Regents of Edn	4,224
<u>Gross total</u>	<u>22,251</u>
Less est institutional receipts*	8,000
<u>Total</u>	<u>14,251</u>

* South Dakota captures institutional receipts for the state treasury. Twenty per cent are earmarked for financing academic buildings at the institutions. Eighty per cent are commingled in the state general fund. Thus none of them can be classified as appropriations of state tax funds for operating expenses of higher education, and the whole must be subtracted from the gross appropriations to give a true picture of state tax-fund appropriations for operating expenses.

The total for fiscal year 1966-67 seems to represent a gain of 20% over the comparable figure for fiscal year 1964-65, two years ago.

The six-year gain since fiscal year 1960-61 is slightly over 75%.

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VIRGINIA. Appropriations of state tax funds for operating expenses of higher education, biennium 1966-68, by separate fiscal years:

Table 79. State tax-fund appropriations for operating expenses of higher education in Virginia, biennium 1966-68, by separate fiscal years, in thousands of dollars.

Institutions	Sums appropriated	
	1966-67	1967-68
(1)	(2)	(3)
U of Virginia	\$ 9,009	\$ 9,764
Hospital Division	3,316	3,424
Mary Washington Coll	920	889
Sch of Genl Studies	663	670
George Mason College	316	464
Clinch Valley Coll	196	206
Eastern Shore Branch	123	146
Patrick Henry Coll	79	109
Lynchburg Branch	67	71
Subtotals, U of Va -	14,693	15,747
Va Polytechnic Inst	6,409	7,222
Ag Exten Service	3,657	3,854
Ag Exp Sta	2,417	2,440
Engrng Exp Sta	215	267
Roanoke Tech Inst	92	115
Clifton Forge C C	90	108
Danville Comm Coll	84	94
Wytheville Comm C	70	83
Regional Edn	82	82
Subtotals, VPI -	13,119	14,268
Medical College of Va	4,542	4,816
Hospital Division	5,451	5,627
Subtotals, MC of Va -	9,993	10,444
College of Wm & Mary	3,284	3,631
Chris Newport Coll	146	229
Richard Bland Coll	120	129
Subtotals, C of W&M -	3,552	3,991
Va State College	2,847	2,999
Norfolk Division	1,779	2,027
Regional Edn	262	262
Subtotals, VSC -	4,888	5,289
Old Dominion College	2,280	2,603
Richmond Prof Inst	1,484	2,189
Va Military Institute	1,561	1,673
Madison College	1,555	1,696
Radford College ^a	1,132	1,262
Longwood College	1,090	1,266
Northern Va Tech Coll	876	1,220
St Bd of Comm Colls	3,004	7,323

(Continued in next column)

Table 79. (Continued from preceding column)

Va Assoc Research Ctr ^b	457	575
Tchr Edn & Scholarships	2,676	2,947
Improving Grad programs	500	500
Undergrad scholarships	175	200
State Edn Asst Auth	280	183
St partic in st tech ser- vices Act and H Ed Act of 1965	370	545
State Council of H Edn	155	156
Library Coordination	125	125
Other appropriations less than \$100,000 each	158	126
Totals	64,134	74,335

a - Formerly a branch of Virginia Polytechnic Institute.

b - The Virginia Associated Research Center is an off-campus research and graduate center jointly sponsored by the University of Virginia, the Virginia Polytechnic Institute, and the College of William and Mary. It is on a 350-acre site adjacent to the Space Radiation Effects Laboratory of the National Aeronautics and Space Administration. It will operate the Laboratory under contract, conduct basic research in high-energy nuclear physics, and offer resident graduate instruction through the Ph. D. degree.

The foregoing report of numerous "fringe" appropriations (top of this column) is somewhat more complete than GRAPEVINE has obtained in previous years. We are informed that a total of \$2,894,000 in this category was omitted from our report for fiscal year 1964-65. Accordingly we add that sum to our previous total for that year, and calculate that Virginia's gain over the two-year period through 1966-67 is 51%.

After our 1965-66 report is similarly rectified by adding \$2,981,000 not previously reported, and then compared with the total for fiscal year 1967-68, the gain over that two-year period appears to be 69½%.

If we compare the total for biennium 1964-66 with biennium 1966-68 as a whole the gain is 60½%.

A PRELIMINARY GLIMPSE OF THIRTY-FIVE STATES IN 1966

About two-thirds of the states appropriate biennially. Of these, all except three (Kentucky, Mississippi, Virginia) make their appropriations in odd-numbered years. A little more than half of this group have adopted the custom of specifying, in their biennial appropriation acts, exact sums for each of the two fiscal years of the biennium (usually larger sums for the second fiscal year). About a dozen states, however, continue to make biennial appropriations simply for the entire two-year period, without any distinction between the two fiscal years.

For this latter reason, GRAPEVINE's tabulations do not generally make comparisons over any period shorter than two years. For purposes of annual reporting, in order to keep the entire record as timely as possible, the tables use, when confronted with an undivided biennial appropriation, one-half of the undivided sum. This disregards the likelihood that currently the actual expenditures for the second fiscal year will be larger than for the first; and thus, in comparison with other states, probably slightly overstates the amounts for the first year and understates them for the second. But GRAPEVINE deals with appropriations; not expenditures. Moreover, the defect mentioned is automatically rectified when all states, regardless of their appropriation practices, are compared over any two-year period beginning with an odd-numbered year. This is true even for the three states which appropriate biennially in even-numbered years, because these states specify sums for each fiscal year.

The thirty-five states shown on this page are selected for no other reason than that the figures have been reported to GRAPEVINE. Most of the remaining fifteen states appropriate annually, and in most instances their appropriations for fiscal year 1966-67 had not yet been made when this summary was completed in April 1966. Among them are six populous and wealthy states: California, New York, Pennsylvania, Michigan, New Jersey, and Massachusetts.

Table 80. Appropriations of state tax funds for operating expenses of higher education enacted in 1966 for fiscal year 1966-67 by thirty-five states, compared with alternate fiscal years 1960-61 through 1964-65, showing dollar gains and percentage gains over latest two years and over six years, in thousands of dollars.

States	Fiscal years ending with odd numbers				1965-67		1961-67	
	Year	Year	Year	Year	2-year	%	6-year	%
	1960-61	1962-63	1964-65	1966-67	gain	gain	gain	gain
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
16 states *	392,322	471,042	603,358	853,075	249,717	41½	460,753	117½
11 states **	306,035	373,672	466,033	611,771	145,738	31	305,736	100
8 states ***	185,150	232,140	292,487	423,034	130,547	44½	237,884	128½
Totals	883,507	1,076,854	1,361,878	1,887,880	526,402		1,004,373	
Weighted percentages						38½		113½

* Detailed in Table 67, GRAPEVINE page 538.

** States appropriating biennially, sums undivided by fiscal years.

*** Detailed in Table 70, GRAPEVINE page 555.