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SINCE 1958 THIRTEENTH YEAR
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Second of two issues this month

GRAPEVINE
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Reports on state tax legislation; state appropriations for universities, colleges, and junior colleges; legislation affecting education beyond the high school.

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Statement of ownership and circulation of GRAPEVINE is on page 996 (reverse hereof).

Table 4. THIRTY-THREE STATES SHOW CUMULATIVE WEIGHTED AVERAGE TWO-YEAR GAIN OF 23 3/4 PER CENT

States	Year	Year	Year	2-yr gain	10-yr gain
	1961-62	1969-70	1971-72	per cent	per cent
(1)	(2)	(3)	(4)	(5)	(6)
26-states previously reported --*	\$568,039	\$1,940,523	\$2,476,206		
Cumulative weighted average percentages				27 1/2	336
California	247,172	749,162	849,501	13 1/2	243 1/2
Connecticut	14,855	80,270	111,695	39	652
Delaware	4,368	16,933	23,088	36	428 1/2
Iowa	39,682	101,598	117,445	15 1/2	196
Nevada	4,863	14,778	18,642	26	283 1/4
N Hampshire	4,717	10,685	12,935	6+	174 1/4
Texas	84,873	340,046	418,369	23	393
33-state total	969,109	3,253,995	4,027,423		
Cumulative weighted average percentages				23 3/4	315 1/2

* Refer to Table 96, GRAPEVINE page 990.

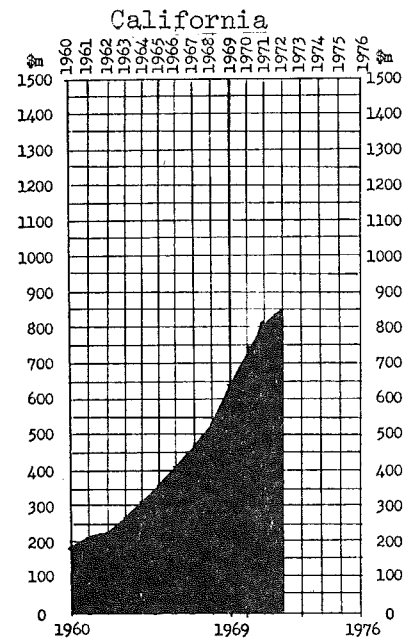
+ This percentage is estimated, not computed; comparable totals are not available for the two fiscal years 1969-70 and 1971-72. See Table 10, page 1001, this issue.

California's appropriations of state tax funds for operating expenses of higher education in fiscal year 1970-71 (\$817 million) were more than one-ninth of the total for all fifty states.

For 1971-72 California appropriates \$849 1/2 million-- a one-year rate of gain of a trifle less than 4 per cent-- and a two-year gain of 13 1/2 per cent over the \$749 million appropriated for fiscal year 1969-70, two years ago.

The two-year cumulated average weighted gain for the 32 states that reported earlier this year hovered close around 27 per cent, until California weighed in and pulled the average down four points at a single stroke, to between 23 and 24 per cent.

Big Texas came in with a gain of 23 per cent, which didn't push the cumulative average up at all. The cumulative gross total for 33 states is now a little more than \$4 billion. Most of the biggest ones are yet to come.



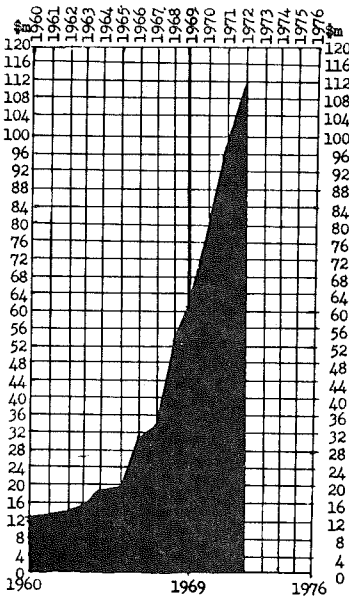
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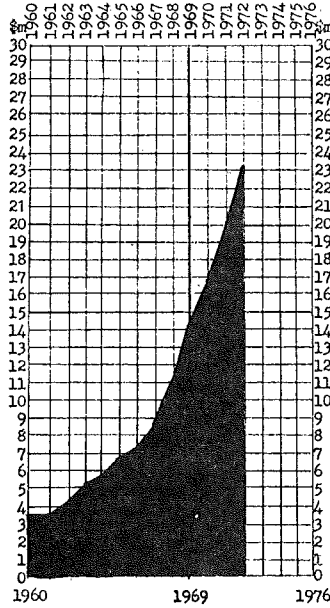
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APPROPRIATIONS OF STATE TAX FUNDS FOR ANNUAL OPERATING EXPENSES OF HIGHER EDUCATION IN CONNECTICUT, DELAWARE, IOWA, NEVADA, NEW HAMPSHIRE, AND TEXAS, OVER 12 CONSECUTIVE FISCAL YEARS, 1960-1972

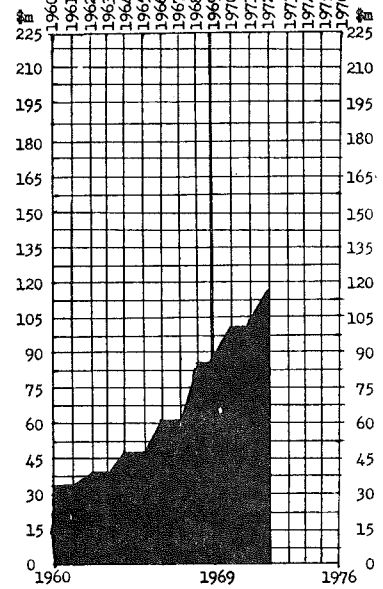
Connecticut



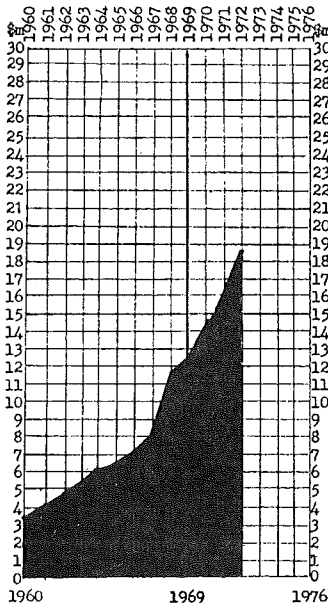
Delaware



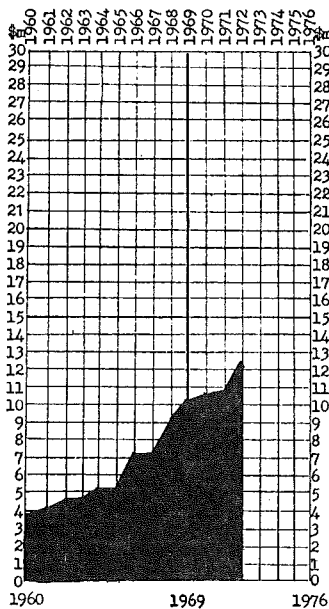
Iowa



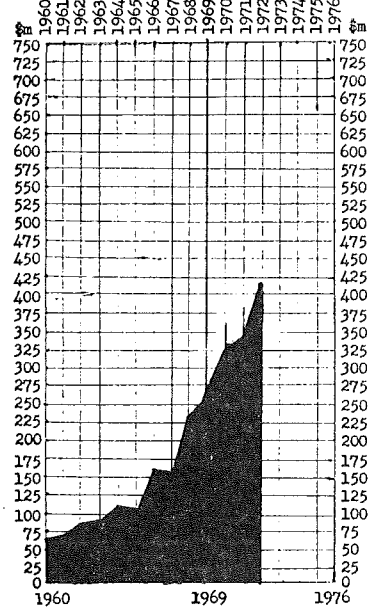
Nevada



New Hampshire



Texas



Note that the vertical scales of the separate graphs are not identical in all cases.

ALASKA. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1971-72:

Table 5. State tax-fund appropriations for operating expenses of higher education in Alaska, fiscal year 1971-72, in thousands of dollars. *

Institutions (1)	Sums appropriated (2)
U of Alaska	\$14,422
Community colleges	2,216
Inst of Agri Sciences	549
Coop Ag Ext Ser	455
Geophysical Institute	510
Inst of Marine Science	446
Inst of Soc, Econ, Govt Res	234
Inst of Arctic Biology	206
Sea Grant Research	198
Inst of Arctic Envir Engrng	134
Inst of Water Resources	85
Tundra Biome Research	44
Total	19,500

* This tabulation provides additional detail for the Alaska entry on GRAPE-VINE page 992, and should be read in conjunction therewith.

ARKANSAS. Numerous revenue changes were enacted. The graduated income tax now runs from 1 per cent on the lowest bracket, upward by steps of one-half of one per cent to the former top bracket, then 6 per cent on incomes of \$15,000 to \$25,000 and 7 per cent on incomes of \$25,000 or more.

The cigarette tax was raised to 17 3/4 cents a pack from the former 12 3/4 cents. A gross receipts tax was levied on common carriers, including airlines, railroads, bus lines, pipelines, and other public utilities. Additional severance taxes were placed on some natural resources not taxed perviously, including salt water used in obtaining bromine.

CALIFORNIA. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1971-72:

Table 6. State tax-fund appropriations for operating expenses of higher education in California, fiscal year 1971-72, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of California (all campuses) *	\$332,018
California State Colleges *	315,660
Hastings College of Law	1,252
California Maritime Acad	791
State aid to comm colls **	175,000
Bd of Governors, Comm Colls +	4,310
Scholarship and Loan Comm	20,000
Coord Council for H Edu	455
WICHE	15
Total	849,501

* No appropriations for faculty salary increases.

** Approximation.

+ Includes \$3,350,000 for EOP.

The total for fiscal year 1971-72 appears to be a gain of 13 1/2 per cent over the comparable figure for fiscal year 1969-70, two years earlier.

There were no appropriations for capital outlays.

Allocations to the several campuses of the University, and to the 19 state colleges, will be exhibited later when available.

Fiscal year 1971-72 is the second consecutive year in which the Reagan administration budgeted no appropriations for faculty salary increases at the University or at the state colleges.

Considering the rate of inflation of prices and wages and the cost of living over those same two years, it is painfully obvious that a continuation of this policy means deterioration of public higher education in California.

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CONNECTICUT. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1971-72:

Table 7. State tax-fund appropriations for operating expenses of higher education in Connecticut, fiscal year 1971-72, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Connecticut	\$44,700
Medical-Dental School	13,191
Subtotal, U of C -	\$57,891
State colleges -	
Central Connecticut	11,253
Southern Connecticut	11,097
Western Connecticut	4,705
Eastern Connecticut	3,324
Board for State Colleges	340
Subtotal, s c's -	\$30,719
Regional comm colls	13,900
Bd for Regnl Comm Colls	354
Subtotal, r c c's -	\$14,254
Technical colleges	4,548
Commission for Higher Edn	3,280
Contract services *	900
Commission on Aid to H Edu	17
New England Bd of H Edu	86
Total	111,695

* To contract with private colleges to encourage them to admit more Connecticut students. The amount expended during fiscal year 1970-71 was \$900,000, out of an appropriation of \$1,400,000.

The total for fiscal year 1971-72 is a gain of 39 per cent over the comparable sum for fiscal year 1969-70, two years earlier.

There was a long impasse between the Republican Governor Meskill and the Democratic legislature over revenue measures, but their recommendations for higher education were close together.

A few days after the appropriation bill was enacted, all agencies of higher education were notified by the Commissioner of Finance and Control

(Continued in next column)

CONNECTICUT. (Continued from preceding column)

that "each agency is assigned the goal of projecting operations in 1971-72 with a reduced level of 11 1/2 per cent below the appropriations... while still accomplishing its duties and meeting its established workload requirements."

If the bureaucrats can make that one stick, the two-year gain will turn out to be 23 per cent instead of the 39 per cent reported herein. Meantime GRAPEVINE reports appropriations as of the beginning of the fiscal year and makes corrections later if major changes occur.

How far have Connecticut and several other states gone in providing that a legislative appropriation act can be nullified by executive fiat? When will we slow down our continual aggrandizing of the overcentralized state executive branch, and begin to restore the state legislatures to their prerogative as the lawmaking branch?

The legislature of Connecticut enacted a graduated personal income tax on the following rate scale: Taxable income below \$1,000, one per cent; from \$1,001 to \$3,000, two per cent plus a flat \$10; from \$3,001 to \$6,000, four per cent plus \$50; from \$6,001 to \$12,000, five per cent plus \$170; and from \$12,000 up, six per cent plus \$470.

The governor said he was much displeased and did not sign the bill, but it automatically became law five days after reaching his desk. He had advocated a different tax package, including an increase in the state sales tax to 6 1/2 or 7 per cent, which would be higher than any state sales tax now extant.

The new personal income tax is retroactive to July 1, 1971, and the act provides, among other things, that the state sales tax shall be continued at the present rate of 5 per cent.

(Continued on page 1000)

CONNECTICUT. (Continued from page 999)

During the biennium 1969-71, now past, for which total state expenditures of \$1.7 billion were budgeted, Connecticut accumulated a deficit of \$260 million. The state is now shifted to the annual appropriation system. According to press reports, under the current \$1.15 billion annual budget (including the appropriations for higher education as reported herein) \$82 million of the deficit would be paid off during the coming year.

DELAWARE. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1971-72:

Table 8. State tax-fund appropriations for operating expenses of higher education in Delaware, fiscal year 1971-72, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Delaware	\$13,586
Employer's share, Soc S *	730
State pension fund *	370
All scholarships **	480
New programs	285
State Geologist	132
Poultry diagnostic serv	10
Shellfish research	10
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Subtotal, U of D -	\$15,603
Delaware Institute of Medical Education and Research	1,500
Delaware State College	2,330
Delaware Tech and Comm Coll	3,602
H Ed Aid Advisory Commission	56
Total	23,091

* Appropriated to the state treasurer

** Four separate programs

The total for fiscal year 1971-72 seems to be a gain of 36 per cent over the comparable figure for fiscal year 1969-70, two years earlier.

IOWA. Appropriations of state tax funds for operating expenses of higher education, biennium 1971-73:

Table 9. State tax-fund appropriations for operating expenses of higher education in Iowa, biennium 1971-73, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Iowa	\$73,275
U Hospitals	17,476
Psychopathic Hospital	4,464
Bacteriological Labr	1,614
Hospital Schools	2,935
State Sanatorium	3,473
<hr/>	
Subtotal, U of I -	\$103,237
Iowa State U	58,908
Ag Experiment Sta	8,089
Ag Extension Service	6,859
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Subtotal, ISU -	\$73,856
University of Northern Iowa	22,492
State Bd of Regents	279
State aid to Area Schools *	22,200
Private coll tuition grants **	525
Medical student tuition loans	300
Total	234,889

* Area Schools are Iowa's version of local public junior colleges having federally-aided vocational-technical divisions.

** Grants to selected students who attend private colleges.

The total for biennium 1971-73 appears to be a gain of 15 1/2 per cent over the comparable figure for the preceding biennium 1969-71. Since appropriations are undivided for the biennium, with no specific allocations to each of the two fiscal years, we halve the biennial appropriation to fit into our large 50-state tabulation of annual appropriations. This is one example of several types of estimates and approximations GRAPEVINE has to make in order to report appropriations promptly at the beginning of each fiscal year.

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NEW HAMPSHIRE. Appropriations of state tax funds for operating expenses of higher education, biennium 1971-73:

Table 10. State tax-fund appropriations for operating expenses of higher education in New Hampshire, biennium 1971-73, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of New Hampshire	\$14,142
Ag Extension	223
Educational TV	700
Merrimack Valley Branch	140
Subtotal, UNH -	\$15,205
Keene State College	2,247
Plymouth State College	2,001
Subtotal, UNH Syst -	\$19,453
Coord Bd of Adv Edu & Accred	25
Subsidy to U Vt Medical Sch	125
Seven voc-tech colleges *	5,177
Total	25,870

* The vocational-technical colleges were until recently fewer in number, smaller in size, and not as largely post-high-school as now. Hence they were not included in these annual tabulations prior to 1971. Thus it is impossible to compute the two-year gain from available data. The statewide total for fiscal year 1971-72 is estimated to be a gain of about 6 per cent over the comparable figure for fiscal year 1969-70, two years ago.

During that period the dollar gain for the voc-tech colleges was probably \$3 million, but this was nearly balanced by declines for the University and the two state colleges.

Governor Walter Peterson has said he will call a special session of the General Court (legislature) this fall to enact necessary revenue measures and repair some of the deficiencies of the state budget in its

(Continued in next column)

NEW HAMPSHIRE. (Continued from preceding column)

present form. New Hampshire continues to be the only state without any broad-based tax on either incomes or sales.

OKLAHOMA. The 1971 legislature enacted tax measures to produce \$45 million a year of additional revenue: \$14 million by raising the gross production tax on oil to 7 per cent from the former 5 per cent, and \$7 million from a similar tax on natural gas; \$17 million by changes in the state income tax, and \$7 million from liquor tax increases.

TEXAS. New state revenue acts are expected to bring in additional funds at the rate of somewhat more than \$300 million a year. Changes include raising the general sales tax to 4 per cent from the former 3 1/4 per cent, raising the motor vehicle sales tax to 4 per cent from the former 3 per cent and extending it to cover short term car rentals, and other tax boosts:

Corporate franchise tax, up to \$4.50 per \$1,000 of capital structure, from \$3.25;

State beer tax, to \$6 a barrel up from \$4.30;

Cigarette tax, up to 18 1/2 cents from 15 1/2 cents.

The legislature removed raises in the gasoline and diesel fuel taxes which would have produced nearly \$150 million a year, when Governor Preston Smith threatened a veto of the entire revenue package unless this were done.

(Continued on page 1002)

TEXAS. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1971-72:

Table 11. State tax-fund appropriations for operating expenses of higher education in Texas, fiscal year 1971-72, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Texas at Austin	\$54,360
UT Med Br, Galveston	21,673
UT Anderson Hspt, Houston	14,026
UT at Arlington	11,561
UT at El Paso	9,283
UT SW Med Sch, Dallas	8,606
UT Med S, San Antonio	7,558
UT Dental Br, Houston	5,220
UT Med Sch, Houston	2,650
UT at Dallas	2,000
UT Sch of Nursing *	1,812
UT at San Antonio	1,668
UT at Permian Basin	1,600
UT Sch Pub Health, Houston	1,583
UT Dent S, San Antonio	1,417
UT Grad Biomed Sci, Houston	1,017
UT Inst Tex Cultrs, San Antonio	720
UT Envir Park at Bastrop **	100
<hr/>	
Subtotal, UT System -	\$146,854
Texas A & M U	27,724
Ag exp sta	7,317
Ag exten serv	7,128
Prairie View A & M Coll	6,039
Tarleton State Coll	2,579
Texas Forest Service	2,003
Engrng Exp Sta	1,658
Engrng Exten Serv	895
Texas Maritime Acad	712
Rodent Control Serv	624
Vet Med Diagnostic Lbtry	229
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Subtotal, A & M System -	\$56,908
Texas Tech U	25,418
Medical Sch, Lubbock	2,146
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Subtotal, T T U -	\$27,564

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TEXAS. (Cont'd from preceding column)

U of Houston	23,458
North Texas State U	16,536
East Texas State U	9,614
Sam Houston State U	8,988
Southwest Texas St U	8,708
S F Austin State U	8,388
Lamar University	8,115
Texas A & I University	7,912
Texas Woman's Univ	7,868
West Texas State U	6,213
Texas State Tech Institute	5,499
Texas Southern U	4,839
Pan American U	4,751
Midwestern University	3,253
Angelo State University	3,172
Sul Ross State U	2,896
Coordinating Board ***	6,517
Three Systems Offices	1,950
Other Agencies +	679
Cotton Research Comm	499
SREC	55
St aid to jr colls	47,133
<hr/>	
Total	418,369

* The School of Nursing is a System-wide organization.

** New agency of Higher Education

*** Includes appropriations for the administration of the following: Coord & Federal programs \$488,000; Hinson-Hazlewood Coll Stu Loan Program \$598,000; Osteopathy Scholrshps \$231,000; Baylor Medical & Dental Schs \$4,200,000; Tuition equalizatn Grants to private Instis of H Edu \$1,000,000.

+ Museums at three institutions, county taxes on university lands, and Western Information Network Association.

The total for fiscal year 1971-72 appears to be a gain of 23 per cent over the comparable figure for fiscal year 1969-70, two years earlier.