

M. M. Chambers  
Department of Educational Administration  
Illinois State University, Normal, Illinois 61761

SINCE 1958 SIXTEENTH YEAR  
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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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"There is no more valid reason for shifting the cost of higher education to the student than there would be for shifting the cost of elementary and secondary education to the students and their immediate families."

--George Meany, president of the AFL-CIO

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Table 79. FIFTEEN STATES HAVE APPROPRIATED FOR FISCAL YEAR 1974-75, WITH GAINS OF 18 1/4 PER CENT OVER FISCAL YEAR 1972-73, TWO YEARS EARLIER.

| States   | Year<br>1972-73 | Year<br>1973-74 | Year<br>1974-75 | 2-Year<br>Gain | 2-yr gain<br>per cent |
|--|-----------------|-----------------|-----------------|----------------|-----------------------|
| (1)  | (2)             | (3)             | (4)             | (5)            | (6)                   |
| Ten states previously reported*                |                 |                 |                 |                |                       |
| 10 States                                      | 1,569,744       | 1,729,380       | 1,839,235       | 269,491        | 17                    |
| Three states reporting by undivided biennium** |                 |                 |                 |                |                       |
| North Dakota                                   | 27,476          | 31,730          | 31,730          | 4,254          | 15                    |
| Washington                                     | 190,467         | 232,343         | 232,343         | 41,876         | 22                    |
| Wyoming  | 18,316          | 22,758          | 24,306***       | 5,990          | 32 1/2                |
| Two states newly reported in 1974              |                 |                 |                 |                |                       |
| New Mexico                                     | 50,968          | 54,902          | 61,382          | 10,414         | 20 1/2                |
| Utah   | 57,195          | 66,373          | 75,740          | 18,545         | 32 1/2                |
| Totals   | 1,914,166       | 2,137,486       | 2,264,736       | 350,570        |                       |
| Weighted average percentage of gain            |                 |                 |                 |                | 18 1/4                |

\* See GRAPEVINE Table 74, page 1194 (January 1974).

\*\* The only recourse is to use one-half of the biennial appropriation

\*\*\* Recent legislative changes have increased the appropriations for the 1973-75 biennium.

Table 79 is a conglomerate of (1) ten states appropriating biennially but by separate fiscal years; (2) three states appropriating by undivided biennium; and (3) two states appropriating annually and here newly reported for fiscal year 1974-75. In groups (1) and (2) the appropriations for fiscal year 1974-75 were made in 1973, a full year or more in advance of the beginning of the fiscal year to which they appertain.

This circumstance tends to make the rates of gain smaller than they would be when appropriations are made for the immediately ensuing fiscal year. Thus the weighted average two-year gain of 18 1/4 per cent is not a good predictor for the fifty states, most of which will appropriate for the immediately ensuing fiscal year. The weighted average two-year gain for the two states of group (3) is 26 1/2 per cent, and is more likely to be representative of the forthcoming acts of 35 legislatures.

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Address communications to M. M. Chambers, Department of Educational Administration, Illinois State University, Normal, Illinois 61761.

M. M. Chambers, Illinois State University, Normal, Illinois 61761

KENTUCKY. The letter below, reproduced here by permission of the signer, refers to GRAPEVINE page 1203 (March 1974) where our preliminary figure for the governor's recommended budget for fiscal year 1974-75 was reported as \$182 1/2 million.

The rectifications supplied by the letter bring the recommended budget up by an added \$6.6 million, making the total only 1 1/2 per cent below the figure projected in 1966 at page 299 in Higher Education in Kentucky, 1965-75: A Program of Growth and Development. Frankfort: Commission on Higher Education, January 1966. 421 pp.

COMMONWEALTH OF KENTUCKY  
EXECUTIVE DEPARTMENT FOR  
FINANCE AND ADMINISTRATION  
FRANKFORT 40601

OFFICE FOR  
POLICY AND MANAGEMENT

THE CAPITOL  
(502) 564-7300

February 22, 1974

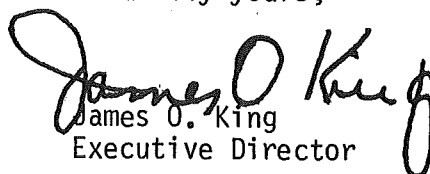
Dr. M. M. Chambers  
Department of Educational Administration  
Illinois State University  
Normal, Illinois 61761

Dear Dr. Chambers:

I read with interest the March, 1974, Grapevine. In comparing figures for Kentucky, I noted a couple of slight errors and some proposed amendments to the Appropriation Bill which will affect the dollars available for higher education. For the University of Louisville, \$1.8 million will be added each year to make up for lost city and county appropriations and an additional \$123,000 will be added each year at Western Kentucky University for maintenance and operation of a building omitted in the budget. The figure for the Higher Education Assistance Authority is \$1.4 million in 1974-75 and \$2.4 million in 1975-76. The Appropriation Bill also contains a contingency appropriation of \$2.8 million, if available, to provide for another \$75 reduction in tuition at the University of Louisville. If we added all of these changes for 1975-76, State aid will be \$187.1 million which surely reflects the accuracy of your 1966 projection of \$189.8 million.

I am sure that you also took note in the budget of the appropriations for capital improvements at the various universities, totaling \$68 million for the biennium, which is in addition to the operating budgets.

Cordially yours,

  
James O. King  
Executive Director

NEW MEXICO. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1974-75:

Table 80. State tax-fund appropriations for operating expenses of higher education in New Mexico, fiscal year 1974-75, in thousands of dollars.

| Institutions<br>(1)          | Sums appropriated<br>(2) |
|------------------------------|--------------------------|
| U of New Mexico              | \$23,691                 |
| Medical School               | 2,920                    |
| Medical Investigator*        | 351                      |
| Student Exchange**           | 475                      |
| Northern Branch              | 152                      |
| Gallup Branch                | 126                      |
| Subtotal, U of NM -          | \$27,715                 |
| New Mexico State U           | 13,475                   |
| Ag Exper Station             | 1,793                    |
| Ag Exten Serv                | 1,441                    |
| State Dept of Agriculture*   | 722                      |
| San Juan Branch              | 330                      |
| Alamogordo Branch            | 205                      |
| Carlsbad Branch              | 161                      |
| Dona Ana Branch              | 168                      |
| Grants Branch                | 99                       |
| Subtotal, NMSU -             | \$18,394                 |
| Eastern New Mexico U         | 5,738                    |
| Roswell Branch               | 490                      |
| Clovis Branch                | 142                      |
| Subtotal, ENMU -             | \$6,370                  |
| N M Inst of Mining & Tech    | 1,995                    |
| State Bureau of Mines*       | 750                      |
| Subtotal, NMIT, -            | \$2,745                  |
| New Mexico Highlands U       | 3,427                    |
| Western New Mexico           | 2,009                    |
| New Mexico Military Inst+    | 256                      |
| Board of Educ Finance        | 178                      |
| WICHE General Dues           | 28                       |
| State aid to junior colleges | 260                      |
| Total                        | 61,382                   |

\*State function administered through the institution.

\*\*Includes WICHE student exchange program and a supplementary dental student exchange program.

+Two-fifths of students are at college level; three-fifths in grades 9-12. Appropriation is for support of entire program.

UTAH. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1974-75:

Table 81. State tax-fund appropriations for operating expenses of higher education in Utah, fiscal year 1974-75, in thousands of dollars.

| Institutions<br>(1)         | Sums appropriated<br>(2) |
|-----------------------------|--------------------------|
| University of Utah          | \$29,119                 |
| College of medicine         | 3,348                    |
| University hospital         | 941                      |
| Economic development center | 99                       |
| Research support            | 993                      |
| Special enterprises*        | 554                      |
| Subtotal, U of U -          | \$35,054                 |
| Utah State University       | 13,826                   |
| Ag exper station            | 1,597                    |
| Cooperative extension       | 1,305                    |
| Research support            | 273                      |
| Ecology center              | 232                      |
| Water research lab          | 346                      |
| Special enterprises**       | 353                      |
| Subtotal, USU -             | \$17,932                 |
| State colleges -            |                          |
| Weber State College         | 8,842                    |
| Utah Tech Coll, Salt Lake   | 3,419                    |
| Southern Utah State Coll    | 2,786                    |
| Utah Tech Coll, Provo       | 1,950                    |
| Dixie College               | 1,450                    |
| Snow College                | 1,290                    |
| College of Eastern Utah     | 1,137                    |
| Subtotal, s c's -           | \$20,874                 |
| Central Agency              | 482                      |
| Statewide television        | 587                      |
| Cooperative nursing         | 349                      |
| WICHE                       | 212                      |
| Computer services           | 100                      |
| Student loans               | 100                      |
| Ethnic awareness            | 50                       |
| Subtotal, c a -             | \$1,880                  |
| Total                       | 75,740                   |

\* Includes: Educationally disadvantaged, \$397,000; coal research, \$25,000; seismograph station, \$82,000, and Museum of Natural history, \$50,000.

\*\* Includes: Educationally disadvantaged, \$60,000; Southeastern Utah continuing education center, \$74,000; Uintah Basin continuing education center, \$169,000, and Man and His Bread Museum, \$50,000.

THE THIRTY-ODD MEGAVERSITIES

In GRAPEVINE pages 1184 and 1185 (Tables 72 and 73) for December 1973, it appeared that approximately 33 state universities of one type or another received as much as \$50 million or more of state tax funds for annual operating expenses for fiscal year 1973-74.

The same tables also revealed that the rate of gain over the most recent two years for these large institutions as a whole was 15 1/2 per cent. This was smaller than the 25 per cent rate recorded for all tax-supported higher education as a whole for the same period, but it was a gain, not a relapse. Perhaps it was not much higher than the concurrent rate of inflation, but it was at least somewhat higher.

The Thirty Largest Universities  
As Measured by Enrollments

The publication in the February 1974 issue of Intellect (formerly School and Society) Vol. 102, No. 2355, pp. 318-336, of Garland G. Parker's long-continued and respected estimates of enrollments, including a separate tabulation of the 33 largest institutions, prompts a brief comparison of his enrollment figures with GRAPEVINE's tax support figures.

Parker's list of 33 largest universities includes three private institutions, ranking near the bottom among the 33. These are Brigham Young, Northeastern, and Pittsburgh. (Pittsburgh, though "state-related" and heavily subsidized with tax funds, is nevertheless a private corporation.) The remaining thirty public universities are all, with the exception of two, found in GRAPEVINE's pages 1184 and 1185, in roughly similar but not identical sequence.

The two state universities in Parker's list and not in GRAPEVINE's tables are the University of Massachusetts and the University of Tennessee. These rank a little below the middle of Parker's list in order of enrollments. Each is a multi-campus institution. The University of Massachusetts has, in addition to

the main campus at Amherst, a large and rapidly-growing branch campus in Boston, and a new medical school at Worcester.

The University of Tennessee, with main campus at Knoxville, has its school of medicine and other medical units at Memphis, and other four-year branch campuses at Martin, Chattanooga, and Nashville.

Additions to GRAPEVINE's Table 73  
(page 1185)

The totals of state tax support for annual operating expenses of these two state universities for fiscal year 1973-74 were reported as \$75,516,000 and \$71,893,000 respectively. Thus they rank among the top thirty-odd state universities as measured by the criterion of state tax support. By oversight they were omitted from our Table 73, where they would be placed thirteenth and sixteenth in that listing, bringing the aggregate in that exhibit to thirty-two.

Their percentages of gain over the two-year period immediately preceding fiscal year 1973-74 happen to be reported as identical--29 per cent. This would produce a slight rise in the rate of gain of 15 1/2 per cent reported for the thirty institutions already exhibited in Table 73.

State Tax Support Does Not  
Necessarily Match Enrollments

Garland G. Parker reports enrollments; GRAPEVINE reports state tax support for annual operating expenses. Comparison is irresistible; but it would be entirely insupportable to expect an exact parallelism. Different institutions get varying percentages of their total operating income from state sources; and each has its own "mix" of students, with its operating costs greatly affected by the proportion of advanced graduate and professional students, and the emphasis placed on different programs that vary widely in cost.

## A PLETHORA OF BAD ADVICE ON FINANCING HIGHER EDUCATION

(In accord with the disclaimer that appears on the second page of every issue of GRAPEVINE, statements of fact or opinion herein are not to be attributed to any institution or association, or to any organization or person other than M. M. Chambers in his capacity as a private citizen.)

The past year has seen the launching of no fewer than half a dozen reports by state or national committees or commissions addressed to the financing of higher education in the United States.

At least five of these, though they differ widely in the jungles of detail that they ask the reader to plow through, as well as the details of the schemes they have concocted and recommended, show uniformity in their general tone and central thrust: that within a few years tuition fees charged students in public universities and colleges should be escalated to approach or actually reach the full cost of instruction.

This could hardly fail to imply that when that shining goal is reached, Congress and the fifty state legislatures would be largely relieved of obligation to support public higher education, if the whole cost were to be borne by the students alone.

### An Incredible Turnaround

Former Governor Rockefeller's Committee (for New York State) was more explicit than any others in emphasizing that a complete U-turn away from the century-old practice of tax support of institutions of higher education, to a policy of tax support of individual students, was recommended.

Thus it urged an increased program of tax-supported student financial aids by the state, and expressed some confidence that in the future somewhat larger programs by the federal government for that purpose might be expected.

This expectation seems a shaky one in view of the short funding, presidential impoundments, and bureaucratic confusions and delays that recently and currently beset the federal programs.

One can hardly doubt that in the long run greatly increased federal support of higher education will inevitably come; but the current and immediate future outlook, in the short run, is not good.

Somewhat earlier than the Rockefeller outburst a similar idea was proposed in Illinois in the so-called "Chandler Report" (for the Illinois Board of Higher Education). In effect, the half-billion dollar enterprise of public higher education would eventually be turned over to the virtually sole management of the State Scholarship Commission, which is already costing the taxpayers \$65 million a year. Apparently this report received scant notice in the legislature or among the public. Since its first appearance the state has elected a new governor, who has appointed a new chairman and several new members of the Board of Higher Education, none of whom have shown any enthusiasm for a crusade to implement any such plan.

As early as 1972 a scheme was proposed for Ohio and advocated by Governor Gilligan, who was quoted as saying bombastically that "it would save the state \$5 billion over the next 30 years."

### "Ohio Plan" Became "Gilligan's Folly"

Students entering four-year public colleges in Ohio would agree to repay in full the subsidy provided by the state (the difference between current fees and the full cost of the instruction). Repayment would begin after graduation, but not until the individual's earnings reached \$7,000 a year, and would be on a sliding scale varying with his income, and could be spread over his entire working life if necessary or desired. This would load the entire cost on the student on the well-known "income-contingent loan" plan.

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M. M. Chambers, Illinois State University, Normal, Illinois 61761

The governor said "this could become a model for future educational financing for American state governments," and attempted to get it labeled in the news media as "the Ohio Plan." Not only did the legislature of 1973 turn it down, but also enacted a mandate that there be no increase in student fees during the biennium 1973-75. At the same time it appropriated for operating expenses of higher education for fiscal year 1973-74 a sum representing an increase of 21 per cent over the comparable figure for 1971-72.

The "Ohio Plan," failing to get off the ground, came to be labeled "Gilligan's Folly." Governor Gilligan, however, deserves great credit for procuring the enactment of graduated personal income and corporation income taxes (even if at low rates) for the first time in Ohio's history.

#### On the National Scene

The Carnegie Commission on the Future of Higher Education, concluding its six-year, \$6 million-dollar undertaking which produced some 60 publications on as many aspects of the subject, shocked the nation by releasing a report recommending that tuition fees in public institutions of higher education be raised 10 to 12 per cent per year over the next ten years.

The impact was a trifle softened when the candid and knowledgeable Clark Kerr, who was both chairman and director of studies for the Commission, practically disavowed this idea by saying "this will be a bitter pill for middle-class families to swallow."

Right on the heels of the Carnegie report came, in October 1973, a widely publicized effort of the Committee on Economic Development (CED), a private organization representing some 200 very large corporations. Through a committee of 50, into which it drew a few presidents of private colleges, it proposed a similar but slightly different scheme of drastically raising student fees in public colleges and universities.

The honest and respected Sterling M. McMurrin, dean of the graduate school at the University of Utah and former U.S. Commissioner of Education, who had served as project director for the CED in this instance, actually disavowed that particular principal recommendation, saying he feared it would deprive many middle-class people of opportunity to go to college.

It is of course, no secret that the present national administration and some members of Congress favor the switch from tax support of institutions to student support, even to the point of providing student financial aids to students in profit-seeking schools.

#### The Argumentum Ad Hominem

Before continuing with the contest on the merits, it is impossible to avoid comment on the composition of the several commissions and committees alluded to above. What we say is not intended to apply with precision to any one such body, but is a valid generalization applicable more or less to all.

Such bodies are almost always heavily overweighted with bankers, financial and industrial tycoons. As tokens, there may be one or two labor representatives, one or two women, and one or two black members. (The Carnegie Commission "killed two birds with one stone" by including a black woman lawyer, who is a former law school dean and a legal scholar who has the public interest at heart).

In such bodies which include token representatives of women, blacks, and labor, it has been said more than once that there is often an unspoken understanding that no attention will be paid to what they say; and one well-placed member once said to me: "These rich men are not accustomed to having anyone argue with them at all."

Especially difficult to explain satisfactorily is that when such a body is made up largely of representatives of higher education, almost invariably private

(Continued on page 1214)

college presidents outnumber the representatives of state or other public institutions, despite the fact that more than three-fourths of all college students in the United States are now in the public sector.

This argumentum ad hominem is not petty. It is a legitimate call for fair representativeness in commissions that are expected to represent the American public.

### The National Commission

Latest to appear is the report of the official National Commission on the Financing of Postsecondary Education, which dodged the controversy by making no recommendation at all other than its call for indigestible quantities of "comparable data" which has been sounded from various sources for at least forty years. It says its main contribution is an "analytical framework," and a reviewer says "Policy-makers who accept the framework's objectives, measures of their achievement, and assumptions of future trends can contact the Office of Education and arrange to have financing proposals run through a computer programmed for that purpose and packed with data assembled by the commission."

Despite the lack of forthright recommendations, a good deal of bias is sneaked into the report, such as the insupportable conclusion that access to higher education will be better served by a complex scheme of student aids than by maintaining open-door low-tuition institutions.

This Commission had among its 17 members two U. S. Senators, two U. S. Representatives, one state governor, and one state superintendent of public instruction. It included three women, at least one black man, and one Chicano. There was also one student. Counting representatives of institutions, one finds three from the public sector and four from the private. Perhaps the presence of four members of Congress and one state governor helped to prevent any

open advocacy of the escalation of tuition fees in public institutions. No one can quarrel with the innocuous call for more and better information about higher education.

### Constructive Opposition Gathers Strength

The foregoing blizzard of paper, especially the reports of the Carnegie Commission and of the Committee on Economic Development, both of which were given wide national publicity, triggered opposing statements from many influential quarters, favoring low tuition fees or no tuition fees at public universities, colleges, and community-junior colleges.

U.S. Representative James G. O'Hara of Michigan, chairman of the subcommittee on education of the House Committee on Education and Labor, is a leader of the low-fee forces in Congress. Eminent economists holding similar views are Joseph A. Pechman of the Brookings Institution in Washington, and Howard R. Bowen, chancellor at Claremont University in California, who says tuition fees should be kept low for many reasons:

"For both cultural and economic reasons, higher education should be extended as widely as possible; opportunity should be opened to people of low income and limited backgrounds; the broad social benefits of higher education justify subsidy; the student's own time, expressed in foregone income, represents his fair share of the cost; and the sizable loss of income for the student and the considerable individual effort involved are sufficient to prevent waste of educational services."

Five great nationwide organizations are making and publicizing cogent statements in support of low fees in public institutions of higher education: The American College Testing Program; the American Council on Education; the American Association of State Colleges and Universities; the National Association of State Universities and Land-Grant Colleges; and the American Association of Community and Junior Colleges.