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TO MY CORRESPONDENTS:- We are glad to have you aboard. Thanks for your letters and the enclosures. You have already given us much useful information. Priority can now be given to measures enacted (including signing by the governor), and their effective dates; but well-aimed predictions will not be amiss. Please write to add to our information.

- (1) Tax legislation
- (2) Legislation regarding education at any level
- (3) Appropriations for higher education, including junior colleges, and state school aid

Sincerely yours,

M. M. Chambers

GRAPEVINE

Wyoming, at the foot of the alphabet, comes to the head of the class with a constructive piece of school legislation enacted.

Massachusetts was among the first to enact an improved revenue measure.

WYOMING. The classroom unit (basis for state aid to local public schools) is increased from \$5,500 to \$6,500; and the statutory local levy for school purposes is raised to 21 mills, with additional levies permissible up to 25 mills. This is said to be "the greatest increase in school support enacted by the legislature for many years, and includes stimulation of local support also."

CALIFORNIA. Governor Brown's budget calls for \$2,188 million, and tax changes proposed by him would bring in \$256 million a year in new and additional revenues. A 3¢ a pack tax on cigarettes, a tax of 15% of the wholesale price on other tobacco products, and an increase in the excise on beer from 2¢ to 7¢ a gallon, together with several changes to raise the state's revenues from pari-mutuel betting and other aspects of the race-track industry, are proposed. The governor would also raise the upper bracket of the graduated state income tax to a rate of 7%

MASSACHUSETTS. The bill applying the withholding feature to the state income tax is reported enacted and in effect, as predicted on page 3 of our January GRAPEVINE. Seymour E. Harris, Harvard professor of economics, participant in a recent TV panel discussion in Boston, is said to have put himself on record as favoring the adoption of a sales tax.

(the present maximum is 6%), and recommends some increases in inheritance taxes and bank and corporation franchise taxes. Several big newspapers are supporting the program, and the California Taxpayers' Association has said the budget is "in many respects conservative".

For the year 1959-60 the amount budgeted for the University of California is \$143,761,378, of which a little over \$95 million would be state fund appropriations. The operating budget for the year 1957-58 for the 12 state colleges was \$42 million; for 1958-59 for 14 colleges (new ones at Alameda County

CAL. (Cont'd.) and Orange County), \$50½ million; anticipated for 1959-60, about 57½ million. In the three years the capital outlay expenditures for the state colleges were respectively \$83 million, \$71 million, and (anticipated) \$31½ million. It is thought that by 1960-61 the two new colleges will require large capital outlays, and that probably 2 or more additional new colleges will come into being. The state department of education recommends that the foundation program of state aid for public junior colleges be set at \$480 per student per year with a computational tax of 24¢ per \$100 of valuation, in lieu of the present \$410 with computational tax of 33%. Under the new plan some districts would receive less "equalization aid" than at present, so that their current state support would be reduced. For this reason the bill contains a "no loss" provision for 2 years, and an additional 5-year period during which losses in equalization aid would be reduced 20% each year. These provisions would prevent any violent disruption of operation in any district.

ILLINOIS. The operating budget of the University of Illinois for the biennium 1959-61, as submitted to the state department of finance, calls for \$131½ million, of which \$118½ million would be state fund appropriations. This represents an increase of about 26% over the preceding biennium, and includes \$12 million for salary adjustments.

President David D. Henry says "The increase in population, the demands of the economy, the requirements for progress in a space age create new necessities. There is no inexpensive or easy way in providing quality education and productive research for high level performance in all areas of our economy as we compete internationally for new ideas and new knowledge."

INDIANA. A bill to establish minimum teachers' salaries on a scale of \$3,000 to \$6,000 for 9 months, effective January 1, 1960, has passed the House. Likewise a bill to authorize local school corporations to purchase school band uniforms out of public funds when available. Efforts are being made to improve the system of distribution of state funds to local schools. It is reported that there is a favorable and optimistic feeling among legislators regarding increased support of education at all levels.

IOWA. A bill has been introduced to propose an amendment to the Iowa constitution which would permit state debts to be paid from revenues other than a state property tax. It is thought that with such an amendment in effect it might be possible to finance capital improvements at the state institutions by state borrowing in lieu of pay-as-you-go, as at present.

A bill has been introduced to appropriate \$1 million to a college student revolving loan fund to be administered by the superintendent of public instruction. Graduates of accredited high schools in the upper half of their respective classes could apply for loans not exceeding \$500 a year or \$2,000 in four years, to attend full-time any private college or university in the state. Loans would be repayable at \$250 a year after graduation from college, but would be canceled if the borrower remained in the state and gainfully employed for 4 consecutive years after graduation.

KANSAS. The 2½% sales tax will probably remain unchanged. There is a squabble over real property assessments. Two railroads are in court claiming they pay taxes on an assessed value which is 65% of their true value, while instances abound in which other real property in the same county is assessed at less than 25% of true value. Courts could hold that all assessments must be at

NOTE: Pages 8 - 11 were found to be missing from the file and not retrievable. Fortunately these pages were in GRAPEVINE's early infancy, and do not include any important annual summaries or other items of major importance.

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PENNSYLVANIA. (Cont'd.) would be determined by a non-paid board of directors of 11 members. Gifts to the Authority would be deductible from income subject to the state income tax, but bonds of the Authority would be taxable.

Another bill would direct school boards in school districts of the first class (large cities) to establish and maintain a city college, and appropriate \$4 million toward the cost of such college in each such district establishing one. The board of education could prescribe standards of admission, but without discrimination because of color, religious creed, national origin, or sex.

SOUTH DAKOTA. Governor Herseth recommends an increase of \$646,000 for the biennium for operating expenses of the institutions of higher education, including salaries. His proposals for capital outlay include \$800,000 for a dairy and chemistry building and \$100,000 for completion of a heating plant at the state college at Brookings; \$600,000 for an education building at the University of South Dakota at Vermillion; and \$165,000 for remodeling a building at Southern state teachers college at Springfield.

A bill has been introduced to set up a state teachers' retirement system.

TENNESSEE. The state budget for the 1959-61 biennium is nearly \$578 million. The askings for higher education are nearly \$34 million for the biennium, averaging about \$17 million a year. This is a little less than 6% of the total state budget.

The total of increases for higher education run to \$4,377,000, or a little over \$2 million a year. For increases in state aid to public schools, a little over \$22 million is requested, most of which would go to teachers'

salaries, to provide for the normal average raise of \$30 a year, a proposed additional raise of \$100 a year, and the addition of the required number of new positions.

TEXAS. The Commission on Higher Education has recommended aggregate appropriations of approximately \$67.5 million for each of the ensuing two fiscal years for all state-supported agencies of higher education, as against actual appropriations of approximately \$56.7 million for fiscal 1957 and 1958. For the 18 colleges and universities alone, the recommended figure is \$48.2 million as against \$37.5 million. For the University of Texas (Main Campus), \$12.6 million as against \$10.5 million. Total recommended for the 4 medical units of the University of Texas is \$14 million; for the Texas A & M College (Main College, including extension and public service), \$5.3 million; for Texas Technological College, \$4.8 million; for North Texas State College, \$3.7 million. All the other institutions operate on appropriations of approximately \$2 million or less per year.

UTAH. A bill to create a new Coordinating Council of Higher Education for Utah has passed the Senate, and at latest report was in the House education committee.

WASHINGTON. On foot is an effort to obtain a constitutional amendment making state income taxes lawful. They are thought to be unconstitutional at present. Other tax proposals include a severance tax bill, and a proposed rise in the sales tax to 4%, plus various other suggestions.

The proposed budget for colleges and universities is as follows for the ensuing biennium:

University of Washington,	\$44,543,000
Washington State College,	26,948,000
Three state colleges of education (aggregate),	11,592,000

WASHINGTON. (Cont'd.) The total of \$83 million is about \$13 million higher than for the preceding biennium, and is about 5% of the total proposed state expenditures.

WEST VIRGINIA. It is estimated that the state may provide about \$20 million of additional revenue per year by various extensions of existing taxes, and some slight raising of rates. The estimated allocation of the proposed additional revenues would be as follows: matching the federal interstate highway program, \$8 million; additional state aid to local schools, \$6 million; state-supported higher education, \$2 million; mental health, public assistance, and miscellaneous increases, \$4 million. The increase for higher education would include half a million for a 5% increase in salaries, and a quarter of a million for 58 new teaching positions at an average of \$5,000. A bill proposing minimum salaries for teachers at the state colleges, on a scale from \$4,200 to \$10,600 according to rank and experience, is in the hopper. The public school support bill calls for \$15 million additional state money, half to raise the level of the foundation program and half to initiate an incentive plan to encourage larger local support. The "natural resources tax" or severance tax proposal is said to be dead. Various types of state income taxes are being considered. Other suggestions include extending the present consumers' sales and use tax to contractors both in and out of state; increasing the gasoline tax from 6 to 7 cents and eliminating gasoline tax refunds; increasing automobile operators' license and vehicle license fees; and extending the business and occupation privilege tax to professional services.

WISCONSIN. A one-year state budget of \$192,656,264 has been presented by Governor Nelson. Included is a recommendation of \$9 million increase in state aid to the local school districts; and \$2,890,000 to increase salaries at the University of Wisconsin and the state colleges. This amounts to about an 8% rise.