

GRAPEVINE

STATE APPROPRIATIONS FOR HIGHER EDUCATION, 1959

As we go into the mails late in July, we are able to report 8 states in addition to those reported on page 52 of the July GRAPEVINE. Tables 28 and 29, set forth here, continue and supplement Tables 26 and 27 on page 52.

Table 28. Biennial state appropriations for operating expenses of institutions of higher education, 1957-59 and 1959-61, with percentages of increase for the latter biennium over the former.

States	Biennium 1957-59	Biennium 1959-61	Dollar increase	Percentage increase
(1)	(2)	(3)	(4)	(5)
Illinois	\$148,248,000	\$176,279,000	\$28,031,000	19
Maine	8,982,000	10,925,000	1,943,000	21½
Minnesota	66,463,500	73,717,000	7,254,200	11
North Carolina	48,937,637	59,295,093	10,357,456	21
Oklahoma	45,000,000	54,000,000	9,000,000	20

Table 29. Annual state appropriations for operating expenses of state institutions of higher education, for fiscal years 1957-58, 1958-59, and 1959-60, with percentages of increase for 1959-60 over 1957-58.

States	Year 1957-58	Year 1958-59	Year 1959-60	2-Year Increase	Percentage increase
California	\$150,807,000	\$146,248,000	\$153,949,000	\$23,142,000	17½
Michigan	78,131,471	79,048,900	91,979,358	13,847,887	17½
Rhode Island	3,589,300	4,215,140	5,026,000	1,436,700	40

NOTE: Condensed tabulations such as the above should be read with certain cautions always in mind, some of which are enumerated here.

(1) The states are all different in population and resources, and no two institutions of higher education are identical. Especially is this true of the larger universities, each with its own particular complement of professional schools, and each with its own emphasis on different departments of advanced graduate study and research projects. Gross comparisons are of severely limited meaning.

(2) State appropriations of tax funds do not constitute the entire budget income of an institution of higher education. In some instances they are less than half. Thus a percentage increase in state appropriations does not mean the same percentage increase in institutional budgets.

(3) The percentage increase in state appropriations is a fact, but only one fact in a very complex picture. The story of the good budgeting practices, good administration, and good legislative relations behind it is a long and important story, not to be overlooked.

**CALIFORNIA.** Assembly Concurrent Resolution No. 88 requests the Liaison Committee of the State Board of Education and the Board of Regents of the University of California to "prepare a master plan for the development, expansion, and integration of the facilities, curriculum, and standards of higher education, in junior colleges, state colleges, the University of California, and other institutions of higher education of the State, to meet the needs of the State during the next 10 years and thereafter."

The liaison committee is to report to its two parent boards, and they are requested to report to the legislature within 3 days of the beginning of the 1960 regular session.

State appropriations for higher education for the fiscal year 1959-60 are reported as in Table 30.

Table 30. State appropriations for the state university and state colleges in California, operating expenses and capital outlays, for fiscal year 1959-60.

Institutions	Operating expenses	Capital outlay
(1)	(2)	(3)
U of California	\$95,331,000	\$22,827,000
St Colls & Tech Schs	57,618,000	31,450,000

The state total for operating expenses represents an increase of about 17½% over the annual appropriation for the same purpose 2 years ago.

Funds made available for state aid to local public junior colleges are reported as \$15,300,000, an increase of nearly 18% over the comparable sum for the fiscal year 1957-58, appropriated 2 years ago.

**COLORADO.** Tax revisions enacted in 1959

are expected to bring in \$8½ million in new money in 1959-60, and over \$16 million annually thereafter. Personal income tax rates were raised from 1% to 3% in the minimum bracket and lowered in the maximum bracket from 10% to 9%. Corporation income taxes were raised by discontinuing allowance for federal income tax payments. Levies on beer, wines, and liquors were all substantially increased. Insurance premium taxes on out-of-state firms were raised from 2% to 2½%, and a tax of 1% was placed on firms having half or more of their assets within the state.

A Joint Budget Committee of the legislature is newly established, and one of its first duties will be to formulate a distinct capital construction budget.

**HAWAII.** The appropriation for operating expenses of the University of Hawaii for the biennium 1959-61 is \$12,789,000, representing an increase of about 61% over the \$7,924,000 appropriated for the biennium 1957-59.

Appropriations for capital outlay include \$532,000 from the general fund and \$1,241,000 from the general obligation bond fund.

Operating expenses of public education at all levels are paid by Hawaiian central government. The amount appropriated for this purpose for 1959-61 is \$66,560,000, as against \$49,819,000 appropriated 2 years ago-- an increase of about 33½%. The legislature adopted a substantial across-the-board salary increase for teachers.

**ILLINOIS.** The tabulation of recommended appropriations for operating expenses on GRAPEVINE page 51 erroneously included institutional fees, and was subsequently outdated by changes in the governor's recommendations. Actual appropriations

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ILLINOIS. (Cont'd.) are now reported as in Table 31.

Table 31. State appropriations for operating expenses and capital outlay of six state institutions of higher education in Illinois, biennium 1959-61.

Institutions	Operating expenses	Capital outlay
(1)	(2)	(3)
U of Illinois	\$111,810,000	\$16,120,000*
So Illinois U	30,367,000	7,669,000**
T C Bd & 4 insts	34,102,000	6,860,000***
<b>Totals</b>	<b>176,279,000</b>	<b>30,649,000</b>

\*Includes reappropriation of \$1,950,255.  
 \*\*Includes reappropriation of \$868,579.  
 \*\*\*Includes reappropriation of \$185,000.

At present all capital outlays are at least temporarily "frozen" by an order of Governor Stratton directing a halt until January 1, 1960.

The appropriation for operating expenses is an increase of about 19% over the preceding biennium.

The appropriation for state aid for operating expenses of local public schools is \$327½ million, excluding special aid for transportation, excess costs, and school lunches. The appropriation for state aid for operating expenses of local public junior colleges is \$4 million for the biennium.

MAINE. Appropriations for operating expenses of higher education for the biennium 1959-61 are as shown in Table 32.

Table 32. State appropriations for operating expenses of higher education in Maine, for the biennium 1959-61.

Institutions	Sums appropriated
(1)	(2)
U of Maine	\$6,673,000
Gorham STC	1,347,000
Farmington STC	1,105,000
Aroostook STC	413,000
Washington STC	334,000
Fort Kent SN Sch	287,000
Maritime Acad	336,000
Voc-Tech Inst	306,000
Scholarship Fund*	100,000
New England BHE	24,000
<b>Total</b>	<b>10,925,000</b>

\*For the state teachers colleges only.

In the case of the 5 institutions for the education of teachers, the state appropriations represent the total budget, for fees and receipts collected by these institutions go into the general fund of the state, unsegregated. In the case of the University of Maine and the two other schools, fees and other institutional receipts remain in their custody and form part of their expendable funds, over and above the amounts appropriated by the legislature.

Sums appropriated for capital outlays at the several institutions listed aggregate \$5,895,000, but more than half of this amount is contingent upon popular approval at a statewide election in November 1959 of a bond issue of \$3,950,000, of which \$2,997,000 will be used at these institutions, if the issue is approved by the people. All but \$110,000 will be used in the 1959-60 fiscal year.

Appropriations for aid in operating expenses of local elementary and secondary schools for 1959-61 are reported as being \$26,278,000, as against \$22,439,000 for 1957-59, an increase of a little over 17%.

MICHIGAN. Appropriations for the fiscal year 1959-60 for the 9 state institutions of higher education have been made as shown in Table 33.

Table 33. State appropriations for operating expenses of 9 state institutions of higher education in Michigan, fiscal year 1959-60.

Institutions	Sums appropriated
(1)	(2)
U of Michigan	\$33,367,275
Mich State U	27,869,768
Wayne State U	14,794,457
W Mich U	4,439,915
E Mich U	2,923,683
Cent Mich U	2,657,545
Coll Mi & Tech	2,940,447
Ferris Inst	1,773,073
N Mich Coll	1,213,195
<b>Total</b>	<b>91,979,358</b>

The total of nearly \$92 million amounts to an increase of almost 18% over appropriations for comparable purposes for 1957-58, two years ago. The increase, however, is due in considerable part to the

MICHIGAN. (Cont'd.) fact that Wayne State University's 3-year transition from local support to full state support is completed in 1959. Thus the state appropriation for that one institution in 1959 was more than twice as large as it was in 1957.

The appropriation for state aid to local public community-junior colleges is \$3,620,000, with the proviso that no distribution shall be in excess of \$200 per student per year, or the amount of the per pupil allowance under the state school aid act, whichever is higher; nor shall any apportionment exceed  $\frac{1}{2}$  of the total operating costs of the college, excluding capital outlay and debt service.

In late July the legislature was continuing in session. Matters yet to receive final attention included new taxes to increase the state's revenue; appropriations for capital outlays; and appropriations for state aid to local public schools.

MINNESOTA. The 48-day special session which ended July 1 increased the individual income tax rates by  $\frac{1}{2}$  of 1%, and raised the credit for dependents from \$10 to \$14. A withholding system of collections, advocated by the governor, was not enacted. The corporate income tax rate was raised from 7.3% to 9.3 per cent. Inheritance tax rates were increased somewhat.

The cigaret tax was increased from 4 cents to  $5\frac{1}{2}$  cents per pack, and the tax on other tobacco products from 15% to 20% on the wholesale price. Taxes on beer and liquors were increased somewhat.

The severance tax of 13.65% on iron ore was raised to 14.25% on adjusted net value at mouth of mine. Other minor tax changes were made.

A resolution adopted asks the Regents of the University of Minnesota, the state college board, and the state board of education to create a liaison committee to coordinate future planning of higher education.

Another resolution requests the Regents of the University of Minnesota to "consider establishing college courses" at the Morris and Crookston agricultural branch schools, and "report to the legislature before January 15, 1961 their conclusions, if any."

The legislature also authorized its own legislative research committee to study

the establishment of a 4-year state college for western and southwestern Minnesota.

Appropriations for operating expenses for higher educational institutions for the biennium 1959-61 are reported as in Table 34.

Table 34. State appropriations for operating expenses, Minnesota institutions of higher education, biennium 1959-61.

Institutions	Sums appropriated
(1)	(2)
U of Minnesota	\$62,089,400
Minn State Colleges (5)	11,628,300
<b>Total</b>	<b>73,717,700</b>

It must be understood, of course, that the simple totals cover a variety of enterprises. No two universities are alike. No two place identical emphasis on different departments in their graduate schools; develop the same set of research projects; or operate their several professional schools in rigid uniformity.

For example, for the University of Minnesota the figure for the main operation is \$48,968,200. (Conditioned on a \$15 per quarter increase in tuition fees). Other elements are: University Hospitals, \$6,320,900; Psychopathic Department, \$1,225,550; General Agricultural Extension, \$1,310,900; General Agricultural Research, \$930,000; besides there are some 30 additional research and experimental projects operating on less than \$1 million each (many of them on a few thousand), and covering a wide range of sciences and services.

The total state appropriation for operation of higher education appears to represent an increase of about 11% over the appropriation for the preceding biennium.

Appropriations for capital outlay (enacted in 1959 and available until their respective purposes shall have been accomplished or abandoned) are reported as in Table 35.

(Table 35 follows on the next page, page 57.)

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MINNESOTA. (Cont'd.)

Table 35. Appropriations for capital outlay by Minnesota institutions of higher education, enacted by legislative session of 1959.

Institutions (1)	Sums appropriated (2)
U of Minnesota	\$14,457,200
Minneapolis Campus	10,261,000
St. Paul Campus	1,526,200
Duluth Campus	2,115,000
8 ag & forestry exp stas	555,000
5 State Colleges	\$12,483,600*
Bemidji	1,407,200
Mankato	3,984,000
Moorhead	1,871,000
St. Cloud	2,139,400
Winona	1,004,000
Total (Univ and all st colls)	26,940,800*

\*The total for the state colleges (\$12,483,600) includes \$6 million which is merely authorized to be borrowed by the State College Board by selling revenue bonds for dormitory construction. Dormitories are operated on a self-liquidating basis. Accordingly, actual appropriations of state funds are about \$6½ million to the state colleges and \$14½ million to the University, making a total of about \$21 million.

NEW YORK CITY. Five tax measures estimated to produce \$90 million in new revenue annually went into effect July 1. The tax of 10¢ on taxicab rides will produce \$20 million. An impost of \$25 a year on jukeboxes will bring in half a million. A new tax of ½ of 1% on sales of real estate above \$25,000 will yield \$1 million. An increase of 1% (up from 1% to 2%) on the gross receipts tax for utilities will raise \$13 million. The big producer is an increase in the gross receipts tax for general business (up from ½ of 1% to two-fifths of 1%) and for financial businesses (up from 1% to 1½%). This will add up to \$55½ million a year.

Two other city taxes effective earlier are expected to produce \$23 million. These are the 2¢ rise in the cigaret tax (up from 1¢ a pack to 3¢), effective May 1, and the 5% tax on meals costing \$1 or more,

effective June 1. Thus the 7 new and increased taxes will yield a total of \$113 million a year.

Mayor Wagner, signing these measures, noted that the 1959 legislature had refused to legalize off-track betting and permit the state and the city to share in a service charge for that privilege. He will push for this additional source of revenue in the 1960 legislature.

NORTH CAROLINA. The legislature adjourned June 20. No new taxes were enacted and no changes of consequence were made in tax rates. A withholding plan was adopted, however, for the income tax on individuals and on large corporations.

An early and not entirely complete report of appropriations for higher education for the biennium 1959-61, subject to later rectification, is as follows in Table 36.

Table 36. Appropriations for 12 state-owned institutions of higher education and related enterprises in North Carolina, biennium 1959-61.

Institution or activity (1)	Approp. for oper- ating expenses (2)	Approp. for capital outlay (3)	Cap. out- lay subj. to pop. election (4)
UNC consol	\$348,133		
UNC (main)	10,928,372	\$808,000	\$4,175,000
Health A D	5,083,496		1,000,000
Mem Hosp	2,666,995		
Psychiatr Ctr.	1,063,391		
UNC St Coll	10,493,245	1,755,400	4,242,000
UNC Ag ExpSta	3,955,404	95,000	85,000
Ag Exten	5,248,767		
Indus Exp	189,708		
Fish Rsch	166,423		
Woman's Coll	3,752,030	202,500	520,000
E Car Coll	3,579,495	245,200	1,373,100
A & T Coll(N)	2,689,693	128,400	976,000
NCC Durham(N)	2,112,379	167,000	
Appalach STC	1,964,145	211,400	1,367,000
W Car Coll	1,382,407	128,800	1,250,000
W-Salem TC(N)	903,728	185,500	150,000
Fayetv STC(N)	712,698	154,000	
Eliz C STC(N)	688,153	240,500	50,000
Pembroke SC	419,719	46,000	
St Bd H Ed	131,712		
SchlrsHp Loan	765,000		
Totals	58,245,093	4,367,700	15,188,100

NOTE: All sums in Column 4 are appropriated conditionally, subject to approval at a

**NORTH CAROLINA. (Cont'd.)** popular election of a bond issue to provide the funds.

The appropriations for operating expenses appear to represent an increase of about 21% over the appropriations for the preceding biennium.

State appropriations for local public schools are \$377,027,991, representing an apparent increase of about 10 $\frac{1}{2}$ % over the preceding biennium.

The \$445,293 appropriated as state aid for operating expenses of local public junior colleges is an increase of 44% over the preceding fiscal period.

**OKLAHOMA.** The state appropriation for operating expenses of the state system of higher education for the biennium 1959-61 is approximately \$54 million, an increase of 20% over the preceding biennium. This goes in lump sum to the Board of Regents of Higher Education which has constitutional authority to allocate it among the several institutions.

Appropriation for capital outlay is about \$1,200,000. The legislature also authorized a statewide popular election on the question of a bond issue of \$30 $\frac{1}{2}$  million for future capital outlays for the state colleges and universities.

**PENNSYLVANIA.** Executive budget requests for higher education for the biennium 1959-61 appear in Table 37. Pennsylvania is one of the very few states which make direct appropriations of public funds for operating expenses of certain privately controlled institutions. The recommendations for these institutions are listed in the lower part of the table.

Table 37. Executive budget requests for higher education in Pennsylvania, for biennium 1959-61.

Institutions	Recommended for operating expenses	Recommended for capital outlay
(1)	(2)	(3)
Penn State U	\$34,227,335	**
14 State T C's	19,050,000	\$750,000*
Private insts		
Univ of Pa	6,305,013	**
U of Pittsburgh	5,448,178	**
Temple U	4,413,509	**
Other state-aided (chiefly med schs)	21,244,702	**
<b>Totals</b>	<b>90,688,737</b>	<b>750,000*</b>

Table 37. (Cont'd).

\*Varying between \$45,000 and \$65,000 for each of the 14 institutions.

\*\*Capital outlays are financed largely by rental payments of state money to the General State Authority for rental of buildings constructed. Total of such payments was \$31 million in 1957-59. For this purpose \$43,977,196 is recommended for 1959-61.

The total of \$90 $\frac{1}{2}$  million requested for operating expenses represents an increase of about 16% over the appropriations for 1957-59.

Recommended for state aid to local public elementary and secondary schools for operating expenses is \$705 million, about 10% more than was appropriated for the preceding biennium.

**RHODE ISLAND.** State appropriations for operating expenses of higher education for fiscal year 1959-60 were \$5,026,000, including \$3,952,000 for the University of Rhode Island and \$1,074,000 for the Rhode Island College of Education. The total is an increase of 40% over the comparable appropriations for 1957-58, made 2 years ago. State aid for local elementary and secondary schools is \$9,123,185, an increase of about 7 $\frac{1}{2}$ % over the annual appropriation of 2 years ago.

A state scholarship system was established, to provide from \$250 to \$1,000 for an academic year, renewable annually to make a total of 4 years or until earlier receipt of a degree normally conferred after 4 years. Tenable in any reputable and qualified institution of higher education, public or private, in which the student is accepted, these scholarships are to be awarded by the Commissioner of Education to 5% of the fall enrollment of the graduating class in each high school, public or private, and the legislature pledges itself to appropriate each year the sums necessary to provide that number of scholarships at an average rate of \$750 per academic year.

Please report new legislation to:  
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