

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

SINCE  
1958

FOURTEENTH  
YEAR

Number 164

March 1972

Page 1041

GRAPEVINE  
\* \* \* \* \*

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

IN THIS ISSUE

- Joseph D. Boyd produces comprehensive report on state scholarships in 22 states . . . . . 1042
- Illinois revises operating appropriations upward slightly by redesignating some capital appropriations as operating funds . . . 1043
- Kentucky governor recommends biennial increase of 25 per cent in operating appropriations . . . 1043
- Michigan raises personal income tax rate to 3.9 per cent from former 2.6 per cent. University autonomy sustained . . . . . 1044
- Missouri Board of Curators allocates appropriated funds to four campuses . . . . . 1044
- Ohio has severance taxes as part of new package . . . . . 1046
- Oregon voters adopt 4-cent rise in cigarette tax in special election, effective February 17, 1972 . . . . . 1046
- South Carolina projects student enrollments to 1980, showing steep increase . . . . . 1046, 1045
- Wisconsin allocations of appropriated funds to units of the University of Wisconsin and of the state university system . . . . . 1046
- Wyoming (CORRECTION) two-year rate of gain, 1970-72, is 25 per cent; NOT 2 1/2 per cent . . . . 1046

Statement of ownership and circulation of GRAPEVINE is on page 1042 (reverse hereof).

STATE SCHOLARSHIP SYSTEMS IN 22 STATES

GRAPEVINE is constantly bombarded with requests for comprehensive information regarding state scholarship systems. Our limited resources do not permit us to carry on such a detailed study. Besides, appropriations of state tax funds for scholarships are not precisely "operating expenses of higher education" in the ordinary sense. In the context of fifty-state appropriations for operating expenses of some 1,200 institutions, to which GRAPEVINE is committed, scholarships are a comparatively small ancillary marginal item. Our correspondents in the state capitals have usually reported sums appropriated for state scholarships. For example, in our successive annual tabulations for New York (the state having by far the largest state scholarship system), the record is substantially complete both in GRAPEVINE and in the consecutive annual summaries (Appropriations of State Tax Funds for Operating Expenses of Higher Education), published and circulated by the National Association of State Universities and Land-Grant Colleges at One Dupont Circle, Washington, D. C. 20036. The same is true of sums appropriated for state scholarships by a few other states leading in that field, such as Illinois, California, Michigan. In some states, including Pennsylvania, New Jersey, and others, our record for some of the past years is incomplete; therefore we have not attempted any consolidation of our own records on state scholarships, knowing that it would not be fully inclusive.

Fortunately a comprehensive report, very competently done, has been put into shape by Joseph D. Boyd, executive secretary of the Illinois State Scholarship Commission, 730 Waukegan Road, Deerfield, Illinois 60015. (Inquiries should be directed to that address, NOT to GRAPEVINE).

Mr. Boyd reports that for the current fiscal year (1971-72) twenty-two states appropriated a total of \$280 million for scholarship programs for college students. Only nine states appropriated more than \$5 million:

(In thousands of dollars)					
New York	\$76,250	New Jersey	\$21,973	Michigan	\$13,268
Pennsylvania	55,458	California	18,835	Massachusetts	8,000
Illinois	39,400	Ohio	15,000	Indiana	7,357

GRAPEVINE comments that in all cases the bulk of the money goes to students attending private colleges. Thus it enlarges the freedom of choice for the beneficiaries who might not otherwise be able to attend a high-fee institution. Within reasonable limits, this is commendable; but the expansion of the systems should be with due regard for sensible restraints, so that they do not become a device through which the tax payers hire enormous numbers of students to attend private colleges, while raising student fees at public universities beyond the reach of prospective students in low-income families.

-----

GRAPEVINE is not a publication of any institution or association. Responsibility for any errors in the data, or for opinions expressed, is not to be attributed to any organization or person other than M. M. Chambers. GRAPEVINE is circulated to numerous key persons in each of the fifty states.

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

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

Table 41 . (Revision of Table 20, page 1013).

Institutions (1)	Sums appropriated (2)
U of Illinois (all units) -	
Urbana-Champaign	\$84,147
Medical Center (Chicago)	40,319
Chicago Circle	30,697
General University	5,094
Subtotal, U I, Urbana -	\$160,258
Southern Illinois U (all campuses)	71,780
Northern Ill U (Regts)	34,130
Illinois State U (Regts)	26,237
Western Illinois U (Govs)	17,379
Eastern Illinois U (Govs)	14,509
Northeastern Ill St U (Govs)	8,370
Chicago State U (Govs)	8,043
Sangamon State U (Regts)	5,018
Governors State U (Govs)	4,318
Subtotal, st u's -	\$350,042
Statewide boards	
Board of Regents	348
Board of Governors	785
Junior College Board	402
Board of Higher Education	836
Grants and studies +	25,413
Subtotal, bds -	\$27,784
State aid to jr colleges ++	55,147
Scholarship Commission	
Administration	804
Scholarships and grants	41,400
Total *	475,177
* Alternatively classified by "systems"	
Trustees of U of Illinois	160,258
Trustees of So Illinois U	71,780
Board of Regents	65,733
Board of Governors	53,404
Junior College Board ++	55,549
Board of Higher Edn	26,249
Scholarship Commission	42,204
Total *	475,177

+ Includes \$6 million to the private Chicago Medical College; and most of the remainder to health-related programs, largely in private institutions.

++ Includes \$2,397,000 to the state 2-year college at East St. Louis.

ILLINOIS. (Cont'd from precedg column)

Table 41, on this page at the left, is a revision and expansion of Table 20, page 1013, rendered necessary by late-in-the-session reappropriation of comparatively small sums from capital appropriations to operating appropriations for some, but not all, the state universities.

This apparently brings the statewide appropriations for operating expenses of higher education up to \$475,177,000 which is \$4,764,000 higher than the \$470,413 reported in Table 20. The gain in operating funds is less than 1 per cent; and the new statewide total for that purpose is \$2,359,000 less than the comparable figure of \$477,546,000 reported for the immediately preceding fiscal year (1970-71), making it indeed a "standstill" appropriation.

Another new element in Table 41 is the breakdown among the campuses of the multicampus University of Illinois: the main campus at Champaign-Urbana, the medical campus at Chicago, and the Chicago Circle campus. These allocations are made by the Board of Trustees of the University of Illinois, and are understood to be approximations, subject to some possible small supplementations out of appropriated funds remaining in the hands of the Board of Trustees.

KENTUCKY. This is one of the two remaining state legislatures that convene biennially in even-numbered years and make appropriations for each of the two fiscal years of the biennium separately.

For biennium 1972-74, the governor is recommending a total of \$139,430,680 for operating expenses of higher education for fiscal year 1972-73, and \$148,128,240 for fiscal year 1973-74. These figures compare with actual and budgeted figures of \$108,897,750 and \$120,783,029 for the two fiscal years of the immediately preceding biennium.

The recommendations, if enacted, will produce a two-year rate of gain of about 25 per cent.

MICHIGAN. Effective August 1, 1971, the flat rate personal income tax levy was raised to 3.9 per cent, from the former 2.6 per cent.

More About State University  
Autonomy in Michigan

Recall the story on GRAPEVINE pages 1032 and 1033, "Michigan Recognizes Autonomy of State Universities," in which was set forth the gist of the decision of Judge Marvin J. Salmon of the Washtenaw Circuit.

That judgment was entered December 6, 1971. We are now able to quote the exact words of some of the salient parts of Judge Salmon's opinion:

"The right to determine the number of out-of-state student enrollments, to set the fees to be charged such students, and to prescribe the minimum number of classroom hours to be taught by the faculty are matters solely within the exclusive authority of the plaintiffs (state universities)....

"This court, therefore, declares sections 13 and 19 of 1971 Public Acts 122 to be unconstitutional under the Constitution of 1963, article 8, section 5."

On university expenditure of tax funds appropriated to the universities:

"Section 20 (of 1971 Public Acts 122) declares, as a condition, that none of the appropriations shall be used for the construction of buildings or the operation of institutions not expressly authorized in the act. It further prohibits the plaintiffs (universities) from using any of the appropriations for the construction, operation, or maintenance of any self-liquidating projects, and provides that no contract shall be let for the construction of any self-liquidating project without first submitting it to the appropriate legislative committees....

(Continued in next column)

MICHIGAN. (Cont'd from preceding column)

"It is the opinion of this court that in proscribing the expenditure of state funds in such a manner, the above section constitutes an unconstitutional infringement of the powers vested in the plaintiffs (universities) under the Constitution of 1963, article 8, section 5."

As to the claim of the State Board of Education that it has power to approve or disapprove program additions or expansions by the universities: "It is the opinion of this court that the State Board of Education lacks the authority to require plaintiffs (the universities) to obtain its approval before implementing any new programs or expanding branch campuses or departments."

This conclusion was supported by excerpts from the debates in the constitutional convention on the point, showing that the delegates did not intend the "planning and coordinating" functions of the Board of Education to be anything more than merely advisory.

MISSOURI. Additional breakdowns, amplifying Table 98, GRAPEVINE page 992, for fiscal year 1971-72:

Table 42. Allocations of appropriated funds to the four campuses of the University of Missouri, fiscal year 1971-72, in thousands of dollars.

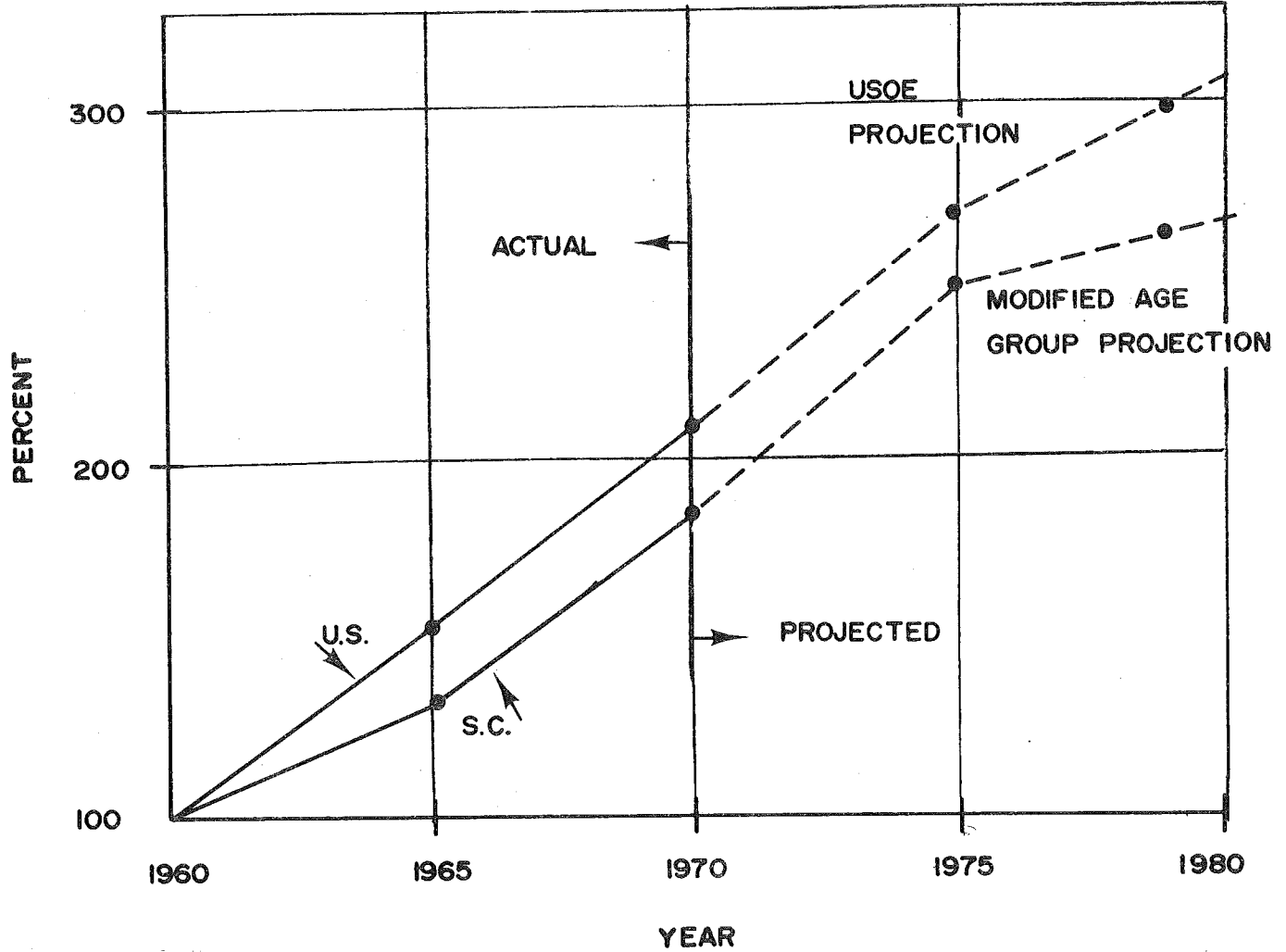
<u>Institutions</u>	<u>Sums allocated</u>
<u>(1)</u>	<u>(2)</u>
U of Missouri	
Columbia	\$50,567
Kansas City	13,041
Rolla Campus	9,944
St. Louis	6,959
University-wide	9,483
<u>Subtotal, U of Mo - \$89,994 *</u>	

\* State tax funds are appropriated to the University of Missouri as one lump sum. The breakdown by campus is an internal, tentative allocation.

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

1970 WAS NO PINNACLE; WE WERE ONLY HALF-WAY UP THE MOUNTAIN

**RELATIVE GROWTH INDEXES—DEGREE - CREDIT ENROLLMENT, 1960 -1980**  
For the fifty states as a whole, and for South Carolina separately



Source: Goals for Higher Education to 1980. Columbia: South Carolina Commission on Higher Education. Volume I, January 1972. 219 pp.  
This graph is adapted from Figure 3, page 49.

This graph simply says that degree-credit enrollments in the United States as a whole in 1980 will be more than three times what they were in 1960; and that the course of events in South Carolina will be roughly similar. The projections are conservative, and may turn out to be exceeded.

OHIO. A footnote to our earlier report of the December 1971 tax measure (GRAPEVINE page 1032):

The severance tax, expected to bring in \$6 1/2 million, is 4 cents per ton on limestone, sand and gravel; 1 cent per thousand cubic feet of natural gas; and 3 cents per barrel of oil.

Severance taxes on irreplaceable natural resources are not comparatively large producers of revenue, at least at the rates currently applied; but in view of the new consciousness of man's relation to his environment, they appear to be readily justifiable.

Although timber is not necessarily a strictly irreplaceable resource, it can very well be included as properly subject to a severance tax.

OREGON. In June 1971 the legislature raised the cigarette tax from 4 cents to 9 cents a pack. Opponents obtained enough signatures to require a referendum on this issue at the November 1972 election, thus temporarily suspending the operation of the new act until that date. Meantime the legislature reacted by ordering a special election to be held January 19, 1972, at which the increased tax was approved by popular vote, to become effective February 17, 1972.

SOUTH CAROLINA. On page 1045 of this issue, the graph showing projected enrollments in higher education to 1980 for South Carolina and for the United States as a whole, is the seventh in GRAPEVINE's series of state-by-state projections. Other states for which similar projections have been exhibited, and the GRAPEVINE pages on which they appear:

Indiana, 858; New York, 866; Minnesota, 872; Pennsylvania, 93; Georgia, 960; Wisconsin, 966.

WISCONSIN. Additional breakdowns, amplifying Tabel 36, GRAPEVINE page 1028, for fiscal year 1971-72:

Table 43. State tax-fund appropriations for operating expenses of higher education in Wisconsin, fiscal year 1971-72, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Wisconsin -	
Madison	\$70,704
Milwaukee	24,595
Green Bay	7,612
Parkside	6,503
Univ Center System	5,235
Univ Extension	12,016
University-wide	3,246
<hr/>	
Subtotal, U of W -	\$129,912
State Universities -	
Oshkosh	11,930
Whitewater	9,752
Eau Claire	9,410
Stevens Point	9,286
La Crosse	7,727
Stout	6,737
Platteville	6,241
River Falls	5,353
Superior	4,442
Centers	1,952
<hr/>	
Subtotal, s u's -	\$72,832
Vocational, Technical &	
Adult ednl system	15,526
County Teachers Colls	755
Med Coll of Wisconsin	1,877
Higher Ednl Aids Board	4,501
<hr/>	
Total	226,403

WYOMING. CORRECTION: The two-year percentage of gain, 1970-72, reported as 2 1/2 per cent in Column 5 of the annual summary table for the fifty states on page 1026 of GRAPEVINE (December 1971) and in some other publications based on it, should be corrected to read 25 per cent, as is obvious from the dollar figures being compared.

GRAPEVINE regrets the error, and pleads only the necessity of journalistic haste in completing the tabulation in timely fashion.