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

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"Expenditures for education should be regarded as a high yielding investment which creates income and social benefits for the state."


Statement of ownership and circulation of GRAPEVINE is on page 1190 (reverse hereof).
CALIFORNIA. We have it on reliable authority that as of July 1, 1973, two psychiatric clinics formerly operated by the State Department of Health were transferred to the University of California. The clinic at San Francisco has a current annual appropriation of $4.3 million; that at Los Angeles, $10.4 million. Thus our total of $437,414,000 for the University of California (Table 68, page 1179) becomes $452.1 million; and our statewide total of $1,141,554,000 becomes $1,156.2 million. The change of $14.7 million is only about one per cent of the statewide total.

DELAWARE. Effective January 1, 1974, the personal income tax was raised an average of ten per cent. The former rates were graduated on twelve brackets from 1 1/2 per cent on the first $1,000 of taxable income to 18 per cent on incomes over $100,000. The corporation income tax was increased from 6 per cent to 7.2 per cent. The traditional 50 per cent exemption of capital gains from taxation was abolished. The state gasoline tax was raised one cent per gallon.


INDIANA. The statewide total of appropriations for operating expenses of higher education for fiscal year 1973-74 was a two-year gain of only 16 per cent--much less than the 50-state average gain of 25 per cent. For three of the four state universities, the percentage of gain was even smaller than 16 per cent.

In view of this hardship, the four university governing boards, together with the Indiana Higher Education Commission, have agreed upon a joint request for supplementary appropriations to be submitted to the 1974 session of the legislature.

The requested supplements add up to about five and three-fourths million dollars--less than 2 1/2 per cent of the current appropriations of $233,379,000. They would be distributed as follows: Indiana University, $2,048,133; Purdue University, $1,614,304; Ball State University, $776,979; Indiana State University, $431,042; Vincennes University, $287,496; Indiana Vocational College (a statewide chain of vocational schools), $600,383.

The Indiana Vocational College is a corporation created by the legislature approximately a decade ago, and authorized to provide vocational-technical instruction at the junior college level at appropriate places in the state, either by contract or by operating suitable schools directly. Locally dubbed "Ivy Tech," it was painfully slow in getting into action, but by 1972 had eight small technical institutes operating in as many towns.
FLORIDA. This state has perhaps gone farther than any other in refining and extending its formulas, based largely on unit-cost-accounting, to provide automatically a basis for the allocation of available financial resources to each of the nine universities comprising the statewide system governed by the Florida Board of Regents.

A merit of the scheme is that the allocations are in lump-sums to each institution with rare exceptions, and there is considerable autonomy and flexibility as to the internal application of the funds.

A great asset of the Florida Board of Regents is its competent and energetic Chancellor, Robert B. Mautz, with his associated vice chancellors and other staff members. In November 1973, Chancellor Mautz released a special issue of the frequent small newsletter, MEMO of the Board of Regents carrying a condensed 1,200-word exposition of the use of formulas for determining numbers of teaching positions, research positions, public service positions, academic advisement positions, and academic administrative positions.

Ninety-eight per cent of all academic positions in the statewide system are allocated on the basis of these formulas. One hundred and twenty-five additional positions are provided for special programs.

Nonacademic support positions, such as research assistants, faculty secretaries, and laboratory technicians are allocated on a ratio of one to 3.2 academic positions. Library funding rests on separate formulas for estimating book needs, staffing needs, and related resources. It is said that the purposes are kept in mind to develop the library collections, relieve historical deficiencies, and recognize special needs at different institutions.

There are also several separate formulas for the function of general administration, and for operation and maintenance of plant. It is said that "Complete formulas are not developed for five other areas (telephone service, postal service, utilities, transportation, and alterations and improvements). Each institution justifies its needs in each of these categories on an individual basis. Minimum staffing standards, however, are established in each of these categories except for alterations and improvements."

Student enrollments are the chief variable in all or most of the formulas. Enrollments are classified both by academic level and by discipline or profession, because these factors are associated with widely varying unit costs.

"All the allocation techniques are under constant review by the Allocation Sub-committee, and the Interinstitutional Planning, Programming, and Budgeting Committee." Accomplishing modifications in such a scheme is always a serious problem. Even more important is opportunity for the insertion of judicious value judgments to lubricate the automatic system with the oil of good sense that will never emanate from any machine.

Reorganized State Government

Florida is operating under a new state constitution and implementing statutes which retain tight control of capital expenditures in the statehouse, and provide much centralized power for the Governor and his Department of Administration. The Board of Regents is only one subdivision of the Department of Education, which continues to be headed by a wholly ex officio Board of Education, composed of the Governor and a few of the major department heads.

The state's population increased two and a half times between 1950 and 1960, and 37 per cent between 1960 and 1970--nearly three times the average national rate for that decade. State tax support of higher education has increased 75 per cent since 1970 and 40 per cent since 1972.

These gains are good, but not more than would be expected in view of the rapid growth of population. Keeping abreast or ahead of the development of the state will continue to be a difficult goal.
NEW HAMPSHIRE. On August 31, 1973, the Postsecondary Education Commission for New Hampshire received A Plan for Postsecondary Education in New Hampshire, a 121-page offset printed document prepared by Everett B. Sackett.

Among the 26 specific recommendations (not necessarily in order of importance):

Since New Hampshire's State University System is small and incomplete as compared with those of larger states, the state should make long-term commitments to accredited institutions outside the state, to subsidize the education of New Hampshire residents in professions not provided for in New Hampshire institutions. (There would be no requirement the students benefited reimburse the state in whole or in part.) The reasoning is that qualified New Hampshire residents are entitled to tax-assisted opportunity for training in any profession. The statement is made that "Natives of New Hampshire will have a tendency to return to the state to practice even though there is no compulsion for them to do so."

The new School of Continuing Studies of the University of New Hampshire should be strongly supported. "Increasing emphasis on continuing education for adults is a national movement which appears likely to be sustained."

The University System should proceed with the development of its Merrimack Valley Branch (at Manchester) along the lines currently contemplated. The Branch is basically a comprehensive community college (two-year) and continuing education center. Administrative and academic facilities should be constructed.

The public vocational-technical colleges should become comprehensive community colleges. This has been recommended in several statewide studies since 1960. "It is time to get moving." The transition can be made with the cooperation of the University School of Continuing Studies, and in part with arrangements with nearby private colleges.

A Board of Community Colleges should be established as the governing board of these institutions—a body having authority coordinate with that of the Trustees of the University System. The relatively new Commission on Post-Secondary Education should be empowered to mediate potential discords between these two major governing boards. (An important part of the rationale is that the governance of the two-year colleges for vocational-technical and general education should be removed from the State Board of Education, which should be concerned exclusively with education below the thirteenth grade.)

Six-State Cooperation

The report says: "The project of the six presidents of the six New England State Universities to coordinate their programs should be pursued vigorously, but means should be found to relate it to the New England Board of Higher Education without surrendering its management to that agency...Its direction should be left to the universities, since the New England Board has shown itself unable to achieve the desired coordination. But care should be taken not to weaken the Board's regional student program. Desirable would be modification of the New England Board's operating policies so that it share in the University coordination and could extend it to the state colleges and to the community colleges."

The foregoing is only a fragmentary summary of a few of the recommendations of the New Hampshire plan as published in August 1973.

The New England Board of Higher Education, the regional interstate body now headquartered at 40 Grove Street, Wellesley, Massachusetts 02181, has issued the Twelfth Edition of its annual 20-page brochure entitled Facts about New England Colleges, Universities, and Institutes, 1973-1974. It is a compact and comprehensive compilation. In addition to basic data about all of the
institutions, it includes a concise description of the several aspects of the regional student program of NEBHE.

The New England Board of Higher Education is based on an interstate compact among only the six New England states.

NEW YORK. Assemblyman Peter J. Costigan, chairman of the legislature's Select Committee on Higher Education, was quoted December 7, 1973, as saying a bill would be prepared to revise and enlarge the programs of student aids and state aid to private colleges.

A staff member of the Committee said positively that the projected bill would not contain any provision to disturb or abolish the policy and practice of free tuition for regular undergraduates in the City University of New York. He was sure that such a provision could not pass the legislature.

The likelihood of continued free tuition at the City University is increased by the resignation in December of Governor Nelson A. Rockefeller, after a remarkable period of service of fifteen consecutive years as chief executive. He sponsored many measures which produced rapid progress in the upgrading and expansion of public higher education, but he always looked at the idea of free tuition with a jaundiced eye, and unsuccessfully tried several ploys to compel the City University of New York to charge fees similar to those charged by the various institutions within the State University of New York, which is another system.

PENNSYLVANIA. The practice of the Legislature of continuing long sessions, often through the entire calendar year and sometimes longer, has always made it difficult to obtain a final report of appropriations for the current fiscal year in time for GRAPEVINE's annual 50-state summary (released November 5, 1973).

Consequently, the figures in the fall of each year are in part estimates for some Pennsylvania institutions. If we did otherwise we would be defeating GRAPEVINE's primary purpose: to report promptly the appropriations of each state and of 50 states, either before or as soon as possible after the beginning of the fiscal year to which they appertain.

Through the courtesy of Pennsylvania State University we are able to report here correctly figures for that institution (all campuses) for the past three years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Year</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971-72</td>
<td>1972-73</td>
<td>1973-74</td>
</tr>
<tr>
<td>$76,222</td>
<td>$82,694</td>
<td>$87,159</td>
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</table>

The gain over the two-year period was 14 1/2 per cent.

TEXAS. We have received a correction of our somewhat mystifying figures for Tyler State College in Texas (Table 47, page 1160). In thousands $10,504 and $1,810 for fiscal years 1973-74 and 1974-75 are rectified to read $1,468,741 and $1,713,964 for the two fiscal years. The resulting difference in the statewide totals is not of tremendous consequence.
FLASHERS OF THE FUTURE: TEN STATES HAVE APPROPRIATED FOR FISCAL YEAR 1974-75

Table 74. Appropriations of state tax funds for annual operating expenses of higher education for fiscal year 1974-75, by ten states in which such appropriations were made in 1973, compared with three earlier fiscal years.

<table>
<thead>
<tr>
<th>States</th>
<th>Year 1971-72</th>
<th>Year 1972-73</th>
<th>Year 1973-74</th>
<th>2-yr gain per cent</th>
<th>Year 1974-75</th>
<th>2-yr gain per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
<td>(7)</td>
</tr>
<tr>
<td>Alabama</td>
<td>106,429</td>
<td>106,444</td>
<td>147,526</td>
<td>38</td>
<td>158,110</td>
<td>48</td>
</tr>
<tr>
<td>Arkansas</td>
<td>52,177</td>
<td>56,371</td>
<td>73,411</td>
<td>40</td>
<td>82,421</td>
<td>46</td>
</tr>
<tr>
<td>Hawaii</td>
<td>59,866</td>
<td>64,478</td>
<td>57,295</td>
<td>-4</td>
<td>58,740</td>
<td>-10</td>
</tr>
<tr>
<td>Indiana</td>
<td>201,345</td>
<td>210,595</td>
<td>233,379</td>
<td>16</td>
<td>247,119</td>
<td>17</td>
</tr>
<tr>
<td>Iowa</td>
<td>119,881</td>
<td>125,505</td>
<td>142,389</td>
<td>19</td>
<td>147,785</td>
<td>18</td>
</tr>
<tr>
<td>Minnesota</td>
<td>164,566</td>
<td>174,040</td>
<td>187,552</td>
<td>14</td>
<td>193,235</td>
<td>11</td>
</tr>
<tr>
<td>Montana</td>
<td>30,635</td>
<td>30,798</td>
<td>36,792</td>
<td>20</td>
<td>38,248</td>
<td>24</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>12,391</td>
<td>12,880</td>
<td>17,403</td>
<td>40</td>
<td>18,380</td>
<td>43</td>
</tr>
<tr>
<td>Ohio</td>
<td>293,677</td>
<td>325,105</td>
<td>345,759</td>
<td>18</td>
<td>386,017</td>
<td>19</td>
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<tr>
<td>Texas</td>
<td>418,369</td>
<td>463,528</td>
<td>487,874</td>
<td>16</td>
<td>509,180</td>
<td>10</td>
</tr>
<tr>
<td>Totals</td>
<td>1,459,336</td>
<td>1,569,744</td>
<td>1,729,380</td>
<td></td>
<td>1,839,235</td>
<td></td>
</tr>
</tbody>
</table>

Weighted average two-year gains 18.5% 17.2%

The ten states in Table 74 have made appropriations in 1973 for the biennium 1973-75 by separate fiscal years. Table 74 shows the statewide totals for four consecutive fiscal years, through fiscal year 1974-75.

Columns 5 and 7 show respectively the percentages of change over the immediately preceding two years for fiscal year 1973-74 and fiscal year 1974-75. It can be seen at a glance that six of the states made higher increases for 1974-75 than for 1973-74.

The weighted average two-year gains for all ten states were 18.5 per cent for fiscal year 1973-74 and 17.2 per cent for fiscal year 1974-75. The slight decrease in the percentages is no doubt accounted for by the well-known and long-observed fact that legislatures are generally inclined to be cautious and reluctant to appropriate increases for a fiscal year which is a full year in the future.

Another factor that will be noticed by knowledgeable readers is that these ten states, with two or three exceptions, are generally slow gainers. Their average rate of two year gain for fiscal year 1973-74 is about 18.5 per cent as compared with the nationwide average rate of 25 per cent for the same period.

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