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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 need for a higher education system which provides for the diverse needs, vocational and non-vocational, of as many 18-year-olds as can benefit from it....; provides facilities, different rather than unequal, for the specially creative who may be able to lighten the burden or enrich the lives of all the rest; and is nevertheless egalitarian in both senses, of providing equally good higher education for an increasing proportion of the population and of providing equal opportunity for developing creative ability so as to recruit the latter from as wide a social field as possible."

--Harold Perkin, professor of social history,
University of Lancaster, England

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Statement of ownership and circulation of GRAPEVINE is on page 1266 (reverse hereof).

Table 28.- STATE TAX-FUND APPROPRIATIONS AS STATE AID FOR ANNUAL OPERATING EXPENSES OF LOCAL PUBLIC COMMUNITY COLLEGES FOR FISCAL YEARS 1973 THROUGH 1975, IN THOUSANDS OF DOLLARS.

States	Year 1972-73	Year 1973-74	Year 1974-75	2-year gain per cent
(1)	(2)	(3)	(4)	(5)
California	215,849	219,816	323,839	50
✓ Florida	110,922	121,970	146,687	32
New York	90,900	117,100	123,150	35
North Carolina	58,542	83,638	96,468	65
✓ Illinois	68,118	71,664	82,787	22
Michigan	57,383	65,873	74,226	29
Texas	55,787	51,552	57,271	3
New Jersey	29,548	38,038	35,895	21
Maryland	27,778	31,157	29,418	6
Oregon	21,000	25,060	26,883	28
Pennsylvania	18,235	18,868	25,381	39
Arizona	13,696	17,758	21,943	60
Ohio	12,817	16,654	19,913	55
Iowa	13,800	16,104	17,357	26
Missouri	13,415	15,386	15,085	12
Mississippi	11,385	13,800	14,277	25
Kansas	3,916	8,148	8,278	111
✓ Arkansas	1,940	4,400	4,750	145
Wyoming	3,379	4,718	4,693	39
Oklahoma	2,213	2,274	3,979	80
Colorado	5,600	4,885	3,333	-40
✓ Georgia <i>St. Kitts Comm. College</i>	2,280	3,050	2,839	25
✓ Idaho <i>College</i>	1,305	1,801	2,020	55
✓ Indiana <i>Vincennes</i>	1,048	1,454	1,846	76
North Dakota	1,034	1,133	1,133	10
Montana	---	983	1,072	
New Mexico	250	245	260	4
Totals	842,140	957,529	1,144,783	
Weighted average percentage of gain				36

NOTE: Earlier versions of the substance of Table 28, accompanied by explanatory text and footnotes, appear in GRAPEVINE No. 187, pages 1196-1197 (February 1974); and in GRAPEVINE No. 173, pages 1100-1104 (December 1972).

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Table 29. STATE TAX-FUND APPROPRIATIONS FOR ANNUAL OPERATING EXPENSES OF STATE JUNIOR COLLEGES IN EIGHTEEN STATES, FISCAL YEARS 1972-73 THROUGH 1974-75, IN THOUSANDS OF DOLLARS.

States	Year 1972-73	Year 1973-74	Year 1974-75	2-year gain per cent
(1)	(2)	(3)	(4)	(5)
Washington	58,745	74,443	74,443	27
Virginia	34,291	40,735	47,532	39
New York	34,966	40,427	43,337	24
Massachusetts	23,507	28,314	33,617	43
South Carolina	11,187	17,818	25,914	132
Connecticut	17,070	17,583	21,085	24
Alabama	11,834	17,102	19,219	62
Georgia	12,353	17,000	19,101	55
Minnesota	18,431	18,976	18,921	3
Colorado	11,586	14,341	17,268	49
Tennessee	10,222	11,645	15,090	48
Nebraska	---	8,649	10,923	
Oklahoma	3,881	7,716	9,205	137
Delaware	4,201	6,489	7,955	89
Rhode Island	7,170	6,909	7,254	1
Nevada	1,098	3,400	4,564	316
West Virginia	1,864	2,294	3,238	74
Alaska	837	1,000	1,194	43
Totals	263,243	334,841	379,860	
Weighted average percentage of gain				44

NOTE: State junior colleges are so called because their operating expenses are supported not by local taxing districts, but from appropriations of state tax funds.

Some states have both local public and state junior colleges. Such states appear in both Table 28 and 29, for example, Colorado, Georgia, New York, Oklahoma. In Massachusetts the community colleges are called "regional", but their tax support for operating expenses comes from the Commonwealth.

In some states there is an apparent effort to develop comprehensive state junior colleges from earlier two-year schools of various types, including vocational or technical. Thus Nebraska's state junior colleges are called "Technical and Community Colleges", and South Carolina's statewide network, largely based on former vocational schools, is now called the system of "Technical and Comprehensive Education."

Table 30. STATE TAX-FUND APPROPRIATIONS FOR OPERATING EXPENSES OF VOCATIONAL-TECHNICAL INSTITUTIONS IN THIRTEEN STATES, FISCAL YEARS 1972-73 THROUGH 1974-75, IN THOUSANDS OF DOLLARS.

States	Year 1972-73	Year 1973-74	Year 1974-75	2-year gain per cent
(1)	(2)	(3)	(4)	(5)
Wisconsin	22,775	40,119	44,131	94
Mississippi	11,200	13,876	17,987	61
Ohio	9,582	11,504	14,544	52
Alabama	10,841	13,334	13,891	28
Colorado	7,172	9,317	12,973	81
Indiana	4,736	5,812	6,888	45
Iowa	5,275	6,200	6,656	26
Connecticut	4,617	4,776	5,268	14
Idaho	2,150	2,906	4,350	102
Maine	3,939	4,220	4,319	10
Louisiana	1,889	2,227	4,208	122
New Hampshire	2,623	3,378	3,341	27
Montana	1,775	2,628	2,690	52
Totals	88,574	120,297	141,246	
Weighted average percentage of gain				59

NOTE: Table 30 is fragmentary. It is far short of a nationwide picture of post-high-school vocational and technical education at the community college level. The states listed in Table 30 are placed there because GRAPEVINE's correspondents in their state capitals report a group of vocational schools as a segment of higher education; and also because the schools thus reported are generally listed as institutions of higher education in the U. S. Office of Education's Education Directory: Higher Education. In Table 30, four-year "technical colleges", as, for example, in Connecticut and Vermont, are not included. Also excluded are any and all vocational or technical schools that are branch campuses of state universities. These branches are usually carried within the budget of the parent institution, and GRAPEVINE does not receive reports of their tax support as separate institutions.

Earlier versions of the substance of Table 30, accompanied by explanatory text, appear in GRAPEVINE No. 187, pages 1196 and 1199 (February 1974); and in GRAPEVINE No. 173, pages 1100-1104 (December 1972).

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GOVERNOR OF NEW MEXICO VETOES LEGISLATIVE LANGUAGE PURPORTING TO AUTHORIZE
STATE LEGISLATIVE AND ADMINISTRATIVE CONTROL OF RECEIPTS OF STATE UNIVERSITIES
OF NONSTATE FUNDS: VETO IS UPHELD BY STATE SUPREME COURT IN A LANDMARK DECISION

NEW MEXICO. On July 29, 1974 the supreme court of New Mexico published a decision worthy of nationwide attention in the field of public higher education.*

Legislature Can Not Appropriate or Control
Funds Received by State Universities
From Federal or Private Sources

The suit, brought by the attorney general on the relation of a state senator, asked for a writ of mandamus to compel the governor and others to treat certain partial vetoes of the general appropriation act of 1974 as nullities.

It is clear that the New Mexico Constitution empowers the governor to make "item vetoes" in bills appropriating money (Article IV, section 22).

Acting under this authority, the governor vetoed a bloc of verbose and repetitious language in the higher education section of the appropriations act, obviously intended to assert total control of university income from all sources, by the legislature and the executive branch of state government, as represented by the director of the state department of administration and finance.

The offending language ran:

"In the event that actual revenues to state agencies in this category exceed the amounts appropriated from:

- "1. federal funds; or
- "2. other state funds in the form of revenues received in the sixty-third fiscal year; or
- "3. other state funds in the form of receipts, earnings, or balances from bond issue proceeds; or
- "4. other state funds in the form of receipts or balances resulting from acts of the 1974 legislative session; or
- "5. other state funds in the form of scholarships, gifts, donations, private endowments, or other gratuities received from an outside source; or

"6. other state funds in the form of increased income from auxiliary activities;
"the department of finance and administration may approve the expenditure of such excess funds... Provided, that the department of finance and administration may approve the temporary use of balances which shall be restored to the original amount prior to the close of the sixty-third fiscal year."

In the governor's message stating his reasons for vetoing all this verbiage, he said:

"Article XI, section 13 of the New Mexico Constitution provides that the legislature shall provide for the control and management of each of the State's educational institutions by a board of regents. The effect of (the vetoed language) would be to cause confusion and to severely limit the flexibility of the boards of regents in the control and management of the institutions..."

The Governor Recognizes and Defends the
Necessity of Fiscal Flexibility for
State University Governing Boards

This is a notable and highly commendable example of a state governor's understanding that a state institution of higher education can not operate at its best if it must depend on the permission of a statehouse functionary to use every single dollar of its income from all sources, with no elbow-room or sphere of discretion even regarding income from its own prudently operated auxiliary services, or from philanthropic gifts and grants, or from endowment earnings.

Detailed state control of state university income from these sources is unthinkable in the approximately ten states where one or more state universities have constitutional independence, and where

*State of New Mexico v. Kirkpatrick,
(N.M.), 524 P. 2d 975 (July 19, 1974).

NEW MEXICO (Cont from page 1269)
several of the world's greatest state universities flourish, as, for example, in Michigan, Minnesota, and California, to name only the top few.

In those ten states, and indeed, in several others, adding up to perhaps half of all the fifty states, the state institutions of higher education, or at least the principal universities, retain their student fees on the campus where collected, as well as institutional receipts from all other sources, and apply them to their educational purposes without the rigamarole of sending them to the state treasury and waiting for them to be appropriated by the state legislature.

Moreover, state assumption of control of funds given to state institutions of higher education by private donors, in disregard of the intent of the donors, is unlawful as a contravention of the law of trusts, which has roots running at least as far back as the sixteenth century reign of Queen Elizabeth I.

It would be grossly bad public policy if prospective donors to state universities were given any reason to suspect that their gifts might be diverted from the lawful purposes which they designate.

A decision of two decades ago in West Virginia unequivocally held that a bequest to Bluefield State College must be faithfully held in trust and its income disbursed only on the requisition of the beneficiary college, as against the adversary contention of the state auditor who insisted that a clause in the state constitution specified that any and all moneys given to the state for educational purposes must go into the common school fund.*

To return to the New Mexico decision of July 1974: Justice Oman, joined by the four other Justices in the unanimous opinion of the court, was careful to point out that each of the five state universities

*State ex rel. West Virginia Board of Education v. Sims, 143 W.Va. 269, 101 S.E. 2d 190 (1957).

was legally obligated to report annually its receipts of all income from nonstate sources, so that the governor, the legislature, and the public could be informed of these receipts, and take them into consideration when deliberating on the amounts of state tax funds to be appropriated to the institutions; but that neither the legislature nor any executive or administrative officer of the state could presume to appropriate or control the allocation of such funds.

Governor's Veto Upheld, Eliminating Language Purporting to Authorize State Administrative Control of Receipts of Universities of Nonstate Funds

On this issue the governor won, and his veto stands with the unanimous approval of the state supreme court.

If this landmark decision were made known and studied by university presidents, statewide coordinating board members and staffs, and state fiscal officers, it might do something to ameliorate the more or less seething relations between the state university camps and the state government camps. Much work is yet to be done toward hammering out the suitable shape of those relationships.

It would be helpful if all concerned would understand that a public university or college is an agency empowered to receive and hold charitable gifts and endowment funds, and apply the income from such sources to its general educational purposes; or, if the gift is restricted, then to the purposes lawfully specified by the donors. During the most recently reported year, approximately 20 per cent of all private gifts to higher education went to public institutions. This is up from 15 per cent ten years ago.

In a vain attempt to achieve total centralization in the statehouse of the detailed fiscal affairs of all state institutions, state legislatures could unwittingly "kill the goose that lays these golden eggs," as well as drive down the quality of the state universities.