

GRAPEVINE  
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A newsletter on state tax legislation; state appropriations for universities, colleges, and junior colleges; state support of public school systems; legislation affecting education at any level. There is no charge for GRAPEVINE, but recipients are asked to send occasional timely newsnotes regarding pertinent events in their respective states.

IN THIS ISSUE

Tennessee has appropriated state tax funds for operating expenses of higher education for the biennium 1961-63 in amounts representing an increase of about 22 $\frac{1}{2}$ % over the current biennium.

West Virginia has enacted a new personal income tax act, retroactive to January 1, 1961. Individuals will pay to the state 6% of the amount of federal income tax paid by them.

This issue of GRAPEVINE reviews reports of recent statewide surveys of higher education in Nebraska and South Dakota; and reports of the State College Board and the Liaison Committee on Higher Education in Minnesota.

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From the Report of the Liaison Committee for Higher Education in Minnesota:

"The Liaison Committee affirms its belief in the principle of state support of higher education as a major investment in its own economy. The state should provide, at the lowest possible cost to the student, higher educational opportunity for all capable youth in Minnesota, regardless of the student's economic status."

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CALIFORNIA. The State Department of Education published in January 1961 its Recommendations on Public School Support, a 378-page printed report to the legislature as required by a 1959 statute. Here we have space only to comment upon Chapters V and XII, dealing with support for junior colleges.

In simple terms, an increase of \$86 per student per year in state aid for operating expenses is recommended for all districts having less than \$153,000 of assessed valuation per student. From that point, in districts having higher valuations, the \$86 would be decreased by \$10 for each \$20,000 of added valuation, reaching zero in districts having more than \$330,000 per student. This would be in addition to the present basic state aid of \$125 per student, which is within the framework of the present "foundation program" of \$494 per student. The recommendation is that the "foundation program" be boosted to \$580. This is roughly 98% of the estimated actual average level of current expenses for fiscal 1961-62.

The "Master Plan Act" of 1960 made the junior colleges and all their functions definitely a part of the tripartite system of higher education, but did not embody some recommendations of the Master Plan, such as (1) by 1964 the University of California and the state colleges should discontinue all admissions of students not meeting their regular standards (thus ceasing a substantial amount of service now classified as suitable only for junior colleges), (2) between now and 1970 twenty-two areas in the state will need either a new junior college (or to be annexed to existing junior college districts), and (3) no new campuses of

the University or new state colleges should be established in any areas not already adequately served by junior colleges.

The present report points out that it was the intent of the Master Plan Survey Team and of the Liaison Committee that about 50,000 students who would under present expectations, enter the University and the state colleges, should by 1975 be diverted to the junior colleges each year, by such methods as the governing boards of the University and the state colleges would determine at their own discretion. To make this intent practicable, the Liaison Committee recommended that "the proportion of total current support paid to the junior colleges from the State School Fund (augmented) be increased from the approximately 30% now in effect to approximately 45%, to be achieved not later than 1975.

The proposals for state aid to junior colleges as sketched in the second paragraph of this note would raise, it is estimated, the state support to about 33% of total current support, thus constituting a first step toward the 1975 goal set by the Master Plan and the Liaison Committee.

CONNECTICUT. For the next biennium Governor Dempsey proposes a state budget of \$590 million. This will require additional revenues of \$130 million. The governor recommends increases in the cigarette tax, insurance and business taxes, inheritance and sales taxes.

In 1959 under the administration of Governor Abraham Ribicoff, the sum of \$30 million was "diverted" from state motor vehicle fee income into the general fund.

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CONNECTICUT. (Continued from page 178) Previously this had been earmarked for the special fund for highway construction. A faction in the legislature now demands that the "diversion" be discontinued. Governor Dempsey opposes this and adds that it would necessitate a further increase of \$30 million in state taxes.

ILLINOIS. As a memento of the successful effort to obtain the necessary approval by popular vote of the projected bond issue of \$195 million for capital improvements at the state universities in Illinois, a handsome cloth-bound volume entitled Universities Bond Issue has been prepared, containing copies of campaign materials used by the Universities Bond Issue Committee.

Chairman of this committee was Harold E. Gibson of Illinois State Normal University, Normal, Illinois. I am not informed as to how many copies are available, but I am confident that at least a few copies would be given or loaned on request to persons in other states who may be interested in planning a similar effort. The book contains a large number of pamphlets, speeches, mailing-pieces, news stories, editorials, and other publicity materials which were used to disseminate the story of the capital outlay needs of the universities among the people of Illinois.

MINNESOTA. Two useful documents touching higher education in Minnesota became available around the first of the year.

The Biennial Report of the Minnesota State College Board to the Governor is a 55-page lithoprinted paper packed with data regarding the 5 state colleges, issued from the office of the board, 457 Centennial Office Building, St. Paul. Roy C. Prentis is Executive Director of the 9-member board. Among other things, the report shows that the state colleges have had an increase in enrollment of 125% within the past 6 years.

The Report of the Liaison Committee on Higher Education in Minnesota, 1959-60, is the first report of the voluntary coordinating agency set up by the Regents of the University of Minnesota, the State

College Board, and the State Board of Education, at the suggestion of the 1959 legislature. This report is a 50-page mimeographed document sketching the activities of the Liaison Committee; summarizing its interviews with representatives of the University of Minnesota, the state colleges, junior colleges, and private colleges; sketching the instructional programs of all institutions; and presenting statistical data on college attendance. Twenty recommendations are added.

One of these is that the Committee should develop a broad general statewide plan for higher education on a basis of voluntary agreement. This would include provision for continuing research on higher education in the state, and to that end the Committee asks the legislature to provide it with \$69,000 for the oncoming biennium, through the three boards which it represents.

An impression of the tenor of the Committee's outlook can be gained from its recommendation number 14, which is here quoted in full:

"The Liaison Committee affirms its belief in the principle of state support of higher education as a major investment in its own economy. The state should provide, at the lowest possible cost to the student, higher educational opportunity for all capable youth in Minnesota, regardless of the student's economic status."

NEBRASKA. Released early in February was The Nebraska Study of Higher Education conducted by Lyman A. Glenn of Sacramento State College for the Committee on Higher Education of the Nebraska Legislative Council, as authorized by the legislature of 1959. This is a 109-page printed document issued by the Legislative Council, P.O. Box 4814, State Capital, Lincoln, Nebraska.

Specific recommendations, exceeding 100 in number, fill 10 large-format pages. Only a few can be mentioned here. The expected gain in student enrollment by 1970 is about 80%-- somewhat less than for many other states which are gaining population faster than Nebraska. The state has a net (Continued on p. 180)

NEBRASKA. (Continued from page 179)  
 in-migration of about 400 undergraduates, almost balanced by net out-migration of graduate and professional students. Sixty-eight per cent of Nebraska's students are in public institutions, and 32% in private.

The public institutions include the state university, four state teachers colleges, a municipal university, and four local public two-year colleges. Generally speaking, attrition is high and enrollments are heavily weighted in the lower division and relatively scanty in upper division and graduate study. One of the recommendations is that the University of Nebraska, without reducing the scope and variety of its offerings and without drastically changing its lower division enrollment, should move gradually toward becoming more of an upper division and graduate institution, with greater emphasis on graduate, research, and service functions.

The teachers colleges, thinks Glenn, should continue primarily for teacher-education, but also offer occupational programs such as business, industrial arts, and home economics; and should also place more emphasis on their regional responsibilities for providing liberal arts and pre-professional curriculums. The University of Omaha (the municipal institution) should continue with its undergraduate and adult education emphases, and be encouraged to expand master's programs, especially in terminal fields, such as business administration, public administration, social work, and applied arts. The junior colleges should go right on with their college-parallel courses, but make much greater efforts toward providing technical-terminal and adult education programs, and also more comprehensive guidance and counseling services.

A substantial majority of Glenn's recommendations were adopted by the Legislative Council; and in some instances the Council softened his words only slightly, indicating substantial agreement. For example, his recommendation that the state of Nebraska adopt no state scholarship system until the general level of support for the public institutions has been raised, was

approved with the substitution of the words "for the time being." This places Nebraska alongside Washington State (GRAPEVINE, page 168) in recommending against a state scholarship plan of any kind.

Speaking of the statewide picture of the control of the state institutions, Glenn says with refreshing simplicity and candor that "No central board for coordination is necessary." But here he apparently overlooks or rejects an opportunity to suggest that the presidents of the several institutions might well emulate Indiana's excellent plan of voluntary coordination whereby the state fiscal officer, the legislature, and the public are kept superbly informed of the academic and fiscal operations and needs of all the state-supported institutions.

Conceding that "the legislature has need for pertinent information about the institutions and their operations", he recommends a survey every five years. This is an ante-diluvian remedy as compared with the continuous service which can be afforded by a good scheme of voluntary coordination, as in Indiana.

While wisely refraining from advocating the creation of any bureaucratic superstructure, the report, in perceptively describing the Board of Education of State Normal Schools (governing the 4 teachers colleges), discloses quite plainly that consolidation of the control of several institutions in one governing board may easily give rise to more problems than it solves. It appears that the 7-member board habitually has one or more members resident in the immediate vicinity of each of the colleges, and that each such member tends to be a powerful partisan of his own institution, so that decisions have usually been made on a basis of power and persuasion rather than of information and deliberation. This situation is perpetuated by the fact that the secretary of the board is only a recorder and often participates in policy-making in the fashion of other members of the board, but does not function as a director of research and information. The board deals directly and separately with the 4 presidents. This, it could have been remarked, tends to (Continued on page 181)

NEBRASKA. (Continued from page 180)  
degrade their status as well as to cause them to regard each other with suspicion or hostility.

Glenny's remedy for these defects is to increase the board to 11 members, and add the drastic requirement that "only one member shall be an alumnus from any one of the state teachers colleges or chosen from the county in which a teachers college is located or counties contiguous thereto." This would assure that nearly two-thirds of the board members would be resident a substantial distance from any of the colleges; but it might severely hamstring the exercise of the governor's appointing power. Ideally, the governor should have a free hand to select the best-qualified appointees.

An important feature of the recommended remedy is that the board be authorized to appoint an Executive Officer who would run the four colleges as a tight bureaucracy, with the approval of the board. This is something different from a director of research and information who would keep the board and the public informed of the facts and encourage the colleges to work out their academic and fiscal programs cooperatively for presentation to the board. I am not prepared to say dogmatically which of these alternatives is preferable for Nebraska; but they are different.

Let it be added that the recommendations of the report seem generally sound, and that the people of Nebraska are to be congratulated on having obtained so thorough a study of the status and prospects of higher education in the state. Director Glenny was assisted by seven educators now resident in Nebraska, each of whom prepared a separate report on some one aspect of the survey. Particularly to be commended, in my estimation, is the report on Instructional Programs, by Karl W. Meyer, Dean of Instruction at the Nebraska State Teachers College at Wayne.

The report as a whole closes with two commendations which afford evidence that the director and staff of the survey have some cognizance of "the efficiency of freedom" for state institutions of higher education: Lump-sum appropriations by the

legislature are praised; and the state auditor is lauded for confining his jurisdiction to the legality of expenditures and not interposing his judgment as to the policy or wisdom of educational disbursements.

PENNSYLVANIA. Governor Lawrence has signed a number of newly-enacted tax statutes which will provide about \$98 million of new revenue for the next fiscal year. This is expected to wipe out a large part of the anticipated deficit of \$86 million, and also provide about \$23 million of new revenue. Among the new measures are a 2% premium tax on Pennsylvania life insurance companies and a 8-mill levy on the surplus and undivided profits of building and loan associations.

SOUTH DAKOTA. A survey of higher education in this state, authorized by the 1959 legislature, has been completed by a team of staff members of the U. S. Office of Education headed by Sebastian V. Martorana. The summary volume is a 122-page printed document entitled Higher Education in South Dakota, and bearing date of September 1960, though it did not actually become available until some months later.

The report contains more than a hundred specific recommendations, only a few of which can be mentioned here. For example, fiscal strangulation from the statehouse should be thrown off. I quote directly:

"The Regents of Education should seek and the legislature should enact amendments to the laws of South Dakota which govern state fiscal procedures so that approvals of expenditures are made a responsibility of the Regents of Education and a function of its executive director, thereby relieving the institutions from unwieldy and delaying fiscal controls." (You get what is meant, despite the heroically awkward expression!)

At another place, the same point is more clearly stated: "The Regents should be made the official and sole state agency responsible for approval and pre-audit of expenditure of moneys (Continued on p.182)

SOUTH DAKOTA. (Continued from page 181) appropriated to implement the budget approved by the governor and legislature."

Again, apparently aware that South Dakota has been stuck for 65 years with a consolidated governing board which has never exercised enough leadership to generate much real cooperation among the 7 state institutions, the survey team wisely suggests that the Regents and the executive director should "exercise leadership toward more voluntary coordination (italics mine) of the several operating aspects of the institutions by holding more frequently planned work conferences of persons holding like positions on the administrative staffs (such as business officers, registrars, admissions officers, directors of student services, and academic deans) of the institutions."

There is a voluntary Council of State College Presidents which meets regularly at the same time and place as the Regents, and considers statewide problems such as appropriations, recruitment, admission and retention of students, and staff personnel. However, it does not appear that either the Regents or the presidents have ever been able to involve the institutional faculties and administrative staffs in systematic and continuing studies of the statewide system; and a recommendation that recurs at various points is that some of these persons should be led to organize voluntary teams to execute the necessary ongoing collection of data upon which planning could be based.

South Dakota's population has shown a slight decrease over the last 30 years, and prospects do not seem to indicate any great increase in population or in per capita income. In this situation it is intriguing to note that the survey team advises the state to prepare to accommodate 80% more students by 1970. The recommendation envisions not only an increase in the proportion of people of college age who will actually go to college; it also urges South Dakota to take measures to attract more students from outside the state, pointing out that relatively small and uncrowded institutions are often in a position to receive additional students at relatively small additional cost to the institution; and also pointing out that an out-of-state

student who comes to the state for the purpose of attending college thereby strengthens the economy of the state. In other words, with his expenditures for living expenses and other necessary personal outlays, he is an economic asset, in somewhat the same manner as a tourist, and South Dakota, with its sparse college population, is advised to go into the business of attracting students from other states. There is something to be said for this advice, but I do not hasten to pass judgment upon it, either favorable or unfavorable.

TENNESSEE. The appropriation act enacted by the legislature January 16 and signed by Governor Buford Ellington on the same day provided state tax funds for operating expenses of the state institutions of higher education as shown in Table 16.

Table 16. Appropriations of state tax funds for operating expenses of higher education in Tennessee for the 2 fiscal years of the biennium 1961-63, in thousands of dollars

Institutions	Sums appropriated	
	1961-62	1962-63
(1)	(2)	(3)
U of Tennessee	\$9,700	\$9,916
Ag Extension	1,400	1,500
Ag Exp Sta	900	964
Memorial Research	100	100
Municipal Adv Serv	53	53
Tenn A & I State U	2,186	2,251
Memphis State U	1,700	2,011
East Tenn State Coll	1,683	1,909
Middle Tenn St Coll	1,228	1,456
Tenn Polytech Inst	1,299	1,368
Austin Peay St Coll	773	831
Enrollment reserve	500	
<b>Total</b>	<b>21,522</b>	<b>22,359</b>

The total for the biennium represents a gain of about 22 $\frac{1}{2}$ % over the preceding biennium.

For capital improvements for higher education the appropriation is \$12 million, being \$4,800,000 for the University of Tennessee and \$7,200,000 for the state colleges.

WASHINGTON. Appropriations of state tax funds as requested by (Continued on p.183)

WASHINGTON. (Continued from page 182)  
Governor Albert D. Rosellini for operating expenses of higher education for the biennium 1961-63, in his budget message of January 13, 1961, are as in Table 17.

Table 17. Governor's recommended appropriations of state tax funds for operating expenses of higher education in Washington, for biennium 1961-63, rounded to thousands of dollars.

Institutions	Sums recommended
(1)	(2)
U of Washington	\$56,897
Washington State U	32,321
Eastern Washington Coll	4,645
Central Washington Coll	4,766
Western Washington Coll	6,068
Western Interstate Commission for Higher Ed	20
Total	104,717

The total recommended represents a gain of nearly 25% over the appropriations for the current biennium.

Addressing the legislature, the governor noted that his recommendation for expenditure of state tax funds for operating expenses of education at all levels is \$114½ million larger than 2 years ago, and that for this reason the proposed expenditures will exceed general fund revenues by nearly \$58 million, unless additional revenues are provided for.

He said: "We need more money to pay for education. We can balance the budget without raising taxes, but only at the expense of education.

"You may sit through this session, and end it without raising taxes. The authority is yours. The responsibility is yours. But if that is your choice, our schools will suffer and our children will suffer. "Think of the consequences."

He asked the legislature to submit to the people a proposal for a state income tax. He would then hope to eliminate the sales tax on food and medicines, or perhaps reduce the general sales tax rate from its present 4% to 3%; and he would abolish the business and occupation tax.

Recognizing that since an amendment to the constitution is deemed necessary to authorize an income tax, it may not be possible to secure the needed revenues from an income tax within the ensuing biennium, he nevertheless wanted no increase in the rates of the general sales tax or the business and occupation tax, but suggested additional excise taxes or upward adjustment of property taxes.

WEST VIRGINIA. A new state personal income tax statute has been enacted, imposing a levy of 6% of the amount of federal income tax paid, retroactive to January 1, 1961. It is expected to produce about \$15 million annually.

Simply basing the state tax on the federal income tax automatically disposes of many complexities in the administration of a state income tax. It also tends to give the state tax a broader base, and to provide more refined gradations, especially in the higher brackets, than have hitherto generally characterized state income taxes.

WISCONSIN. The governor's recommendations regarding appropriations of state tax funds for higher education for the 2 fiscal years of the ensuing biennium are as in Table 18.

Table 18. Governor's recommendations of state appropriations of tax funds for operating expenses of higher education in Wisconsin, for fiscal years 1961-62 and 1962-63, in thousands of dollars.

Institutions	Sums recommended	
	1961-62	1962-63
(1)	(2)	(3)
U of Wisconsin	\$32,163	\$35,989
State Colleges	10,827	12,725
Totals	42,980	48,714

The governor's recommendations represent substantial reductions of the sums requested on behalf of the institutions by the Coordinating Committee; but they seem to be higher than the appropriations received over the preceding biennium by 30% or more. The exact percentage is not yet

WISCONSIN. (Continued from page 183) ascertainable, because some of the appropriations for 1960-61 were for "a sum sufficient" which can not be precisely known until after June 30, 1961. Readers of GRAPEVINE will also recall that appropriations for the biennium 1959-61 were made at different times, the first appropriations being only a temporary stop-gap at the request of Governor Gaylord Nelson, pending his further recommendations regarding revenue measures.

OHIO. The Interim Commission on Education Beyond the High School, 700 Bryden Road, Columbus 15, Ohio, of which E. A. Whiteker is executive secretary, issued under date of February 17 a report to Governor Michael V. DiSalle on A Proposed Policy for the State of Ohio for Community Colleges and University Branches.

The 75-page mimeographed document contains a draft of a proposed statute which would authorize a county or combination of counties having at least 100,000 population to establish a junior college district to be governed by a board of trustees to consist of 7 local residents appointed by the governor for overlapping terms of 5 years.

The local board of trustees would be empowered to determine whether the junior college should be operated wholly by the district and the board itself, or whether it should be operated wholly or in part under contract with an accredited university or college. This provision is the result of a compromise with the facts of life in Ohio, where at present there are no public junior colleges, but where the six state universities are operating a total of 29 extension centers offering two years of college-parallel work. The university presidents are unanimous in advocating the continuation and development of these centers as university "branches", while the local public school authorities generally favor the local public junior college.

The proposed statute would place the supervision and leadership of junior colleges from the state level in the hands of

an independent "state community college board" consisting of the governor or his representative and 6 members appointed by him with the advice and consent of the senate for overlapping terms of 6 years. Added would be the state superintendent of public instruction and one president of an accredited 4-year college or university in Ohio, as "advisory members" serving at the pleasure of the governor. This board would employ an executive secretary.

Two of the nine members of the Interim Commission entered short dissenting reports in which they indicated that in their opinion the proposed legislation is unnecessary and would only complicate the development of decentralized higher educational opportunities through university branches. One of these dissenters conceded, however, that a local public 2-year community college should be established at once in the city of Cleveland.

The Interim Commission on Education Beyond the High School in Ohio exists under a statute of 1959 which provides for its continuance at least until 1963, and presumably it will be investigating and reporting upon various other aspects of higher education in the state during the next 2 years or more.

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Can you send GRAPEVINE a brief tabulation of this year's appropriations of state tax funds for operating expenses of each of your state's institutions of higher education during the ensuing fiscal year or biennium?

Please exclude such items as student fees and any other appropriated income from non-tax sources.

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