

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.

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GAINS IN STATE TAX SUPPORT CONTINUE

Ten states which make appropriations annually have reported an aggregate of only slightly less than \$500 million appropriated for operating expenses of higher education for fiscal 1961-62, as compared with a little less than \$377 million for 1959-60, two years ago. The rate of gain is about  $32\frac{1}{2}\%$ .

Fourteen smaller states which appropriate biennially indicate a total of \$303 million for the one fiscal year 1961-62 as against \$255 million for 1959-60, two years ago. Here the rate of gain is about 19%.

Details regarding each of these states appear in Tables 38 and 39, on page 208 of this issue of GRAPEVINE. The figures are necessarily preliminary and subject to verification and rectification, but are substantially correct.

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If you wish to have the mailing of GRAPEVINE to your address discontinued, please notify M. M. Chambers, U.H.S. 4200-G, The University of Michigan, Ann Arbor, Mich.

ARKANSAS. Tabulations in the April and May issues of GRAPEVINE, purporting to show that appropriations of state tax funds for operating expenses of higher education in Arkansas for 1961-63 represent a gain of only 3% over the comparable appropriations for 1959-61 are erroneous, and are hereby corrected.

Actually the increase over the 2-year period is about  $22\frac{1}{2}\%$ , as indicated in Table 38, page 208, this issue of GRAPEVINE. The error occurred because the sums appropriated to the Medical Center of the University of Arkansas for 1959-61, as first reported, included \$1 million a year, plus federal matching grants, to the state welfare department for the medical care of welfare patients at the University Hospital. These sums must be, of course, distinguished and excluded from state tax funds appropriated for operating expenses of the University and its teaching hospital. GRAPEVINE regrets the error.

Arkansas has a statute providing that whenever actual revenue receipts fall short of the budget estimates, proportionate amounts of appropriated funds may be withheld from the state agencies to which they were destined; and there is said to be some doubt as to whether the full appropriations for 1961-63 will be paid, particularly during the first year of the biennium, when some decline in revenues is anticipated.

Such statutes exist in some other states. They are a form of reverence to the fetish of the balanced budget. They make government and education instantly responsive to the ring of the cash-register; and at the same time seriously impair the possibility of efficient planning of the necessarily long-term operations of a university. Thus they are continuously productive of loss of efficiency.

Can not a state muster enough confidence to make a firm appropriation of a specified sum for a specific fiscal period to its university, even at the possible risk of a small deficit in some years? A university is a permanent institution whose good management requires long-term planning;-- not a short-order cafeteria able to pull stakes on a week's notice.

It is reported that another bill passed by the legislature would allocate an additional \$400,000 a year to the Medical Center for the activation of new beds in the University Hospital. This measure is being contested in the courts, and will not in any even become effective unless the voters approve a proposed \$60 million bond issue at a special election, the date of which has not yet been set. This bond issue would provide \$42 million for capital improvements at the University and at the colleges, including \$16,975,000 for the University of Arkansas.

The elaborate provisions of this bill specify that the bonds would be issued over a 4-year period, the first \$20 million to be issued during the first year and financed from an extension of existing taxes. The remaining bonds for the next three years would be predicated on a growth of revenues, and the debt service would be paid off from part of the excess of revenues each fiscal year over the previous fiscal year. The bonds would not be issued in the event that the revenue increases did not materialize. It is also provided that the bonds would not be issued if the obligations thereby incurred would be sufficient to jeopardize the ability of the state to appropriate adequate operating funds to schools, colleges, and other state agencies.

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CALIFORNIA. We have a report to the effect that total appropriations of state tax funds for operating expenses of higher education in California for fiscal year 1961-62 are \$213,983,000. This would appear to be a gain of about 32% over the comparable appropriations of 2 years ago for the fiscal year 1959-60; and apparently represents between  $8\frac{1}{4}\%$  and  $8\frac{1}{2}\%$  of the total state budget of \$2,592,304.

The amount appropriated for state aid for operating expenses for local public junior colleges for 1961-62 is reported as \$33,189,000. This would seem to be a gain of nearly  $26\frac{1}{2}\%$  over two years ago, and definitely takes California off the dead-center it occupied with regard to this item through the fiscal years 1959-60 and 1960-61.

The sites for the three projected new campuses of the University of California (which will raise the number of campuses from 8 to 11) are respectively in Orange County (near Southeastern Los Angeles); San Diego (adjoining the La Jolla Campus of the Scripps Institution of Oceanography, which has been a part of the University for some time); and Santa Cruz County ( $1\frac{1}{2}$  miles from downtown Santa Cruz).

The last-named is intended to serve principally the 5 counties of San Mateo, Santa Clara, Santa Cruz, San Benito, and Monterey, designated as the South-Central Coast area. It will be a "general campus", as will presumably also be the Orange County campus. The San Diego campus is reported to be destined to become a high-level scientific and technological institution-- a sort of "public Caltech".

In all three cases the sites are large, and it is expected that they will be developed to accommodate a maximum of 27,500 students each by 1970. "Lead time" from acquisition of site to opening of the institution to students is estimated as 4 years. Even this estimate is regarded as optimistic, in view of the necessity of campus planning, blue-printing and funding of buildings, site-preparation and construction, academic planning, recruiting of faculty, and acquisition of a library and other essential facilities for instruction and research.

An authentic and significant bit of history of voluntary statewide coordination in public higher education is available in Thomas C. Holy's Summary of the Work of the Liaison Committee of the Regents of the University of California and the State Board of Education, 1945-1960.

This is a 27-page mimeographed document with Kraft cover, which sets forth the major recommendations of the Liaison Committee during the 15-year period covered, and also summarizes the actions on these proposals which were taken by the governing boards, the legislature, or other appropriate authorities.

The Summary also speaks of the three great statewide surveys that were executed in California during the period, and lists the names of all persons who served on the Liaison Committee. Appended is a bibliographical list of 32 reports which were prepared for the Liaison Committee between 1948 and 1960.

Something of the importance of all this is indicated in the following words quoted from the Master Plan for Higher Education in California, 1960-1975:

"No action taken during the past half-century has had a greater impact on the development and direction of higher education than has the establishment of the Liaison Committee of the two boards, which was created by resolution in 1945."

Single copies of the Summary may be had free of charge upon request to the office of Thomas C. Holy, Special Consultant in Higher Education, 731 University Hall, University of California, Berkeley 4, California.

Dr. Holy has represented the University of California as one of the heads of the Joint Staff continuously since 1952. Prior to that he was nationally known as a research director and Head of the Bureau of Educational Research at the Ohio State University.

GEORGIA. Table 20, GRAPEVINE page 187, exhibited total appropriations for higher education for each year of the biennium 1961-63. It is now possible to separate sums for capital outlay from the amounts for operating expenses, and to show the

GEORGIA. (Continued from page 203)  
 allocations of operating funds to each of the institutions, as determined by the Board of Regents of the University System. Allocations of operating funds for fiscal year 1961-62 are reported as in Table 31.

Table 31. Allocations of state tax funds for operating expenses of higher education in Georgia for fiscal year 1961-62, in thousands of dollars.

Institutions (1)	Sums allocated (2)
U of Georgia	\$5,579
Contin Edn Ctr	318
Ag Exten Serv	1,820
Ag Experiment Stas	2,037
Ga Inst of Technology	3,977
Sou Tech Inst	409
Engrng Exp Sta	717
Engrng Exten Serv	20
Ga St Coll of Bus Adm	1,938
Medical Coll of Ga	1,411
Talmadge Mem Hosp	3,500
West Georgia Coll	375
North Georgia Coll	471
Woman's Coll of Ga	712
Ga Southern Coll	670
Valdosta St Coll	383
Savannah State Coll	747
Fort Valley St Coll	736
Albany State Coll	494
Ga Southwestern Coll	199
Augusta College	383
Middle Ga College	223
Columbus College	216
South Ga College	207
Armstrong College	323
A Baldwin Ag Coll	286
Board of Regents	240
Soil Conservation	200
Scholshps for Negroes	275
Scholarships	100
Regional education	80
<b>Total</b>	<b>29,046</b>

The allocations for capital outlays for 1961-62 include \$3,600,000 for Building Authority rentals (the University System Building Authority, a state corporation, finances most buildings); \$500,000 for plant improvements and additions; and an item for \$8,000 for interest on the constitutional debt. An additional sum of \$230,600 of the total state appropriation

for the year was left unallocated.

The total for operating expenses for 1961-62 appears to represent a gain of about 21% over the comparable allocations of two years ago for the fiscal year 1959-60.

IOWA. Appropriations of state tax funds for operating expenses of higher education for the biennium 1961-63 are reported as in Table 32.

Table 32. Appropriations of state tax funds for operating expenses and for capital improvements of higher education in Iowa, biennium 1961-63, in thousands of dollars.

Institutions (1)	Operating expenses (2)	Capital Outlays (3)
State U of Iowa	\$27,201	\$7,864
U Hospital	11,801	1,871
Psychopath Hosp	2,000	
Bacteriol Lab	726	65
Hospital School	1,269	380
Lakeside Lab	9	
Iowa State U	18,991	7,413
Ag Exp Sta	4,699	250
Ag Exten Serv	3,133	
Ia St Tchrs Coll*	7,829	2,420
State Bd of Regents**	170	
<b>Totals</b>	<b>77,828</b>	<b>20,263</b>

\* Hereafter to be known as State College of Iowa, per HF 185.

\*\*Also governs Iowa Braille and Sight-Saving School, Iowa School for the Deaf, and Iowa State Sanatorium, which in the aggregate require about \$5 million in operating funds.

The total for operating funds appears to represent a gain of about 12% over the comparable appropriation for biennium 1959-61, two years ago.

It is reported that the total appropriated for operating expenses is only about 83% of the sum asked by the Board of Regents, and that this percentage is the lowest in 10 years at least. In contrast, it is said that the \$20 million appropriated for capital outlays represents over 70% of the Board's request, and that both the amount and the percentage are higher than they have been with in the past ten years or more.

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KANSAS. Appropriations of state tax funds for higher education for the fiscal year 1961-62 are reported as in Table 33.

Table 33. Appropriations of state tax funds for operating expenses and for capital outlays for higher education in Kansas for fiscal year 1961-62, in thousands of dollars.

Institutions	Operating expenses	Capital outlays
(1)	(2)	(3)
U of Kansas	\$9,631	\$1,800
Medical Center	3,834	20
Kansas State U	9,203	1,919
KSTC at Emporia	2,729	190
KSC at Pittsburg	2,618	417
KSC at Fort Hays	1,832	643
Totals	29,847	4,989

The total for operating expenses seems to be a gain of about 16% over the comparable appropriations for the year 1959-60, two years ago. It is approximately 8 $\frac{1}{4}$ % of the grand total of state expenditures for all purposes, which is about \$360 million.

Kansas also reports an appropriation of \$605,000 for operating expenses of local public junior colleges and municipal universities. There appear to be 14 public junior colleges at various points in the state. The two municipal universities are Washburn University at Topeka and the University of Wichita. This year's appropriation of state aid to both types of institutions is the inauguration of a new policy in Kansas. Details of the new state-aid statutes will appear in next month's GRAPEVINE.

LOUISIANA. Appropriations of state tax funds for higher education for the fiscal year 1961-62 are reported as in Table 34.

Table 34. Appropriations of state tax funds for operating expenses and for capital outlays for higher education in Louisiana, fiscal year 1961-62, in thousands of dollars.

Institutions	Operating expenses	Capital outlays
(1)	(2)	(3)
Louisiana State U	\$23,532	\$1,083
Southern University	4,804	247
U of Southwestern La	4,394	255
La Polytechnic Inst	3,571	120
Northwestern St Coll	2,738	130
Grambling College	2,393	175
Northeast La St Coll	2,108	75
Southeastern La Coll	1,971	100
McNeese State Coll	1,937	131
F.T.Nicholls St Coll	870	190
Totals	48,318	2,506

The total for operating expenses appears to represent a gain of about 20 $\frac{1}{2}$ % over the comparable appropriation for fiscal 1959-60, two years ago. The same total seems to be about 8 $\frac{1}{4}$ % of the total state expenditures for all purposes for fiscal 1961-62.

MASSACHUSETTS. A constitutional amendment that would permit enactment of a graduated state income tax has been approved for submission to the voters at the 1962 general election. This is the second successive approval of the proposition by the legislature. The first approval was reported in 1959 on GRAPEVINE page 48. The two separate approvals are required by the Massachusetts Constitution. There is now apparently no obstacle to placing the question on the ballot for November 1962. If adopted by majority at the election, the way would then be clear for the legislature to enact a graduated state income tax act.

NEW JERSEY. Appropriations of state tax funds for higher education for fiscal year 1961-62 are reported as in Table 35.

(Table 34, next column  
this page)

(Table 35, is on page 206)

NEW JERSEY. (Continued from page 205)

Table 35. State tax-fund appropriations for higher education in New Jersey for fiscal year 1961-62, for operating expenses, in thousands of dollars.

Institutions	Operating expenses
(1)	(2)
Rutgers, the State U of New Jersey	\$10,486
Douglass Coll	1,687
Ag Exp Sta Scholarships	3,025
Newark Coll Engrng	200
Trenton State Coll	1,488
Montclair St Coll	2,448
Glassboro St Coll	2,322
Newark State Coll	1,836
Paterson St Coll	1,721
Jersey City St Coll	1,654
Trenton Junior Coll	1,424
<b>Total</b>	<b>28,391</b>

The total for operating expenses seems to represent a gain of about 29% over the comparable annual appropriation for 1959-60, two years ago.

Appropriations for capital outlays for 1961-62 are negligible (\$25,000 for Rutgers and a total of \$150,000 for the 6 state colleges). This, of course, stems from the fact that a bond issue of \$66,800,000 was authorized in 1959 (See GRAPEVINE, page 136, Table 96, for allocation of proceeds to the several institutions).

The State Board of Education has published a report to the governor and the legislature, recommending:

(1) New Jersey should plan the establishment of public two-year community-oriented colleges to meet the educational needs that will neither be met by the expansion of the existing state-supported institutions of higher education nor by the expansion of private colleges and universities.

(2) These institutions, closely oriented to community needs, should be known as "County Colleges."

(3) Establishment of any County College would depend upon local initiative. Funds for capital outlay should be provided in part by the county and in part by the state.

(4) Funds for operation should be provided by the state, the county, and the students.

The 75-page printed document, entitled Education Beyond High School: The Two-Year Community College, is obtainable from the New Jersey State Department of Education, Trenton, N. J.

TENNESSEE. The state has recently sold an issue of bonds bearing interest at 3.15% and aggregating nearly \$16 million to be used partly for highway construction and in part for buildings at the University of Tennessee and other state institutions of higher education. The interest rate is the lowest that the state has been able to contract for since 1958.

A new statute designed to facilitate the state's cooperation with the federal government authorizes the governor to accept federal grants on behalf of the state and to designate the appropriate state agency to administer the program in such cases, so that the state can participate in federal-state programs without delay. The governor's arrangements will no doubt be subject to modification by the legislature, except perhaps as to such features of them as constitute contracts protected by the federal constitutional provision against state laws impairing the obligation of contracts.

NEW YORK. The Board of Regents issued late in May its regulations governing the academic qualifications which must be demonstrated by entering college Freshmen for the "scholarship incentive" payments of from \$100 to \$300 a year authorized by a 1961 statute. Applicants are offered several options, and it is estimated that 80% of all high-school graduates will be able to qualify.

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SOUTH CAROLINA. Appropriations of state tax funds for operating expenses of higher education for fiscal year 1961-62 are reported as in Table 36.

Table 36. Appropriations of state tax funds for operating expenses of higher education in South Carolina for fiscal year 1961-62, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of South Carolina	\$3,726
Clemson College	3,415
Medical Coll of S C	2,522
The Citadel	1,673
Winthrop College	1,519
S C State College	1,594
Total	14,449

The total appears to represent a gain of about 19% over the comparable appropriations for 1959-60, two years ago. Approximately \$91 million were made available for state aid for operating expenses of local public schools, also being a gain of 19% over the comparable sum two years ago.

WASHINGTON. Appropriations of state tax funds for higher education for the biennium 1961-63 are reported as in Table 37.

Table 37. State appropriations of tax funds for higher education in Washington, biennium 1961-63, for operating expenses and for capital outlays, in thousands of dollars.

Institutions (1)	Operating expenses (2)	Capital outlays (3)
U of Washington	\$55,908	\$2,341
Wash State U	31,933	3,904
W Wash Coll Edn	6,150	2,293
Cent W Coll Edn	4,807	2,112
E Wash Coll Edn	4,716	1,133
Totals	103,514	11,783

The total for operating expenses represents an increase of about 23 1/4% over the comparable biennial appropriation of 2 years ago. It also seems to be in the neighborhood of 6 1/2% of the current biennial grand total of state expenditures for all purposes.

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Write to Thomas C. Holy, Special Consultant in Higher Education, 731 University Hall, University of California, Berkeley 4, California, for your free copy of his 27-page Summary of the Work of the Liaison Committee of the Regents of the University of California and the State Board of Education, 1945-1960.

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Single copies of Voluntary Statewide Coordination in Public Higher Education, an 83-page pamphlet by M. M. Chambers, may be had free of charge on request to Director of Publications, 3519 Administration Building, The University of Michigan, Ann Arbor, Michigan

Tables 38 and 39 are extensions and revisions of Tables 25 and 26 on page 194 of GRAPEVINE. In their present temporary form they include a total of 24 states.

Table 38. Appropriations of state tax funds for operating expenses of higher education in 14 states which appropriate biennially, with dollar change and percentage change for biennium 1961-63 over biennium 1959-61, in thousands of dollars.

States	Biennium 1959-61		Biennium 1961-3		Biennial dollar gain	Percentage gain
	Year 1959-60	Year 1960-61	Year 1961-62	Year 1962-63		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Arkansas	\$13,551	\$13,551	\$16,599	\$16,599	\$6,096	22 $\frac{1}{2}$
Georgia	24,058	26,605	29,046	**	**	20*
Indiana	45,463	50,163	55,316	62,709	22,399	24 $\frac{1}{2}$
Iowa	34,230	34,230	38,914	38,914	9,368	13 $\frac{1}{2}$
Montana	11,230	11,231	11,160	11,161	- 440	- 5
Nevada	3,682	4,107	4,863	5,299	2,373	30 $\frac{1}{2}$
New Mexico	11,165	11,239	13,002	14,732	4,970	22 $\frac{1}{4}$
North Dakota	9,253	9,253	10,386	10,386	2,266	12 $\frac{1}{4}$
South Dakota	8,078	8,128	8,675	8,702	1,171	7 $\frac{1}{4}$
Tennessee	17,022	17,023	21,522	22,359	9,836	22 $\frac{1}{2}$
Utah	10,338	10,339	12,197	12,197	3,718	18
Virginia	19,943	23,187	23,953	**	7,622*	19 $\frac{1}{4}$
Washington	42,007	42,008	51,757	51,757	19,499	23 $\frac{1}{4}$
Wyoming	4,735	4,735	5,599	5,599	1,728	18 $\frac{1}{4}$
Totals	254,755	265,799	302,989	**	**	
Approximate weighted average						19*

\*Estimated.

\*\*Not yet known.

Table 39. Appropriations of state tax funds for operating expenses of higher education in 10 states which appropriate annually, with dollar change and percentage change for fiscal year 1961-62 over fiscal year 1959-60 (over a period of two years), in thousands of dollars.

States	Year 1959-60	Year 1960-61	Year 1961-62	2-year gain	Percentage gain
(1)	(2)	(3)	(4)	(5)	(6)
Alaska	\$2,111	\$2,323	\$3,023	\$912	43
California	162,065	195,312	213,983	51,918	32
Colorado	19,796	23,282	26,099	6,303	36
Delaware	3,731	3,734	4,368	637	18
Kansas	25,036	27,939	29,847	4,811	16
Louisiana	40,062	44,557	48,316	8,254	20 $\frac{1}{2}$
New Jersey	21,952	24,427	28,291	6,339	29
New York	75,096	89,505	111,189	36,093	48
South Carolina	12,113	13,141	14,449	2,336	19
West Virginia	14,791	16,919	19,938	5,147	35
Totals	376,753	441,139	499,503	122,750	
Approximate weighted average					32 $\frac{1}{2}$