

M. M. Chambers
 Education Building, Indiana University
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GRAPEVINE
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A newsletter on state tax legislation; state appropriations for universities, colleges, and junior colleges; legislation affecting education at any level. There is no charge for GRAPEVINE, but recipients are asked to send timely newsnotes regarding pertinent events in their respective states.

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 Statement of ownership and circulation of GRAPEVINE is on Page 664 (reverse hereof).

ALASKA. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1967-68:

Table 49. State tax-fund appropriations for operating expenses of higher education in Alaska, fiscal year 1967-68, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Alaska	\$6,624
Ag Exp Sta	299
Coop Ag Exten Serv	251
Geophysical Institute	334
Inst of Marine Science	177
Inst of Arctic Biology	138
Inst Social, Econ & Govt Res	101
Mineral Industry Research	45
Arctic Environmental Engrng	27
Electronic Technician Program	92
Community colleges *	531
<u>Total</u>	<u>8,619</u>

* Six units, branches of the university, in Anchorage, Ketchikan, Juneau, Kenai, Palmer, and Sitka.

The total for fiscal year 1967-68 appears to be a gain of 41% over the comparable figure for fiscal year 1965-66, two years earlier. The 8-year gain since 1959 is 308 per cent,-- a relatively high rate, exceeded by only four other states thus far reported.

MASSACHUSETTS. The 1967 legislature approved for the second time (as required by the state constitution) a proposed constitutional amendment to permit a graduated state income tax. The measure can now be submitted to the electorate. A similar proposal was heavily defeated by popular vote about 5 years ago. Massachusetts has had a flat rate income tax for half a century.

MICHIGAN. Early in July the legislature enacted a flat-rate income tax -- a measure advocated by all Michigan governors for many years, without success. (A graduated income tax is at present impossible in Michigan because of a prohibitory clause in the state constitution).

The new act levies 2.6% on personal incomes and 5.6% on corporation incomes. It includes other tax changes recommended by Governor Romney, the total package being expected to produce \$270 million in additional revenues per year. Included are a boost in the cigarette tax and taxes on liquors, as well as some provision for reduction of property taxes and the abolition of the "business activities" tax.

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Address communications to M. M. Chambers, Education Building, Indiana University, Bloomington, Indiana 47401.

M. M. Chambers, Education Building, Indiana University, Bloomington - - -

MINNESOTA. Enacted over the veto of Governor LeVander, a new 3 per cent sales tax becomes effective August 1, 1967. Expected to produce \$160 million a year in additional revenue, it is called a "selective" sales tax by one commentator but appears to be quite general in its application.

It will apply to most retail purchases except food, clothing, drugs, gasoline and services. It covers liquor and beer, and restaurant meals except meals served in school or college cafeterias or at church socials.

Minnesota is the 44th state to adopt a sales tax, leaving only six hold-outs: Alaska, Delaware, Montana, New Hampshire, Oregon and Vermont. Note that these are all states of small population.

MISSOURI. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1967-68:

Table 50. State tax-fund appropriations for operating expenses of higher education in Missouri, fiscal year 1967-68, in thousands of dollars.

<u>Institutions</u>	<u>Sums appropriated</u>
(1)	(2)
U of Missouri (Incl Med Ctr, Ag Exp, Ag Exten, and campuses at Columbia, Rolla, Kansas City, and St. Louis)	\$59,187
<u>Lincoln University</u>	2,122
<u>Subtotal, u's - \$61,309</u>	
State colleges -	
Central Mo State College	7,721
Southwest Mo State College	4,964
Southeast Mo State College	4,930
Northeast Mo State College	3,688
Northwest Mo State College	2,765
For 3d yr at Mo Southern Coll*	442
Planning upper 2 yrs, Mo. Western College*	40
<u>Subtotal, s c's - \$24,550</u>	
<u>Harris Teachers Coll @</u>	665
<u>State aid to jr colls **</u>	6,331
<u>Total</u>	92,855

MISSOURI (Continued from preceding column -- Footnotes to Table 50)

- * Institution expected to become a new 4-year state college.
- @ Locally supported teachers college in St. Louis, state-aided.
- ** State aid to local public schools and junior colleges was increased to \$320 per student per year up to a maximum of 50 per cent of total operating cost, by an act of 1967. The previous figure was \$240 per student per year.

The total for fiscal year 1967-68 (with funding of additional state aid for junior colleges pending at the moment) is a gain of 49½ per cent over the comparable sum for fiscal year 1965-66, two years earlier. The 8-year gain since 1959 appears to be 275 per cent.

A capital improvement appropriation of \$34,558,632 out of general revenue of the state was made and allocated to the two universities and the five state colleges. This is said to be an all-time record appropriation of its kind for the state of Missouri.

THIRTY-TWO STATES: 2-YEAR GAIN, 45½%;
4-YEAR GAIN, 227½%

With this issue of GRAPEVINE we add four states--Alaska, Missouri, Nebraska, and South Carolina, to the twenty-eight states whose appropriations of state tax funds for operating expenses of higher education for the next ensuing fiscal period have been previously reported.

The previously observed trends have been substantially continued by the addition of these four states. The cumulated rates of gain for thirty-two states are so nearly identical with those reported for twenty-eight states in Table 45, page 658, that the differences are negligible. Hence we do not take space in this issue for the cumulative tabulation.

NEBRASKA. Appropriations of state tax funds for operating expenses of higher education, biennium 1967-69:

Table 51. State tax-fund appropriations for operating expenses of higher education in Nebraska, biennium 1967-69, in thousands of dollars.

<u>Institutions</u>	<u>Sums appropriated</u>
U of Nebraska	\$30,297
Medical Center	9,853
Ag Exp Sta	6,288
Ag Exten Serv	3,690
Genl exten and public service	1,091
Conservation and survey	471
Omaha University *	3,009
<u>Subtotal, U of N -</u>	<u>\$54,639</u>
State colleges -	
Kearney	4,528
Wayne	2,630
Chadron	2,165
Peru	1,147
<u>Subtotal, s c's -</u>	<u>\$10,470</u>
<u>State aid to jr Colls</u>	<u>1,387</u>
<u>Total</u>	<u>66,496</u>

* The sum appropriated is conditional upon approval of the voters of the city of Omaha of the merger of the Municipal University of Omaha with the University of Nebraska, as voted by the 1967 legislature.

The total for biennium 1967-69 seems to be a gain of 52% over the comparable figure for biennium 1965-67, two years earlier. The 8-year gain since 1959 appears to be 118½ per cent.

NEW YORK. A dispatch from Albany June 15, 1967 reported that Chancellor Samuel B. Gould of the State University of New York had urged the Constitutional Convention to insert clauses in the constitution providing for autonomy of the State University and of the City University of New York.

Speaking to the Convention's Committee on Education, Chancellor Gould said constitutional autonomy for the universities is necessary "as a protection against the possibility of future political or administrative interference in the

NEW YORK (Continued from preceding column)

conduct of their affairs." He continued: "the vigorous development of institutions of higher education is best fostered in an atmosphere of independence and freedom."

This same principle has been advocated by at least three committees of distinguished educators from within and without the state of New York who have been called upon to make studies and recommendations regarding higher education in New York since 1960.

Among these were the Heald Committee of 1960 (Governor's Committee on Higher Education); the recommendations of the Regents of the University of the State of New York (State Board of Education) which followed the Heald Report; and the Wells Committee headed by Chancellor Herman B Wells of Indiana University, which made a study and report on higher education in New York in 1964 at the invitation of both Houses of the Legislature.

Chancellor Gould's recommendations, well-supported as they are by the best of professional and political judgment, merit adoption by the Constitutional Convention.

Anthony J. Travia, President of the Convention, declared on June 25 that the time is here for the state to provide free public higher education for all citizens who can benefit from it; and that the Constitution should require all state institutions of higher education to be tuition-free. This proposal was immediately opposed by two upstate delegates and by Governor Rockefeller, who is not at the Convention and not a member of it. The proposal will, however, be heavily supported by many delegates from New York City and various others.

Another subject of vigorous controversy in the Convention is the effort by friends of private and denominational colleges and schools to delete from the present Constitution the clause which prohibits any appropriation of tax funds, directly or indirectly, to any religious or sectarian institution.

----- M. M. Chambers, Education Building, Indiana University, Bloomington -----

NORTH CAROLINA. "Politics in higher education" often has beneficent effect on needed expansion and upgrading of facilities. North Carolina's Depression-born "Consolidated" University, with campuses at Chapel Hill, Raleigh, and Greensboro (and a fourth recently added at Charlotte) has stood a great "social distance" above the other state colleges for thirty-five years. But East Carolina College reached the size, comprehensiveness, and potentialities that made it ripe for designation as a regional state university. When it asked for this designation some two years ago, the governor looked askance, the State Board of Higher Education brought in a team of hand-picked conservative academicians from outside the state to stroke their beards and declare it was "not ready" to offer advanced graduate work, and recommended its request be rejected in February 1967.

In June, however, as adjournment of the legislature drew near, political reporters say the governor and other leaders of his party realized that a revolt among the numerous constituency of East Carolina College was a threat to the statewide hegemony of the party, and had something of a change of heart.

In the jockeying at the end of the legislative session, the measure that came out created four regional universities:--East Carolina, Appalachian, Western Carolina, and North Carolina Agricultural and Technical. The last-named has been the state college predominantly attended by Negroes, a good one of its type, ready for upgrading in the class of Florida A & M, Southern University in Louisiana, and some others. Appalachian and Western, in less populous parts of the state, are somewhat smaller institutions, but are geographically located to become regional universities and are unquestionably moving upward.

The development and legitimate aspirations of East Carolina University have given the state four regional state universities, and broken the lock of the "single state university" idea, which is outdated in this era of universal higher education for a growing population.

OHIO. On May 2, 1967 the voters rejected by 2 to 1 a proposed constitutional amendment that would have removed the section requiring that state borrowing for any project costing more than \$750,000 must have approval at a popular election. The proposed amendment also included several other features. It would have created an Ohio Bond Commission with broad powers to finance highways, airports, mass transportation, water pollution, control facilities, hospitals, educational buildings, industrial buildings, and other capital projects.

The 5-man Commission would have authorized projects and issued bonds with the approval of the legislature, and no popular vote would have been required. The total of bonds issued in any year would have been limited to three-fourths of one per cent of the state's general revenue.

Pending the hoped-for adoption of the amendment, nothing was done about revenue measures. Governor Rhodes adheres to his 5-year-old campaign pledge of "no new taxes", and the state is now in a desperate situation with respect both to capital needs and immediate operating needs. GRAPEVINE has learned that the expectation is that the legislature will enact, if possible, an appropriation act in mid-summer to tide over the situation until a second and supplementary appropriation act can be enacted later in the year. The two acts will be designed to cover in some fashion the needs of the biennium 1967-69. Presumably the interim between the two acts will involve some action regarding additional revenues for the biennium.

University presidents are usually quite reticent about tax problems, but it has been reported that President William T. Jerome of Bowling Green State University told the House Finance Committee late in May that "An income tax is inevitable in a state as wealthy as Ohio." Truer words were never spoken.

PENNSYLVANIA. A novel idea in revenue provision is reported to have been urged by Governor Shafer: a "standby" personal income tax, to become effective automatically when the state budget exceeds \$1.9 billion a year. This would be a flat rate income tax not to exceed one per cent on adjusted net income as reported to the federal government.

SOUTH CAROLINA. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1967-68:

Table 52. State tax-fund appropriations for operating expenses of higher education in South Carolina, fiscal year 1967-68, in thousands of dollars.

Institutions	Sums appropriated
(1)	(2)
U of South Carolina	\$10,702
Medical College of S Car	8,898
Clemson University	7,320
Winthrop College	3,126
The Citadel	2,605
S Car State College	2,497
Total	35,148

The total for fiscal year 1967-68 seems to be a gain of $64\frac{1}{2}$ per cent over the comparable figure for fiscal year 1965-66, two years earlier. The 8-year gain since 1959 appears to be 190 per cent.

CORRECTION -- TEXAS. Governor Conally reduced slightly some five of the sums appropriated as listed in GRAPEVINE's Table 48, page 661, by vetoing several comparatively small items. The total reduction is \$1,076 thousand, reducing the statewide total from \$235,138,000 to \$234,109,000. This places us in error by less than one half of one per cent. Necessary rectifications will be made in the next version of Table 48 and of the 50-state summary tables.

CORRECTION--MONTANA. The first version of Table 32 (GRAPEVINE, page 643) was marred by a clerical error of omission and also by small substantive errors. The following rectifies and supersedes it:

MONTANA. Appropriations of state tax funds for operating expenses of higher education, biennium 1967-69:

Table 32. State tax-fund appropriations for operating expenses of higher education in Montana, biennium 1967-69, by separate fiscal years, in thousands of dollars.

Institutions	Sums appropriated	
	1967-68	1968-69
(1)	(2)	(3)
U of Montana	\$6,760	\$7,785
Subtotal, U of M *		
Montana State U	7,025	8,125
Ag Exp Sta	1,500	1,700
Co-op Exten Serv	500	575
Subtotal, MSU **		
Coll of Min Sci & Tech	1,045	1,120
Bur of Mines & Geol	58	20
Subtotals, MCMS&T ***		
Eastern Montana Coll	2,220	2,515
Northern Montana Coll	1,210	1,360
Western Montana Coll	790	902
Executive Secretary	65	66
NDEA matching loan funds	30	30
WICHE	16	16
WICHE student paymts	147	184
Board of Education	19	20
Totals	21,375	24,418

* \$6,760 and \$7,785.

** \$9,025 and \$10,400.

*** \$1,103 and \$1,140.

ADD A NEWSLETTER. Page 662 of GRAPEVINE lists 10 statewide higher education newsletters in 8 states currently coming to us. MINNESOTA now comes in with Minnesota Higher Education, issued irregularly by the Minnesota Liaison and Facilities Commission for Higher Education, 555 Wabasha Street, St. Paul, Minnesota 55102.

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