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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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"The most effective and most urgently needed form of aid to individuals in obtaining a college education is a program of support for educational institutions to enable them to keep charges to students low."

-- Joint statement of the National Association of State Universities and Land-Grant Colleges and the American Association of State Colleges and Universities.

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CALIFORNIA. One of several possible schemes for organizing public higher education in California, recommended by an out-of-state consultant agency, is regional organization--dividing the state into several large districts, each having a major institution of higher education, and giving that institution a governing board which would also govern (or coordinate) all other state colleges or universities within its region.

All regions would, of course, be within the purview of the statewide Coordinating Council. The regional idea may or may not have merits, but it is said to be passionately opposed by some Californians.

It is somewhat reminiscent of the structure that has prevailed in France for more than a century and a half. The nation is divided into seventeen "academies" or regions, each headed by a major university, and embracing all public education in its area (including secondary and elementary), with nationwide control tightly centralized in the Ministry of Public Instruction and Fine Arts in Paris.

Regionalism in American higher education would not necessarily need to be accompanied by the French version of statewide centralization. It may be worthy of study for very large and populous states such as California.

Provision would have to be made, of course, for one or more statewide top-echelon universities, outside the regional scheme. The Berkeley Campus would not relish the prospect of becoming the "Regional State University of the Bay Area"!

CONNECTICUT. A current biennium deficit of \$150 million is expected to develop by June 30, 1969, and the legislature will probably fund a budget calling for \$150 million more than the current one. The problem is to raise \$300 million in additional revenue for the biennium 1969-71.

It is thought that the general sales tax rate of 3½ per cent will be raised, possibly to 5 per cent. This is a big and quick revenue producer. A reporter says "Increases also are expected in the cigarette, liquor, estate, corporation, gasoline, and other taxes."

As to a state income tax (Connecticut now has none), there is considerable favorable sentiment, but it is opposed by Republican leaders (the minority in both Houses) and by the Democratic Governor John N. Dempsey.

ILLINOIS. The potent Illinois State Chamber of Commerce, which previously opposed any kind of state income tax, has come out in favor of "a flat-rate state income tax if applied uniformly to individuals and corporations."

The Chamber candidly admits that the additional revenue probably must be obtained. Although the calling of a state constitutional convention has been approved by the Illinois electorate, the Chamber nevertheless says its support of an income tax statute is contingent upon the legislature's submission to the voters of a separate constitutional amendment which would "authorize the elimination of inequitable provisions in the present tax structure and limit the kind and magnitude of any permissible state income tax."

(continued on page 787)

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A SMALL FLASH OF 1969-70

Only three states make biennial appropriations in even-numbered years: Kentucky, Mississippi, and Virginia. Kentucky and Virginia make separate appropriations for each of the two fiscal years of the biennium. Mississippi leaves a good deal of discretion in the hands of the Board of Trustees of State Institutions of Higher Learning, thus making it more difficult to forecast precisely the total available for fiscal year 1969-70, the second year of the biennium that began in 1968.

Table 50. Appropriations of state tax funds for operating expenses of higher education in Kentucky, Mississippi, and Virginia, for fiscal year 1969-70 and in previous years 1959-60 and 1967-68, in thousands of dollars, with dollar gains and percentage gains over most recent two years and over ten years.

States	Fiscal yrs ending in even numbers			1968-70		1960-70	
	1959-60	1967-68	1969-70	2-yr gain		10-yr gain	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Kentucky	\$14,954	\$74,371	\$95,478	\$21,107	28½	\$80,524	538½
Mississippi	15,118	36,720	47,804	11,084	30	32,686	216¼
Virginia	25,544	74,335	117,158	42,823	57½	91,614	350½
Totals	55,616	185,426	260,440	75,014		204,824	
Weighted average gains					40½		368¼

Gains provided for the second year of an appropriation biennium are often somewhat smaller than those for the first fiscal year of the same biennium. Therefore the weighted average two-year gain of these three states, 1968-70, seems good.

This is the first instance in which gains over a full ten-year period (1960-1970) have ever been reported in these pages. The weighted average ten-year gain of these three states (368¼ per cent), if extrapolated to the fifty states, would produce total appropriations of more than \$6½ billion for fiscal year 1969-70. This probably overshoots the mark. A projected total of \$6 billion would be more realistic. This would result from weighted average 2-year gains of about 40 per cent and ten-year gains of about 325 per cent. The legislative year 1969 will tell the story!

GREATEST PROPORTIONAL EFFORT DOES NOT ALWAYS PRODUCE LARGEST SUPPORT

Table 51. State tax cost of annual operation of higher education per citizen, and ratio of state tax cost to total of personal income, in fifty states, 1968.

State tax cost for annual operation of higher education, per citizen, 1968			Ratio of state tax cost to total personal income, 1968		
\$	Rank	State	State	Rank	%
42.80	1	Alaska	Montana	1	1.23
42.76	2	Washington	No Dakota	2	1.21
42.74	3	Hawaii	Washington	3	1.16
37.04	4	Wisconsin	Hawaii	4	1.15 $\frac{1}{2}$
35.65	5	Wyoming	Utah	5	1.15 $\frac{1}{4}$
35.65	6	Montana	New Mexico	6	1.15
35.45	7	Colorado	Wyoming	7	1.14
33.92	8	Oregon	Arizona	8	1.13
33.70	9	California	Wisconsin	9	1.10 $\frac{1}{2}$
33.65	10	Arizona	W Virginia	10	1.09 $\frac{1}{2}$
32.75	11	Utah	Idaho	11	1.09
32.50	12	No Dakota	Oregon	12	1.03 $\frac{1}{2}$
31.29	13	New Mexico	Colorado	13	1.02
31.25	14	Iowa	Louisiana	14	1.02
30.42	15	Kansas	Kentucky	15	.99 $\frac{1}{2}$
30.09	16	Michigan	Arkansas	16	.97
29.39	17	Idaho	Mississippi	17	.97
28.88	18	Minnesota	Iowa	18	.93
28.61	19	Indiana	Alaska	19	.92 $\frac{1}{2}$
27.85	20	Nevada	So Dakota	20	.92 $\frac{1}{4}$
27.58	21	Illinois	Kansas	21	.91
27.17	22	Louisiana	Georgia	22	.90 $\frac{1}{2}$
26.93	23	W Virginia	Minnesota	23	.88
26.90	24	Delaware	No Carolina	24	.86 $\frac{1}{2}$
26.72	25	New York	Vermont	25	.86 $\frac{1}{2}$
26.35	26	So Dakota	Indiana	26	.85
25.99	27	Kentucky	Florida	27	.84
25.92	28	Vermont	California	28	.83 $\frac{1}{2}$
25.86	29	Florida	Michigan	29	.83 $\frac{1}{2}$
25.17	30	Georgia	Texas	30	.78 $\frac{1}{2}$
24.59	31	Missouri	Virginia	31	.78
24.43	32	Rhode Island	Missouri	32	.77
24.37	33	Virginia	Oklahoma	33	.75 $\frac{1}{2}$
24.07	34	Texas	Tennessee	34	.72
23.38	35	Nebraska	Alabama	35	.71
22.85	36	No Carolina	Nevada	36	.70 $\frac{1}{2}$
22.64	37	Pennsylvania	Nebraska	37	.69 $\frac{1}{2}$
22.25	38	Arkansas	Illinois	38	.69
21.67	39	Maryland	Delaware	39	.68 $\frac{1}{2}$
21.37	40	Oklahoma	Rhode Island	40	.67
20.87	41	Connecticut	Pennsylvania	41	.66 $\frac{1}{2}$
20.62	42	Mississippi	New York	42	.65
18.56	43	Tennessee	Maine	43	.65
18.50	44	Maine	So Carolina	44	.63 $\frac{1}{2}$
16.56	45	Alabama	Maryland	45	.58
16.48	46	Ohio	Connecticut	46	.50
15.18	47	So Carolina	Ohio	47	.48
14.64	48	New Hampshire	New Hampshire	48	.45
13.57	49	New Jersey	New Jersey	49	.34 $\frac{1}{2}$
12.80	50	Massachusetts	Massachusetts	50	.33 $\frac{1}{2}$

National average \$25.56

National average .75

ILLINOIS (continued from page 784)

Explaining the push for a separate amendment immediately before the assembling of the constitutional convention, the president of the State Chamber of Commerce said such an amendment could be used as a starting-point for convention deliberations, or the convention could let it stand and turn attention to other complex problems.

MONTANA. For at least fifty years this state has used the statewide property tax as one means of supporting public higher education. This is a survival of the once-widespread "mill-tax" for higher education, which was in use in a great many states until about a generation ago, since when it has largely disappeared except in a few states.

The legislature is authorized to levy a property tax of 6 mills, if needed, for partial support of the state institutions of higher education each biennium.

At the election of November 1968 the people of the state voted to continue this permissive provision for ten years. The favorable vote was by a large margin, 127,000 against 89,000, and the proposition carried in all but three of Montana's 56 counties.

Ten years ago, in 1958, the same proposition carried by a margin of only 5,249 votes. Montana has no sales tax.

NEW YORK. The expected budget for the fiscal year beginning April 1, 1969, when matched with estimated revenues, will show that increased tax measures must be enacted.

Adding one penny to the present state sales tax of 2 cents on the

dollar would produce \$350 million a year. Adding a 20 per cent surcharge to the present state income tax, as advocated by Governor Rockefeller in 1968, would produce \$400 million. Some such measures as these may be adopted.

The yield of other types of taxes, such as liquor taxes, could be increased; but State Controller Arthur Levitt put it graphically when he said "The yield on them compared with increases in the sales and income taxes is like a flea bite."

WISCONSIN. The state's budget for the current biennium (1967-69) did not require any increase in taxes and it was thought until recently that there would be a small surplus on June 30, 1969. Now, however, it appears that there may be a deficit of as much as \$25 million, due in great part to heavily increased expenditure for welfare, especially to one-parent families with dependent children.

In an attempt to prevent or minimize the prospective deficit, Governor Knowles has ordered apparently all the economy measures available to him to be put into immediate effect: a "freeze" on salary increases for the rest of the fiscal year, and on the hiring of replacements for new vacancies; a freeze on promotions, and severe restrictions on state-paid out-of-state travel; and elimination of capital purchases such as office furniture and equipment.

Governor Knowles is reported to have told legislative leaders there will have to be tax increases for the ensuing biennium, and one prognosticator has predicted that the sales tax or the income tax, or both, will be moved upward.

Table 52. FORTY UNIVERSITIES FOR WHICH \$10 MILLION TO \$15 MILLION OF STATE TAX FUNDS WERE APPROPRIATED FOR OPERATING EXPENSES FOR FISCAL YEAR 1968-69

Institutions	Year	Year	Year	Year	8-Yr. Gain	
	1960-61	1966-67	1967-68	1968-69	\$	%
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Indiana St U (Terre H)	3,197	8,630	13,190	14,781	11,584	362
Fresno SC (Cal)	5,791	9,966	11,766	14,295	8,504	147
Sacramento SC (Cal)	4,228	9,247	11,078	14,190	9,962	235½
Med Coll of Va	2,036	10,444	10,444	14,011	11,975	588
U of New Mexico	4,289	11,208	12,853	13,953	9,665	225
Cal Poly(San L Obispo)	7,952	15,894	11,576	13,840	5,888	74
U of Rhode Island	4,615	9,530	11,601	13,382	8,767	190
U of Cal(Irvine)*	-	7,637	8,966	13,362	-	-
Western Illinois U	3,284	7,992	13,279	13,279	9,995	304
Georgia Inst of Tech	4,481	8,936	11,706	13,175	8,694	194
Med Branch(Galveston)	6,410	9,381	12,415	12,976	6,566	102
NY SC of Ag(Cornell)*	-	11,064	12,211	12,823	-	-
Univ of Nevada	4,107	7,695	11,773	12,339	8,232	200½
No Texas St U	3,333	8,141	11,007	12,289	8,956	269
U of So Carolina	3,479	8,443	10,702	12,203	8,724	251
NY SC (Buffalo)*	-	8,601	10,398	11,952	-	-
Memphis St U	1,509	7,843	10,550	11,874	10,365	687
U of Pennsylvania**	NR	9,340	11,228	11,819	-	-
Univ of Idaho	6,056	10,203	11,725	11,725	5,669	93½
East Michigan U	-	8,500	10,300	11,648	-	-
Chico SC (Cal)	3,537	7,498	9,115	11,607	8,070	228
NY St U(Binghamton)*	-	7,942	9,474	11,376	-	-
Hayward SC (Cal)	1,079	6,656	7,908	11,336	10,257	950½
Eastern Illinois U	3,471	8,097	11,219	11,219	7,748	223
U of Oregon(Eugene)+	5,403	10,266	11,056	11,150	5,747	106
U of Mississippi	5,505	9,145	10,105	11,099	5,594	101½
Bowling Grn St U(Ohio)	3,350	6,520	9,629	10,912	7,562	225½
Univ of Maine	3,442	7,037	10,646	10,728	7,286	211½
Fullerton SC (Cal)	-	6,218	8,433	10,724	-	-
U of So Florida	1,315	6,658	9,289	10,716	9,401	715
Med Coll of Ga	4,715	7,414	9,130	10,682	5,967	127
Miami Univ (Ohio)	3,880	6,605	9,245	10,589	6,709	173
Mississippi St U	2,600	8,844	9,620	10,501	7,901	304
U of Delaware	-	7,640	9,043	10,501	-	-
U of Alaska	2,323	7,314	8,619	10,400	8,077	347½
Montana St U(Bozeman)	4,001	7,471	9,025	10,400	6,399	160
Cal St Poly(K-V)	-	6,569	8,463	10,357	-	-
U of New Hampshire	-	7,175	9,190	10,210	-	-
Med Col of So Carolina	2,416	5,613	8,898	10,184	7,768	321½
U of Wyoming	4,720	8,150	10,015	10,015	5,295	112
Totals	116,524	337,527	416,890	474,622	-	229½
Weighted average percentage of gain over eight years					-	229½

\* One campus of a multi-campus organization already entered in a previous table of this series.

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New 1969 Ten-Year Reference Document

A RECORD OF PROGRESS IN FIFTY STATES

Ready January 25, 1969

You are collecting and circulating statistics and other valuable data regarding your own statewide system of higher education. But are you satisfied with what you can learn about the forty-nine other states?

M. M. Chambers of Indiana University has kept a record of ten years of appropriations of state tax funds for annual operating expenses of higher education in each of the fifty states. For each year or biennium, as the case may be, there is a small table showing the amounts appropriated to each institution each year. Now he has assembled these 350 tabulations in a compact arrangement with all the data for any one state on one page-spread, in a 45-page outsize document (14" x 17"), A RECORD OF PROGRESS.

This document also contains complete issues of the small monthly mimeographed reports known as GRAPEVINE for April through December 1968; a ten-year summary tabulation of the fifty states; and about 60 graphs illustrating trends in each state and in all the states.

It stands on its own feet as a unique and indispensable source of information. It is also a necessary supplement to and extension of a predecessor publication of early 1968 (Nine Years of GRAPEVINE, Bloomington, Indiana 47401: The Student Association for Higher Education of Indiana University, 1968. 120 pp. 14" x 17", \$20 per copy). Purchasers of that item will also want this newer document, A RECORD OF PROGRESS. (Danville, Illinois 61832: Interstate Printers and Publishers, Inc., 1969. 45 pp. 14" x 17", \$10 per copy postpaid). Please note that the two items are available only from two different publishers, as named here.

If you own Nine Years of GRAPEVINE, then you want its supplement and extension, A RECORD OF PROGRESS. If you own neither, you should have both, or at least the compact and up-to-date item, A RECORD OF PROGRESS for ten years.

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