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GRAPEVINE
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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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Statement of ownership and circulation of GRAPEVINE is on Page 874 (reverse hereof).

GEORGIA. Raising the general sales tax to 4 per cent from the present 3 per cent is recommended by Governor Maddox.

MICHIGAN. Governor Milliken proposed that \$143 million of additional revenue be raised for 1970-71 by stepping up the cigarette tax to 11 cents a pack from the present 7 cents, and by repealing more than half of the credit against property taxes now allowed on the state income tax.

The governor's broad proposal that the state should assume the entire operating cost of local public schools and enact a statewide property tax to produce the necessary revenue, as a means of saving the schools from any dependence on the erratic exigencies of local property taxes, was not enacted in the Special Session which began in October 1969; and will no doubt be debated in the 1970 regular session.

Many observers thought its failure of enactment in the Special Session was a result of its being coupled with another recommendation of the governor: that substantial state tax funds be appropriated to private and parochial schools.

As is well known, both of the issues are of current nationwide interest and concern. The New York Times of February 9, 1970 carried an editorial pointing out that the recommendations of Mayor Lindsay of New York City and mayors of other large cities in the state for increased state support of local schools would seem to contemplate eventual full state support, as recommended by Governor Milliken of Michigan.

(Continued in next column)

MICHIGAN (Cont'd from preceding column)

The Times expresses strong opposition to state tax support of private and parochial schools; but, with some questions and reservations, says Governor Milliken's concept of full state support of public schools "is essentially sound".

Persons familiar with the financing of higher education will recall that three states have recently taken over full state support of what were formerly local community colleges supported by local taxing districts with fractional state subsidies.

Also several states, both in New England and the South, have recently established networks of community colleges that are not based on local taxing districts and are in fact state institutions, so far as tax support is concerned.

MISSOURI. April 7 is the date set for the statewide referendum election to approve or strike down the increased personal and corporate income taxes enacted by the legislature in 1969 to produce \$106 million for the next fiscal year. The referendum is necessitated by the recent filing of petitions bearing the required number of signatures.

NEW JERSEY. The sales tax was raised to 5 per cent from the prior 3 per cent, effective March 1, 1970. Governor William T. Cahill signed the measure February 9. He had advocated it in preference to a personal income tax, repeatedly urged by former Governor Hughes.

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NEW JERSEY (Cont'd from page 874)

New tax legislation also eliminated the existing sales tax exemption of machinery and equipment used in manufacturing and all advertising materials except newspapers and magazines. The three quarters of one per cent tax on bank stocks, and on the business of loan companies, was doubled.

Counting the four months from March 1 to June 30, plus the entire fiscal year 1970-71, the tax package is expected to raise \$322 million in additional revenue. The sales tax revisions alone will produce about \$240 million a year.

The total of state and local tax collections in New Jersey per capita will continue to be lower than the nationwide average.

PENNSYLVANIA. Early in January 1970 the legislature raised the cigarette tax to 18 cents from the prior 13 cents per pack.

In June 1969 appropriations were made for annual operating expenses of the fourteen "state-owned" institutions of higher education (GRAPEVINE page 847); but as of February 10, 1970, appropriations for fiscal year 1969-70 had not yet been made for the Pennsylvania State University, the two big private "state-related" universities (Temple and Pitt), and the several "state-aided" private institutions.

The almost unprecedented delay was apparently due to largely partisan disagreements, amounting to deadlock, over the means of raising the necessary funds. The institutions affected were continuing to operate by short-term borrowing and other improvised emergency tactics, under conditions such that considerable hardship and actual financial loss to the state can not be avoided.

(Continued in next column)

PENNSYLVANIA (Cont'd from preceding column)

The revenue deadlock was partially broken by enactment in late December 1969 of what was spoken of as a "compromise business tax program" expected to raise \$253 million of additional annual revenue, which was made retroactive to January 1, 1969. It remained necessary to create a source or sources for another \$200 million for fiscal year 1969-70. Governor Shafer renewed his proposal of a state personal income tax to raise this money.

Among the features of the "business tax program" enacted in December 1969 were:

Corporate net income tax, up to 12 per cent from the prior 7-1/2 per cent. (\$200 million).

Capital stock and franchise taxes, up to 7 mills from the prior 6 mills. (\$22 million).

Tax on shares of stock in banks and trust companies, up to 13 mills from the prior 10 mills. (\$13 million).

VIRGINIA. Governor Holton proposes, in lieu of exempting essential foods from the sales tax, and in lieu of a small tax refund per person per year to mitigate the tax on foods,--which he formerly advocated--a \$9 refund only for families having adjusted gross incomes of less than \$3,000.

He also recommends raising the tax on liquors to 14 per cent from the present 10 per cent, and the state cigarette tax to 5 cents per pack from the present 2-1/2 cents.

WASHINGTON. Governor Evans asks the legislature to increase the tax on liquors to one cent per ounce (about 25 cents per "fifth"), to produce \$10-1/2 million within two years; and that a business and occupation tax on

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WASHINGTON (Cont'd from page 875)

commercial banks be set at one per cent, estimated to bring in \$7-1/2 million for the biennium.

WEST VIRGINIA. Governor Moore recommended to the legislature tax changes intended to raise at least \$38 million in additional annual revenue.

He would raise the consumers' sales tax to 5 per cent from the present 3 per cent, with all food purchases exempted. He would raise the cigarette tax to 12 cents a pack from the present 7 cents. In an effort to minimize business and occupation taxes, he proposed an "adjusted gross receipts tax".

THE TOP PUBLIC UNIVERSITIES
AS MEASURED BY STATE TAX FUNDS
APPROPRIATED FOR OPERATING
EXPENSES

Tables 19 (GRAPEVINE page 868), 20 and 21 (pages 877 and 878) exhibit thirty public universities receiving \$40 million or more of state tax funds for operating expenses for fiscal year 1969-70.

The total of entries in the three tables is 39, because there are nine instances in which the entries are major campuses of a multi-campus complex previously entered as such in Table 19 or 20. All are state universities except the state-subsidized municipal City University of New York.

These top universities are located in 24 states. California has three (Los Angeles, Berkeley, Davis); Michigan three (U of Michigan, Michigan State U, Wayne State U); New York two (Buffalo and N Y City U); Texas two (U of Texas at Austin and the Texas A & M System centered at College Station); Illinois two (U of Illinois
(Continued in next column)

TOP PUBLIC UNIVERSITIES (Cont'd from preceding column)

at Urbana; Southern Illinois U at Carbondale and Edwardsville); Indiana two (Indiana U and Purdue U).

The 24 states include California and Washington on the west coast, and Hawaii in the Pacific; Texas, Louisiana, and Florida on the gulf coast; New York, Pennsylvania, New Jersey, Maryland, Connecticut, North Carolina, and Georgia on the Atlantic coast; Kentucky and Tennessee in the inland South; and Ohio, Michigan, Illinois, Wisconsin, Indiana, Minnesota, Iowa, Missouri, and Nebraska in the midwest. These nine midwestern states form a contiguous bloc in the upper Mississippi Valley.

Open spaces on the map are the vast stretches of 13 mountain and high plains states of the West, plus Alaska; 6 states of the South; 5 states of New England, four of which are quite small in population; and tiny Delaware. In New England, Connecticut is already above the \$40 million cut-off point for its University; and Massachusetts, tenth most populous state, misses it by a hair, with \$39 and three-fourths million for the University of Massachusetts.

The close observer who reads the footnotes to Tables 19, 20, and 21 will acquire some notion of the diversities in the organization and scope of these thirty leading public universities. If he has had experience with one or more of them he will know that the differences are much greater than can be indicated here in brief space.

He will also know that the classifications and the rankings are not to be taken too literally, because the real picture is too complex and varied to be shown in anything less than a large volume of description. Perhaps, however, the three tables are of use in indicating the top thirty public universities as of 1970, within reasonable tolerances.

Table 20. SIXTEEN STATE UNIVERSITIES FOR WHICH \$50 MILLION TO \$85 MILLION OF STATE TAX FUNDS WERE APPROPRIATED FOR OPERATING EXPENSES FOR FISCAL YEAR 1969-70.

State Universities	1960-61	1967-68	1969-70	Apparent 9-yr gain	
(1)	year	year	year	\$	%
(1)	(2)	(3)	(4)	(5)	(6)
U of Illinois (Urbana) *	NR	73,464	83,130	-	-
U of Cal (Los Angeles) *	NR	59,325	76,831	-	-
U of Cal (Berkeley) *	NR	63,244	75,630	-	-
Southern Illinois U	**	15,184	51,153	75,477	60,293 397
U of Washington		22,719	54,366	71,787	49,068 216
Ohio State U	@	27,671	55,217	69,955	42,284 153
Michigan State U	@@	29,472	56,749	69,391	39,919 135
U of Michigan	@@@	35,229	59,161	67,317	32,088 91
U of Wisconsin (Madison) *	NR	NR	66,114	-	-
Indiana U	+	21,601	55,985	62,934	41,333 191
U of Florida		22,868	28,411	60,708	37,840 165
Pennsylvania State U	++	17,138	48,469	59,222 ***	42,084 *** -
U of Maryland		20,461	45,510	57,675	37,214 182
S U N Y at Buffalo	*	NR	45,505	55,920	- -
U of Kentucky	+++	12,203	41,909	51,706	39,503 324
Purdue U	++++	21,081	47,114	51,090	30,009 142
Totals		245,627	785,582	1,054,887	451,635
Weighted average percentage of gain over nine years					180

* A main or major campus of a multi-campus megaversity already entered above in Table 19 (GRAPEVINE, page 868).

** Includes principal campuses at Carbondale and Edwardsville.

*** This figure for Pennsylvania State University is for fiscal year 1968-69 (the preceding year). The appropriation of 1969-70 had not yet been made as of February 10, 1970.

@ Main campus at Columbus; branch campuses at Lima, Mansfield, Marion, and Newark. Appropriations for branch campuses not included here.

@@ Includes campus at East Lansing plus newer and smaller institution now named Oakland University at Rochester, governed by same Board of Trustees.

@@@ Campuses at Ann Arbor plus smaller campuses at Flint and Dearborn.

+ Main campus at Bloomington; professional schools campus at Indianapolis; six regional campuses at Fort Wayne, Gary-East Chicago, Jeffersonville, Kokomo, South Bend-Mishawaka, and downtown Indianapolis; plus two "co-operative centers" in conjunction with Earlham College at Richmond and with Vincennes University at Vincennes.

++ Main campus at University Park; Medical Center at Hershey; Graduate Center at King of Prussia; plus approximately 15 "Commonwealth campuses".

+++ Campus at Lexington plus approximately 15 "community college" branches.

++++ Campus at West Lafayette plus four branch campuses at Fort Wayne, Hammond, Indianapolis, and Michigan City. (The Purdue and Indiana University units at Fort Wayne jointly occupy the same campus. All units in Indianapolis are in process of being linked to form "Indiana University--Indianapolis".

Table 21. FOURTEEN STATE UNIVERSITIES FOR WHICH \$40 MILLION TO \$50 MILLION OF STATE TAX FUNDS WERE APPROPRIATED FOR OPERATING EXPENSES FOR FISCAL YEAR 1969-70.

State Universities	1960-61 year	1967-68 year	1969-70 year	Apparent 9-yr gain	
(1)	(2)	(3)	(4)	(5) \$	(6) %
Louisiana State U *	20,194	44,106	48,252	28,058	139
Rutgers, State U of NJ **	13,939	33,697	47,320	33,381	239
U of Iowa	18,850	42,299	46,906	28,056	149
U of Mo - Columbia ***	NR	35,100	45,611	-	-
Texas A & M System @	11,452	35,398	45,212	33,760	281
U of Cal - Davis ***	NR	33,510	44,331	-	-
U of NC - Chapel Hill ***	9,870	26,431	42,734	32,864	333
U of Tennessee System @@	10,493	30,070	42,229	31,736	302
U of Connecticut @@@	8,590	28,363	41,928	33,338	392
Wayne State U (Mich)	15,799	33,556	41,835	26,036	165
U of Georgia	8,961	34,149	41,808	32,847	367
U of Hawaii +	7,374	31,984	41,782	34,408	467
U of Texas - Austin ***	NR	33,065	41,687	-	-
U of Nebraska	12,648	27,319	40,733	28,085	222
Totals	138,170	469,047	612,368	342,569	
Weighted average percentage of gain over nine years					247

* Main campus at Baton Rouge; large branch at New Orleans, plus Medical Center in New Orleans and Dental School (recently acquired from the private Loyola University); branch campuses at Eunice, Alexandria, and Shreveport.

** Main campus at New Brunswick; branches at Camden and at Camp Kilmer.

*** This institution is a major campus, a component of a multi-campus complex already entered above in Table 19 or Table 20.

@ Includes main campus at College Station; separate campuses of Tarleton State College, Prairie View A & M College, and Texas Maritime Academy.

@@ Main campus at Knoxville; Medical Center at Memphis; campuses at Martin and Chattanooga, the latter being the recently acquired private University of Chattanooga; Extension Center at Nashville.

@@@ Main campus at Storrs; constituent schools of law, social work, and insurance at Hartford; 2-year branches at Groton, Stamford, Torrington, and Waterbury.

+ Includes outlying two-year "community colleges".