

GRAPEVINE

* * * * *

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

Alaska.....	194	Nevada.....	194, 196, 198
Arkansas.....	194	New Mexico.....	194
Colorado.....	194	North Dakota...	194, 198
Delaware.....	194	Pennsylvania...	198, 199
Georgia.....	194	South Dakota...	194, 199
Indiana.....	194, 195	Tennessee.....	194
Michigan.....	195, 196	Utah.....	194
Montana.....	194	Wyoming.....	194
		New York....	194, 197

Reports from 11 states which appropriate biennially indicate an average gain of about 20% in state tax funds appropriated for operating expenses of higher education for biennium 1961-63 over biennium 1959-61. See Table 25, page 194.

Reports from 5 states which appropriate annually indicate an average gain of about 42% for fiscal year 1961-62 over fiscal year 1959-60 (a 2-year period). See Table 26, page 194.

The composite average gain for the 16 states over the 2-year period from fiscal year 1959-60 to fiscal year 1961-62 appears to be 29%. This is very near the rate of gain that was reported in 1960 for the states making appropriations in that year. (See GRAPEVINE, page 129).

Pennsylvania Governor's Committee on Education recommends statute permitting establishment of local public community colleges, to be jointly supported by tax funds from state and local school districts, counties, or cities. (Page 199).

SIXTEEN STATES SHOW AVERAGE GAIN OF 29% IN APPROPRIATIONS OF STATE TAX FUNDS FOR OPERATING EXPENSES OVER 2-YEAR PERIOD FROM FISCAL 1959-60 TO FISCAL 1961-62

Table 25. Appropriations of state tax funds for operating expenses of higher education in 11 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 1961-63		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	\$16,230**	\$16,230**	\$16,693*	\$16,696*	\$921*	3*
Georgia	24,058	26,605	33,385***	35,385***	18,107*	30*
Indiana	45,463	50,163	55,316	62,709	22,399	24 $\frac{1}{2}$
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	14,372	4,970	22 $\frac{1}{4}$
North Dakota	9,253**	9,253**	10,386**	10,386,**	2,266	12 $\frac{3}{4}$
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 $\frac{3}{8}$
Utah	10,338**	10,338**	12,197**	12,197**	3,718	18
Wyoming	4,735**	4,735**	5,599**	5,599**	1,728	18 $\frac{1}{4}$
Totals	161,254	169,052	192,798	204,865	67,357	20 $\frac{3}{8}$

*Tentative report, subject to subsequent verification.

**Figures derived by dividing biennial appropriations in half.

***Includes sums for capital outlays, to be specified by Board of Regents.

Table 26. Appropriations of state tax funds for operating expenses of higher education in 5 states which appropriate annually, with dollar change and percentage change for fiscal year 1961-62 over fiscal year 1959-60 (over a period of 2 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
Colorado	19,796	23,282	26,099	6,303	36
Delaware	3,731	3,734	4,368	637	18
New York	75,096*	89,505	111,189*	36,093*	48*
West Virginia	14,791	16,919	19,938	5,147	35
Totals	115,525	135,763	164,617	49,092	42 $\frac{3}{8}$

*The bulk of the increase of 1961-62 over 1959-60 consists of the doubled appropriations for the state scholarship system, and greatly increased state subsidies to the New York City Board of Higher Education. See Table 28, page 197. The percentage of gain for the state-owned institutions of the State University of New York over the same period was about 14%.

 GRAPEVINE is owned and circulated by M. M. Chambers. It is not a publication of the University of Michigan or of any other institution or association. Responsibility for any errors in the data, or for opinions expressed, is not to be attributed to any organization or person other than M. M. Chambers. GRAPEVINE is circulated chiefly to persons in position to reciprocate by furnishing prompt and accurate reports from their respective states regarding tax legislation, appropriations for higher education state support for elementary and secondary schools, and legislation affecting education at any level. Address communications to M. M. Chambers, U.H.S. 4200-G, The University of Michigan, Ann Arbor, Mich.

INDIANA. Appropriations of state tax funds for higher education for the biennium 1961-63 are reported as in Table 27.

Table 27. Appropriations of state tax funds for higher education in Indiana for biennium 1961-63, in thousands of dollars.

Insti- tutions	Operating expenses		Capital outlays (biennium)
	Year	Year	
	1962-63	1962-63	
(1)	(2)	(3)	(4)
Indiana U	\$24,076	\$27,218	\$9,398
Purdue U	22,937	25,861	5,582
Indiana STC	3,501	4,057	1,674
Ball STC	4,802	5,573	1,674
Totals	55,316	62,709	18,328

The appropriations for operating expenses for the coming biennium appear to represent an increase of about 24 $\frac{1}{2}$ % over those for the current biennium. Apparently they represent a little less than 10% of the estimated total of all state expenditures for the biennium (\$1,180 million).

MICHIGAN. The University of Michigan at Ann Arbor and Wayne State University at Detroit, both large universities having advanced graduate and professional schools, with their main campuses about 40 miles apart, have formulated an agreement to permit "dual elections" by advanced students. This makes possible appropriate use of unique facilities of both universities, and affords an excellent example of voluntary interinstitutional cooperation between two public universities in the public interest. The agreement is here reproduced verbatim:

AGREEMENT-- THE UNIVERSITY OF MICHIGAN AND WAYNE STATE UNIVERSITY

To insure the fullest utilization of their combined educational resources, especially in graduate, professional and highly specialized areas; to provide broader learning opportunities for their advanced students; and to avoid unnecessary overlapping of educational services and the duplication of facilities, the Regents of The University of Michigan and

the Governing Board of Wayne State University hereby agree that students duly enrolled in either one of the two universities, who can profit from the arrangement and who are fully qualified and appropriately certified, will be permitted to elect courses offered by the other institution without formal institutional admission or the payment of an additional fee.

The two universities enter into this agreement subject to the following procedural understandings:

1. Because of the breadth of offerings and the range and diversity of educational problems inherent in the educational sweep of the two universities, and because of fluctuating and varied demands on staff and other facilities as well as the problems peculiar to each of the several units, this agreement shall become effective between the several schools and colleges of the two institutions subject to such rules and regulations, not inconsistent with the objectives of this agreement, as are mutually acceptable to the deans and directors of the respective and corresponding instructional units.
2. No person claiming residence in one institution shall be permitted to elect courses offered by the other institution unless (a) he has been admitted to a degree program in one institution, (b) he is at the time a registered student in possession of evidence certifying that he has paid an appropriate fee and (c) he is certified and approved by the chairmen of the corresponding departments as fully qualified and competent to pursue the proposed courses.
3. When such elections are made in expectation of the fulfillment of specified degree requirements, approval prior to election shall have been had from the committee chairman or other appropriately designated adviser. Credits, grades, and other evidences of progress and performance shall be reported directly to a designated officer at the institution in which the student is registered.

MICHIGAN. (Continued)

4. A simplified registration form identifying the student, his academic status, the course and the time of election, and carrying the signatures of the corresponding department chairmen and other academic advisers shall be completed for each election. These forms shall be accumulated in a designated office and an inter-institutional accounting shall be made once each calendar year. Thereafter one university shall remit to the other, in lieu of student fees, such amounts as are determined to be fair and equitable consideration, and other factors which are usually recognized in determining instructional costs.

NEVADA. Appropriations of state tax funds for operating expenses of the University of Nevada for the biennium 1961-63 represent a gain of 30½% over the preceding biennium. Figures for each of the 4 fiscal years involved appear in Table 25, page 194, this issue of GRAPEVINE.

For capital improvements the University at Reno and its branch at Las Vegas get a total of \$2,061,730 in appropriations, plus authorization for \$2,400,000 in university bonds for dormitory construction, plus \$1,456,000 in state bonds. Total for the biennium is \$5,917,730.

The legislature showed a surge of interest in advanced research and graduate study. Two appropriations were made to the Desert Research Institute of the University for special projects: (1) \$25,000 for basic research in ground water (in cooperation with the state department of conservation and natural resources), and (2) \$40,000 for long-range research in weather modification. The sum of \$20,000 was also appropriated to the University to aid in the acquisition of the Alfred Doten diaries, primary source material on the early history of Nevada.

The legislature also formally approved the University's proposal to begin the offering of Ph. D. programs in selected areas in the fall of 1961.

Another act authorizes the Regents of the University to establish rules regarding leaves of absence, sabbatical leave, annual leave, terminal leave, and related matters affecting the faculty, without regard to any existing legislation governing

state employees. This appears to be in harmony with the large degree of constitutional independence of the University, which has been maintained by the state supreme court and is now recognized in legislation.

The legislature adjourned April 1 after having been in session approximately 75 days. The total appropriations to public school education called for \$17,200,238 for the fiscal year 1961-62, and \$19,187,178 for fiscal year 1962-63.

After prolonged debate in both Houses concerning the formula of state appropriations as well as the amount to be appropriated, a bill was finally passed providing that in computing state minimum requirements, the amount of \$4,850 per year be allotted per certified classroom teacher, \$96 per pupil per year in elementary or high school average daily attendance during the current year, \$50 per kindergarten child, \$500 per handicapped child, and one-half the cost of transportation for the preceding school year.

The actual state appropriation to each of the 17 counties (Nevada has a county unit district system) would amount to state minimum requirements for each county minus a 70-cent per \$100 on the adjusted assessed valuation (bearing a ratio to the real valuation having a degree of statewide uniformity) and a fractional part of the state's share of federal aid to education under Public Law 874.

In general, the amount each county will receive has been raised, but not to the extent requested by the Nevada State Teachers Association or the Nevada School Administrators Association. Both of these associations had urged the passage of a bill which would put state appropriations on a strictly weighted classroom unit basis, arguing that this is the appropriate method of fitting the appropriations to the needs of public education in Nevada; but the legislature chose to keep the present based partly on the teacher-unit and partly on the pupil.

All appropriations for public education in Nevada are from the general fund. There are no earmarked taxes for education.

The legislature raised the tax on cigarettes from 3¢ to 7¢ per pack, and approximately doubled the state tax (Cont'd. p.198)

NEW YORK. Appropriations of state tax funds for operating expenses and for capital outlays for higher education for the fiscal year 1961-62 are reported as in Table 28.

Table 28. State appropriations of tax funds for higher education in New York State for fiscal year 1961-62, in thousands of dollars.

Institutions	Operating Expenses	Capital Outlays
(1)	(2)	(3)
<u>State U of N Y</u>		
Cornell contract colls		
St Coll of Ag	\$7,411	
St Coll Home Ec	1,664	\$ 90
Ag Exp Sta	1,571	
St Coll Vet Med	1,317	50
Sch Indus & lab rel	1,264	
General services	1,627	
Various state colls		
Downstate Medical	4,190	17,337
Upstate Medical	3,076	
Forestry (Syracuse)	2,022	155
Maritime	993	345
Harpur	1,154	
Long Island	1,530	2,430
Ceramics (Alfred)	872	
State colls of edn		
Albany	2,712	740
Buffalo	2,843	2,300
Oswego	2,319	1,586
Cortland	2,188	237
Oneonta	1,843	2,021
New Paltz	1,713	2,237
Brockport	1,690	2,760
Plattsburg	1,610	2,444
Potsdam	1,614	1,500
Geneseo	1,602	1,920
Fredonia	1,476	3,500
Ag & Tech Insts		
Farmingdale	1,720	30
Alfred	1,000	1,740
Morrisville	652	2,100
Canton	460	
Cobleskill	470	1,157
Delhi	471	2,373
Subtotals, SUNY insts	55,074	49,052

(Continued on next column of this page)

NEW YORK. (Continued). Table 28 (Continued).

Institutions	Operating expenses	Capital outlays
(1)	(2)	(3)
Central admin	1,011	3,837
Scholshps & felshps	22,844	
Subsidies to City U		
For teacher edn	16,000	
For city colls	8,075	
Aid to community colls	5,690	
Higher Ed Asst Corp	2,495	
Dormitory Authority		8,285
Grand totals	111,189	61,174

Comparisons with the annual appropriations for fiscal year 1959-60 (2 years ago) are rather difficult. (GRAPEVINE generally makes comparisons over a period of 2 years, because 30 states make biennial appropriations, and many of them in one sum for the whole biennium).

Looking at the operating funds for the institutions named as components of the State University of New York in Table 28, the 1961-62 total of \$55 million is an increase of 14% over the comparable appropriations of 2 years ago. If we add, however, the items for central administration, scholarships and fellowships, subsidies to the New York City colleges (now City University of New York), and aid to community colleges, most of which were approximately doubled over the 2-year period, then the 1961-62 total of \$111 million seems to be a gain of 48% over its counterpart of 2 years ago. It will be noticed that the operating appropriations for these last-named items for 1961-62 slightly exceed the total of operating appropriations for the State University of New York.

In our summary table (Table 26, page 194), we are using the \$111 million total for 1961-62, to cover substantially the entire picture of state appropriations for higher education, for operating expenses, and exclusive of capital outlays. Thus the rate of increase over 2 years is entered as 48%, even though the 30 institutions of SUNY gained only 14%.

NEVADA. (Continued from page 196)
on alcoholic beverages. Approximately 33% of the proceeds of the cigarette tax will be granted to the counties and cities; but the total amount received by the state for state purposes will be increased.

NORTH DAKOTA. Appropriations of state tax funds for operating expenses and for plant improvements for higher education for the biennium 1961-63 were as in Table 29.

Table 29. State tax funds appropriated for operating expenses and for plant improvements for higher education in North Dakota for biennium 1961-63, in thousands of dollars.

Institutions	Sums appropriated	
	Operating expenses	Plant improvements
(1)	(2)	(3)
U of North Dakota	\$6,119	\$646
N. D. State U	5,032	905
Ag Exp Sta	1,833	360
Branch Exp Stas	436	62
Ag Exten Div	732	
Dickinson State T C	755	125
Ellendale N&I Coll	547	322
Mayville State T C	755	185
Minot State T C	1,795	150
Valley City S T C	1,011	237
Wahpeton S Sch Sci	1,307	245
Bottineau S S For	312	45
St Forest Serv	138	
Total	20,772	3,272

The total appropriation for operating expenses apparently represents a gain of about 12 $\frac{1}{2}$ % over the comparable appropriation for the preceding biennium.

An appropriation of \$239,000 was made for state aid to school districts operating public junior colleges; payment to be at the rate of \$200 per year per full-time student. The total for this purpose represents a gain of only about 4% over the \$230,000 similarly appropriated for 1959-61, two years ago.

An appropriation of \$28,800 for the biennium was made to reimburse schools of veterinary medicine in other states for the training of veterinary students from North Dakota.

PENNSYLVANIA. Governor David L. Lawrence

addressed the General Assembly April 10, announcing the completion of the report of his Committee on Education (appointed at the request of the legislature of 1959). The governor recommended that the legislature undertake to complete other major business before it expeditiously, and then devote the remainder of the current session to the subject of education almost exclusively.

GRAPEVINE has not yet seen a copy of the report, but newspaper reports indicate that the parts dealing with higher education include the following features:

The legislature is asked to plan to assure that 300,000 students (about 35% of the population of college age) can be accommodated in Pennsylvania institutions of higher education, public and private, by 1970.

The legislature should finance Pennsylvania State University to enable it to serve 35,000 students at its main campus and at appropriate extension centers "so long as the latter are part of the approved state master plan of higher education." The quoted phrase is significant because the Committee also recommends provision for a system of local public community colleges which might eventually supersede the extension centers or at least assume a large part of the functions they now perform. This might not, of course, necessarily mean the abolition of the extension centers, but could possibly mean that their work would come to be more largely at the senior college and graduate levels of instruction, which are beyond the capability of local community-junior colleges.

The state colleges, says the Committee, should be tripled in size and converted to multipurpose liberal arts and science institutions, so that they can accommodate a total of 60,000 students by 1970.

The state-aided private institutions (University of Pennsylvania, University of Pittsburgh, Temple University, and some others, chiefly medical colleges) should continue to receive state aid at the present level; but this level should not be raised until the institutions prepare detailed expansion plans for this decade "giving reasonable assurance of educating 11,000 (continued on page 199)

PENNSYLVANIA. (Continued from page 198) more qualified Pennsylvania students than are now enrolled in state-aided institutions." These plans, it is recommended, should also show increasing emphasis upon senior college, graduate, and professional study; and should provide for a reasonably uniform method of financial reporting as to the use of state funds.

The legislature should provide funds to inaugurate a program of local public community college development broad enough to accommodate 79,000 students by 1970. These community-junior colleges would get one-third of their operating funds from students, with the other two-thirds supplied by the state and the local taxing district. The state would also assist with capital outlay funds.

Notable is the recommendation that "the widest possible number of avenues to the establishment of community colleges should be allowed. These will include existing school districts, county and municipal units of government, or any contiguous combination of these."

The Committee proposes a system of 4-year state scholarships for 5% of each year's high school graduating class, and an appropriation of at least \$1 million to insure low-interest private loans to students. Here GRAPEVINE interjects the remark that neither of these schemes is an effective way of implementing the Committee's generalized recommendation that "It should be the basic policy of the Commonwealth not to deny educational opportunity to any qualified youth because of economic circumstances." This policy is implemented in a much more sincere and comprehensive manner in some western states, such as California, where all public junior colleges are tuition-free, and many other states where student fees at state institutions are kept at low or merely nominal levels.

Apparently the Committee's proposals regarding organization at the state level do not depart very widely from the structure which has developed in Pennsylvania over several decades. There would be a State Council of Education of 15 members appointed by the governor and senate for 10-year terms. It would have policy

jurisdiction over the state's total effort in public education at all levels, and should divest itself of any administrative duties. Not more than 3 members of the Council should be professional educators.

Five members of the Council, including not more than one connected with any educational institution, would constitute a Committee on Higher Education. The Superintendent of Public Instruction would appoint a 9-member Advisory Council of Higher Education, all drawn from professional workers in higher education. In the state department of education there would be a Bureau of Higher Education headed by a deputy superintendent. This would include a division of planning and development charged with keeping current a "master plan" for the state, and a division of community colleges. The deputy superintendent in charge of the Bureau would be ex officio secretary to the Board of Presidents of State Colleges.

SOUTH DAKOTA. Appropriations of state tax funds for operating expenses for higher education for the 2 fiscal years of the biennium 1961-63 are reported as in Table 30.

Table 30. State tax-fund appropriations for operating expenses of higher education in South Dakota, biennium 1961-63, in thousands of dollars.

Institutions	Sums appropriated	
	1961-62	1962-63
(1)	(2)	(3)
U of South Dakota	\$1,796	\$1,969
S Dak State Coll	4,418	4,269
Sch Mines & Tech	817	822
Northern State T C	765	782
Black Hills T C	363	362
General Beadle T C	278	270
Southern State T C	238	228
Totals	8,675	8,702

It seems that the total of \$17,377,000 for the biennium represents a gain of about 7 $\frac{1}{2}$ % over the comparable biennial appropriation of 2 years ago. It also appears that this total constitutes somewhat less than 4% (continued on page 200)

SOUTH DAKOTA. (Continued from page 199) of the estimated total expenditures of the state during the coming biennium.

WHAT IS YOUR EXPERIENCE WITH GIFT ANNUITIES, OR WITH GIFTS IN THE FORM OF "LIVING TRUSTS"?

Does your institution solicit gifts of the above types? If so, have you any printed or mimeographed brochures or other documents used for that purpose?

If you do not solicit such gifts or agreements, do you occasionally accept them or have you accepted them in the past, and could you write a brief letter about your experience with them?

A study entitled Annuities and College Finance is being carried on in the Department of Higher Education at the University of Michigan. If you write a letter or send documents, the Department and GRAPEVINE will assure you that your materials will be treated confidentially.

Please address:

William C. Venman
2347 Fernwood Road
Ann Arbor, Michigan

* * * * *

STATEWIDE TRENDS

Voluntary Statewide Coordination in Public Higher Education is a 95-page pamphlet published by the University of Michigan April 15, 1961.

Single copies may be had free of charge upon request to the Editor of Special Publications, 3519 Administration Building, The University of Michigan, Ann Arbor, Mich.

Separate short chapters sketch briefly the history, successes and shortcomings of voluntary statewide coordination in California, Colorado, Indiana, Ohio, and Michigan. Recent developments in Minnesota, Missouri, Washington, and Arkansas are also sketched; and the point is made that even in the states where all institutional governing boards have been consolidated into one, voluntary liaison among the institutions necessarily plays considerable roles.

It is pointed out that the history of the states since 1940 indicates a trend away from abrupt and sweeping over-centralization in the control of state systems of higher education, and a tendency toward recognition that the unique and paramount functions of universities require a degree of autonomy and freedom from superimposed bureaucracy.

The author of this pamphlet, M. M. Chambers, believes continued efforts to impose tightly detailed fiscal controls by various statehouse offices over the operation of universities can easily produce much more loss than gain. "Let us not use the word 'coordination', says he, "as an incantation to be ceaselessly repeated without thought or knowledge of the damage that can be done to a university by piled-up layers of over-administration in the statehouse."

Among the useful appendices to the pamphlet are copies of the constitution of the Inter-University Council of Ohio, and of the Articles of Association of State Institutions of Higher Education in Colorado. Also included is an article by Everett J. Soop on the coordination of state university and college field and extension services in Michigan. A copy of the joint letter of transmittal of biennial budget requests for the four state universities and colleges in Indiana for 1961-63, signed by the four presidents and addressed to the State Budget Committee, affords an inkling of the nature of Indiana's practice of voluntary coordination which has been successful for more than a decade.

It is in Indiana, Chambers says, that after five bienniums of experience in developing voluntary coordination, the institutions have evolved what are very probably the most practicable, comprehensive, and refined practices of unit cost reporting to be found in any state; not excluding some states which have had consolidated boards for fifty years or more. The best cost reporting in the country has been put into practice without any superimposed statutory bureaucracy.