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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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ALABAMA. Legislation reported pending would raise the general sales tax rate from 3% to 4% for a period of 18 months. This would produce \$43 million in additional revenue, earmarked for education.

States now having a 4% general sales tax include Washington, Pennsylvania, Michigan, and Illinois.

Under the act of 1959 creating the Alabama Education Authority as a corporation and authorizing it to borrow \$100 million for school and college sites, buildings, and equipment, Governor Patterson now announces that Alabama Schools have already added 775 new elementary and high school classrooms. Within another 18 months, he says, 3,000 more new classrooms will be ready for use, besides other new construction in the colleges and trade schools. A total of 603 school building projects have been approved, of which 125 have been completed and 235 others are under construction.

ARKANSAS. The 1961 legislature created an advisory "Commission on Coordination of Higher Educational Finance", to consist of 10 members appointed by the governor and confirmed by the senate, for terms of 10 years, one term to expire each year.

The Commission is directed to employ an executive director and staff, and maintain a central office in Little Rock. Although the Commission is to "receive, evaluate, and coordinate budget requests for the University and state colleges, and present a single budget request containing recommendations for separate appropriations to each of them," this is only an advisory function. The act specifically provides that "nothing herein shall be construed to prohibit any institution of higher education from submitting any matter pertaining to the financial operation and needs of said institutions to the General Assembly or to the Governor at any time."

Another section of the act specifies: "The Boards of Trustees of the University and state colleges shall continue to exercise their present functions and powers and nothing in this Act shall be construed to deprive, limit, or in any way alter or change any of the existing statutes and constitutional provisions pertaining to or governing said Boards of Trustees". The tenor of the act seems to be to provide for a statutory agency of voluntary coordination. The new Commission will have no powers of mandate; only authority to study and recommend. Its performance and progress will be observed with interest.

CALIFORNIA. The Board of Regents of the University of California on July 21 approved a capital improvements program of \$85 million for the fiscal year 1962-63. It is expected that \$68 million will come from state tax funds, \$14 million from non-tax sources, and \$3 million from borrowed funds.

Explaining the need, President Clark Kerr said: "For every freshman in a state supported institution last year, there will be three in 1975. And the acute pressures will be on us even before then. In 1964-65, there will be an estimated 220,000 high school graduates in the State--an increase of 78% over 1957-58."

"In 1964 alone, according to projections of the State Department of Finance, the entering freshman class in California colleges and universities will be 17% above the preceding year."

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HAWAII. Appropriations of state tax funds for public higher education for fiscal year 1961-62 are reported as in Table 61.

Table 61. State tax-fund appropriations for higher education in Hawaii, for operating expenses and for capital outlays, fiscal year 1961-62, in thousands of dollars.

Institution	Sums appropriated	
	Operating expenses	Capital outlays
(1)	(2)	(3)
U of Hawaii	\$9,185	\$1,621

The appropriation for operating expenses appears to be a gain of 46½% over the comparable figure for 1959-60, two years ago. It seems, however, to represent only about 4½% of the aggregate of all state expenditures, reported as nearly \$½ billion for 1961-62.

Appropriations for state support of operating expenses of local public elementary and secondary schools (of which the state pays all) are reported as \$35,265,000, representing a gain of slightly less than 13% over the comparable figure for 1959-60, two years ago.

ILLINOIS. Governor Kerner will call a special session of the legislature for October 9, 1961. Among the issues to be considered are proposals for a constitutional amendment regarding the state's taxing powers. A principal point of contention will be the question of whether or not the constitution should explicitly authorize the legislature to enact an income tax law. More than thirty states now have income tax laws, including West Virginia, which enacted one early this year.

MASSACHUSETTS. Rapid progress is being made in developing the statewide system of "regional community colleges" first provided for by a statute of 1958. A small flyer entitled A Progress Report, July 1961 is available from the Massachusetts Board of Regional Community Colleges, Room 111, State House, Boston 33, Massachusetts. Walter M. Taylor is the Board's Executive Director.

These colleges are actually state institutions. To date the total of state appropriations for capital outlays aggregates more than \$2 million. This sum will support the initial development of 6 regional community colleges. Four of these are now in operation (The figure following the name in each case is the estimated enrollment for 1961-62): Berkshire Community College, Pittsfield (300); Northern Essex Community College, Bradford (150); Cape Cod Community College, Hyannis (150); Massachusetts Bay Community College, 27 Garrison Street, Boston (500).

Annual operating income comes from appropriations of state tax funds, plus student fees of \$100 per semester. State tax-fund appropriations for the four for 1961-62 aggregate nearly \$½ million (see GRAPEVINE, Table 49, Page 221).

The plan is to establish perhaps one or two such colleges each year until at least 8 are in operation. At first each is set up temporarily in an existing facility (often a school building) locally provided, with the necessary renovation accomplished with state funds. The site is also locally provided at no cost to the state.

Among the regions which seem likely to have community colleges in the near future under this plan are Worcester; Springfield; Lynn; Quincy; Fall River; New Bedford; North-Central Massachusetts; and the Northern Connecticut Valley.

The Board of Regional Community Colleges governs the system, but each community has an Advisory Committee of 10 members appointed by the governor. The comparatively small area and high density of population in Massachusetts perhaps favors a more centralized system than would be desirable in states of larger area and sparser population.

At any rate, the real beginning of the public 2-year college in Massachusetts, a state hitherto generally rather reluctant to expand public higher education, marks an important milestone.

MINNESOTA. Effective September 1, 1961 a new statute requires proprietary trade schools operating in Minnesota, whether resident or correspondence, to file with the secretary of state a continuing bond of \$10,000 to assure performance of their contracts with students.

Such schools are also required to file lists of their salesmen, and, if out-of-state, to name an agent in Minnesota who will be available to receive service of summons in case of legal action. In general, the schools are required to present evidence of having sufficient personnel, buildings and equipment to teach adequately the subjects they profess to teach, to the number of students they enroll. The attorney general is charged with enforcement of the act.

Exempted are degree-granting colleges and universities, accredited schools of nursing, and all public schools, as well as reputable non-profit private and parochial schools. Schools of dancing and purely recreational activities are also outside the purview of the act. Press reports say there are about 112 schools operating in the state affected by it. Its object, of course, is to protect the public from fraudulent misrepresentations by profit-seeking operators of proprietary schools.

MISSOURI. Hitherto all the 6 public junior colleges in this state have been in city school districts. The 1961 legislature enacted a law authorizing the establishment of public junior colleges by school districts or combinations of contiguous districts under specified conditions, and giving the state board of education substantial responsibilities in guiding the movement and establishing standards for junior colleges. The act provided state aid for operating local public junior colleges would be \$200 for each 30 semester hours of credit completed. Another act appropriated \$700,000 for this purpose for the biennium 1961-63.

You will note that this is considerably more generous than the start made by the 1961 Kansas legislature, which provided state aid in the amount of \$3 per credit hour (GRAPEVINE, page 212).

With regard to state support of public elementary and secondary schools, the revenue from the 4¢ cigarette tax goes directly into the State School Moneys Fund, which is further augmented by a transfer of nearly \$183 million from the General Revenue Fund, thus providing the \$224 million necessary for full financing of the state school "Foundation program". This total is \$68 million more than for the preceding biennium, and thus apparently represents a gain of about 43 $\frac{1}{2}$ %.

The 1961 legislature set up a Joint Legislative Interim Committee, composed of 6 members of the Senate and 6 members of the House, to study public education, including elementary, secondary, and higher education.

OHIO. The Ohio Inter-University Council, the voluntary agency of statewide coordination for the six state institutions of higher education, has functioned with considerable success for more than twenty years. It consists of the president and one member of the governing board of each institution, making 12 in all.

A constitution for this voluntary association was drawn up and fully ratified by each of the governing boards in 1952. Composed of fewer than 1,000 words, it is a model of brevity.

In August, 1961, a new constitution was drafted and made ready for ratification by the boards. It also is brief and succinct, running to not more than 1,500 words.

For example, Section 2: "Through the Council the State-assisted institutions of higher education in Ohio shall cooperate closely, placing common goals above conflicting institutional preferences, yet preserving maximum recognition of the existing diversity in the individuality and traditions of each institution."

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OHIO (continued from page 236)

And Section 3: "The objectives of the Council shall be the realization of a well-coordinated Statewide system of public higher education, capable of satisfying quantitative and qualitative demands for education at undergraduate and graduate levels in the various disciplines and professions."

The proposed new constitution is supplemented by a short draft of bylaws consisting of about 700 words.

As noted in GRAPEVINE for September 1961 (page 232), the Inter-University Council of Ohio has had since July 1, 1961 a permanent central office at 1813 North High Street, Columbus 10, Ohio, with William B. Coulter as Executive Secretary.

One of the duties of the Executive Secretary is to conduct studies which will furnish factual data as a basis for consideration of items on the Council agenda, and "to assemble annually complete statistical data with respect to enrollment, class size, educational and general budgets, faculty salaries, and other items as directed by the Council."

He will also be responsible for the preparation of a biennial report to become available by November of each even-numbered year, to be distributed to each of the institutions, and, when so ordered by the Council, presented to the governor and the legislature.

TEXAS. For the first time in history, the legislature passed a 2 per cent general retail sales tax. Governor Daniel allowed the measure to become law without his signature. On all sales amounting to 25¢ or more, with a few exemptions such as food for home consumption, the 2% tax will produce about \$160 million a year in new revenue. Other new tax legislation enacted will boost the total of new revenue to about \$177 million a year.

If GRAPEVINE is correctly informed Texas becomes the thirty-fifth state in the list of those having general sales tax in effect. (continued on page 238)

Appropriations of state tax funds for higher education for biennium 1961-63 are reported as in Table 62.

Table 62. State tax-fund appropriations for operating expenses of higher education in Texas (exclusive of state aid to junior colleges) for fiscal years 1961-62 and 1962-63, in thousands of dollars.

Institutions	1961-62	1962-63
(1)	(2)	(3)
U of Texas	\$13,207	\$13,806
Galveston Med Br	6,824	6,825
S'west'n Ned Sch	2,247	2,248
Dental Branch	1,592	1,582
Anderson Hosp	5,079	5,049
Postgrad Med Sch	10	10
Texas Western Coll	1,817	1,833
A & M Coll of Tex	5,663	5,841
Ag Exp Sta	2,292	2,241
Ag Extension	1,772	1,772
Engrng Exp Sta	489	489
Engrng Extension	177	177
Forest Service	898	874
Rodent Control	352	352
Maritime Academy	141	54
Arlington St Coll	2,563	2,638
Tarleton St Coll	790	830
Prairie View A & M	1,870	1,955
Texas Tech Coll	5,593	5,637
North Tex State U	4,222	4,334
Lamar St Coll Tech	2,373	2,420
Tex Coll Arts & Ind	1,787	1,798
Texas Woman's U	1,823	1,854
Texas Southern U	2,201	2,250
Midwestern U	759	1,574
East Tex St Coll	2,091	2,184
Sam Houston S T C	2,589	2,507
Southwest Tex S C	1,614	1,722
West Texas St Coll	1,482	1,534
S. F. Austin St C	1,398	1,452
Sul Ross St Coll	811	823
Texas Commission on Higher Education		
For operation	127	126
For allocation	114	1,614
System offices	550	2,408
Totals	77,873	83,282

The total for operating expenses for 1961-62 is a gain of about 18½% over the comparable figure for fiscal year 1959-60, two years ago. The figure for 1962-

63 represents a gain of about 24½% over 1960-61. If we combine the appropriations for the two fiscal years of each biennium, 1961-63 shows a gain of about 21% over 1959-61.

TEXAS (continued from page 237)

Readers of GRAPEVINE will recall that the big news of 1960 was the adoption of a 3% sales tax in Kentucky, which became the thirty-fourth state to have this type of tax in force. (GRAPEVINE, pages 97 and 125).

A general retail sales tax is a large and prompt producer of revenue. It tends to be somewhat inequitable or "regressive" because low-income families compelled to spend all or nearly all their income for necessities are hit by it comparatively more heavily than well-to-do persons with medium or large incomes; but this feature can be mitigated somewhat by exempting such items as staple foods for use at home and low or medium-priced children's clothing. In some states the burden of the sales tax is also lightened for farmers by exempting field fertilizers, livestock feeds, implements and farm supplies which farmers require in their business.

UTAH. GRAPEVINE thinks you might be able to get from Paul W. Hodson, Business Vice President, University of Utah, Salt Lake City, Utah, a copy of his 20-page printed address delivered February 16, 1961 on Legislation for the University's Future.

The speech is full of brilliant insights. Let me give you a small taste of it. After quoting from John J. Corson's notable book on The Governance of Higher Education (New York: McGraw-Hill Book Co. 1960), as follows, "There was a time when the average professor was attracted to college teaching by his interest in young people. In many cases he was a former clergyman. Today the average professor is a subject-matter specialist who accepts teaching as the price of opportunity to continue his specialized studies," Hodson continues in his own words.

"We have entered the era of the professional scholar whose investigative work is found to be of sufficient value in itself to be justified without the need to be accompanied by teaching. This

is reflected by an increasingly larger portion of the payroll supported by contract research. Here then is a community of scholars, not quite like the community of twenty-years ago, nor the communities of scholars who inhabited the universities of many centuries ago.

"Today this community of scholars is not retired to seclusion in the ivory tower but is beset by tremendous pressures to break through the barriers of knowledge. The scholar-specialist must produce. And while he is a member of the community and an employee of a state agency, his main allegiance is to his work rather than the organization."

Consider also another paragraph of Hodson's: "The University is established to serve the needs of mankind in the quest for knowledge and in the improvement of the whole man as it relates to his needs for scientific training and the pursuit of truth; as it relates to his needs for depth of understanding through acquaintance with the cultures of the ages.

"Beyond its function to discover and disseminate knowledge, the University also acts as a service agency in providing guidance to communities of the State (and to some extent foreign states) by the help of specialists. Its imposing resources are constantly mobilized to implement desirable programs on economic, political, social and cultural levels."

And more: "There are among its publics those who would have it stop its growth, rest on its laurels, get along on what it has, and in short, curtail its rendezvous with destiny. This must not be. To remain vigorous a university must experience constant self-realization, self-betterment, and growth. Either it moves onward and upward or it moves downward. And the culture which produced it either attains the goal of its vision or it fails for the lack of trying."

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VERMONT. A statute of 1961 creates a new public corporation styled "Vermont State Colleges" to plan, supervise, administer and operate facilities for education above the high school level "supported in whole or in substantial part with state funds." The new corporation will have no authority whatever over the University of Vermont and State Agricultural College; but it will take over the property and management of the teachers colleges at Castleton, Johnson, and Lyndon Center, and the Vermont Agricultural and Technical Institute, and "other state operated institutions of higher education which may be established."

The effect of all this is to relieve the State Board of Education of responsibility for the state colleges; and we observe here in one of the smallest state systems of higher education, an action paralleling the creation in 1960 of the California Board of Trustees of State Colleges, in the nation's largest state system. The point seems to be that we are coming to realize that we can not properly expect a lay board of education to head the statewide system of public elementary and secondary education and also govern several state colleges. In states where the law requires this, there appears to be an incipient trend toward decentralization.

The Vermont corporation will be governed by a board of 9 trustees appointed by the governor for overlapping 6-year terms, plus the governor as a member ex officio. It will have the usual powers and responsibilities of an institutional governing board.

Notable is a lengthy section of the new statute which exempts the new corporation from general statutes dealing with administrative departments; classification of state personnel; state employees'

retirement system; teachers' retirement system; public moneys; central purchasing of small orders; and the board of state buildings. Obviously the intent of the statute is to give the new corporation a large degree of fiscal independence in the control of its educational function. This, too, parallels the California statute of 1960 (but actually goes further), and further evidence of the current overwhelming nationwide revulsion against hamstringing an educational governing board from a dozen state administrative and fiscal offices.

The new board is directed to start exercising its responsibilities in full in no event later than July 1, 1962.

WISCONSIN. The legislature is now in recess from August 12 to October 30.

Before recessing, the legislature defeated Governor Nelson's tax proposals which included an income tax increase and a withholding plan; and passed a bill for a 3% sales tax on almost all retail sales and some services, plus an income tax withholding system. Governor Nelson vetoed this entire bill, saying that it "does not measure up to any acceptable standard of tax revision." He offered no immediate alternative, but promised to offer new proposals when the legislature reconvenes October 30, 1961.

Among recent products of the Joint Staff of the Coordinating Committee for Higher Education in Wisconsin are:

Joint Staff Study XL (July 1961)
Degrees Granted by Colleges of Wisconsin and of the United States, 1958-59.

13 pp. mimeo.

Joint Staff Study XXIX (July 1961)
Projections of Public College Enrollments in Wisconsin for 1965 and 1970.
(Geographic Origin Projections and a Comparison of Projections Made by Other Methods). 35 pp. mimeo, with charts.

MORE OF THE NATIONWIDE PICTURE OF STATE TAX SUPPORT OF HIGHER EDUCATION

Table 63 absorbs Table 54 (GRAPEVINE, page 224) and extends Table 45 (GRAPEVINE, page 215) by adding 11 states to the 31 reported in Table 45. Thus Tables 45 and 63 report a total of 42 states. GRAPEVINE will report the remaining 8 states as soon as possible.

Table 63. Appropriations of state tax funds for operating expenses of higher education in 11 states for 3 successive fiscal years, 1959-60 through 1961-62, with dollar gains and percentage gains for 1961-62 over 1959-1960, showing change 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)
Connecticut**	\$12,273	\$13,080	\$14,855	\$2,582	21
Hawaii*	6,277	7,374	9,185	2,908	46½
Illinois**	88,139	88,140	111,039	22,900	26
Massachusetts*	17,381	19,087	22,006	4,625	26½
Minnesota**	35,568	38,250	43,030	7,462	21
Missouri**	24,744	24,744	29,555	4,811	19½
Nebraska**	15,217	15,218	17,077	1,860	12¼
North Carolina**	28,269	30,340	35,678	7,409	26¼
Ohio**	43,331	45,326	52,014	8,683	20
Texas**	65,843	66,955	77,873	12,030	18¼
Wisconsin**	34,834	37,417	40,895	6,061	17½
Totals	371,876	385,931	453,207	81,331	
Approximate weighted average					22

Supplement:

Totals for 42 states, including the 11 states reported in Table 63 and the 31 states reported in Table 45 (GRAPEVINE, page 215).

Totals	1,196,949	1,305,453	1,481,992	285,043	
Approximate weighted average (42 states)					24

* Appropriations made annually.

** Appropriations made biennially in odd-numbered years.

On the basis of the figures from the 42 states reported, it can be estimated that the total of the 50 states for fiscal year 1961-62 will turn out to be of the order of \$1,650 million. This will represent a gain of slightly less than 25% over the comparable figure for fiscal year 1959-60, two years ago.