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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.

IN THIS ISSUE

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"Every man is potentially a political, creative, individual creature: his glory is independence and his birthright is spontaneity. I want to see that potentiality realized, the birthright accepted, the glory achieved. I want to see a race of men, not of domestic animals, however 'happy': of self-directing intelligence, not of anthropoid automatons who will do what they are told and think what others prescribe for them."
-- Sir Victor Gollancz

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Statement of ownership and circulation of GRAPEVINE is on Page 766 (reverse hereof).

CALIFORNIA. On the ballot in November, 1968, will be a proposal that would limit local property taxes to 1 per cent of market value of the property, and restrict the use of these revenues to "property-related" public services, such as street construction and sewage facilities.

This means that the cost of "people-related" services, such as schools and welfare, would be shifted to the state. Opponents say its principal result would be a windfall for big real estate interests, and that it would necessitate doubling the state sales and income taxes and practically destroy local government.

NEBRASKA. A proposal to repeal the state income tax enacted by the legislature in 1967 will be on the ballot in November, 1968. An earlier income tax measure was enacted by the legislature in 1965, but defeated by referendum before it became effective in 1967. The present law provides that the rate shall be fixed annually by the State Tax Commission. Currently it is 10 per cent of the taxpayer's federal income tax.

NEVADA. The legislatures of 1965 and 1967 approved a proposed constitutional amendment which would authorize the state to issue general obligation bonds up to $45 million for capital construction, which would include university buildings. This will be submitted to popular vote November 5, 1968.

NEW JERSEY. Three referendum questions proposing issuance of a total of $990 million in state bonds will be on the ballot November 5, 1968. Construction for higher education would share in the proceeds. The board of directors of the New Jersey Taxpayers' Association has published a statement advising its members to support the bond issues, as representing "progress in development of an orderly, long-term capital planning program."

OKLAHOMA. At a referendum conducted in conjunction with the primary election in summer 1968, the voters approved a state constitutional amendment to permit the legislature to fix the state income tax rate as a percentage of the federal income tax paid concurrently by the taxpayer. About one-fifth of the states now have provisions of this kind.

Such provisions automatically embody the graduated character of the federal income tax; and for this reason cannot be adopted in states whose constitutions forbid a graduated tax.

Another amendment approved at the same Oklahoma election abolished state taxes on specified types of incorporeal property, including cash on hand, money on deposit, accounts and bills receivable, bonds, promissory notes, debentures and other evidences of debt. It was argued that taxes on these intangibles were difficult or impossible to collect; and that on or about the annual tax date, November 30 each year, large deposits were removed from the state and that this was economically detrimental.

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THIRTY-THREE LEADING UNIVERSITIES, AS MEASURED BY STATE TAX FUNDS APPROPRIATED FOR OPERATING EXPENSES FOR FISCAL YEAR 1968-69. (OR IS IT FORTY?)

The uncertainty about the number of universities under view here is due to the fact that eight of them appear twice: once in the role of a major campus, and once as a "megaversity" or multi-campus agglomeration.

The cut-off point for this group of thirty-three is the $30 million point -- each received appropriations of more than $30 million of state tax funds for operating expenses for fiscal year 1968-69. GRAPEVINE has figures showing that six of the big multi-campus megaversities have at least one major campus above that cut-off. (The University of California has three such campuses.)

There are other instances in which the main campus of a multi-campus university named herein is itself receiving more than $30 million of state tax funds, but the figures were not available in advance of the beginning of the fiscal year (usually July 1) and hence cannot be shown separately here. At least the multi-campus total is shown. Also there are instances where a university is multi-campus [such as the University of North Carolina (consolidated)] but does not appear as a "megaversity" in Table 40, either because its grand total is less than $70 million, or because its main campus gets less than $30 million, or because no separate figures for the main campus have been obtained.

Some facts leap out of Table 40. Seven of the biggest multi-campus state universities (leaving out the City University of New York, which is a municipal university, state-subsidized) account for more than $1 billion -- one-fifth of the aggregate for the fifty states for 1968-69, which is a little more than $5 billion.

The weighted average rate of growth of these seven over a period of eight years is 212 per cent, distinctly less than the fifty-state average for the same period (233 per cent). The deviation is wide at the upper range -- and thereby hangs a tale.

Table 40. EIGHT MULTI-CAMPUS MEGAVERSITIES, IN DESCENDING ORDER OF STATE TAX FUNDS APPROPRIATED FOR OPERATING EXPENSES FOR FISCAL YEAR 1968-69, AND COMPARISONS WITH SELECTED EARLIER FISCAL YEARS

Megaversities	1960-61 year	1966-67 year	1967-68 year	1968-69 year	Apparent 8-yr gain $	Apparent 8-yr gain %
(1)	(2)	(3)	(4)	(5)	(6)	(7)
U of California	122,357	240,388	243,524	291,084	168,727	138
State U of N Y	49,972	196,301	245,800	277,382	227,410	455
U of Illinois	55,905	98,132	125,719	125,719	69,814	125
U of Wisconsin	25,194	64,254	84,010	96,617	71,423	283½
U of Texas	26,314	57,951	78,686	86,076	59,762	227
(City U of N Y)+	(19,300)	(49,150)	(58,800)	(75,480)+	(56,180)	(291)
U of Missouri	16,884	47,884	59,266	73,146	56,262	333
U of Minnesota	31,045	54,148	65,514	72,803	41,758	134½
Totals	327,671	759,058	902,519	1,022,827	695,156	
Weighted average percentage of gain over eight years				-	-	212

+ The City University of New York is a state-subsidized municipal university. It gets from city tax funds (for 1968-69) an amount roughly equal to this figure.

Table 40 depicts the meteoric rise of annual state tax support for operating expenses of the State University of New York from less than $50 million to more than $275 million within eight years in the Sixties.

The simple fact is that after giving public higher education a sort of grudging minimal support for a century, New York State has awakened, and is leading the Northeastern revolution.

The state was without a public campus ranking among the top thirty nationally until after it acquired the formerly private University of Buffalo in 1963 and began to support it to the extent of $36½ million a year in 1966. The Stony Brook and Albany campuses are now moving upward rapidly, but have not yet attained places among the top thirty public establishments in the nation.

(Continued in next column)

The second most striking feature of Table 40 is the evolution of the University of Missouri from less than $17 million a year to more than $73 million. After operating for many years with only its campus at Columbia and a small scientific campus at Rolla and little else, this mid-American state university found itself in the middle Sixties acquiring the formerly private University of Kansas City, and also determining to establish a large regional campus in St. Louis, the state's largest city.

This is one of the nation's best examples of a state university moving in belatedly to meet the higher educational needs of two large urban concentrations.

If the foregoing exceptional cases were omitted from Table 40, it would show a much lower average rate of gain among the other megaversities. The top universities generally are relatively slow gainers.

Table 41. SEVEN STATE UNIVERSITIES FOR WHICH $60 MILLION TO $80 MILLION OF STATE TAX FUNDS WERE APPROPRIATED FOR OPERATING EXPENSES FOR FISCAL YEAR 1968-69. (NOTE: Those marked * are a main campus, in each case, of a multi-campus organization already entered above in Table 40.)

State universities	1960-61 year	1966-67 year	1967-68 year	1968-69 year	Apparent 8-yr $	gain %
(1)	(2)	(3)	(4)	(5)	(6)	(7)
U of Ill (Urbana)*	NR	NR	73,464	77,374	-	-
U of Cal (Los Angeles)*	NR	52,788	59,325	68,360	-	-
U of Cal (Berkeley)*	NR	55,520	63,244	68,184	-	-
U of Michigan	35,229	58,095	59,161	63,272	28,043	79½
Michigan State U	29,472	55,571	56,749	62,332	32,860	111½
Indiana U	21,601	45,890	55,985	60,787	39,186	181½
U of N C (Consolid)	21,772	46,532	56,197	60,658	38,886	178½
Totals	-	-	424,125	460,967	-	-
Weighted average percentage of gain over eight years				-	-	128½

NOTE: Institutions not marked * are multi-campus, but generally to a lesser extent than the megaversities entered in Table 40, above.

Table 41 adds seven universities (three of them being main campuses of larger composites) receiving $60 million or more of state tax funds for operating expenses in 1968-69. The four for which 1960-61 figures are available show a weighted average 8-year gain of only 128½ per cent -- strengthening the impression that the top universities have gained more slowly than the 50-state weighted averages for all state-supported higher education.

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Table 42. SEVEN STATE UNIVERSITIES FOR WHICH $50 MILLION TO $60 MILLION STATE TAX FUNDS WERE APPROPRIATED FOR OPERATING EXPENSES FOR FISCAL YEAR 1968-69.

State universities	1960-61 year	1966-67 year	1967-68 year	1968-69 year	Apparent 8-yr $	gain %
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Ohio State U	27,671	46,401	55,217	59,295	31,624	114¼
Pennsylvania State U	17,138	39,711	48,469	59,222	42,084	245½
U of Wis (Madison)*	NR	NR	NR	57,479	-	-
U of Washington	22,719	43,173	54,366	54,366	31,647	139¼
U of Maryland	20,461	40,220	45,510	52,173	31,712	155
Purdue U	21,081	39,251	47,114	51,348	30,267	143½
Southern Illinois U	15,184	38,078	51,153	51,153	35,969	237
Totals	-	-	-	385,036	-	-
Weighted average percentage of gain over eight years				-	-	163½

* Main campus of the multi-campus organization already entered in Table 40, above.

Table 42 adds seven state universities in the class-interval of $50 million to $60 million. Most of these are multi-campus in different ways and in differing degrees.

To recapitulate a bit at this point, Tables 40,41, and 42 present 22 universities (one of which is not a state university, but a state-subsidized municipal institution -- City University of New York).

Or, if you prefer, the number of these universities is only 18, if duplication be eliminated by counting only once each one that appears under the same or a similar name in more than one guise -- that of a multi-campus entity and also one of its major component units.

At any rate, all these 18 universities (or 22, depending on how you take it) received more than $50 million of state tax funds for operating expenses for fiscal year 1968-69.

There are another eighteen in the class-interval of $30 million to $50 million, but the limitations of space compel us to exhibit them in a future issue of GRAPEVINE.

Meantime a backward glance at Tables 40, 41, and 42 reconfirms the impression that the top universities have gained at a much slower average rate than the 50-state average rate of gain for all tax-supported higher education (233 per cent, as exhibited in Table 43, page 770).

Is this evidence of a tendency to bring all institutions of higher education toward a mediocre level? This conclusion should not be made too hastily. Perhaps the decade now approaching its end has been one in which the most immediate need was to expand and upgrade the lesser institutions, to place facilities and opportunities as near as practicable to the homes of all the people.

But a time must eventually come when priority should move a little toward the top universities where the highest levels of instruction must go on, and where the frontiers of knowledge are constantly extended.

Postponing this story to a future issue, we yield the next page to the annual 50-state summary tabulation, in which the units are states, not universities or colleges.

Table 43. APPROPRIATIONS OF STATE TAX FUNDS FOR OPERATING EXPENSES OF HIGHER EDUCATION IN THOUSANDS OF DOLLARS, FOR SELECTED FISCAL YEARS FROM 1960-61 THROUGH 1968-69, WITH DOLLAR GAINS AND PERCENTAGE GAINS OVER MOST RECENT TWO YEARS AND OVER EIGHT YEARS

States	Fiscal years ending in odd numbers			1967-1969		1961-69	
	1960-61	1966-67	1968-69	2-yr gain	%	8-yr gain	%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Ala	$ 22,397	$ 54,782	$ 58,462+	$ 3,680+	7+	$ 36,065+	161+
Alaska	2,323	7,314	10,400	3,086	42¼	8,077	347½
Ariz	16,218	40,492	55,121	14,629	36	38,903	239
Ark	13,551	28,722	44,547	15,825	55	30,996	229
Cal	221,592	489,102	634,788	148,686	30½	416,196	188
Colo	24,332	51,916	70,586	18,670	36	46,254	190
Conn	13,080	34,897	61,513	26,616	76¼	48,433	370¼
Del	3,734	8,740	14,095	5,355	61¼	10,361	277½
Fla	41,412	95,477	156,645	61,168	64	115,233	278¼
Ga	26,605	59,193	112,524	53,331	90	85,919	323
Hawaii	5,825	23,868	30,987	7,119	30	25,162	432
Idaho	8,799	15,490	20,601	5,111	33	11,802	135¼
Ill	90,290	204,403	301,136	96,733	47¼	210,846	233½
Ind	50,163	104,312	144,715	40,403	39	94,552	188½
Iowa	34,861	61,285	85,773	24,488	40	50,912	146
Kas	27,938	54,781	69,108	14,327	26	41,170	147½
Ky	19,672	63,166	82,350	19,184	30½	62,678	318½
La	44,557	87,139	99,222	12,083	14	54,665	122½
Me	5,599	13,457	17,873	4,416	33	12,274	219¼
Md	25,166	61,567	79,742	18,175	29½	54,576	217
Mass	13,361	43,940	69,097	25,157	57¼	55,736	417
Mich	101,836	221,100	262,424	41,324	18½	160,588	157½
Minn	38,920	72,463	105,131	32,668	45	66,211	170
Miss	18,347	36,720	47,804	11,084	30	29,457	161
Mo	25,641	74,817	112,764	37,947	51	87,123	340
Mont	11,231	16,784	24,418	7,634	31¼	13,187	117½
Neb	15,218	21,897	33,248	11,351	52	18,030	118½
Nev	4,107	8,074	12,339	4,265	53	8,232	200½
N H	4,106	7,185	10,221	3,036	42¼	6,115	149
N J	24,457	75,652	95,047	19,395	25½	70,590	288½
N M	11,239	26,088	31,262	5,174	20	20,023	178
N Y	94,116	353,793	482,986	129,193	36½	388,870	413¼
N C	30,574	81,194	114,709	33,515	41¼	84,135	275
N D	9,368	13,989	19,888	5,899	42	10,520	112¼
Ohio	45,326	93,269	174,136	80,867	86½	128,810	284
Okla	27,020	41,867	52,858	10,991	26¼	25,838	95½
Ore	28,719	55,614	67,984	12,370	22¼	39,265	136½
Pa	43,472	137,509	264,693	127,184	92	221,221	509
R I	5,271	15,387	21,545	6,158	40	16,274	309
S C	13,141	27,464	39,645	12,181	44¼	26,504	201½
S D	8,128	14,251	17,152	2,901	20	9,024	111
Tenn	17,023	50,256	73,137	22,881	45½	56,114	329½
Tex	72,133	164,548	259,425	94,877	57½	187,292	259½
Utah	13,129	24,891	33,695	8,804	35½	20,556	156½
Vt	3,399	6,998	10,940	3,942	56¼	7,541	222
Va	29,861	64,134	107,524	43,390	67½	77,663	261
Wash	47,441	94,980	137,051	42,071	44¼	89,610	189
W Va	16,919	32,294	49,033	16,739	52	32,114	190
Wis	39,417	95,160	155,957	60,797	64	116,540	295½
Wyo	4,935	8,773	11,123	2,350	27	6,188	125½
	1,515,979	3,541,194	5,050,424	1,509,230		3,534,445	
Weighted average percentages			--	--	43	--	233

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Announcing:

HIGHER EDUCATION: WHO PAYS? WHO GAINS?

by

M. M. Chambers

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The purpose of this book is to find and examine principles applicable to the support of higher education in the United States in the final third of the twentieth century. The emphasis is on broad ideas, not on technical details. This essay is addressed to all who have an interest in the financing of higher education -- and they are many millions. The author predicts that universal education beyond the high school, with perhaps 80 to 95 per cent of high school graduates going on with further schooling, is inevitable in the United States.

During the nineteenth century the idea of universal free public elementary education available to all became firmly established in the United States and in Britain and most of the countries of northern and western Europe. In most of our states elementary schooling became an eight-year undertaking extending to about age 14; and hard on its heels came the four-year public high schools to occupy the pupil up to about age 18. Universal secondary education is now almost achieved. Compulsory education statutes in four states have for some years required school attendance to age 18 or until high school graduation.

Into the scene has come the two-year college, for youth aged about 19 and 20 and for adults, already enrolling more than a million students in addition to the estimated 3 million in the first two years of four-year colleges and universities. The Educational Policies Commission, a respected and respectable voluntary deliberative body with nationwide representation, publicly recommended in 1964 that at least two years of education beyond high school with emphasis on intellectual growth, should be made accessible to all high school graduates, tuition-free.

Meantime the immemorial "economy of scarcity" has become for the United States the "economy of abundance." Mechanization of agriculture has reduced the proportion of farmers and farm workers to 7 per cent of the total labor force, while production of food and fiber continues to exceed all records. Automation in factories and offices has speeded production while abolishing the places of unskilled workers, apprentices, and young persons of deficient education. Apprenticeship has indeed almost vanished, partly on account of restrictive practices of craft labor unions, but mainly because there are few places for untrained or partly-trained craftsmen.

In commerce and the distributive industries, which once provided employment for hordes of cash boys, delivery boys, messenger boys, stock boys, office boys, and other boys, there are no longer jobs for adolescents. The ubiquitous supermarkets, filling stations, and chain stores are organized and automated to the extent that their employees must be adults, of high school education or beyond. The same is true of financial institutions, insurance companies, and the numerous and varied service industries such as automobile repair, appliance repair, cosmetology, and scores of others.

-over-

All this adds up to an unprecedented opportunity to elevate the levels of decency, dignity, and humanity in our civilization. The young can be in school up to the age of 20 and beyond, with opportunity to acquire learning hitherto inaccessible to any but a favored few. Adults, largely relieved of age-old drudgery and with a constantly shortening work day and work week, have time to upgrade their education to fit the new conditions of today and tomorrow.

The Table of Contents shows the thorough coverage of the book:

Education beyond high school has become the concern of every family, of every man and woman. Therefore, the mundane questions of how it is afforded, how it is organized and supported, who pays for it, and who ought to pay for it, are questions of universal concern. This book is addressed not especially to economists or to educators, but to all men and women of intelligence and good will who recognize higher education as the great "growth industry" of our time.

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