

M. M. Chambers  
Department of Educational Administration  
Illinois State University, Normal, Illinois 61761

SINCE  
1958

SIXTEENTH  
YEAR

Number 193

August 1974

Page 1235

GRAPEVINE

\* \* \* \* \*

Reports on state tax legislation; state appropriations for universities, colleges, and junior colleges; legislation affecting education beyond the high school.

IN THIS ISSUE

CUMULATIVE REPORT shows two-year gain of 29 per cent for  
FORTY-THREE STATES . . . . . 1236

The three states most recently reported:

Delaware . . . .43½ per cent . . . . . 1237  
Florida . . . .36½ per cent . . . . . 1237-1238  
Michigan . . . .25½ per cent . . . . . 1238

Note: A few initial state reports, recently circulated, are now known to be somewhat understated as to total sums appropriated. Rectifications will be circulated soon.

California clues indicate prospects for substantial gain in state tax support for annual operating expenses of higher education . . . . . 1237

New York supplants the "Scholar Incentive Program" with an enlarged "Tuition Assistance" plan. . . . . 1239

COMPOSITE PROJECTIONS OF TOTAL ENROLLMENTS, USA, FROM  
1970 TO THE YEAR 2000 indicate no drop during the 1980's;  
continuing sharp rise to begin by 1990 . . . . . 1240

\* \* \* \* \*

"I find these youths today have a desire to contribute to their fellow man, and they want to play a meaningful role in life. This is what is meant by 'self-fulfillment.' This desire to lead a rewarding life by contributing to society--I feel portends well for business, government, newspapers, and society in general."

--Edward V. Regan, county executive of Erie County, Buffalo, N.Y.

\* \* \* \* \*

---

Statement of ownership and circulation of GRAPEVINE is on page 1236 (reverse hereof).

Table 12. Appropriations of state tax funds for annual operating expenses of higher education (in thousands of dollars) in three states newly reported for fiscal year 1974-75.

States	Year 1964-65	Year 1972-73	Year 1974-75	2-yr gain per cent	10-yr gain per cent
(1)	(2)	(3)	(4)	(5)	(6)
Delaware	6,889	25,887	37,206	43½	440
Florida	75,695	302,112	412,299	36½	444½
Michigan	138,063	417,815	524,173	25½	279½
Totals	220,647	745,814	973,678		
Weighted average percentages of gain				30½	34½

Table 13. Forty-three states, reported successively in five groups, have cumulatively increasing two-year gains for fiscal year 1974-75.

States	Year 1972-74	Year 1974-75	2-yr gain per cent
13 states appropriating biennially	1,806,003	2,127,614	18
8 states reported in May GRAPEVINE	927,887	1,185,721	
Cumulative dollar totals and % gains	2,733,890	3,313,335	21
8 states reported in June GRAPEVINE	393,397	526,277	
Cumulative dollar totals and % gains	3,127,287	3,839,612	22½
11 states reported in July GRAPEVINE	2,093,197	2,874,413	
Cumulative dollar totals and % gains	5,220,484	6,714,025	28½
3 states newly reported	745,814	973,678	
Cumulative dollar totals and % gains	5,966,298	7,687,703	29

There are two main points in the somewhat complex-appearing Table 13. First, the total of \$7,687,703,000 for fiscal year 1974-75 for forty-three states, with three of the most populous states as yet unreported (California, Illinois, Pennsylvania) makes it virtually certain that the total for the fifty states will reach \$10 billion.

Second, the column of percentage gains over two years is cumulative; that is, from the top downward the percentages are computed for the total number of states reported through the month indicated: prior to May, 13 states, 18% gain; May, 21 states, 21%; June, 29 states, 22½%; July, 40 states, 28½%; August, 43 states, 29%. The progression of percentages gains moves higher month by month. This may be significant as indicating a growing tendency of the legislatures of 1974 to continue enlargement of state tax support of higher education.

---

GRAPEVINE is not a publication of any 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 to numerous key persons in each of the fifty states.

Address communications to M. M. Chambers, Department of Educational Administration,  
Illinois State University, Normal, Illinois 61761

M. M. Chambers, Illinois State University, Normal, Illinois 61761

CALIFORNIA. This is a preliminary and indeed premature and uncertain forecast of what the largest state's total of net operating expenses of higher education for fiscal year 1974-75 will turn out to be when firm figures are obtained.

There are clues, however, tending to indicate that there will be substantial gains over previous years.

The budgeted total for the nine-campus University of California is said to be \$511,102,000; and for the 19-campus system under the awkward and inaccurate name of "State University and Colleges" the figure is \$480,214,000.

Added together, these two figures come to \$991,316,000, which would be a gain of about 30½ per cent over the comparable figures for fiscal year 1972-73, two years earlier. Apparently the two-year gain for the University of California would be about 33 per cent, and that for the State University and Colleges about 28 per cent.

If the budgeted sums are appropriated without drastic change, and if the other segment and other functions of state-supported higher education receive approximately similar gains, then the total of California's statewide public higher education enterprise will probably show a gain of about 30 per cent over two years. This would bring the statewide total for fiscal year 1974-75 to \$1,312,153,000.

Note that these figures are tentative and "iffy"; not held out as final; but a little advance guessing about the largest statewide complex of public higher education in the world may not come amiss.

The year 1974-75 will be the third consecutive year in which the California legislature's appropriations of net state tax funds for annual operating expenses of higher education will exceed \$1 billion. In 1974-75 New York became the second member of the "billion dollar club."

DELAWARE. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1974-75:

Table 14. State tax-fund appropriations for operating expenses of higher education in Delaware, fiscal year 1974-75, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Delaware	\$17,500
Employer's share, Soc Sec*	1,400
State pension*	1,540
TIAA-pension	503
Health Insurance	322
All scholarships**	1,166
State geologist	196
Occupational teachers ed	83
Poultry diagnostic service	10
Subtotal, U of D -	\$22,720
Delaware Institute of Medical Education and Research	2,300
Delaware State College	4,198
Delaware Technical & Comm Coll	7,955
H Ed Loan Program	33
Total	37,206

\*Appropriated to state treasurer

\*\*Four separate programs

The total for fiscal year 1974-75 appears to be a gain of 43½ per cent over the comparable figure two years earlier.

FLORIDA. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1974-75:

Table 15. State tax-fund appropriations for operating expenses of higher education in Florida, fiscal year 1974-75, in thousands of dollars.

Institutions (1)	Sums appropriated* (2)
U of Florida	\$49,064
Health center	27,554
Inst of Food & Ag Sci	27,560
Engineering & Indus Exper Sta	750
Veterinary medicine	602
Subtotal, U of F -	\$105,530
Florida State U	41,636
U of South Florida	30,044
Medical center	6,950
U of S F -	\$36,994

(Continued on page 1238.)

FLORIDA (Continued from page 1237.)

Florida International U	14,296
Florida Atlantic U	12,081
Florida Technological U	11,945
Florida A & M University	10,495
U of West Florida	8,723
U of North Florida	6,752
State U System Reserve**	3,698
Board of Regents	1,979
Competitive Research Projects***	1,264
Public Service Projects***	100
Program Emphasis***	286
SUS Law Schools***	300
Purchase of New College	1,100
USF branch campus	305
SREB	1,344
Comm hospital ed	2,500
Private institutions - U of Miami, Med Sch	4,284
State aid to comm colls	146,687
Total	412,299

\*Amounts for each institution prorated to systemwide general revenue--incidental income relationship.

\*\*To be allocated to the individual universities of the State System as the need arises.

\*\*\*Earmarked appropriations to be allocated to individual universities according to Legislatively established guidelines.

The total for fiscal year 1974-75 appears to be a gain of 36½ per cent over the comparable figure two years earlier.

MICHIGAN. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1974-75:

Table 16. State tax-fund appropriations for operating expenses of higher education in Michigan, fiscal year 1974-75, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Michigan, Ann Arbor*	\$92,363
Medical School	8,202
Dentistry	4,942
Subtotal, UM, Ann Arbor -	\$105,507
U of Michigan, Dearborn	5,948
U of Michigan, Flint	5,141
Subtotal, UM, all units -	\$116,596

MICHIGAN (Continued from preceding col)

Michigan State University	72,047
Medical School	6,485
Osteopathic medicine	4,589
Veterinary medicine	2,545
Ag experiment sta	6,915
Coop extension service	6,401
Subtotal, MSU -	\$98,982
Wayne State U, Detroit	54,489
Medical School	13,378
Subtotal, WSU -	\$67,867
Western Michigan U	32,895
Eastern Michigan U	23,639
Central Michigan U	20,420
Ferris State College	13,965
Michigan Technological U	13,367
Northern Michigan U	12,763
Oakland University	12,707
Grand Valley State Coll	8,613
Saginaw Valley St Coll	3,058
Lake Superior St Coll	3,187
Institute of Gerontology	401
Upper Peninsula Health Project	124
Subsidy to private colleges**	1,900
Subsidy to private dental school***	360
Subsidy to private law school+	264
Student aids, administration	814
Stu competitive scholarships	9,959
Tuition grants to priv coll stu	7,900
Special ed teacher traineeships	166
Subtotal, stu aids -	\$18,839
State aid to community colls	74,226
Total	524,173

\* University of Michigan appropriation includes transfer of Mental Health Unit, \$7.9 million

\*\*New program based on \$200 for each Associate Degree and \$400 for each Bachelor and Masters degrees awarded to Michigan residents.

\*\*\*\$2,400 per degree conferred on Michigan resident student  
+\$1,000 per degree

The total for fiscal year 1974-75 appears to be a gain of 25½ per cent over the comparable figure two years earlier.

For the first time, Michigan has now joined the "half billion club", along with Illinois and Texas. Taken together with the "one billion club" composed of California and New York, this places five states above the \$500 million mark.

M. M. Chambers, Illinois State University, Normal, Illinois 61761

NEW YORK. The Scholar Incentive Program, initiated early in the administration of Governor Nelson A. Rockefeller, a dozen years ago, was revamped, expanded, and given a new name by the 1974 legislature.

Just before the change, this program was providing small annual grants to undergraduate students in public and private colleges and universities (maximum \$600, for those whose families were in the lowest income level, and scaled downward to smaller or only nominal sums for those in middle and higher income brackets).

#### New and Enlarged Student Aid Program Enacted

Now to be known as the Tuition Assistance Program, the enacted plan continues to provide that individual grants can not exceed the amount paid as tuition fees, but within that limit may go as high as \$1,500 for students from low-income families.

The classification of family incomes is also revised to contain more "steps" than the simpler earlier act. The new scale will permit substantially larger grants for many students. The sum appropriated for the purpose is \$92,580,000 as contrasted with \$52,400,000 for the preceding fiscal year 1973-74.

Only one year's class will be phased into the new plan at a time, with freshmen coming under it in the Fall of 1974, and sophomores, juniors and seniors continuing in 1974-75 under the former plan (with some liberalizing changes). One additional change abolishes the requirement that students in community colleges outside New York City must pay the first \$200 of their tuition fees.

As indicated in the figures above in this column, the additional tax cost of the new program for 1974-75 will be nearly \$39 million added to the previous level of support; and "full funding at the end of four years is estimated to cost an additional \$60 million over the existing level."

No change was made in aid to graduate and professional students.

#### Regents' Scholarships Changed

The century-old Regents' Scholarships system always meant awards for academic accomplishment, with the amount of the award related to student need. At present the awards vary from \$250 to \$1,000 per academic year, depending on family income. Under the new 1974 law, only a flat \$250 award will go to all scholarship winners, beginning with new students entering in the Fall of 1974. Thus the appropriation for "scholarships and fellowships" is \$28 million, as compared with \$33 million for the preceding year 1973-74.

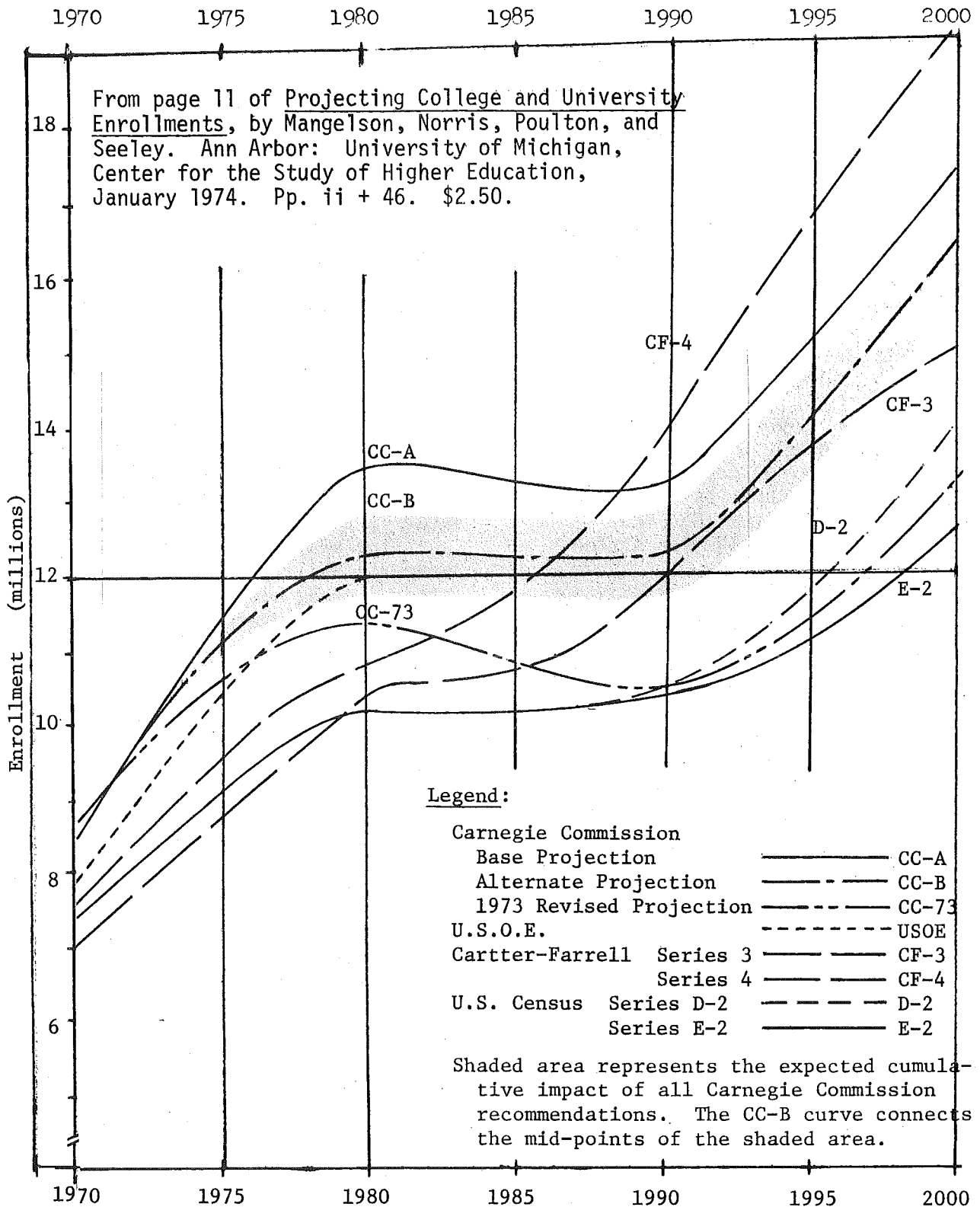
The Regents' Scholarship system is thus in process of being diminished, and possibly eventually being phased out altogether. In New York, as in many other states, the emphasis in student aid is shifting away from the basis of superior academic ability toward the basis of student need, with enlargement of the scope of the enterprise.

#### New "Higher Education Services Corporation"

The present Higher Education Assistance Corporation is to be superseded by a new Higher Education Services Corporation, to begin full operation June 1, 1975, and become the "centralized agency for processing and coordinating" all student financial aid programs in the state, including student loan programs. For the new Corporation's first year administrative expenses, \$625,000 was appropriated. The Corporation will be nominally under the Board of Regents of the University of the State of New York. Its executive officer will be a president appointed by the governor and senate.

There are also changes in the provisions for state aid to medical and dental schools; and 30 additional scholarships for medical students, at a cost of \$120,000 are projected for those who agree to practice in areas having a shortage of doctors.

COMPOSITE PROJECTIONS OF TOTAL ENROLLMENTS IN HIGHER EDUCATION, U.S.A., 1970-2000



Source: Center for the Study of Higher Education, University of Michigan, Ann Arbor, Michigan 48104