

M. M. Chambers  
705 Stoddard Building  
Lansing 23, Michigan

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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**DELAWARE.** The state cigarette tax is stepped up from 3¢ a pack to 5¢, effective November 1, 1961. This will bring in \$1 million in additional revenue for the current fiscal year.

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**FLORIDA.** Appropriations of state tax funds for operating expenses of higher education for biennium 1961-63 are reported as in Table 64.

Table 64. State tax-fund appropriations for operating expenses of higher education in Florida, biennium 1961-63, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Florida	\$27,695
Health Center	11,238
Ag Experiment Sta	10,764
Ag Exten Service	2,998
Engrng & Ind Exp Sta	790
Florida State U	19,101
Home Demonstration	147
9th Grade Testing	108
U of South Florida	6,278
Florida A & M U	6,618
A & M U Hospital	507
<b>Board of Control</b>	
General Office	301
Regional Education	909
U of Miami Med Sch*	1,948
Other administered funds	153
New Inst at Boca Raton	100
New Coll at Pensacola	100
<b>Total</b>	<b>92,087</b>

\* A private medical college subsidized by the state under a statute providing a subsidy for the "first accredited medical school in the state."

The total for the biennium 1961-63 apparently represents a gain of a little more than 23½% over the comparable appropriation for the preceding biennium. Sums are not specified for each fiscal year of the biennium; hence we assume that the percentage gain was the same for fiscal year 1961-62 over fiscal year 1959-60, two years before. These two fiscal years are currently being used by GRAPEVINE for comparison in all fifty states.

Two House Concurrent Resolutions adopted by the legislature direct the Legislative Council to (1) make a study of education at all levels, and (2) make a study of the state system of higher education. In both cases the findings and recommendations are to be reported to the 1963 legislature. Neither resolution mentions any appropriation of funds for the purpose of the studies.

Notable progress in the improvement of faculty salaries in the Florida state system of higher education has been accomplished for fiscal 1961-62. The average 10-month salary for all faculty members in the four operating institutions is \$8,071 for 1961-62, as compared with \$7,044 for 1960-61. This is a gain of slightly more than 14½%. It is a greater advance in one year than has been achieved in Michigan in the 4-year period 1957-61, which was a little more than 13%, according to the survey made by Bruce K. Nelson for the Michigan Council of State College Presidents.

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Address communications to M. M. Chambers, 705 Stoddard Building, Lansing 23, Michigan

M. M. Chambers, 705 Stoddard Building, Lansing 23, Michigan

MARYLAND. Flashes of upcoming 1962 are visible in the press reports of the adoption of a 1962-63 budget by the Regents of the University of Maryland September 29, 1961.

The total budget of \$36 million is nearly \$2½ million higher than the current one, with most of the increase going for new teaching positions and faculty salary raises. Top for full professors is raised to \$15,000 as compared with the present \$12,500. Base pay for instructors (\$5,000) and assistant professors (\$6,000) are both boosted by \$500.

This year the University of Maryland has 15,320 students at College Park and an increase of 14% is anticipated for next year.

Operating increases for purposes other than salaries aggregate \$450,000, and go chiefly to the University Hospital in Baltimore and for more books for the university libraries.

The budget has been transmitted to Governor Tawes, and will later go to the legislature. The University of Maryland is also presenting a capital outlay budget of \$10½ million, including a dormitory and three new classroom buildings.

At the September 29 meeting the Regents awarded a \$2 million contract for an 8-floor men's dormitory at College Park.

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MICHIGAN. Capital construction needs of the state departments and institutions over the next five years are estimated at \$645 million. Of this, about \$440 million are needed for the construction of new classroom buildings at the nine state universities and colleges.

As is well known, there are two choices: (1) "pay-as-you-go" out of current revenues, and (2) bond issues, which spread the cost over two or more decades and incur interest charges.

Pending a revision and revitalization of Michigan's state revenue system, "pay-as-you-go" does not seem to be a possibility; and in 1964-65 the universities and colleges will be hit by a bump in the upward curve of enrollments exceeding any previous rate of increase, because the post-war babies of 1946-47 will then be headed for college.

Comprehending this situation, some legislators have already suggested a bond issue. The example of Illinois, which authorized in 1960 a \$195 million issue for the state universities, may be influential.

In a recent major address, James W. Miller, president of Western Michigan University at Kalamazoo and formerly State Controller, has pointed out that a borrowing program is necessary, but that authorization for one inflexible sum is not as desirable as authorizing a specified maximum which may be outstanding at any one time, thus giving the program some flexibility and some of the characteristics of a revolving fund.

Commenting editorially on President Miller's speech, the Kalamazoo Gazette said "the capital construction program envisioned is one which would benefit not only the students of this generation but those of others to come. It is only right that the costs, when approaching amounts forecast, should be shared by those of later generations who will benefit also."

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NEBRASKA. State Senator Kenneth L. Bowen of Red Cloud heads an interim committee of the Nebraska Legislative Council which will study possible new sources of revenue. The legislature appropriated \$30,000 for the purpose. Nebraska is now almost the only state having neither a general retail sales tax nor an income tax, whereas more than 20 states have both. Undoubtedly these two types of revenue-producers will be considered by the committee.

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NEW HAMPSHIRE. Appropriations of state tax funds for operating expenses of higher education, separately for the two fiscal years of biennium 1961-63, are reported as in Table 65.

Table 65. State tax-fund appropriations for higher education in New Hampshire (for operating expenses), two fiscal years of biennium 1961-63, in thousands of dollars.

Institutions	Sums appropriated	
	1961-62	1962-63
(1)	(2)	(3)
U of New Hampshire	\$4,020	\$4,020
Keene S T C	385	414
Plymouth S T C	308	297
Unallocated	4	3
<b>Totals</b>	<b>4,717</b>	<b>4,734</b>

The total for 1961-62 appears to represent a gain of about 18½% over the comparable appropriation for 1959-60, two years ago.

The same total seems to be approximately 6½% of the total of state expenditures for all purposes, reported as a little more than \$72 million.

Appropriations for capital outlays for the entire biennium are reported as aggregating a little over \$5¼ million, distributed \$2¼ million to the University of New Hampshire, \$1 and three-fourths million to Plymouth Teachers College, and \$1½ million to Keene Teachers College.

The appropriation of \$1,600,000 for state aid for operating expenses of local elementary and secondary schools for 1960-61 is a gain of 33% over the comparable appropriation for the year 1959-60, two years ago.

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NEW YORK. A proposed amendment to the constitution of New York State, to be on the ballot in November 1961, would permit the state to guarantee the payment of bonds sold through the State Dormitory Authority to finance the construction of educational facilities.

The point, of course, is to make the bonds salable while bearing lower rate of interest than at present seem to be necessary. It is estimated that the interest rate could be reduced to about three and three-eighths per cent, whereas at present it is as high as 4% for private college projects and three and seven-eighths per cent for projects at public colleges.

Originally established in 1944, the Dormitory Authority was at first authorized to deal only with units of the State University of New York, but it was subsequently empowered to deal with private colleges and universities. In all cases where it finances a building, it retains title to it and leases it to the college until its cost has been amortized.

Under the proposed amendment each application for state guarantee would have to be approved not only by the Dormitory Authority, but also by an audit committee composed of the State Comptroller, the State Commissioner of Taxation and Finance, and the State Superintendent of Banks.

"With this kind of screening," says the Association of Colleges and Universities of the State of New York, "the possibility of default to the extent that the state would be called upon to honor bonds in default is extremely remote." The Association, consisting of 128 public and private institutions, is advocating adoption of the proposed amendment.

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OKLAHOMA. Total appropriations of state tax funds for operating expenses of higher education for fiscal year 1961-62 by the legislature were \$30 million, \$25 million being a regular general fund appropriation, and \$5 million was from the Emergency Appropriation Fund of 1962. Allocation of the \$30 million among the several institutions by the Oklahoma State Regents for Higher Education was made July 31, 1961, as exhibited in Table 66.

M. M. Chambers, 705 Stoddard Building, Lansing 23, Michigan

OKLAHOMA (Continued from page 244)

Table 66. Allocations of state tax funds for operating expenses of higher education by the Oklahoma State Regents for Higher Education, for fiscal year 1961-62, in thousands of dollars.

Institutions (1)	Sums allocated (2)
U of Oklahoma	\$6,224
School of Medicine	1,018
Geological Survey	222
University Hospitals	2,647
Oklahoma State U	6,281
Veterinary Medicine	351
Experiment Station	1,554
Extension Division	1,648
Okmulgee Branch	761
Okla Coll for Women	526
Speech-hearing Clinic	15
Panhandle A & M Coll	536
Langston University	530
Central State Coll	1,381
East Central St Coll	763
Northeastern St Coll	1,091
Northwestern St Coll	577
Southeastern St Coll	707
Southwestern St Coll	844
Cameron State Ag Coll	419
Connors State Ag Coll	258
Eastern Okla A & M Coll	326
Murray State Ag Coll	258
Northeastern Okla A & M	377
Northern Okla Junior Coll	269
Oklahoma Military Acad	258
So Regional Education	36
Higher Education Study	75
Unallocated	49
<b>Total</b>	<b>30,000</b>

This seems to represent a gain of 11% over the comparable figure for fiscal 1959-60, two years ago.

Proceeds of the state bond issue approved in 1960 and providing \$30½ million for capital improvements at the state universities and colleges, have been allocated to the several institutions by the legislature as indicated

in Table 67, and are expected to be expended during the biennium 1961-63.

Table 67. Allocation of proceeds of state bond issue of 1960 to state universities and colleges in Oklahoma in thousands of dollars.

Institutions (1)	Sums allocated for Capital improvements (2)
U of Oklahoma	\$7,000
Medical Center	1,100
Oklahoma State U	7,000
Veterinary Medicine	400
Okmulgee Branch	700
Okla Coll for Women	800
Panhandle A & M Coll	1,000
Langston State College	300
Central State Coll	1,700
East Central St Coll	1,200
Northeastern St Coll	1,400
Northwestern St Coll	1,000
Southeastern St Coll	1,200
Southwestern St Coll	1,200
Cameron State Ag Coll	800
Connors State Ag Coll	600
Eastern Okla A & M Coll	700
Murray State Ag Coll	600
Northeastern Okla A & M	800
Northern Okla Junior Coll	600
Oklahoma Military Acad	400
<b>Total</b>	<b>30,500</b>

Thus Oklahoma joins the list of state which have, within the past two years, provided for substantial state bond issues for state university and college buildings. Easily recalled are New Jersey (\$66,800,000); North Carolina (\$17,173,000); and Illinois (\$195,000,000). The list is not complete.

M. A. Nash, Chancellor of the Oklahoma State Regents for Higher Education retired June 30, 1961 and was succeeded by E. T. Dunlap, previously president of Eastern Oklahoma A & M College at Wilburton.

PENNSYLVANIA. Appropriations of state tax funds for higher education in 1961 are for a 13-month period (June 1, 1961 to June 30, 1962) due to the fact that the state is in process of changing the initial and terminal dates of its fiscal year. Consequently, in order to provide approximate comparability with annual appropriations in other states, and with annual appropriations in Pennsylvania in prior years, the sums appropriated must be reduced by between 8% and 9%. The 13-month figures are reported as in Table 68.

Table 68. State tax-fund appropriations for operating expenses of higher education in Pennsylvania, for fiscal period of 13 months (June 1, 1961 to June 30, 1962), in thousands of dollars.

Institutions	sums appropriated (for 13 months)
(1)	(2)
Pennsylvania State U	\$18,508
<u>State Colleges</u>	
Bloomsburg	1,106
California	1,314
Cheyney	617
Clarion	879
East Stroudsburg	809
Edinboro	873
Indiana	1,823
Kutztown	845
Lock Haven	788
Mansfield	577
Millersville	1,003
Shippensburg	754
Slippery Rock	981
West Chester	1,382
<u>Subtotal</u>	<u>\$13,751</u>
<u>State-aided private insts</u>	
U of Pennsylvania	5,522
U of Pittsburgh	3,973
Temple University	3,823
Jefferson Medical Coll	1,808
Hahnemann Medical Coll	1,048
Women's Medical Coll	488
Drexel Inst of Tech	405
Lincoln University	328
Phila Coll Osteopathy	136
Phila Museum Coll of Art	105
Phila Textile Inst	105
Dickinson School of Law	54
National Agriculture Coll	52
Moore Institute of Art	42
<u>Subtotal</u>	<u>\$17,887</u>
<u>Grand Total</u>	<u>\$50,146</u>

It would seem that the total for 1961-62, when appropriately reduced to a 12-month basis and compared with one-half of the biennial appropriation for 1959-61, represents a gain of slightly less than 6% for the fiscal year 1961-62 over the fiscal year 1959-60, two years earlier. This would classify Pennsylvania along with Michigan, South Dakota, and Montana as the only states showing gains of less than 10% over the same 2-year period. These four states are nearest to "standing still" while the other states are going forward at an average rate of close to 25% over the biennium.

The Pennsylvania legislature received a scholarly and forward-looking report on education early in April, from the Governor's Committee on Education (appointed at the request of the legislature in 1959). This report was briefly reviewed in GRAPEVINE, pages 198 and 199. Governor Lawrence urged that the lawmakers give undivided attention to this subject from April through the remainder of the session. However, the session adjourned eventually after having adopted almost none of the recommendations of the report, and having enacted none of the revenue measures necessary to the improvement of the support of education at all levels.

One act which became law increases the borrowing capacity of the General State Authority from \$621,431,400 to \$879,173,000. This agency issues revenue bonds to finance the construction of institutional buildings, then leases them to the state and uses the rentals to amortize the cost. Governor Lawrence mentioned "education, parks, hospitals, port development, and water conservation as some of the fields in which the state would benefit from this measure.

Enthusiasm is somewhat tempered by the General State Authority's announcement that a lag of about 2 years generally occurs after the inception of a project and before construction starts, while specifications are being drafted, and the awarding of contracts is being accomplished. Hence there is a lag of three years or more between the inception of a project and the actual completion of the facility, ready for use.

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M. M. Chambers, 705 Stoddard Building, Lansing 23, Michigan

VERMONT. Appropriations of state tax funds for higher education for biennium 1961-63 are reported as in Table 69.

Table 69. State tax-fund appropriations for higher education in Vermont, separately for the two fiscal years of the biennium 1961-63, in thousands of dollars

Institutions	Sums appropriated	
	1961-62	1962-63
(1)	(2)	(3)
U of Vermont and State Ag Coll	\$2,964	\$ 2,943
Castleton S T C	219*	225*
Johnson S T C	172*	177*
Lyndon S T C	140*	143*
Vt Ag & Tech Inst	150	148
<b>Subtotals</b>	<b>3,645</b>	<b>3,636</b>
Middlebury Coll**	24	24
Norwich Coll**	90	90
<b>Totals</b>	<b>3,759</b>	<b>3,750</b>

\* Allocations to the 3 state teachers colleges are estimates, but substantially correct.

\*\* Private colleges receiving state aid for operating expenses.

Sale or lease of the plant of the Lyndon Teachers College to a nonprofit private corporation for operation as a private institution, although authorized by a 1961 statute, has not yet occurred, and seems to be dependent upon private fund-raising efforts which may require considerable time.

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VIRGINIA. The legislature of 1962 will receive the biennial report from the 4-year-old State Council of Higher Education which was made public at the end of September. Current Chairman of the Council is Dabney S. Lancaster. Its executive director is William H. McFarlane.

The report contains some notable findings and recommendations, among which are the following: Enrollments in Virginia's 19 state institutions (this includes several branch institutions) will jump from the present 26,378 to 48,500 by 1970. In

1960 out-of-state students ranged from 5½% at Longwood College, an institution for women at Farmville, to 43½% at the University of Virginia. The statewide average was 24½%, and shows a decline to 22½% for 1961. The report recommends that each institution should retain maximum discretion in this matter so long as priority is given to qualified Virginians.

In accord with Virginia custom, the report recommends that local 2-year community colleges be developed as branches under the wing of a major institution rather than as local public community-junior colleges largely supported and controlled by a local taxing district, as in Michigan, California, Texas, and a majority of the states having such 2-year colleges. It foresees that enrollments in this type of institution will be more than tripled by 1970, to a total of over 12,000 in Virginia.

Private colleges in Virginia, the report notes, now enroll about 15,000 students, and may be able to increase to 21,500 by 1970. If the foregoing estimates prove true, the percentage of all students in private colleges will decline from 36% to about 30% in a decade. This is a trend becoming obvious in almost every state. It points unmistakably to the necessity of rapid expansion of public colleges and universities.

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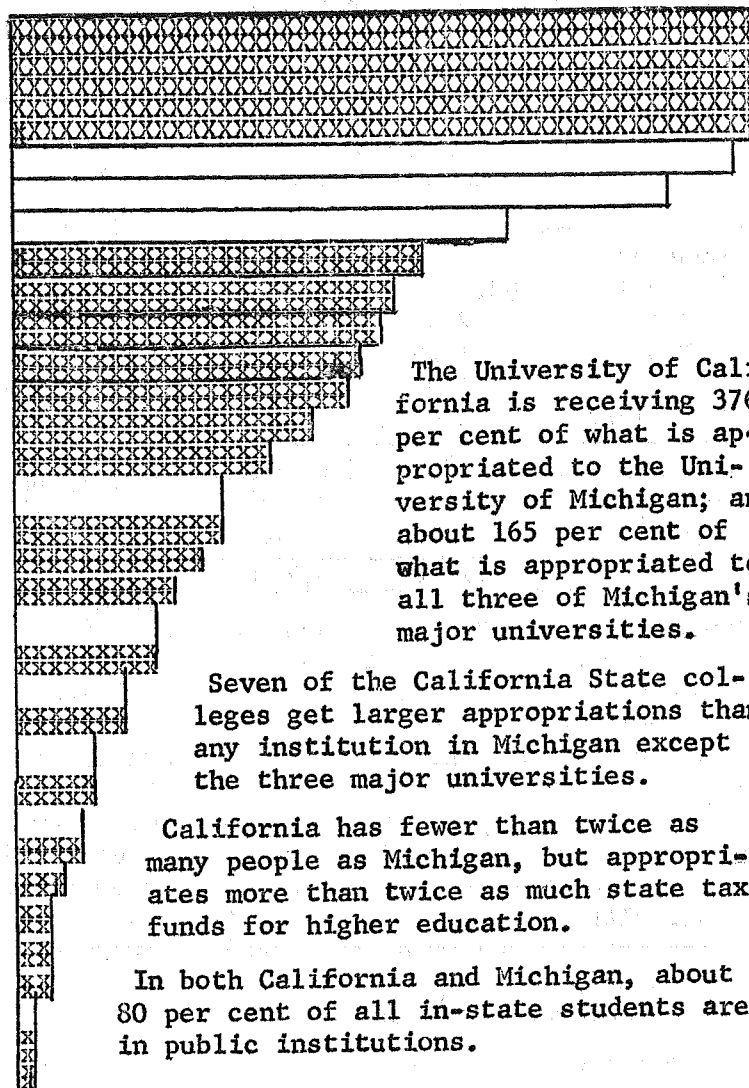
WISCONSIN. A 1961 act permits the state investment board to invest up to \$5 million in loans to needy students administered by the department of public welfare. It is anticipated that the welfare department will modify its rules to allow a student to borrow as much as \$4,500, as compared with the present loan limits of \$440 per year and \$1,600 as the overall maximum.

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FIGURE 1

CALIFORNIA and MICHIGAN: Appropriations of state tax funds for operating expenses of state universities and colleges for fiscal year 1961-62, in thousands of dollars.

	<u>In thou- sands</u>
1 The University of Cal	\$133,024
2 THE UNIVERSITY OF MICH	35,377
3 MICHIGAN STATE UNIV	29,677
4 WAYNE STATE UNIVERSITY	15,582
5 San Jose State College	10,584
6 Cal Polytechnic Coll	8,062
7 San Francisco St Coll	7,851
8 Los Angeles St College	7,494
9 San Diego St College	7,493
10 Long Beach St College	6,422
11 Fresno State College	5,551
12 WESTERN MICHIGAN UNIV	5,086
13 San Fernando St Coll	4,402
14 Sacramento St College	4,152
15 Chico State College	3,451
16 EASTERN MICHIGAN UNIV	3,203
17 MICH COLL OF MIN & TECH	3,141
18 CENTRAL MICHIGAN UNIV	2,904
19 Humboldt State College	2,777
20 FERRIS INSTITUTE	2,090
21 Orange County St Coll	1,378
22 NORTHERN MICHIGAN COLL	1,374
23 Alameda County St Coll	1,217
24 Stanislaus St College	817
25 Sonoma County St Coll	414
26 Hastings College of Law	399
27 Cal Maritime Academy	383
28 GRAND VALLEY ST COLLEGE	150
29 San Bernardino St Coll	128
30 South Bay State College	128



The University of California is receiving 376 per cent of what is appropriated to the University of Michigan; and about 165 per cent of what is appropriated to all three of Michigan's major universities.

Seven of the California State colleges get larger appropriations than any institution in Michigan except the three major universities.

California has fewer than twice as many people as Michigan, but appropriates more than twice as much state tax funds for higher education.

In both California and Michigan, about 80 per cent of all in-state students are in public institutions.

Total for State of California.....206,334,000\*  
 Total for State of Michigan..... 98,584,000

\* This figure does not include approximately \$3 million appropriated to the State Scholarship Commission, the State College Trustees, and the Coordinating Council for Higher Education

California has approximately 60 local public junior colleges as compared with Michigan's 16, and spend seven times as much state tax funds for state aid for the operation of local community-junior colleges.

California has the nation's largest system of public higher education.