

GRAPEVINE

STATE APPROPRIATIONS FOR HIGHER EDUCATION, 1959

1. Appropriations for operating expenses. Tables 8 and 9 exhibit the percentages of increase of 1959 appropriations for operating expenses over those of the preceding (current) fiscal period.

Table 8. Biennial basis: percentages of increase in state appropriations for operating expenses of higher education for 1959-61 over same for 1957-59.

States (1)	Percentage increase (2)
Indiana (4 state insts)	24
Iowa (3 state insts)	17
Connecticut (5 state insts)	17
Maryland (7 state insts)	16
Missouri (7 state insts)	22 $\frac{1}{2}$
Montana (6 state insts)	10
Oregon (state system)	14
North Dakota (9 state insts)	18
Tennessee (7 state insts)	15
Utah (7 state insts)*	28
Wyoming (U of Wyo)	13
Median percentage increase	17
Average percentage increase	18

\* Includes 5 state junior colleges

Table 9. Annual basis: percentages of increase in state appropriations for operating expenses of higher education for 1959-60 over same for 1958-59.

States (1)	Percentage increase (2)
Arizona (3 state insts)	24 $\frac{1}{2}$
New Jersey (state system)	7 $\frac{1}{2}$ *
Nevada (U of Nev incl branch)	50**
Massachusetts (14 state insts)	9 $\frac{1}{2}$

\* The percentage increase for 1959-60 over 1957-58 (roughly comparable with the figures in Column 2 of Table 8) is 17 for New Jersey.

\*\* The increase of slightly over 50 per cent in one year has been verified and confirmed.

NOTE: The figures on this page have been rounded for convenience and brevity in presentation. They are subject to some subsequent rectification, but are substantially correct.

2. Appropriations for capital outlay, and bond issues authorized, are in Table 10.

Table 10. Sums appropriated for capital outlay for higher education, biennium 1959-61 unless otherwise indicated. Bond issues authorized are footnoted.

States (1)	Sums appropriated (2)	States (1)	Sums appropriated (2)
Arizona (3 state insts)	\$7,361,100	Nevada (U of Nev & br)	\$4,009,889a
Indiana (4 state insts)	22,405,000	New Mexico (7 insts)	2,200,000c
Iowa (3 state insts)	16,500,000	North Dakota (9 insts)	5,650,000
Maryland (7 state insts)	8,469,000	South Dakota (7 insts)	3,995,000
Missouri (7 state insts)	3,483,186	Tennessee (7 insts)	d
New Jersey (8 insts)	1,129,000ab	Wyoming (U of Wyo)	e

a This is an annual appropriation; not biennial.

b Bond issue of \$66,800,000 authorized, subject to vote of people in November 1959.

c Bond issue of \$8 million authorized.

d Bond issue of \$10,600,000 authorized.

e Bond issue of \$11,743,000 authorized for extensive building program.

Table 10 is continued on page 43

ARIZONA. Total appropriations for general operation of all state departments and institutions were \$102.2 million, as against \$85.4 million for the present fiscal year. Principal source of new income is the rise in the general sales tax rate from 2¢ to 3¢ on the dollar. About two-thirds of the sales tax revenue is earmarked for increasing state aid to local schools from \$127 to \$170 per pupil.

Appropriations for the three state institutions of higher education in Arizona, governed by the Board of Regents of the Universities and State College, for the fiscal year 1959-60 have now been fully reported:

Table 11. State appropriations for 1959-60 for the 3 state-supported institutions in Arizona.

Institutions	Operating a/expenses	Capital outlays
(1)	(2)	(3)
U of Arizona	\$7,726,482	\$3,150,000
Ariz State U	5,036,272	3,149,100
Ariz St Coll	979,075	1,062,000
<u>Totals</u>	<u>13,741,829</u>	<u>7,361,100</u>

a/ Exclusive of institutional receipts from other sources, which are estimated at a total of \$6,217,221 for the 3 institutions, bringing the total operating expense budget up to about \$20 million.

CONNECTICUT. The general assembly has been engrossed in some sweeping changes of some judicial and governmental institutions far antedating the American Revolution--in fact, having roots in the seventeenth century.

The system of town and city courts, which goes back to 1639, will be replaced by a state system of circuit courts (44 judges) on January 1, 1961.

The governments of the 8 Connecticut counties, which can

be traced back to 1666, are abolished as of October 1, 1960. Their property and functions will be taken over by the state. In all six New England states, county governments have always been traditionally weak and sketchy as compared with counties in other parts of the nation, because New England custom and law place principal reliance upon the smaller local units known as towns; but nevertheless the abolition of county governments in Connecticut seems a significant step. Probably it will effect some simplification without loss of local initiative under modern conditions in a small, highly-developed, and densely-populated state. Rhode Island had previously abolished counties.

The assembly has also set an interesting precedent by diverting \$21 million a year from the highway fund to the general fund, as recommended by Governor Ribicoff. The money comes from fees for motor vehicle registrations.

The legislature also voted to continue the state educational grants of \$21 per pupil to the towns for support of elementary and secondary schools.

GEORGIA. The 1959 state budget of about \$330 million will apparently be continued for fiscal 1960. No new budget measure was considered during the recent session.

IDAHO. State support for the minimum program of local public schools is raised by \$5 million for the biennium 1959-61, bringing it up to a total of \$27 million. Total cost of all state operations is estimated at \$211 million, including \$90 million for highway construction, of which \$55 million will be in matching funds from the federal government. Total appropriations for education at all levels are \$47.8 million, an increase of \$9 million, or about 23%, over 1957-59.

M. M. Chambers, U.S. 4200-G, University of Michigan, Ann Arbor

IDAHO. (Cont'd.)

New tax measures enacted are expected to raise state income by \$10 million. These include an increase in the cigaret tax from 4¢ to 5¢ and several changes in the income tax structure, among which are increased rates, elimination of an income tax credit of \$5 for each dependent and adoption of the federal exemption structure, and addition of a \$10 surtax on each income tax return filed.

The legislature approved a constitutional amendment for popular referendum next year. If adopted, it will change the limit on state bonded indebtedness from a flat \$2 million to 3% of the state's assessed valuation, which would currently amount to about \$19 million. The change is intended to permit financing of a long-range building program for all state institutions.

MINNESOTA. After adjournment of the regular session, the legislature convened in special session April 25, and continued deadlocked on proposed tax legislation. Governor Orville L. Freeman and a sympathetic House want an omnibus tax bill which would provide \$85 million in new and additional revenues during the ensuing biennium; but have thus far been blocked by a reactionary Senate. One of the principal bones of contention has been a proposed 1 per centage point increase in all individual income tax brackets, which would produce an estimated \$52 million. The governor has also thus far unsuccessfully urged the adoption of an income tax withholding scheme, such as has been adopted in about half of the states, including recent enactments in New York and South Carolina, as mentioned in GRAPEVINE, pages 15 and 34.

MISSOURI. Total appropriations for the biennium 1959-61 for all state purposes are nearly \$1,158 million. For operating expenses for higher education the total is \$51,378,882, a little less than 4½% of the grand aggregate. This sum is, however, an increase of about 22½% over the comparable figure for 1957-1959.

For capital outlays for all institutions of higher education the appropriation for the new biennium is \$3,483,186. Its small size is said to be accounted for in part by the fact that a state bond issue approved in 1956 provided over \$36½ million for these institutions, not all of which has been expended as yet. Distribution of the capital outlay appropriation for 1959-61 among the institutions is here shown:

Table 12. Appropriations for capital outlays for Missouri institutions of higher education, for biennium 1959-61.

Institutions	Appropriations
(1)	(2)
U of Missouri (main)	\$2,311,350
School of Mines	50,000
Ag Experiment Sta	165,000
Gen Mo State Coll	248,000
N E Mo State Coll	336,152
N W Mo State Coll	100,000
S E Mo State Coll	46,750
S W Mo State Coll	45,834
Lincoln University	180,100
<u>Total</u>	<u>3,483,186</u>

Operating funds for the 2 years of the biennium are distributed as follows:

Table 13. (This table is on the next page, page 39).

MISSOURI. (Cont'd.)

Table 13. Appropriations for operating expenses of Missouri institutions of higher education, for years 1959-1960 and 1960-61.

Institutions	1959-60		1960-61	
	(1)	(2)	(3)	(4)
U Mo (main)	\$8,696,437	\$9,349,431		
Sch Mines	1,686,936	1,856,909		
Ag Exten	1,228,470	1,376,319		
Ag Exper	1,078,560	1,372,372		
Sch. Med.	1,085,792	1,156,670		
Sch. Nurs.	130,350	141,100		
U Hospital	2,623,058	3,130,409		
Cen Mo S C	1,563,198	1,680,862		
N E Mo S C	1,308,491	1,424,234		
N W Mo S C	1,143,372	1,248,121		
S E Mo S C	1,327,894	1,462,375		
S W Mo S C	1,507,505	1,613,049		
Lincoln U	1,082,899	1,104,069		
<b>Total</b>	<b>24,462,962</b>	<b>26,915,920</b>		

The annual rate of increase is about 10%. Maintenance of this rate of increase would double the operating funds in 8 years, and triple them in 11 years. Something of this order, or better, will probably be needed.

MONTANA. Appropriations for state support of local public schools were over \$17 million for the 1959-61 biennium, being \$3.5 million, or about 26%, higher than in 1957-59. Appropriations for the state-supported university system were more than \$17.5 million, an increase of \$1.6 million, or about 10%. The legislature approved for submission to popular vote a constitutional amendment which would establish separate governing boards for the state university system and the system of elementary and secondary schools. Both are now controlled by a single board known as the State Board of Education.

NEVADA. State support of local public schools was increased from

about \$8.5 million a year to more than \$11 million, or about 23%, for the fiscal year 1960-61.

NEW HAMPSHIRE. The legislature will probably not adjourn before the middle or late July. In its original request the University of New Hampshire asked for an increase of 35% in the state appropriation. Of this, approximately 44% was for the maintenance of competitive salaries for faculty and staff. The salary item was the one major section disapproved by the governor in his budget recommendations. The university is seeking to have the item restored either by the House Appropriations Committee or by the full House at the time the final budget bill is considered.

The university also wants authorization for a \$1 million bond issue to finance construction of 91 self-liquidating apartments for faculty members and married students; and \$35,000 annually to help operate its new educational television station.

Other proposed legislation would establish a 9-member Governor's Committee on Higher Education to make a survey and report to the next legislature. Once again a bill previously defeated in three legislative sessions has been introduced, to place the university budget on a "line-item" basis. No final action had been taken on any of this legislation, up to May 20.

NEW JERSEY. State appropriation for higher education for fiscal year 1959-60 is \$22,228,000 for operating expenses, and \$1,129,000 for capital improvements. The appropriation for operating expenses is about 7½% larger than for the current year, and about 17% larger than for 1957-58; and represents about 5½% of the grand aggregate of state appropriations for all purposes, which is over \$405

M. M. Chambers, U.H.S. 4200-G, University of Michigan, Ann Arbor

NEW JERSEY. (Cont'd.) million, some \$2 million more than the governor requested.

The capital outlay appropriation, seemingly small, was no doubt affected by the fact that a proposed bond issue of \$66,800,000 for eight state institutions of higher education (GRAPEVINE, page 15) will be decided by popular referendum in November 1959.

On May 8 Governor Robert B. Meyner presided over a 5-hour public hearing, with 28 witnesses and 200 persons present, regarding a state scholarship bill previously passed by the legislature. It would be New Jersey's first provision of state scholarships for attendance at private colleges and universities. There would be annual \$400 scholarships for 5% of the graduating classes of all public and private high schools in the state, tenable at any recognized college or university within the state. Previously Governor Meyner had opposed the measure on the ground that it provided no means of financing its provisions. After the hearing he deferred his decision and declined to say whether or not he would sign the bill. Subsequently he vetoed it conditionally, saying he would sign it if it were amended to permit some of the scholarship students to attend colleges outside the state. Late in May the legislature overrode the veto, and enacted a companion measure to provide that 15% of the scholarships may be used outside the state, and to preserve the present system of state scholarships at the school of law at Rutgers, the State University. It is intimated that the governor may institute litigation challenging the constitutionality of the new scholarship act.

NEW MEXICO. The legislature approved for submission to the people

a constitutional amendment which would provide for annual instead of biennial sessions of the legislature, setting up a 30-day session in even-numbered years.

NORTH DAKOTA. Actual appropriations to the 9 state institutions for the biennium 1959-61 can now be tabulated (with operating funds and capital funds not segregated):

Table 14. Biennium 1959-61 appropriations to 9 North Dakota institutions (operating and capital outlay funds included, not segregated).\*

Institutions	Total appropriations
U of North Dakota	\$6,988,262
N Dakota Ag College	5,116,113
Experiment Sta	2,728,015
Extension Div	591,227
Dickinson Tchrs Coll	1,083,041
Ellendale Norm Sch	694,678
Mayville State T C	1,235,136
Minot State T C	2,089,948
Valley City St T C	1,376,324
Sch of Sci, Wahpeton	1,588,940
Sch of For, Bottineau	664,272
<b>Total</b>	<b>24,155,956*</b>

\*This is exclusive of \$4,567,013 collected as fees and other receipts by the institutions. North Dakota, unlike South Dakota, requires these receipts to be appropriated by the legislature before they can be expended.

The total of \$24,155,956 includes \$5,650,000 appropriated for major buildings. Thus the net appropriation for operating purposes is \$18,505,956. North Dakota's total state expenditures for all purposes will be somewhat over \$108 million for the biennium. Comparability with figures from other states is slightly impaired by the fact that this total includes about \$800,000 for the state bank and about \$3 million for the state flour mill and grain elevator.

NORTH DAKOTA. (Cont'd.) These state-owned enterprises operate on their own special funds, derived from their own receipts.

Apparently it can be concluded that the net operating appropriation to the university and state colleges is about 19% of the aggregate of state expenditures, placing North Dakota high among the states in that respect.

The appropriation to the state equalization fund for common schools was \$18,683,125, derived from an allocation of seven-twelfths of the 2% sales tax. There was also an appropriation of \$230,000 for state aid for junior colleges. An appropriation of \$25,000 was made to the State Board of Higher Education for reciprocal agreements with institutions of higher education in other states. Estimates of revenue from present taxes indicate a balance in the state general fund of \$1 1/2 million on July 1, 1961.

OREGON. The legislature adjourned May 6 after a 115-day session. Appropriations for all purposes out of the state general fund will be about \$312 million for the biennium 1959-61. This exceeds the current biennium by \$40 million, and means an increase of nearly 15%. An existing surplus of nearly \$28 million will help fill the gap, and a revision of the state's income tax is expected to produce another \$12 million, chiefly by eliminating the allowance of the amount of federal income tax paid as a deduction from taxable income under the state income tax.

Henceforth a taxpayer choosing to pay his income tax in quarterly payments in lieu of paying a whole year's tax, will have to pay interest of 1% per month on the deferred installments. This is expected to bring in an additional \$6 million. The new income tax act also embraces a capital gains tax, effective 90 days after the close of the session.

A revamped inheritance tax law will bring in more than \$3 million additional. Increased liquor prices will produce another \$3 million.

An act was passed to enable properly constituted districts anywhere in the state to set up two-year community colleges. The Oregon Technical Institute was made a part of the state system of higher education, and will be made a strictly technical school and not a vocational school. Also enacted was a measure to create a state scholarship commission to standardize scholarship qualifications, screen applicants, and award available scholarships in the state university and colleges.

Among 9 interim committees set up by the legislature to study specific fields and report to the next session is one on the financing of education and one on taxation.

SOUTH DAKOTA. Appropriations for higher education (operating expenses and capital outlays shown separately) for the biennium 1959-61 are:

Table 15. Appropriations for higher education in South Dakota, biennium 1959-61.

Institutions	Operating expenses	Capital outlays
(1)	(2)	(3)
U of S Dakota	\$3,823,000	\$1,002,000
S D Coll of Ag	8,142,000	1,050,000
Sch Mines	1,549,000	1,002,000
Blk Hills T C	514,000	200,000
Gen Beadle T C	411,000	54,000
No State T C	1,443,000	519,000
So State T C	403,000	168,000
Regents & Dir	62,000	
<b>Total</b>	<b>16,347,000</b>	<b>3,995,000</b>

Total appropriations for all state purposes for the biennium are a little less than \$60 million. This total is not strictly comparable with those of other states because in South Dakota a number of departments and agencies collect fees and other receipts and deposit

M. M. Chambers, U.H.S. 4200-G, University of Michigan, Ann Arbor

SOUTH DAKOTA. (Cont'd.) them in the state treasury, and subsequently expend from them without legislative appropriation. On this basis a state-owned cement plant is operated by the state, constituting a part of the statewide fiscal picture not commonly found elsewhere.

UTAH. The oil and gas severance tax was doubled-- from 1% to 2%. Income tax withholding, hitherto applicable only to nonresidents, was extended to residents. These measures are expected to increase the state's income by \$7 million. Countywide optional sales taxes of 1/2 of 1% were authorized for support of municipal and county governments.

WASHINGTON. The legislature enacted a biennial budget of \$2 billion, almost 45% larger than for the present biennium. State support for local public schools will get \$352 million, and higher education \$84 million.

Besides raising the sales tax from 3 and one-third cents to 4 cents, the legislature increased the base tax on liquor from 10% to 15%, raised the cigaret tax from 5¢ to 6¢, levied a 25% tax on tobacco products other than cigarets, and increased business and occupation taxes slightly.

WEST VIRGINIA. Biennial appropriations include a \$1 1/2 million increase in state school aid, and an additional \$1 1/2 million for special higher educational needs. The gasoline tax is increased by 1¢ to 7¢ a gallon.

WISCONSIN. Budget requests for the year 1959-60, compared with actual budgets for 1958-59, for the University of Wisconsin and the 9 Wisconsin state colleges,

are:

Table 16. Budgets of University of Wisconsin and 9 state colleges, 1958-59, and budget requests, 1959-60.

Institutions	1958-59	1959-60
(1)	(2)	(3)
U of Wisconsin		
Grand Total	\$47,629,934	\$55,046,221
State approps	21,340,455	27,034,152
9 state colls		
Grand Total	\$11,566,182	14,918,060
State approps	7,192,547	10,139,271
Whole state syst		
Grand Total	\$58 1/2 million	70 million
State approps	28 1/2 million	37 1/2 million

The 1959-60 requests were prepared far in advance. Ultimate disposition is not yet known.

WYOMING. The appropriation of state funds for operation of all divisions of the University of Wyoming for the biennium 1959-61 was 12.7% higher than for the preceding biennium, exceeding the earlier figure by \$1,060,939. From this we deduce that operating funds for the ensuing biennium total about \$9.4 million.

A new act authorizes the university to issue bonds up to \$11,743,000 for capital outlays. This will be the largest program ever undertaken by the university, and will include acquisition of 135 acres of land adjoining the campus; construction of apartment units for 252 married students; a women's dormitory for 400; two 400-student men's dormitories with a dining hall; a building for the College of Commerce and Industry; a building for the College of Nursing and the student health service; a warehouse-garage unit; remodeling the former library building; expansion of heating facilities and extension of the electric power system.

WYOMING. (Cont'd.)

The bonds will be retired from mineral royalties and net income from the operation of dormitories and food services.

The Board of Trustees recently approved salary increases for fiscal 1959-60, granted on a merit basis, averaging about 14.5% for academic personnel and 9% for non-academic employees.

While operating funds are not as large as had been requested, the university is now in an excellent position with respect to capital improvements to meet mounting enrollments.

Wyoming also appropriated \$400,000 for the biennium for community-junior colleges. This provides \$300,000 for the existing 4 such colleges, and \$100,000 for any new community-junior colleges which may be established during the biennium. Distribution of the entire \$400,000 is to be made by the Community College Commission on a formula basis. Although the fund is not large, it represents a marked advance over the first appropriation for the purpose which was made in 1957 and consisted of \$80,000 to be distributed to the community-junior colleges by the state university.

Wyoming increased cigaret taxes from 3¢ a pack to 4¢. Total state expenditures for all departments and agencies, biennium 1959-61, will be over \$32½ million, about half a million more than in the preceding biennium.

Table 10. (Continued from page 36). Sums appropriated for capital outlay for higher education, biennium 1959-61 unless otherwise indicated.

States	Sums appropriated
(1)	(2)
Connecticut (5 insts)	\$7,188,000
Massachusetts (14 insts)	22,478,000*
Oregon (state system)	10,212,000

\*This is an annual appropriation, not biennial.

IOWA. Total state appropriations for all purposes for 1959-61 are reported as \$342,360,000. Aggregate for operating expenses of higher education is \$73,160,000. This is slightly more than 20% of the state total.

Distribution of state-appropriated operating funds and capital outlay funds among the institutions appears in Table 17.

Table 17. Appropriations for operating expenses and capital outlays of Iowa institutions, biennium 1959-61.

Institutions	Operating Expenses	Capital Outlays
(1)	(2)	(3)
State U Ia	\$37,700,000	\$6,440,000
Ia State U	23,780,000	6,200,000
Tchrs Coll	6,980,000	2,570,000
Other	4,700,000	1,290,000
Total	73,160,000	16,500,000

Please send information from your state to:

M. M. Chambers, U.H.S. 4200-G  
University of Michigan  
Ann Arbor, Michigan