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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. ---

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Statement of ownership and circulation of GRAPEVINE is on Page 604 (reverse hereof).

CALIFORNIA. The proposed state bond issue of \$230 million for capital improvements on the several campuses of the University of California and the state colleges was approved by the electorate November 8.

It will finance some new construction on all campuses of the University, with major allotments going to the newer campuses at Santa Cruz, Irvine, and San Diego.

Additional instructional facilities will be built on all 18 state college campuses, and new sites will be acquired in three localities: Ventura County, Contra Costa County, and the San Mateo - Santa Clara County area.

From the standpoint of the number of dollars involved, this is probably the biggest landmark in the financing of state university and college academic plants since the Illinois bond issue of \$195 million which was approved in 1960.

COLORADO. A proposed constitutional amendment which would have limited local property taxes to 75 mills on the dollar of assessed value annually was heavily defeated at the polls. It would have also provided for gradual elimination of property taxes on livestock and merchandise in stock.

ILLINOIS. Voters rejected a proposed constitutional amendment which would have removed any doubt of the legislature's power to enact a flat-rate state income tax up to 3 per cent.

INDIANA. The electors approved a proposed constitutional amendment authorizing the state legislature to exempt livestock and merchants' inventories from ad valorem taxation as personal or tangible property.

MASSACHUSETTS. Electors approved, by a vote of 3 to 1, retention of the new 3% limited state sales tax which went into effect April 1, 1966. The law exempts food, clothing, drugs, fuel, and some other basic necessities. The referendum vote was agitated by the State Labor Council, AFL-CIO, which had bitterly opposed the passage of the act by the legislature. Governor Volpe, who advocated the sales tax act, is reported to have said that now, after the referendum vote, it will become a permanent part of the state's revenue system.

NEBRASKA. The new state income tax law enacted in 1965, to become effective in 1967, was subjected to a popular referendum and defeated. Nebraska is now the only state having neither an income tax nor a general sales tax. On top of all this, it was reported that the voters also approved the initial step in obtaining a constitutional amendment that would prohibit the levying of any property tax for state purposes.

NEW YORK. Electors approved a constitutional amendment permitting the legislature to provide for a statewide lottery with the profits to go to public education.

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PENNSYLVANIA. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1966-67:

NOTE: This is a completed version of data originally exhibited in part in Table 99, page 593. It is important to observe that a substantial CORRECTION is necessitated in the fifty-state summary tabulation on page 596, where the Pennsylvania total for fiscal year 1966-67 was estimated as \$110 million, substantially lower than the actual total of \$137½ million as shown here.

Table 5. State tax-fund appropriations for operating expenses of higher education in Pennsylvania, fiscal year 1966-67, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
Pennsylvania State U *	\$39,711
State Colleges **	35,855
Private insts ("State related") ***	
Temple University @	20,107
U of Pittsburgh @@	19,757
Private insts (State-aided)	
U of Pennsylvania	9,340
Jefferson Medical Coll	2,230
Drexel Inst Technology	2,175
Hahnemann Medical Coll	1,419
Phila Coll of Osteopathy	1,204
Woman's Medical College	758
Lincoln University	634
Philadelphia College of Art	267
Phila Coll of Textiles and Sci	188
Del Val Coll of Sci & Agr	139
Pennsylvania Coll of Podiatry	100
Dickinson Law School	100
Pennsylvania Coll of Optometry	75
Philadelphia Musical Academy	50
State aid to community colls	3,400
<u>Total</u>	<u>137,509</u>

* Includes tuition reduction supplements of \$3,098,000.

** Separate appropriations to each of these 14 institutions are detailed in Table 99, page 593.

*** For explanation of "state-related", see next column on this page.

(Footnotes continued from preceding column)

@ Includes tuition reduction supplements of \$8,355,000.

@@ Includes tuition reduction supplements of \$10,340,000.

Pennsylvania's total for fiscal year 1966-67 represents a gain of close to 100% over the comparable figure for fiscal year 1964-65, two years earlier; and a 6-year gain of 216¼% since fiscal year 1960-61.

Thus Pennsylvania leads all the states in rate of gain over the most recent two year period; and its rate of gain over six years seems to have been surpassed only by Kentucky, with 221%.

Pennsylvania's Three "Commonwealth Universities" Include Two "State-Related" Private Institutions

Separate statutes, similar in tenor, relating respectively to Temple University and the University of Pittsburgh, were enacted in 1965 and 1966.

Both of these universities are private corporations and continue to be such. Temple was chartered in 1888 as "Temple College of Philadelphia". Pitt was incorporated in 1819 as "Western University of Pennsylvania".

The original charters, as subsequently amended, continue in force; but-- (Quotation from Act 355 of 1965):

"The Commonwealth of Pennsylvania recognizes Temple University as an integral part of a system of higher education in Pennsylvania, and it is desirable and in the public interest to perpetuate and extend the relationship between the Commonwealth of Pennsylvania and Temple University for the purpose of improving and strengthening higher education by designating Temple University as a State-related university."

"Therefore, it is hereby declared

(Continued on page 606)

(Continued from page 605)

to be the purpose of this act to extend Commonwealth opportunities for higher education by establishing Temple University as an instrumentality of the Commonwealth to serve as a State-related institution in the Commonwealth system of higher education."

Clauses identical with the foregoing are also a part of the act relating to the University of Pittsburgh (Act 3, Third Special Session, 1966).

Each of the two universities is to add to its name the phrase, "Of the Commonwealth System of Higher Education". Each is to have 36 voting trustees, plus the governor, the state superintendent of public instruction, and the mayor of the city. The Chancellor of the University of Pittsburgh is expressly made a voting member, included in the 36.

Twelve of the members of each board of trustees are designated "Commonwealth Trustees", of whom four are to be appointed by the governor and senate, four by the president pro tempore of the senate, and four by the speaker of the house of representatives, for terms of four years, arranged to overlap. The other 24 members of each board are to be elected by the board itself, as formerly.

Both of the statutes obligate the respective universities to "maintain such tuition and fee schedules for Pennsylvania resident and non-Pennsylvania resident full-time students as are set forth annually in the act of the General Assembly which makes appropriations," but authorize the universities to alter such fee schedules if and when the sums appropriated may be insufficient "to provide required income."

The foregoing "tuition supplement" feature seems to be the heart of both acts. In effect it transfers the power to set fees from the university to the legislature, coupled with a promise that

the legislature will appropriate funds sufficient to enable each university to operate without loss of essential income.

This stems from the well-demonstrated impossibility of a large urban university operating on a high-fee basis and adequately serving the people of its own metropolitan area. Recognition of this fact in Pennsylvania is something of a landmark in the history of higher education.

Technically, it is doubtful that either of the statutes creates any binding contract (and no legislature can bind its successors except by contract); but the intent is clear and the policy is manifest.

It is far short of outright state acquisition of large urban private universities, such as has occurred in several other states; and, indeed, in most states the policy would seem somewhat anomalous. But it may be a very good solution for Pennsylvania, at least for some time to come.

With its emphasis on reduction of student fees and the extension of higher educational opportunity, it is an important feature of a broader statewide plan which envisions the Pennsylvania State University, Temple University, and the University of Pittsburgh as the "Commonwealth University Segment", and also contemplates rapid enlargement and upgrading of the several state colleges, as well as a network of local public community colleges.

After several years of apparent sluggishness in higher educational progress, Pennsylvania appears to be on the threshold of forging ahead. The revolution that is stirring New England and New York now has its counterpart in Pennsylvania, as is evidenced by the 1966 appropriation of nearly \$22 million as "tuition reduction supplements" to the three big "Commonwealth universities", as previously reported in GRAPEVINE (page 593).

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THE FIFTH BLOC: 20 STATE UNIVERSITIES AND COLLEGES HAVING BETWEEN \$6 MILLION AND \$7½ MILLION OF STATE TAX FUNDS FOR ANNUAL OPERATING EXPENSES, FISCAL YEAR 1966-67

Table 6. Twenty state universities and colleges in descending order of state tax support for annual operating expenses appropriated for fiscal year 1966-67, in thousands of dollars.

Institutions	Sums appropriated
(1)	(2)
1 University of Alaska	c/ \$7,314
2 Utah State University	a/ 7,301
3 Univ of New Hampshire	c/ 7,175
4 Michigan Technological U	e/ 7,095
5 Central Michigan Univ	d/ 7,093
6 NY St U Coll at Oswego	d/ 7,022
7 Univ of South Florida	f/ 6,659
8 Hayward State Coll (Cal)	d/ 6,656
9 M D Anderson Hosp (Texas)	g/ 6,643
10 Miami University (Ohio)	h/ 6,605
11 Cal St Poly (K-V Campus)	i/e/ 6,569
12 NY St U Coll at New Paltz	d/ 6,555
13 Eastern Kentucky Univ	d/ 6,535
14 Bowling Green St U (Ohio)	d/ 6,520
15 Central Missouri St Coll	d/ 6,515
16 Western Kentucky Univ	d/ 6,426
17 Louisiana Polytechnic Inst	e/ 6,416
18 Clemson University (S C)	a/ 6,273
19 Fullerton St Coll (Cal)	d/ 6,218
20 State College of Iowa	d/ 6,171

- a/ "Separate" Morrill Act institution.
- b/ "Separate" state university.
- c/ State university and land-grant college in one institution.
- d/ Formerly a teachers college, or a newer institution of "state college" type.
- e/ A technological institution, also multi-purpose to some extent.
- f/ A recently established state university, regional.
- g/ The M. D. Anderson Hospital and Tumor Institute at Houston is one of the medical branches of the University of Texas.
- h/ Miami University is the second oldest state university in Ohio, dating from 1809.

COMMENT: Here at least half (ten) of the institutions are in the d/ group (multipurpose institutions formerly normal schools or teachers colleges, or newer institutions of that type).

Another three are state technological institutions, also to a considerable extent multipurpose.

Only four are of the "separate" Morrill Act type or the "combined" state university and Morrill Act type (two of each); and there is not one "separated" state university in this list.

Finally, three are mavericks, susceptible of classification only one by one. The University of South Florida is a new regional state university established only a few years ago. The M. D. Anderson Hospital and Tumor Institute at Houston is one of the several medical branches of the University of Texas. Miami University at Oxford, Ohio, is one of the two older state universities in the southern part of that state (the other is Ohio University at Athens), both of which existed for more than half a century before the Ohio State University at Columbus came into being in the Eighteen Seventies.

i/ The California State Polytechnic College has two campuses. One is at San Luis Obispo (\$9,325,000); the other at Pomona and known as the Kellogg-Voorhees Campus (\$6,569,000). The San Luis Obispo unit was inadvertently omitted from Table 4 (page 602), where it would occupy 3rd place in the list.

THE SIXTH BLOC: 20 STATE COLLEGES AND UNIVERSITIES HAVING BETWEEN \$5 MILLION AND \$6 MILLION OF STATE TAX FUNDS FOR ANNUAL OPERATING EXPENSES, FISCAL YEAR 1966-67

Table 7. Twenty state colleges and universities in descending order of state tax support for annual operating expenses appropriated for fiscal year 1966-67, in thousands of dollars.

Institutions	Sums appropriated
(1)	(2)
1 Ferris St Coll (Mich)	e/ \$5,919
2 NY St U Coll at Cortland	d/ 5,919
3 Portland St Coll (Ore)	f/ 5,789
4 Arlington St Coll (Tex)	g/ 5,757
5 Western Washington St Coll	d/ 5,625
6 Medical Coll of So Carolina	5,613
7 NY St U Coll at Oneonta	d/ 5,604
8 East Carolina Coll (N C)	d/ 5,462
9 NY St U Coll at Brockport	d/ 5,446
10 Trenton State College (N J)	d/ 5,390
11 Montclair State Coll (N J)	d/ 5,274
12 NY St U Coll at Geneseo	d/ 5,187
13 North Dakota State Univ	a/ 5,169
14 Wichita State University	h/ 5,111
15 Northwestern St Coll of Ia	d/ 5,110
16 Wisconsin State U - Oshkosh	d/ 5,109
17 NY St U Coll at Plattsburgh	d/ 5,094
18 Idaho State University	i/ 5,087
19 Humboldt St College (Cal)	d/ 5,081
20 Chicago Teachers College	d/ 5,000

- a/ "Separate" Morrill Act institution.
- d/ Multipurpose institution, formerly a teachers college or normal school.
- e/ Unique institution offering degree courses in commerce, education, and pharmacy, and a variety of two-year courses, largely occupational.
- f/ Urban institution established in recent years.
- g/ Former regional agricultural college, now a multipurpose unit of the University of Texas.
- h/ Former private, later municipal institution, acquired by the state of Kansas in 1963 and now called an "associate" of the University of Kansas.
- i/ Multipurpose state university, not a Morrill Act institution and not the principal state university.

COMMENT: The cumulated number of institutions in our six "blocs" is approximately 150. One hundred and fifty state universities and colleges have \$5 million or more in state tax support for operating expenses for fiscal year 1966-67.

In this sixth bloc (Table 7), only one is footnoted a/ ("separated" Morrill Act university), and none of the b/ and c/ types appear. Thirteen are footnoted d/ (former normal school or teachers college, or newer institution of that type, largely multipurpose).

This type embraces fifty of the 150 leading state institutions, as measured by state tax dollars appropriated for annual operating expenses.

In the total nationwide scene there are nearly 200 of these "former teachers college" institutions, of which 50 have come to surpass the mark of \$5 million in annual state tax-fund operating support.

Most of the 200, together with several others of different types, now compose the membership of the Association of State Colleges and Universities, a relatively young organization closely allied (but not merged) with the well-seasoned and recently-strengthened National Association of State Universities and Land-Grant Colleges, which has approximately 100 institutional members, including all the major state universities in the nation.

These two cooperating national associations may be expected to give increasing impetus to the growth and improvement of public higher education in the United States.