

M. M. Chambers  
Education Building, Indiana University  
Bloomington, Indiana  
47401

SINCE NINTH  
1958 YEAR  
Number 98 ----- May 1967 ----- Page 633

GRAPEVINE  
\* \* \* \* \*

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

ELEVEN STATES SHOW 2-YEAR GAINS OF 44%  
AND 8-YEAR GAINS OF 193½% . . . . . 634

Arizona appropriates \$15½ million for capital im-  
provements at universities and  
junior colleges . . . . . 635

Maryland adds 5 Catholic colleges to list receiving  
small tax subsidies for operating  
expenses for fiscal year 1967-68. . . . . 636

New Mexico appropriates \$29 million for operating  
expenses of higher education, fiscal  
year 1967-68. . . . . 637

Utah appropriates \$67 million for biennium 1967-69. . . . 637

West Virginia doubles the rate of the tax on gross  
sales of manufacturing industries;  
makes other tax changes . . . . . 638

-----  
Statement of ownership and circulation of GRAPEVINE is on  
Page 634 (reverse hereof).

ELEVEN STATES SHOW WEIGHTED AVERAGE TWO-YEAR GAIN OF 44 PER CENT,  
AND EIGHT-YEAR GAIN OF 193½ PER CENT

In this issue GRAPEVINE reports appropriations for fiscal year 1967-68 by eleven states, and places them in context in Table 21. Included are three states-- Kentucky, Mississippi, and Virginia--whose appropriations for this fiscal year were made in biennial sessions in 1966. The eight other states made these appropriations in annual or biennial sessions in 1967. At this point the two-year rate of gain turns out to be exactly the same as it was for fiscal year 1966-67 -- 44%.

Table 21. Appropriations of state tax funds for operating expenses of higher education in eleven states, in thousands of dollars, for four selected fiscal years, 1959-60 through 1967-68, with dollar gains and percentage gains over the most recent two years and over eight years.

States	Year 1959-60	Year 1963-64	Year 1965-66	Year 1967-68	2-year gain	%	8-year gain	%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Ariz	14,042	25,683	35,459	46,281	10,822	30½	32,239	229½
Ind	45,463	70,866	90,105	132,628	42,523	47	87,165	191 3/4
Ky	14,954	32,164	49,507	74,371	24,864	50¼	59,417	397¼
Md	23,818	34,812	48,275	67,700	19,425	40¼	43,882	184 3/4
Miss	15,118	19,873	25,931	36,720	10,789	41½	21,602	143
N M	11,165	15,960	21,649	28,954	7,305	33 3/4	17,789	159¼
S D	8,128	10,133	15,987	16,992	1,005	6½	8,864	109
Utah	13,139	19,154	24,891	33,695	8,804	35¼	20,556	156½
Va	25,544	35,858	40,830	74,335	33,505	83	48,791	191
W Va	16,919	21,875	32,294	44,484	12,190	37 3/4	27,565	163
Wyo	4,935	6,707	8,771	11,123	2,351	26 3/4	6,188	125½
Totals	193,235	-	393,699	567,283	173,583	-	374,048	-
Weighted averages	-	-	-	-	-	44	-	193½

GRAPEVINE is owned and circulated by M. M. Chambers. It 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 chiefly to persons in position to reciprocate by furnishing prompt and accurate reports from their respective states regarding tax legislation, appropriations for higher education, and legislation affecting education at any level.

Address communications to M. M. Chambers, Education Building, Indiana University, Bloomington, Indiana 47401..

M. M. Chambers, Education Building, Indiana University, Bloomington

ARIZONA. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1967-68:

Table 22. State tax-fund appropriations for operating expenses of higher education in Arizona, fiscal year 1967-68, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Arizona	\$20,063
Arizona State U	14,853
Northern Arizona U	5,055
Junior Colleges -	
Maricopa County *	4,557
Yuma County **	711
Graham County ***	534
Cochise County ****	426
State Jr Coll Board	82
Subtotal, Jr Colls -	\$6,310
<b>Total</b>	<b>46,281</b>

\* Phoenix College, Glendale College, Mesa College.

\*\* Arizona Western College.

\*\*\* Eastern Arizona College.

\*\*\*\* Cochise College.

The total is a gain of 30½% over the comparable figure for fiscal year 1965-66, two years ago. The gain over the period of eight years since 1959 is 229½%. It may be noted that although these gains are substantial, and may turn out to equal the 50-state average gains of 1967, there is another factor in Arizona which makes them seem very modest. This is the state's very high rate of population growth during the last two decades. Its population has been doubled within 15 years. Thus in the support of public higher education, Arizona "must run fast in order to stand still".

Another feature of the scene, mentioned here only as a matter of mild interest, is that over the most recent two years Arizona's support of the junior colleges shows very little gain, while average gains of about 36% have

ARIZONA (Continued)

accrued to the three state universities. This is the reverse of the situation in Indiana, for example, where the greatest recent gains have gone to the local regional campuses, while the main campuses of the four state universities have been recipients of increased support at somewhat more modest rates of gain.

A conjecture as to the reason for the difference might be that some four or five years ago Arizona began a spurt of support for the local public colleges, whereas a similar upsurge in Indiana is a little later in beginning.

It is reported that a total of over \$15½ million was appropriated for capital improvements at the Arizona state universities and junior colleges for fiscal year 1967-68, as in Table 23.

Table 23. State appropriations for capital improvements at the state universities and junior colleges in Arizona, for fiscal year 1967-68, in thousands of dollars.

Institutions (1)	For capital outlays (2)
U of Arizona	\$4,900
Arizona State U	4,650
Northern Arizona U	2,775
Subtotal, state u's -	\$12,325
Junior Colleges -	
Maricopa County	1,440
Yuma County	176
Graham County	118
Cochise County	93
Pima County *	500
Pinal County *	500
Yavapai County *	500
Subtotal, jr colls -	\$3,327
<b>Total</b>	<b>15,652</b>

\* Contingent upon the establishment of a junior college district by each of the three counties thus marked.

MARYLAND. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1967-68:

Table 24. State tax-fund appropriations for operating expenses of higher education in Maryland, fiscal year 1967-68, in thousands of dollars

Institutions (1)	Sums appropriated (2)
U of Maryland (including medical units)	\$45,510
<b>Subtotal, U of M - \$45,510</b>	
State colleges -	
Towson State College	4,912
Morgan State College	3,737
Frostburg State College	2,458
Salisbury State College	1,290
Coppin State College	1,151
Bowie State College	1,144
St Mary's Coll of Maryland	757
<b>Subtotal, st colls - \$15,449</b>	
Higher Edn Loan Corp	295
State Scholarship Board	77
Adv Council for Higher Edn	166
Bd of Trustees of State Colls	117
State aid to jr colls	4,708
<b>Subtotal, public - \$66,322</b>	
Private institutions -	
Johns Hopkins University	248
Hood College *	158
Washington College	157
Western Maryland College @	142
St John's College	111
Saint Joseph College **+	104
Coll of Notre Dame of Md **+	102
Mount Saint Agnes College +	90
Mount Saint Mary's College +	86
Loyola College +	93
Peabody Institute	44
Maryland Institute	43
<b>Subtotal, private - \$1,378</b>	
<b>Total</b>	<b>67,700</b>

\* The Maryland Court of Appeals sustained a 1966 appropriation to this tenuously church-related college; for capital improvement, as against the contention that it violated the "establishment of religion" clause of the First Amendment to the U S Constitution, and the U S Supreme Court declined to review the case.

Footnotes appertaining to MARYLAND -

@ A 1966 appropriation to this Methodist church-connected college for capital improvement was held unconstitutional in the above decision.

\*\* In the above decision, 1966 appropriations to these two Roman Catholic colleges, for capital improvements, were held unconstitutional.

+ These five Roman Catholic colleges were added to the list of private colleges receiving small tax-fund subsidies for operating expenses in 1967.

The total appears to be a gain of slightly more than 40 per cent over the comparable figure for fiscal year 1965-66, two years earlier. The 8-year gain since 1959 seems to be a little less than 185 per cent.

The legislature extended the list of private institutions receiving small tax-fund subsidies for operating expenses from seven to twelve by adding five Roman Catholic colleges, although the recent decision of the Court of Appeals had held appropriations in 1966 for capital outlays to one Methodist college and two Catholic colleges to be unconstitutional.

Apparently if payment of the 1967 appropriations for operating expenses is perchance resisted by a fiscal officer or by a taxpayer, the court may be called on to make another adjudication, or declare the issue res judicata. A new adjudication is the more likely, however, because the 1966 decision laid down no blanket rule, but held that the case of each college must be determined by examining the facts as to whether it is sufficiently within the control of the church to make it an "establishment of religion" within the meaning of the First Amendment.

M. M. Chambers, Education Building, Indiana University, Bloomington

NEW MEXICO. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1967-68:

Table 25. State tax-fund appropriations for operating expenses of higher education in New Mexico, fiscal year 1967-68, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of New Mexico *	\$12,853
New Mexico State U **	8,564
Eastern New Mexico U	3,103
New Mexico Highlands U	1,623
N M Inst Mining & Technol ***	1,476
Western New Mexico U	1,320
N M Military Institute @	-
WICHE @@	15
<b>Total</b>	<b>28,954</b>

- \* Includes Medical School. Includes \$155,000 for WICHE student exchange program and a supplementary dental student exchange program.
- \*\* Includes \$230,000 for administering the State Department of Agriculture.
- \*\*\* Includes \$473,000 for the State Bureau of Mining and Mineral Resources.
- @ Accumulated balances and other incomes were such that no appropriation was made for 1967-68. Three-fifths of the students are in grades 10 to 12, and two-fifths at college level. In prior years the state appropriation has been for the support of the entire program.
- @@ This is the state's flat appropriation for the support of the Western Interstate Commission for Higher Education, and is in addition to the \$155,000 mentioned in Footnote \*, above.

The total appears to be a gain of nearly 34% over the comparable figure for fiscal year 1965-66, two years earlier. The eight-year gain since fiscal year 1959-60 seems to be a fraction more than 159%.

UTAH. Appropriations of state tax funds for operating expenses of higher education, biennium 1967-69:

Table 26. State tax-fund appropriations for operating expenses of higher education in Utah, biennium 1967-69, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Utah	\$26,416
Medical School	3,879
Teaching Hospital	625
Research support *	1,360
Educational TV - KUED **	403
Geol and Mineral Survey	200
Ctr for Econ Development	160
<b>Subtotal, U of U - \$33,043</b>	
Utah State U	12,423
Ag Experiment Sta	2,034
Coop Ag Exten Service	1,431
Research support	460
Ecology Center	200
Water Research Lab	155
Educational TV - KUSU	62
<b>Subtotal, U St U - \$16,765</b>	
State colleges -	
Weber State College	7,720
Coll of Southern Utah	2,454
Utah Tech Coll at Salt Lake+	1,857
Utah Tech Coll at Provo +	1,419
Dixie College	1,077
Snow College	1,005
Coll of Eastern Utah	869
<b>Subtotal, st colls - \$16,402</b>	
Statewide TV & computer	457
Student loans	300
Comm on Interstate Coop	80
Coordinating Council	343
<b>Total</b>	<b>67,390</b>

- \* Includes \$50,000 for coal research.
- \*\* Includes \$65,000 for "county translator stations".
- + Name changed from "Trade-Tech Inst".

The total seems to be a gain of slightly more than 35 per cent over the comparable figure for fiscal year 1965-66, two years earlier. The 8-year gain since 1959 appears to be 156 1/2%.

WEST VIRGINIA. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1967-68:

Table 27. State tax-fund appropriations for operating expenses of higher education in West Virginia, fiscal year 1967-68, in thousands of dollars.

Institutions	Sums appropriated
(1)	(2)
West Virginia U	\$19,691
Medical Center	4,500
Potomac State Coll	821
Kanawha Valley Grad Ctr	350
Parkersburg Branch	56
<u>Subtotal, W Va U -</u>	<u>\$25,418</u>
Marshall University	6,067
Branch Colleges	63
<u>Subtotal, Marshall U -</u>	<u>\$6,130</u>
West Virginia State Coll	2,570
Fairmont State Coll	2,282
West Liberty State Coll	2,100
Branch College	30
<u>Subtotal, W L St C -</u>	<u>\$2,130</u>
W Va Inst of Technology	2,120
Concord College	1,978
Glenville State Coll	1,324
Shepherd College	1,281
Bluefield State Coll	1,015
<u>Total (gross)</u>	<u>46,248</u>
<u>Less institutional receipts</u>	
<u>at st colls (estimated)</u>	<u>- 1,800</u>
<u>Net Total</u>	<u>44,448</u>

The total seems to be a gain of nearly 38% over the comparable figure for fiscal year 1965-66, two years ago. The gain over the eight years since 1959 seems to be about 163%.

A new feature (with the exception of Potomac State College) is the beginning of appropriations for Branch Colleges for three institutions. It is curious to observe that West Virginia inaugurates this practice while at the same time the neighboring mother state

WEST VIRGINIA (Continued)

of Virginia is in the midst of an effort to transform the several branch colleges of its principal institutions into local public two-year colleges based on local taxing subdivisions.

West Virginia's reason for state support of the branch colleges is that otherwise their fees are prohibitive to students.

West Virginia enacted some tax changes designed to produce approximately \$21 million in new revenue for the next fiscal year.

(1) Effective April 1, 1967 is a rate of eight-tenths of one per cent on the gross sales of manufacturing industries, supplanting the former rate of four-tenths of one per cent. The same act also includes a tax of 1.05 per cent on gross incomes of professional persons, which is, however, to be credited against their personal income taxes. Total additional yield under this act is estimated at more than \$14 million a year.

(2) The "transportation privilege tax" was repealed and replaced by a "carrier gross income tax" of 3 per cent on gross sales of railroads and express, pipeline, telegraph, airline, steamboat and motor carrier companies. A higher rate of 3.4 per cent is levied on telephone companies, and urban or suburban bus companies will be charged only 2 per cent of their gross sales. Effective July 1, 1967, this act is expected to produce more than \$4 million a year.

(3) A 6 per cent corporate net income tax was enacted, effective July 1, 1967. The amount of this tax will be credited against the tax on gross sales of manufacturing corporations (No. 1, above) and against the "carrier gross income tax" (No. 2, above). The net yield is estimated as \$2½ million.

Not copyrighted. If you quote or paraphrase, please credit the source in appropriate manner. M. M. Chambers, Indiana University, Bloomington 47401.