The private higher education sector in recent years has been facing a financial problem that has caused the institutions to raise tuition costs considerably, and often to price themselves out of the market. Part of the reason for this is the expansion of public colleges and universities that can afford to offer an education at a lower price. Private higher education, it is argued in this paper, does provide a valuable service to the general public, and it would be highly beneficial to the states to provide support to these institutions. This document presents the results of a survey that was designed to solicit information concerning the amount and type of support presently being offered to private institutions by their states. It was found that 34 of the 50 states have programs that support independent institutions or their students. However, this count excludes tax support, guaranteed student loan plans, and contractual arrangements for out-of-state student places. Should these 3 types be included, the count would be raised to 100%. A detailed summary of public support to private colleges in Connecticut is included as well as a brief of various court decisions dealing with the topic. (HS)
STATE RELATIONSHIPS
WITH INDEPENDENT INSTITUTIONS OF HIGHER EDUCATION
AND ASSISTANCE TO STUDENTS ATTENDING INDEPENDENT INSTITUTIONS OF HIGHER EDUCATION

A Background Paper
Prepared for the Education Committee of the Connecticut General Assembly by the Staff of the Commission for Higher Education

Richard S. Lewis
Associate in Higher Education
February, 1972
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WITH INDEPENDENT INSTITUTIONS OF HIGHER EDUCATION
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FOREWORD

The information in this paper came from a wide variety of sources. Many of the States have published reports dealing with this subject and several studies have been conducted in recent years by individuals. Two studies, which were extremely helpful, are: "A Limited Study of the Status of State Support of Private Higher Education-1970," by Louise Abrahams and Leigh Schwepp for the Academy for Educational Development, Inc., published in October 1970; and a report entitled "Summary Report of State Programs in Support of Independent Colleges and Universities and Their Students," prepared by Elden T. Smith for the Federation of State Associations of Independent Colleges and Universities in September 1970. A bibliography is included in this report starting on page 44.

In addition to the above, information was gleaned from current publications such as the Chronicle of Higher Education and from correspondence with many very helpful and cooperative people in other States.

Richard S. Lewis
INTRODUCTION

In 1963, 35.6% of the students enrolled in colleges and universities in the United States were enrolled in independent institutions. By 1970, the percentage had decreased to 25.1%. (1) The basic reasons for this decline are the rapid growth in the public sector and a cost increase which has forced the independent colleges to virtually price themselves out of the market. The problem is not, of course, as simple as these two premises imply. Public Higher Education has expanded, in part, to meet the needs and demands of society (the development of the comprehensive community college systems is perhaps the best example) and, in part, because of bureaucratic growth made possible by generous funding from state and federal government. This support has enabled public institutions, not only to become competitive, but on the average, to exceed independent institutions in the area of program and faculty salaries. As a result they have been able to attract and retain top-flight faculties. Independent Higher Education, on the other hand, in addition to being confronted with spiraling costs during this period, has been reluctant to deviate from traditional (but high cost) patterns of low student-faculty ratios, small class sizes and low faculty teaching loads. Tuition and fee charges have increased rapidly and the disparity between their charges and those of the public institutions is having a significant effect on the ability of the independent colleges to attract students. It should also be recognized that these institutions do not wish to raise tuition to the point where minorities and the nation's poor are excluded.

There is ample evidence that independent higher education is in serious financial trouble. William W. Jellema, Research Director of the Association of American Colleges, conducted a 1971 survey of 554 independent colleges. It was found that 507 of these institutions had projected an average deficit of $104,000. The survey also indicated that 200 institutions would run through their liquid assets within a year and that if the downhill pace continues, 365 colleges and universities could go bankrupt within a decade.

In New York State the Office of State Aid to Non-Public Colleges prepared (in April 1971) a report entitled "The Financial Problems of Private Colleges and Universities of New York." The report shows that during the four year period from 1967 through 1970 the Bundy-aided (state-aided) non-public institutions sustained cumulative deficits exceeding $76 million.

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>NUMBER OF INSTITUTIONS</th>
<th>TOTAL EXPENDITURES</th>
<th>TOTAL DEFICITS</th>
<th>PERCENT DEFICIT OF TOTAL EXPENDITURES</th>
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<tr>
<td>1966-67</td>
<td>56</td>
<td>$791,810,000</td>
<td>$4,261,000</td>
<td>0.5%</td>
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<tr>
<td>1967-68</td>
<td>56</td>
<td>904,698,000</td>
<td>12,878,000</td>
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<td>1968-69</td>
<td>57</td>
<td>1,002,304,000</td>
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<tr>
<td>1969-70</td>
<td>57</td>
<td>1,079,841,000</td>
<td>35,002,000</td>
<td>3.2%</td>
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The Wall Street Journal in an article entitled "Red Ink on Campus" reports that:

"Princeton University is facing a $2.4 million deficit; Yale University,

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(3) From "Shape", Volume 2, Number 3, November 1971, The New York State Education Department.

with an anticipated deficit of $1.5 to $2 million for the past academic year, has called a moratorium on all hiring; at St. Louis University the Dental School has been closed, the Engineering School is being phased out and nearly two-thirds of the 178 acre campus is being sold off to raise money; at Beloit College in Wisconsin, the scholarship program for disadvantaged black students has been cut 25%; at Columbia University in New York, which had an $11 million deficit last year, tuition was increased to $2,500 a year, up from $2,300 last year and $1,575 eight years ago; and, Mackinac College in Michigan and Midwest Institute in Kansas simply closed down last summer because they ran out of money".

It is argued, and credibly so, that this nation cannot afford to lose the independent higher education sector. The Heald Committee on Higher Education (New York State) noted that these institutions "give American education a diversity and scope not possible in tax-supported institutions alone, and they have an opportunity to emphasize, if they wish, individualistic patterns of thought, courses of social action, or political or religious activity". (5) This is an important consideration, because, if we are to remain a pluralistic society, a strong independent sector should be maintained along with the growing public sector. Because of declining enrollment, student spaces are available in many independent colleges and universities. It is argued in many quarters that it is logical to help meet student demand by utilizing these existing resources. The argument continues that modest assistance to the independent institutions, or to the students who attend the private sector, is less expensive to the state than building and staffing new public facilities. This con-

(5) Remarks of the Heald Committee as reported in "Inside Education", April 1970.
cept would seem to be increasingly recognized across the nation as more and more states are enacting legislation to assist independent institutions or their students. At the present time, thirty-four of the fifty states have programs which support independent institutions or their students. This count excludes tax support, guaranteed student loan plans and contractual arrangements for out-of-state student places. Should one choose to include these three categories, all fifty states would have one or more programs of support. Institutional support falls into the following categories: direct operational subsidy, general assistance grants (usually on a per capita or per degree awarded basis), tuition-equalization programs, educational facilities authorities which provide capital construction assistance, contractual arrangements for programs, facilities and services, property and/or state tax exemption, authority to condemn property and the use of the state purchasing department for bulk purchases. Student or parental support falls into these categories: scholarships, grants, loans, tax credit for contributions to institutions of higher education and contractual arrangements with independent institutions for student places.

PROGRAMS IN OTHER STATES

The following is a brief description of programs or plans in the various states:

Alabama - Funds ($662,617 in 1970) have been appropriated for four private institutions for a number of years and the state has contractual service arrangements through the Southern Regional Education Board with other institutions to provide out-of-state graduate
and professional instruction. In 1969-70, $129,674 (78% of the total appropriation) went to private institutions. Scholarships are available for a limited number of students. The United States Office of Education operates the state's federally-insured guaranteed student loan program.

**Alaska** - In 1970 the legislature authorized the Higher Education Commission to enter into contractual arrangements with accredited private institutions in Alaska. Scholarship grants and scholarship loans ($250,000 appropriated in 1970-71) are available for state residents. Tuition-Equalization Grants are given to eligible students for use at an accredited Alaskan college or university and a Guaranteed Loan Plan is also available. A recently enacted bill provides for Career and Higher Education Scholarship Loans to any state resident for attendance at any accredited institution of higher education in Alaska or out-of-state.

**Arizona** - Contractual arrangements for out-of-state student places are made through The Western Interstate Commission for Higher Education. $108,000 was appropriated to independent institutions in 1970-71. There is no state-wide scholarship or grant program available for Arizona students, but there is a state federally-insured loan program. A proposal has been submitted to the legislature for the past two years which would grant a private Arizona institution of the student's choice an amount equal to the state cost per student in state colleges. No action has been taken on the proposal.

**Arkansas** - Contractual arrangements are made for student places and student
aid at out-of-state institutions through the Southern Regional Education Board. $14,400 went to independent institutions in 1969-70. There is no comprehensive state-wide planning for financial assistance to students and no single state agency coordinates student aid, but there is a state-guaranteed student loan program.

California - Independent institutions are exempt from property taxes, have the authority to condemn property and can take tax deductions for contributions. $13,850,000 was appropriated in 1970-71 for the State Scholarship Program and the Graduate Fellowship Program. About one-half of the scholarships and 85% of the money ($11,772,500) went to independent institutions. Of the $1 million College Opportunity Grant Program, 93% ($930,000) went to independent junior colleges. There is also a federally-insured guaranteed loan program. A state constitutional amendment designed to permit direct appropriation of public funds for private colleges and universities was adopted in 1970 by the Assembly but was narrowly refused by the Senate. It is expected to be re-introduced at the next session.

Colorado - Contractual arrangements are made through the Western Interstate Commission for Higher Education for student places. In 1970-71, $26,400 was appropriated to independent institutions. Other occasional contractual arrangements are made with independent colleges and universities for research, studies and special classes. There are no scholarships or grants for students attending private institutions since it has been ruled that such assistance is in
violation of the Colorado constitution. There is a state federally-insured student loan program.

**Connecticut** - Discussed in more detail in the following section.

**Delaware** - There is no direct institutional support for Delaware's three accredited independent two-year institutions and one four-year college and no state facilities program. The State Department of Public Instruction administers a state scholarship program for needy students who are accepted at accredited out-of-state schools, public or private, for programs not available within the state. There is a United Student Aids Fund endorsed state-guaranteed student loan program.

**Florida** - The State contracts with the Southern Regional Education Board for arrangements with out-of-state institutions for Medical, Dental, Special Education, Actuarial Science and Veterinary students. In 1969-70, $274,800 was spent for student places at independent institutions. State funds in the amount of $330,000 were appropriated in 1969-70 to the University of Miami (independent) to subsidize Florida residents enrolled in the Medical School. A Regents' Scholarship Program was funded at $900,000 in 1969-70 and $1,520,000 in 1970-71. In 1969-70, 57% of the appropriation went to students in independent institutions. There are also Competitive Scholarship Loans for students who agree to work in the State after graduation. These are for graduate students in Psychology, Social Work and Clinical Psychology ($20,000 in 1969-70); Special Training in Exceptional Child Education ($213,750 in 1970-71); Medical and Dental Education ($24,000 in
1970-71); Preparation of Teachers ($930,000 in 1970-71) and Nursing Education ($176,000 in 1970-71). There is a state student loan program administered by the State Department of Education and about 35% of the loans are to students attending independent institutions. In addition there is a federally-insured guaranteed student loan program operated by the United States Office of Education. 1971 legislation established a State Board of Independent Colleges and Universities to set standards and license non-public institutions. The Independent Colleges and Universities of Florida, Inc. has, for several years, sponsored legislation to provide for tuition-equalization between the public and private institutions in the state.

Georgia - The 1971 legislature adopted a measure authorizing grants of $400 per academic year to citizens of Georgia who attend independent colleges and universities in the state. Students attending unaccredited colleges or religious-training institutions are not eligible. The program is to be funded and is to begin in 1972. Contractual arrangements for student places and student aid at out-of-state institutions are made through the Southern Regional Education Board. The 1969-70 appropriation of $52,600 went to independent institutions. Students attending non-public colleges and universities are eligible for Cancellable Scholarship Loans, a Teacher Scholarship Program and a Medical Scholarship Program. Each of these programs reward the student if he or she remains in and practices their profession in the state. The Georgia Higher Education Assistance Corporation operates the state-guaranteed
student loan program. Loan volume in 1969-70 was $9,471,668.

**Hawaii** - Contractual arrangements are made through The Western Interstate Commission for Higher Education for out-of-state student places. $39,600 was appropriated to independent institutions in 1970-71. At the present time there are no scholarships or grants available to students attending non-public institutions. The University of Hawaii, in a letter dated August 10, 1971, indicates that they are considering providing financial aid to qualified and needy students deserving to attend a private institution in the State, since a saving to the State could be realized because the cost of the financial aid would be less than the cost of educating such students in a public institution. The establishment of a Higher Education Assistance Commission is also being considered. The State administers a federally-insured guaranteed student loan program.

**Idaho** - Contractual arrangements for out-of-state student places are made through The Western Interstate Commission for Higher Education. $40,934 was appropriated to independent institutions in 1970-71. No scholarships or grants are available to students attending private institutions but there is a federally-insured guaranteed loan program available. In 1971, a bill which would have provided aid to independent colleges and universities did not pass.

**Illinois** - In 1971, the legislature enacted, and the Governor approved and funded, a bill which provides $5,970,900 for general assistance grants to independent colleges and universities. Direct grants of $100 are made to each private institution for each full-time enrolled freshman and sophomore who is a recipient of an Illinois...
State scholarship or grant. Grants of $200 are made for each full-time enrolled junior or senior who is a resident of the State of Illinois. The 1969 legislature created the Illinois Educational Facilities Authority to fund construction (through the issuance of revenue bonds) for all approved non-profit institutions of higher education. The Health Services Education Grants Act of 1970 provides for the Board of Higher Education to make grants to non-profit health service educational facilities. $8,000,000 was appropriated for this purpose in 1970. The State scholarship and grant program is under the control of the Illinois State Scholarship Commission. In 1969-70, scholarships amounting to $8,205,000 (79% of the total), and grants amounting to $12,067,000 (76% of the total) were used at independent institutions. There is also a state-guaranteed student loan program.

In 1971, the Illinois Board of Higher Education adopted Master Plan-Phase III which deals with, among other things, the establishment of an integrated system of public and private higher education to insure maximum utilization of the resources of both and the establishment of a task force to study and implement a Collegiate Common Market that utilizes the existing and developing resources of the public and private sectors to broaden and maximize educational opportunities and reduce duplication.

Indiana - Individuals and corporations may claim up to 50% of contributions to higher education institutions as tax credit. The State scholarship program consists of honorary awards granted on the basis of merit, and monetary awards based on need, which are payable
directly to the college. In 1969-70, monetary awards in the amount of $1,607,760 (52% of the total of $3,080,000) went to independent institutions. In 1971, appropriations for the State Scholarship Program were increased to $14,900,000 and the maximum stipend was increased from $800 to $1,400. Students may attend any accredited college in the State. Indiana also has a federally-insured guaranteed student loan program. A proposal for Tuition-Equalization Grants for highly qualified needy students to attend approved private colleges passed the legislature in 1970, but was vetoed by the Governor because no amount was specified for funding. The proposal is to be redrafted.

Iowa - Iowa instituted a Tuition Equalization Program in 1969. Recipients must be Iowa residents enrolled in eligible independent colleges within the state. Appropriations have increased from $1,500,000 in 1969-70, to $8,000,000 for the 1971-73 biennium. Grants of up to $1,000 are made to private college resident students demonstrating financial need. The State has a competitive scholarship program based on need and ability for students in their freshman and sophomore years. In 1969-70, $131,250 (50% of the total) went to independent institutions. There is a State Medical Loan Program which provides full tuition for up to three years of Medical School at either the one private or the one public institution. In the 1969-71 biennium, $229,486 (76% of the total) went to the non-public institution. The loans are cancellable if the graduate practices general medicine in the State of Iowa. The United States Office of Education operates the state's federally-insured guaranteed student loan program.
Kansas - There is no direct support of independent institutions but the State Scholarship Program permits 150 freshman recipients to attend a Kansas college of their choice. The scholarships are renewable for the sophomore year and are paid directly to the college. Approximately 25% of the total appropriation of $150,000 goes to independent institutions. In 1968, $15,000 was appropriated in support of dental students attending out-of-state institutions. The United States Office of Education operates the federally-insured student loan program.

Kentucky - Contractual arrangements for student places and student aid in out-of-state institutions are made through the Southern Regional Education Board. In 1969-70, 38% of the total appropriation of $15,089 went to private institutions. Legislation has been in effect since 1966 to permit state scholarships, grants and loans to Kansas students, however, a general scholarship program has not been funded. Appropriations have been made to the Kentucky Higher Education Assistance Authority for a program providing $500 per academic year to students with high potential who come from families receiving public assistance. A student may attend an independent or public institution of his choice and in 1970-71, about 25% ($43,000 of a total $172,500) went to private institutions. The United States Office of Education operates a federally-insured guaranteed loan program. A 1970 legislative proposal for $2,500,000 of Tuition-Equalization Grants for the 1970-72 biennium was voted down in the Senate Education Committee. The Kentucky Council of Independent Colleges and Universities will...
reintroduce this or a similar measure at the next legislative session.

**Louisiana** - The Southern Regional Education Board makes contractual arrangements for student places and student aid in out-of-state institutions. Appropriations to independent institutions in 1969-70, amounted to $68,600 or 37% of the total. Approximately six $300 Stonewall Jackson Scholastic Scholarships are awarded each year which can be used at public or non-public institutions. The Louisiana Higher Education Assistance Commission operates a state-guaranteed loan program for students attending Louisiana institutions and for graduate students whose curriculum is not available in Louisiana. Approximately 10% of the loan funds are processed for students enrolling in independent institutions.

**Maine** - Maine contracts through The New England Board of Higher Education for student places at the Vermont Medical College and the Tufts Dental College. In 1971-72 approximately one-quarter of the $100,000 appropriation went to the private sector. There are no scholarships or grants for students attending independent institutions but Maine contracts with United Student Aids Fund, Inc. for its USAF-endorsed guaranteed student loan program. A 1969 act appropriating funds for educational costs for Maine students in non-public institutions has been referred to the Maine Education Council for study. A constitutional amendment providing for the use of state credit for construction loans to private colleges was passed by the legislature and approved by the Governor but was turned down in a 1969 referendum.
Maryland - A program of direct grants to independent institutions was established in 1971. The State provides each eligible private institution $200 for each associate degree awarded and $500 for each bachelor's degree awarded. Seminarian and Theological degrees are not counted. Maryland also provides facilities grants for its independent institutions. These grants must be matched by the institutions and the purpose must be approved in advance. All grants are authorized by the General Assembly. Contractual arrangements are made with The Southern Regional Education Board for out-of-state student places and aid. Of the 1969-70 appropriation of $107,425, 30% went to independent institutions. $2,494,000 was appropriated in 1970-71 for Senatorial Scholarships. Awards are made to students on the basis of competitive academic examination and may be used in any approved Maryland institution. The General State Scholarship Program is based on financial need and performance on the Scholastic Aptitude Test. Half of the awards go to the "ablest of the needy" and half go to the "neediest of the able." In 1970-71 total scholarship dollars to independent institutions amounted to $1,203,444 or 40% of the total. The War-Orphan Grants-in-Aid Program provides financial assistance of up to $500 for children of Maryland residents killed or permanently disabled in armed service. These awards are made to any approved in-state or out-of-state institution selected by the student. The Maryland Higher Education Loan Corporation guarantees the state's student loan program. The State has also undertaken to provide additional support to medical education provided by the
University of Maryland Medical School and the Johns Hopkins Medical School.

Massachusetts - The State grants tax exemption for institutional property used for education. The Massachusetts Health and Education Facilities Authority finances construction of hospitals and construction of buildings for private colleges only. The scholarship program is administered by the Board of Higher Education and, in 1970, was funded at a $3,500,000 level. The statute requires that between 10% and 25% of the appropriation must be allocated to students attending Massachusetts public colleges. In 1969-70, 67% of the total appropriation of $2 million went to independent colleges. In 1970-71, about 80% of the $3,500,000 appropriation was used in the private sector. In 1971-72 a total of $8 million was appropriated for the state scholarship program. More than 3,000 awards will be made during the academic year and can be used throughout the United States. The Dental, Medical, and Nursing Scholarship Program provides annual financial assistance to 600 needy students attending in-state and out-of-state public and private institutions. In 1970-71 the private sector received $315,000 or 90% of the total appropriation. The Higher Education Assistance Corporation administers the state-guaranteed higher education loan plan. The Massachusetts State Board of Higher Education is proposing a plan where the State would pay independent colleges for additional resident students above the number usually accepted. The amount paid per student would be approximately $1,000.

Michigan - A taxpayer may take credit against his Michigan State income tax
for contributions to the general fund of any public or private institution of higher learning in Michigan. In addition, a rebate of State gasoline taxes paid by independent colleges and universities is allowed for gasoline used in buses transferring to and from institutions, and to and from student functions. The State makes a $2,400 per capita subsidy grant to each accredited non-public school of dentistry located within the State for each Doctor of Dental Surgery degree earned by a Michigan resident. The Michigan Higher Education Facilities Authority was created to issue tax-exempt bonds for financing the construction of academic facilities at independent colleges and universities.

Michigan also provides competitive non-repayable Tuition-Equalization Grants of up to $800 per year to permit needy students to attend private non-profit Michigan colleges or universities. $5,200,000 was appropriated in 1969-71. The Michigan scholarship program for needy students is competitive and may be used at any approved public or private Michigan college for graduate or undergraduate work. In 1970-71, $2,270,000 (30% of the total appropriation) went to independent institutions. The Michigan Higher Education Assistance Authority operates the state-guaranteed student loan plan.

Minnesota - A 1971 law authorizes the Minnesota Higher Education Coordinating Commission to contract with private colleges for the education of additional Minnesota students and for low-income students. For each state resident in excess of the 1970 enrollment, each four-year college will receive up to $500 and each two-year college
up to $400. The same amount will be allotted for each low-income student who receives a state grant-in-aid. $2,700,000 has been appropriated for 1971-73. Gifts to private colleges are tax deductible from the Minnesota State income tax. The State Scholarship Program is based on scholarship and financial need and awards are made to state residents who intend to enroll at an approved Minnesota institution. The award is paid to the institution. New grants in the amount of $300,000 were appropriated in 1970-71 of which 67% went to independent institutions. The Nursing Scholarship Program is based on financial need and awards are made to students enrolled in approved Minnesota institutions. The law provides that the recipient must agree to practice in the field of nursing for at least one year immediately after graduation. In 1970-71 approximately 10% of the Indian Student Scholarships were used at independent institutions.

Minnesota also has a Grant-in-Aid Program for students with extreme financial need. In 1970-71, 15% of the total appropriation of $400,000 went to private institutions. In 1969-70, 45% of the $200,000 appropriation went to the private sector. The United States Office of Education administers the State's federally-insured guaranteed student loan program. The 1971 legislature established a State Higher Education Facilities Agency which is authorized to issue tax-exempt bonds for the construction or renovation of physical facilities on independent college campuses.

**Mississippi** - The State makes contractual arrangements through The Southern Regional Education Board for out-of-state student places and student
aid. In 1969-70, 23% of the total appropriation of $243,200 went to independent institutions. There is no state-wide scholarship or grant program for students attending either the public or the private sector. The State's federally-insured student loan plan is operated by the United States Office of Education.

**Missouri** - The State offers limited property and sales tax exemptions to non-public institutions of higher education. Currently, there is no scholarship or grant program for any student in the State of Missouri. There is an NDEA-guaranteed student loan program administered through the Missouri Commission of Higher Education. In 1971 a Governor's Commission recommended an assistance program that would aid students who attended either public or private institutions. They called for (1) state competitive scholarships awarded to students of limited financial means, (2) a tuition-equalization program, (3) contractual arrangements for educational services, (4) contractual arrangements with private schools and colleges of medicine and osteopathy; and (5) educational opportunity grants for capable disadvantaged students. The measures were, however, defeated.

**Montana** - Contractual arrangements for out-of-state student places are made through The Western Interstate Commission for Higher Education. In 1970-71, $38,400 was appropriated to independent institutions. There are scholarship programs for High School Honor, for War Orphans, and for Advanced Honor or Merit. No specific detail on funding is available at this time. The United States Office of Education operates the State's federally-insured student loan program.
Nebraska - Nebraska has a constitutional proscription against state aid to any non-public school. There is no state scholarship program to meet the financial needs of students within the state, however, the United States Office of Education administers a federally-insured guaranteed student loan program. In 1971 the State Investment Council was authorized to provide direct loans to students attending public or private colleges in the state. Procedures and amounts of money will be determined during the 1971-72 academic year.

Nevada - There are no private institutions of higher education in Nevada. Contractual arrangements for out-of-state student places are made through The Western Interstate Commission for Higher Education and appropriations of $47,401 were made to independent institutions in 1970-71. The United Student Aids Fund, Inc. operates the State's guaranteed student loan program.

New Hampshire - In 1970 the legislature created the New Hampshire Higher Educational and Facilities Authority to issue tax-exempt bonds for facility construction at private institutions. A State Scholarship Program, for which students attending independent colleges are eligible, was created in 1967. To date no funds have been appropriated for this program. The New Hampshire Higher Education Assistance Authority administers the state-guaranteed student loan program.

New Jersey - In December 1971 the State Board of Higher Education in New Jersey proposed a program of financial aid to the State's independent colleges and universities. This program, subject to the approval of appropriations by the Governor and the legislature, is estimated
to cost between $6 and $9 million annually. The Board would offer three types of contracts to eligible institutions: (1) contracts for graduate and professional programs, (2) a program for utilization of resources ($600 for each additional full-time New Jersey undergraduate student enrolled over the total enrollment of the previous year, and $175 for each full-time freshman and sophomore, and $225 for each junior and senior New Jersey undergraduate enrolled for the previous year) and (3) Cost of Education Grants in the amount of $300 for each New Jersey full-time undergraduate enrolled in the previous year who is a recipient of State financial aid of $1,000 or more. New Jersey contracts annually with the Newark College of Engineering to purchase higher education at that independent institution. In 1966-67, for example, the State agreed to appropriate approximately 50% of the College's budget needs. The appropriation that year amounted to just under $3,500,000. It is probable that this type of contract will be included under the new plan described above. Both public and private colleges and universities borrow money from the proceeds of bonds issued by the New Jersey Education Facility Authority. The Authority is able to get low interest rates because of its tax-free nature, to make savings through quantity purchasing of equipment and to offer flexibility in meeting the wide variety of construction requirements among the various colleges. As of January 1, 1970, $5 million in bonds had been issued for independent institutions. A portion of the money used for the Economic Opportunity Grant Program for students is given to public and
private institutions to provide supporting services in such areas as tutoring and counseling. In 1970-71, $456,866 of the $3.5 million appropriation went to independent institutions. The New Jersey State Scholarship Program is based on competition and financial need and is available to New Jersey residents for use in-state or out-of-state. In 1970-71 the appropriation was $6,890,000 and 17.1% ($1,175,000) went to independent institutions. County College Graduate Scholarship Grants are made to New Jersey residents who are graduates of New Jersey County Colleges and who plan to attend a four-year institution as a full-time student. In 1970-71 the appropriation was $511,500 of which $128,000 (25.6%) went to independent institutions. A Tuition-Equalization and Educational Incentive Grant Program was funded in 1971-72 at $1,432,000 with 100% going to private institutions. These grants are awarded annually to any student who has received a state scholarship and plans to attend a college, university, or hospital school of nursing in New Jersey where tuition and fees exceed $500. Educational Opportunity Fund Grants are awarded annually to economically and educationally deprived students who are New Jersey residents. 10% of the fund may be used to assist out-of-state undergraduates and New Jersey graduate students. In 1970-71 the appropriation was $6,125,000 and 11.9% ($731,000) went to non-public institutions. Tuition Aid Grants are based on financial needs and tuition costs and are awarded to New Jersey residents enrolled as full-time freshman, sophomores or juniors in a New Jersey college or university whose annual tuition exceeds $450. $3,500,000 was appropriated in 1970-
71, of which 100% went to private institutions. The New Jersey Higher Education Assistance Authority operates the state-guaranteed student loan program.

**New Mexico** - Contractual arrangements for out-of-state student places are made through the Western Interstate Commission for Higher Education. In 1970-71, $7,200 was appropriated to independent institutions. New Mexico has no state-wide program of student financial aid, however, the United States Office of Education administers the State's federally-insured student loan program.

**New York** - This State has a very comprehensive program of financial assistance to private institutions of higher education. Direct aid, in the form of direct subsidy, is granted under four different programs. In 1971-72, the appropriation to 71 eligible independent colleges is $29.9 million. The grant is computed on the basis of degrees awarded and payments are based on $400 for each bachelor's and master's degree and $2,400 for each doctoral degree. Under the Medical School Program the State provides a payment of $1,500 for each student enrolled in an M.D. Program at a non-public institution. Approximately $4,200,000 was appropriated during 1970-71 to private medical schools. Equal Education Opportunity Grants are made to independent institutions for providing programs for disadvantaged students. In 1970-71, $4 million was appropriated for this program. Several private institutions are participating in a cooperative college center in Mt. Vernon, New York, which is operated for economically disadvantaged students under a State grant of $230,000. No degrees will be awarded but students complet-
ing two years of study will be eligible to transfer to four-year units of SUNY. The State has also established a Distinguished Professorship Program whereby endowed chairs are created at centers of excellence. Most of these have gone to independent higher educational institutions. The State furnishes capital construction assistance through the New York Dormitory Authority which finances all types of capital facilities in both public and private institutions. The Authority issues long-term, tax-exempt bonds to finance buildings and then leases the facilities to the institution. Construction assistance in 1969-70 amounted to $219,000,000. New York also has a program of contractual arrangements for Medical and Nursing Schools. Private medical schools are awarded $6,000 per additional student enrolled over enrollments in a given past. The program also supplies capital funds to match federal construction money. All payments are scheduled to stop by 1973-74 when the contract program terminates unless the State extends the contract period. In 1970-71, $2 million was appropriated for operating support and $6 million for anticipated construction. Under the School of Nursing Program payments are made to both public and non-public colleges who expand enrollments over previous levels. To qualify, the institutions must expand enrollment by 10 students over the base year. $2,400,000 was appropriated for this program in 1970-71. The State's competitive scholarship program makes awards on the basis of ability and need to New York residents for study at institutions situated within the State. The total appropriation in 1969-70 was $28.8 million with
$17,856,000 (62% of the total) going to independent institutions. The total appropriation in 1970-71 was $31,200,000. New York also has a Scholar Incentive Assistance Grant Program for undergraduate and graduate students which provides assistance for needy students to successfully complete programs of study for which they are enrolled. $37.1 million was appropriated for this program in 1969-70 and approximately 67% of this total ($24,857,000) went to independent colleges and universities. The New York State Higher Education Assistance Authority administers the state-guaranteed student loan plan. Loans are available to full- and part-time students attending either in-state or out-of-state.

North Carolina - In 1971 the North Carolina General Assembly initiated a program of support for private higher education. A $575,000 appropriation was made for scholarships to resident North Carolina students effective in 1972. $450,000 was also appropriated for 1972-73 to be used for payments to non-public institutions for each North Carolina student enrolled beyond the number enrolled in the Fall of 1970. A separate appropriation of $1,236,000 was made to educate State residents as physicians at the private schools of medicine of Duke University and Wake Forest University. Direct assistance in the amount of $200 each year for each student enrolled is also given to private and public hospitals for students in diploma nursing education programs. $320,000 was appropriated for this program in 1970-71. North Carolina allows an income tax deduction for gifts to colleges and allows a state income tax exemption of
$600 for each dependent who is a full-time student at either a public or private college. North Carolina makes contractual arrangements through The Southern Regional Education Board for student spaces in out-of-state institutions. In 1969-70, $68,000 of the $165,000 appropriation went to independent institutions. The total appropriation in 1970-71 was $203,760. The State has five scholarship programs which can be used at either public or private institutions. In 1970-71, $1 million was appropriated for Children of War Veterans, $242,800 for Physically Handicapped Students, $1 million for Teachers of Mentally Retarded Children, $414,000 for Medical and Para-Medical Students, and $56,500 for students in special mental health fields. Cancellable Scholarship Loans are provided for needy students attending medical and dental schools. In 1970-71, $2 million was appropriated. An additional $1 million was appropriated for loans with the forgiveness clause for prospective teachers. The Board of Higher Education administers the state-guaranteed student loan program.

North Dakota - North Dakota has no program of direct support for independent institutions of higher education and no state-wide student financial aid program. The United States Office of Education operates the State's federally-guaranteed student loan program.

Ohio - In 1970-71 Ohio inaugurated a program of Instructional Grants. This program provides financial assistance of up to $900 to students attending Ohio private institutions, and up to $300 to students attending Ohio public institutions. To be eligible,
a needy student must be an Ohio resident enrolled as a full-time undergraduate student in an associate or bachelor's degree program other than religion. Of the 1970-71 appropriation of $8,500,000 approximately $6 million went to independent institutions. In the same year the State provided a $1,500,000 subsidy for the Case Western Reserve Medical School which is private. Capital facilities support is given to independent colleges through the Ohio Higher Educational Facilities Commission which is administered through the Ohio Board of Regents. The Commission obtains capital improvement funds on a project by project basis through the issuance of revenue bonds at approximately municipal bond rates. Ohio has no state-supported scholarship program for students. The Ohio Student Loan Commission operates a state-guaranteed student loan program.

Oklahoma - State law specifically provides that no state funds shall be allocated for budgetary support of private institutions. Thus, there is no direct support to the private sector. The 1971 legislature authorized grants of up to $500 per student based on need and presumably, these grants could have been used at either public or private institutions but no funds were appropriated. The Oklahoma State Regents for Higher Education operates the state-guaranteed student loan program. It is estimated that 40% of the loans go to students attending independent institutions.

Oregon - In 1970-71 Oregon initiated for the 1971-73 biennium a $2 million program of State Financial Assistance to Oregon's independent colleges and universities for the purpose of providing non-
sectarian undergraduate education for Oregon residents. These funds, administered by the State Scholarship Commission on a contract basis, will provide approximately $250 for every full-time equivalent student. The State makes contractual arrangements for out-of-state student places through The Western Interstate Commission for Higher Education. $8,668 was appropriated to independent institutions in 1970-71. A Tuition-Equalization Grant Program was funded at $1,325,100 during the 1969-71 biennium. These grants of $100 per year were made to Oregon students enrolled as a full-time student in an approved Oregon private four-year institution. Religious education was excluded. It is not clear whether this program has been superseded by the program described above. A State Scholarship Program is available to Oregon residents at four-year public or private institutions in Oregon. Awards are granted on the basis of ability and need and are continued yearly depending on achievement and need. Of the $167,000 1969-70 appropriation, 33% ($55,110) went to independent institutions. The total appropriation for 1970-71 was $167,135. The Oregon State Scholarship Commission administers the state-guaranteed student loan program. It is estimated that approximately 20% of the loans go to the students attending private institutions in Oregon. The Oregon Independent Colleges Association is seeking the same exclusion from payment of a transit tax as is enjoyed by the State institutions and is asking for the privilege of using the state purchasing system for all purchases.
Pennsylvania grants money to 16 private, state-related colleges and universities. There are, however, some independent colleges which receive no public support. It has been estimated that approximately one-third of the amount of money the State spends on higher education goes to the private sector. Capital facilities assistance is provided to the independent institutions by the Pennsylvania Higher Education Facilities Authority. The Authority operates on a lease-back arrangement through the sale of long-term, tax-free bonds. In the first nine months of 1970 approximately $3.5 million in construction grants were made. Private institutions are granted tax exemptions under a law which states that public property used for public purposes and "institutions of purely public charity" are exempt from taxation. The State Scholarship Program, which is administered by the Pennsylvania Higher Education Assistance Agency, enables needy resident students to make their own choice of public or private higher education. $51.4 million was appropriated in 1969-70 and just under 50% of all recipients attended independent colleges and universities. Private four-year colleges received $18.5 million, private junior colleges received almost $1 million and private medical colleges received $2-3/4 million. The State's Educational Incentive Program provides special grants to State residents who do not meet the College Board Scholastic Aptitude Test requirement in the basic scholarship program. To be eligible, a student must be an incoming freshman and must be enrolled in a program leading to an associate or baccalaureate degree and
must qualify for financial aid. Approximately one-third of the $969,000 awards in 1970, went to independent institutions. The Pennsylvania Higher Education Assistance Agency administers the state-guaranteed student loan program.

Rhode Island - This State has no program of direct support for independent institutions of higher education. There are four basic scholarship programs. Rhode Island Scholarships may be used at any approved institution in the United States or Canada if the student is pursuing a course leading to a bachelor's degree. Eligibility is determined by scholastic record, test performance, and financial need. Awards are made directly to the recipient's institution. In 1970-71, $1,500,000 was appropriated for this program and $825,000 (55% of the total) went to private institutions. Business Education Teachers Scholarships in the amount of $14,000 was appropriated in 1970-71 and the entire amount went to independent institutions. Nursing Education Scholarships are available to students attending public or non-public hospital schools of nursing or collegiate nursing programs. These scholarships are available at either the undergraduate or the graduate level. $70,000 was appropriated for this program in 1970-71. War Orphans Scholarships are available to children of residents of Rhode Island who were killed in action, or died from other causes, or who are receiving a pension due to more than 50% disability. $3,000 was appropriated in 1970-71 and the awards may be used in either public or private institutions. The Rhode Island Higher Education Assistance Corporation administers the state-guaranteed loan plan.
South Carolina - In 1971 the State Supreme Court ruled that church-related colleges could not participate in South Carolina's program of tuition grants to students in independent colleges. As a result, only four institutions remain eligible. The program provides for Tuition-Equalization Grants to students at non-public institutions. The State offers capital construction assistance through the Educational Facilities Authority which enables private institutions to secure tax-exempt bonding for capital construction purposes. The Authority may not, however, pledge the full faith and credit of the State. South Carolina has four types of contractual arrangements with independent institutions. For special services private institutions may utilize the State Purchasing Office in the same manner as public institutions for bulk purchase of routine supplies and equipment. The State also contracts with independent colleges to train public school teachers. The 1970-71 appropriation was $200,000 and was administered by the Commission on Higher Education. The State compensates public school teachers ($100,000 in 1970-71) for supervising practice teaching of undergraduates at independent colleges. Contracts are made through the Southern Regional Education Board to provide student spaces and student aid at out-of-state institutions. $9,000 was appropriated for this purpose in 1969-70. There is no State supported scholarship program in South Carolina for students with ability or financial need. An Out-of-State Grant Program makes awards of fully state-funded tuition grants to South Carolina residents enrolling in any accredited out-of-state institution for any curricula not avail-
able to them in-state. In 1969-70, $93,000 in grants was awarded. The United Student Aid Funds, Inc. operates the State's guaranteed student loan program. In 1971 a State Education Assistance Authority was created to issue revenue bonds to make or guarantee loans to students at colleges and vocational schools. This will, in effect, revamp the State's guaranteed student loan program and is expected to go into operation during 1972. Future effort of South Carolina's independent institutions will center around (1) constitutional revision to permit more state assistance, (2) adequate funding for tuition grants, (3) exemption from sales tax payments, (4) gift tax credit legislation and (5) more cooperative work with the state colleges.

South Dakota - This State has no program of direct support for independent institutions of higher education. Other than special programs to aid the children of veterans, blind students, and Indians there is no general student financial aid program in South Dakota. The United States Office of Education operates the State's federally-guaranteed student loan program. In 1971 a tuition grant bill for students attending private institutions (similar to existing Iowa legislation) was introduced into the legislature but failed to pass.

Tennessee - In 1971 the Tennessee legislature passed a bill, which became law, providing funds for needy Tennessee students attending either public or private institutions in the State. However, no funds were appropriated. The State makes contractual arrangements through the Southern Regional Education Board for places and student aid at out-of-state institutions. In a recent appropriation of $169,000,
$60,000 went to independent institutions. Tennessee has no grant or general state-supported scholarship program. Service-Scholarship Loans are awarded to Tennessee graduate students enrolled in professional nursing schools. The loan may be converted to a scholarship if the graduate teaches nursing in a Tennessee school of nursing for at least one year. In 1970-71 the appropriation for this program was $80,000. The Tennessee Educational Loan Corporation administers the state-guaranteed student loan program which aids Tennessee students attending any approved institution within the State. The United States Office of Education provides funds for Tennessee residents who attend out-of-state institutions.

**Texas** - The 1971 legislature authorized the State's Coordinating Board (the Texas College and University System) to award Tuition-Equalization Grants of up to $600 to Texas residents enrolled in independent colleges in the State. In 1971-72, only freshman are eligible and the appropriation was for $1 million. This program was designed to relieve the demand for new spaces in public institutions, to utilize spaces available in Texas' private colleges, and to offer assistance to Texas students. Another bill, which would have authorized the Coordinating Board to contract with non-public colleges for needy services and programs, died in committee. Although 19 state scholarship programs of tuition and fee waivers are available to students enrolled in public colleges and universities, there is no state-wide program open to students attending independent institutions. Texas has a state-supported student loan plan entitled the Texas Opportunity
Plan. Under this program, which is administered by the Coordinating Board, loans are made to eligible students. In 1970-71 it was estimated that approximately $30 million in loans would be granted with approximately 26% going to students attending the private sector. The United States Office of Education operates the State's federally-guaranteed student loan program.

Utah - The State makes contractual arrangements for out-of-state student places through The Western Interstate Commission for Higher Education. $2,400 was appropriated to independent institutions in 1970-71. Although the State Master Plan recommends further study of student financial aid, at the present time there is no state-wide scholarship or grant program. The United States Office of Education operates the State's federally-insured guaranteed student loan program.

Vermont - In 1970, the State made a contractual arrangement with Norwich University (private) to support the Vermont Development Department's Bureau of Institutional Research. The University's expertise were used for help in business production problems. Independent institutions are eligible for capital construction assistance from the Vermont Educational Building Financing Agency. The legality of the act which created this agency has been challenged and rulings have been appealed to the Supreme Court. The State has two types of scholarship programs. Honor Scholarships are annual competitive awards based on academic standing made to 100 Vermont students who have been accepted for admission at any approved college or university. In 1970-71, 70% of the $10,000 appropriation went to independent institutions.
Senatorial Scholarships are awarded to worthy and needy residents for attendance in Vermont senior colleges and universities, or in accredited Vermont nursing schools. $6,900 of the 1970-71 appropriation of $90,000 went to independent institutions. There is an Incentive Grant Program to aid needy residents to attend any approved in- or out-of-state college, or school of nursing or the medical college at the University of Vermont. In 1969-70, $1,089,000 was appropriated and almost one-third of this amount went to the private sector. The total appropriation for 1970-71 was $1,300,000. The Vermont Student Assistance Corporation administers a small direct loan program. It also administers the Vermont Student Loan Program which provides state-guaranteed loans to Vermont residents. The United States Office of Education administers the federally-insured guaranteed student loan program.

**Virginia** - Although legal experts in Virginia are concerned that state law prohibits the use of state funds by any private institution, the State does contract through The Southern Regional Education Board for places and student aid at out-of-state institutions. Of the 1969-70 appropriation of $123,250, 38.6% went to independent institutions. There is no state-supported grant program, however, State Teachers Scholarships are available to any Virginia resident preparing to teach in Virginia public schools. An undergraduate is eligible if he is enrolled in an institution offering teacher training and a student teaching curriculum that will qualify him for a Collegiate Professional Certificate. In the 1969-71 biennium, $2,310,000 in awards were made but no figures are available as to the amount used at independent institutions. The Virginia
State Education Assistance Authority administers the state-guaranteed student loan program. The United States Office of Education administers a federally-insured guaranteed student loan program for Virginia students attending out-of-state institutions. In 1971, the legislature issued a resolution authorizing the Council of Higher Education to study the role of independent two- and four-year institutions in the State.

Washington - In 1971 the legislature enacted a Tuition Supplemental Grant Program for the State's independent institutions. $1,700,000 has been appropriated and grants of $100 per undergraduate student will be made to the private institutions. It is hoped that the tuition supplement will encourage students to attend independent colleges and universities and to utilize approximately 6,000 empty classroom spaces in those institutions. The State has no general scholarship program but has a grant program entitled the Washington Student Financial Aid Program. These grants assist qualifying needy and disadvantaged Washington students to attend public or private accredited institutions of their choice. No awards are given to married, emancipated, graduate or theology students. As of 1970-71 no appropriation had been made to an independent institution. The United States Office of Education administers the State's federally-insured guaranteed student loan program.

West Virginia - Although the State contracts through The Southern Regional Education Board for places and student aid for residents attending out-of-state institutions, none of the 1969-70 appropriation went to independent institutions. The West Virginia Scholarship Program provides financial assistance to permit students, qualified as able and needy, to attend their choice of approved institutions.
of higher education within the state. Approximately 25% of the 1970-71 total appropriation went to the private sector. The United States Office of Education administers the State's federally-insured guaranteed student loan program.

**Wisconsin** - Wisconsin offers several programs of direct aid to independent institutions. A Tuition Grant Program was authorized by the Wisconsin legislature in 1965. It is non-competitive and restricted to students electing to attend an independent college in the state. Awards of up to $325 per semester are made to freshman and sophomores and $250 per semester to juniors and seniors. To be eligible students must attend an accredited private non-profit, post-high school educational institution whose tuition exceeds that of the University of Wisconsin-Madison. In 1970-71, $2 million was appropriated to independent institutions. A Tuition Reimbursement Program provides financial assistance to students enrolled in courses not offered by Wisconsin public institutions. Wisconsin private institutions and accredited out-of-state institutions qualify. In 1970-71, $208,000 (65% of the total) went to non-public institutions. In the preceding year, i.e. 1969, the total appropriation to independent institutions for both grant programs was $2,200,000. In the fiscal year 1970 Wisconsin appropriated $3 million to the Marquette Medical School (private) for operating expenses. Tax deductions are allowed on corporate income tax returns for contributions to independent institutions. The private sector is also exempt from property taxation, and sales and use taxes. The several Wisconsin Scholarship Programs are available to students to be used at the public or private institution
of their choice. In 1970-71 the Honor Scholarship Program was funded at $750,000 and 18% of this amount went to students attending non-public institutions. 10% of the 1970-71 appropriation of $100,000 for the program of Stipends for Teachers of the Handicapped went to students attending independent institutions.

Teacher Scholarships are available to students from educationally disadvantaged areas to enable them to complete a college education and to encourage them to teach in an educationally disadvantaged area of Wisconsin. $23,100 was appropriated in 1970-71 (11% of the total) for students attending independent institutions. The Wisconsin Indian Scholarship Program provides awards to students attending any degree-granting Wisconsin institution. The Wisconsin Higher Education Corporation operates the state-guaranteed student loan program. In 1970-71 loans totaled $7 million and approximately 15% went to students attending private institutions.

**Wyoming** - There are no independent institutions of higher education in Wyoming but the State contracts through The Western Interstate Commission for Higher Education for out-of-state student places. In 1970-71, $17,403 was appropriated to non-public institutions.

**District of Columbia** - The District of Columbia Educational Assistance Office administers a Student Loan Insurance Program. All other student aid programs are handled by individual institutions.

**CONNECTICUT**

On a national basis, in the period 1963 to 1970, we have seen that the proportion of enrollment in private institutions had decreased by 10.5% (from 35.6% to 25.1%). In Connecticut, in this same period, the decrease
in proportion is even more marked. In 1963, 53.9% of all students enrolled in degree and other programs were enrolled in independent institutions. By 1970 this proportion had fallen to 40.9% -- a total decrease of 13%. As indicated in the chart which follows, earlier comparisons are even more dramatic. In the fall of 1971, for the first time in at least 15 years, enrollments in Connecticut independent colleges show a decrease from those reported in the previous year.

OPENING FALL ENROLLMENT IN CONNECTICUT INSTITUTIONS OF HIGHER EDUCATION

<table>
<thead>
<tr>
<th>YEAR</th>
<th>INDEPENDENT</th>
<th>PUBLIC</th>
<th>TOTAL</th>
<th>PERCENT IN INDEPENDENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
<td>24,783</td>
<td>16,759</td>
<td>41,542</td>
<td>59.7%</td>
</tr>
<tr>
<td>1960</td>
<td>32,215</td>
<td>21,603</td>
<td>53,818</td>
<td>59.9%</td>
</tr>
<tr>
<td>1963</td>
<td>38,675</td>
<td>33,083</td>
<td>71,758</td>
<td>53.9%</td>
</tr>
<tr>
<td>1965</td>
<td>45,773</td>
<td>41,138</td>
<td>86,911</td>
<td>53.0%</td>
</tr>
<tr>
<td>1966</td>
<td>47,180</td>
<td>48,529</td>
<td>95,709</td>
<td>49.3%</td>
</tr>
<tr>
<td>1967</td>
<td>48,262</td>
<td>52,534</td>
<td>100,796</td>
<td>48.9%</td>
</tr>
<tr>
<td>1968</td>
<td>49,109</td>
<td>57,276</td>
<td>106,385</td>
<td>46.2%</td>
</tr>
<tr>
<td>1969</td>
<td>51,349</td>
<td>66,060</td>
<td>117,409</td>
<td>43.7%</td>
</tr>
<tr>
<td>1970</td>
<td>51,861</td>
<td>74,819</td>
<td>126,680</td>
<td>40.9%</td>
</tr>
<tr>
<td>1971</td>
<td>51,251</td>
<td>79,338</td>
<td>130,589</td>
<td>39.2%</td>
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</tbody>
</table>

Recognizing the potential contribution of the independent sector to the total state system of higher education in Connecticut, the 1969 legislature enacted Public Act 627, "concerning promotion of additional student spaces in independent Connecticut colleges". The Commission for Higher Education was authorized to administer the provisions of this Act. The Act requires that participating independent institutions agree (1) to attain a full-time undergraduate enrollment designated by the Commission and in excess of the full-time undergraduate enrollment reported to the Commission for the preceding academic year, (2) to increase the number of

Connecticut undergraduate full-time enrolled students and in excess of the number reported to the Commission for the preceding academic year and (3) to provide Connecticut students attending such institutions with financial aid equal to at least 80% of the amount received from the State by the contracting institutions. In return, the Commission may contract to pay for each additional student space agreed to and attained, an amount equal to 125% of the current tuition at the institution, providing the amount so paid shall not exceed the cost to the State of educating students at a comparable level in Connecticut's public institutions. Based on Fall, 1970 enrollment statistics, a total of $894,551 was distributed to the eight institutions reflected in the following table.

<table>
<thead>
<tr>
<th>INSTITUTION</th>
<th>INCREASE IN CONN. STUDENTS</th>
<th>1970 TOTAL AWARDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Connecticut College</td>
<td>46</td>
<td>$94,162</td>
</tr>
<tr>
<td>2. Fairfield University</td>
<td>143</td>
<td>292,721</td>
</tr>
<tr>
<td>3. Hartford College for Women</td>
<td>15</td>
<td>21,870</td>
</tr>
<tr>
<td>4. Quinnipiac College</td>
<td>41</td>
<td>74,825</td>
</tr>
<tr>
<td>5. Trinity College</td>
<td>20</td>
<td>40,940</td>
</tr>
<tr>
<td>6. University of Hartford</td>
<td>141</td>
<td>264,375</td>
</tr>
<tr>
<td>7. University of New Haven</td>
<td>44</td>
<td>77,000</td>
</tr>
<tr>
<td>8. Wesleyan University</td>
<td>14</td>
<td>28,658</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>464</strong></td>
<td><strong>$894,551</strong></td>
</tr>
</tbody>
</table>

It should be noted that, while the total increase in Connecticut students represented by these grants was 464, the colleges reported that approximately 2,000 students were assisted by the funds made available.

In the Fall of 1971 when total enrollment actually decreased in the private sector, only 6 institutions were able to qualify for assistance under the Act. $332,874.00 was awarded to the colleges and universities listed in the table which appears on the following page.

In evaluating the effectiveness of Public Act 627 during the past two years, it should be noted that the independent colleges were caught
by an unforeseen decrease in enrollments. This law, however, represents an attempt on the part of the State to utilize the resources of independent institutions and to provide some measure of relief to the overtaxed public sector. Experience to date indicates a need for changes in the existing legislation to provide a broader base for contractual relationships with independent institutions which would make possible a greater utilization of their considerable resources. The Commission has enjoyed the cooperation of the Connecticut Conference of Independent Colleges since its inception and has worked closely with its leadership on all matters related to the development and welfare of the private sector of higher education in the State. To this end, and in cooperation with the Connecticut Conference of Independent Colleges, the Commission will sponsor two new legislative proposals to the 1972 session of the General Assembly. The first of these recognizes that the independent colleges and universities will not attain their projected enrollments unless additional financial assistance is available for their students. The cost of attending these institutions is considerably greater than that of attending the State's public institutions. Each institution, under the terms of the Commission's proposal, would receive payment for one-half of their full-time undergraduate Connecticut enrollment. Payments would be based on one-half of the net cost to the State for educating full-time undergraduate students in Connecticut's
public institutions. Each participating college would agree to expend an amount equal to at least 80% of the monies received under this Act as direct financial assistance to Connecticut students. The second proposal would permit the Commission for Higher Education to contract with independent colleges for needed programs, facilities and services and, by so doing, reduce the need for duplicate programs or facilities. Draft copies of the proposed legislation will be found as Attachments I and II. The basic positions of the Connecticut Conference of Independent Colleges are listed in Attachment No. III.

Connecticut has three basic programs of student financial assistance—the State Scholarship Program (based on academic achievement and financial need), the program of awards to Children of Deceased or Disabled Veterans, and the Restricted Educational Achievement Grant Program. Freedom of choice between public and independent institutions, in- and out-of-state, is permitted. In 1970-71, $1,266,207 was appropriated for the State Scholarship Program. Of this amount, $1,019,407 (80.5% of the total) was awarded to students attending independent institutions. 90% of the awards are for undergraduate students and 10% for graduate students. Of the $18,000 in awards to Children of Deceased or Disabled Veterans (in 1970-71) 45.6% of the total went to students attending independent colleges. The Restricted Educational Achievement Grant Program ($190,000 in 1970-71) is limited to Connecticut institutions. 38.8% of the total went to students attending non-public colleges in the State. A more complete discussion of these programs will be found in the staff paper entitled Student Financial Assistance prepared for the Education Committee by Dr. William H. James and Dr. Romeo J. Bernier of the Connecticut Commission for Higher Education.

Connecticut furnishes capital construction assistance to the independent
colleges through the Health and Education Facilities Authority. The Authority
issues both long and short-term bonds to finance construction.

The Connecticut Student Loan Foundation, a non-profit, state-supported
corporation, operates the State-guaranteed student loan program. $27.3 million
in loans were made in 1969-70, and 87% of the total went to students attending
private institutions. More than $133,660,000 has been loaned to students
since this program began.

COURT DECISIONS

On June 28, 1971, the Supreme Court upheld by a 5-4 vote, the award-
ing of construction funds under the Higher Education Facilities Act of
1963, to church-related colleges. A 20-year limitation on the religious
use of facilities constructed with federal funds was struck down as uncon-
stitutional. The Court ruled that such facilities must never be used
for religious purposes.

The case, "Tilton v. Richardson", was brought by 15 federal taxpayers
in Connecticut against the HEW Secretary and others. The case involved
only four Connecticut colleges (Annhurst College, Fairfield University,
Albertus Magnus College and Sacred Heart University) but grants of millions
of dollars to other colleges throughout the nation were at stake in the
ruling. The federal government is thus able to make grants of up to 50%
for the construction of the non-religious college campus buildings. The
same 15 taxpayers have indicated that they will ask the United States
Supreme Court to reconsider its June 28, 1971 decision. The petitioners
contend that the Court did not specifically determine whether the four
church-related colleges in Connecticut are sectarian. Father William C.
McInnes, S.J., President of Fairfield University, contends that the High
Court specifically referred to the question and, after examining the evidence relating to it, ruled on the question. Father McInnes believes that the ruling indicated that some schools might not be eligible, "but that we were". Fairfield used the federal money to help build a science building and a library, Sacred Heart a library, Annhurst a music-drama-arts building, and Albertus Magnus a language laboratory.

The Supreme Court, in a unanimous decision, declared unconstitutional a Pennsylvania law which would have permitted the State to contract with non-public schools "for the purchase of secular education services".

In a companion case the Supreme Court decided, in June 1971, by a vote of 8 to 1, that State programs which reimburse Roman Catholic and other church-related elementary and secondary schools for instruction in non-religious subjects, are unconstitutional. That decision specifically struck down state laws in Rhode Island and Pennsylvania and apparently voids similar laws in New Jersey, Connecticut, Ohio and Louisiana.

In both the Pennsylvania and the Rhode Island cases, the Court found that both state laws "are unconstitutional under the religion clauses of the first amendment, as the cumulative impact of the entire relationship arising under the statutes involves excessive entanglement between government and religion". (7)

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STUDIES


AN ACT CONCERNING UTILIZATION OF RESOURCES
IN INDEPENDENT CONNECTICUT COLLEGES AND UNIVERSITIES,
BY THE COMMISSION FOR HIGHER EDUCATION

Be it enacted by the Senate and House of Representatives in General
Assembly convened:
Sections 10-331a through 10-331e of the 1969 Supplement to the General
Statutes are repealed and the following sections are enacted in lieu
thereof:

Section 1. DECLARATION OF POLICY. The State, acting through the Commission
for Higher Education, (1) shall promote and coordinate the continuing develop-
ment of the independent colleges with that of the public colleges, and (2)
shall, without infringing upon the autonomy of the independent institutions,
more fully utilize the resources of the independent colleges to the advantage
of the State of Connecticut and its citizens, and (3) shall assist Connecti-
cut students who have financial need in attending a college of their choice.

Section 2. DEFINITIONS. For the purposes of this act (1) a "Connecticut
student", if single, is defined as a student whose last legal address prior
to acceptance for admission by his present college, was in the State of
Connecticut; (2) a "Connecticut student", if married, is defined as a student
whose legal residence at the time of registration in college was in the
State of Connecticut; (3) a "full-time undergraduate student" is defined as a
student who has been registered at a college and who has been accepted for
matriculation in a course of study leading to an associate or bachelor degree
and who is carrying twelve or more semester credit hours at that college; (4)
an "independent college" is a college located in this state which is not
included in the Connecticut system of public higher education and whose
primary function is not the preparation of students for religious vocation;
Section 3. PAYMENTS TO INDEPENDENT INSTITUTIONS. For the purpose of computing payments to independent institutions the Commission shall determine the number of Connecticut students to be counted but the number shall not exceed fifty percent of the number of full-time undergraduate Connecticut students enrolled each fall in each participating independent institution. Payments shall be made by the Commission to eligible independent institutions under the provisions of this Act and such payments shall represent the product of no more than fifty percent of the number of full-time Connecticut undergraduate students enrolled in the fall of the academic year for which payment is being made and fifty percent of the difference between the average per-student cost to the State for educating full-time undergraduate students in public two and four-year institutions and the tuition charges made to students in those two and four-year institutions respectively. Each participating college will agree to expend an amount equal to at least eighty percent of the monies received under this Act as direct financial assistance to Connecticut students. Direct financial assistance does not include loans to Connecticut students which must be repaid at some future date nor does it include work-study programs.

Section 4. DETERMINATION OF NEED. The individual institution shall determine the size and numbers of grants to be awarded to Connecticut students. Grants will be based on the student's financial need and will be consistent with the student aid program as defined by that institution.

Section 5. ADMINISTRATION OF THE PROGRAM. Of the appropriation made for this purpose, the Commission for Higher Education may utilize up to two and one half percent to administer this act, provide for a continuing evaluation of its effectiveness, conduct a detailed study of the potential contribution
which can be made by the individual colleges in meeting total state needs in higher education and submit an annual report and other reports and recommenda-
tions to the Governor and Education Committee of the General Assembly.

Section 6. DUTIES OF THE COMMISSION. In administering this Act, the Commission for Higher Education shall (1) develop and utilize fiscal procedures designed to insure accountability for public funds, (2) determine, in such manner as it deems appropriate, the average per-student cost to the State of educating students in the State's two-year and four-year public institutions of higher education, (3) identify student demand in the foreseeable future for various types and levels of higher education, and (4) authorize the State Comptroller to make those payments to independent institutions that are approved by the Commission.

Section 7. REIMBURSEMENT. The Commission for Higher Education shall reimburse the participating colleges on or about September 1 of each year one-half of the amount due based on the previous year's enrollment of eligible Connecticut students. Adjustment and final payment shall be made by the Commission after November 15 of each year and shall be based on the official fall enrollment of Connecticut students in the academic year for which the contract is drawn.

Section 8. The sum of $___________ is appropriated for the fiscal year ending June 30, 1973.
AN ACT CONCERNING CONTRACTS WITH INDEPENDENT COLLEGES FOR PROGRAMS, FACILITIES, AND SERVICES BY THE COMMISSION FOR HIGHER EDUCATION

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. EDUCATIONAL DEVELOPMENTS. In order to secure for higher education in Connecticut the additional advantages which would accrue under more widely cooperative relationships between the public colleges and the independent colleges, the Commission for Higher Education may enter into contracts with independent colleges where such contracts will encourage, promote and coordinate educational developments which are mutually beneficial to the state and the independent sector. Such contracts may include, but are not limited to, the increased use of programs, facilities or services.

Section 2. DEFINITIONS. For the purposes of this Act (1) a program is defined as a course of study leading to certification, licensure, certificate or degree at all post-secondary levels; (2) a facility is defined as a building or an area within a building, a group of buildings, a special area, or specialized items of equipment used for educational purposes; (3) a service is defined as a formal activity designed to explore scientific, technological, and/or humanistic problems, to find solutions to contemporary social problems, or to provide selected public service or student service activities; (4) an independent college or university is an institute of learning located in this state which is not included in the Connecticut system of public higher education and whose primary function is other than the preparation of students for religious vocation.

Section 3. CONTRACTS FOR PROGRAMS, FACILITIES AND SERVICES. The Commission for Higher Education is authorized to contract with independent colleges