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SINCE 1958 TWELFTH YEAR
Number 139 March 1970 Page 879

GRAPEVINE
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Reports on state tax legislation; state appropriations for universities, colleges, and junior colleges; legislation affecting education beyond the high school.

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"It is estimated that the gap which presently exists between demand for public higher education in New York and the number of spaces available for students may not be closed until 1982."

-- Master plan of 1968, State University of New York.

Table 22. ELEVEN STATE UNIVERSITIES FOR WHICH \$30 MILLION TO \$40 MILLION OF STATE TAX FUNDS WERE APPROPRIATED FOR OPERATING EXPENSES FOR FISCAL YEAR 1969-70.

State Universities	1960-61 year	1967-68 year	1969-70 year	Apparent 9-yr \$	gain %
(1)	(2)	(3)	(4)	(5)	(6)
U of Massachusetts *	9,999	29,853	39,754 *	29,755	298
U of Tennessee + ***	10,493	30,070	35,852	25,359	242
Washington State U	13,387	27,796	35,289	21,902	164
U of Illinois - Medical Center - Chicago ***	-	27,106	34,296	-	-
Iowa State U	11,890	28,833	32,459	20,569	173
N C State U-Raleigh ***	10,026	21,668	32,183	22,157	230
Northern Illinois U	4,998	25,027	31,910	26,912	538
U of Colorado	12,268	26,525	31,497	19,229	157
West Virginia U	8,800	25,418	30,354	21,554	245
U of Kansas	12,855	22,400	30,273	17,418	135
U of Illinois - Chicago Circle ***	-	21,040	30,122	-	-
Totals	94,716	285,736	363,989	204,855	
Weighted average percentage of gain over nine years					216

* Recent reports indicate that the total for the University of Massachusetts for fiscal year 1969-70 is somewhat larger than reported here, and that it substantially exceeds \$40 million. This would place the University of Massachusetts in Table 21 (GRAPEVINE page 878).

+ Includes main campus at Knoxville, extension center at Nashville, medical center at Memphis.

*** A component campus of a larger state university complex previously entered in an earlier table of this series.

NOTE: It also appears that appropriations for fiscal year 1969-70 for the University of Nebraska (including the Omaha Campus, formerly the Municipal University of Omaha) aggregated somewhat more than \$40 million. This would place the University of Nebraska in Table 21 (GRAPEVINE page 878).

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NEW YORK. It is reported that the State Education Department (Board of Regents of the University of the State of New York) has decided that three institutions originally under Roman Catholic auspices are not now under sectarian control, and hence are eligible for direct state aid under the authorizing act of 1968 and the appropriation act of 1969 providing for state aid to private universities and colleges.

The total amount of tax money annually involved, under the current formula, is said to be slightly over \$1-1/4 million, to be distributed in these three cases as follows:

Fordham University in New York City, slightly more than \$1 million; Manhattanville College in Purchase, N. Y., \$143,000; and St. John Fisher College in Rochester, \$102,000.

PENNSYLVANIA. Another comparatively small tax "package" has become law without the signature of Governor Shafer, who advocated, thus far without success, a personal income tax.

Principal features of the new law: (1) extension of the 6 per cent sales tax to cover all types of insurance policies except health and accident, to produce \$41 million in the remainder of this fiscal year; (2) a 30-mill tax on all real property of all utilities, including those municipally-owned (\$50 million); and (3) an increase in the utility gross receipts tax to 45 mills from the prior 20 mills (\$43 million).

Appropriations for operating expenses of the "state-related" universities and the "state-aided" institutions were belatedly made, in sums somewhat larger than for the preceding year, but with no special provision for reimbursement for the large sums that have had to be paid as interest on borrowings necessary to keep in operation during the first seven months of the current fiscal year.

TENNESSEE. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1970-71:

Table 23. State tax-fund appropriations for operating expenses of higher education in Tennessee, fiscal year 1970-71, in thousands of dollars.

Institutions (1)	Sums appropriated
U of Tennessee (Main Campus)	\$27,900
Medical Center (Memphis)	6,256
Ag Experiment Sta	2,117
Ag Extension Service	3,020
Memorial Research Ctr	450
Municipal Tech Adv Serv	164
<hr/>	
Subtotal, U of T -	\$39,907
U of T, Martin	4,464
U of T, Chattanooga	3,944
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Subtotal, UT Syst -	\$48,315
Regional universities -	
Memphis State U	15,866
East Tennessee St U	7,446
Middle Tennessee St U	7,171
Tennessee Technological U	5,690
Tennessee State U	4,554
Austin Peay State U	3,174
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Subtotal, r u's -	\$43,901
Community Colleges -	
Cleveland State	1,243
Jackson State	1,195
Columbia State	1,109
Dyersburg State	750
Motlow State	800
Walters State	500
Roane County	75
Shelby County	100
Sumner County	75
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Subtotal, c c's -	\$5,847
Tennessee Higher Ed Commission	292
So Regional Edn Bd	243
<hr/>	
Total	98,598

The total for fiscal year 1970-71 is a gain of 35 per cent over the comparable figure for fiscal year 1968-69, two years earlier.

The ten-year gain since 1960-61 appears to be 479 per cent.

SOME FACTS ABOUT THE TEN MOST POPULOUS STATES

Compare the ten most populous states, first, as to the total of state and local tax collections (1968) per \$1,000 of personal income in each. Table 24 shows the ten states in descending order of population (Column 1). Column 2 shows the dollar total of state and local taxes (1968) per \$1,000 of personal income in each state. Column 3 exhibits the ranking of each state, by that measure, among the ten. Column 4, the rankings of each of the ten, by the same measure, among the fifty states.

The first impression upon scanning Columns 1, 2, and 3 is that the "effort" of the state in support of all state-and-local tax-supported public services is only rarely parallel with the state's ranking as to population. The parallel occurs in the two largest states (California and New York) and not elsewhere. Pennsylvania, third in population, is eighth in state and local taxes per \$1,000 of personal income; and so on.

Rankings within the group of ten states make only a fragmentary picture. The rankings of these same ten states among all fifty states appear in Column 4. A glance reveals that only four of the ten most populous states are above the nationwide median: California, New York, Florida, and Michigan. The other six are below the median, and five of them are in the ranks of forty-second to fiftieth. (The bottom position of Illinois will presumably be somewhat improved after annual

Table 24. The ten most populous states, ranked by (1) population, and (2) total state and local taxes, 1968, per \$1,000 of personal income.

Ten most populous states	State and local taxes, 1968, per \$1,000 of personal income	Rankings within the ten	Rankings among the 50 states
(1)	(2)	(3)	(4)
California	\$160.84	1	1
New York	158.21	2	2
Pennsylvania	113.38	8	34
Illinois	105.40 *	10 *	56
Texas	118.74	6	7
Ohio	111.99	9	8
Michigan	138.13	4	9
New Jersey	114.13	7	10
Florida	138.13	3	11
Massachusetts	129.60	5	12

* The position of Illinois as tenth among the most populous states, and fiftieth among the fifty states is based on a reading in advance of the effective date of the personal and corporation income tax act which went into effect August 1, 1969, and which will presumably improve that position.

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THE TEN MOST POPULOUS STATES (Continued from page 882)

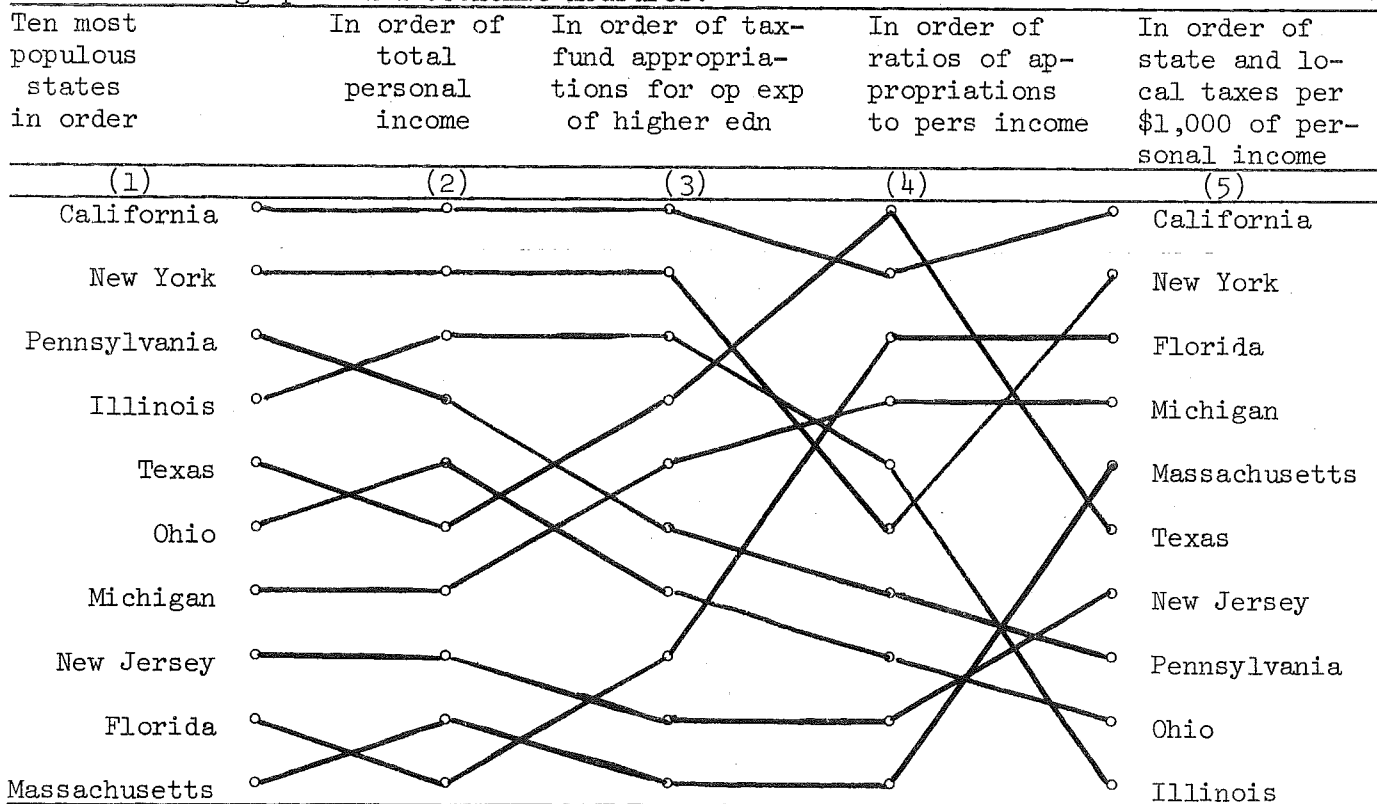
receipts from the state personal and corporation income taxes effective August 1, 1969 can be reported).

So what? We are looking at only one quantifiable measure of "effort" to invest in tax-supported local and state public services, as of one particular year (1968). Recognizing that many other factors, quantifiable or imponderable, may affect the matter in any state, it can only be said that on the surface it would seem that in any of the six populous and industrialized states that are below the national median, substantial increases in state and local total levels of taxation could be accomplished with benefit to the economy.

Such a situation often points directly to the absence of some modern broad-based type of state tax. At latest report, Pennsylvania, though having a corporation income tax, had no personal income tax. Michigan has personal and corporate income taxes, but they are flat-rate, not graduated. Florida, Ohio, and Texas have neither personal or corporate income taxes. Illinois was in the same position until after August 1, 1969.

In Table 25, the ten most populous states are ranked according to five measures: (1) population, (2) total personal income, (3) tax-fund appropriations for operating expenses of higher education, (4) ratios of those appropriations to total personal income, and (5) total state and local taxes per \$1,000 of personal income.

Table 25. The ten most populous states: relative rankings within the ten, according to five demographic and economic measures.



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THE TEN MOST POPULOUS STATES (Continued from page 883)

Inspection of Table 25 can be fascinating. California and New York hold first and second place respectively on all counts except Column 4-- ratios of appropriations to personal income. Here California falls to second, and New York drops to sixth. Since both are well up on state and local taxes per \$1,000 of personal income, it may seem prima facie that both need to give higher education a somewhat higher priority among other state and local governmental functions.

The same may be doubly true of New Jersey and Massachusetts, both of which seem to be at or near the bottom on all counts except Column 5, where it appears that their state and local taxes per \$1,000 of personal income are in the middle range among these ten states.

The most prominent parallelism between two states is that of Pennsylvania and Ohio, which runs diagonally downward across the graph, saying that these two states rank third and sixth in population; fourth and fifth in total personal income; sixth and seventh in tax-fund appropriations for operating expenses of higher education; seventh and eighth in the ratios of those appropriations to personal income; and eighth and ninth in total state and local taxes per \$1,000 of personal income.

In short, Pennsylvania and Ohio are well up in personal incomes, markedly lower in appropriations for higher education, still lower in ratio of appropriations to personal income, and near bottom in the productivity of their state and local revenue systems. Both need to modernize their state tax systems, and both need to give higher education substantially upgraded priority among other state services.

It will be noted that Texas and Florida apparently rank well up in "effort" as measured by ratio of appropriations to personal incomes, but that the Texas state and local revenue system is comparatively low in productivity, ranking only forty-second among the fifty states as indicated in Table 24. This seems to say Texas is giving higher education advanced priority among the other functions of the state, but needs to modernize its state and local revenue system, as previously noted herein.

It is obvious that Michigan is somewhat higher in Columns 3, 4, and 5, all indicative of "effort" in different ways, than its rankings in population and total personal income. This is continued evidence of Michigan's prideful tradition of superior support of higher education.

The steep downslide of Illinois from Column 3 to Column 5 represented the situation in 1968 and the first seven months of 1969, prior to the effective date of personal and corporate income tax acts enacted by the legislature of 1969 to correct a revenue inadequacy that was approaching disaster. The position of the state will undoubtedly be shown to be substantially improved as soon as reports of the first year of the operation of these new taxes become available.