

TIMELY DATA CIRCULATED WHILE CURRENT

SINCE 1958 EIGHTEENTH YEAR
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GRAPEVINE

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

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PARTIAL SUMMARY OF STATE TAX LEGISLATION IN 1975. 1354

"Universities can not be measured by the 'bottom line' of profit and loss. . . . Cost-benefit analysis can not decide who pays for educational opportunity--that's a question of public policy, of social justice."

- - Harold L. Enarson, president of Ohio State University

Statement of ownership and circulation of GRAPEVINE is on page 1350 (reverse hereof).

Table 92. STATE TAX-FUND APPROPRIATIONS AS STATE AID FOR ANNUAL OPERATING EXPENSES OF LOCAL PUBLIC COMMUNITY COLLEGES FOR FISCAL YEARS 1973-74 THROUGH 1975-76, IN THOUSANDS OF DOLLARS.

States	Year 1973-74	Year 1974-75	Year 1975-76	2-year gain per cent
(1)	(2)	(3)	(4)	(5)
California	219,816	323,839	401,003	82
Florida	121,970	146,687	152,834	25
New York	117,110	123,150	141,254	21
Illinois	76,457	92,987	100,771	32
North Carolina	83,638	96,468	98,272	18
Michigan	65,873	74,226	90,400	37
Texas	51,552	57,271	82,067	59
Oregon	25,060	26,083	33,205	33
New Jersey	38,038	35,895	31,575	-17
Maryland	31,157	29,418	31,245	00
Pennsylvania	18,868	25,381	30,000*	59
Arizona	17,758	21,943	26,977	52
Iowa	16,104	17,357	25,800	60
Ohio	16,654	19,913	25,090	51
Missouri	15,386	15,085	18,566	21
Mississippi	13,800	14,277	17,560	27
Kansas	8,148	8,278	9,413	16
Wyoming	4,693	4,693	8,176	74
Arkansas	4,400	4,750	7,191	63
Colorado	4,885	3,333	3,839	-21+
Georgia	3,050	2,839	3,170	4
Indiana	1,454	1,846	2,874	98
Idaho	1,801	2,020	2,479	32
Montana	983	1,072	2,075	111
North Dakota	1,133	1,133	1,384	22
New Mexico	245	260	273	11
Oklahoma**	98	100*	178	82
Totals	960,121	1,150,304	1,347,671	
Weighted average percentage of gain				40

*Estimated

**Until this year five of the junior colleges in Oklahoma were classified as state-aided; now all except Sayre Junior College are regarded as part of the state system. Sayre is a local junior college which receives some state support.

+The negative figure is caused by transfer of some of the institutions from the category of local public to state. See Table 93, page 1351.

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STATE TAX SUPPORT OF TWO-YEAR INSTITUTIONS (OTHER THAN UNIVERSITY BRANCHES)

As in several previous years, GRAPEVINE offers here three tabulations (Tables 92, 93, and 94) on state tax support of three types of two-year institutions: (a) local public community colleges, state-subsidized; (b) state community colleges; and (c) vocational-technical institutes; for the most recent three fiscal years.

The distinctions among the three types become gradually fuzzier as certain trends gather momentum. The tendency for local colleges to become state colleges, as in Colorado and Oklahoma (and in Minnesota and Washington in earlier years); and the recent practice of some states such as Nebraska and South Carolina to gather comprehensive junior colleges and strictly vocational institutes into a single state system bearing a compound name are examples. It appears also that in North Carolina these two types are distinguished, but only an undivided appropriation for all is reported. It is also well known that Wisconsin's Vocational-Technical and Adult Education System exhibits some of the characteristics of a community college system.

Perhaps most important of all, it must be noted that states having more than one of the three types distinguishable, appear in two or three of the tabulations, and in such cases the statewide total for the three types can be found only by inspecting all three tables (92, 93, 94). (Continued on page 1352)

Table 93. STATE TAX-FUND APPROPRIATIONS FOR ANNUAL OPERATING EXPENSES OF STATE JUNIOR COLLEGES IN SEVENTEEN STATES, FISCAL YEAR 1973-74 THROUGH 1975-76, IN THOUSANDS OF DOLLARS.

States	Year 1973-74	Year 1974-75	Year 1975-76	2-year gain per cent
(1)	(2)	(3)	(4)	(5)
Washington	79,628	79,628	99,777	25
Virginia	40,735	47,532	58,718	44
New York	40,427	43,337	47,664	18
Massachusetts	28,314	33,617	32,254	14
South Carolina	17,818	25,914	28,956	63
Alabama	17,602	20,519	28,437	62
Minnesota	18,976	18,922	24,856	31
Georgia	17,000	19,101	21,968	29
Connecticut	17,965	21,085	20,704	15
Colorado	14,341	17,268	20,036	40
Oklahoma	9,892	13,084	17,310*	75
Tennessee	11,645	15,090	15,793	36
Nebraska	8,184	10,923	11,600	42
Delaware	6,489	7,955	9,252	43
Rhode Island	6,909	7,254	7,183	4
Nevada	3,400	4,564	5,795	70
West Virginia	2,294	3,238	4,265	86
Totals	341,621	389,031	454,568	
Weighted average percentage of gain				33

Table 94. STATE TAX-FUND APPROPRIATIONS FOR OPERATING EXPENSES OF VOCATIONAL-TECHNICAL INSTITUTIONS IN THIRTEEN STATES, FISCAL YEAR 1973-74 THROUGH 1975-76, IN THOUSANDS OF DOLLARS

States	Year 1973-74	Year 1974-75	Year 1975-76	2-yr gain per cent
(1)	(2)	(3)	(4)	(5)
Texas	21,256	24,403	43,700	106
Wisconsin	40,119	40,828	33,964	- 15
Alabama	13,033	13,591	22,364	72
Mississippi	13,876	17,987	18,918	36
Ohio	11,504	14,544	18,216	58
Colorado	9,317	12,973	13,522	45
Indiana	5,812	6,888	8,179	41
Iowa	6,200	6,656	8,062	30
Idaho	2,906	4,350	7,151	146
Connecticut	4,776	5,268	5,135	8
Louisiana	2,227	4,208	5,106	129
Maine	4,220	4,553	4,896	16
New Hampshire	3,378	3,817	3,999	18
Totals	138,624	160,066	193,212	
Weighted average percentage of gain				39

In addition to the cautions and pitfalls mentioned on page 1351, we hasten to add that Table 94 (immediately above, on this page) is only fragmentary, and by no means inclusive or comprehensive.

In general the states named in this table are those having two-year vocational-technical institutes recognized as institutions of higher education by the National Center for Educational Statistics in its current Education Directory: Higher Education, 1974-75. (Washington: Government Printing Office, 1975. Pp. 575)

No doubt every state has some tax-subsidized vocational education above the high school level; much of this, in many states, is in comprehensive community colleges. The insurmountable statistical difficulty is that practically all vocational schools at this level have varying proportions of their students at any given time who are not possessors of higher school diplomas; and student turnover in the short courses is so rapid that it is virtually impossible to fix a sharp line and say a given institution is primarily a secondary school or an institution of higher education. The schools serve useful and worthy purposes, but they are "statistically inconvenient." The blurring of the line between secondary and higher education will probably be with us for a long time. The effort to accommodate the needs of a very heterogeneous student body will continue to cause problems for statisticians.

Summary

The two-year gain of 40 per cent for local public community colleges (Table 92), 39 per cent for vocational-technical schools (Table 94), and 33 per cent for state junior colleges, are all well above the nationwide weighted average rates of gain for all higher education. They corroborate the correct belief that the two-year institutions are now growing faster, both in state tax support and in enrollments, than other segments of higher education. This bodes well, for "education creates appetite for more education."

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ALABAMA. Due to delayed completion of appropriations, the tabulation for 1975-76 is presented here for the first time.

Table 95. State tax-fund appropriations for operating expenses of higher education in Alabama, fiscal year 1975-76, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Alabama	
Tuscaloosa	31,007
Birmingham	19,211
School of medicine	9,132
School of dentistry	5,000
School of optometry	1,000
University hospital	4,100
Subtotal, U of A-B - \$38,443	
Huntsville	7,524
Subtotal, U of A - \$76,974	
Auburn University	
Main campus	28,430
Extension service	6,430
Experiment station	5,460
Subtotal, AU, mc - \$40,320	
Montgomery campus	4,520
Subtotal, AU - \$44,840	
U of South Alabama	8,302
Coll of med and gen hosp	7,000
Subtotal, U of SA - \$15,302	
Jacksonville State University	7,570
Alabama A & M	6,194
Troy State U	5,770
Alabama State U	5,414
U of North Alabama	5,018
U of Montevallo	4,478
Livingston U	2,493
Athens State College*	1,000
Private institutions	
Tuskegee	1,263
Walker College	325
Marion Institute	215
Talladega College	200
Junior colleges	28,437
Technical schools	22,364
Medical scholarships	135
Dental scholarships	83
Sylacauga nursing	58
Marine env sci consortium	325
Commission on higher ed	200
So Regional Ed Bd	160
Retirement & social security	44,000
Total	272,819

(Continued in the next column)

ALABAMA (Cont from previous column)

Footnote:

*Accepted by the State as a "gift" from the North Alabama Methodist Conference. It will be operated as a two-year, up-per division, senior institution.

The total for fiscal year 1975-76 appears to be a gain of 52 per cent over the comparable figure for two years earlier.

The 1975 legislature provided for separate governing boards for each of two predominantly black institutions (Alabama State University at Montgomery and Alabama A & M University at Normal, near Huntsville) which had hitherto been governed by the State Board of Education. Each public university in Alabama now has a separate board; and the practice of grouping numerous institutions under a state board of education, once common in many states, has virtually disappeared.

The legislature adjourned early in October 1975, without appropriating moneys to schools. Governor Wallace ordered spending to continue as in the preceding year. His authority to do so was challenged in the state supreme court. Later the legislature made the appropriations.

MISSOURI. Additions to Table 60, page 1314, GRAPEVINE (August 1975). Allocations to the campuses of the University of Missouri were not available when Table 60 was published.

Table 96. Allocation of appropriated funds for operating expenses of the campuses of the University of Missouri, fiscal year 1975-76, in thousands of dollars.

University of Missouri	
Columbia	64,233
Kansas City	20,435
Rolla	13,333
St. Louis	11,129
University-wide services	10,313
Total	119,445

THUMB-NAIL SUMMARY OF STATE TAX LEGISLATION IN THE PANIC YEAR 1975

Usually in the Autumn, the Tax Foundation, Inc. (50 Rockefeller Plaza, New York, N. Y. 10020) devotes one issue of its monthly Tax Review to "State Tax Action" in the year just past. For 1975, the issue is Vol. 36, No. 11, pp. 45-48 (November 1975).

In General

Thirty states are reported to have enacted no tax increases of any kind during 1975. Twenty states increased state taxes, mostly piecemeal, sufficient to add to the \$80 billion collected by the states in fiscal 1975 by about one additional billion during the next ensuing year.

In contrast, during the year 1971 thirty state legislatures "responded to recessionary influences by boosting state taxes by \$5 billion annually;" but during fiscal years 1973 and 1974 the nationwide totals of state-level taxes went down somewhat instead of up. The Tax Review points out that "while the full effects may not yet be clear, available data do not suggest that the recent recession had a severe influence on overall state-local finances."

During the six quarters (fourth quarter 1973 to second quarter 1975), state-local receipts rose 15 per cent, while state-local expenditures rose 18 per cent, from an annual rate of \$193 billion to \$227 billion.

During 1975 seven states--Arkansas, Georgia, Indiana, New Mexico, New York, Utah, and Washington, passed enabling legislation to enable local units to enact or increase sales or income taxes.

State Income Taxes

Massachusetts approved a constitutional amendment, to be submitted to vote of the people in 1976, to permit enactment of a progressive personal income tax.

Michigan raised the flat-rate personal income tax to 4.6 per cent (to go down to 4.4 per cent in 1977), from the former rate of 3.9 per cent, hoping thus

to recoup the \$220 million lost from the earlier exemption of food and drugs from the sales tax.

Nebraska raised the state income tax to 12 per cent of the taxpayer's federal income tax liability, from the former 10 per cent.

Rhode Island took action similar to that of Nebraska, moving the state rate up to 17 per cent of the federal obligation, from the former 15 per cent.

Sales and Excise Taxes

In several states there was legislation focused on certain credits or exemptions from general sales taxes, but no actual reduction of rates.

Connecticut moved the sales tax up to 7 per cent (highest rate in the nation), and broadened its base to include leasing of tangible personal property and a long list of professional and business services, in the expectation of gaining \$75 million of new revenue.

Wisconsin also broadened the base of the sales tax, for an estimated \$23 million of gain over the biennium.

Eight states raised their motor fuels taxes: Hawaii, Massachusetts, Minnesota, Montana, Oregon, Rhode Island, South Dakota, and Wyoming.

Cigarette taxes were boosted in Maryland, Massachusetts, New Hampshire, Oregon, and Rhode Island; and alcoholic beverage levies were raised in Massachusetts, New Hampshire, and Oregon.

Regional Emphasis

This summary is incomplete; but the recurrence of the names of several New England states and the nearby Atlantic coast states of New York and Maryland seems to indicate that the Northeast took the lead in 1975 in modest efforts to increase the productivity of state revenue systems.

Oregon seems also to be prominent in the picture, perhaps because it is one of only five small states that have thus far repeatedly refused to adopt a general sales tax--a pillar of state revenues.