

# GRAPEVINE

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 YEAR

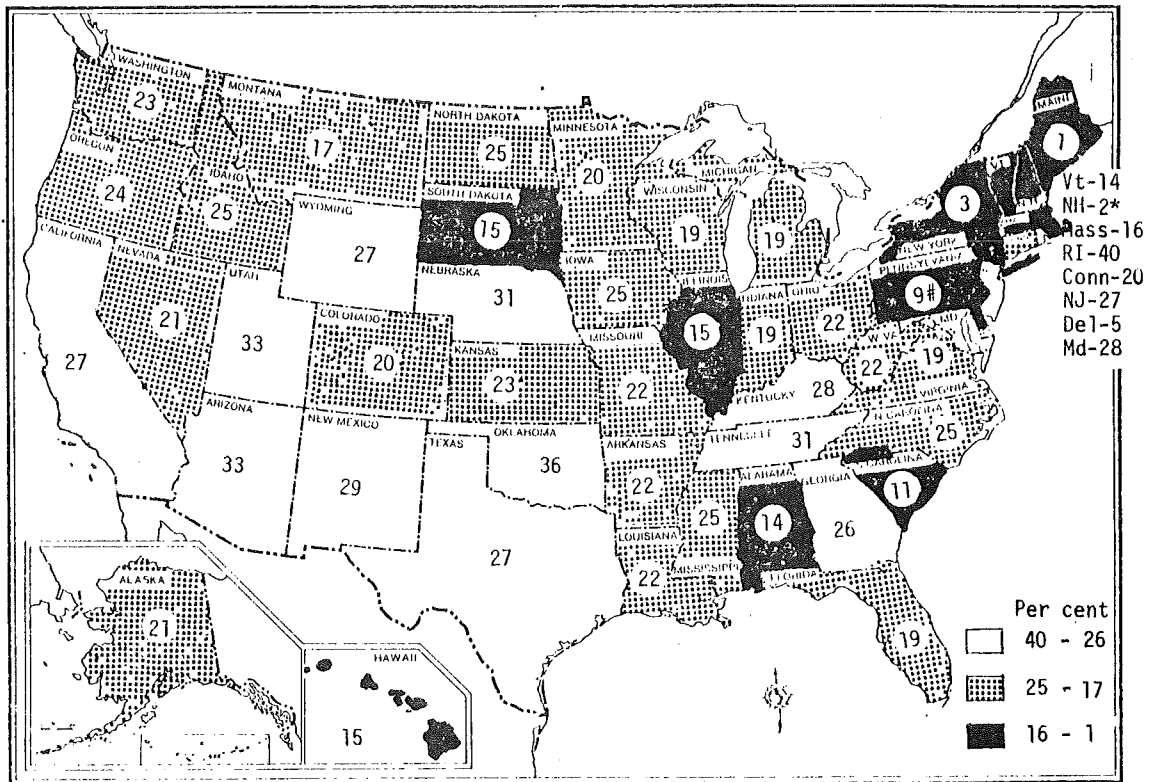
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## TIMELY DATA CIRCULATED WHILE CURRENT

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



PERCENTAGES OF TWO YEAR GAINS IN APPROPRIATIONS OF STATE TAX FUNDS FOR ANNUAL OPERATING EXPENSES OF HIGHER EDUCATION IN THE FIFTY STATES, FISCAL 1978 OVER FISCAL 1976.

Notes: \*At press-time New Hampshire had not yet made the appropriations for higher education. Hence the figure for the preceding fiscal year (1976-77) was used, which made two per cent gain over its predecessor (1975-76).  
 #At press-time Pennsylvania's appropriations had been made for some institutions but not for others. Hence the statewide total is estimated.

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FIFTY STATES APPROPRIATE APPROXIMATELY FIFTEEN AND ONE QUARTER BILLION DOLLARS  
FOR ANNUAL OPERATING EXPENSES OF ALL HIGHER EDUCATION FOR FISCAL YEAR 1977-78

This issue of GRAPEVINE for November 1977, which we hope will reach you before October ends, carries on our practice of nineteen consecutive years of providing a timely 50-state annual summary at about the end of the fourth month of the fiscal year to which it appertains.

Table 14, on page 1483 of this issue, shows a 50-state aggregate of \$15,267,328 appropriated. This is a gain of 20 per cent over the comparable figure of two years earlier (for fiscal year 1975-76). State-by-state, the rate of gain varies from virtually zero to 40 per cent, with the two middle quartiles lying within the range of 17 to 27 per cent. Only 12 states had gains ranging from 16 per cent downward. However, these included four states of large population (all in the northeast quadrant) which pulled the national weighted average down to 20 per cent, while the median was 22.

As in prior years, large parts of the data circulated monthly in GRAPEVINE during the most recent 12 months will be published in a 30-page brochure by the National Association of State Universities and Land-Grant Colleges, and in somewhat different form by the national weekly *Chronicle of Higher Education*.

While the growth of state tax support of higher education has continued since 1971 to be somewhat slowed down, successive two-year gains have always exceeded the rate of general inflation current at the time; and over the seven years since 1971 the 50-state rate of increase is 119 per cent--substantially more than doubling. The states are not about to turn back the clock or shoot out the lights!

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Table 14. APPROPRIATIONS OF STATE TAX FUNDS FOR OPERATING EXPENSES OF HIGHER EDUCATION, IN THOUSANDS OF DOLLARS, FOR FISCAL YEARS 1967-68, 1975-76 AND 1977-78, WITH PERCENTAGE GAINS OVER MOST RECENT TWO AND TEN YEARS.

States	Year 1967-68	Year 1975-76	Year 1977-78	2-yr gain Per cent	10-yr gain Per cent	States
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Ala	58,192	272,819	310,974	14	434	Ala
Alaska	8,619	52,884	64,013	21	643	Alaska
Ariz	46,281	162,657	215,599	33	366	Ariz
Ark	38,985	103,202	126,155	22	224	Ark
Calif	534,075	1,541,528	1,961,525	27	267	Calif
Colo	61,856	184,313	220,907	20	257	Colo
Conn	53,655	136,623	164,478	20	207	Conn
Del	11,313	41,966	44,190	5	291	Del
Fla	128,109	410,952	489,609	19	282	Fla
Ga	87,369	240,490	302,907	26	247	Ga
Hawaii	26,320	95,231	109,642	15	317	Hawaii
Idaho	20,101	61,558	77,072	25	283	Idaho
Ill	301,136	641,623	740,190	15	146	Ill
Ind	132,628	295,297	352,406	19	166	Ind
Iowa	85,773	196,070	244,253	25	185	Iowa
Kans	59,003	153,078	188,869	23	220	Kans
Ky	74,371	169,691	217,405	28	192	Ky
La	93,123	198,996	242,469	22	160	La
Me	18,167	44,818	45,324	1	149	Me
Md	67,700	207,451	266,050	28	293	Md
Mass	57,667	217,238	251,742	16	337	Mass
Mich	231,567	556,806	660,404	19	185	Mich
Minn	95,034	316,674	380,885	20	301	Minn
Miss	36,720	149,363	186,579	25	408	Miss
Mo	92,934	213,774	260,142	22	180	Mo
Mont	21,375	44,665	52,251	17	144	Mont
Neb	33,248	100,082	131,199	31	295	Neb
Nevada	11,773	37,719	45,523	21	287	Nevada
N H	9,201	22,432	22,859*	2	148	N H
N J	83,758	267,337	340,645	27	307	N J
N M	28,954	74,226	95,756	29	231	N M
N Y	431,212	1,256,593	1,298,754	3	201	N Y
N C	106,550	368,754	460,932	25	333	N C
N D	19,888	48,865	61,240	25	208	N D
Ohio	150,527	451,566	551,174	22	266	Ohio
Okla	46,858	127,656	173,261	36	270	Okla
Oregon	67,305	159,328	198,234	24	195	Oregon
Pa	179,212	620,862	676,211*	9	277	Pa
R I	18,401	47,801	66,712	40	263	R I
S C	35,148	205,483	227,148	11	546	S C
S D	16,992	35,728	41,093	15	142	S D
Tenn	64,472	176,001	230,585	31	258	Tenn
Texas	234,109	830,320	1,050,400	27	349	Texas
Utah	33,695	87,848	117,146	33	248	Utah
Vt	10,304	20,138	22,983	14	123	Vt
Va	74,335	277,198	330,586	19	345	Va
Wash	137,051	310,131	380,250	23	177	Wash
W Va	44,448	103,125	126,304	22	184	W Va
Wis	131,505	334,322	399,410	19	204	Wis
Wyo	11,123	33,821	42,883	27	286	Wyo
Totals	4,422,142	12,707,103	15,267,328			
Weighted average percentages of gain				20	245	

\*Estimated in advance of actual appropriations.

ALASKA. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1977-78:

Table 15. State tax-fund appropriations for operating expenses of higher education in Alaska, fiscal year 1977-78, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
University of Alaska	
Northern Region, Fairbanks	21,896
South Central Reg, Anchorage	17,073
Southeastern Region, Juneau	4,281
Statewide	6,694
Organized research	6,795
Rural education affairs	7,274
Total	64,013

CALIFORNIA. Table 16 supplements Table 98, page 1471 GRAPEVINE (September 1977).

Table 16. Allocations of appropriated funds for operating expenses of the University of California system, fiscal year 1977-78, in thousands of dollars.

Institutions (1)	Sums allocated (2)
University of California	
Los Angeles	172,665
Berkeley	135,341
Davis	109,377
San Diego	65,222
San Francisco	62,868
Irvine	49,344
Santa Barbara	48,686
Riverside	37,926
Santa Cruz	26,007
University-wide & special items	28,658
Subtotal, U of C - \$736,094*	

\*Included are salary increases which were not previously reported.

Not previously reported were approximately \$5.7 million for system-wide provisions for the California State University and Colleges, bringing the subtotal for that segment to \$637,814,000.

The statewide total for California becomes \$1,961,525,000 with the percentage of gain over two years becoming 27.

FLORIDA. In its second special session June 22-24, the legislature raised the cigarette tax to 21 cents a pack from the former 17 cents. Liquor taxes were also raised by 25 per cent. Severance taxes on oil and phosphate were also increased.

These measures were intended to balance the state budget for 1977-78, providing for income and expenditures of \$5.7 billion.

Florida counties were given local option to levy a "resort tax" of one or two per cent on hotel or housing rentals of six months or less. The counties were authorized to use the proceeds to develop tourist facilities.

MARYLAND. The 1977 legislature raised the rate of the general sales tax to 5 per cent, from the former rate of 4 per cent.

Among the fifty states, tax legislation to produce necessary additional state revenue is not readily enacted, especially in the Middle Atlantic and New England states, as evidenced by the stories of New Hampshire and Pennsylvania in this issue (pages 1484 and 1486).

In those two states, although inevitable legislative action has been delayed far beyond the time when it should have been taken, there is little or no real doubt that the situation may be designated dilatoriness rather than ultimate disaster. (See also Florida's raising of cigarette, liquor, and severance taxes, in this column of this issue.)

For several state tax improvements in 1976, see also GRAPEVINE, page 1431 (March 1977).

NEW HAMPSHIRE. Appropriations had not yet been made as this issue went to press in mid-October. There was a deadlock between the two Houses; and the governor was reported to have said he would veto any bill providing for additional taxes. Without going into the unsavory details, it may be said that the situation appeared to be roughly similar to that of Pennsylvania, sketched on page 1486 of this issue. The denouement can only be reported later.

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NEW JERSEY COMMISSION ON FINANCING POSTSECONDARY EDUCATION TO REPORT SOON

NEW JERSEY. This state created a Commission on Financing Postsecondary Education in 1974. Preparation of its report is now at an advanced stage. It will probably be made ready for the 1978 legislature.

A final draft already circulated for comment indicates that the recommendations will stress heavily expansion of student financial aids, and soft-pedal state tax support of the state university and the state colleges.

Other thrusts are toward more state tax money for private colleges (chiefly, however, through the device of student financial aids), and greatly emphasized attention to the numbers of low-income and lower-middle-income students attracted by the different segments of the public system.

A Homogenized Public System?

Much is made of the fact that Rutgers, the State University of New Jersey, enrolls the lowest percentage of its students from disadvantaged classes, in comparison with either the state colleges or the county colleges (New Jersey's name for community colleges).

This leads to the argument that under the state tax system poor people pay more for the support of the state university than they get in return; affluent people get more than they pay for. GRAPEVINE has noted before (as in the case of California) that this contention seems inept, and a specious support for recommending de-emphasis of tax support of state universities.

It seems probable that this stance of the New Jersey Commission was adopted before the court-forced enactment of a personal income tax in July 1976 (GRAPEVINE, page 1389, August 1976), which was expected to produce \$775 million a year and thus at least reduce a little of the tension in the uptight state revenue picture.

Moreover, it is difficult to see any merit in the apparently implicit thought that the major state university should enroll the same percentage of disadvantaged students as the state colleges or the county colleges. It does not seem desirable that the entire system of public

higher education should be thoroughly homogenized, so that the clientele of the major state university would become identical socially and economically with that of the county colleges.

Fees and Student Aids

Regarding tuition fees, the Commission's recommendation will apparently be that fees in the county colleges be reduced; that in the state colleges they continue at about the current rate; and that at Rutgers and at the New Jersey Institute of Technology they be substantially raised. This latter is accompanied by the incredible old chestnut that additional student financial aids will provide for students unable to pay. If there has ever been any reputable institution where a rise in tuition fees did not deprive some students and entirely cut off the opportunities to some others, GRAPEVINE has never heard of it. State and federal student aids are in the air, but a vast tangle of red tape is interposed, with the unavoidable errors, frauds and attempted frauds, influence peddling, and erratic timing which seems inseparable from any large bureaucracy.

Other Probable Recommendations

Some other recommendations likely to appear in the Commission's report seem wholly commendable. One is that student aids be extended to part-time students (presumably pro rata).

Another is that county colleges be mandated to maintain an "open door" policy in admission of students, regardless of residence or ability to pay.

Another is that the state give separate attention to tax support of graduate education at public institutions by providing special institutional subsidies where appropriate, and subsidies for research activities, as well as state-supported doctoral fellowships. It may be questionable whether this might mean that the state institutions are to lose wide discretion in allocating the funds for these purposes.

PENNSYLVANIA. This exhibit is a composite of appropriations for fiscal year 1977-78 for Pennsylvania's "state-owned institutions" (otherwise known as "the 13 state colleges and university") and a few other agencies as indicated by double asterisks (\*\*); estimates based on the governor's budget requests, not yet appropriated, as indicated by single asterisks (\*) for Pennsylvania State University and the three other "state-related" universities, plus 13 "private institutions, state-aided"; and 3 other sums estimated, not yet appropriated, indicated by triple asterisks (\*\*\*).

Table 17. Composite of estimated and appropriated state tax-funds for operating expenses of higher education in Pennsylvania, fiscal year 1977-78, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
Pennsylvania State U	109,761*
State-related U's -	
Temple University	67,610*
U of Pittsburgh	61,935*
Lincoln U	3,578*
Commonwealth segment - \$242,884	*
State-owned institutions -	
Indiana U of Pa	20,954**
West Chester	17,558**
Edinboro	14,100**
Slippery Rock	13,644**
California	13,160**
Millersville	12,781**
Clarion	12,191**
Shippensburg	11,969**
Bloomsburg	11,926**
Kutztown	11,241**
Mansfield	8,982**
East Stroudsburg	9,187**
Cheyney	7,956**
Lock Haven	6,901**
Unallocated	150**
Subtotal, St-owned - \$172,700	**
Community colleges	36,000**
Private, State-aided insts -	
U of Pennsylvania	17,865*
Thomas Jefferson U	4,751*
Drexel U	3,109*
Phila Col Osteo Med	3,560*
Hahnemann Med Col	3,427*
Med Col of Pa	1,892*

(Continued in the next column)

PENNSYLVANIA (Continued from preceding col)

Private, State-aided insts (cont) -	
Pa Col Podiatric Med	680*
Phila Col of Art	363*
Phila Col Tex & Sci	258*
Pa Col of Optometry	227*
Del Val Sci & Agri	191*
Dickinson Sch Law	102*
Phila Musical Academy	75*
Subtotal, Pvt St-aided - \$36,500	*
Pa Higher Edn Asstce Agency	76,656**
Institutional assist grants	12,000***
Equal Ed Opportunity	3,895**
Corrects ed to state-owned	200***
Fifth Pathway med program	200**
Interdepartmental transfers	95,176***
Total	676,211

\*Governor's recommendation, not yet appropriated  
 \*\*Appropriated  
 \*\*\*Estimated

To fill out the PENNSYLVANIA STORY:

The Pennsylvania House of Representatives is reported to have passed appropriation bills for the four "state related" universities September 28, 1977, in amounts representing very small increases over those for the preceding fiscal year.

The Senate had not passed these bills; and there remained the task of enacting tax acts that would produce the necessary revenue.

The Governor of Pennsylvania is forbidden by the state constitution to sign any appropriation act until after he has officially certified that the necessary revenues will be available.

As of early October neither house had passed the necessary tax bill. A proposal that the personal income tax rate be increased to 2.3 per cent from the present 2 per cent, and the business tax to 10.5 from the present 9.5 did not seem able to obtain a majority in the House.