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GRAPEVINE

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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.

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California has acted promptly to allot portions of the state surplus to K-12 schools and community colleges. Apparent total of state tax funds for annual operation of all higher education (including community colleges) exceeds \$2¼ billion 1543

Newly reported (7 states)	Two-year gain (percentage)	Page
California	27	1543
Delaware	13	1543
Illinois	19	1544
Michigan	24	1544
Missouri	20	1545
New Jersey	35	1545
North Carolina	28	1546

* * * * *

"A conservative is one who, in defense of principles he considers imperative, can bear with equanimity the suffering of others. We are all in some ways conservative, but complete conservatism and absolute power are a dangerous combination."

--Carolyn G. Heilbrun, Columbia University professor

* * * * *

Table 67. FORTY-SIX STATES SHOW WEIGHTED AVERAGE TWO YEAR GAIN OF 22 PER CENT IN APPROPRIATIONS OF STATE TAX FUNDS FOR ANNUAL OPERATING EXPENSES OF HIGHER EDUCATION FOR FISCAL YEAR 1978-79 (in thousands of dollars).

States	Year 1968-69	Year 1976-77	Year 1978-79	2-yr gain per cent	10-yr gain per cent
(1)	(2)	(3)	(4)	(5)	(6)
Thirty-nine states previously reported*					
Thirty-nine states	3,190,711	8,681,725	10,406,443	20	226
California	637,788	1,827,549	2,325,494**	27***	264
Delaware	14,095	43,311	48,831	13	246
Illinois	301,136	685,414	815,782	19	171
Michigan	262,424	593,930	733,978	24	180
Missouri	112,764	236,782	284,836	20	153
New Jersey	95,047	247,405	370,637+	35	290
North Carolina	114,709	407,977	521,863	28	355
Totals	4,728,674	12,724,093	15,507,864		
Weighted average percentages of gain				22	228

*See GRAPEVINE, Table 58, page 1536 (August 1978).

**The principal components of this total were initially appropriated, but the act contains "budget control language" which may under specified circumstances cause the appropriated sums to be reduced somewhat before the end of the fiscal year.

***This percentage is computed from the maximum total sums appropriated. May be subject to some later moderate downward revision.

+This total does not include estimated amounts of state tax funds appropriated for salary raises and fringe benefits, which would raise it substantially, and perhaps raise the rank of New Jersey among the populous states, as measured by simple magnitude of appropriations for operation of higher education.

As of mid-August 1978, with 46 states reported, the cumulative total was \$15½ billion--already exceeding by a quarter of a billion the 50-state total of one year earlier, for fiscal year 1977-78.

The four states then unreported may reasonably be expected to add about \$1½ billion, bringing the 50-state total to \$17 billion, which is approximately two and one-half times the 50-state total for fiscal year 1970-71, eight years ago.

The "rolling two-year rate of gain," nationwide, since 1970 has fluctuated between 20 and 29 per cent, always exceeding the contemporaneous rate of inflation, and providing a modest rate of "real gain."

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CALIFORNIA. As of mid-August 1978 it is possible to make a preliminary report of appropriations of state tax funds for operating expenses of higher education in California for fiscal year 1978-79.

Governor Brown and the legislature merit praise for prompt action to distribute the state surplus of \$7 billion to offset the property tax disaster occasioned by the unexpected adoption of Proposition 13 on June 6.

First, more than \$2 billion are allocated to the K-12 public schools, to save them from literal calamity and to enable them to proceed on a somewhat reduced basis. Next, the community college districts--the only segment of higher education heavily affected *directly* by the mishap--will get \$260 million in addition to their regular state apportionment of \$535,264,900, bringing their total state support to \$795,264,900, which is 72 per cent more than their *state* apportionment two years earlier, for fiscal year 1976-77. This will not fully offset the loss of local tax income, but is expected in general to permit each college to operate at about 85 per cent of its projected budget for fiscal year 1978-79.

A tentative preliminary tabulation of the statewide situation for public higher education would be:

U of California (9 campuses)	\$756,151
State U & Colls (19 campuses)	695,341
State aid to community colls	795,265
Commission on Postsec Edn	1,737
Hastings Coll, Maritime Acad, and Student Aid Commission, (based on 1977-78 figures)	77,000
(in thousands of dollars)	2,325,494

This total would be an increase of 27 per cent over the comparable figure of two years earlier, for fiscal 1976-77; but this figure is only tentative, and apparently may be said to represent a possible maximum, because there are certain traps set in some earlier statutes, and again in the present appropriation act, which may in certain circumstances cause the totals for each of the segments

CALIFORNIA (Continued)

to be somewhat reduced before the fiscal year is ended.

At this point we do not try to estimate the possible reductions. We can simply say that for the first time in history California has certainly passed the \$2 billion mark in annual operating support of higher education--a circumstance worthy of note.

It should also be noticed that a marked upward shift of the proportion of tax support of education from the local taxing subdivisions to the state is occurring; and this change is ultimately necessary in any event, though we might prefer that it come not in the cataclysmic way, but gradually through orderly processes of public debate and legislation.

DELAWARE. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1978-79:

Table 68. State tax-fund appropriations for operating expenses of higher education in Delaware, fiscal year 1978-79, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Delaware	21,256
Employer's share, social sec	1,692
State pension*	1,736
TIAA pension	1,310
Health insurance*	667
Scholarships & student aid	1,716
State geologist	298
Sea grant	200
Occupational teachers ed	80
Poultry diagnostic service	15
Subtotal, U of D - \$28,970	
Delaware State College	6,464
Del Inst Med Ed & Research	850
Del Tech & Comm Coll	12,351
Higher Ed Loan Program	161
Postsecondary Education	35
Total	48,831

*Appropriated to state treasurer.

ILLINOIS. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1978-79:

Table 69. State tax-fund appropriations for operating expenses of higher education in Illinois, fiscal year 1978-79, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
University of Illinois	
Urbana-Champaign	140,856
Medical Center (Chicago)	81,511
Chicago Circle	47,065
General university	14,196
Subtotal, U of I -	\$283,628
Southern Illinois University	
Carbondale*	75,121
Edwardsville**	32,752
System office	844
Subtotal, SIU -	\$108,717
Northern Illinois U (Regts)	48,486
Illinois State U (Regts)	39,159
Western Illinois U (Govs)	28,765
Eastern Illinois U (Govs)	18,833
Northeastern Ill U (Govs)	15,832
Chicago State U (Govs)	14,094
Sangamon State U (Regts)	10,862
Governors State U (Govs)	10,974
Subtotal, St U's -	\$579,350
Statewide Boards	
Board of Governors	738
Board of Regents	529
Community College Board	809
Board of Higher Education	1,317
Grant programs***	24,157
Subtotal, Boards -	\$27,550
State aid to comm colls	125,430
Illinois State Scholarship Comm	
Administration	1,704
Scholarships & grants	81,748
Subtotal, ISSC -	\$83,452
Total	815,782

*Includes medical school in Springfield.

**Includes dental school in Alton.

***Includes:

Assistance to private inst	\$ 9,200.0
Health education grants	\$14,075.5
Higher Ed Coop Act	\$ 881.0

The total for fiscal year 1978-79 appears to be a gain of 19 per cent over the comparable figure two years earlier.

ILLINOIS (Continued from preceding col)
Classification by "System"

Trustees, U of I	283,628
Trustees, SIU	108,717
Board of Regents	99,036
Board of Governors	89,236
Community College Board	126,239
State Scholarship Commission	83,452
Board of Higher Education	25,474
Total	815,782

MICHIGAN. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1978-79:

Table 70. State tax-fund appropriations for operating expenses of higher education in Michigan, fiscal year 1978-79, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Michigan, Ann Arbor	133,866
Dearborn campus	8,559
Flint campus	7,870
Subtotal, UM, all units -	\$150,295
Michigan State University	112,208
Ag experiment station	11,210
Coop extension service	9,220
Subtotal, MSU -	\$132,638
Wayne State U, Detroit	89,978
Western Michigan U	42,840
Eastern Michigan U	31,880
Central Michigan U	27,070
Ferris State College	20,014
Michigan Technological U	19,164
Northern Michigan U	19,089
Oakland U	18,112
Grand Valley State Colleges	12,143
Saginaw Valley College	6,052
Lake Superior State College	5,194
Institute of Gerontology	820
Upper Peninsula Health Clinic	242
Scholarships	12,312
Tuition grants	13,700
Tuition differential	6,200
Legislative merit award	150
Subtotal, stu aids -	\$32,362
Degree reimburse programs	5,577
State aid to community colls	120,508
Total	733,978

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MISSOURI. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1978-79:

Table 71. State tax-fund appropriations for operating expenses of higher education in Missouri, fiscal year 1978-79, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Missouri	
Columbia	78,371
Kansas City	27,124
Rolla	16,050
St Louis	14,859
University-wide	12,490
Subtotal, U of M -	\$148,894
State universities & colleges -	
Southwest Missouri State U	18,553
Central Missouri State U	16,261
Southeast Missouri State U	14,064
Northeast Missouri State U	10,883
Northwest Missouri State U	8,850
Missouri Southern State Coll	5,963
Missouri Western State Coll	5,819
Lincoln University	5,612
Subtotal, U & C's -	\$86,004
Harris-Stowe College	1,775
State aid to pub junior colls	28,366
Mo student grant program	7,500
Dept of Higher Education	1,341
Matching fringe benefits (est)	10,955
Total	284,836

The total for fiscal year 1978-79 appears to be a gain of 20 per cent over the comparable figure two years earlier.

The Missouri legislature authorized a regional school of optometry at the University of Missouri--St. Louis, and negotiations with other states are in progress. Harris-Stowe College (former teachers' college operated by St. Louis public school system, state-assisted), becomes a state institution of higher education in the full sense. A new state-wide guaranteed student loan program was created, to be fully activated about a year from its inception.

NEW JERSEY. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1978-79:

Table 72. State tax-fund appropriations for operating expenses of higher education in New Jersey, fiscal year 1978-79, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
Rutgers, State U of NJ	95,060
Ag experiment station	8,315
Subtotal, Rutgers -	\$103,375
NJ Coll of Med and Dentistry	53,991
NJ Institute of Technology	13,870
State Colleges -	
Montclair	15,592
Paterson	14,309
Trenton	13,244
Kean	13,107
Glassboro	12,279
Jersey City	11,042
Richard Stockton	6,831
Ramapo	6,628
Subtotal, s c's -	\$93,032
Edison College of NJ	710
Student aid programs & admin	42,500
Aid to private institutions	8,353
Private dental school aid	2,465
School of nursing aid	1,500
Veterinary medical ed program	802
Marine science consortium	200
Basic skills assessment program	450
Other special programs	530
Chancellor's office admin	1,739
State aid to county colleges	47,120
Total	370,637

The total for New Jersey does not include sums appropriated to the State Treasurer for salary increases, fringe benefits, and certain extraordinary expenses, which would increase it somewhat. The exact sums for higher education are difficult to estimate early in the fiscal year. While this understates the statewide total for higher education, the two-year percentage of gain (35%) is unaffected; it is derived from the comparable figure of two years earlier.

NORTH CAROLINA. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1978-79:

Table 73. State tax-fund appropriations for operating expenses of higher education in North Carolina, fiscal year 1978-79, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
<u>University of North Carolina</u>	
UNC at Chapel Hill	49,065
Health Affairs	33,884
Area health ed centers	14,427
NC Memorial Hospital*	18,591
<u>Subtotal, UNC, CH - \$115,967</u>	
<u>NC State U at Raleigh</u>	
Ag experiment station	14,648
Ag extension service	11,277
<u>Subtotal, NCSU - \$76,460</u>	
<u>East Carolina U</u>	
Medical school	8,987
<u>Subtotal, ECU - \$32,760</u>	
UNC at Greensboro	20,348
Appalachian State U	18,439
UNC at Charlotte	16,789
Western Carolina U	13,225
NC Ag & Tech State U	12,918
NC Central U	11,174
UNC at Wilmington	7,958
Winston-Salem State U	5,686
Fayetteville State U	5,467
Pembroke State U	5,194
Elizabeth City State U	4,835
UNC at Asheville	3,825
NC School of the Arts	2,860
General administration	5,010
Allocated to institutions	1,423
Related educational programs**	20,145
<u>Subtotal, U of NC - \$380,483</u>	
<u>State support of comm colls and technical institutions</u>	
	139,335
<u>Edn benefits, veterans' children***</u>	
	2,045
<u>Total</u>	<u>521,863</u>

*This is a teaching hospital, part of the medical complex at Chapel Hill, but administratively separate from the University at Chapel Hill. It is placed here for comparability with similar institutions in other states.

(Continued in the next column).

NORTH CAROLINA (continued from preceding col)

**Includes: \$4,800,000 aid to needy NC undergraduates enrolled in private institutions; \$9,000,000 for \$400 tuition grants to each full-time NC undergraduate attending a private institution; \$4,748,000 assistance to private medical schools and NC students attending them.
***Appropriated to the Department of Administration.

THE FUTURE OF OUT-OF-STATE TUITION FEES

Today, if you were asked "What of differential fees for nonresidents of the state at state universities, you would probably respond, "Higher and higher all the time."

You would be right for the present and recent years, but there is a lot more to it than that. This correspondent knows from personal experience that a generation and more ago the ratio of non-resident fees to regular fees was relatively low, and that at some important institutions in some states it was often honored in the breach.

That time passed. Then came the almost universal application of the rigid and unreasonable rule that "once classified as a nonresident, then as long as you attend continuously you will not be heard on the question of reclassification." The U.S. Supreme Court knocked that down in Vlandis v. Connecticut, 93 S.Ct. 2230 (1973).

That fair decision has undoubtedly benefited a considerable number of students. But possibly we are moving toward an eventually universal solution through the early and slow development of "tuition reciprocity," which, however, may take several years to become widespread.

Some of the beginnings are in an agreement, now a few years old, between Minnesota and North Dakota, and another involving Wisconsin, and a new one with Iowa. In effect or in formulation are pacts between Kentucky and Tennessee, and Idaho and Washington, among others. There is material for a doctoral dissertation by some enterprising graduate student.