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COMPARATIVE STATE TAX SUPPORT OF HIGHER EDUCATION, 1981, IN THE FIVE MOST POPULOUS STATES: CALIFORNIA, NEW YORK, TEXAS, PENNSYLVANIA, AND ILLINOIS

In 1981, the five most populous states are reported to have some 78 million people--about 35 per cent of the national total. Each of these states ranks high in agriculture and industry. They have important inland cities as well as large port cities, on the Atlantic, the Pacific, the Great Lakes, or the Gulf. None of these states has less than 11 million people. California alone has 23½ million.

Percent of In-State Students in the Total Population

Now that a major portion of all students in each state are in public colleges and universities, the ratio that the total of students bears to total population of the state becomes related, though not precisely, to the status of state tax support of all higher education.

This becomes more and more the case as private institutions of higher education (which formerly got little help from the state other than exemptions from property taxes) now continue to get increasing state tax support through such channels as state scholarship systems, direct appropriations per student or per degree granted, and other special grants such as for health services or interinstitutional cooperation.

Thus the percentage of in-state students in the total population becomes a more useful indication of the status of state tax support of higher education than it used to be.

But since its relation to state tax support can be affected by such factors as the comparative proportions of all students in public and private institutions, it is not a strictly accurate comparative measure of state tax support except where such elements are equal. Nevertheless the percentage of in-state students in the total population of the state may be said to be one rough but valuable measure of the condition of higher education and of the level of civilization.

Table 12. RATIO OF ALL STUDENTS TO TOTAL POPULATION

States	Total Population 1980 (1,000's)	Total Enrollment 1978 (Headcount)	Students As % of Population
(1)	(2)	(3)	(4)
CA	23,510	1,650,245	7.02
IL	11,321	627,425	5.54
NY	17,557	948,459	5.40
TX	14,152	648,094	4.58
PA	11,825	469,886	3.97
5-st	78,365	4,344,109	5.54
US	226,505	11,354,756	5.01

Sources: Population: U.S. News and World Report, Dec. 29, 1980/Jan. 5, 1981, p. 8, and New York Times, January 1, 1981.
Enrollment: Chronicle of Higher Education, January 8, 1979, p. 12.

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Ratio of Students in Public Colleges to All In-state Students

For the fifty states as a whole, the percentage of all in-state students attending public institutions was reported as 78, and those attending private institutions as 22, as of the beginning of 1979.

Generally speaking, the proportion of students in the public sector varied among the states from 100 per cent in Wyoming to 44 per cent in Massachusetts. The Bay State was the only state having less than a majority in public institutions.

Table 13 shows the percentages for the five most populous states: California, 90; Texas, 88, Illinois, 77; Pennsylvania, 59; New York, 57. The difference between east and west is typical, with some exceptions. However, the two northeastern states both provide substantial state-tax aid for various private institutions through several channels, so that it would be a great error to suppose that all state appropriations of state tax money for higher education go to the public sector.

For example, for fiscal 1981 in Pennsylvania about \$200 million were appropriated to the three private universities which are called "state-related" and to fourteen other "private institutions, state-aided." In addition, \$74 million went to the Pennsylvania Higher Education Assistance Agency, and \$15 million for Institutional Assistance Grants.

New York appropriated more than \$240 million for its "tuition assistance program, and approximately \$100 million for direct aid to private colleges.

Table 13. PERCENTAGE OF TOTAL HEADCOUNT STUDENTS, PRIVATE AND PUBLIC

States	Private %	Public %
(1)	(2)	(3)
CA	10	90
TX	12	88
IL	23	77
PA	41	59
NY	43	57
US	22	78

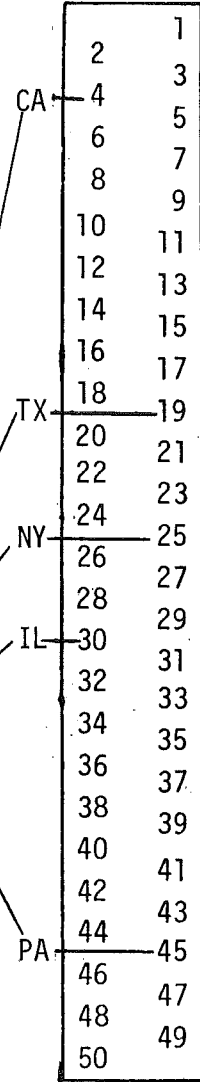
Source of enrollment: Chronicle of Higher Education, January 8, 1979.

It has already become apparent that California, with slightly more than 7 per cent of its population engaged as students at the higher education level, is well ahead of the four other most populous states in that respect; and that Pennsylvania, with students constituting slightly less than 4 per cent of its total population, is markedly behind by that simple but significant measure.

It is also apparent that Pennsylvania and New York are alike in having smaller proportions of their students enrolled in private insitutions than do the other three states. With these simple preliminary concepts digested, we are ready for glimpses of such matters as appropriations per capita of state tax funds for annual operating expenses of all higher education. There will be wide differences among the five states by that measure as well as by several others.

Table 14. STATE APPROPRIATIONS FOR HIGHER EDUCATION, PER CAPITA, FISCAL 1981

State (1)	Population 1980 (2)	1981 State Appropriation (In \$1,000) (3)	Dollars Per Capita (4)	Rank in U.S. (5)
CA	23,510,000	3,158,885	134.36	4
TX	14,152,000	1,464,881	103.51	19
NY	17,557,000	1,644,361	93.68	25
IL	11,321,000	964,584	85.20	30
PA	11,825,000	780,166	65.98	45
5-St	78,365,000	8,012,877	102.25	
US	226,505,000	20,911,416	92.32	



Appropriations Per Capita of State Tax Funds for Annual Operating Expenses of All Higher Education, Fiscal 1981

One of the most elementary comparative clues to the tax cost of all higher education in different states is the appropriations per capita for that purpose. In Table 14, above, it appears that this figure varies from \$65.98 in Pennsylvania to \$134.36 in California.

California's per capita tax cost of all higher education is slightly more than twice that of Pennsylvania. These two states rank respectively first and fifth by that measure among the five most populous states, and respectively fourth and forty-fifth among the fifty states.

The weighted average for these five states is \$102.25. For the fifty states the average is \$92.32.

Another way to read the table is to say California ranks first among the five and fourth among the fifty; Texas, second among the five and nineteenth among the fifty; New York, third among the five and twenty-fifth among the fifty; Illinois, fourth among the five and thirtieth among the fifty; Pennsylvania, fifth and forty-fifth.

By this one measure, California is well ahead. As we go along, we can apply several other measures and develop a more comprehensive comparison.

Table 15. APPROPRIATIONS PER HEADCOUNT STUDENT FOR THE ENTIRE STATEWIDE HIGHER EDUCATION ENTERPRISE.

States (1)	Headcount Students 1978 (2)	Appropriations Fiscal 1981 (In \$1,000) (3)	Dollars per Headcount Student (4)
TX	648,094	1,464,881	2,260
CA	1,650,425	3,158,885	1,914
NY	948,459	1,644,361	1,734
PA	469,886	780,166	1,660
IL	627,425	964,584	1,537
5-states	4,344,289	8,012,877	1,844
US	11,354,756	20,911,416	1,842

Source of headcount students: Chronicle of Higher Education, January 8, 1979, p. 12.

Appropriations Per Headcount Student for Annual Operating Expenses of All Higher Education

Another way of comparing the states is to show how much state tax money per headcount student (total enrollment) is appropriated to the entire statewide higher education enterprise.

Table 15, above, has Texas out-ranking the other four most populous states in that respect, with \$2,260 per student. Illinois stands lowest among the five, with \$1,537. The other three are fairly closely grouped, from \$1,914 in California, to \$1,734 in New York, to \$1,660 in Pennsylvania.

Note again in Table 12 (page 1716) that Texas has a relatively small ratio of students to total population, while

in Illinois this ratio is larger by about a full percentage point. Other things being equal, this circumstance might conduce toward the disparity in appropriations per headcount student. By this yearstick, the ranking of the five states is: Texas, first; California, second; New York, third; Pennsylvania, fourth; Illinois, fifth.

We shall range them on one more yardstick before looking at their composite standings to get some notion of how consistent or permanent they may turn out to be as additional types of measuring tools are applied in the future.

UTILIZATION OF STATE AND LOCAL TAX POTENTIAL

A concept of "state tax potential" has been worked upon by Professor Kenneth E. Quindry of the University of Tennessee, based on how much revenue a state is actually collecting from each of the principal types of state and local taxes, as a percentage of the revenue it would be getting if it levied each of those taxes at rates equal to the average of such rates as currently levied by the other states.

This produces a profile of the state's revenue system, showing what proportion of its revenue potential by that standard it is collecting; in other words, which states are above that potential, which are below and how far.

Table 16 shows New York is at the top of the list of the five most populous states in this respect, currently collecting 135 per cent of its state and local revenue potential.

California is second, with 119.2 per cent. These are the only two of the five exceeding their potential. Illinois, Pennsylvania, and Texas trail downward with 90, 87.3, and 74.7 per cent, respectively.

Table 16. USE OF STATE AND LOCAL TAX POTENTIAL

State (1)	Percent (2)
NY	135.0
CA	119.2
IL	90.0
PA	87.3
TX	74.7

Source: (See below)

With a second look at Table 14 on page 1718, notice that the five most populous states stand far apart on the scale of the fifty states.

The differences are not so much due to available wealth as to long-standing traditions and customs regarding higher education in the state.

In addition to the several factors considered in pages 1715-1720, many other features of the scene can be assembled in the mosaic of which this is a fragment.

Tentative Preliminary Rankings
on Four Yardsticks

According to Tables 12, 14, 15, and 16, the composite rankings of the five states turn out to be: California, 1.5; New York, 2.5; Texas, 3.0; Illinois, 3.5; Pennsylvania, 4.5. Tentatively these provide indications of the relative standing of the five states as to the adequacy of their state tax support of higher education.

Source of Table 16: Quindry, Kenneth E. and Niles Schoening. State and Local Tax Performance, 1978. Center for Business and Economic Research, University of Tennessee, Knoxville; published by the Southern Regional Education Board, 130 Sixth Street, N.W., Atlanta, GA, 1980.