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TIMELY DATA CIRCULATED WHILE CURRENT

SINCE EIGHTEENTH
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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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FIFTEEN STATES show weighted average two-year gain of 40 per cent in appropriations of state tax funds for annual operating expenses of higher education. 1368

Five states newly reported in this issue:

	<u>2-year gains %</u>	
<u>Hawaii</u>	43	1368
<u>Indiana</u>	23	1369
<u>Kentucky</u>	30	1370
<u>Oregon</u>	36	1370
<u>Virginia</u>	30	1371

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Vermont University comes under jurisdiction of National Labor Relations Board 1371

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The world needs us all. **Only if we respect the dignity of the waiter and the filling station attendant do we have any right to respect ourselves as humanists, studying the humanities, or as scientists, trying to play a critical and responsible role in a humanistic world.** If an academic, intellectual community does not recognize and understand this, it is not a humanistic community. You must be intellectual if you are to be yourself. You have been prepared and trained to bring a honed intellect to professional and social problems. But if we consider ourselves to be the best and the brightest, who are either benevolently or malevolently going to save the rest of the people from themselves, we will not succeed.

--Jacqueline Grennan Wexler, president of Hunter College of the City University of New York, speaking at the Ohio State University,

Statement of ownership and circulation of GRAPEVINE is on page 1368 (reverse hereof).

Table 2. FIFTEEN STATES SHOW WEIGHTED AVERAGE TWO-YEAR GAIN OF 40 PER CENT IN APPROPRIATIONS OF STATE TAX FUNDS FOR ANNUAL OPERATING EXPENSES OF HIGHER EDUCATION FOR FISCAL YEAR 1976-77. (In thousands of dollars)

States	Year 1966-67	Year 1974-75	Year 1976-77	2-yr gain per cent	10-yr gain per cent
(1)	(2)	(3)	(4)	(5)	(6)
Ten states previous reported*					
Ten states	534,721	1,661,834	2,389,149	44	347
Hawaii	23,868	58,740	97,884	43	310
Indiana	104,312	247,119	304,241	23	192
Kentucky	63,166	153,760	200,503	30**	217
Oregon	55,614	129,889	176,653	36	217
Virginia	64,134	242,359	316,042	30	393
Totals	845,815	2,493,701	3,484,472		
Weighted average percentages of gain				40	312

*See GRAPEVINE, Table 99, page 1362 (April 1976).

**Adjusted upward. See note to table 5, page 1370, this issue.

ADDENDUM TO PENNSYLVANIA STORY
Grapevine, April 1976, page 1366

Our story of the rescission of the "retrenchments" at the Pennsylvania State Colleges and University left a too optimistic impression of the results.

Although, as stated, the cancelling of notices of forthcoming termination for 82 faculty members at those institutions was cheerful news, it did not take off the heat entirely.

For example, at West Chester State College, we are informed by the Acting Vice President for Administrative and Fiscal Affairs, Dennis D. Bell, that while ten tenured and probationary members are among the 82, twenty others on temporary one-year contracts to replace absentees or actual or prospective retirees are not protected; these positions continued to be scheduled for elimination as attritions.

Some cutbacks in areas other than faculty employment are also expected, to achieve a balanced budget for fiscal year 1976-77. Even this is probably uncertain until later in the year, after the legislature has acted on appropriations.

HAWAII. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1976-77:

Table 3. State tax-fund appropriations for operating expenses of higher education in Hawaii, fiscal year 1976-77, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Hawaii*	88,756
Specific supplemental appropriations	599
WICHE	321
Student loan fund	20
Fringe benefits**	14,062
Collective bargaining	7,827
Less tuition and other U of Hawaii generated revenues	-13,701
Total	97,884

*Includes 1 university campus, 2 four-year colleges, and 7 two-year community colleges. Excludes non-higher education programs: Leahi Hospital, Manpower Development and Training, Hoomana School and the Waikiki Aquarium.

**Estimate of centrally appropriated amount attributable to U of Hawaii, reported for the first time this year.

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INDIANA. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1976-77:

Table 4. State tax-fund appropriations for operating expenses of higher education in Indiana, fiscal year 1976-77, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
Indiana University	
Bloomington	63,457
IUPUI (Indianapolis)*	
Health	22,472
Non-health	12,615
Medical education**	
Statewide system	4,694
Planning	1,592
Intern residency	1,191
Regional campuses	
South Bend	4,946
Northwest	4,778
Southeast	2,582
Kokomo	1,707
East	863
IUPU-Fort Wayne***	8,474
Mental retardation	429
Chemical test training	106
Blood treatment	50
<u>Subtotal, IU - \$129,956</u>	
Purdue University	
West Lafayette	69,624
Regional campuses	
Calumet	6,129
North Central	2,040
County extension agents	1,587
Animal disease lab	429
Animal disease lab, So. Ind.	178
Utilization of ag products	192
Ag marketing research	68
Bangs disease testing	72
Johnson grass eradication	25
Mechanical ag production research	150
Legislative conf for hi sch students	8
<u>Subtotal, PU - \$80,502</u>	
Indiana State U, Terre Haute	26,725
Evansville	3,526
<u>Subtotal, ISU - \$30,251</u>	
Ball State University	33,983
Ind. Voc-tech College+	11,549
Vincennes University++	4,164

(Continued in the next column)

INDIANA (Cont from preceding column)

Social security, state share	11,032
Telecommunication system+++	1,971
Scholarship Commission	410
Comm for Higher Education	423
<u>Total</u>	<u>304,241</u>

*IUPUI is the acronym for Indiana University-Purdue University at Indianapolis, which includes the large Indiana University Medical Center and other Indiana University units: a law school, and schools of liberal arts, social service, fine arts, and gymnastics, as well as offering academic programs of Purdue University.

**This involves the operation and further planning of a statewide system of decentralizing medical education by having it accomplished in part at colleges and hospitals in various cities, with the entire system being a part of the Indiana U School of Medicine.

***IUPU at Fort Wayne is a dual campus of Indiana U and Purdue U, offering academic programs of both institutions.

+A state-wide postsecondary education institution created to provide vocational-technical education by various means, including establishing and operating postsecondary institutes within each of thirteen regions of the state.

++A two-year community college, now largely supported by the state, but partly by the county.

+++A state-wide multi-media communication network providing service to both public and private postsecondary educational institutions.

The total for fiscal year 1976-77 appears to be a gain of 23 per cent over the comparable figure for two years earlier.

KENTUCKY. Appropriations of state tax funds for operating expenses of higher education, biennium 1976-87:

Table 5. State tax-fund appropriations for operating expenses of higher education in Kentucky, biennium 1976-78, in thousands of dollars.

Institutions (1)	Sums appropriated	
	1976-77 (2)	1977-78 (3)
U of Kentucky *	81,493	87,024
U of Louisville **	32,523	35,760
Western Kentucky U	19,128	20,326
Eastern Kentucky U	18,514	19,872
Murray State U	13,197	14,307
Morehead State U	11,858	12,756
Northern KY State U	7,725	8,529
Kentucky State U	5,400	5,859
KY H Ed Asst Authority	3,941	3,756
Council on Pub H Ed	2,315	2,501
Enrollment growth	2,300	4,600
Health Ed System	2,109	2,115
Totals	200,503	217,405

*Includes the main campus and medical college thereon, and 13 "community college" branches.

**Includes the medical college.

The total for fiscal year 1976-77 appears to be a gain of 30 per cent over the comparable figure two years earlier.

The figure of 30 per cent for the two-year gain is based on a revision of the statewide total of appropriations for fiscal year 1974-75 as reported in that year, downward from \$169,604,000 to \$153,760,000, because certain sums for debt-service, and sums from federal revenue-sharing were inadvertently included for fiscal year 1974-75.

Without the downward adjustment of the 1974-75 total, the two-year gain through 1976-77 would have appeared to be 18 per cent. With the adjustment as described, the two-year gain is actually 30 per cent.

OREGON. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1976-77:

Table 6. State tax-fund appropriations for operating expenses of higher education in Oregon, fiscal year 1976-77, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
	U of Oregon
Health Sciences Center*	14,993
Teaching hospitals & clinic	12,320
Crippled children division	2,938
Composite*- \$30,251	
Oregon State U	26,106
Ag experiment stations	6,685
Coop extension service	4,728
Subtotal, OSU - \$38,288	
Portland State U	17,046
Southern Oregon State Coll	5,812
Oregon Coll of Education	4,999
Oregon Inst of Tech	4,675
Eastern Oregon State Coll	3,077
Ednl broadcasting service	1,149
Teaching research division	213
NDEA & health prof stu loans	302
WICHE	552
Centralized activities	4,565
Subtotal, OSSHE - \$135,141	
Ednl Coordinating Commission**	318
St Scholarship Commission	5,194
Community Colleges	36,000
Total	176,653

*Not administratively a unit of the University, but the composites are shown here for comparability with other state universities.

**State agency to plan for all types of education above high school.

The total for fiscal year 1976-77 appears to be a gain of 36 per cent over the comparable figure two years earlier.

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VIRGINIA. Appropriations of state tax funds for operating expenses of higher education, biennium 1976-78:

Table 7. State tax-fund appropriations for operating expenses of higher education in Virginia, biennium 1976-78, in thousands of dollars.

Institutions	Sums appropriated	
	1976-77	1977-78
(1)	(2)	(3)
University of Virginia	38,794	40,105
Hospital division	8,763	9,306
Sch of Continuing Ed	2,146	2,089
Clinch Valley Coll	1,382	1,450
Subtotals, U of V - *		
Va Poly Inst & St U	38,442	39,793
Ext division	12,850	13,795
Research division	7,748	7,567
Subtotals, VPI & SU - **		
Va Commonwealth U	34,184	35,523
Health Sci; Hospital	18,818	19,391
Subtotals, VCU - ***		
Coll of William & Mary	10,829	11,570
Bland College	900	896
Va Assoc Research #	378	383
Subtotals, CW&M - +		
Other colleges and universities		
Old Dominion U	12,978	13,986
Madison Coll	9,827	10,105
Norfolk State Coll	9,004	9,243
George Mason U	8,332	9,316
Virginia State Coll	6,251	6,547
Radford Coll	5,576	5,735
Longwood Coll	3,311	3,306
Va Military Inst	2,979	2,998
Mary Washington Coll	2,529	2,664
Christopher Newport##	2,277	2,433
Subtotals, OC&U - ++		
Community Colleges	64,029	69,240
Student aid###	3,508	3,804
St Council of Higher Ed	834	873
Scholarship Asst	1,053	1,052
Eminent scholars	726	726
Regional Ed & Scholar	681	767
Tuition Asst & Loan	4,046	4,046
Other supplement	167	161
Subtotals, SCHE - +++		

(Continued in the next column)

VIRGINIA (Cont from preceding column)

Eastern Va Med Auth@	1,069	1,219
So Reg Ed Board	71	71
St Ed Asst Authority	52	55
Va Inst of Sci Research	40	40
Other higher ed@@	1,468	1,022
Totals	316,042	331,277

- * \$51,085 and \$52,950
- ** \$59,040 and \$61,155
- *** \$53,002 and \$54,914
- + \$12,107 and \$12,849
- ++ \$63,064 and \$66,333
- +++ \$ 7,507 and \$ 7,625
- # Under joint administration of the College of William and Mary and Old Dominion University
- ## Granted independent status by the 1976 General Assembly
- ### Includes only appropriations made directly to higher education institutions for student aid. Other aids included under State Council of Higher Education.
- @ Formerly Norfolk Area Medical Center Authority.
- @@ Includes:

	1976-77	1977-78
Gari Melchers Mem	18	19
Jas Monroe Law Mem	20	20
VMI-Alumni Hall	19	19
Scholarship to non-higher ed agencies	1,141	914
Governor's Supplement	270	50

The total for fiscal year 1976-77 appears to be a gain of 30 per cent over the comparable figure two years earlier.

VERMONT. Late in March 1976 the National Labor Relations Board took jurisdiction over the University of Vermont and ordered a collective bargaining election, at the request of the university.

Ordinarily and properly regarded as a public institution, the University of Vermont actually comprises three corporate entities, of which the oldest, chartered in 1791, may by a technical quirk be called private. This may explain in part why the NLRB took jurisdiction.

Normally NLRB has taken no notice of state universities or colleges, leaving them to the jurisdiction of their own state labor relations boards. In 1970 NLRB took jurisdiction over private institutions having annual budgets of \$1 million or more.

STATE TAX PROSPECTS FOR 1976

The Tax Foundation, Inc., 50 Rockefeller Plaza, New York, N. Y. 10020, issued its annual state tax forecast in the March 1976 number of its monthly Tax Review (Vol. 37, No. 3).

Prepared and published early in the calendar year, the treatment is necessarily somewhat fragmentary and speculative, but is probably the best, if not the only, nationwide summary available so early.

Despite the events of the panic year 1975, and the generally unsettled economic conditions that have prevailed somewhat longer than that, and to say nothing of the fact that 1976 is a year of national and state elections, there are at least some bright spots indicating that state governments are not about to go out of business, or even to crawl into their shells.

Some New Taxes Are Considered

It is reported that at least nine state legislatures have proposals to increase the rates of motor fuel taxes: Alabama, Colorado, Connecticut, Idaho, Iowa, Kansas, Missouri, Nebraska, and Pennsylvania.

Other special excise tax rises are under consideration: alcoholic beverage taxes in California, Connecticut, Ohio, and Virginia; tobacco levies in Connecticut, Ohio, and Pennsylvania.

If all the proposed measures are enacted in the dozen states named, some \$200 million of new annual revenues will be produced. This is not large, and these taxes are only "flea-bites" in comparison with other larger producers of state revenue such as general sales taxes and personal and corporation income taxes.

Tennessee, having no broad-based personal income tax, is said to be considering such a levy with rates graduated from 1 per cent to 3½ per cent, for an estimated annual yield of \$160 million. In Massachusetts the legislature is deliberating the transition from a flat-rate personal income tax to one with graduated rates, if graduation is permitted by popular approval at a referendum on the question.

Alabama and Missouri are debating measures that would disallow the deduction of federal income taxes from adjusted taxable incomes under the state levies. This would substantially increase the state revenues.

Severance Taxes

Colorado and Virginia are proposing severance taxes of 4 per cent on gross receipts derived from the sale of irreplaceable natural resources such as petroleum, natural gas, timber, clay and gravel. Wyoming debates an increase in its severance tax on coal.

At least six states are reported to be weighing changes in the rates and bases of general sales taxes--currently the largest single producer of state revenues.

In Rhode Island the rate may go up to 6 per cent from the current 5; in California and Missouri, to 5 from 3; in Washington, to 5 from 4½. Tennessee may go to 4½ from 3½, but only temporarily, pending adoption of a state income tax. In Alabama a proposal would increase the proceeds by extending the base to include certain items now exempt from the sales levy.

No Great Advances in 1976

Note that some of the increases mentioned are largely or wholly for the purpose of replacing revenues lost from property tax reductions (most often for aged home-owners). Note also that in this campaign year many timid candidates for governor, whether incumbent or otherwise, are shouting "no new taxes."

Probably this means that a return of confidence in the public services, with a careful weighing of their financial necessities in the public interest, will have to await the legislative year 1977; nevertheless there is evidence that there will be some gains in 1976.

Remember the maxim: "No state revenue system is ever perfect; if it were perfect this year, it would need revision next year because of economic changes." The states will resume generous tax support of higher education and other essential services.