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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.

IN THIS ISSUE

THIRTY-FIVE STATES show weighted average two-year gain of 28 per cent in appropriations of state tax funds for operating expenses of higher education, for fiscal 1977 . . 1386

Newly reported (8 states)	Two-year gain (percentage)	Page
Arizona	21	1386
California	33	1387
Colorado	23	1387
Florida	6	1388
Michigan	13	1388
New Jersey	9	1389
South Carolina	13	1390
West Virginia	29	1390

NEW JERSEY enacts a state income tax on personal incomes. . 1389

* * * * *

"Reductions in higher education mean a dire setback to educational opportunity.

"These reductions are wrong for public policy reasons; they also make bad politics. The rich will still be able to buy a college education. The very poor may still be given the opportunity, through scholarships, although there is no certainty of this. More and more it is the sons and daughters of the middle class who are being asked to pay a price they can not afford for higher education.

"Since the middle class constitutes the majority of voters and taxpayers, this dangerous trend in higher education can and must be reversed."

--Albert Shanker, president of the United Federation of Teachers
 in New York City.

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 Statement of ownership and circulation of GRAPEVINE is on page 1386 (reverse hereof).

Table 22. THIRTY-FIVE STATES SHOW WEIGHTED AVERAGE TWO-YEAR GAIN OF 28 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)
Twenty-seven states previously reported*					
Twenty-seven states	1,385,808	4,367,870**	5,798,051	33	318
Arizona	40,492	152,549	184,786	21	356
California	489,102	1,365,861	1,815,041	33	271
Colorado	51,916	167,154	206,226	23	297
Florida	95,477	412,299	434,857	6	355
Michigan	221,100	524,173	593,930	13	169
New Jersey	75,652	289,512	315,338***	9	317
South Carolina	27,464	185,958	210,239	13	666
West Virginia	32,294	89,034	114,460	29	254
Totals	2,419,305	7,554,410	9,672,928		
Weighted average percentages of gain				28	300

*See GRAPEVINE, Table 14, page 1380 (July 1976).

**Revised upward to account for the omission of \$12,228,118 appropriated to community colleges in NORTH CAROLINA in fiscal year 1974-75.

***The legislature continues to consider a supplementary act which may increase this total by \$10 to \$20 million.

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

Table 23. State tax-fund appropriations for operating expenses of higher education in Arizona, fiscal year 1976-77, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Arizona	63,834
College of medicine	10,521
University hospital	9,850
Subtotal, U of A -	\$84,205
Arizona State U	51,456
Northern Arizona U	17,129
Board of Regents	413
Comm for Postsecondary Ed	19
WICHE	767
Subtotal, s u's -	\$153,989

(Continued in the next column)

ARIZONA (Continued)

State aid to community colleges -	
Maricopa County*	13,821
Pima County	6,774
Pinal County	1,964
Graham County	1,696
Yuma County	1,527
Cochise County	1,522
Yavapai County	1,492
Mohave County	912
Navajo County	860
State Comm College Board	229
Subtotal, c c's -	\$30,797
Total	184,786

*Five campuses

CORRECTION for North Carolina, page 1383, footnote ***, should read: Includes \$4,600,000 aid to private institutions for needy N C undergraduates. . . . ; \$4,600,000 for \$200 tuition grants. . . . ; \$2,344,000 assistance to private medical schools. The figures in the tabulation are correct. The percentage of gain over two years should be 17 instead of 21%.

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

Table 24. State tax-fund appropriations for operating expenses of higher education in California, fiscal year 1976-77, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of California*	652,575
California State U & Colls*	603,466
Community Colleges	477,849
Board of Governors	2,256
Extended Oppo Programs	11,484
Subtotal, C C's - \$491,589	
Hastings College of Law	3,554
California Maritime Academy	1,944
Student Aid Commission**	60,620
Cal Postsecondary Ed Comm***	1,293
Total	1,815,041

*Allocations to the separate campuses and to related agencies will be reported later.

**Formerly the State Scholarship and Loan Commission

***Includes \$28,000 for WICHE

The total for fiscal year 1976-77 appears to be a gain of 33 per cent over the comparable figure two years earlier.

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

Table 25. State tax-fund appropriations for operating expenses of higher education in Colorado, fiscal year 1976-77, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Colorado	
Boulder	24,910
Medical Center	27,230
Denver	4,481
Colorado Springs	3,003
Board of Regents	689
Subtotal, U of C - \$60,313	

(Continued in the next column)

COLORADO (Cont from previous column)

Colorado State University	20,321
Ag experiment station	3,563
Ag extension service	3,194
Forest service	742
Subtotal, CSU - \$27,820	
U of Northern Colorado	12,340
Colorado School of Mines	4,736
Ft. Lewis College	2,693
State colleges -	
Metropolitan State College	8,277
U of Southern Colorado	7,221
Mesa College	3,328
Adams State College	3,283
Western State College	3,137
Central administration	122
Subtotal, S C's - \$25,368	
State Community Colleges -	
Denver	12,207
El Paso	4,729
Arapahoe	3,141
Trinidad	1,637
Otero	1,165
Lamar	742
Morgan	434
State aid to district comm colls	5,069
Comm coll administration	173
Occupational education	14,443
Administration	115
Admin proprietary schools	103
Student aid*	14,615
Veterans tuition assistance*	2,069
Commission on Higher Education**	373
Auraria H E Center (Denver)***	3,758
Council on Arts & Humanities	270
State Historical Society	913
Estimated civil service employees compensation increase	7,000
Total	206,226

*Administered by Commission on Higher Education

**Includes: Administration, \$250,698; WICHE, \$28,000; Montrose Extension Education Center, \$29,745; Colorado Associated University Press, \$64,933.

***Includes physical plant operation and library services for UC-Denver, Community College of Denver, Auraria campus, and Metropolitan State College.

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

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

Table 26. State tax-fund appropriations for operating expenses of higher education in Florida, fiscal year 1976-77, in thousands of dollars.

Institutions (1)	Sums appropriated* (2)
U of Florida	47,990
Health Center	19,705
Teaching hospital & clinics	6,645
Inst of Food & Ag Sciences	31,575
Engineering & Industry Exper Sta	750
Veterinary medicine	1,779
Subtotal, U of F - \$108,444	
Florida State U	39,643
U of South Florida	31,131
Medical center	8,330
Subtotal, U of SF - \$39,461	
Florida International U	15,566
Florida Technological U	14,737
Florida Atlantic U	12,619
Florida A & M U	10,447
U of West Florida	9,020
U of North Florida	6,672
St U system reserve**	3,520
Board of Regents	3,907
SREB***	1,262
Comm Hospital Ed	2,729
Private institutions -	
U of Miami Med School	4,280
State aid to community colls	162,550
Total	434,857

*Amounts for each institution prorated to systemwide general revenue-incidental income relationship.

**To be allocated to the individual universities as the need arises.

***includes \$12,000 each for Southern Regional Council on Mental Health and Institute on Higher Education.

The total for fiscal year 1976-77 appears to be a gain of 6 per cent over the comparable figure two years earlier.

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

Table 27. State tax-fund appropriations for operating expenses of higher education in Michigan, fiscal year 1976-77, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Michigan, Ann Arbor	110,720
Dearborn campus	6,990
Flint campus	6,101
Subtotal, UM, all units - \$123,811	
Michigan State University	92,031
Ag experiment station	7,861
Coop extension service	7,255
Subtotal, MSU - \$107,147	
Wayne State U, Detroit	73,300
Western Michigan U	34,623
Eastern Michigan U	25,480
Central Michigan U	21,680
Ferris State College	15,261
Northern Michigan U	14,781
Michigan Technological U	14,895
Oakland U	14,236
Grand Valley State College	9,709
Saginaw Valley College	4,605
Lake Superior State College	4,112
Institute of Gerontology	628
Upper Peninsula Health Ed	211
Private college grants	2,000
Scholarships	13,189
Tuition grants	12,200
Dental grants	970
Allied health grants	300
Law grants	667
Res loan grants	400
Spec ed grants	167
Governor's scholarship	50
Subtotal, stu aids - \$27,943	
State aid to community colls	101,575
Less federal funds	- 2,067
Total	593,930

The total for fiscal year 1976-77 appears to be a gain of 13 per cent over the comparable figure two years earlier.

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

Table 28. State tax-fund appropriations for operating expenses of higher education in New Jersey, fiscal year 1976-77, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
Rutgers, State U of N J	74,135
Ag experiment station	7,165
Subtotal, Rutgers - \$81,300	
N J Coll of Medicine & Dentistry	39,832
N J Institute of Technology	10,218
State colleges -	
Montclair	15,776
Trenton	14,167
Paterson	13,817
Glassboro	13,214
Kean	12,868
Jersey City	10,658
Richard Stockton	7,057
Ramapo	6,112
Subtotal, S C's - \$93,669	
Edison College	554
Educational Opportunity Fund	15,937
Scholarships & grants	17,283
Aid to independent programs	6,000
School of nursing	1,500
Dental school aid	1,900
Veterinary med, ed prog	304
St coll enrollment increase	3,019
St coll faculty teaching loans	2,689
St coll faculty research	600
St coll reduction of tuition incr	3,856
Chancellor's office	2,567
Other	233
State aid to county colleges	33,877
Total	315,338

The total for fiscal year 1976-77 appears to be a gain of 9 per cent over the comparable figure two years earlier.

Note: In the middle of July the legislature began work on a supplementary appropriations bill which may include at least \$10,000,000 and possibly as much as \$20,000,000 for higher education.

NEW JERSEY. A major event of 1976 is the enactment of a state income tax by the legislature in early July. Urgently advocated and pleaded for by Democratic and Republican governors for more than a dozen years, any income tax was stoutly, not to say stubbornly, resisted by a majority of the senate.

Some months ago the state supreme court had ordered all public elementary and secondary schools be shut down as of June 30, 1976, unless the legislature adopted a constitutional method of financing them, in accord with the court's decision which held that reliance on local property taxes created unconstitutional inequalities.

A tumultuous legislature allowed the shut-down to take place, and to continue for a little more than a week until, apparently recognizing that no more than a futile exercise of postponing the inevitable was going on, both houses passed the bill. It was immediately signed by Governor Brendan T. Byrne, who was standing by for that purpose.

New Jersey's State Income Tax

The statute provides a tax of 2 per cent on adjusted incomes of less than \$20,000 a year, and 2½ per cent on incomes of \$20,000 or more. This is a feeble gesture toward graduated rates; but now that the ancient dam is breached, it may be confidently expected that the act will be improved in future sessions.

As it is, the tax is expected to produce about \$775 million a year. Some \$374 million will be used to improve the elementary and secondary schools, and the remainder will go to the local governmental units to effect a reduction of local property taxes. Elderly homeowners will be favored somewhat, and tenants of rented homes will also receive some benefits.

Although the act apparently has no direct or immediate impact on the financing of higher education, it will assuredly introduce some improvement in the statewide revenue picture which undergirds all state services, including higher education.

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

Table 29. State tax-fund appropriations for operating expenses of higher education in South Carolina, fiscal year 1976-77, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of S Carolina, Main campus	42,743
Medical school, main campus	807
Aiken regional campus	1,381
Coastal regional campus	1,773
Spartanburg regional campus	1,959
Two-year regional campuses	2,475
Subtotal, U of SC - \$51,138	
Clemson U	25,217
Ag research, exten, inspection	12,702
Subtotal, CU - \$37,919	
Medical U of S Carolina	29,532
Hospital & clinics	10,224
Subtotal, MUSC - \$39,756	
College of Charleston	7,361
S C State College	7,325
Winthrop College	6,708
The Citadel	5,890
Francis Marion College	3,639
Lander College	2,647
Subtotal, C & U's - \$33,570	
Comm on Higher Ed, Administration	497
Scholarships, loans, SREB	623
Subtotal, CHE - \$1,120	
Grants to private college students	7,333
Board for Tech & Comp Ed	28,103
Employee fringe benefits (est)	11,300
Total	210,239

The total for fiscal year 1976-77 appears to be a gain of 13 per cent over the comparable figure two years earlier.

WEST VIRGINIA. Footnotes

*Allocated by State Board of Regents from lump-sum appropriation.

**Includes \$5,600,000 estimated proceeds of an allocated tax on sales of soft drinks.

***Includes facilities and scholarship administration.

The total for fiscal year 1976-77 appears to be a gain of 29 per cent over the comparable figure for two years earlier.

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

Table 30. State tax-fund appropriations for operating expenses of higher education in West Virginia, fiscal year 1976-77, in thousands of dollars.

Institutions (1)	Sums appropriated* (2)
West Virginia University	38,099
Medical Center**	17,970
Ag experiment station	72
Subtotal, WVU - \$56,141	
Marshall University	13,735
Medical school	872
Subtotal, MU - \$14,607	
W Va Coll of Grad Studies	2,582
W Va Sch of Osteopathic Med	1,650
Four-year Colleges -	
Fairmont State	5,401
West Virginia State	4,749
W Va Institute of Technology	4,441
West Liberty State	4,376
Shepherd	3,309
Concord	3,224
Glenville State	2,645
Bluefield State	2,136
Subtotal, 4-yr C's - \$30,281	
Two-year college -	
Potomac State	1,507
Community colleges -	
Parkersburg	2,013
Southern West Virginia	1,352
West Virginia Northern	1,500
Subtotal, cc's - \$4,865	
Special appropriations -	
Non-allocated	287
Educational TV	719
Oak wilt	13
Bureau for coal research	800
Forestry products	147
Regional research institute	100
Center for Economic Action	56
Community Develop & Research	29
Title I-Matching	133
Awareness	53
Scholarship	1,650
Veterinary tuition	349
Optometry tuition	110
Architecture ed tuition	40
Podiatry tuition	11
Board of Regents***	630
Less estimated student fees	- 2,300
Total	114,460