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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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INCREASE AMOUNTS TO \$2.5 BILLION. 1783

Appropriations per capita for higher education, 1982,
compared with state tax collections, 1980,
in 17 states having highest per capita
state taxes 1784-1786

North Carolina legislature reconvened in October 1981
and appropriated additional sums, bringing 1982 total
for statewide UNC to \$758,464,924--about \$21 million
more than appropriated in July. This makes two-year
gain 31 per cent and gives North Carolina 8th rank in
per capita appropriations for higher education. (North
Carolina is now 10th most populous state in U.S.) 1782

Ohio legislature, taking postponed action in November,
appropriated \$739,309,000 for higher education in 1982--
about 41 million more than our earlier estimate made to
meet press-time in September. This gives Ohio a 2-year
gain (1982 over 1980) of 10 per cent. Ohio's appropriation
for fiscal 1983 (second year of the current biennium) is
\$846,331,000--\$107 million higher than for fiscal 1982. . 1782

NORTH CAROLINA. The table below is a revision of Table 63, page 1761, GRAPEVINE (September 1981).

Table 85. State tax-fund appropriations for operating expenses of higher education in North Carolina, fiscal year 1981-82, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
University of North Carolina	
UNC at Chapel Hill	73,275
Health affairs	51,106
Area health ed centers	18,926
NC Memorial Hospital*	24,251
Subtotal, UNC, CH - \$167,558	
NC State U at Raleigh	
Ag research service	20,584
Ag extension service	16,002
Sch veterinary medicine	4,599
Subtotal, NCSU - \$116,885	
East Carolina U**	
UNC at Treensboro	28,828
Appalachian State U	26,738
UNC at Charlotte	23,500
NC Ag & Tech State U	19,075
Western Carolina U	18,494
NC Central U	16,025
UNC at Wilmington	12,993
Winston-Salem State U	8,132
Fayetteville State U	7,915
Pembroke State U	6,833
Elizabeth City State U	6,724
UNC at Asheville	5,547
NC School of the Arts	4,587
General administration	7,991
Allocation to institutions	1,387
Related programs	25,787
Subtotal, U of NC - \$562,125	
State support of comm colls and technical institutes	
	193,923
Ed benefits, veterans' children	
	2,418
Total	
	758,466

*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.

**Includes \$18,874,824 for the School of Medicine

OHIO. The appropriations for full fiscal years 1982 and 1983 are higher than estimated at press-time in September 1981.

Table 86. State tax-fund appropriations for operating expenses of higher education in Ohio, biennium 1981-83, by separate fiscal years, in thousands of dollars.

Institutions (1)	Sums appropriated	
	1981-82 (2)	1982-83 (3)
Ohio State University		
University hospitals	144,983	165,211
Ag research center	12,927	13,574
Ag coop extension	12,229	12,840
7,128	7,484	
Subtotal, OSU - *		
U of Cincinnati		
Cincinnati Hospital	67,535	78,321
4,742	4,979	
Subtotal, U of C - **		
Kent State U		
U of Akron	39,565	43,528
Ohio University	36,560	42,941
Bowling Green State U	34,900	40,701
U of Toledo	34,362	39,322
Wright State U+	30,445	36,730
Cleveland State U	30,184	34,870
Miami U	30,050	35,605
Youngstown State U	29,520	31,281
Central State U	23,405	26,019
8,342	8,864	
Med Coll of Ohio-Toledo		
Toledo Hospital	10,894	11,298
4,015	4,215	
Subtotal, MCOT - ***		
Northeastern Med Coll		
6,740	9,326	
Case Western Reserve++		
Medicine	5,046	5,298
Dentistry	1,651	1,733
Subtotal, CWR - ****		
Community Colls (5)		
39,781	47,712	
Gen & Tech Colls (3)		
4,751	5,947	
Univ branches (21)		
26,573	31,379	
Technical Colls (17)		
39,756	48,252	
Instructional grants		
30,167	33,519	
Board of Regents		
1,902	2,019	
Special projects		
21,156	23,363	
Totals		
	739,309	846,331

* \$177,267,000 and \$199,109,000

** 72,277,000 and 83,300,000

*** 14,909,000 and 15,513,000

**** 6,697,000 and 7,031,000

+Includes the medical college which was reported separately in prior years.

++Private university which is subsidized for instruction in the health sciences

THIRTY STATES ENACTED ADDITIONAL TAXES IN 1981:

INCREASE AMOUNTS TO \$2.5 BILLION

Not since 1971, when the state legislatures added a total of \$5 billion in new or increased taxes, has any year seen as large a jump in state tax legislation as 1981.

About one-third of the prospective increased revenues will come from higher general sales taxes; and numerous states raised the special sales levies on motor fuels, cigarettes, and liquors.

Gasoline taxes were frequently raised by two to four cents a gallon, and in some instances were changed from the gallonage basis to a percentage of sales value, making them responsive to inflated prices and also tending to make them more productive of revenue despite possible declines in volume of sales.

Cigarette taxes were boosted by as much as 4 or 5 cents per pack in at least three states, and by smaller increments in several others.

A dozen states enacted new or higher severance taxes on nonrenewable natural resources, chiefly petroleum, natural gas, coal or other minerals.

Montana adopted a tax on coal extracted and shipped out of the state, up to a maximum of 30 per cent of value. The U.S. Supreme Court has held this law does not conflict with the U.S. Constitution, as against the contention that it would be an unconstitutional interference with interstate commerce and a violation of the principle of the supremacy of federal law.

Severance taxes, if enacted by more states and at higher rates, could become a much more important source of revenue for the states than in the past.

For example, for some years during the sixties and early seventies, Louisiana derived more revenues from severance taxes than from any other type of tax.

The Curve Is Presently Upward

The legislative years 1978 and 1979, the heyday of the "property tax revolt" which had heavy impact in a few states (California, Michigan, Massachusetts), saw the national total of state tax collections decline slightly each year; but 1981 produced a prospective sharp upturn.

As always, what the 1982 legislatures will do can only be conjectured. It may be affected by the condition of the economy at the moment of decision; and certainly by the effects of the early phases of the new national economic plan of deep budget cuts for support of social services and simultaneous heavy tax reductions.

Will the States Move into the Breach?

There is merit in the principle of allowing the states to take a larger hand in the administration and support of state and local services within their borders, and within the limits of their fiscal ability. Now is a propitious moment for them to change somewhat the tendency to be overwhelmed by federal money and federal remote control, and not become moribund, even though the concentration of power in the economic system dictates that the states and local subdivisions must continue to have considerable financial support from federal sources. The states have a splendid historic record of support for public higher education. Let it continue with fresh impetus.

Source: A more comprehensive report in Tax Review, Vol. XLII, No. 8 (September 1981).

Ratio of Per Capita Appropriations
to Per Capita Taxes

Table 87, Column (4) sets out the percentages of per capita state taxes going to per capita appropriations for higher education in each of the 17 states. The range appears to be from 8 per cent in Alaska (and 9 per cent in Massachusetts) to 21 per cent in Wyoming, with the median at 15 per cent.

This information will acquire wider comparative meaning when it is observed later in conjunction with two other tabulations of similar size: (1) seventeen states having lowest per capita taxes for state purposes, and (2) sixteen states in the mid-range among the fifty on that scale.

Meantime it can be noticed that the four middle-sized states in the present list of 17 (Minnesota, Washington, Maryland, and Wisconsin) stand generally high in state taxes, ranking respectively 6th, 10th, 12th, and 8th; but drop considerably on the scale of per capita appropriations for higher education, to 9th, 11th, 32nd, and 18th.

Uncounted Causes and Relationships

Obviously factors other than those mentioned affect the comparisons and contrasts barely begun here. No sweeping generalizations are possible at this stage. Tentative and preliminary statements can be ventured about a few leading states.

Among the ten most populous states, California is Numero Uno in tax support of higher education, by many measures. Texas, newly populous and newly prosperous, ranks only 45th in per capita taxes, but devotes 28 per cent to appropriations for higher education, ranking 6th in that category.

The other big states of the Northeast and East North Central are in an economic slowdown and are temporarily not very near the top in one or both categories.

Minnesota, Washington, Wisconsin, and Iowa, all of lesser size, tend to occupy medium-high rankings on both scales. New Mexico and Arizona stand respectively 7th and 19th in per capita appropriations for higher education and 9th and 15th in per capita taxes.

Among states with fewer than a million people, the currently high rankings of Alaska, Wyoming, North Dakota, Hawaii, and Delaware may be harbingers of change.

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Where the Seventeen States Are

To sum up the location of the 17 states having highest per capita state tax collection, ten are in the north-eastern quadrant of the nation, and seven are scattered in the trans-Mississippi and Pacific areas. The Southeast and the mid-continental Great Plains states are unrepresented.

Population of the Seventeen States

Five of the nation's ten most populous states are in this group: California, 23,510,372; New York, 17,557,228; Pennsylvania, 11,824,561; Illinois, 11,321,350; and Michigan, 9,236,891. These five have nearly one-third of the entire population of the nation.

At the other end of the scale, four of these 17 states have fewer than one million people each: Alaska, 400,331; Wyoming, 468,909; Delaware, 594,779; and Hawaii, 964,624. New Mexico, with 1,290,551 people, can be added to this group to make a fifth.

This leaves seven of the 17 in the mid-range, with from about two million to six million people, from West Virginia, 1,928,524 and Arizona, 2,714,013, to Massachusetts, 5,728,288. (The latter was just pushed from its place as tenth most populous state among the 50, in the 1980 census, by North Carolina, with 5,846,159.) The remaining four are in range from 4 million to 5 million, with "near-average" number of people: Minnesota, 4,068,856; Washington, 4,109,634; Maryland, 4,193,378; and Wisconsin, 4,689,055.

Apart from the fact that the four states of smallest population are at the top of the list of 17, there does not appear to be much evidence of correlation between number of people and level of per capita state tax collections (Table 87).

Appropriations for Higher Education

On the scale of appropriations, the same seventeen states arrange themselves differently (Table 87, Columns (5) and (6)). While this group includes five of the ten most populous states, only one of them (California) ranks high enough in per capita appropriations for higher education to match its ranking in per capita taxes. The other four rank respectively 25th (New York), 31st (Michigan), 36th (Illinois), and 44th (Pennsylvania). Only eight of the entire 17 rank higher than 17th. Some states choose to give high priority to tax support of higher education, while others prefer to spend relatively more on other public services and amenities.

It is notable that the remaining five of the ten most populous states are not among these 17, because they rank below 17th on the scale of per capita taxation: Texas (14,152,339 people), Ohio (10,758,421), Florida (9,579,495), New Jersey (7,335,808) and North Carolina (5,846,159) rank respectively 45th, 46th, 42nd, 24th, and 30th in per capita taxation. Nevertheless Texas and North Carolina rank 6th and 8th in per capita appropriations for higher education.

To sum up the intersection of the ten most populous states with the 17 states having highest per capita state taxes, note that five states are in both lists, and all but one of these (California, 5th in both scales) tend to rank much lower in per capita appropriations for higher education than they do in per capita tax collections. Two others of the ten most populous--Texas and North Carolina--rank high in the scale of per capita appropriations for higher education, but are not among the top 17 in per capita state tax collections. The remaining three (Ohio, Florida, and New Jersey) tend to be low in both categories.

APPROPRIATIONS PER CAPITA FOR HIGHER EDUCATION, 1982,
 COMPARED WITH STATE TAX COLLECTIONS, 1980.
 IN SEVENTEEN STATES HAVING HIGHEST PER CAPITA TAXES, 1980.

According to available figures on state tax collections (not including taxes levied by local subdivisions), seventeen states collected more than \$600 per capita for the most recent tax year reported.

The nationwide average for fifty states was \$607. On account of particular conditions, Alaska and Hawaii had relatively very high collections: \$3,594 and \$1,035 respectively.

A matter of interest is the comparisons and contrasts between the per capita tax collections in these seventeen states and the appropriations by the same states for higher education in fiscal 1982. Table 87 exhibits the rankings of these states on both counts, and affords a basis for a few observations.

Table 87. Per Capita Tax Collections, and Appropriations for Higher Education, in Seventeen States Having Highest Per Capita Taxes, 1980

Per Capita State Taxes, 1980			H.E. as % of Taxes	Appropriations for H.E., 1982		
States	Tax	Rank		Rank	H.E.	States
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Per Capita		%		Per Capita	
Alaska	\$3,594	1	8	1	\$306	Alaska
Hawaii	1,035	2	15	4	160	Hawaii
Delaware	867	3	14	10	121	Delaware
Wyoming	824	4	21	2	176	Wyoming
California	818	5	17	5	141	California
Minnesota	786	6	16	9	126	Minnesota
New York	724	7	15	25	106	New York
Wisconsin	715	8	16	18	113	Wisconsin
New Mexico	712	9	18	7	131	New Mexico
Washington	706	10	17	11	121	Washington
Massachusetts	685	11	9	47	64	Massachusetts
Maryland	655	12	14	32	92	Maryland
Michigan	642	13	14	31	92	Michigan
West Virginia	625	14	16	28	99	West Virginia
Arizona	620	15	18	19	113	Arizona
Illinois	619	16	14	36	87	Illinois
Pennsylvania	610	17	11	44	70	Pennsylvania

- Column (2) is state tax collections per capita, 1980
- (3) is rankings among fifty states according to Column (2)
- (4) percentage that Column (6) is of Column (2)
- (5) rankings among fifty states according to column (6)
- (6) appropriations per capita, 1982, for higher education.

These seventeen states ranked highest among the fifty in per capita state tax collections; but Columns (5) and (6) show that only eight of them ranked within the top 17 in per capita appropriations for higher education, 1982. Nine of them took lower ranks on that scale, including five that ranked below 30: Michigan, 31; Maryland, 32; Illinois, 36; Pennsylvania, 44; and Massachusetts, 47.

Additional observations continue on page 1785, immediately following.