

# GRAPEVINE

SINCE  
1958

21st  
YEAR

No. 251

May 1979

Page 1589

## 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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"I do not think we face any great calamity. I do not at all agree with those economists who are predicting that enrollments will be going down by 40 per cent from their current level. I do not believe, as some are predicting, that the private sector of higher education will be almost totally decimated, and I also do not believe that higher education during this ensuing period, despite the current problems, is going to end up being so dominated by State and Federal governments that it has no autonomy left."

-- Clark Kerr, Director, Carnegie Council on Policy Studies in Higher Education.

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Table 79. FOUR STATES APPROPRIATE STATE TAX FUNDS FOR ANNUAL OPERATING EXPENSES OF HIGHER EDUCATION FOR FISCAL 1980; WEIGHTED AVERAGE TWO-YEAR GAIN IS 23 PER CENT.

(In thousands of dollars)

States	Year 1969-70	Year 1977-78	Year 1979-80	2-yr gain per cent	10-yr gain per cent
New Mexico	36,126	95,756	125,731	31	248
Utah	40,000	117,146	145,384	24	263
Virginia	117,578	366,586*	444,054	21	278
Wyoming	14,672	42,883	51,664	20	252
Totals	208,376	622,371	766,833		
Weighted average percentages of gain				23	268

\*Figure corrected by addition of comparable fringe benefits not previously reported.

COLORADO. There were early anticipatory reports, probably somewhat exaggerated, that the legislature would impose severe austerity on the University of Colorado, and on all public higher education.

A closer look at happenings in Colorado over the past twelve months does something to balance the gloom. Colorado was one of several states that defeated various proposals to limit state taxing or spending at the election of November 1978.

*Spending Lid Soundly Defeated*

An initiative proposal to limit annual increases in spending by the state government by tying them to the U.S. consumer price index and to the rate of population growth in Colorado, so that a boost of 7 per cent in the price index and a gain in population of one per cent would restrict the increase in state spending to 8 per cent; was killed at the polls by 420,000 votes against 295,000.

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The measure would have become effective July 1, 1979. It also included a similar restriction on local governments and special districts, to be effective January 1, 1980.

Known as Amendment No. 2, the proposal was drafted and a rampaging campaign launched for its adoption early in 1978. It was given a dramatic boost by the news of the California fiasco of June 6 (victory of a drastic cut-down of property taxes).

However, the campaign lost steam as cooler heads and more thoughtful arguments prevailed, and civic minded citizens and organizations pointed out its undesirability.

*For the Whole Story*

A detailed and scholarly account of this bit of history, by R. D. Sloan, a professor of political science at the University of Colorado, appears in the quarterly journal of the Council of State Governments: *State Government*, Vol 52, No. 1 (Winter 1979), pp. 8-11.

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M. M. Chambers, Illinois State University, Normal, Illinois 61761

**NEW MEXICO.** Appropriations of state tax funds for operating expenses of higher education, fiscal year 1979-80:

Table 80. State tax-fund appropriations for operating expenses of higher education in New Mexico, fiscal year 1979-80, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of New Mexico	44,141
Medical school	8,753
Cancer center	463
Emerg Med Services Academy	305
Poison control center	188
Out-of-county indigent service	552
Child psychiatric center	2,100
Health manpower registry	11
Medical investigator*	817
Student exchange**	1,515
Gallup branch	629
Subtotal, U of NM - \$59,474	
New Mexico State U	25,508
Ag experiment station	3,750
Ag extension service	2,538
State Dept of Agriculture*	1,922
San Juan branch	1,120
Dona Ana branch	425
Alamogordo branch	633
Carlsbad branch	493
Grants branch	337
Subtotal, NMSU - \$36,726	
Eastern New Mexico U	9,481
Roswell branch	1,670
Clovis branch	592
Subtotal, ENMU - \$11,743	
N M Inst of Mining & Tech	4,063
State Bureau of Mines*	1,385
Subtotal, NMIMT - \$5,448	
New Mexico Highlands U	5,728
Western New Mexico U	3,134
Northern NM Community College	2,258
New Mexico Military Inst	55
Board of Educational Finance	457
WICHE general dues	39
State aid of junior colleges	309
SSIG	360
Total	125,731

\*State function administered through the institution

\*\*Includes WICHE, dental, veterinary, and optometry student exchange programs.

**UTAH.** Appropriations of state tax funds for operating expenses of higher education, fiscal year 1979-80:

Table 81. State tax-fund appropriations for operating expenses of higher education in Utah, fiscal year 1979-80, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
University of Utah	54,954
College of Medicine	5,903
University hospital	1,464
Research & training grants	1,400
Special enterprises*	887
Subtotal, U of U - \$64,608	
Utah State University	24,865
Ag experiment station	3,586
Coop extension	2,820
Research & training grants	481
Special enterprises**	1,563
Subtotal, USU - \$33,315	
State Colleges -	
Weber State College	17,120
Utah Tech Coll, Salt Lake	6,847
Utah Tech Coll, Provo	5,845
Southern Utah State Coll	5,263
Snow College	2,875
Dixie College	2,853
Coll of Eastern Utah	2,280
Subtotal, S C's - \$43,083	
Board of Regents	766
Statewide television	1,138
Cooperative nursing	581
WICHE	901
Computer services	275
Student loans	130
Intercollegiate assembly	3
Skills center	559
Zion's Park Amphitheater	25
Subtotal, B of R - \$4,378	
Total	145,384

\*Includes: Educationally disadvantaged, \$479,200; Center for Economic Development, \$92,900; seismograph, \$131,500; Museum of Natural History, \$145,300; state arboretum, \$37,800.

\*\*Includes: Educationally disadvantaged, \$73,000; Water Research Laboratory, \$554,100; Ecology Center, \$363,500; Southeastern Utah Continuing Education Center, \$166,100; Uintah Basin Continuing Education Center, \$302,600; Man and His Bread Museum, \$66,600; Coop M.Ed. with SUSC, \$37,500.

VIRGINIA. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1979-80:

Table 82. State tax-fund appropriations for operating expenses of higher education in Virginia, fiscal year 1979-80, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
University of Virginia	49,920
Hospital division	14,236
Blue Ridge Hospital*	3,951
Sch of continuing ed	2,199
Clinch Valley College	1,842
Subtotal, U of V - \$72,148	
Va Poly Inst & State U	50,732
Extension division	16,808
Research dvision	10,311
Subtotal, VPI & SU - \$77,851	
Virginia Commonwealth U	50,218
Health Sciences, hospital	25,150
Subtotal, VCU - \$75,368	
Coll of William and Mary	14,424
Richard Bland College	1,252
Va Assoc Research	448
Subtotal, CW&M - \$16,124	
Other colleges and universities -	
Old Dominion U	21,123
George Mason U	13,638
James Madison U	13,451
Norfolk State College	10,743
Virginia State College	8,612
Radford College	8,224
Longwood College	4,033
Mary Washington College	4,027
Virginia Military Inst	3,998
Christopher Newport Coll	3,764
Subtotal, OC & U - \$91,613	
Community Colleges	89,202
Student aid**	4,657
St Council of Higher Ed	1,358
Scholarship assistance (CSAP)	2,188
Eminent Scholars	800
Regional ed & scholarship	1,110
Tuition Asst & Loan (TAGLP)	6,147
Other supplement	892
Subtotals, SCHE - \$12,495	

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VIRGINIA (Continued from preceding col)

Eastern VA med auth	4,145
So Reg Ed Bd	52
St Ed Asst Authority	97
Va Inst of Sci Research	40
Other higher ed***	262
Total	444,054

\*Includes payments to this hospital from the Department of Health.

\*\*Includes appropriations made directly to higher education institutions for student aid. Other aid funds are included under State Council of Higher Education.

\*\*\*Includes:

Gari Melchers Memorial, \$23,280  
 James Monroe Law Office Memorial, \$29,560  
 VA Institute of Marine Science, \$159,130  
 George Marshall Research Center, \$50,000.

NOTE: In order to derive the estimated percentage of gain over fiscal year 1977-78, it was necessary to add to the state-wide total for that year estimated fringe benefits which had not been previously reported.

WYOMING. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1979-80:

Table 83. State tax-fund appropriations for operating expenses of higher education in Wyoming, fiscal year 1979-80, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
University of Wyoming*	38,071
Community colleges	13,480
Community Coll Commission	113
Total	51,664

\*Appropriations are made in lump sum with no designated amounts for agricultural extension, retirement costs or scholarships and loans.

----- M. M. Chambers, Illinois State University, Normal, Illinois 61761 -----

## TAX PROSPECTS

About one-third of the monetary value of our total national output of goods and services is annually collected as revenues by all levels of governments and used to operate public services.

National, state, and local governments spend hundreds of billions of dollars, hire millions of people, and buy vast quantities and varieties of material to provide for the services to the public that they render.

It is thus possible to say simply that our free enterprise society is not one hundred per cent private capitalism, but a mixed economy, about one-third socialized.

### *Two Hundred Years*

Over the two centuries of the nation's life, the governmental sectors have tended to grow constantly, with great jumps in times of major wars, when the national government goes all out to buy arms and munitions, and enrolls in the armed services millions of persons whom it not only pays, but provides with subsistence, medical care, veterans' benefits, and other perquisites.

The rarely-ceasing expansion of public services in proportion to the private sector over two centuries has been named "creeping socialism" by some conservatives who take a dim view of it. The name is not inappropriate.

The trend can be viewed as benign on the strength of the principle that when a necessary service can be performed better and more economically by a public agency acting for the people collectively, than by individuals acting privately for themselves, it should be done collectively but without unduly invading privacy or other civil rights.

We have public education free to all children; but this does not destroy the rights of some who prefer to attend private schools.

It is clear that as technology advances and civilization moves forward, a multiplicity of new functions appear which not only can be performed collectively, but which practically must be undertaken by public agencies.

Sewage-disposal systems were not of much concern to the log-cabin pioneers in the wilderness, but they are an indispensable necessity in crowded cities.

It is likewise with a great range of essential functions related to education, health, transportation, safety, and the national security in a turbulent world.

How, then, could it be expected otherwise than that a gradually increasing proportion of the total national income will be used to provide necessary services collectively, when simple logic makes it more and more obvious that much of this service can not or will not be accomplished by individuals or families acting on a private basis, or by private charitable agencies, or by private profit-seeking organizations?

This is a natural and beneficial evolution--nothing to be alarmed about.

### *Governments Are Improving, Too*

As governments at various levels take on more and more necessary functions (an inevitable and irreversible trend), the quality of policy-making by legislatures and quality of administration by the executive branches must be upgraded; and elective officers must be expected to exercise a degree of leadership that requires some courage and integrity, rather than being swayed constantly by often mistaken or fraudulent indications of transient popular fads or whims.

"Democracy," Winston Churchill is credited with saying, "is a poor form of government, but thus far no one has been able to devise a better one." The makers of the U. S. Constitution were wary of

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the propensity of public opinion in their day to stampede from one extreme to another, to be intolerant of minority reasoning, and to be cantankerous in other ways.

Accordingly they put in the representative system and the checks and balances which characterize our governments today (albeit greatly changed both by formal amendments and judicial interpretations), and in these times of instant nationwide and worldwide communication still serve to give the action a deliberate pace.

More important than the framework is the civic morale of the people and of their opinion leaders. We shall grow out of the cynicism and greed which prompts many to say "I cast my vote to favor my own personal private gain, and let the community and the nation go hang"; or "I am in politics for what I can get out of it for myself."

At an inspiring moment in our history John F. Kennedy put this well when he expressed the imperative, "Ask not what your country can do for you, but what you can do for your country." One can not doubt that there will be a return to that level of ethics.

It is not beyond our national capability to have honest and competent public servants at all levels of our governments. Indeed, steady progress in that regard is observable. Not all government officers and employees, by any means, are lazy, incompetent, dishonest, arrogant, or corrupt. The contribution of schools, colleges, and graduate schools to the improvement is much greater than is recognized. The trend is upward.

#### *Today's Transient Fad*

Within the past twelve months many insecure incumbents and timid aspirants for political preferment in the states have tried to ride the wave of a wished-for "tax revolt," aided by types of media people who are always anxious to trigger a spectacular avalanche.

Currently the impression created is that many tax-lid or spending-lid measures are being proposed in many states, with some being enacted and some being soundly defeated. The passage of time seems to take some of the gloss off the idea, and brake whatever momentum it had initially.

Results for the year 1979 can not be added up until several more months have gone. Meantime, predictions are only speculation.

#### *Taxpayers Not Downtrodden*

Among a dozen leading countries of the western world, not one has lower taxation than the United States. This information is reported by the Organization for Economic Cooperation and Development (OECD), an arm of the United Nations.

The ratio of taxation to total national output in the principal nations of Western Europe ranges from about one-third to slightly more than one-half. The highest ratio, more than 50 per cent, is in Sweden. The figures for Canada and 12 Western European countries were all shown to be higher than in the U. S. in GRAPEVINE, page 1572 (February 1979), on the authority of a detailed story in *U.S. News and World Report* for December 25, 1978/January 1, 1979.

#### *Good Judgment Will Prevail*

There are indications that the people of the fifty states will not be victimized by a prolonged hysteria which might lead to a severe crippling of today's public services.

The swiftly growing proportion of adults who are high school graduates, as well as those who have had and are obtaining college and graduate school education, makes mindless stampeding less likely than formerly.

Have confidence that in the well-known race of education against catastrophe, education will win.