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GRAPEVINE

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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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"We should be devising better ways of reducing the economic barriers to higher education, of remedying the problems of the disadvantaged so that all our nation's young talent can be used to meet society's increasing needs for individual service."

-- H. Edwin Young, retiring president of the University of Wisconsin System.

Table 56. THIRTEEN STATES SHOW WEIGHTED AVERAGE TWO-YEAR GAIN OF 26 PER CENT IN APPROPRIATIONS OF STATE TAX FUNDS FOR ANNUAL OPERATING EXPENSES OF HIGHER EDUCATION FOR FISCAL YEAR 1980-81, IN THOUSANDS OF DOLLARS.

States	Year 1970-71	Year 1978-79	Year 1980-81	2-yr gain per cent	10-yr gain per cent
(1)	(2)	(3)	(4)	(5)	(6)
Eleven states previously reported*					
Eleven states	1,255,439	3,242,275	4,154,383	28	231
Indiana	173,979	384,376	459,639	20	164
Virginia	136,134	425,623	509,731	20	274
Totals	1,565,552	4,052,274	5,123,753		
Weighted average percentages of gain				26	227

*See GRAPEVINE, Table 52, page 1656 (April 1980).

FORTY YEARS OF INFLATION

In all the feverish reporting and predictions regarding the current rapid rises in prices and wages, the statistics offered rarely cover more than a few years in the immediate past.

A small set of figures has been sent to GRAPEVINE by Arthur M. Gowan, Coordinator of Educational Relations at Iowa State University, Ames, Iowa 50011, showing comparisons relevant to the costs to students at that institution between 1937 and 1977--a period of forty years:

Iowa State University		
Student costs	1937	1977
Fees	\$ 108	\$ 735
Board	162	690
Room	72	495
Books (estimated)	30	200
Totals	372	2,120

Mr. Gowan also remarks that "In 1937 many student jobs paid thirty cents

per hour. Current minimum wage requirements increase this minimum to more than the increase in college costs." He further says: "Twenty years ago (not forty) students living in Iowa State's dormitory system would have had to work twenty hours a week to earn board only, but now a student can earn both room and board for fifteen hours of work per week."

Continuing; "In 1937 engineering graduates were entering the work-force at annual salaries of \$1,200 to \$1,500. In 1977 engineering graduates were starting at an average annual salary of \$15,420."

For teachers graduating from Iowa State in 1937, a beginning salary of \$1,500 was considered good. From the 1977 class, starting salaries were \$9,350 to \$9,750, reports Mr. Gowan. His main point seems clear: An education in a midwestern public university continues to be a good bargain.

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INDIANA. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1980-81:

Table 57. State tax-fund appropriations for operating expenses of higher education in Indiana, fiscal year 1980-81, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
Indiana University	
Bloomington	84,299
IUPUI (Indianapolis)*	
Health division	31,846
Non-health division	20,048
Medical Education**	
Statewide system	8,483
Medical education planning	1,990
Intern residency program	1,330
Regional Campuses	
South Bend	6,976
Northwest	6,928
Southeast	3,858
Kokomo	2,701
East	1,246
Higher Ed Telecommunications***	2,359
Mental retardation	718
Chemical test training	179
Blood treatment program	64
Subtotal, IU - \$173,025	
Purdue University	
West Lafayette	97,271
IUPU-Fort Wayne+	11,376
Regional Campuses	
Calumet	8,677
North Central	2,749
Coop extension service	2,108
Computer and matching funds	100
Animal disease diag labs++	1,178
Ag experiment sta-research	912
Ag exp sta & Sch of Ag	30
Ag experiment station	10
Student legislation	7
Energy technology	250
Rural sewage treatment prog	200
Subtotal, PU - \$124,868	

(Continued in the next column)

INDIANA (Cont from preceding column)

Indiana State U, Terre Haute	36,270
Evansville campus	5,489
Subtotal, ISU - \$41,759	
Ball State U	46,215
Vincennes U#	7,540
Indiana Vocational Technical Col	18,663
Commission for Higher Education	589
Student Assistance Commission	20,356
Social security, state share	13,605
Higher Ed Pension Fund (PERF)	9,745
Higher Ed Pension Fund (TRF)	3,274
Total	459,639

*Acronym for Indiana University-Purdue University at Indianapolis, which includes the Indiana U medical center, law school and other Indiana U units, as well as offering academic programs of Purdue University.

**Involves the operation and 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.

***Statewide multi-media communication network providing service to both public and private postsecondary institutions, administered by Indiana U.

+Dual campus of Indiana U and Purdue U. The boards of trustees of the two institutions designate one of the institutions as fiscal agent.

++Combines the animal disease diagnostic laboratories and the Bangs disease testing service, previously reported separately.

#A two-year community college now largely supported by the state, but partly by the county where it is located

The total for fiscal year 1980-81 appears to be a gain of 20 per cent over the comparable figure two years earlier.

VIRGINIA. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1980-81:

Table 58. State tax-fund appropriations for operating expenses of higher education in Virginia, fiscal year 1980-81, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
University of Virginia	59,416
Hospital division	14,442
Blue Ridge Hospital*	2,456
Sch of continuing ed	2,452
Clinch Valley College.	2,091
Subtotal, U of V - \$80,857	
Va Poly Inst & State U	58,551
Extension division	18,460
Research division	11,746
Subtotal, VPI & SU - \$88,757	
Virginia Commonwealth U	58,635
Health sciences, hospital	26,518
Subtotal, VCU - \$85,153	
Coll of William and Mary	17,013
Richard Bland College	1,455
Va Assoc Research	367
VIMS**	4,601
Subtotal, CW&M - \$23,436	
Other colleges and universities -	
Old Dominion U	24,363
George Mason U	18,271
James Madison U	16,302
Norfolk State U	13,308
Radford U	9,853
Virginia State U	9,096
Longwood College	5,002
Mary Washington College	4,963
Virginia Military Inst	4,644
Christopher Newport Coll	4,340
Subtotal, OC & U - \$110,142	
Community Colleges	98,138
Student aid***	4,469
St Council of Higher Ed	2,412
Scholarship assistance (CSAP)	2,176
Eminent scholars	1,073
Regional ed & scholarship	1,054
Tuition asst & loan (TAGLP)	7,313
Other supplement	207
Subtotals, SCHE - \$14,235	

VIRGINIA (continued from preceding column)	
Eastern VA med auth	4,246
So Reg Ed Bd	64
St Ed Asst Authority	106
Other higher ed+	128
Total	509,731

*Funds from the Department of Health are no longer included in this item.

**Included here for the first time.

VIMS is now part of the College of William and Mary. VIMS total budget included for the first time, previously only the portion related to instruction was included.

***Includes appropriations made directly to higher education institutions as well as student aid to: Dept of Health, \$121,000; Div of War Vet Claims, \$800; and Dept of Rehab Services, \$113,300.

+Includes: Gari Melchers Memorial and James Monroe Law Office Memorial, \$77,900, and George Marshall Research Center, \$50,000.

VIRGINIA. CORRECTION: In Table 51, page 1653 (March 1980) it is erroneously indicated Virginia Commonwealth University is located in Norfolk. The correct location is Richmond, the state capital city.

WEST VIRGINIA. The Board of Regents has adopted a policy that "The primary vehicle for student participation in sports activities of community colleges will normally be the institutional intramural program and physical education classes."

It adds that any competitive events with other schools must *exclude* tackle football; intercollegiate conference affiliations; scholarships for athletic ability. It also declares that the Board will not countenance any plans that would call for state appropriations for operating expenses or for construction of facilities for intercollegiate sports.

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NINETEEN EIGHTY STATE TAX POSSIBILITIES

The tax Foundation's monthly *Tax Review* (1875 Connecticut Avenue, N. W., Washington, D. C. 10009) for March 1980 reports a survey of the state legislatures with focus on "State Tax Prospects, 1980."

The gist is in the first two sentences:

"Reversing their tax-cutting mood prevalent in the last two years, state legislatures in 1980 seem to be taking a hard look at ways to raise state taxes. As of early March tax measures on the legislative agenda, if approved, would have the net effect of increasing overall state revenues by \$1.5 billion annually."

This is welcome relief from the flood of usually undocumented but oft-repeated rumors and gossip about an alleged "tax revolt" which frequently recur in the popular media everywhere.

Increased Levies Contemplated in 22 States

In at least 22 states, says the *Tax Review*, the increases would outweigh cuts, and would bring in a total of \$2.3 billion; but 12 other states are considering net tax reductions aggregating \$800 million, which would offset part of nationwide gain and place it at a total net nationwide rise of \$1.5 billion.

Several legislatures are said to be likely to raise the state tax on motor fuels; and to adopt a new method of levying it. They would drop the cents-per-gallon tax and substitute a tax of a specified percentage of the retail selling price. Some 32 states are said to have bills introduced to raise motor fuels taxes for an estimated total of \$1 billion of new money.

Six states, it is said have proposals to raise their general sales taxes

for a total of about \$1.2 billion of new revenue annually. Among these are Indiana (4% to 5% for \$260 million); Hawaii (4% to 5%); Kansas (3% to 5% for \$233 million); New Jersey (\$200 million by extending the sales tax to include professional services).

Another six states are considering upward revision of *corporate income taxes*. Alabama might raise the rate for \$35 million new revenue; Missouri could get \$89 million through complex technical changes; Nebraska has a proposal for an increase of the corporate income tax rate by 50%, to raise \$34 million; New Jersey has upped the rate from 7.5% to 9% to bring \$121 million of new revenue in fiscal 1981; Ohio has a proposal to raise the rate by one-half of a percentage point, to raise \$36 million a year.

Offsetting in part the story of proposed tax increases in 22 states, a dozen states face possible tax reductions amounting to about \$800 million. Most of the proposals for reduction relate to changes in *personal income taxes*.

Other Prospects

In Tennessee, renewal of the present 4.5 per cent general sales tax (slated to drop back to 3 per cent on July 1, 1980) is being urged, to avert a loss of about \$278 million a year for the state.

Virginia's legislature has already considered and rejected a bill which would have exempted food and medicines from the general sales tax. There are somewhat similar proposals in a handful of other states, including one in Illinois which would exempt food and medicines from half the current 4 per cent rate of the general sales tax.

The foregoing is only a fragmentary and highly condensed series of excerpts from the *Tax Review* article of March 1980.

CONVENTIONAL WISDOM VS. THE FACTS

The American Council on Education announced on April 16 a soon-to-be-published report which is epitomized as follow:

"The long-projected large decline in college and university enrollments may not take place," says the 8-page news-release.

President J. W. Peltason of the Council says: "It is clear that the decline in the so-called traditional college-age population group is not the only fact determining the prospects for American higher education in the 1980's.

"I think that instead of simply looking at the demographic trends and basing decisions on a given projection, we should focus attention on the range of possible institutional strategies and public policy choices that affect enrollments."

In addition to two compactly printed pages of statistics, the announcement presents four pages of matching of widely-held beliefs with the solid facts about the condition of higher education today.

GRAPEVEINE has space for only a few samplings of these convincing statements:

Conventional Wisdom

Total enrollments are already down, falling off even before the decline in the college-age population, raising the spectre of greater decreases in enrollments than originally feared.

Fact

The fact is that college enrollments have increased by over 3 million students from 1970 to 1979. Enrollments are up in every major sector of higher education, in both public and private institutions and both four-year and two-year institutions.

Conventional Wisdom

College students are college-age.

Fact

College-age young people (18 to 21) account for less than one-half of the total college enrollment.

Conventional Wisdom

The conventional wisdom on trends in graduate enrollment is split between two opposing positions:

- Graduate enrollment is up because many undergraduates who are unable to find jobs using their education go on to graduate school thinking, as a result of credential escalation, that they will increase their competitive advantage in seeking employment later.
- Graduate enrollment is down because students see declining rates of return on their investment in further education and do not go on to graduate school.

Fact

The fact is that graduate enrollment is up 47 per cent from 1970 to 1978 which is a greater rate of increase than the 40 per cent growth in total enrollment.

SOURCE: American Council on Education, One Dupont Circle, Washington, D. C. 20036. Preliminary announcement of study to be published in June 1980 under title *College Enrollment: Testing the Conventional Wisdom Against the Facts.*