

# GRAPEVINE

SINCE  
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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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\* \* \* \* \*

"You've got to have strong institutions if you're going to have strong programs to accomplish the ends for which the institutions were established. . . . In order to preserve the agenda of social justice, civil rights, new academic programs, nontraditional study. . . the immediate task is going to have to be buttressing the institution."

--Alden Dunham, of the staff of Carnegie Corporation of New York,  
in AAHE Bulletin, Vol. 34, No. 8 (April 1982).

THIRTEEN STATES APPROPRIATE NEARLY \$6 BILLION, SHOWING TWO-YEAR  
GAIN OF 22 PER CENT

Table 5. Cumulative of state tax funds appropriated for annual operating expenses of higher education for fiscal year 1983 by thirteen states, reported up to May 1, 1982.

States	Year 1972-73	Year 1980-81	Year 1982-83	2-yr gain per cent	10-yr gain per cent
(1)	(2)	(3)	(4)	(5)	(6)
Nine states previously reported*					
Nine states	1,427,212	3,774,726	4,682,551	24	228
Idaho	36,785	94,146	104,019	10	183
Maryland	159,156	367,701	432,654	18	172
Minnesota	174,040	477,954	520,920	9	199
Nebraska	56,780	166,155	189,610	14	234
Totals	1,853,973	4,880,682	5,929,754		
Weighted average percentages of gain				22	220

\*See Table 99, page 1806, GRAPEVINE (May 1982)

By May 1, 1982, one-fourth of the states had reported to GRAPEVINE their appropriations for annual operating expenses of higher education for fiscal year 1983. The aggregate thus appropriated appears to maintain for those thirteen states a weighted average gain of about 22 per cent over the immediately preceding two years.

This rate of gain seems to correspond with the comparable figures of recent prior years. For fiscal 1982 the reported two-year gain was 20 per cent; for fiscal 1981 it was 23 per cent. Meantime in recent months the annualized rate of general inflation has declined considerably, whether permanently or not, no one can predict. If permanent, this could mean the current dollar gains are worth more in purchasing power than those of prior years.

The impasse in the national capital concerning the federal budget for fiscal 1983, which existed through April and continued into May and probably beyond, made it impossible to say precisely what and where the federal shortfalls will be. This creates knotty problems for state legislatures as they strive to provide for sufficient tax support for higher education and other essential public services.

Searching for a ray of optimism, one might say that up to May 1982 the states continued their practice of appropriating an average of approximately twenty per cent gain over the comparable sums of two years earlier, or about \$12 for each \$10 appropriated two years before.

IDAHO. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1982-83:

Table 6. State tax-fund appropriations for operating expenses of higher education in Idaho, fiscal year 1982-83, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
University of Idaho	29,577
Ag research & coop extension	9,170
WAMI medical ed program	1,687
Northwest Coll of Veterinary Med	877
Forestry research	166
Subtotal, U of I - \$41,477	
Boise State University	20,721
Idaho State University*	19,916
Lewis-Clark State College	2,839
Junior college support**	4,889
Vocational education	12,680
State Board of Education	
Board and staff***	421
Scholarships and grants	274
Medical education	802
Total	104,019

- \*Includes \$53,000 for dental education program
- \*\*Includes estimated sales tax revenue dedicated to pay FICA taxes for junior college employees
- \*\*\*Excludes one-time funding for search and replacement of executive director.

Idaho was one of relatively few states hit by the anti-tax virus emanating from events in California of 1978 (adoption of a constitutional amendment cutting property taxes by more than half in the Golden State).

Idaho's appropriations for annual operating expenses of higher education in 1979 (for fiscal year 1980) showed a gain over the preceding two years of only 21 per cent. The comparable figures for the next succeeding three fiscal years dropped to 13 per cent, 13 per cent, and 10 per cent gain over the preceding two-year periods.

IDAHO (Continued from preceding column)

In April 1981 the State Board of Education declared a "state of financial exigency" for the four public higher education institutions, and at the same time adopted an increase of student fees of \$100 per semester for residents of the state (not called tuition fees because the state statutes forbid tuition fees for residents).

In September 1981 a legislative interim committee recommended that the legislature propose a constitutional amendment to authorize charging tuition fees to residents. The 1982 legislature did not propose any such amendment because it requires a two-thirds affirmative vote in the House of Representatives, which it did not receive.

The State Board of Education asked for a "salary equity adjustment" for teaching and research faculties at the four institutions. The request was made three consecutive years, 1980, 1981, and 1982. No money was appropriated in 1980 or 1981, but in 1982 the legislature granted \$350,000 in response to the request for \$2.1 million (16 per cent of the amount requested).

The Idaho Association of Commerce and Industry urged the 1982 legislature to approve the formation of a privately financed Task Force on Idaho Higher Education, to study and recommend the future course of higher education in the state. Approval was signified in Senate Concurrent Resolution No. 129 (1982).

Also enacted was House Bill No. 782, authorizing reciprocal waiving of tuition fees for certain nonresident students by agreement with adjacent states. It is said that negotiations on this matter are now in progress in Utah, and that the state of Washington may consider it. The forthcoming Task Force will presumably concentrate on major statewide issues of financing.

WHAT WILL THE STATES DO ABOUT TAX SUPPORT OF HIGHER EDUCATION?  
(Continued from page 1815)

1982 Survey by Tax Foundation, Inc.

In March a survey of state tax prospects, 1982, was made and reported in Tax Review, Vol. XLIII, No. 3 (March 1982). The brief summary: "Twenty-six states are weighing \$6.8 billion in tax hikes for 1982--the second year in a row legislative tax increases may set a ten-year high."

Among measures proposed are efforts to accelerate payment by business, such as general sales taxes and withheld income taxes. Such speed-ups, if enacted, would produce more than \$1 billion in one-time revenues in the states affected.

General Sales, and Income Taxes

Thirteen states were considering higher sales taxes, which could produce \$2.7 billion in added annual revenues. New or higher personal income taxes are being suggested in ten states, to bring in \$1.6 billion. Corporation income tax rate jumps, also proposed in ten states, would raise \$340 million.

Increasing Other State Revenues

A dozen states are debating changes in motor fuel taxes good for a total of \$894 million; and a like number may raise tobacco taxes by a total of \$157 million. Measures are introduced in six states to bring in a total of \$196 million in new funds. Higher alcoholic

beverage tax rates, also introduced in several states, would raise an added \$84 million.

Transactions taxed under the special sales taxes named above have often not been subject to the general sales tax; but several states are now considering making them subject to both, by extending the general sales tax act to include them, thus raising additional money.

Separate brief sketches from more than half of the states, gleaned from recent messages of the governors and from communication with legislative offices, appear in the 6-page issue of Tax Review for March 1982 under the title "State Tax Prospects, 1982." It is understood that the article does not speak of 1982 enactments, but only of preliminary indications of what 1982 legislative action may be.

In recent past years the publisher of Tax Review (Tax Foundation, Inc., 1875 Connecticut Ave., N.W., Washington D.C. 20009) has usually circulated another issue in September, dealing with state tax action in the year concerned, as distinguished from the earlier issue on prospects. In view of continued chaos in Washington, it seems unusually important that the state legislatures should maintain their well-established custom of increased support for higher education.

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**GRAPEVINE**

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MARYLAND. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1982-83:

Table 8. State tax-fund appropriations for operating expenses of higher education in Maryland, fiscal year 1982-83, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
University of Maryland	
Main campus, College Park	85,529
Ag experiment station*	5,456
Coop extension service*	6,124
Ctr, environ & estuarine std*	3,297
Subtotal, CP - \$100,406	
Baltimore City campus	56,148
University hospital*	3,350
Subtotal, B C - \$59,498	
Baltimore County campus	17,551
Eastern Shore campus	6,195
General university expenses	7,087
Subtotal, U of M - \$190,737	
State Colleges -	
Towson State University	20,281
Morgan State University	14,068
Frostburg State College	8,465
Salisbury State College	7,172
University of Baltimore	6,739
Bowie State College	6,341
Coppin State College	5,507
St Mary's College of MD	3,753
Trustees of State Colleges	7,534
Subtotal, S C's - \$79,860	
State scholarships	6,030
Higher Ed Loan Corp	4,157
Board for Higher Education	3,546
Aid to private higher educ	11,565
State aid for comm colls	60,988
State board for comm colls	927
Fringe benefits**(est)	74,843
Total	432,653

\*The arrangement of the various components does not correspond precisely with current administrative structure. The grouping here is for comparability with universities of other states.

\*\*Not budgeted in higher education institutions.

Note: The above totals include an estimated nine percent cost-of-living allowance.

NEBRASKA. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1982-83:

Table 9. State tax-fund appropriations for operating expenses of higher education in Nebraska, fiscal year 1982-83, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
University of Nebraska	
Lincoln	80,070
Medical center	42,917
Omaha	21,279
System administration	2,742
Subtotal, U of N - \$147,008	
State Colleges -	
Kearney State Coll	9,240
Wayne State Coll	5,364
Chadron State Coll	5,069
Peru State Coll	2,910
System Office*	481
Subtotal, S C's - \$23,064	
Technical Community Colleges	19,403
Coordinating Commission	135
Total	189,610

\*Includes a system-wide discretionary fund of \$300,000.

#### WHAT WILL THE STATES DO ABOUT TAX SUPPORT OF HIGHER EDUCATION?

As of mid-April 1982 the stance of the national Administration and the Congress made it impossible to predict with exactitude the probable losses of federal support to be sustained by higher education for fiscal year 1983, but it seemed likely that substantial decreases in student financial aids might occur.

If that outcome appears and continues, will the 50 states stiffen their customary support of the institutions, as well as their own systems of student aids?

The state legislatures of 1981 raised their total tax revenues by a net \$2½ billion a year. This was the highest annual statutory increase in ten years.

(Continued on page 1816)

MINNESOTA. Appropriations of state tax funds for operating expenses of higher education, biennium 1981-83:

Table 7. State tax-fund appropriations for operating expenses of higher education in Minnesota, biennium 1981-83, by separate fiscal years, in thousands of dollars.

Institutions (1)	Sums appropriated	
	1981-82 (2)	1982-83 (3)
U of Minnesota*	196,453	181,715
Ag extension service	8,730	8,395
Ag research	8,900	8,570
Vet Dx lab & hospital	776	776
Med service & instr	1,772	1,330
Medical research	1,824	1,390
Health sciences instr	3,213	1,213
Hospital service & in	7,271	7,071
Indigent patients	2,000	2,000
Research**	3,626	3,185
Student loans-march	175	175
Salary adjustments	23,880	29,737
Other***	4,080	4,311
<hr/>		
Subtotals, U of M - +		
State Universities#	92,822	95,566
Student loans-match	100	75
Work-study-match	518	518
Contingency	40	
<hr/>		
Subtotals, S U's - ++		
Community Colleges##	44,166	44,358
Program development	180	
Learning centers	229	228
Student loans-match	35	35
Work-study-match	366	366
Contingency	10	
<hr/>		
Subtotals, C C's - +++		
Area Voc Tech Insts###	95,393	85,195
Mayo Medical School@	1,404	1,417
Higher Ed Coord Board	1,533	1,541
Schlrshps & grants@@	30,484	27,181
Tuition reciproc@@	5,300	5,669
Work-study prog	3,892	4,067
Voc tech tuition	1,400	1,400
Pvt coll contracts	3,418	3,116
Minitex library	558	602
Reg coord & Serv@@@	116	
Med, opt, osteo loans	539	683
Part-time stud grants	300	300
Budget reduction@@		-1,265
<hr/>		
Subtotals, HECB - ++++		
Totals	545,503	520,920

(Footnotes in next column)

MINNESOTA (Footnotes)

+\$262,700,000 and \$249,868,000  
 ++\$ 93,480,000 and \$ 96,159,000  
 +++\$ 44,986,000 and \$ 44,987,000  
 ++++\$ 47,540,000 and \$ 43,294,000

\*Includes campuses at Duluth, Minneapolis-St. Paul and Morris and two-year technical colleges at Crookston and Waseca.

\*\*Includes: (In thousands of dollars)

	1981-82	1982-83
General research	2,065	1,906
Mineral resources	308	296
Hormel Inst	135	130
Geological survey	565	525
Lake Superior Basin	115	111
Sea Grant	100	95
Plant biomass	113	121
Immigration History	225	

\*\*\*Includes:

	1981-82	1982-83
Intercoll athlet	1,472	1,450
Sum sch & cont ed	1,202	1,118
Indust relations	521	481
Inflation allow	451	900
Disadvant students	362	362
Minority fellowshp	72	

#Includes 6 four-year institutions: at Bemidji, Mankato, Moorehead, St. Cloud, Winona, and Southwest State U at Marshall; and one upper division institution: Metropolitan State U (St. Paul-Minneapolis).

##Includes 18 state operated institutions. Five recently have been consolidated to form Northeastern Community College.

###Includes 33 state-funded, locally operated post-secondary vocational-technical institutes.

@Private institution in Rochester.

@@Expected \$1,265,000 in budget reductions to be taken from unexpended funds in scholarship and grant programs and tuition reciprocity programs in fiscal year 1983.

@@@Regional centers terminated during fiscal year 1982.