

# Grapevine

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## TIMELY DATA CIRCULATED WHILE CURRENT

Reports on state tax legislation; state appropriations for universities, colleges,  
and community colleges; legislation affecting education beyond the high school.

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THIRTY-TWO MULTI-CAMPUS STATE UNIVERSITIES  
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The 56 entities (24 consolidated systems and 32  
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\* \* \* \* \*

"New York State, from FY 1979-80 to 1983-84, increased appropriations  
for annual operating expenses of all higher education by 40.4 per cent.  
This increase was above the national average (33.1 per cent), and above  
the rate of inflation (37.3 per cent) for the period."

--Report issued by Comptroller of the State of New York, October 1984.

\* \* \* \* \*

SELECTED UPBEAT OBSERVATIONS

The persistently predicted nose-dive in higher education enrollments has not occurred; nor has any calamitous or catastrophic nationwide cut-back of financial support appeared, either in tax support from governmental units or in private philanthropic giving.

It is not to be doubted that depressive and unstable economic conditions, including erratic inflation and unemployment, have brought much uncertainty, some of which currently continues; but some bright spots in the gloom are discernible.

California Voters Defeat an Effort  
to "Save Proposition 13"

The Jarvis initiative, named for its chief advocate, drastically reduced local property taxes and was a crippling blow to California's 106 community colleges. It was enacted a few years ago, but the state legislature soon acted to offset the prospective loss of \$1 billion a year to the community colleges by increasing state appropriations for their annual operating expenses, and by other emergency measures.

More recently, a second initiative which would have required the state to repay to taxpayers much of the state tax money already appropriated in consequence of the advent of Proposition 13. This second initiative was submitted to the voters in 1984 and overwhelmingly rejected.

The amount of state tax funds appropriated for annual operating expenses of California's community colleges for fiscal year 1985 is \$1,115,038,000. It has been above one billion dollars for three successive years.

Michigan Rejects an Initiative That  
Would Have Slashed State-Local Taxes

In the early 1980's Michigan enhanced its revenues by several measures providing for increased tax rates. In 1984, an initiated proposition went on the November ballot and was soundly defeated. It would have reduced taxes to the level of 1981, and limited local income taxes to .05 per cent. It would have also prohibited new taxes or higher rates. A large order!

Nevada Voters Reject an Effort  
to Impose Tight Limits on  
Property Taxes

In Nevada an initiative to require any new taxes or fees to obtain a two-thirds vote of a legislative body and approval of the electorate was on the ballot.

This harsh proposal, appearing on the ballot in 1984, was defeated, not by an avalanche of votes, but by a sufficient margin to indicate that excessive tax revolt is not popular.

Looking over the most recent fifteen years prior to 1985, reveals during that period the nationwide totals appropriated by the fifty states for annual operating expenses of higher education have shown no actual decline, but have, on the contrary, grown from a little more than \$6 billion in 1970 to slightly more than \$28 billion in 1985. Only very rarely did any state experience a dollar decline from a preceding year.

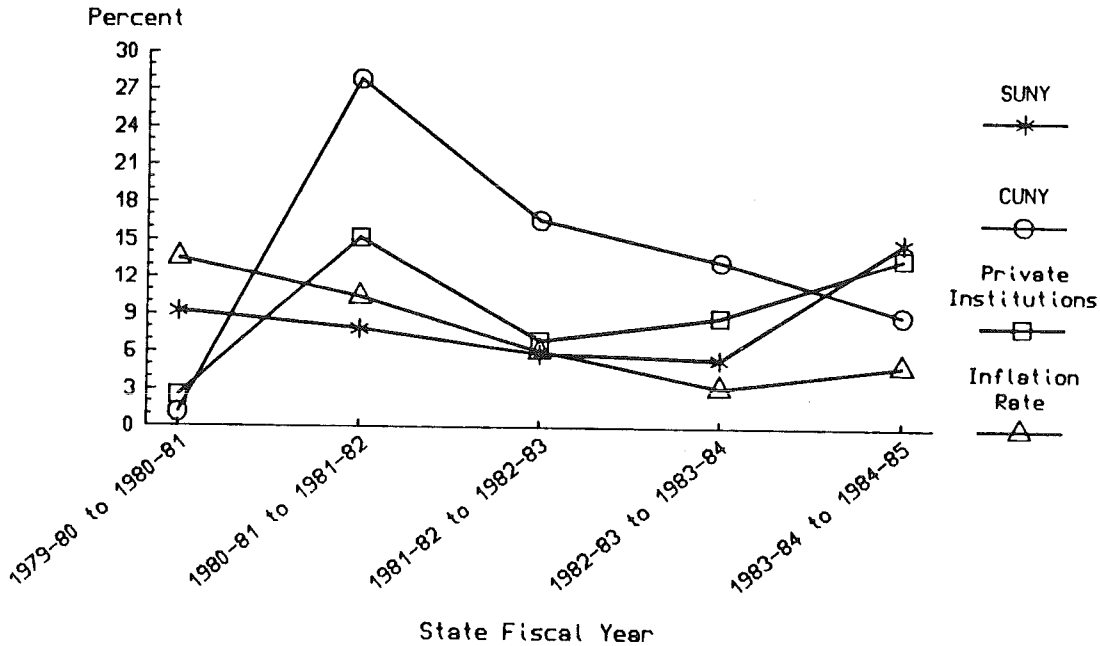
Erratic inflation during the same period changes the picture somewhat, but not enough to obscure the fact that in general it was a time of growth, not a disastrous downslide into despair.

The record of enrollments has a similar history: overall modest gain (or temporary stabilizations) with only rare and usually localized drops in headcounts. Private colleges tended to lose more than public ones, but were bolstered by millions of dollars in federal and state student aids.

NEW YORK. Recently received from the Office of the New York State Comptroller is a report entitled: State Appropriations and Local Expenditures of Tax Dollars for Higher Education in New York State: 1979-80 to 1984-85. Exerpts from that document are presented below.

"New York State, from FY 1979-80 to 1983-84, increased appropriations for annual operating expenses for all higher education by 40.4%. This increase was above the national average (33.1%) and above the rate of inflation (37.3%) for the period. However SUNY appropriations, up 31.5% (considerably less than inflation), experienced a modest decline. Private institutions, up 37.4%, neither declined nor experienced any real growth. CUNY appropriations, up 70.9%, have shown dramatic gains compared to inflation. This is due primarily, however, to the gradual assumption by the state of costs originally borne by the City of New York and does not, therefore, represent totally new funding for this system. (See Table 83, this issue.)

ANNUAL PERCENTAGE CHANGE IN APPROPRIATIONS  
OF NYS TAX DOLLARS FOR HIGHER EDUCATION  
SFY's 1979-80 to 1984-85



NOTE: Inflation rate is derived from the Consumer Price Index.  
Source: Chambers, M. M., Appropriations of State Tax Funds for Operating Expenses of Higher Education, National Association of State Universities and Land-Grant Colleges, 1979-1984. Figures for 1984-85 are estimated.

"Estimated New York State appropriations for higher education are \$2.45 billion for fiscal year 1984-85. This sum represents a 13.2% increase over the preceding year and indicates growth at more than two and one-half times the rate of inflation. SUNY appropriations are up almost 14.9%. CUNY is up 9.0% and aid to private institutions is up 13.6%.

"New York State appropriated \$2.16 billion for fiscal 1983-84, a 7.8% increase over fiscal 1982-83. This increase was more than double the inflation rate (3.2%) and well above the national average in total state appropriations (5.1%). Consequently, New York, for the third consecutive year, experienced real growth in higher education appropriations. SUNY showed the smallest increase, up 5.5%. Private institutions fared somewhat better, up 8.8%, while CUNY experienced the largest increase, up over 13%."

TWENTY-FOUR CONSOLIDATED SYSTEMS AND  
THIRTY-TWO MULTI-CAMPUS UNIVERSITIES IN FISCAL YEAR 1985

Looking at Tables 83 and 84 from the standpoint of the nation-wide picture as a whole, it appears that in 1985 there are 32 large multi-campus universities and 24 of another type of consolidated system--a total of 56 entities--each receiving \$100 million or more in appropriations of state tax funds for annual operating expenses. The appropriated dollars for the two groups are respectively near \$8 billion and near \$9 billion, making a total of about \$17 billion, which is two-thirds of the slightly more than \$28 billion appropriated by all fifty states for operating expenses of all higher education in fiscal 1985. By this measure, then, the two groups include the names of 56 entities which govern about two-thirds of all state tax supported higher education in the United States.

As of now, only three of the 56 entities have appropriations of \$1 billion or more: the nine-campus University of California, the State University of New York, and the nineteen-campus California State University. Six more of the entities, however, are above half a billion dollars: the multi-campus University of Texas; Florida State University System; University of North Carolina System of 16 institutions; Massachusetts Regents of Higher Education; Georgia State University System; and the state-wide University of Wisconsin System.

The rates of gain over the immediately preceding period of two years are roughly 16 and 17 per cent. They do not differ greatly from the 16 per cent rate of growth for the same period for all state tax support of all higher education. The big picture for fiscal 1985, though it may represent caution, does not depict any calamitous collapse.

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Table 84. THIRTY-TWO MULTI-CAMPUS UNIVERSITIES GET NEARLY EIGHT BILLION DOLLARS NET STATE TAX FUNDS FOR OPERATING EXPENSES IN FISCAL 1985, IN THOUSANDS OF DOLLARS.

Institutions (1)	Year 1974-75 (2)	Year 1982-83 (3)	Year 1984-85 (4)	2-yr gain per cent (5)	10-yr gain per cent (6)
University of California	511,102	1,150,468	1,450,798	26	184
University of Texas System	193,031	776,814	874,943	13	353
University of Illinois	204,094	359,142	417,365	16	104
Louisiana State U System	87,515	278,584	318,355	14	264
University of Minnesota	118,883	264,124	302,873	15	155
Texas A&M System	63,800	235,844	286,226	21	349
University of Maryland	103,353	190,737	236,620*	24	129
Ohio State University	105,322**	199,109**	223,514**	12	112
Indiana University	99,761	173,948	217,770	25	118
University of Tennessee	83,123	170,476***	210,115	23	153
University of Michigan	105,507	175,271	204,793	17	94
University of Missouri	113,152	183,758	200,007	9	77
University of Massachusetts	94,693	175,651	192,187	9	103
University of Hawaii	70,742	185,114	187,616	1	165
University of Kentucky	74,265	147,695	168,506	14	127
University of Alaska	36,073	146,826	166,904	14	363
University of Nebraska	63,797	147,008	163,816	11	157
University of Alabama	52,995	129,094	162,962	26	208
Pennsylvania State U	94,132	143,481	162,700	13	73
Rutgers, State U of New Jersey	81,019	135,313	156,495	16	93
University of Arkansas	53,647	124,855	153,535	23	186
Purdue University	42,117	124,942	149,548	20	255
University of Colorado	51,035	127,905	141,637	11	178
Southern Illinois U	86,790	125,450	140,655	12	62
University of Connecticut	67,798	113,182	137,603	22	103
University of Kansas	49,167	131,522	137,314	4	179
University of Iowa	61,089	128,698	137,049	6	124
University of Houston	28,574	108,927	130,242	20	356
University of South Carolina	45,683	98,670	122,007	24	167
Arizona State U	42,100	89,226	118,716	33	182
University of Virginia	40,197	94,051	108,834	16	171
University of Oklahoma	31,418	110,587	103,607	-6	230
Totals	2,955,974	6,746,472	7,885,312		
Weighted average percentages of gain				17	167

\*Contains some fringe benefits reported separately in prior years.

\*\*Includes an estimated sum for the four branch campuses at Lima, Mansfield, Marion and Newark

\*\*\*Includes an estimated amount for retirement benefits which were reported separately in 1982-83, but included in the institutional figures for 1984-85.

Table 83. TWENTY-FOUR CONSOLIDATED SYSTEMS, EACH UNDER ONE GOVERNING BOARD, SHOW GAINS OVER THE PRECEDING TWO AND TEN YEARS.

System	Year 1974-75	Year 1982-83	Year 1984-85	2-yr gain per cent	10-yr gain per cent
(1)	(2)	(3)	(4)	(5)	(6)
Trustees, State U of New York	652,550	1,014,005	1,151,511	14	76
California State U	486,039	960,244	1,139,463	19	134
Governors, U of North Carolina	239,176	586,655	700,904	19	193
State U System of Florida	261,328	590,463	668,616	13	156
Mass Regents of Higher Educ	209,647	472,975	641,364	36	206
State U System of Georgia	234,577	516,211	605,111	17	158
U of Wisconsin System	265,959	462,627	514,392	11	93
City University of New York	167,700	348,417	419,437	20	150
Arizona Board of Regents	57,874	280,163	329,402	18	469
Kansas Board of Regents	114,003	282,746	312,052	10	174
Iowa Board of Regents	117,078	284,444	301,432	6	157
Pennsylvania State U System	139,222	230,444	250,251	9	80
Miss, Insts of Higher Learn	98,465	221,816	239,386	8	143
Tenn State Us & Comm Colls	79,761	189,709*	231,222	22	190
Utah Board of Higher Educ	75,740	192,187	226,207	18	199
West Virginia Brd of Regents	89,034	193,137	220,069	14	147
Oregon Brd of Higher Educ	99,332	184,626	216,896	17	118
Louisiana St Colls & Us	71,744	173,148	184,266	6	157
Regency System in Illinois	76,003	120,479	134,413	12	77
Brd of Governors Sys in Ill	65,936	108,669	119,036	10	81
No Dakota Brd of Higher Educ	30,597	105,283	105,388	0	244
Rhode Island Brd of Governors	44,358	82,226	105,279	28	137
Minnesota State U System	45,334	96,919	104,783	8	131
Montana University System	34,487	92,629	104,117	12	202
Totals	3,755,944	7,790,222	9,024,997		
Weighted average percentages of gain				16	140

\*Includes an estimated sum for retirement benefits which were reported separately.

NOTE ON NOMENCLATURE

All of the 56 entities named in Tables 83 and 84 (pages 1992 and 1993) are governing boards, authorized by state constitutions or statutes to manage the institutions under their jurisdiction. "Coordinating boards," empowered only or chiefly to make recommendations to the governor, legislature, existing governing boards, and the public are not listed in either tabulation.