

# Grapevine

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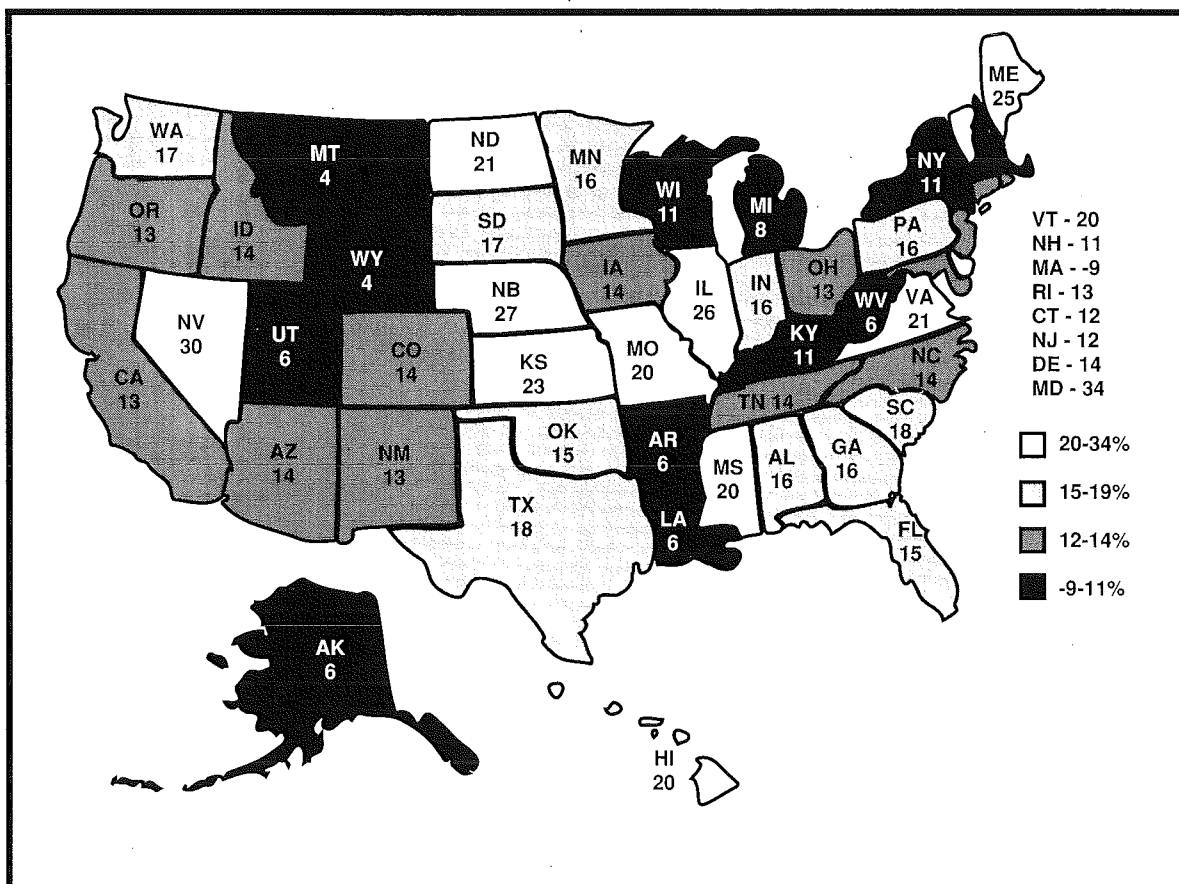
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Year

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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.

### PERCENTAGES OF TWO-YEAR GAINS IN APPROPRIATIONS OF STATE TAX FUNDS FOR ANNUAL OPERATING EXPENSES OF HIGHER EDUCATION IN THE FIFTY STATES, FY1990 OVER FY1988



APPROPRIATIONS OF STATE TAX FUNDS FOR OPERATING EXPENSES OF  
HIGHER EDUCATION FOR FISCAL YEARS 1979-80, 1987-88, AND 1989-90,  
WITH PERCENTAGES OF GAIN OVER THE MOST RECENT TWO AND TEN YEARS.  
(In thousands of dollars)

| States                               | Year<br>1979-80 | Year<br>1987-88 | Year<br>1989-90 | 2-yr gain<br>Percent | 10-yr gain<br>Percent |
|--------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------------|
| (1)                                  | (2)             | (3)             | (4)             | (5)                  | (6)                   |
| Alabama                              | 344,683         | 669,992         | 776,641         | 16                   | 125                   |
| Alaska                               | 95,906          | 165,542         | 176,023         | 6                    | 84                    |
| Arizona                              | 232,707         | 498,036         | 569,982         | 14                   | 145                   |
| Arkansas                             | 169,664         | 284,333         | 301,200         | 6                    | 78                    |
| California                           | 2,814,321       | 5,071,271       | 5,740,737       | 13                   | 104                   |
| Colorado                             | 246,866         | 441,070         | 504,757         | 14                   | 104                   |
| Connecticut                          | 226,371         | 414,174         | 463,796         | 12                   | 105                   |
| Delaware                             | 53,273          | 101,339         | 115,541         | 14                   | 117                   |
| Florida                              | 650,334         | 1,367,174       | 1,567,712       | 15                   | 141                   |
| Georgia                              | 385,132         | 759,404         | 884,669         | 16                   | 130                   |
| Hawaii                               | 124,359         | 243,118         | 292,456         | 20                   | 135                   |
| Idaho                                | 85,028          | 139,136         | 158,247         | 14                   | 86                    |
| Illinois                             | 931,489         | 1,331,777       | 1,675,322       | 26                   | 80                    |
| Indiana                              | 398,997         | 704,703         | 814,021         | 16                   | 104                   |
| Iowa                                 | 282,114         | 441,458         | 502,293         | 14                   | 78                    |
| Kansas                               | 238,839         | 361,178         | 444,788         | 23                   | 86                    |
| Kentucky                             | 299,918         | 494,949         | 550,182         | 11                   | 83                    |
| Louisiana                            | 330,008         | 494,507         | 522,912         | 6                    | 58                    |
| Maine                                | 57,336          | 141,412         | 176,868         | 25                   | 208                   |
| Maryland                             | 323,732         | 614,605         | 823,348         | 34                   | 154                   |
| Massachusetts                        | 314,929         | 894,998         | 815,998         | (9)                  | 159                   |
| Michigan                             | 808,320         | 1,303,202       | 1,408,009       | 8                    | 74                    |
| Minnesota                            | 477,731         | 815,663         | 946,779         | 16                   | 98                    |
| Mississippi                          | 233,834         | 360,036         | 432,971         | 20                   | 85                    |
| Missouri                             | 314,807         | 503,019         | 603,535         | 20                   | 92                    |
| Montana                              | 60,494          | 105,106         | 109,416         | 4                    | 81                    |
| Nebraska                             | 150,940         | 227,974         | 290,491         | 27                   | 92                    |
| Nevada                               | 56,896          | 112,551         | 146,636         | 30                   | 158                   |
| New Hampshire                        | 29,806          | 66,901          | 74,393          | 11                   | 150                   |
| New Jersey                           | 477,891         | 1,016,773       | 1,142,805       | 12                   | 139                   |
| New Mexico                           | 138,624         | 262,813         | 296,410         | 13                   | 114                   |
| New York                             | 1,543,416       | 2,874,893       | 3,185,045       | 11                   | 106                   |
| North Carolina                       | 580,190         | 1,284,076       | 1,458,516       | 14                   | 151                   |
| North Dakota                         | 61,822          | 115,723         | 139,911         | 21                   | 126                   |
| Ohio                                 | 669,197         | 1,265,213       | 1,427,041       | 13                   | 113                   |
| Oklahoma                             | 228,827         | 394,404         | 453,090         | 15                   | 90                    |
| Oregon                               | 229,013         | 349,940         | 395,898         | 13                   | 73                    |
| Pennsylvania                         | 742,415         | 1,173,572       | 1,361,361       | 16                   | 83                    |
| Rhode Island                         | 71,725          | 127,759         | 144,522         | 13                   | 101                   |
| South Carolina                       | 320,412         | 521,016         | 612,508         | 18                   | 91                    |
| South Dakota                         | 52,251          | 73,732          | 85,995          | 17                   | 65                    |
| Tennessee                            | 335,612         | 636,322         | 727,449         | 14                   | 117                   |
| Texas                                | 1,315,525       | 2,231,785       | 2,624,288       | 18                   | 99                    |
| Utah                                 | 138,787         | 257,218         | 272,201         | 6                    | 96                    |
| Vermont                              | 27,062          | 49,990          | 59,936          | 20                   | 121                   |
| Virginia                             | 444,054         | 915,836         | 1,107,480       | 21                   | 149                   |
| Washington                           | 310,133         | 673,972         | 790,383         | 17                   | 155                   |
| West Virginia                        | 158,119         | 237,404         | 251,505         | 6                    | 59                    |
| Wisconsin                            | 468,618         | 705,430         | 784,141         | 11                   | 67                    |
| Wyoming                              | 51,664          | 111,583         | 116,183         | 4                    | 125                   |
| Totals                               | 19,104,191      | 34,408,082      | 39,326,391      |                      |                       |
| Weighted average percentages of gain |                 |                 |                 | 14                   | 106                   |

## STATE SUPPORT OF HIGHER EDUCATION: A RETROSPECTIVE OF FY1990

This annual summary of Grapevine continues the "longitudinal study of state tax support of higher education in the United States," begun by M. M. Chambers in 1958. These reports of state tax appropriations for operating expenses of higher education are presented in three slightly different forms during the year. After they are collected from a network of "correspondents" in the 50 states, the data are published as soon as possible in a monthly issue of Grapevine. Next, they appear in somewhat abbreviated form in an October issue of The Chronicle of Higher Education. Third, early in the calendar year, the tabulations are published in complete form by the National Association of State Universities and Land-Grant Colleges.

State tax fund appropriations reflect total state tax effort for higher education. The major features of these appropriations reports are their timeliness, accuracy, and comprehensiveness. The reports are the most timely available because they initially are published as soon as possible after legislative decisions are made. Later in the year, are other publications which, in addition to state tax appropriations, include other measures of support for higher education, such as local taxes and student tuition and fees. Among these are: the "National Comparison of Financial Support for Higher Education," prepared by Jacquelin Johnson of the Higher Education Coordinating Board in the State of Washington; State Profiles: Financing Public Higher Education by Kent Halstead of Research Associates, 2605 Klingle Road, N.W., Washington, DC 20008; and a complete compilation of finance data entitled, State Higher Education Profiles, published by the Center for Education Statistics, U.S. Department of Education, Washington, DC.

The tabulations published in Grapevine are comprehensive in that they include institutional figures as well as statewide totals. Beginning this year, each state table includes two columns of figures: those for the current fiscal year and those for the preceding fiscal year. In recent years, about one-half or more of the state correspondents have updated their initial Grapevine reports. In some states the revisions are made by legislatures and in others they result from gubernatorial decisions. The revisions are included so that these data may be as accurate as possible. Attention is directed to the outline entitled, "What the Figures are Intended to Mean" (page 2268). These guidelines are used by Grapevine correspondents in an effort to achieve greater consistency between states and over time.

### Analysis of Trends in State Support for Higher Education

In order to provide an early picture of trends in state higher education support, this analysis is not as detailed as it might be at a later time. Its purpose is to suggest patterns and trends and to provide an initial foundation upon which to build a more complete analysis using multiple data sources which go beyond only state tax support.

There are three prominent characteristics of state tax appropriations for higher education for FY1990. First, over \$39.3 billion were appropriated for higher education in the 50 states. Second, this amount represented the largest dollar gain (\$2.7 billion) over the preceding year in a full decade. Third, the 7.5% one-year gain from FY1989 to FY1990 was larger than the one-year percentage gains in five of the previous seven years. The national two-year percentage gain of 14.3 in FY1990 was larger than that in four of the preceding six years.

Table 1

| Fiscal Years            | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Billions of Dollars     | 19.2 | 20.9 | 23.1 | 24.4 | 25.9 | 28.4 | 30.7 | 32.2 | 34.4 | 36.6 | 39.3 |
| 1-Yr Gain (\$ billions) | 2.1  | 1.7  | 2.2  | 1.3  | 1.5  | 2.5  | 2.3  | 1.5  | 2.2  | 2.2  | 2.7  |
| 1-Yr Gain (Percent)     | 12.1 | 9.6  | 10.1 | 5.6  | 5.9  | 9.7  | 8.0  | 4.8  | 6.8  | 6.3  | 7.5  |
| 2-Yr Gain (Percent)     | 24.3 | 22.9 | 20.7 | 16.3 | 11.8 | 16.2 | 18.8 | 13.1 | 12.0 | 13.5 | 14.3 |

Nationwide Gains Table 1 presents a statistical view of the decade of the 1980s, according to the annual dollar gains and percentage gains in state tax support for higher education. During this decade, the magnitude of state tax support for higher education more than doubled from \$19.2 billion to \$39.3 billion. There were one-year dollar gains of less than \$2.0 billion in four of the years, with the low of \$1.3 billion reported in 1983. There were gains of more than \$2.0 billion in seven years, and the high of \$2.7 billion occurred this year (FY1990). In one-year percentage gains for the decade, the lowest gain of 4.8% was reported in 1987, there were four years when one-year gains were over 9%; and, in FY1990, there was an 7.5% gain. In two-year percentage gains for the decade, the low point (lower than 12%) was reported in 1984. For FY1990, the two-year gain of 14.3% was higher than was reported in four years during the 1980s.

Recent Trends in Two-year Gains.

Table 2 displays three groupings of states: those which had increasing two-year percentage gains from FY1989 to FY1990, those which had decreasing two-year percentage gains from FY1989 to FY1990, and those which reported identical two-year percentage gains in the two years. This year, there were 31 states in the first group; 15 states in the second group; and four states with identical two-year percentage gains in the two years. As a comparison, in FY1989, there were 26 states with increasing two-year gains, and 20 states with decreasing gains between FY1988 and FY1989. Two years ago, only 17 states reported increasing two-year gains, and 28 states reported decreasing two-year gains between FY1987 and FY1988. The evidence supports the observation that there was stronger state support for higher education this year than there was in the recent past.

Table 2

| 31 States with Increasing Two-Year Gains |          |          | 15 States with Decreasing Two-Year Gains |          |          |
|--|----------|----------|--|----------|----------|
| States                                   | FY89 (%) | FY90 (%) | States                                   | FY89 (%) | FY90 (%) |
| Alaska                                   | -20      | 6        | Alabama                                  | 23       | 16       |
| California                               | 11       | 13       | Arizona                                  | 21       | 14       |
| Colorado                                 | 12       | 14       | Arkansas                                 | 15       | 6        |
| Delaware                                 | 11       | 14       | Connecticut                              | 24       | 12       |
| Georgia                                  | 14       | 16       | Idaho                                    | 15       | 14       |
| Illinois                                 | 1        | 26       | Iowa                                     | 19       | 14       |
| Indiana                                  | 14       | 16       | Kentucky                                 | 13       | 11       |
| Kansas                                   | 19       | 23       | Maine                                    | 29       | 25       |
| Louisiana                                | -3       | 6        | Massachusetts                            | 6        | -9       |
| Maryland                                 | 23       | 34       | Michigan                                 | 10       | 8        |
| Minnesota                                | 10       | 16       | Mississippi                              | 30       | 20       |
| Missouri                                 | 16       | 20       | New Hampshire                            | 29       | 11       |
| Nebraska                                 | 18       | 27       | New Jersey                               | 26       | 12       |
| Nevada                                   | 18       | 30       | Rhode Island                             | 18       | 13       |
| New Mexico                               | 10       | 13       | Utah                                     | 7        | 6        |
| New York                                 | 10       | 11       |  |          |          |
| North Carolina                           | 13       | 14       |  |          |          |
| North Dakota                             | -4       | 21       |  |          |          |
| Ohio                                     | 9        | 13       |  |          |          |
| Oklahoma                                 | 8        | 15       |  |          |          |
| Oregon                                   | 8        | 13       |  |          |          |
| Pennsylvania                             | 15       | 16       |  |          |          |
| South Carolina                           | 15       | 18       |  |          |          |
| South Dakota                             | 9        | 18       |  |          |          |
| Tennessee                                | 11       | 14       |  |          |          |
| Texas                                    | 14       | 18       |  |          |          |
| Vermont                                  | 17       | 20       |  |          |          |
| Virginia                                 | 14       | 21       |  |          |          |
| Washington                               | 14       | 17       |  |          |          |
| West Virginia                            | 5        | 6        |  |          |          |
| Wyoming                                  | 4        | 5        |  |          |          |

| 4 States with Identical Two-Year Gains |          |          |
|--|----------|----------|
|  | FY89 (%) | FY90 (%) |
| Florida                                | 15       | 15       |
| Hawaii                                 | 20       | 20       |
| Montana                                | 4        | 4        |
| Wisconsin                              | 11       | 11       |

Notes: Some of the data in the tables may differ from those reported earlier because of revisions submitted by the states.

In Table 2, the percentage gain reported for California for FY89 does not reflect a recent revision.

Of the 31 states reporting increasing two-year gains from FY1989 to FY1990, three had gains of 25 points or more (Alaska, Illinois and North Dakota), and two others (Maryland and Nevada) had gains of 11 and 12, respectively. The remainder had changes in gains of less than 10 points, but in this group there were three states going from negative percentages in FY1989 to positive percentages in FY1990. Among the 15 states with decreasing two-year gains, only four had decreases greater than 10 points (Massachusetts, Connecticut, New Hampshire and New Jersey) and seven states decreased five or less points from FY1989 to FY1990. Four states reported identical percentage gains from FY1989 to FY1990: Florida (14.7%, rounded to 15%) was slightly above the national weighted average of 14.3%, Hawaii exceeded the national average at 20%, and Montana (4%) and Wisconsin (11%) were below the national average.

The Megastates There are eleven, heavily-populated states having large higher education systems with numerous campuses and relatively large enrollments. Each megastate annually appropriates more than one billion dollars for higher education. Interestingly, these 11 megastates were evenly distributed across the four quartile groupings of states, ranked on two-year percentage gains. There were two megastates in the highest quartile: Illinois led with a 25% two-year gain, followed by Virginia at 21%. Three states appeared in the second quartile: Texas had an 18% gain; Pennsylvania, 16%; and Florida, 15%. There were four states in the third quartile: North Carolina, 14%; Ohio, 13%; California, 13%; and New Jersey, 12%. Two megastates appeared in the fourth or lowest quartile: New York, 11%; and Michigan, 8%.

A Regional View of FY1990 Table 3 arranges the 50 states according to geographic quadrants and quartiles, using a rank order of two-year percentage gains. Geographic quadrants were formed by dividing the United States into four relatively even regions by locating a "centerpoint" at the northeast corner of Missouri. The Mississippi River divides East from West, the Ohio River and the southern border of Pennsylvania divide Northeast from Southeast, Alaska is placed with the Northwest, and Hawaii is placed with the Southwest. The Northeast has 14 states; the Southeast has 12, the Northwest has 11, and the Southwest has 13 states. The quartile grouping, based upon two-year percentage gains, is slightly different in size each year due to "natural breaks" in the range of percentages. This year, there were 12 states in the highest quartile; 11 states in the second highest quartile; 14 states in the third; and 13 states in the fourth or lowest.

The highest quartile of 12 states ranges from two states reporting two-year gains above 30% (Maryland, 34%; Nevada, 30%) to six states with two-year gains between 27% and 21%; to a cluster of four states around 20%. In the second quartile: five states converged around 17%, four at 16%, and two at 15%. In the third quartile: seven were at the national average of 14%, five at 13%, and two at 12%. In the lowest quartile, there were four at 11%, eight under 9%, and only one state reported a negative percentage, Massachusetts at -9%.

Table 3

| Quadrants | NW* | SW** | NE | SE | Totals |
|-----------|-----|------|----|----|--------|
| Highest   | 2   | 4    | 3  | 3  | 12     |
| Second    | 3   | 2    | 2  | 4  | 11     |
| Third     | 3   | 4    | 4  | 3  | 14     |
| Lowest    | 3   | 3    | 5  | 2  | 13     |
| Totals    | 11  | 13   | 14 | 12 | 50     |

\*Includes Alaska  
\*\*Includes Hawaii

Combined with the map (on the front page of this issue) showing two-year percentage gains, Table 3 helps identify a pattern for FY1990 characterized by a less favorable performance by states in the Northeast, and improved performance by states in both the Northwest and Southwest. Last year (FY1989), there were five Northeastern states in the top quartile and only two Northeastern states in the bottom quartile. This year, there were three Northeastern states in the top quartile, and five in the bottom quartile. There were nearly the same number of states in the two middle quartiles in the two years. In the two quadrants west of the Mississippi River, there were six states in the top quartile this year, compared with five states last year. However, there were only six states in the West appearing the lowest quartile this year, compared with 11 states last year. In the middle two quadrants, there were 12 western states this year and eight states last year.

### Regional and Revenue Variations among the States

Regional Variations It is easy to make too much of regional patterns in state higher education support. Regions are convenient to identify and observations about regional variations seem to be apparent. Usually, on closer examination, regions exhibit as many exceptions as commonalities.

Nonetheless, one year ago, it was observed that "FY1987 and FY1988 were characterized by clear economic resurgence in New England, a strong performance of coastal states, and severe economic difficulties in the Southcentral and Northern Plains regions." Comparatively, two of the New England states appeared in the top quartile this year (Maine and Vermont), and the four remaining New England states were either in the bottom quartile (Massachusetts, New Hampshire) or near the bottom quartile (Connecticut and Rhode Island). Also, at or near the bottom quartile were New York and New Jersey. The remaining East Coast states were at or above the weighted national average percentage gain of 14% (North Carolina and Delaware were at 14%). On the West Coast, including Hawaii, two of the states were above the national average and the other two were only one point below the national average. The "severe economic difficulties" in the country's midsection one year ago gave way to Illinois, Missouri, Kansas and Nebraska rising to the top quartile. In the Southcentral region, both Louisiana and Arkansas remained in the bottom quartile where they were in FY1989, while Oklahoma nearly doubled its gain from 8% to 15%.

In summary, it appears that in FY1990, the Northeast (specifically New England) was unable to continue the economic resurgence which was strong in the early 1980s. There appears to be a resumption of higher education support in the middle of the nation, and a "balanced" showing of the megastates. While in FY1988, eight states had negative two-year percentage "gains," and in FY1989, there were three states with negative percentages, in FY1990, only one state was in that category.

State Revenue Capacity Of the numerous variables affecting the extent to which a state is able to support higher education, none is more important than revenue capacity or "lawmaker willingness." Without the availability of revenue, a state is unable to support state services because deficit spending is not an option. In an age when there is keen competition for available state dollars, revenue capacity does not mean automatic increases. Therefore, lawmakers--both governors and state legislators--must be willing to make the necessary appropriations for the support of higher education. To this end, the amount and effectiveness of the way in which colleges and universities represent themselves in state capitals, lobbying if you will, has increased markedly during the 1980s.

This is not the place to deal with the variables associated with the willingness of lawmakers to support higher education; revenue capacity is the focus of attention here. Each year, the National Conference of State Legislatures (NCSL) conducts a summer survey of legislative fiscal officers and publishes a report entitled State Budget Actions in (year). Data from this NCSL survey are included in Table 4. The column labeled "general fund increase" is based on the projected growth rates of a state's general fund revenues from FY1989 to FY1990, as reported to NCSL. This revenue variable represents a state's fiscal capacity to support higher education. "Lawmaker willingness" is represented in proxy form in the column labeled "state appropriations increase" and is an estimate by legislative fiscal officers of the extent of growth in state appropriations from FY1989 to FY1990. In a sense, therefore, the revenue column provides an answer to the question, "To what extent did states have revenue capacity?" The appropriations column provides one answer to the question, "Were states willing to appropriate available revenue to public services?" Finally, the remaining column in Table 4 which is labeled "higher education increase" is based on data reported in Grapevine, representing the actual effort for higher education made by the state over a two-year period.

Comparing the top ten and bottom ten states in two-year percentage gains, as shown in Table 4, those states appropriating relatively more for higher education had the revenue capacity to fund state services, in general. On the other hand, the ten states with the lowest two-year percentage gains in appropriations for higher education did not have as much revenue capacity and were not able to make as much effort in appropriations increases, generally.

In Table 4, the mean values from the top and bottom groupings of states are included for FY1987, FY1988, and FY1989. Comparing these means between the top and bottom groupings of states for these other years with the means for FY1990, it appears that states had relatively less revenue capacity in FY1990 than they had in FY1988 and in FY1989. In addition, it appears that states made a proportionately greater effort for supporting services in general, as indicated by the 10.4% percentage increase in state appropriations, than they did in the previous years. At the same time, states' support for higher education, as measured by two-year percentage gains remained at a high level (over 25%) for the top group of states and was significantly higher (4.8% increase) for the bottom group.

Table 4

| TOP TEN TWO-YEAR GAINERS |                                    |                                    |  | BOTTOM TWO-YEAR GAINERS |                                    |                                    |  |
|--------------------------|------------------------------------|------------------------------------|--|-------------------------|------------------------------------|------------------------------------|--|
| States                   | General Fund Increase <sup>1</sup> | State Approp Increase <sup>1</sup> | Higher Education Increase <sup>2</sup> | States                  | General Fund Increase <sup>1</sup> | State Approp Increase <sup>1</sup> | Higher Education Increase <sup>2</sup> |
|                          | 1-year %                           | 1-year %                           | 2-year %                               |                         | 1-year %                           | 1-year %                           | 2-year %                               |
| (1)                      | (2)                                | (3)                                | (4)                                    | (5)                     | (6)                                | (7)                                | (8)                                    |
| Maryland                 | 5.7                                | 11.0                               | 33.9                                   | New York                | 7.8                                | 4.3                                | 10.7                                   |
| Nevada                   | 14.2                               | 5.5                                | 30.2                                   | Michigan                | 2.4                                | 4.9                                | 8.4                                    |
| Nebraska                 | - 1.0                              | 18.7                               | 27.4                                   | Alaska                  | 4.5                                | - 4.3                              | 6.3                                    |
| Illinois                 | 2.4                                | 9.8                                | 25.8                                   | West Virginia           | 12.0                               | 14.3                               | 5.9                                    |
| Maine                    | 6.6                                | 9.6                                | 25.0                                   | Arkansas                | 2.1                                | 2.1                                | 5.9                                    |
| Kansas                   | 2.2                                | 11.3                               | 23.1                                   | Utah                    | 3.4                                | - 0.5                              | 5.8                                    |
| Virginia                 | 11.1                               | 9.3                                | 20.9                                   | Louisiana               | (Not available)                    |                                    | 5.6                                    |
| North Dakota             | 4.5                                | 8.3                                | 20.9                                   | Wyoming                 | - 1.4                              | 0.0                                | 4.5                                    |
| Hawaii                   | (Not available)                    |                                    | 20.2                                   | Montana                 | 1.7                                | 11.9                               | 4.1                                    |
| Mississippi              | 4.0                                | 5.8                                | 20.2                                   | Massachusetts           | 5.1                                | - 2.0                              | - 8.8                                  |
| Mean in FY90             | 5.7                                | 10.4                               | 25.3                                   | Mean in FY90            | 4.2                                | 3.4                                | 4.8                                    |
| Mean in FY89             | 7.3                                | 9.1                                | 25.2                                   | Mean in FY89            | - 0.3                              | 1.5                                | 0.2                                    |
| Mean in FY88             | 7.2                                | 7.7                                | 23.0                                   | Mean in FY88            | 5.1                                | 0.8                                | - 5.3                                  |
| Mean in FY87             | 5.6                                |                                    | 26.1                                   | Mean in FY87            | - 2.1                              |                                    | - 0.4                                  |

Sources: <sup>1</sup>Martha A. Fabricius, Steven D. Gold and Corina L. Eckl, State Budget Actions in 1989 (preliminary). August 10, 1989. Denver, CO: National Conference of State Legislatures.  
<sup>2</sup>Grapevine.

One explanation for this strong performance may have to do with the priorities which states assign to higher education. As indicated in the NCSL survey, higher education was identified as being the highest priority issue in four states: Idaho, Minnesota, North Dakota, and Washington. Three of those states had two-year percentage increases which were above the weighted national average of 14%, and Idaho was one point below the national average. The NCSL survey identified 12 states where taxation was a leading issue. In nine of those 12 states, higher education fared relatively well; as evidenced by their having two-year percentages at or above the nationwide median.

\* \* \* \* \*

WHAT THE FIGURES ARE INTENDED TO MEAN

The data for this report are supplied by key persons in each state. The ground rules used to achieve an approach to uniformity of reporting are enumerated below. Diversities of practice among the 50 state make it impossible to eliminate all inconsistencies and to accomplish absolute comparability among states and among institutions. We emphasize that comparisons are of limited usefulness but have value if correctly interpreted.

1. Include only sums appropriated for operating expenses. Exclude appropriations for capital outlay.
2. Include only sums derived from state tax funds. Exclude funds derived from federal sources, local sources, student fees, or any other source other than state tax funds.
3. Include sums destined for higher education but appropriated to some other state agency. (Examples: funds intended for faculty salaries and/or fringe benefits may be appropriated to the state treasurer and disbursed by that office; certain funds for medical and health education may be appropriated to the state department of health and disbursed from that department. Sometime these sums have to be estimated because the exact amounts disbursed cannot be known until after the end of the fiscal period.)
4. Include sums appropriated to statewide coordinating boards or governing boards, either for board expenses or for allocation by the board to other institutions or both.
5. Include sums appropriated for state scholarships or other student financial aid.
6. Include sums appropriated for state aid to local public community colleges and for operation of state-supported community colleges, and for vocational-technical two-year colleges or institutes which are predominantly for high school graduates and adult students.
7. Include appropriations directed to private institutions of higher education at all levels.

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