TIMELY DATA CIRCULATED WHILE CURRENT
Reports on total state tax effort for higher education, including state tax appropriations for universities, colleges, and community colleges.

Grapevine

Since 1958

Number 385 January-February 1993 Page 3141

IN THIS ISSUE

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A NEW LOOK FOR GRAPEVINE

By Gwen B. Pruyne

Made possible by a grant from the Illinois Board of Higher Education, the addition of color to this issue represents a milestone as Grapevine begins its 35th year of publication. When Grapevine began, its name reflected its intent; Founder, M. M. Chambers, jokingly referred to it as "gossip." The first mimeographed newsletters were distributed to a small group of "key persons in each of the states." The electric typewriter and photocopying enhanced its appearance and the electronic calculator improved the accuracy of computations, but microcomputers revolutionized the capabilities for a more expansive Grapevine. The incorporation of revisions to original reports became possible, as well as additional comparisons between states and between sectors of higher education.

As public higher education grew, so did interest in higher education finance. Some 20-plus years ago, The Chronicle of Higher Education began to publish a summary of the data. The Grapevine tabulations were reprinted by the National Association of State Universities and Land-Grant Colleges for its member institutions, and, by the late 1960s, the reports were distributed more broadly. These annual publications were well-received. In more recent years, an Advisory Committee, composed of representatives of those who provide and those who use the data, was established to offer guidance as Grapevine moved forward into new areas. Many of the suggestions of this committee are incorporated into the expanded annual resource book, now published by the State Higher Education Executive Officers.

The Grapevine data set, which spans three and a half decades, still represents revenue derived from state taxes for operating expenses of institutions of higher education. Over the years, there have been a few additions to the one-page guidelines entitled, "What the Figures Are Intended to Mean." It is surprising to realize that, during the first three years of Grapevine's existence, some states did not report appropriations for community colleges or for financial aid, because the sums were small or were not available. The editors are very grateful for the voluntary cooperation of the 50 state correspondents who provide the information. From its inception, Grapevine has been supported by three universities--the University of Michigan, Indiana University and, since 1970, Illinois State University. Their commitment to providing the data to the higher education community is gratefully acknowledged.

RANKINGS OF THE STATES ON APPROPRIATIONS OF STATE TAX FUNDS FOR OPERATING EXPENSES OF HIGHER EDUCATION, PER CAPITA AND PER $1,000 PERSONAL INCOME, FY1992-93

State	State Tax Fund Appropriations ($1,000s)	Appropriations Per Capita ($)	Rank	Appropriations Per $1000 Income ($)	Rank
(1)	(2)	(3)	(4)	(5)	(6)
Alabama	824,000	201.52	10	12.98	8
Alaska	174,116	305.47	1	14.49	4
Arizona	605,267	161.40	27	9.74	22
Arkansas	411,827	173.62	19	11.87	13
California	4,841,606	159.37	29	7.64	36
Colorado	529,158	156.69	31	8.10	34
Connecticut	486,239	147.75	39	5.68	46
Delaware	122,469	180.10	16	8.65	31
Florida	1,415,262	106.60	47	5.61	47
Georgia	951,726	143.70	41	8.24	32
Hawaii	341,693	301.05	2	14.21	5
Idaho	192,609	185.38	13	12.09	12
Illinois	1,718,849	148.91	36	7.18	39
Indiana	894,242	159.40	28	9.28	27
Iowa	601,983	215.38	9	12.45	11
Kansas	465,860	186.72	12	10.19	19
Kentucky	621,794	167.46	21	10.72	18
Louisana	620,791	146.00	40	9.70	23
Maine	172,984	140.07	42	8.03	35
Maryland	788,159	162.17	24	7.31	38
Massachusetts	638,380	106.47	48	4.63	49
Michigan	1,539,460	164.33	23	8.81	30
Minnesota	965,288	217.80	8	11.39	15
Mississippi	437,215	168.68	20	12.66	10
Missouri	590,483	114.48	46	6.39	42
Montana	125,863	155.77	32	9.93	21
Nebraska	358,591	225.10	7	12.71	9
Nevada	207,572	161.66	25	8.17	33
New Hampshire	74,026	66.99	50	3.08	50
New Jersey	1,177,880	151.79	33	5.91	45
New Mexico	364,896	235.72	4	16.10	1
New York	2,689,086	148.91	35	6.63	41
North Carolina	1,541,926	228.87	6	13.58	6
North Dakota	145,535	229.19	5	14.70	3
Ohio	1,376,490	125.83	43	7.08	40
Oklahoma	557,532	175.60	18	11.30	16
Oregon	485,482	166.15	22	9.45	24
Pennsylvania	1,388,920	116.12	45	6.01	44
Rhode Island	118,911	118.44	44	6.16	43
South Carolina	633,379	177.92	17	11.50	14
South Dakota	104,472	148.61	38	9.24	28
Tennessee	747,525	150.92	34	9.16	29
Texas	2,802,348	161.53	26	9.37	25
Utah	345,888	195.42	11	13.36	7
Vermont	54,912	96.85	49	5.38	48
Virginia	934,776	148.71	37	7.40	37
Washington	909,892	181.33	15	9.31	26
West Virginia	284,606	158.03	30	11.05	17
Wisconsin	902,988	182.24	14	10.16	20
Wyoming	122,152	265.55	3	15.69	2
Total	39,407,108	156.64		8.21	

(Continued at the bottom of the next page)

Table 1. APPROPRIATIONS OF STATE TAX FUNDS FOR ANNUAL OPERATING EXPENSES OF STATE COMMUNITY COLLEGES FOR FISCAL YEARS 1990-91, 1991-92 AND 1992-93, WITH PERCENTAGES OF GAIN OVER THE MOST RECENT TWO YEARS (In thousands of dollars)

States	Year 1990-91	Year 1991-92	Year 1992-93	2-yr Gain Percent
(1)	(2)	(3)	(4)	(5)
Florida	486,986	439,636	416,805	- 14
North Carolina*	387,610	339,783	392,818	1
Washington	279,778	293,320	304,656	9
Virginia	182,024	169,854	171,170	- 6
Alabama	170,909	167,291	168,709	- 1
Massachusetts	125,390	105,966	126,010	0
South Carolina	106,103	101,492	109,580	3
Tennessee	109,478	107,142	123,750	13
New York**	109,286	108,492	105,589	- 3
Minnesota	97,481	99,486	97,194	0
Georgia	87,622	87,249	96,987	11
Oklahoma	81,108	87,960	90,255	11
Colorado**	58,253	63,801	66,667	14
Connecticut	64,817	64,814	60,260	- 7
Utah	56,187	63,472	66,884	19
Nevada	29,868	41,637	45,433	52
Delaware	28,513	29,609	30,362	6
Rhode Island	24,555	22,877	23,715	- 3
North Dakota	16,065	19,807	19,807	23
Louisiana***	12,196	17,558	19,614	61
New Mexico**	12,365	12,247	12,533	1
West Virginia	8,075	8,398	8,398	4
Totals	2,534,669	2,451,891	2,557,196	
Weighted average percentage				1

*Although some support comes from local taxes, the North Carolina community colleges receive most of their funds from the state; therefore, they are included here with the "state" community colleges.

**One of the states having both "local" and "state" community colleges.

***For Delgado Community College which is part of the Board of Trustees System.

APPROPRIATIONS PER CAPITA AND PER $1,000 OF PERSONAL INCOME

Each year, these comparative measures are published in Grapevine. Each is a widely-used measure of state effort for higher education. One utilizes population as a "constant" and the other uses $1,000 of personal income as a standard measure of wealth. The limitations inherent in these calculations is that only state tax appropriations are used as the revenue source.

Sources: Appropriations, Grapevine. Population, U. S. Department of Commerce, Bureau of Census. Personal Income, U. S. Department of Commerce, Bureau of Economic Analysis.

This contraction to the colleges' traditional roles is a predictable compromise for legislators whose view of higher education rests primarily on degree programs (rather than on the less-understood concept of lifelong learning) and who increasingly view higher education, health care, and other public services as scarce commodities to be rationed rather than as public utilities to be expanded.

Many may resist legislative attempts to scale back institutional service to traditional degree programs, but this resistance carries with it the responsibility to propose and defend alternative mission priorities. In an era of limitations, community college leaders are under increased pressure to explain the mission of their institutions in ways that describe who will be served and why. Regardless of what mission is put forward, its rationale should rest on the question "To what ends shall college services be focused?" Open access for its own sake, offered as a rationale for fiscal support in the more prosperous 1950s and 1960s, will garner little legislative support today.

Grapevine

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State Tax Allocations to Community Colleges

by James Palmer *

Recent trends in state tax support for public community colleges vary widely across the country, reflecting the nation's uneven pattern of economic health. In aggregate, the average two-year change in state tax appropriations nationwide was small--down two percent for community college systems in which revenues derive almost entirely from state coffers (Table 1) and up one percent for those systems in which revenues derive from a mix of state and local sources (Table 2). But these averages are a product of the fact that gains in the majority of states have been offset by significant reductions in others. California and Florida, which account for 28% of all community college enrollments in the nation, have been particularly hard hit, experiencing two-year declines in state tax appropriations of 18% and 14%, respectively.

This mixed picture of support represents a turnaround from the more positive trends reported by the Grapevine for the late 1980s. From FY1986 through FY1990, the average two-year increase in state tax appropriations to community colleges nationwide ranged from 14% to 19%, bringing a measure of fiscal stability to an institution that had grown dependent on states for an ever larger share of operating revenue. (Today, approximately 50% of the revenue received by community colleges nationwide comes from state tax allocations, up from approximately 30% in 1959.) But as regional economies faltered in the early 1990s, the role of the state as fiscal guarantor for the community college became less certain. Many states have taken on the more politically charged task of managing decline, sometimes questioning the community college's comprehensive mission and its viability in an era marked by competition for diminished public resources.

Events in California are a case in point. The 18% reduction in state tax support for its 107 community colleges comes on the heels of a decade in which the proportion of community college revenues accounted for by state monies rose (a legacy of Proposition 13) and in which state scrutiny of the community college mission increased accordingly. One result of this scrutiny was Assembly Bill 1725. Passed in 1988, this legislation mandated, among other measures, a comprehensive accountability system and prioritized the components of the community college mission, sending a legislative message that academic and vocational degree programs were viewed as more essential than noncredit community service programs. As the economy worsened in 1992, legislators revisited the question of institutional purpose, this time setting priorities on who shall be served. A $50-per-unit fee (up from the regular $6-per-unit) was imposed for baccalaureate-degree holders enrolling in community college courses, implying that state subsidy to one's undergraduate education is a one-time offer. Those who earn degrees and come back for additional undergraduate courses, whether to upgrade job skills or fulfill a personal interest, will have to pay a greater share of the costs.

California's tax subsidy to its community colleges may well increase with an upswing in the economy. But as law makers across the country continue to face growing demands on limited state treasuries, it is reasonable to expect increased examination of the community college mission and growing discussion of who should be served and why. Allocations made on the basis of these discussions may restrict openings in the community college classroom, and the California experience suggests that policy makers will likely give priority to first-time degree seeking students rather than to others who enroll occasionally to fulfill ad hoc educational goals.

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* Dr. Palmer is an Assistant Professor in the Department of Educational Administration and Foundations at Illinois State University. Prior to his coming to Illinois State University in August, 1992, Dr. Palmer was associated with the Center for Community College Education at George Mason University and was a staff member at the American Association of Community Colleges in Washington, DC.

Table 2. APPROPRIATIONS OF STATE TAX FUNDS TO STATE-AIDED PUBLIC COMMUNITY/JUNIOR COLLEGES FOR OPERATING EXPENSES, FOR FISCAL YEARS 1990-91, 1991-92 AND 1992-93, WITH PERCENTAGES OF GAIN OVER THE MOST RECENT TWO YEARS. (In thousands of dollars)

States	Year 1990-91	Year 1991-92	Year 1992-93	2-year gain Percent
(1)	(2)	(3)	(4)	(5)
California	1,554,615	1,705,597	1,274,400	- 18
Texas	510,375	558,165	569,065	11
New York*	360,693	394,481	380,714	6
Illinois**	248,856	244,769	246,810	- 1
Michigan	225,465	241,100	240,000	6
Maryland	123,748	102,575	138,503	12
Pennsylvania	105,858	115,422	123,001	16
Ohio	104,433	109,763	107,958	3
Iowa	100,672	102,991	106,895	6
Oregon	72,537	97,347	101,321	40
New Jersey	80,879	82,005	87,673	8
Mississippi	70,927	66,038	83,523	18
Arizona	73,538	73,478	75,335	2
Missouri	66,894	66,736	70,662	6
Kansas	44,037	45,597	47,831	9
Wyoming	41,657	41,657	41,750	0
Nebraska	32,148	33,129	35,048	9
Arkansas	24,745	28,123	32,799	33
Indiana***	21,218	22,570	22,141	4
Colorado*	13,921	14,610	15,266	10
Idaho	8,395	9,097	8,741	4
New Mexico*	3,047	3,674	4,195	38
Montana	3,182	3,663	4,063	28
Totals	3,891,840	4,162,587	3,817,694	
Weighted average percentage of gain				- 2

*One of the states having both "local" and "state" community colleges.

**Includes State Community College in East St. Louis which does not receive local tax support.

***For Vincennes University which is supported primarily by the state, but partly by the county where it is located.

PERCENTAGES OF TWO-YEAR GAIN IN APPROPRIATIONS FOR COMMUNITY COLLEGES AND FOR ALL HIGHER EDUCATION OPERATING EXPENSES*

	1986	1987	1988	1989	1990	1991	1992	1993
State-aided	15	11	7	13	15	17	8	- 2
State	18	14	12	12	16	15	3	1
50-State Total	19	13	12	14	14	12	3	- 1

*These data do not take into account revisions which may have occurred after they were originally reported in Grapevine.