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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.

IN THIS ISSUE

TWELVE STATES appropriate state tax funds for annual operating expenses of higher education for fiscal 1980, making weighted average gains of 21 per cent over fiscal 1978 1596

Ohio has efforts under way to make the state revenue system more progressive, productive, and equitable. Outcome is presently problematic. . 1596

Newly Reported (8 states)	Two-year Gain (percentage)	Page
Arkansas	34	1597
Connecticut.	17	1597
Indiana.	17	1598
Kansas	26	1599
Maryland	19	1599
Rhode Island	20	1600
Vermont.	18	1600
West Virginia.	16	1600

* * * * *

"The goal of a universal education beyond the high school is no more utopian than the goal of full citizenship for all Americans, for the first is becoming prerequisite to the second. If a person is adjudged incapable of growth toward a free mind today, he has been adjudged incapable of the dignity of full citizenship in a free society. That is a judgment which no American conscious of his ideals and traditions can rightly make.

--Educational Policies Commission of the National Education Association.

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Table 84. TWELVE STATES SHOW WEIGHTED AVERAGE TWO-YEAR GAIN OF 21 PER CENT IN APPROPRIATIONS OF STATE TAX FUNDS FOR ANNUAL OPERATING EXPENSES OF HIGHER EDUCATION FOR FISCAL YEAR 1979-80, IN THOUSANDS OF DOLLARS.

States	Year 1969-70	Year 1977-78	Year 1979-80	2-yr gain per cent	10-yr gain per cent
(1)	(2)	(3)	(4)	(5)	(6)
Four states previously reported*					
Four states	208,376	622,371	766,833	23	268
Arkansas	47,630	126,155	169,664	34	257
Connecticut	80,270	180,878**	212,075	17	164
Indiana	154,313	352,406	411,198	17	166
Kansas	79,721	188,869	238,839	26	200
Maryland	92,132	271,938	323,732	19***	251
Rhode Island	28,935	59,743	71,412	20	147
Vermont	13,532	22,983	27,062	18	100
West Virginia	55,005	136,191	158,684	16	188
Totals	759,914	1,961,534	2,379,499		
Weighted average percentages of gain				21	213

*See GRAPEVINE, Table 79, page 1590 (May 1979).

**Figure corrected by addition of estimated comparable fringe benefits not previously reported.

***The percentage of gain is somewhat understated, see page 1599.

OHIO. Long known as less than superior in state tax support of higher education, Ohio was plagued in 1978-79 by premature shutdowns of local public school systems that had been allowed to run out of money. In Cleveland--a flagrant case--there was resentment among many people who believed the shortage of local tax revenues derived from extravagant "tax abatements" offered and accepted by business corporations as inducements to locate plants in the area.

Efforts began in 1978 to place on the statewide ballot in November 1979 an initiated measure named the Fair Tax Initiative, which would mandate specific property-tax relief for low- and middle-income home-owners, renters, and farmers; and provide increased school revenues by closing business-tax loopholes and making the personal and corporate income taxes more progressive.

For example, Ohio's personal income tax rates are now graduated on incomes up to \$40,000, but level at 3.5 per cent

on any income above that line. The initiative measure would be graduated up to 6 per cent for incomes above \$50,000 and would mean higher taxes for the most affluent 10 to 15 per cent of the population. The Ohio Department of Taxation estimates that in total the measure would raise more than half a billion in new revenue, mostly from business, while reducing the payments of small property taxpayers by about one-fifth of that amount.

Whether the measure will be on the ballot in November 1979 or June 1980 is at present only conjectural. The Ohio Manufacturers' Association is said to have determined to spend \$2 million to defeat it.

A considerably more detailed story of the initiative measure is by David Osborne, "Renegade Tax Reform: Turning Prop 13 on Its Head," at pages 20-23 in the May 12 issue of the well-known fortnightly magazine, *Saturday Review*.

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ARKANSAS. Appropriations of state tax funds for operating expenses of higher education, biennium 1979-81:

Table 85. State tax-fund appropriations for operating expenses of higher education in Arkansas, biennium 1979-81, by separate fiscal years, in thousands of dollars.

Institutions	Sums appropriated	
	1979-80	1980-81
(1)	(2)	(3)
U of Arkansas	54,741	60,921
Medical science	26,701	28,732
Little Rock branch	15,542	17,301
Pine Bluff branch	7,412	8,142
Monticello branch	4,271	4,605
Subtotal, U of Ark - *		
Arkansas State U	15,456	17,129
Beebe branch	1,331	1,487
Subtotal, ASU - **		
U of Central Arkansas	10,963	12,592
Henderson State U	6,655	7,176
Southern Arkansas U	4,071	4,515
El Dorado branch	775	852
S W Tech Inst	1,876	2,039
Subtotal, SAU - ***		
Arkansas Tech U	5,571	6,368
Community Junior Coll	12,011	13,142
So Regional Edn Brd		
Special study	12	12
Dental & vet aid	893	989
Other dental, veterinary, optometry & chiropractic		
student aid	748	742
St scholarship aid	635	823
Total	169,664	187,567

*\$108,667,000 and \$119,701,000

**\$ 16,787,000 and \$ 18,616,000

***\$ 6,722,000 and \$ 7,406,000

CONNECTICUT. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1979-80.

Table 86. State tax-fund appropriations for operating expenses of higher education in Connecticut, fiscal year 1979-80, in thousands of dollars.

Institutions	Sums appropriated	
	(1)	(2)
U of Connecticut		66,949
Health Center		24,034
Subtotal, U of C - \$90,983		
State Colleges		42,696
Regional Community Colleges		27,086
Higher Education Center*		725
State Technical Colleges		7,762
Board of Higher Education		1,011
Payments to others		8,928
Board for St Academic Awards		176
Conn Student Loan Foundation		250
Admin overhead grants		100
New England Bd of Higher Ed		120
Fringe benefits (est)		32,238
Total		212,075

*The Regional Community College Board of Trustees serves as the fiscal agent for this center. This sum pays for facility operating costs only.

NOTE: In order to derive the estimated percentage of gain over fiscal year 1977-78, it was necessary to add to the state-wide total for that year estimated fringe benefits which had not been previously reported.

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INDIANA. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1979-80:

Table 87. State tax-fund appropriations for operating expenses of higher education in Indiana, fiscal year 1979-80, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
Indiana University	
Bloomington	75,905
IUPUI (Indianapolis)*	
Health division	28,459
Non-health division	17,060
Medical Education**	
Statewide system	6,940
Medical education plan	1,854
Intern residency program	1,316
Regional Campuses	
South Bend	6,043
Northwest	5,789
Southeast	3,468
Kokomo	2,315
East	1,084
Higher Ed Telecommunications***	2,288
Mental retardation	557
Chemical test training	147
Blood treatment program	57
<u>Subtotal, IU - \$153,283</u>	
Purdue University	
West Lafayette	87,232
IUPUI-Fort Wayne+	10,295
Regional Campuses	
Calumet	7,568
North Central	2,350
Coop extension service	1,909
Computer and matching funds	125
Animal disease diag labs++	974
Ag experiment Sta - research+++	714
Ag exp sta & Sch of Ag	30
Ag experiment station	10
Student legislature	7
Energy technology#	250
<u>Subtotal, PU - \$111,464</u>	
Indiana State U, Terre Haute	32,820
Evansville campus	4,942
<u>Subtotal, ISU - \$37,762</u>	
Ball State U	41,905
Vincennes U##	6,423
Indiana Voc-Tech College===	16,272

(Continued in the next column)

INDIANA (Cont from preceding column)

Commission for Higher Education	565
Student Assistance Commission	20,331
Social security, State share	11,700
Higher Ed Pension Fund (PERF)	8,525
Higher Ed Pension Fund (TRF)	2,968
<u>Total</u>	<u>411,198</u>

*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.

**This involves the operation and further 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.

***A 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.

+++Includes the previously separately identified appropriations for: agriculture marketing research, utilization of agricultural products, mechanical agricultural production research, and eradication of Johnson grass.

=Previously administered by the State Budget Agency.

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

===A statewide postsecondary education institution created to provide vocational-technical education by various means, including establishing and operating postsecondary institutes within each of thirteen regions of the state.

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KANSAS. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1979-80:

Table 88. State tax-fund appropriations for operating expenses of higher education in Kansas, fiscal year 1979-80, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Kansas	57,513
Medical center	43,579
Subtotal, U of K - \$101,092	
Kansas State U	50,417
Vet med ctr	3,506
Subtotal, KSU - \$53,923	
Wichita State U	23,990
Emporia State U	12,405
Pittsburg State U	11,633
Fort Hays State U	10,236
Board of Regents*	5,059
State aid to municipal U, Washburn U of Topeka	2,400
State aid to junior colleges	16,806
Kansas Technical Institute	1,295
Total	238,839

*Major portion of the appropriation is for student assistance programs.

TAX MEASURES IN SOME STATES

Arkansas has raised the gasoline tax to $9\frac{1}{2}$ cents a gallon from the former $8\frac{1}{2}$ cents.

North Dakota enacted a tax of 85 cents per ton on coal mined in the state, to rise one cent for each four-point increase in the wholesale price index. It is expected to produce \$29 million in new revenue over two years. The cigarette tax was also raised to 12 cents from the former 11 cents, effective July 1, 1979.

South Dakota raised the motor fuel tax to 9 cents from the former 8 cents.

Utah raised the cigarette tax to 10 cents from the former 8 cents, effective July 1, 1979.

Kansas Governor John Carlin vetoed a bill that would have limited annual increase in total state spending to 7 per cent.

MARYLAND. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1979-80:

Table 89. State tax-fund appropriations for operating expenses of higher education in Maryland, fiscal year 1979-80, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
University of Maryland	
Main campus, College Park	66,544
Ag experiment station*	3,994
Coop extension service*	4,848
Ctr, environ & estuarine std*	2,561
Subtotal, CP - \$77,947	
Baltimore City campus	39,174
University hospital*	2,247
Subtotal, BC - \$41,421	
Baltimore County campus	13,965
Eastern Shore campus	4,143
General university expenses	5,251
Subtotal, U of M - \$142,727	
State Colleges -	
Towson	17,364
Morgan	11,853
Frostburg	7,379
Salisbury	6,357
Bowie	5,546
U of Baltimore	5,142
Coppin	5,043
St Mary's Coll of Md	3,332
Trustees of State Colleges	4,301
Subtotal, S C's - \$66,317	
State scholarships	5,416
Higher Ed Loan Corp	1,051
Board for Higher Education	2,736
Aid to private higher ed	7,925
State aid for comm colls	45,350
State Board for Comm Colls	642
Fringe benefits ** (est)	51,568
Total	323,732

*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's institutions.

Note: Recent transfer of a large part of the support of University Hospital from the appropriation to the University of Maryland to other state agencies causes the percentage of gain over two years to be understated, probably as much as 4 per cent.

RHODE ISLAND. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1979-80:

Table 90. State tax-fund appropriations for operating expenses of higher education in Rhode Island, fiscal year 1979-80, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
U of Rhode Island	36,492
Rhode Island Coll	16,922
Rhode Island Junior Coll	12,753
Subtotal, U & C's - \$66,167	
State scholarships	3,827
New England Higher Ed Compact*	52
Reg Plan Medical & Dental*	150
Support of medical ed**	1,070
Regional veterernarian program*	96
New England Coll of Optometry*	50
Total	71,412

*Administered by the Rhode Island Higher Education Assistance Authority.

**Administered by the state Department of Health.

VERMONT. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1979-80:

Table 91. State tax-fund appropriations for operating expenses of higher education in Vermont, fiscal year 1979-80, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
University of Vermont	14,807
Educational TV	698
Morgan Horse Farm	8
Subtotal, U of V - \$15,513	
State Colleges, Community Coll of Vermont & central office	6,967
VT Student Asst Corp*	4,490
Senatorial scholarships	60
New Eng Higher Ed Compact	32
Total	27,062

*Includes \$114,500 to reserve 13 student spaces at schools of veterinary medicine at Cornell University and the University of Pennsylvania.

WEST VIRGINIA. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1979-80:

Table 92. State tax-fund appropriations for operating expenses of higher education in West Virginia, fiscal year 1979-80, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
West Virginia University*	50,210
Medical school**	24,628
Subtotal, WVU - \$74,838	
Marshall University	16,703
Medical school	2,297
Subtotal, MU - \$19,000	
W Va Coll of Graduate Studies	3,420
W Va Sch of Osteopathic Med	3,540
Four-year Colleges	
Fairmont State	6,491
WV Inst of Technology	5,746
WV State College	5,685
West Liberty	5,139
Shepherd	4,060
Concord	3,868
Glenville	3,222
Bluefield State ***	3,019
Subtotal, 4-yr C's - \$37,230	
Community Colleges	
Parkersburg	3,050
Southern WV	2,330
WV Northern	2,390
Subtotal, C C's - \$7,770	
Special Appropriations	
Scholarship program	2,600
Bureau for Coal Research	1,000
Research Ctr for Coal & Energy	1,250
Transportation services	690
Tuition contract programs	720
Title I - matching	133
Unclassified	200
Board of Regents	796
Fringe benefits (est)	11,700
Less student fees+	- 6,203
Total	158,684

*Includes Potomac State College (two-year branch).

**Includes \$7,800,000 estimated proceeds of dedicated soft-drink tax.

***Includes Greenbrier Community College Center (two-year branch).

+Higher education resource fees deposited to the state general fund.