

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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NEW MEXICO. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1983-84:

Table 60. State tax-fund appropriations for operating expenses of higher education in New Mexico, fiscal year 1983-84, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
University of New Mexico	65,319
Medical school	14,638
Cancer center	1,150
Special health programs	1,676
Emergency med serv academy	418
Medical investigator*	1,422
Gallup branch	1,553
Belen branch	703
Los Alamos branch	736
Subtotal, UNM - \$87,615	
New Mexico State U	38,318
Ag experiment station	5,796
Ag extension	3,777
State Dept of Agriculture*	2,876
Alamogordo branch	1,450
Dona Ana branch	1,261
Carlsbad branch	1,041
Grants branch	793
Subtotal, NMSU - \$55,312	
Eastern New Mexico U	12,431
Roswell branch	3,293
Clovis branch	1,938
Subtotal, ENMU - \$17,662	
NM Inst of Mining & Tech	7,017
State Bureau of Mines*	2,006
Subtotal, NMIMT - \$9,023	
New Mexico Highlands U	8,228
Western New Mexico U	4,552
Northern NM Community College	3,068
San Juan Community College	361
New Mexico Junior College	403
Board of Educational Finance	637
SSIG	390
TV Equipment replacement	179
WICHE dues	50
Special athletics fund	120
Subtotal, BEF - \$1,376	
Total	187,600

*State function administered through the institution.

UTAH. Appropriations of state tax funds for operating expenses of higher education, fiscal year 1983-84.

Table 61. State tax-fund appropriations for operating expenses of higher education in Utah, fiscal year 1983-84, in thousands of dollars.

Institutions (1)	Sums appropriated (2)
University of Utah	74,046
School of medicine	9,497
University hospital	2,402
Research & training grants	1,768
Special enterprises*	1,004
Subtotal U of U - \$88,717	
Utah State University	34,087
Ag experiment station	4,932
Coop extension	3,888
Research & training grants	604
Special enterprises**	1,456
Subtotal, USU - \$44,967	
State colleges -	
Weber State College	23,527
Utah Tech Coll, Salt Lake	9,122
Utah Tech Coll, Provo	8,026
Southern Utah State Coll	7,272
Snow College	4,177
Dixie College	3,990
Coll of Eastern Utah	3,240
Subtotal, S C's - \$59,354	
Board of Regents	999
Statewide TV	1,482
Coop nursing	820
WICHE	1,049
Computer serv & uniform accting	441
NDSL matching	169
Intercollegiate assembly	3
Fifth Pathway	59
Subtotal, B of R - \$5,022	
Total	198,060

*Includes: educationally disadvantaged, \$519,600; Center for Economic Development, \$68,700; seismograph stations, \$167,700; Museum of Natural History, \$200,200; State arboretum, \$48,200.

**Includes: educationally disadvantaged, \$83,800; water research lab, \$185,200; ecology center, \$459,200; Southeastern Utah Cont Ed Ctr, \$172,400; Uintah Basin Cont Ed Ctr, \$429,800; Man and His Bread Museum \$82,500; Coop Master of Ed with SUSC, \$43,200.

THE OUTLOOK FOR FISCAL 1984

As of May 1, 1983 is not the best time to predict what fifty state legislatures will do in their calendar 1983 regular and special sessions. However, reluctant as GRAPEVINE is to speculate about appropriations before the actual dollar figures can be reported, there is reason for maintaining a note of optimism rather than giving way to hysterical panic.

Remember that in calendar 1982 some twenty states raised taxes to produce about \$3 billion of additional revenue. For the preceding year (1981) increases in state revenues were roughly the same, so that the aggregate gains were \$6 billion for the two calendar years 1981 and 1982. What of calendar 1983? Recent and current slight brightening of the nationwide economic picture not only preserves the accustomed uncertainties, but also creates new ones.

Exaggerated and premature anticipation of quick and strong economic recovery could give rise to the questionable thought that state revenue systems need not be improved, because with the arrival of a swift and permanent economic upturn the states will find themselves rolling in additional revenues without any changes in the scope or rates of their taxes. This may be a theoretical possibility, but not a practical probability.

Will the States Revamp Their Revenue Systems?

The March 1983 issue of State Government News, published by the Council of State Governments, P. O. Box 11910, Iron Works Pike, Lexington, KY 40578, carried a survey of the views of governors of about 40 states and what they proposed to their respective legislatures. Summarized briefly, this effort showed more than 20 governors recommending important tax increases.

State Income Taxes

Governors of at least six state advocate higher state income taxes: Illinois, Michigan, South Carolina, Vermont, West Virginia, and Wisconsin.

Up to now, personal income taxes in the states are considerably more productive than corporate income taxes; but income taxes (personal and corporate) constitute the second largest source of annual revenues for the fifty state governments. (A very few states have neither type of income tax.) There are complications involving highly technical arguments over what parts of the assets and operations of giant corporations (nationwide and multinational) can be appropriately taxed by a state within which they may conduct various portions, large or small, of their total transactions.

General Sales Taxes

The general sales tax is a large and quick producer of revenue. There is a long-time trend toward higher rates; and another toward extending the coverage beyond retail sales to include various types of purchased services. Governors of four or more states currently advocate one or both of these measures: Idaho, Iowa, South Carolina, and Washington.

Special sales taxes on gasoline are urged by the governors of Idaho, Illinois, Vermont, and West Virginia. Special sales taxes (often called excise taxes) on alcoholic beverages, and on tobacco products, are widely suggested as targets for increase. Sales taxes (general and special) constitute the largest single source of annual revenues for the fifty state governments. Five small states have no general sales taxes.

- MARYLAND State Board for Higher Education Record is a bimonthly report of activities of the statewide coordinating agency and its staff, including Board actions, statistics of higher education in Maryland, and digest of various studies. The public sector embraces the University of Maryland with its campuses at College Park, Baltimore City, Baltimore County, and Eastern Shore; and eight state colleges and universities, plus a public system of community colleges distributed throughout the state. (16 Francis Street, Annapolis, MD 21401).
- MINNESOTA. MHECB Report is the monthly newsletter of the Minnesota Higher Education Coordinating Board, Suite 400, Capitol Square Building, 550 Cedar Street, St. Paul, MN 55101. This is the coordinating agency for the statewide system comprising the University of Minnesota (including campuses at Minneapolis-St. Paul, Duluth, and Morris, and two-year technical colleges at Crookston and Waseca); seven state universities; eighteen state community colleges; and local vocational-technical institutes.
- TEXAS. C B Report is the cryptic title of the monthly newsletter of the Coordinating Board of the Texas College and University System, P.O. Box 12788, Austin, TX 78711. In total population, Texas has recently surpassed Pennsylvania and become the third most populous state in the nation (after California and New York). For fiscal 1983, its total appropriations of state tax funds for annual operating expenses of higher education exceeded \$2 billion, and were slightly higher than those of New York, making Texas second only to California by that measure.
- WEST VIRGINIA Higher Education Reporter of the West Virginia Board of Regents, 950 Kanawha Boulevard, East Charleston, WV 25301, is aptly called "News of public interest concerning the state system of higher education." Appearing monthly, it is compact and well-written. The Board is the governing board of the statewide public system of universities, colleges, and community colleges.

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GRAPEVINE

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Responsibility for any errors in the data, or for opinions expressed, is not to be attributed to any organization or person other than M. M. Chambers.

GRAPEVINE is circulated to numerous key persons in each of the fifty states.

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During GRAPEVINE's 25 years of operation it has accumulated a considerable collection of statewide studies of higher education, "master plans," annual reports of statewide boards, and occasional monographs on various segments of the systems, as well as correspondence with key persons in all fifty states. A distinct type--the monthly or bimonthly newsletter--is currently being received from a dozen or more states. Identification and brief descriptions of some of these frequent and regular periodicals appear below.

Newsletters

- ARIZONA. Arizona Board of Regents Newsletter is a concise (usually two pages, 8½" x 11") report issued after each monthly meeting of the Board. The Board of Regents governs the University of Arizona at Tucson, Arizona State University at Tempe, and Northern Arizona University at Flagstaff. One of the Board's members is officially designated as liaison representative to the State Board of Directors of Community Colleges. (1535 W. Jefferson, Phoenix, AZ 85007.)
- CALIFORNIA. The Director's Report of the California Postsecondary Education Commission comes monthly from the office of that coordinating board at 1020 Twelfth Street, Sacramento, CA 95184. The issue for February 1983 (Commission Report 83-7) is a 43-page analysis of the governor's budget for fiscal year 1983-84, covering in some detail not only the segments and institutions of higher education, but also their place in the context of the statewide budget, both currently and in recent history. One-tenth of the nation's people live in California. Its current annual appropriations of state funds for operating expenses of higher education (more than \$3 billion) are somewhat more than one-eighth of the total for all 50 states.
- GEORGIA. The System Summary is more comprehensive and detailed than the average publication of its type. It carries reports of board actions, administrative appointments, faculty retirements, statistics of enrollments, degrees granted, and financial support for the 33 institutions composing the University System of Georgia, governed by the Board of Regents. 244 Washington Street, S.W., Atlanta, GA 30334. (Usually 12 to 16 pages, monthly)
- ILLINOIS. The Journal of the Illinois Board of Higher Education appeared monthly for some years (500 Reisch Building, 4 West Old Capitol Square, Springfield, IL 62701), but is currently suspended or irregular. The Illinois Community College Bulletin, organ of the Illinois Community College Board, and the Illinois Trustee issued by the Illinois Association of Community College Trustees, both emanate from 3085 Stevenson Drive, Springfield, IL 62703. The Illinois Community Collegian, a statewide monthly newsletter, comes from the Office of the President, Illinois State University, Normal IL 61761.
- KENTUCKY. Council Report comes monthly from the Kentucky Council on Higher Education, which is the coordinating board for that state's seven state universities, each of which has its own governing board: University of Kentucky, University of Louisville, Kentucky State University, and regional institutions: Murray State U, Western Kentucky U, Eastern Kentucky U, and Morehead State U. (U.S. 127-South, Frankfort, KY 40601).

(Continued on page 1882)

SIGNS OF IMPROVEMENT IN STATE REVENUE SYSTEMS

It is generally agreed that if every state were to enhance its own tax revenues for state purposes, but were to limit itself to only one major portion of its complex tax picture, the immediately most promising tactic would be to enact measures to raise the productivity of state income taxes.

Michigan Enacted Higher Income Tax
in March 1983, Retroactive
to January 1

A bill enacted by the legislature late in March was signed by Governor James J. Blanchard March 29, raising the rate of the personal income tax to 6.35 per cent, from the hitherto current rate of 4.6 per cent. This is an increase of more than one-third.

The new law makes the tax effective retroactively to begin with January 1, 1983. It also provides that over the next four years the new rate will be gradually reduced to 5.35 per cent, which still represents a boost of about one-fifth over the hitherto current rate.

This may be the first of many tax enhancement acts in Michigan and many other states.

Illinois Governor Recommends
Much-needed Rise in Income
Tax Rates

Governor James R. Thompson says forthrightly that revenue improvement is necessary. He urges the enactment of a package to produce \$1.9 billion annually of additional revenue.

The centerpiece of the plan is to raise the personal income tax rate to 4.0 per cent (compare Michigan's 6.35 in column to the left) from the current 2.5. A closely similar rate of increase is also proposed for the current corporation income tax (now at 6.5 per cent). The package also includes a 3½ cent increase in state tax on gasoline, and a few other lesser types of special sales taxes.

Fifteen years (since 1968) without a change in income taxes make the time appropriate.

PUBLICATIONS OF STATEWIDE BOARDS

It occurs to anyone who thinks about statewide authorities in higher education, whether governing boards, coordinating boards, or other, that informing the public about the complex and changing mosaic of institutions, programs, and new demands must have high priority among the responsibilities of such boards.

One can hardly doubt that the whole public has a right to know the up-to-date facts about the statewide system of higher education, by means of a frequent flow of statistics of enrollments at different academic levels and in different segments of the system; the costs to taxpayers, donors, and students; and the outcomes insofar as they can be measured or estimated.

Information regarding all these essentials and many others must be accessible not merely for current months and years, but also at intervals in the history of several past generations. In part from such sources, combined with the study of economic growth and social change, tentative projections of a few years ahead can be hazarded. But a more important result is a reliable factual and philosophical background which leads to full comprehension of what higher education is likely to mean to the states, the nation, and the world in the next generation and the next century.