Grapevine

TIMELY DATA CIRCULATED WHILE CURRENT

Reports on total state tax effort for higher education, including state tax appropriations for universities, colleges and community colleges.

Number 393

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Appropriations Per Capita and Per \$1,000 Personal Income				
Caution needs to be used in interpreting these comparative measures. The principal limitation is that only state tax appropriations are used to calculate the measures. Were local taxes, student tuition and federal revenue included, a different picture of higher education support likely would emerge. A more complete analysis would need to include these revenue sources in addition to state taxes. However, as the principal source of funds for the public sector and as an important revenue source for the private sector, these measures using only state taxes are of value if interpreted with these limitations in mind.				
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AVAILABLE SOON				
STATE HIGHER EDUCATION APPROPRIATIONS 1993-94				
Annual Summary of Grapevine Data				
Fiscal Year 1993-94 in Review by Edward R. Hines National Appropriations Data				
State -by-State Appropriations for Fiscal Years 1992-93 and 1993-94				
Order from: State Higher Education Executive Officers 707 Seventeenth Street, Suite 2700, Denver, CO 80202-4327 Telephone: (303) 299-3685 FAX (303) 296-8332				
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GRAPEVINE				

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RANKINGS OF THE STATES ON APPROPRIATIONS OF STATE TAX FUNDS FOR OPERATING EXPENSES OF HIGHER EDUCATION, PER CAPITA AND PER \$1,000 PERSONAL INCOME, FISCAL YEAR 1993-94

Ctataa	Appropriations	Per Ca		Personal	Income
States	(\$1,000s)	(\$)	Rank	(\$)	<u>Rank</u>
Alabama	892,127	215.70	10	13.00	7
Alaska	179,818	306.33	2	13.67	4
Arizona	616,917	160.99	27	9.29	22
Arkansas	413,466	172.35	19	10.93	14
California	4,384,452	142.04	39	6.57	41
Colorado	534,418	154.01	32	7.46	34
Connecticut	494,937	150.85	35	5.56	48
Delaware	125,969	182.83	16	8.23	31
Florida	1,576,041	116.85	47	5.99	44
Georgia	1,034,858	153.29	33	8.29	30
Hawaii	371,336	320.12	1	14.70	3
Idaho	201,334	188.69	13	11.42	12
Illinois	1,806,826	155.35	31	7.07	36
Indiana	918,132	162.16	26	8.81	26
Iowa	622,094	221.23	9	11.94	10
Kansas	477,484	189.25	12	9.78	20
Kentucky	630,650	167.95	20	9.97	18
Louisiana	567 , 580	132.40	44	8.34	28
Maine	172,451	139.64	41	7.71	33
Maryland	751,084	153.03	34	6.58	40
Massachusetts	826,995	137.88	42	5.79	46
Michigan	1,546,950	163.92	24	8.33	29
Minnesota	1,008,028	225.01	7	11.02	13
Mississippi	458,989	175.59	18	12.43	9
Missouri	610,670	117.59	46	6.17	43
Montana	116,982	141.97	40	8.73	27
Nebraska	358,249	223.07	8	11.77	11
Nevada	194,219	146.36	37	6.87	38
New Hampshire	80,415	72.38	50	3.20	50
New Jersey	1,245,276	159.88	28	5.93	45
New Mexico	393,353	248.80	4	15.98	1
New York	2,947,227	1162.66	25	6.82	39
North Carolina	1,630,179	238.23	5	13.25	5
North Dakota	143,699	225.94	6	13.14	6
Ohio	1,471,558	133.58	43	7.08	35
Oklahoma	538,565	167.67	21	10.19	16
Oregon	428,099	143.80	38	7.81	32
Pennsylvania	1,513,260	126.01	45	6.18	42
Rhode Island	112,358	111.80	48	5.62	47
South Carolina	594,147	164.90	22	10.18	17
South Dakota	112,006	157.53	30	9.22	23
Tennessee	802,957	159.82	29	9.06	24
Texas	3,188,362	180.58	17	9.85	19
Utah	363,668	200.59	11	12.84	8
Vermont	54,016	94.76	49	5.03	49
Virginia	949,548	148.90	36	7.03	37
Washington	954,583	185.86	15		
West Virginia	297,074	163.95	23	8.81	25 15
Wisconsin	936,156		23 14	10.69	15
Wyoming		186.97		9.76	21
	125,954	270.29	3	14.74	2
Total	40,775,516	160.22		7.96	

Sources: Appropriations, Grapevine

Population, U.S. Department of Commerce, Bureau of the Census Personal Income, U.S. Department of Commerce, Bureau of Economic Analysis

STATE SUPPORT FOR COMMUNITY COLLEGES Edward R. Hines

Tables 1 and 2 contain two groups of states, one having "state" community colleges and the other having "state-aided" community colleges. State community colleges is a label used by <u>Grapevine</u> to indicate public community colleges that receive, in addition to student tuition, almost all of their funding from the state. State-aided community colleges receive funding from state and local governments, as well as from student tuition. Together these 42 entities (there are both state and state-aided community colleges in Colorado, New Mexico and New York) were appropriated \$6.3 billion in state tax funds for FY1993-94. This amount represented 15.5 percent of the national total of \$40.8 billion of state tax funds appropriated for all of higher education in FY1994. It must be kept in mind that, while community college enrollments nationally far exceed 15.5 percent of the national total, this \$6.3 billion includes only state tax appropriations and not local tax appropriations.

As shown in the summary of percentages of two-year gain (following Table 1 on page 3196), for the initial three years (FY1986-FY1988), percentage gains in state community colleges exceeded percentage gains in state-aided community colleges, as they did in fiscal years 1990, 1993, and 1994. Percentages of gain over two-years were greater in state-aided community colleges in only three of the nine years, FY1989, FY1991, and FY1992. However, in FY1994, the difference between the percentages of gain for the two types of community colleges was quite large, 26 percentage points. Why did state-aided community colleges fare so poorly this year? A closer examination of the two tables needs to take into consideration the effect of the states where there was a decline in current dollars over the most recent two years. In FY1994, there were five states (Connecticut, Minnesota, New York, North Dakota, and Oklahoma) in which there were two-year declines in support of state community colleges. There were only two states in the state-aided group having two-year declines. One of these was California which has the largest community college system in the U.S.

The depressing effect of California in the state-aided group made a big difference in the outcome, as shown by the data presented immediately following Table 2 on page 3197. If California is excluded from this group, the two-year percentage becomes *plus* nine, rather than minus 15. This nine percent gain over two years nearly equals the 11 percent gain experienced by the state community colleges.

These differences between state and state-aided community colleges may appear to be large because <u>Grapevine</u> customarily calculates weighted percentages of gain for the total appropriations [(sum for FY1994 minus sum for FY1992) divided by sum for FY1992]. As the name implies, "weighted" gains are influenced by the larger appropriations, hence the impact of the "megastates" on (Continued on page 3198)

the total. For example, in FY1991-92 and FY1992-93, California's dollar figure was 2/5 and 1/3 of the totals, respectively, but in FY1993-94, California's proportion of the total has fallen to 1/4. Even though another megastate, Texas, experienced a large percentages of gain, it could not "pull up" the weighted average because four of the large states (California, New York, Illinois and Michigan) had low or no gains.

When all states are treated equally, as they are in calculating arithmetic averages (sum of all of percentages divided by the number of entities), these megastates have smaller effects on the total. When two-year, arithmetic averages (unweighted percentages of gain) are calculated for these two groups of community colleges, the state-aided group did a bit better in FY1994 (9.5%) than did the state community colleges with 9.3%. The magnitude of the difference between these state and state-aided groups is small.

The fact remains that community colleges are being supported more generously by the state governments, as measured by two-year percentages of gain, than is higher education as a whole. The percentages of gain for the entire nation were only two percent in FY1994 and a one percent decline for FY1993. Viewed against these totals, the community colleges' percentages of gain look especially impressive.

Grapevine

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Address correction requested

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Table 2. APPROPRIATIONS OF STATE TAX FUNDS FOR ANNUAL OPERATING EXPENSES OF STATE COMMUNITY COLLEGES FOR FISCAL YEARS 1991-92, 1992-93 AND 1993-94, WITH PERCENTAGES OF GAIN OVER THE MOST RECENT TWO YEARS (In thousands of dollars)

	Year	Year	Year	2-yr Gain
<u>States</u>	1991-92	<u> 1992-93</u>	1993-94	Percent
(1)	(2)	(3)	(4)	(5)
Florida	439,636	446,721	479,330	9
North Carolina*	339,783	392,818	419,730	24
Washington	333,374	347,845	356,069	7
Alabama	158,964	162,154	177,877	12
Virginia	172,138	173,629	176,829	3
Massachusetts	105,966	126,010	140,738	33
Tennessee	107,142	126,089	138,244	29
Georgia	87,249	96,126	107,546	23
New York**	108,492	105,589	106,291	- 2
South Carolina	101,492	106,801	105,860	4
Minnesota	99,486	97,194	95,751	- 4
Oklahoma	87 , 960	90,255	87,116	- 1
Connecticut	81,982	77,625	80,340	- 2
Utah	63,473	68,062	72,973	15
Colorado**	63,801	66,667	70,483	10
Nevada	41,637	45,433	43,846	5
Delaware	29,609	30,362	31,768	7
Rhode Island	23,113	23,715	25,212	9
Indiana***	22,570	22,141	23,733	5
Louisiana+	17,558	20,888	20,663	18
North Dakota	19,807	19,807	18,475	- 7
New Mexico**	12,247	12,533	13,510	10
West Virginia	8,398	8,398	8,880	6
Totals	2,525,877	2,666,862	2,801,264	

<u>Totals</u> 2,525,877 2,666,862 2,801,264 <u>Weighted average percentage of gain</u> 1

Appropriations to All Community Colleges, Less California, with Percentages of Gain over Two Years. (In thousands of dollars)

	FY 1991-92	FY 1992-93	FY 1993-94	2-Yr Gain
State-aided CCs				
Less California	2,415,294	2,487,612	2,632,991	9
State CCs	2,525,877	2,666,862	2,801,264	11
Totals	4,941,171	5,154,474	5,434,255	10

^{*}A small portion of support comes from local taxes.

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

^{***}For Vincennes University which is now supported by the state, previously received modest support from the county.

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

Table 1. APPROPRIATIONS OF STATE TAX FUNDS TO STATE-AIDED, PUBLIC COMMUNITY COLLEGES FOR OPERATING EXPENSES, FOR FISCAL YEARS 1991-92, 1992-93 AND 1993-94, WITH PERCENTAGES OF TWO-YEAR GAIN. (In thousands of dollars)

	Year	Year	Year	2-year
States	1991-92	1992-93	1993-94	Gain
(1)	(2)	(3)	(4)	(5)
California	1,705,597	1,279,932	886,737	- 48
Texas	558,165	569,065	644,871	16
New York*	374,438	357,156	374,808	0
Illinois**	244,769	246,810	257,071	5
Michigan	241,100	240,000	240,000	0
Pennsylvania	115,741	122,803	132,394	14
Maryland	102,575	129,833	124,913	22
Ohio	109,763	107,830	120,440	10
Iowa	102,991	106,000	111,521	8
New Jersey	82,005	87 , 673	98,001	20
Oregon	97,347	101,321	90,305	- 7
Mississippi	66,038	80,554	89,570	36
Arizona	74,076	75,948	76,408	3
Missouri	66,736	70,662	74,215	11
Kansas	45,597	49,993	50,132	10
Wyoming	41,657	41,750	42,892	3
Arkansas	28,123	33,065	36,268	29
Nebraska	33,129	35,047	34,903	5
Colorado*	14,610	15,266	15,267	4
Idaho	9,097	8,741	9,201	1
New Mexico*	3,674	4,195	5,600	52
Montana	3,663	3,900	4,211	15
Totals	4,120,891	3,767,544	3,519,728	**************************************
Waighted awares	norgantage of	~~i~		16

Weighted average percentage of gain - 15
*One of the states having both "state" and "state-aided"
community colleges.

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	1994
State-aided	15	11	7	13	15	17	8	- 2	-15
State	18	14	12	12	16	15	3	1	11
50-State Total	19	13	12	14	14	12	3	- 1	2

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

^{**}Includes State Community College in East St. Louis which is wholely state supported.