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# GRAPEVINE

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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.

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North Carolina CORRECTION: Statewide percentage of two-year gain, reported as 26 in Table 38, page 1630 (November 1979) should be 24 per cent. Our correspondent says statewide total for 1978, reported as \$460,892,000 was understated because we omitted \$5,316,000 appropriated for purchase of equipment for the community colleges, which is considered operating expense, not capital outlay. Thus percentage of two-year gain for 1980 over 1978 becomes 24, not 26. We regret the error, but are happy that it was not larger. . . . . 1631

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"If we cultivate this one-sided subordination of man to material goods alone, we shall be incapable of overcoming this state of need."  
-- Pope John Paul II in New York City, October 1979.

Table 39. EIGHT STATES SHOW WEIGHTED AVERAGE TWO-YEAR GAIN OF 29 PER CENT IN APPROPRIATIONS OF STATE TAX FUNDS FOR ANNUAL OPERATING EXPENSES OF HIGHER EDUCATION FOR FISCAL YEAR 1980-81, IN THOUSANDS OF DOLLARS.

States	Year 1970-71	Year 1978-79	Year 1980-81	2-yr gain per cent	10-yr gain per cent
(1)	(2)	(3)	(4)	(5)	(6)
Arkansas	54,922	140,319	187,567	34	242
Iowa	108,062	274,630	332,244	21	207
Maine	27,783	48,966	62,180	27	124
Minnesota	143,448	393,359	477,954	22	233
North Dakota	23,249	61,240	75,660	24	225
Ohio	260,690	604,651	719,901	19	176
Texas	343,515	1,042,243	1,464,881	41	326
Washington	190,903	380,250	467,717	23	145
Totals	1,152,572	2,945,658	3,788,104		
Weighted average percentages of gain				29	229

FLASHES OF 1981

The eight states in Table 39, above, appropriate *biennially* in odd-numbered years. Hence their appropriations for fiscal year 1981 have already been made, and afford some notion of how 1981 may compare with the fiscal year that preceded it by two years, at least as far as those eight states are concerned.

It appears that the weighted average two-year gain for 1981 over 1979 for these eight states is 29 per cent--substantially higher than the 24 per cent registered by all fifty states for 1980 over 1978.

If we confine the comparison to the same eight states, the result is nearly the same: these states made weighted average two-year gains of 24 per cent for 1980, and 29 per cent for 1981.

The upbeat showing for 1981 is quite largely due to Texas' 2-year gain of 41 per cent, and Arkansas' gain of 34 per cent, illustrating the spurt in Sunbelt states which has characterized recent years.

*Widely Representative*

Note that the eight states named in Table 39 are representative of almost all other regions; the Northeast, the east north central and the west north central, the northern Great Plains, and the Pacific coast, as well as the Sunbelt.

In early 1980 the forty-two other state legislatures will be meeting, and by autumn of that year most of their appropriations will have been made. Not until then will we see the actual picture of 1981 as compared with 1979; but the eight states hoist a signal of optimism.

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THE COMMUNITY COLLEGE SEGMENT OF U. S. HIGHER EDUCATION

*Sorting Out the Nomenclature*

The name at first generally affixed to the institution offering two years of instruction beyond the high school was "junior college." A few states still use it as the statutory designation.

Two decades or more ago the phrase "community college" became widely popular; and, a little confused by the dual terminology, some state legislatures adopted the hyphenated "community-junior college" as the suitable appellation.

More recently a considerable number of two-year colleges, in California and occasionally in a few other places, have dropped all the polysyllables and simply call themselves "colleges." It may well be that eventually "college," in the American idiom, will come to include both four-year and two-year institutions.

*The Prototype*

The prototype beloved of knowledgeable persons is the *comprehensive community college*, offering three programs, each of great importance locally and nationally: college-parallel or liberal arts, occupational, and continuing education for adults. In its most popular form it is based on a local public taxing subdivision called a community college district, whose electorate chooses the members of the college governing board and votes real property taxes to supply a substantial fraction of its annual operating income.

In virtually all cases the college receives a major part of its support from state revenues derived from state-wide taxes on incomes, sales, and other broad-based tax sources. This state aid is often allocated on a formula basis prescribed by the state legislature. There is a long-run tendency to increase the state's contribution, as local property taxes, even when levied at rates as high as permitted by law or as high

as practically feasible, become less and less adequate to support fully all the essential public services of cities, counties, school districts, and other local taxing subdivisions.

Changes in the organization of the national economy seem to have made this trend inescapable and irreversible: the exercise of the taxing power moves upward gradually toward the larger governmental units.

*In California*

A vivid illustration is in the fact that California's 106 community colleges received from the state as aid for annual operating expenses \$509 million in 1978, \$817 million in 1979, and \$1 billion in 1980. Over the two-year period the share of the colleges' operating income coming from state funds increased from about 40 per cent to about 75 per cent. This came about largely as a result of adoption of unnecessarily drastic constitutional limitation of real property taxes in June 1978; but it served to speed up an overdue reform in the financing of community colleges--causing the legislature to increase the state's allocations rapidly. This has taken place in many other states in recent years, usually on a smaller scale and at a slower tempo.

A broader illustration is afforded by the fact that over the same two-year span the rate of increase in appropriations of state funds to local public state-aided community colleges in 27 states was 39 per cent, as contrasted with a gain rate of 24 per cent in appropriations for *all higher education* in all the 50 states.

It is also noticeable, however, that if California is removed from the table of 27 states, then the weighted average two-year gain for the remaining 26 states is 16 per cent--less than the nationwide figure for all higher education (24 per cent). This is because California's \$1-billion appropriation is two-fifths of the total for all the 27 states.

(Continued on page 1635)

Table 40. APPROPRIATIONS OF STATE TAX FUNDS IN AID OF LOCAL PUBLIC COMMUNITY-JUNIOR COLLEGES FOR OPERATING EXPENSES, FISCAL 1980 AND TWO PRIOR FISCAL YEARS, IN THOUSANDS OF DOLLARS.

States	Year 1977-78	Year 1978-79	Year 1979-80	2-yr gain per cent
(1)	(2)	(3)	(4)	(5)
California	509,435	816,962	1,000,232	96
Texas	201,856	216,358	239,630	19
Florida	180,261	193,304	222,153	23
New York	164,067	158,738	166,066	1
North Carolina	108,433	139,335	148,268	37
Illinois	121,057	126,239	135,251	12
Michigan	110,251	120,508	134,646	22
New Jersey	47,950	48,918	51,111	7
Oregon	43,862	43,862	47,282	8
Maryland	46,173	47,669	45,992	0
Iowa	32,714	37,050	42,168	29
Ohio	35,288	39,357	40,331	14
Pennsylvania	35,090	38,790	37,930	8
Mississippi	24,700	29,000	31,317	27
Arizona	29,398	31,243	30,695	4
Missouri	27,600	28,366	28,366	3
Kansas	12,469	16,248	16,806	35
Wyoming	11,289	13,571	13,593	20
Arkansas	8,645	9,749	12,011	39
Indiana*	4,749	5,343	6,423	35
Colorado	5,282	6,112	6,418	22
Georgia	5,274	5,281	5,387	2
Idaho	3,176	3,465	3,565	12
North Dakota	1,818	1,818	2,213	22
Montana	1,856	1,992	1,940	5
Oklahoma	228	281	319	40
New Mexico	293	283	309	5
Totals	1,773,214	2,179,842	2,470,422	
Weighted average percentage of gain				39

\*For Vincennes University, a two-year community college largely supported by the state but partly by the county.

Table 40 should be read in conjunction with Table 41 (page 1636, this issue), noting that a few states appear in both tables because those states have two types of two-year community colleges: (1) state-aided local, and (2) state-supported, receiving no operating income from local tax sources. The general trend, nationwide, is toward more state support and relatively less local tax support, accompanied by an increase in tax support from all sources.

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(Continued from page 1633)

### *The State Type*

Distinguished from the local public state-aided community college, previously discussed as existing in 27 states, there is another type not based on a local taxing subdivision (at least so far as operating income is concerned) and getting its operating funds wholly from the state (aside from student fees and federal sources).

These *state* community colleges are in much the same relation to the state government as the well-known state universities and four-year colleges. This way of financing community colleges exists in some 18 states, as shown in Table 41.

Observe at once that five states appear in both Tables 40 and 41, because those states maintain some community colleges of both types: New York has a system of thirty-odd local two-year public colleges, and the separate group of Agricultural and Technical Colleges (2-year) which are *state* institutions located at six sites in the state.

Georgia has 15 state junior colleges, but has long maintained one local public state-aided junior college in Fulton County, in the vicinity of Atlanta. Colorado, after converting most of its community colleges into state institutions, continued to provide state operating aid to a few local ones.

The tabulation of sums appropriated to *state* community college in 17 states shows that the rate of gain over the two-year period 1978-80 is 28 per cent--lower than the 39 per cent shown for state-aided local colleges in 27 states, but higher than the rate of 24 per cent shown for all higher education in all 50 states.

### *The Lively Segment*

Speaking of dollars, our tabulations show for the 1980 fiscal year: about \$2½ billion appropriated as state aid by 27 states, and \$703 million as state support in 18 states, making a grand total of roughly \$3.2 billion of state tax funds

going to two-year public colleges in some 40 states. This is about one-sixth of the total of \$19.1 billion going to all higher education in all fifty states.

Actually, the real figure may exceed one-sixth considerably, because a few states, notably Kentucky for example, carry appropriations for community colleges lumped into the support of the principal state university and have not reported them separately.

It is to be remembered, too, that only *state* funds are reported for the local state-aided colleges; and that they receive substantial but varying fractions of their operating income from local taxing units, and that the total of these contributions are not reported here and can not be known until later.

### *Other Limitations*

Other cautions about interpreting Tables 40 and 41, which accompany this story, include the impossibility of drawing a sharp line between community colleges and vocational or technical schools or institutes, in several states.

A few examples: North Carolina has separate systems of community colleges and technical institutions, but reports only a lump appropriation to both systems as a whole. Alabama has somewhat similar systems, but reports the systems separately. Presumably both instances are in accord with GRAPEVINE's ground rules, which suggest that schools should be included when a majority or more of their students are high school graduates.

Some states have no public vocational schools above high school level. South Carolina has community colleges and vocational institutes grouped under a state Board of Technical and Comprehensive Education. Nebraska entitles its state-wide system "Technical Community Colleges." These trends in nomenclature seem to indicate a tendency to encourage two-year colleges to develop toward the prototypical comprehensive community college, offering liberal, occupational, and continuing instruction not only to 19- and 20-year-olds, but also to older students of all ages.

Table 41. APPROPRIATIONS OF STATE TAX FUNDS FOR ANNUAL OPERATING EXPENSES, FISCAL 1980 AND TWO PRIOR FISCAL YEARS, OF STATE COMMUNITY-JUNIOR COLLEGES, IN THOUSANDS OF DOLLARS.

States	Year 1977-78	Year 1978-79	Year 1979-80	2-yr gain per cent
(1)	(2)	(3)	(4)	(5)
Washington	118,450	118,450	164,591	39
Virginia	68,602	86,777	89,202	30
New York	49,921	54,120	57,531	15
Massachusetts	44,021	49,905	56,258	28
Alabama	33,050	40,000	40,293	22
South Carolina	31,755	39,334	46,283	46
Oklahoma	27,544	32,516	38,442	40
Minnesota	30,724	31,478	36,405	18
Georgia	26,520	27,709	30,354	14
Tennessee	24,181	27,577	30,044	24
Connecticut	24,364	27,047	27,086	11
Colorado	23,967	24,693	24,949	4
Nebraska	14,100	15,540	16,497	17
Delaware	10,672	12,351	13,417	26
Rhode Island	11,074	11,762	12,753	15
Nevada	6,951	7,603	8,979	29
West Virginia	5,314	5,627	7,770	46
New Mexico*		1,999	2,258	
Totals	551,210	614,488	703,112	
Weighted average percentage of gain				28

\*Newly created in 1978-79.

Note: Table 41 should be read in conjunction with table 40 (page 1634 this issue), noting that some states appear in both tables, because they have two types of two-year public colleges. At least one state (Kentucky) does not appear in either because its community colleges are financed in the appropriation to the University of Kentucky, and not reported separately.

#### SUMMATION

For the current fiscal year 1979-80, state-aided local public community colleges in twenty-seven states are getting about \$2½ billion of state tax funds for annual operating expenses.

State-supported community colleges in 19 states are getting about three-quarters of a billion dollars for annual operating expenses.

Observe that neither of these sums includes any income from local taxing subdivisions, or from any source other than state tax funds.