

Grapevine

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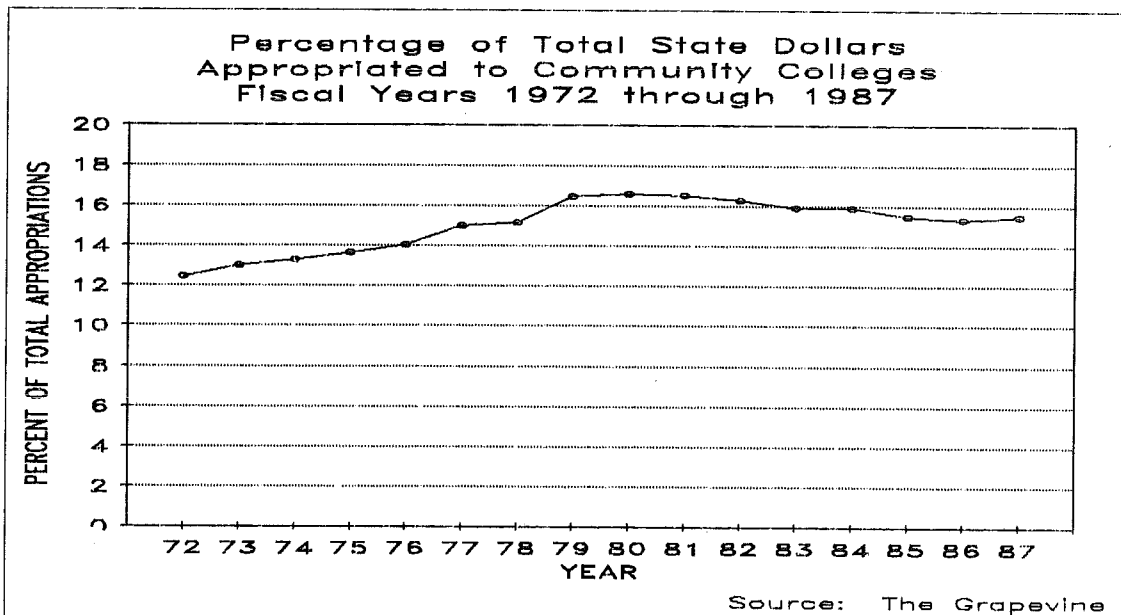
Page 2101

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.

HIGHER EDUCATION FINANCE TRENDS, 1970-71 to 1983-84. 2102-2104

Excerpts from the December 1986 issue of OERI BULLETIN regarding percentages of funds from various sources and amounts of current funds expended per FTE student in public and private institutions.



STATE TAX FUNDS APPROPRIATED FOR COMMUNITY COLLEGES. . . 2101, 2105-2106

The graph above shows that for the past ten years community colleges in 42 states received about 15% to 16% of the total tax funds appropriated for the operating expenses of all higher education in the 50 states. This is up from 13% 15 years ago.

"State-aided" Community Colleges received almost \$3.5 billion, a two-year gain of 11 percent. 2105

Appropriations to "state" community colleges in twenty states total almost \$1.5 billion 2106

Table 1. Percentages of Current Funds Revenues of Public and Private Institutions of Higher Education by Source, 1975-76 to 1983-84.

Source	1975- 1976	1979- 1980	1981- 1982	1982- 1983	1983- 1984
	(1)	(2)	(3)	(4)	(5)
Tuition & fees from students					
Public	13.0	12.5	13.5	14.5	14.9
Private	36.5	35.9	37.6	38.6	38.8
Federal government					
Public	14.9	13.1	11.4	10.6	10.5
Private	19.2	19.4	16.9	15.7	15.7
State governments					
Public	44.6	46.3	45.3	44.8	44.3
Private	2.3	2.1	1.8	1.9	1.8
Local governments					
Public	5.6	3.7	3.7	3.7	3.6
Private	0.9	0.8	0.7	0.7	0.7
Private gifts, grants, contracts					
Public	2.3	2.5	2.7	3.0	3.0
Private	10.1	9.3	9.2	9.4	9.4
Endowment income					
Public	0.4	0.5	0.5	0.5	0.6
Private	4.6	5.0	5.4	5.3	5.2
Sales and services					
Public	17.5	19.2	20.4	20.6	20.6
Private	23.3	23.6	23.8	24.4	24.1
Other sources					
Public	1.8	2.2	2.6	2.4	2.5
Private	3.0	3.9	4.5	4.1	4.3

Source: U.S. Department of Education, Center for Education Statistics "Financial Statistics of Institutions of Higher Education" survey, as reported in the OERI BULLETIN, December 1987, pp. 7 and 8.

The table on this page and the commentary on the next page have been adapted by Gwen B. Pruyne from the OERI BULLETIN, December 1986, pp. 2-3. Questions concerning the surveys used as data sources for this report should be directed to the Postsecondary Education Statistics Division, Center for Education Statistics, 555 New Jersey Avenue, NW, Washington, DC, 20208-1404. Detailed institutional-level college finance data may be purchased in computer tape format from the Office of Educational Research and Improvement. For more information, call toll free (800) 424-1616, or write Information Systems and Media Services, 555 New Jersey Avenue NW, Washington, DC, 20208-1327.

HIGHER EDUCATION FINANCE TRENDS, 1970-71 TO 1983-84

"Colleges and universities are funded by a wide variety of sources.....The shares of revenues from these different sources have not fluctuated dramatically in recent years, but there have been some significant shifts." So begins the December 1986 issue of the OERI BULLETIN, from the Center for Education Statistics, U.S. Department of Education.

Table 1 (page 2102) illustrates some of these shifts from FY1971 to FY1984. It also clarifies some misconceptions regarding the proportions of support which come from the various sources. Taking into account that these percentages represent the averages for all fifty states, it is interesting to note that in FY1984, tuition and fees from students represented a little less than two-fifths of the revenues for the private institutions, while the proportion from federal, state and local governments accounted for about 18 percent. In the public sector, the corresponding percentages were: tuition and fees from students, approximately 15%; governmental bodies, approximately 58%. The greatest increase over the eight-year period for both public and private appears to be in the category of sales and services. The OERI BULLETIN comments: "The scope of auxiliary enterprises (dormitories, food services, book stores, and athletic stadiums) and hospitals operated by public colleges has grown somewhat faster than the general education segment of college operations.....The proportion of revenues from sales and services rose slightly, but this increase was due to a sizable jump in revenues from hospitals operated by private colleges."

CURRENT FUNDS EXPENDITURES PER FTE STUDENTS

"After adjusting for increases in student enrollment and inflation (for all) colleges and universities, expenditures per full-time-equivalent student rose only two percent between 1973-74 and 1983-84. Expenditures per student fell in 1975-76, 1980-81, and 1981-82. The 1975-76 shift may be attributed to rapidly rising enrollment which exceeded growth in expenditures. The later fluctuations were affected by increasing enrollment and inflation, particularly in 1980-81. Enrollment and inflation changes can easily affect expenditures per student in the short run, because many decisions about college budgets are made by boards and legislatures before accurate student enrollment and inflation rates can be anticipated, particularly at public colleges." (OERI BULLETIN, page 2)

Table 2 on page 2104 shows that annual expenditures per student at public colleges (adjusted for inflation) fell by more than 4 percent from 1978-79 to 1983-84. These fluctuations can be partially attributed to increases in FTE enrollment which climbed 3% in fall 1980 and fall 1981, about 1% in fall 1982, and remained nearly level for 1983, showing negative correlation between changes in student enrollment and changes in public college expenditures per student.

Public 2- and 4-year colleges show differing trends. Between 1973-74 and 1983-84, inflation-adjusted expenditures-per-student at public 4-year institutions rose 8%, while FTE expenditures at public 2-year colleges fell by more than 11% during the same time period. The 2-year colleges lost some ground in the mid 1970s when enrollments rose dramatically. Private 4-year institutions showed an increased in FTE expenditures to \$13,650 in 1983-84, while the private 2-year colleges decreased to \$3,710 per FTE student in 1983-84.

Table 4. APPROPRIATIONS OF STATE TAX FUNDS FOR ANNUAL OPERATING EXPENSES OF STATE COMMUNITY/JUNIOR COLLEGES, FISCAL YEAR 1987 AND TWO PRIOR FISCAL YEARS, IN THOUSANDS OF DOLLARS.

States	Year 1984-85	Year 1985-86	Year 1986-87	2-yr gain Percent
(1)	(2)	(3)	(4)	(5)
North Carolina	256,571	261,587	304,873	19
Washington	189,237	198,230	198,230	5
Virginia	127,885	132,839	148,403	16
Massachusetts	108,990	123,386	130,530	20
South Carolina	70,154	84,425	87,080	24
New York*	81,664	84,304	84,799	4
Georgia**	56,830	58,727	65,663	16
Oklahoma*	62,734	71,580	64,366	3
Minnesota	53,270	60,164	58,599	10
Tennessee	51,346	55,289	58,567	14
Alabama	52,742	66,088	58,550	11
Connecticut	37,103	40,183	45,492	23
Colorado*	41,781	44,721	44,733	7
Delaware	18,891	20,070	21,472	14
Rhode Island	18,685	19,858	21,046	13
Nevada	13,948	17,412	18,924	36
Utah	13,340	13,921	15,403	15
West Virginia	9,632	10,141	10,388	8
New Mexico*	5,390	5,723	5,454	1
North Dakota	3,138	4,748	4,748	51
Totals	1,273,331	1,373,396	1,447,320	
Weighted average percentage of gain				14

*One of four states having both local and state community colleges.
 **Includes appropriations to DeKalb Community College which became a state institution last year. Prior to that time it was included in the table of "state-aided" colleges.

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Edward Hines, Director and Editor
 M.M. Chambers, Founding Editor
 Gwen B. Pruyne, Managing Editor

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Table 3. APPROPRIATIONS OF STATE TAX FUNDS TO STATE AIDED PUBLIC COMMUNITY/JUNIOR COLLEGES FOR OPERATING EXPENSES, FISCAL YEAR 1987 AND TWO PRIOR FISCAL YEARS, IN THOUSANDS OF DOLLARS.

States	Year 1984-85	Year 1985-86	Year 1986-87	2-yr gain Percent
(1)	(2)	(3)	(4)	(5)
California	1,110,708	1,172,165	1,199,057	8
Texas	449,940	443,411	446,436	- 1
Florida	335,312	356,133	392,662	17
New York*	227,071	258,759	275,530	21
Illinois**	170,963	191,632	203,240	19
Michigan	159,307	176,748	186,722	17
Maryland	92,173	96,708	98,143	6
New Jersey	69,430	77,515	83,765	21
Ohio	59,584	69,837	78,243 (est)	31
Pennsylvania	69,057	77,500	77,500	12
Iowa	57,590	57,767	60,003	4
Arizona	47,758	57,410	59,905	25
Oregon	54,190	57,235	59,571	10
Missouri	43,345	47,782	51,845	20
Mississippi	50,423	57,467	50,000	- 1
Wyoming	29,023	32,051	32,051	10
Kansas	25,565	27,695	27,056	6
Nebraska	23,089	22,447	22,447	- 3
Arkansas	18,807	22,941	20,790	11
Indiana***	12,648	14,652	15,747	25
Colorado*	10,198	10,087	10,831	6
Idaho	5,236	5,677	5,815	11
Montana	3,245	3,145	3,102	- 4
New Mexico*	800	907	908	14
Oklahoma*	453	508	457	1
Totals	3,125,915	3,338,179	3,461,826	
Weighted average percentage of gain				11

*One of four 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, a two-year community college supported primarily by the state, but partly by the county.

Tables 3 and 4 report only state tax funds going to the community colleges. As discussed elsewhere in this issue of GRAPEVINE, tax funds represent only one of several sources of financial support. The 2-year colleges differ greatly in the proportions of tax funds they receive. GRAPEVINE's differentiation between "state community colleges" and "state-aided community colleges" is largely based upon these proportions and has been discussed in previous issues. Readers who may wish to obtain a copy of one of these annual "community colleges issues," may telephone (309)438-7655 between 8:00 am and 12:00 noon (CST).

Table 2. Current Funds Expenditures Per Full-Time-Equivalent Student in Institutions of Higher Education, by Type and Control of Institution, 1970-71 to 1983-84.

	4-yr Institutions			2-yr Institutions		
	Current Dollars	Constant	Per FTE Student	Current Dollars	Constant	Per FTE Student
		1983-84 Dollars*	Constant 1983-84 Dollars		1983-84 Dollars*	Constant 1983-84 Dollars*
	(In \$ millions)			(In \$ millions)		
(1)	(2)	(3)	(4)	(5)	(6)	
Public Institutions						
1970-71	12,899	32,638	9,218	2,097	5,306	3,757
1971-72	14,014	33,580	9,000	2,470	5,919	3,669
1972-73	15,146	34,465	9,299	3,058	6,958	3,984
1973-74	16,802	35,711	9,436	3,534	7,512	4,071
1974-75	19,309	37,805	9,826	4,181	8,186	3,903
1975-76	21,392	39,283	9,684	4,792	8,800	3,569
1976-77	23,411	40,370	10,096	5,224	9,009	3,831
1977-78	25,013	40,433	10,011	5,712	9,233	3,917
1978-79	27,600	41,407	10,362	6,132	9,200	4,030
1979-80	30,979	42,320	10,425	6,789	9,274	3,975
1980-81	34,677	42,759	10,283	7,602	9,374	3,774
1981-82	37,890	42,456	10,088	8,330	9,334	3,628
1982-83	40,616	42,799	10,140	8,957	9,439	3,589
1983-84**	43,588	43,588	10,219	9,499	9,499	3,631
Private Institutions						
1970-71	8,150	20,621	12,280	230	581	5,512
1971-72	8,837	21,174	12,465	239	572	5,416
1972-73	9,507	21,633	12,721	245	557	5,557
1973-74	10,110	21,488	12,496	267	568	5,443
1974-75	11,287	22,099	12,566	280	549	5,384
1975-76	12,419	22,806	12,368	300	551	4,853
1976-77	13,641	23,523	12,718	324	559	4,945
1977-78	14,885	24,062	12,691	360	582	4,739
1978-79	16,563	24,848	12,832	425	638	4,805
1979-80	18,682	25,521	13,042	464	634	4,594
1980-81	21,163	26,095	13,027	610	752	4,333
1981-82	23,444	26,270	12,869	676	758	3,950
1982-83	25,623	27,000	13,312	740	780	3,666
1983-84**	28,092	28,092	13,650	815	815	3,710

*Dollars adjusted by the Higher Education Price Index.

**Expenditure-per-student calculation includes only those institutions for which both finance and enrollment data were available.

SOURCE: U.S. Department of Education, Center for Education Statistics, "Financial Statistics of Institutions of Higher Education" and "Fall Enrollment in Colleges and Universities" surveys.