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The State University and Taxation

Extracts from the Address
of Professor Lloyd Morey,
Comptroller, University of
Illinois, before the Asso-
ciation of University and
College Business Officers,
Minneapolis, May 3-4, 1928.

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IT MAY be granted that the amount being expended from the public treasury for higher education is of itself a large sum; but it has always been and continues to be but a small portion of the total public expenditure for education. In Illinois the appropriations to the University from State taxes represent only 4 per cent of the total taxes raised in the State for all educational purposes. A similar condition would doubtless be found in every state. Thus, it is evident that whatever burden of taxes may result from educational expenses is placed by the people upon themselves for their local undertakings; and few would be found who would want to be known as wishing to hinder or retard the development of our common school system. The fact is that "the masses of people throughout the country believe in education and because they believe in it they are willing to pay the expense."¹

A similar situation is found in the relation that the State tax bears to the total taxes. The average property tax rate in urban communities in Illinois is about four dollars per one hundred dollars assessed valuation, the assessed valuation being supposedly based on full value. Of this sum the amount levied for all State purposes is 30 cents, of which about 7 cents goes to the support of the University, or less than 2 per cent of the total. The tax schedules of two rural townships for this spring came to my attention recently. The State taxes represented 9.3 per cent and 11.3 per cent respectively of the total taxes assessed. The university portion of the State tax would amount to about 2 per cent of the total taxes assessed. Out of *all* taxes paid by citizens of Illinois for every purpose, approximately 0.7 per cent would represent the amount applicable to the University. These figures clearly indicate that the expense of higher education does not contribute noticeably to the total tax burden.

Furthermore, the expense to the State for maintaining the State schools of higher education is not as a rule even a major part of the total expense of the State government. Out of total appropriations of the current biennium by the Illinois legislature payable out of the revenues of

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the biennium and not including those payable out of proceeds of bond issues, the University appropriations represented 9.9 per cent.

Every comparison will tend further to substantiate the fact that in this country expenditures from the public treasury for education, and for higher education in particular, are not a financial burden, and are moderate or negligible as compared to expenditures for other public purposes; and when compared with expenditures made for objects other than government or public welfare they fade into insignificance. "The United States of America, as the income tax will reasonably well show, has more money than we can spend or than we know how to use."¹ A study of the wealth of the nation merely emphasizes this fact the more.

Prior to the coming of state universities, higher education was available only for those who could pay. The great purpose of the state university has been to change that condition. Nothing should divert it from that noble mission. "In a democracy such as ours the college doors should be open to all to enter and they should be permitted to remain so long as their work and conduct upon the campus justly entitle them to stay. Any other course is inconsistent with our institutions."²

Every increase in fees in state universities and colleges tends to hinder the carrying out of this original purpose, and "closes the door of opportunity to a few more of its youth." A scheme of larger fees would place a much greater handicap on those less able to pay. An added cost of two hundred dollars and more per year would put a college education beyond the reach of no small number who can now take advantage of it. The tendency toward an aristocracy in circles of higher education is increased by increased costs. In the past a thoroughly democratic condition has generally prevailed in our state institutions. They have not proven uninviting to young people from homes of wealth, and at the same time have been within the reach of those of less means or in fact without resources at all. This is the condition that is most desirable.

No discussion of this subject can fail to take account of the fact that the service of the state university or college is by no means limited to the instruction given by it to those who attend it in person. Its work is much broader and more far-reaching than that. . "It is to uplift every intellectual and industrial and commercial and professional interest of the commonwealth."² "The state university is more than a teaching institution. In fact, teaching represents but a fraction of its service and expense. It is a center of learning for the teaching of old truths and the discovery of new ones; a place for the discussion of present day problems, and an organization for the solution of these problems."⁴ "The great democratically controlled institutions like the land-grant college, our state universities, our public high schools introduce a modifying force. They become the agency through which the popular interest in education finds a more or less adequate expression. By virtue of their origin and their maintenance they cannot lose sight of the public welfare as one of the great objectives in education."¹

¹W. O. Thompson, President, *Emeritus*, Ohio State University, "The Educational Budget," *Illinois Alumni News*, April, 1928.

²James W. Fesler, Trustee, Indiana University, in Proceedings of the Associations of Governing Boards of State Universities and Allied Institutions.

³A. S. Draper, former President, University of Illinois, *Proceedings of the Board of Trustees*, March 10, 1903.

⁴David Kinley, President of University of Illinois, Bulletin on "The University of Illinois," 1927.