

Approved: March 17, 1995
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION.

The meeting was called to order by Chairperson Audrey Langworthy at 11:00 a.m. on March 14, 1995 in Room 519--S of the Capitol.

Members present: Senator Langworthy, Senator Corbin, Senator Martin, Senator Bond, Senator Clark, Senator Feleciano, Jr., Senator Hardenburger, Senator Lee, Senator Ranson, Senator Sallee and Senator Wisdom.

Committee staff present: Tom Severn, Legislative Research Department
Chris Courtwright, Legislative Research Department
Don Hayward, Revisor of Statutes
Elizabeth Carlson, Secretary to the Committee

Conferees appearing before the committee: Senator Jerry Moran
Don Lilya, Plant Manager, Goodyear
Richard Kurtz, KLA, President, Viking Motel, Lindsborg
John McDonough, Citizens for Education Freedom

Others attending: See attached list

SB 240--FINANCING OF SCHOOL DISTRICT; PROPERTY TAX REPLACED WITH STATE SALES TAX

Senator Jerry Moran introduced his bill **SB 240** to the Committee. He said there are some significant issues in this legislation and it may impact different areas of the state differently. This is not a bill to reduce taxes. It is an attempt to reduce the role that ad valorem taxes play in financing K-12 education in the state. Under the current school financing, K-12 education is financed by general state aid from the general fund and local effort which is a state imposed 35 mill levy. The state general aid funds about \$1.3 billion or 70% of the school finance plan while local effort funds about 30%. In **SB 240** as amended by the Senate Education Committee, the 35 mills would be reduced over the next 3 years, during the next school year to 25 mills and in the next school year to 10 mills. There is no provision in this bill to reduce the mill levy to zero. The legislation reducing the mill levy to zero would be enacted during the 1997-1998 school year. There is an attempt to replace the revenue lost by raising the sales tax 0.6% during the first year of 1996 and then raised 1/2% during the next year. That would raise the state sales tax from 4.9% to 6%. The income tax raise would not occur during the first year but it would increase by 9% during 1997 and in 1998 it would again increase 9% for a total of 18%.

He passed out a handout. (Attachment 1) He explained the rate charts to the committee. This chart also shows the total dollars raised and the total dollars reduced. It only changes the source of funding, not the amount of funding. He said he personally has a problem with increasing corporate income taxes. His rationale which has been developed over the past several years is that ownership of property is not indicative of wealth, it is not an indication of an ability to pay, your personal income can go up or can go down, but your property taxes continue to climb. Commercial property is a concern, which he thinks we all have, in regard to surrounding states and the competitiveness with the states. He quoted from several tax reports and told of the advantages and disadvantages of other states compared to Kansas. In theory, property taxes ought to be appropriate sources of funding when such services benefit the property. He said we have great concerns about equaling taxes across the state. The experts say we should have 1/3 sales, 1/3 property and 1/3 income taxes and with the passage of **SB 240** we would be closer to that goal. He said there is a great potential for a reduction in utility rates. If we would remove the 35 mills over the 3 years for which this bill provides, there is a possible solution to the conference committee on **SB 14** and **SB 150**. He said study after study shows that property tax is hated by the citizens. He spoke again of studies which show that property tax is the least desirable. He said he has tried to determine how this would impact individuals. He said he has some concerns about the bill. Property taxes are deductible on the income tax. He said only 36% of the Kansas taxpayers itemize and it would impact them in various ways. He was concerned about local units of government and would not like to see them increase the taxes. The most critical concern is the competitiveness of the Kansas tax rates with border states. He said we have an obligation to provide equal education across the state and this bill would change the manner of financing education.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION, Room 519-S
Statehouse, at 11:00 a.m. on March 14, 1995.

The county by county breakdown was prepared by staff. (Attachment 2) He said sales tax is not always paid by those people living in that county. Dollars are generated by people who come to the community to shop. Some counties are net losers in this factor. He also spoke of people living in one county and owning property in another county and this chart does not take into consideration any tax break they might receive. He reviewed the chart for the committee.

He said he had no desire to do anything but what is for the betterment of the state. He said Michigan started down this path and he has talked to people in the Michigan Governor's office about it. At the beginning there was general distrust by the affluent areas but today it is well received and supported by them.

Senator Bond said he shares his concern about the 35 mills. He said it going to do nothing but get worse. It is an awful way to fund school finance; but he said getting out of this dilemma is equally as difficult. He asked about the change in mill levy over the past years and Senator Moran said the average mill levy in 1991 was 125 mills and the average mill levy in 1994 was 118, a mere drop. He also said the average mill levy in the counties in his district all have raised since 1991. Senator Bond also asked if the 35 mills are taken off and the sales and income taxes are increased, is there any reason to believe that the property taxes will not continue to go back up? Senator Moran said it is a multimillion dollar question. Senator Bond said he also worries about the competitiveness of Kansas with Missouri when the sales tax is higher now than Missouri and what will happen when it goes up 1.1%. Senator Moran said he thought it is a more critical issue what would be done with the corporate income tax. However, something needs to be done that is effective.

Senator Martin asked if Senator Moran has looked at any state bordering on Kansas and what the sales tax raise might be in terms of loss because of it going up. Senator Moran said No. Senator Martin also asked if the Department of Revenue would be able to break out these various rates of income tax portion which shows the number of tax payers in each unit, what that group would be and what additional amount they would be able to pay? The Department of Revenue said they thought they could get that information. Senator Martin then asked is there any analysis that has been done by the Department or Staff that shows the various revenues that are going to be collected, where those are collected from and then when they are redistributed, where the revenues go? Senator Moran said he did not know of any analysis.

Senator Lee said she thinks this is a very interesting concept and she thinks it deserves study. She said the mill levy has not been a problem in her district. She asked if IRBs' and property tax abatements have been taken into consideration?

Senator Moran said in Sedgwick County or Finney County the reason they show a smaller reduction in property taxes than they would otherwise show is because of the abatements.

Senator Langworthy said the problem has come about because of the statewide mill levy for school finance. Appraisal issues were not an issue before we had this statewide mill levy. Have you considered any other way to handle this? That's why I think it is an issue that needs broad study. People who never believed in tax lids believe they are very important now because we have a statewide property tax. The whole issue that you are bringing to us to make a change is a result of the change made several years ago. I would ask that you consider repealing the 35 mills statewide and come with a different system, a minimum mill levy or something that can be set and avoid this convoluted plan that creates new problems that need to be solved.

Senator Moran said he thinks there are alternatives to be considered. The Michigan plan, for example, does not actually reduce the entire mill levy, he think it is set at 10 mills; there are different ways to approach this. You can increase or decrease this to make it work. This issue arises because of the passage of the classification amendment plus reappraisal and the passage of the 1992 school finance plan. These two issues present us with this dilemma.

Don Lilya, Plant Manager, Goodyear, said he would like to re-emphasize the fact that high taxes on business and industry are a detriment to the growth of Kansas in the future. (Attachment 3) The Goodyear-Topeka plant completed a \$34 million investment and increased workers by about 200. Because of the expansion in Kansas, Goodyear was penalized by a \$1 million increase in property taxes when the new equipment was capitalized. He said it costs Goodyear \$9 million to conduct business at the Topeka plant. He said there are 8 Goodyear plants in the nation and what the other 7 pay in taxes almost equals what the Topeka plant pays. At the Danville Goodyear plant, which is comparable in size to Topeka, the taxes are \$394,000--Topeka pays \$2.40 million.

Richard Kurtz, Kansas Lodging Association, said he was here to speak on the behalf of his association. (Attachment 4) He said he has taken a straw poll of their members regarding this issue. Some of the property

CONTINUATION SHEET

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taxes will be offset on a breakeven basis with a sales tax. His association is strongly in favor of the move to the sales tax structure because their industry is capital intensive and the industry fluctuates greatly in terms of the revenue derived from each property. The property tax structure as it exists now is a fixed expense. If your revenue is down, the property tax becomes extremely hard to bear. On a sales tax basis it is the same, but it is spread over time when the revenue is generated. He said they are thankful that someone is considering this issue because the taxes on property have become an extreme burden.

Marvin Smith, representing himself and his county, spoke of the new valuations which have just gone out from Shawnee County. (Attachment 5) He said his residential valuation has gone up 27% and his agricultural rural has increased 36%. One of his neighbors indicates his valuation increased \$60,000 on his farmstead. He said we all know this will increase taxes at least 35 mills for schools, plus 1 1/2 mills for state buildings and the 4 mills of USD's capital outlay. Older people on a fixed income face a great burden when they own property. He urged the committee to give favorable consideration for **SB 240**.

Opponent

John McDonough, representing Citizens for Educational Freedom, said he opposes **SB 240** because it is unconstitutional. (Attachment 6) It would discriminately fund only public school students and not private school children. He suggested that school districts charge families using the public schools. He also suggested the discontinuation of subsidies to those who can pay their own bills.

The hearing was continued until tomorrow, March 15, 1995.

The meeting adjourned at 12:10 p.m.

The next meeting is scheduled for Wednesday, March 15, 1995.

SENATE ASSESSMENT AND TAXATION COMMITTEE GUEST LIST

DATE: March 14, 1995

NAME	REPRESENTING
T. C. ANDERSON	KSCPA
Christy Young	Topeka Chamber of Comm
Poland Smith	WIBA
Don Lilya	Goodyear Tire - Topeka Plant
Jacque Ouse	SQE
JOHN T. MARSHALL	HARRIS NEWS SERVICE
David Roberts	Ks Logging Assn
Richard Kurtz	Ks Logging Assn.
John McErdough	BEF
Robin Lehman	USD 233
Craig Grant	KWEA
Frances Kastner	Ks Food Dealers Assn
Tom Bruno	Alliance Assoc.
Marvin E. Smith	Topeka
Mark Harvey	Hawver's Capitol Report
Claude Kane	Kansas Tre.
Mark Tallman	KASIS
Danny Clayton	Quail Park, Chase
Bisk James	BOEING

Bob Martin
 RICHARD RODEWALD
 Greg Hill

Sen. Kan's office
 TAXPAYERS
 Sen. Moran's office

SENATE ASSESSMENT AND TAXATION COMMITTEE GUEST LIST

DATE: March 14, 1995

NAME	REPRESENTING
KAREN FRANCE	KAR
MATTHEW MARTIN	KAR
BILL P. ROBERTS	Senator MORAN'S OFFICE
Steve Stotts	Revenue
Paul E. Fleener	Kansas Farm Bureau
Christy Barclay	Senator KARR'S OFFICE
KEED W. JAVIS	KDOT
Diana Gjerstad	USD 259
MARK CIARDULLO	KCOR-
CHARLES FREEMAN	AARP-CCTF
Tom Jany	///
Ann Kimmel	///
Jack Slane	Dep. P 70 + V-N.
Donna Trainor - WICKITA	Chairman AARP-516

FY	1C Sales, Use Incr.	Property Tax @ 35m	Income Tax Base	Sales Tax Policy	Levy Policy	Income Tax Policy
1996	\$285.0	\$578.7	\$1,621.7	0.6%	10	0.00%
1997	296.6	664.4	1,710.9	1.1%	25	9.00%
1998	308.6	681.9	1,805.0	1.1%	35	18.00%
1999	321.1	699.9	1,904.3	1.1%	35	18.00%
2000	334.1	718.4	2,009.0	1.1%	35	18.00%

FY	Sales Tax Dollars	Property Tax Dollars	Income Tax Dollars	FY Over/Under	Cumulative Over/Under
1996	\$171.0	\$165.3	\$0.0	\$5.7	\$5.7
1997	326.2	474.6	154.0	5.6	11.3
1998	339.4	681.9	324.9	(17.6)	(6.3)
1999	353.2	699.9	342.8	(3.9)	(10.2)
2000	367.5	718.4	361.6	10.8	0.6

RATE TABLES

married				Single			
0	30,000	60,000	60,000	0	20,000	30,000	30,000
4.13%	7.38%	7.61%	7.61%	5.19%	8.85%	9.15%	9.15%
0	1239	3451.5	3451.5	0	1038.4	1923.4	1923.4
3.50%	6.25%	6.45%	6.45%	4.40%	7.50%	7.75%	7.75%
18%							

RATE TABLES

married				Single			
0	30,000	60,000	60,000	0	20,000	30,000	30,000
3.82%	6.81%	7.03%	7.03%	4.80%	8.18%	8.45%	8.45%
0	1144.5	3188.25	3188.25	0	959.2	1776.7	1776.7
3.50%	6.25%	6.45%	6.45%	4.40%	7.50%	7.75%	7.75%
9%							

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attach 1

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TOPEKA, KANSAS 66601

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TESTIMONY BEFORE THE SENATE ASSESSMENT & TAX COMMITTEE

SENATE BILL 240 MARCH 14, 1995

BY DONALD E. LILYA PLANT MANAGER GOODYEAR-TOPEKA PLANT

TODAY I WOULD LIKE TO RE-EMPHASIZE THE FACT THAT HIGH TAXES ON BUSINESS AND INDUSTRY ARE A DETRIMENT TO THE GROWTH OF KANSAS IN THE FUTURE. THE BURDEN OF PROPERTY TAXES IS A NEGATIVE FACTOR THAT WILL KEEP ANY MAJOR INDUSTRY FROM COMING TO OUR STATE. I HAVE ALWAYS PREDICTED THERE WILL NEVER BE ANOTHER GENERAL MOTORS, BOEING OR GOODYEAR LOCATE IN KANSAS BECAUSE OF THE NEGATIVE TAX STRUCTURE.

THE GOODYEAR-TOPEKA PLANT RECENTLY COMPLETED A \$34.0 MILLION INVESTMENT TO INCREASE RADIAL TRUCK TIRE PRODUCTION. THIS ALLOWED US TO INCREASE EMPLOYMENT BY NEARLY 200 WORKERS, ALL EARNING A HIGH LEVEL OF WAGES. BECAUSE GOODYEAR EXPANDED IN KANSAS, WE WERE PENALIZED BY A \$1.0 MILLION INCREASE IN PROPERTY TAXES WHEN THE NEW EQUIPMENT WAS CAPITALIZED. IS THIS HOW THE STATE OF KANSAS ENCOURAGES CURRENT INDUSTRY TO INVEST IN OUR

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attach 3-1

FUTURE? DO YOU THINK WE ARE ATTRACTIVE TO ANY BUSINESS OR INDUSTRY LOOKING TO EXPAND OR RE-LOCATE?

WHEN YOU TOTAL PERSONAL PROPERTY, REAL ESTATE, CORPORATE INCOME TAX, WORKERS COMP, UNEMPLOYMENT TAX, TAX ON UTILITIES, FEES, ETC., IT COSTS GOODYEAR \$9.0 MILLION TO CONDUCT BUSINESS AT THE TOPEKA PLANT IN THE STATE OF KANSAS. IN RECENT YEARS AT THE CORPORATE OFFICE IN AKRON, OHIO, I HAVE HEARD THE QUESTION BEING ASKED, "WHY ARE WE DOING BUSINESS IN KANSAS?" THAT, HONORABLE LEGISLATORS, SHOULD BE A WAKE UP CALL TO ALL OF US TO GET SERIOUS ABOUT CHANGING THE TAXING STRUCTURES AND RELIEVE THE COST IMPACT IT IS CAUSING.

THE TOPEKA PLANT, LIKE ALL OF GOODYEAR'S MANUFACTURING FACILITIES, IS A COST CENTER. THAT MEANS OUR RESPONSIBILITY IS TO MAKE THE BEST QUALITY PRODUCT AT A COMPETITIVE COST. THE NEGATIVE COSTS OF ANY PLANT ARE TAKEN INTO CONSIDERATION WHEN CAPITAL DOLLARS FOR EXPANSION AND GROWTH ARE BEING ALLOCATED. LOCAL GOODYEAR MANAGEMENT AND THE LOCAL URW 307 MEMBERS AT THE TOPEKA PLANT WANT TO BE CONSIDERED FOR EXPANSION IN THE FUTURE. WE HAVE WORKED TOGETHER DILIGENTLY TO REDUCE FACTORY COST, AND WE HAVE REACHED THE POINT THAT IT IS MOST DIFFICULT TO OFF-SET THE EVER INCREASING TAX BURDEN OF PROPERTY TAXES.

I HAVE ALWAYS SUGGESTED THAT AN INCREASE IN CONSUMPTION TAX, OR SALES TAX, SHOULD BE UTILIZED IN KANSAS TO REDUCE, OR BETTER YET, DO AWAY WITH PROPERTY TAX, WHICH IN REALITY, IS A PENALTY TAX ON OUR STANDARD OF LIVING. UNTIL IT IS CHANGED, THE STATE OF KANSAS WILL CONTINUE TO HAVE AN EROSION OF ITS INDUSTRIAL BASE. SOMEBODY HAS TO PRODUCE A PRODUCT TO GENERATE THE FIRST PAYROLL, WHICH IN TURN SUPPORTS OTHER BUSINESSES AND SERVICES.

I URGE THIS COMMITTEE TO THOROUGHLY ANALYZE THE PROPERTY TAX LIABILITY IT PLACES ON INDUSTRY AND CONSIDER REPLACING IT WITH SALES TAX OR OTHER REVENUE SOURCES.

THANK YOU FOR ALLOWING ME TO ADDRESS THIS IMPORTANT ISSUE.



Date: March 14, 1995

To: Senate Committee on Assessment & Taxation

From: Richard Kurtz, President
Kansas Lodging Association

RE: Comments in Support of SB 240 (reducing the mil levy devoted to schools)

The Kansas Lodging Association (KLA) **supports** the reducing of the property tax mil levy devoted to funding public schools and replacing it with an increase in the sales tax rate.

The lodging industry is a seasonal industry. During the summer months when children are not attending schools, occupancy rates and income generated at hotels and motels is substantially higher than during the winter months. The property tax owed by Kansas hotels and motels is a fixed amount. Hotel and motel properties must pay the same amount of tax each quarter regardless of the income produced by the property. This sometimes makes it difficult for hotel owner/operators to scrape together the property tax money owed the government.

The sales tax, on the other hand, is as cyclical tax. The amount of tax owed the government is directly proportional to the amount of revenue generated by the hotel. This means that hotels and motels would be required to remit larger amounts of tax in the busy summer season than the winter season. This would be acceptable, however, because the hotels would have generated more revenue!

SB 240 does NOT represent a tax shift from business to the individual taxpayer. The property tax is a cost of doing business and, as such, individuals pay the tax in the cost of their hotel room. SB 240 will allow hotel operators a variety of options in managing their business such as reducing room rates to more readily compete for business, make any of a variety of capital improvements to their facilities, increase staff to better serve their guests, increase wages to employees, etc. Many of these options will result in an increase in capital distributed in the community which will multiply the tax revenue generated by the higher sales tax rate!

On behalf of the Kansas Lodging Association, I urge your support of SB 240!

*Senate Assess + Tax
3-14-95
attach 4*



March 14, 1995

TO: Senate Tax Committee
RE: Senate Bill 240

Madam Chairman and members of Committee

Thank you for the opportunity to share my opinion on SB 240.

Senate Bill 240 would reduce the reliance on property tax to support the USD's. By reducing the 35 mills to 25 mills that would equal about a 30% reduction in the mill levy for schools.

The property owners in Shawnee County have received our new valuations this month. In the new computations on my residential increased 27% and the AR increased 36%! It appears the appraiser in Shawnee County has increased every AR valuation.

One of my neighbors indicates they increased his valuation of AR and FR \$60,000 on his farmstead.

These increased assessed valuations are a real surprise and shock. We all know that will increase taxes at least 35 mills for schools, plus 1 1/2 mills for state buildings, and 4 mills for USD's capital outlay on the increased valuations.

We wonder how long we can afford this prosperity!!

I would urge your favorable Consideration of S.B. 240.

Marvin E. Smith

Senate Assess + Tax

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attach 5

Presentation To Public Hearing Held At The State Capital By The Assessment And Taxation Committee Of The Kansas State Senate: Testimony Opposes Proposal To Finance School Districts With State Sales Taxes Instead Of Property Taxes. Mar. 14, 1995.

Committee Chair, members, I'm here to oppose Senate Bill Number 240 because it is unconstitutional -- unconstitutional because it would discriminatorially fund only public school students, and not private school children too -- unconstitutional because the Kansas Bill Of Rights requires equal treatment & religious liberty ¹ for all -- unconstitutional because Article 6 requires ALL educational interests of the state be treated suitably, financially. Why not start treating private school children constitutionally in this committee -- there being no rational legal excuse not to?

I have for you a constitutional alternative. It can also answer the search for a way to free up state money to replace local government revenue reduced by larger tax cuts currently sought in the House

- Have the school districts expand the charging of fees to families using public schools. Authorized @ 6, 6, (b)
- Even tuition is authorized for pupils "...not required by law to attend such (public) school " Also @ 6, 6, (b); and see "Pieroe" on page 5 of this presentation paper.

After all, parents of public school students probably feel some guilt at the some **\$75,000** free education cost, borne by the taxpayers, **for each of their children** -- \$6,000 a year K-12. Here is their opportunity to level the playing field a bit. With some 432 thousand public school students paying about \$100 each, there would be about \$40 million raised -- more than enough to replace the local government revenue reduced by larger tax cuts currently sought in the House.

And, I suggest creation at the Kansas state level an equivalent of the senators Danforth and Kerrey "Commission On Entitlements And Tax Reform " -- to discontinue subsidies to those who can pay their own bills -- and who don't need school welfare & entitlements from the taxpayers. & so as to get a handle on the public school monopoly that wants us to keep-on-coughing-up ever more of the family budget so they can maintain and keep on increasing their Santa Clause giveaways -- and want you legislators to keep on being their Santa Clause helpers.

¹ **RELIGIOUS LIBERTY:** QUOTING FROM THE KANSAS BILL OF RIGHTS, "... THE DICTATES OF CONSCIENCE SHALL NEVER BE INFRINGED.. NOR SHALL ANY CONTROL OF OR INTERFERENCE WITH THE RIGHTS OF CONSCIENCE BE PERMITTED..." WHILE RIGHTS OF CONSCIENCE MUST NOT BE INFRINGED OR INTERFERED-WITH, FAMILIES ARE BEING TREATED WITH SUBSTANTIAL INFRINGEMENT AND INTERFERENCE -- ACCOMPLISHED THROUGH ZERO EDUCATION FUNDING WHILE OTHER STUDENTS BENEFIT BY AS MUCH AS \$10,000 EACH, IN FREE BENEFITS, ANNUALLY. AND ALL PUBLIC SCHOOL STUDENTS ARE COUNTED TO RECEIVE AT LEAST \$3,600 EACH ANNUALLY, WHEREAS PRIVATE SCHOOL CHILDREN ARE SKIPPED IN THE BENEFITS COUNTS AND DISTRIBUTIONS.

*Senate Assess + Tax
3-14-95
attach 6-1*

COST CONTAINMENT FOR SOARING PUBLIC SCHOOL SPENDING GROWTH

"Free Public Education" (1) Costs Taxpayers Too Much

We're in a mess ! School taxes are eating us alive !

Over \$3,200 for the average household, yearly.

\$176,000 before a taxpaying couple passes-on.

We need "CHANGE" in Kansas, as well as nationally.

Layoffs & cuts in programs needn't happen if taxes are not increased. Private money can be raised, & we can make economical use of our private sector, instead, by helping kids transfer to the less costly private/parochial schools.

1st Suggestion: For Schools' Self-Financing.

APPLY CHARGES/FEES FOR "PERKS" (Continued FREE NOW PROVIDED FREE TO STUDENTS: to those in need)

Goal: Except for basic education's (the 3 R's) directly related costs, schools to self-finance where possible (instead of constantly socking-it to the taxpayers for more & more.)

Fees to cover construction & operation cost recovery:

- Football Baseball, Swimming, etc: Fees to recover costs.
- Stadiums, Community Use Charges, Event tickets: @ cost.
- Food service, Field trips, Art supplies, Music lessons:@ cost
- Greenhouses, Photo labs, Wood working, Library, Kitchens, Sewing machines, Language labs, Medical care: Users' Fees
- Specialized classes, Textbooks (non 3 R studies): Charges

And the many other such perks arranged for at taxpayers expense.

Freebie Perks

2nd Suggestion: For Schools' Self-Financing.

SEEK PRIVATE MONEY CONTRIBUTIONS FROM:

- Foundations
- Fund Drives
- Collections
- Bake Sales
- Endowments
- Wills
- Business
- Professionals

3rd Suggestion: For Schools' Self-Financing.

Seek legislation to tax parents for benefits received by their children at public schools, as social security beneficiaries are now taxed on benefits received.

And correspondingly, tax the subsidies received by public college and junior college students. (That's in the order of \$8,000 per full time student per year.)

4th Suggestion: For Schools' Self-Financing.

Seek legislation for \$1,000 student vouchers.

If 25% of public school students transfer to private schools, save \$360 millions annually. People want private schools, and 85% charge students less than \$2,000 a year -- versus more than \$5,000 a year at public schools.

And correspondingly, student vouchers for college students. Again, so as to obtain massive budget savings by utilizing the private sector.

① Define "FREE PUBLIC EDUCATION" as including only those school costs directly related to providing the "3 R's, & with acknowledgment that "FREE PUBLIC EDUCATION" is an entitlement program that unnecessarily, therefore wastefully, heavily subsidizes parents who are financially well able to pay their children's education expenses, at least in part, instead of expecting all school perks free on the taxpayers' backs.

And acknowledging, too, that in these years of staggering government debt, deficits and dangerous taxation levels, and not just in Washington school costs must be "on the table" for review no less so than social security, welfare, military, and other budget breaker programs.

Federal officials hate to have to tax Social Security benefits. But they are driven to do so by their budget difficulties. Similarly, it is now a necessity for state and local officials dealing with their own budget problems to put public schools spending "on the table" with other massive tax entitlement programs, & to make the changes.

PUBLICATION 256

The Kansas State Constitution On Eligibility For Student Education Financial Assistance From State Government.

In 1965, by an official act of the Kansas state government, a committee of state government officials was formed to study and to prepare for a 1966 vote of the people of Kansas – intended to change the education section of the state constitution. The Legislative Council produced "Publication 256," which set-up the constitutional change wordings that the voters of Kansas approved on November 8, 1966 -- 280,400 YES 211,027 NO.

This committee was chaired by Lt. Governor John W. Crutcher, with Speaker Of The House Clyde Hill as Vice Chairman. 10 State Senators and 14 State Representatives served as committee members. On page 37 of "Publication 256" is this official intent/wording: "In connection with the drafting of federal aid to education bills in congress, it was decided that wording such as used in:

- (Clause No.1) "Article 6 (e) would not prevent the distribution of public funds for students in private schools." 6 (e) page 36 reads:
- (Clause No.2) "No religious sect or sects shall control any part of the public educational funds." The Council report continues:
- (Clause No.3) "As long as the funds remain under public control they can be distributed to pupils attending private schools."
- (Clause No.4) "Present constitutional interpretation (1965) is that neither the existing constitution nor the proposed amend-ment (set for 1966 public vote) prohibits the distribution of public funds for the benefit of pupils in private parochial schools."
- Clause No.5) "**The child, rather than the private organization, thus is benefited.**" Emphasis added.
This Kansas language is the language used by the U.S. Supreme Court in Mueller, Witters and Zobrest.

SMITH

From State v. Smith, 155 Kan. 588, 596 (1942): "Section 7 of our Bill Of Rights, and Article 6, section 2, each being a part of our constitution, must be construed together. While under Article 6, section 2, the legislature is required to establish a system of schools, in doing so it cannot violate section 7 of the Bill Of Rights."

Emphasis Added

PIERCE

From the 1925 U. S. Supreme Court decision (268 U.S. 1070) Pierce v. Society Of Sisters Of The Holy Names Of Jesus And Mary, and Hill Military Academy, the court deciding as follows:

"The fundamental theory of liberty upon which all governments in this union repose excludes any general power of the state to standardize its children by forcing them to accept instruction from public teachers only. The child is not the mere creature of the state; those who nurture him and direct his destiny have the right coupled with the high duty, to recognize and prepare him for additional obligations."

VOUCHERS ALREADY IN KANSAS

At the present time there is already a voucher plan in existence here in Kansas. The Kansas Tuition Grant Program. These 6,000 to 7,000 vouchers per year, are need-based grants that ~~assist students~~ who choose Kansas private institutions -- to \$1,700 per voucher, federal and state funded. The costs involved are less than 25% the costs at the state universities. Recipient students are enrolled at Baker, Benedictine, Bethany, Bethel, Brown, Central, Donnelly, Friends, Heston, McPherson, Nazarene, Newman, Ottawa, Southwestern, St. Mary, Sterling, Tabor, and Wesleyan.

John McDonough

8530 Bradshaw, Lenexa, Kansas 66215

(913) 888 4455

(Retired)

Letter To The Editor:

September 26, 1994

In a letter to the editor recently printed in a number of publications, the writers suggest that school vouchers would offend "separation of church & state" and be unconstitutional. No, the U. S. Supreme Court has ruled that school aid for, and to the student directly, is constitutional. In the case of *Witters versus Washington Dep't of Services For The Blind*, 1986, the court's decision explained. "For example, a state may issue a paycheck to one of its employees, who may then donate all or part of that paycheck to a religious institution, all without constitutional barrier; and the state may do so even knowing that the employee so intends to dispose of his salary. ... The question presented is whether ... extension of aid to petitioner and the use of that aid by petitioner to support his religious education is a permissible transfer similar to the hypothetical salary donation described above, or is an impermissible direct subsidy."

The court in *Witters* approved aid for the blind student in a religious school, ruling that transfer of government aid by individual recipients to religious institutions is constitutional (as later in *Zobrest*, 1993 – aid to a deaf student in a religious school; and as earlier in *Mueller*, 1983 – deduction of children's educational expenses statewide in Minnesota as long as all students, public & private, are included.)

Similarly, state of Kansas Publication 256, which documents the framers' setting up of the constitutional changes approved by Kansans in 1966, includes the following provisions. "As long as the funds remain under public control they can be distributed to pupils attending private schools. Present constitutional interpretation is that neither the existing constitution nor the proposed amendment (set for 1966 public vote) prohibits the distribution for the benefit of pupils in private parochial schools ... The child rather than the private organization, thus is benefited." This Kansas language is the very language used by the U. S. Supreme Court in *Mueller*, *Witters* and *Zobrest*.

Also in their recent "separation of church & state" letter, the writers suggested that school vouchers would drain money from, and weaken, public schools. No, fewer children would mean fewer costs for the public schools, and therefore fewer tax increases needed. And more private schools would challenge public schools to do even better.

Publication 256 references enclosed.

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