



League of Women Voters of Minnesota Records

Copyright Notice:

This material may be protected by copyright law (U.S. Code, Title 17). Researchers are liable for any infringement. For more information, visit www.mnhs.org/copyright.

Citizens' Committee on Public School Finance

FILE COPY

GLENN MATHER, *Chairman*

MRS. H. K. PAINTER, *Secretary*

LEGISLATIVE COMMITTEE

E. T. W. BOQUIST

O. S. GLOVER

MRS. R. G. POWERS

HENRY ROTTSCHAEFER

J. G. UMSTATTD, *Chairman*

LEGISLATIVE ADVISORY COMMITTEE

F. B. ANDREEN

Minnesota Department, American Legion

MRS. C. F. MOORE, JR.

Minnesota Department, American Legion

Auxiliary

MRS. OSCAR RONKEN

American Association of University

Women

GLENN MATHER

Council of Parent-Teacher Associations

DR. ELIZABETH MONAHAN

League of Women Voters

LYNN THOMPSON

Junior Taxpayers Association

MRS. H. S. WHALEN

Minnesota Congress of Parents and
Teachers

G. H. SANBERG

Minnesota Council of School Executives

MISS DAISY BROWN

Minnesota Education Association

MRS. ALBEE L. LADD

Tri-City Legislative Committee

GEORGE W. LAWSON

Minnesota Federation of Labor

MRS. THOMAS MOHN

Minnesota Federation of Women's Clubs

MRS. FRANK WARREN

Minnesota Federation of Women's Clubs,
Fifth District

MRS. M. W. SMITH, *Legislative Chairman*

Minnesota Federation of Women's Clubs

E. L. ROSENBLOOM

Public School Protective League

J. G. UMSTATTD, *Chairman*

Phi Delta Kappa

(Not all organizations listed above have adopted the entire program of the Citizens Committee. Their principles and programs relative to education appear on the back of this sheet.)

Principles and Programs of Cooperating Organizations

American Association of University Women:

1. Adequate appropriation for the university, including provisions for psychopathic work and the child welfare institute.
2. Larger units of school administration (the county unit).
3. Scientific assessment of property, on a county unit basis.
4. Revision of tax delinquency laws.
5. Emergency financial relief for schools in the next biennium by taxes in lieu of or supplementary to the property and real estate taxes, that schools may continue to function on a satisfactory basis.

American Federation of Labor (From Report of Committee on Education—unanimously adopted at annual convention October, 1934):

" . . . the American Federation of Labor, whole heartedly, and unreservedly pledges itself to the defense of the public school system of America, to its full and complete restoration, to the maintenance of educational standards for the development of character, culture, and citizenship, and to the principle of equal educational opportunity for all the children of America regardless of race, creed or social status. It pledges itself to the preservation of the public schools for democracy; it pledges itself to the preservation of democracy in which public education can and will function for the building of a saner economic world and the good life for all."

Citizens Committee on Public School Finance:

1. Larger units of school administration.
2. Scientific assessment of property, on a county unit basis.
3. Revision of tax delinquency laws.
4. Emergency financial relief for schools in the next biennium by taxes in lieu of or supplementary to the property and real estate taxes, that schools may continue to function on a satisfactory basis.

Council of Parent-Teacher Associations:

(Same program as that of the Citizens Committee on Public School Finance.)

Junior Taxpayers Association:

Under old tax system where taxes on real estate supported nearly 90 per cent of government costs, state aid of \$25 per pupil per year should be the minimum. If the tax system is revised to lighten the burden on local property in accordance with popular demand and numerous proposed bills, then the state aid for schools should be at least \$45 per pupil per year.

The League of Women Voters:

1. Larger units of school administration.
2. Revision of state aid for schools.
3. Improved methods of assessment.

In addition it is understood that the League of Women Voters favors support of measures to provide sufficient funds for maintaining a high standard of education with equalization of educational opportunities.

Minnesota Congress of Parents and Teachers:

1. Larger units of school administration.
2. Maintenance of public schools at a high standard.

Minnesota Department of the American Legion: Be it resolved:

1. That it is the sense of this organization that education should be given its proper consideration by the legislature and should not be made to bear an undue part of the sacrifices for economy.
2. That we cooperate in the activities of the Minnesota Council of Education, who have over a period of several months been actively engaged in the study of ways and means of arriving at the solution for the conservation of our schools.
3. That some more efficient organization and system be devised as to the sources from which school support will be derived, including the basis for its distribution to the several school districts in the state.
4. That a duty of the department education committee shall be to become informed of plans by which the general property tax is relieved from being, as at present, the main source of public school support; this committee shall, through proper channels, disseminate facts relating to emergency in education to the posts of this department.

Minnesota Department of American Legion Auxiliary: (Same program as that of the Minnesota Department of American Legion.)

Minnesota Education Association:

1. Enlarged school districts.
2. State aid revision.
3. Revision of tax delinquency laws.
4. Reorganization of property assessment.
5. Revenues to supplement, or in lieu of, property taxes.

Minnesota Federation of Women's Clubs:

1. Adequate appropriations for maintaining schools on a high standard.
2. Emergency relief for schools in the present crisis.
3. Larger units of school administration.

Phi Delta Kappa:

1. Any reorganizations of school districts that will insure better and more nearly equal educational opportunities for all the children of the state, and suggest that such reorganization should be encouraged by provision for giving greater state aid where reorganization will bring about a higher degree of educational efficiency.
2. We stand for adequate financial support for our schools, and believe that the burden of retrenchment has fallen too heavily upon them.
3. Reduce tax delinquency.
4. Improved methods of assessing property, particularly by setting up larger assessment districts.

Public School Protective League:

1. Curtailment of schools and libraries is the most costly type of retrenchment justified only as a last resort.
2. Favor any equitable new taxes to supplement millage tax for support of schools and libraries.

CITIZENS' COMMITTEE ON PUBLIC SCHOOL FINANCE

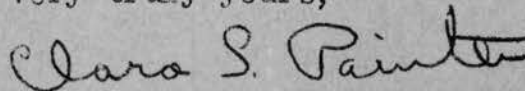
To The Friends of Education, Greetings --

Another legislative year lies ahead. Most of us are rusty on the school situation and school needs. For that reason, Mr. V. E. Mikkelsen, President of the Citizens' Committee on Public School Finance, is calling a meeting of the committee for Monday, June 13, at 7:45 p.m. in Committee Room #3, Citizens' Aid Building, 4th Avenue South and 8th Street, Minneapolis. Mr. Rockwell, Commissioner of Education, school men from the University and the Public Schools will lead the discussion to bring us up to date on the school situation.

Those of you who have been on this committee for some time know our methods and policies. Those of you who are new will want to know that this committee is composed of the heads of State organizations interested in education, and various experts on education and finance. We meet to inform ourselves on facts and to coordinate as best we can the efforts of groups working with the legislature in behalf of education. Those of you who are original members are still asked to continue to come and are also asked to inform your successors of the time and place of this meeting.

There will be many demands for State funds and a limited supply of money. Friends of education must be alert and organized if the interests of Minnesota children are to be protected. This will be our only meeting before Fall and it is important that you make a special effort to be present.

Very truly yours,



Clara S. Painter, Secretary

CSP A

Citizens' Committee on Public School Finance

DEC 19 1934

The tenth conference of the Citizens' Committee on Public School Finance was held at the Citizens' Aid Building on December 10, 1934, at 8 p. m., Mr. Mather presiding. As the minutes had already been mailed to members, the reading of the minutes was omitted. Mr. Mather announced the addition to the committee of Mr. E. L. Rosenbloom, head of the Public School Protective League.

Five representatives from Duluth were introduced: Superintendent Young, Mr. Malcolm McKnight, Mrs. Victor Grau, Mr. A. W. Taylor (all of the School Board), and Mr. Herman J. Griffith, president of the School Protective League of Duluth.

Mr. Mather reported the legislative committee as consisting of Mr. Umstadt, chairman, Mrs. R. G. Powers, Mr. Henry Rottschaffer, Mr. O. S. Glover, and Dr. E. T. W. Boquist, this committee to be assisted by a legislative advisory committee made up of the legislative chairmen of all organizations known to have an active part in the support of education.

Mr. Mather further reported on the eight projects which we had considered at one time or another, as follows:

1. Income Tax Revision. It is expected that the administration will present plans for increasing the amount to be obtained from the income tax.
2. Gross Income Tax. The Minnesota Association for Tax Justice is drafting a bill to embody its principles.
3. Sales Tax. No definite plans have, as far as we know, been made for presenting a bill for a sales tax.
4. County Unit Plan. The Department of Education will probably present a plan for legislative action to secure the larger unit of school administration.
5. State Aid Revision. The Department of Education will present plans in regard to that.
6. The \$25 per pupil state aid plan will be presented by the Junior Taxpayers Association.
7. County Assessor Plan. Immediate action is not to be expected upon that because of the controversial matters involved. If a plan is put forward for the securing of a better system of assessment, we should be glad to support it.
8. Revision of Tax Delinquency Laws. The committee appointed by the Governor for the study of tax delinquency, at the suggestion of the Citizens' Committee, has been at work with Mr. Mather as chairman. It has a report to be ready for the Governor next week, but, out of courtesy to the Governor, the findings of that committee cannot yet be made public.

Mr. Umstaddt reported for the legislative committee. The committee has met and defined its functions as being:

1. To see that the program of this group be embodied in such bills as are needed. Some of its measures are already being provided for through other channels, as for example, the County Unit Bill, on which Dr. Engelhardt is now working.
2. To arrange for a visiting group, who will work with members of the legislature explaining the bills and their purposes.
3. To introduce, or not to introduce, as a committee, a bill. The activity of the committee in this respect will be determined by developments in the legislature.

Mr. Umstaddt asked that the representatives of the various organizations see to it that he is informed in writing of the position of their organizations in regard to any of the measures to be considered. It was agreed that the legislative chairmen of the organizations could be asked by Mr. Umstaddt to supply the necessary information. Mr. Umstaddt also asked for stationery to be used with a suitable letter head. He stressed the need for unity among all organizations to concentrate on a plan or program politically feasible, and warned against jeopardizing the interests of the schools by endorsing any one plan too soon. Mrs. Linsley raised the point that it may not be possible to state the position of an organization until the actual bill has been prepared. Mrs. Painter pointed out that many organizations had adopted platforms covering some or all of the principles involved, and that those platforms could be used as giving a basis for support for bills.

Mr. Schultz stated that the M. E. A. had a five-point program as listed on page 16 of the bulletin for October called "For Minnesota Schools," copies of which he distributed. This booklet gives various plans as suggested by Dr. Blakey for the raising of revenue which would relieve the present situation and shift the load from the property tax. The M. E. A. may or may not draft bills, and is ready to cooperate for a united front on a plan which may appear necessary as things develop at the legislature. Certain of the needed improvements such as larger units and revision of state aid, the M. E. A. will definitely leave to the State Department.

Mr. Mather commented upon the value of Dr. Blakey's report in supplying needed information. Dr. Boquist made the point that, although the plans suggested had much value, it might not be feasible to adopt any one at the present time. He therefore proposed a resolution to the effect that, although we appreciate the value of the report in giving basis for procedure, we take no action to adopt specifically any of the suggested plans. Dr. Engelhardt said that it might be better not to pass a definite resolution, and Mr. Reed also stated that possibly action by this committee was not necessary at the present time, that maybe the legislature does not want suggestions as to method of raising the money. Mr. Mather asked, however, that some position be taken by the group so that he might answer questions as to what the Citizens' Committee stood for. A substitute motion was made to accept the report and refer it to the legislative committee. Motion seconded and carried.

Mr. Young of Duluth submitted data showing a general decrease in revenue and expenditures, comparable to data already presented by Minneapolis

and St. Paul. It was decided that the data submitted by Duluth, that presented by Mr. Hartwell of St. Paul, and data from Minneapolis be consolidated to present a picture of the situation in the cities of the first class. Mr. Hartwell stated that the data as presented by him did not give the complete picture, as it represented budget receipts which were not actual. The shortage in tax collections will force on the schools further decreases from the amount provided for in the levies and indicated in the data submitted. It was agreed by all present that reductions in expenditures for schools had reduced salaries below a desirable minimum; that we could not continue to function satisfactorily on the present salaries paid; and that the schools will suffer harm from continuing on the present low level of salaries.

Mr. Utne of the State Department of Education was then introduced to talk on the subject of state aid. He said that the cities of the first class would be better off if the entire system of state aid were scrapped, because much of the state aid goes elsewhere than to the three cities, though a large part of the money is collected from the cities. There are districts in the state, however, because of the inequality of resources of the state, where schools could not function without state aid. He then mentioned some of the unsatisfactory ways in which state aid operates at the present time. There are districts which receive from state and federal aid more money than they spend for schools, so that they do not have to levy locally for education, while there are other districts so poor that even the state and federal aid that they receive does not make it possible for them to operate good schools. There are teachers in the state getting less than a living wage. The special state aids do not help the cities to any extent. The state, under the constitution, has the responsibility of equalizing educational opportunity, and the cities, being at the top of the scale, cannot expect much help. We must take from the richer and give to the poorer districts.

Mr. Rosenbloom suggested that we should have a three fold support: local, federal, and state. It was felt that the prospects for federal aid were not very bright; that federal aid had been on an emergency basis only, and of a relief character. The question was asked Mr. Utne as to whether it would be possible to reorganize state aid in such a way as to help the cities, and whether the amount of aid given in Minnesota by the state is not relatively small. Mr. Utne replied that there are different sources of state aid and different bases of apportionment, the income tax, for example, being apportioned on the basis of the school population, not on the per pupil attendance. The state distributes approximately twelve million dollars, which is about 30 per cent of the cost of maintaining schools in the state. In the three cities of the first class, about 13 per cent of their budget comes from state aid. The proportion of support coming from the state is much higher than previously, because state appropriations have not fallen off as much as have local appropriations. Some districts cannot support their schools even on a low level.

Mr. Utne said he could not answer the question as to whether we can substitute something for the real estate tax to help carry the cost of education in the state. Asked whether we could establish a per pupil cost, varying in rural and urban areas, - say \$100 per pupil in cities, \$80 per pupil in the country, - and expect the state to help meet that standard, he could see no way whereby the money for it could be raised. Such a standard would cost \$47,000,000. At present the state pays \$12,000,000, and the hope

for an increase is faint. Rather, the tendency is to decrease the amount of state expenditures, and the pressure on the legislature is to keep expenditures down. There now exists a deficit in the general revenue fund. Requests for additional appropriations will not be favorably received. We should have a reasonable tax system and equitable assessment.

Mr. Utne mentioned, on request, some of the suggestions being advanced for reorganization of state aid. One suggestion is in regard to tuition payments for pupils living where there are no high schools. At present, the state pays the tuition for high school pupils. Since the system was established, we have changed in many places from an eight year elementary-four year high school organization to a six year elementary-three year junior high-three year senior high system. We should therefore pay tuition for seventh and eighth grade pupils. This will have the added advantage of reducing the small schools to six grades, which is preferable to eight grades taught by one teacher in the small schools. A second suggestion is to pay the transportation expenses of non-resident pupils, so that they will not have to leave home in order to receive high school education. These suggestions have no bearing on the financial situation in the three larger cities, as the tuition items paid to the larger cities is a negligible item in their budgets and does not necessarily cover costs.

It was asked whether state aid would be used as a means of encouraging the adoption of larger units of administration. Dr. Engelhardt said that it is necessary to shift the burden from real estate to encourage the adoption of larger units in the rural areas.

Question was asked as to whether the proposal of the Junior Taxpayers Association for state aid of \$25 per pupil attendance offered help. Mr. Thompson said that eighty-six representatives had definitely supported such a proposal; that of the remaining forty-five some had not yet replied either for or against; that thirty-seven senators had agreed; and that the remaining thirty had not all been reached for an answer. In addition, all the national congressmen elected had agreed to work for \$25 per pupil federal aid. Twenty states were committed to work for federal aid for schools. The \$25 proposal is to bring all forms of state aid up to a total of \$25 per pupil.

Mr. Utne asked that it be not on the basis of forty days in attendance, as that offers opportunity for undue state aid by collecting aid for pupils actually in attendance during a spring quarter. Mr. Thompson explained that the apportionment would be on a standard of eight months; that it would be graduated according to the length of attendance; but that no aid would be given for attendance of less than forty days. Those in attendance forty days would receive one-fourth of the \$25. The total cost of such aid would be \$14,000,000 a year to the state.

Mr. Schultz emphasized the need of a simpler basis of apportionment, instead of the various bases now in use. We should reduce the units of administration, and put the state aid on a simple, unified basis with the equalization of the tax load. Possibly we should have a teacher-pupil basis rather than a pupil basis, but the state should assume a greater proportion of the cost of schools, and the federal government should be looked to for a further source of additional revenue.

Mr. Thompson said that districts well able to pay for schools were now paying their teachers from \$40 to \$80 a month, wages less than the carpenters' and plumbers' wages under the code. Mr. Hegel pointed out that the Junior Taxpayers Association plans to shift the tax from real estate to some other basis of support. It would guarantee \$25 per pupil. This will discourage the little schools and lead to consolidation. Mr. Utne reminded the group that, under such a plan, Hibbing, which does not need state aid, would get just as much help as Cass Lake, which needs it badly. Twenty-five dollars a pupil would not solve the problem in Cass Lake or Bemidji. Mr. Thompson replied that distribution on the basis of need would make it a political football.

Mr. Mather appointed Mr. Rosenbloom to investigate the matter of federal aid as a possible help.

It was agreed that there be another general meeting after the legislature convenes in January. It was moved and carried that the next meeting be called at the discretion of the executive committee.

Meeting adjourned.

Respectfully submitted

CSP:G
12/14/34
17-109, 110, 111, 112, 113

CLARA S. PAINTER, Secretary

CITIZENS' COMMITTEE ON PUBLIC SCHOOL FINANCE

To the Friends of Education, Greetings:

Are you interested in having the public schools of Minnesota continue to give educational opportunities to the children of the state? We trust that you are, and this letter is timed to reach you immediately after Christmas for a very definite reason. Within a few days, the senator and two representatives from your district will be leaving to attend an unusually important session of the Legislature. Something should be done at this session to help the schools out of their present difficulties.

Some time ago, a group of citizens, members of various organizations interested in education or citizenship, met in conference. They were very much disturbed over the fact that while enrollment has increased, particularly in high schools, and the schools have been facing increased demands for services during the depression, money for schools has steadily declined. This is a state-wide condition, wherein real estate and property are unable to finance schools as they should be financed, if the needs of children are to be met.

This committee has a definite method of procedure, and has worked out a program which it believes will help secure adequate support for schools. A brief account of the committee and a summary of its program are enclosed.

The committee realizes that there are many powerful influences, political, social, and commercial, which will exert pressure on the next legislature, and that the needs of the schools will not be the only problem with which this legislature must deal. This committee knows too that it will be difficult to ask for increased state support for schools at a time when people are stressing the reduction of expenditures. It is certain that any program for the relief of schools can be accomplished only if there is a wide-spread demand, expressed to the legislature, that it consider education a fundamental responsibility of government in a democracy, and that it support it accordingly.

If there is to be effective state-wide support for the cause of education, there must be popular understanding of the needs and enough organization to make that popular interest known to the legislature. This committee will endeavor to supply facts about the situation to the press. It is important that there be in every community certain key people who are informed, and sufficiently interested to do some work. Your name is one on a selected list of people in Minnesota. From time to time you will be sent information. Will you be willing to pass on the information to others, to communicate with your legislators, and to have still others reach their legislators?

In order that we may know what work is being done, we are enclosing a slip. Will you be willing to fill it out and return it promptly? In the last analysis, the vote of a legislator is largely determined by the interest shown by his constituents. We are depending on your cooperation to make this interest known to legislators. May we count on your help in safeguarding educational opportunities, and may we have the honor of an early reply?

Cordially yours

GLENN MATHER, Chairman
500 First National Soc Line Bldg.,
Minneapolis

CLARA S. PAINTER, (Mrs. H.K.) Secretary
4817 Fremont Avenue South, Minneapolis

12/21/34

The Story of the Citizens' Committee and Its Program

What is the Citizens' Committee?

The Citizens' Committee is a volunteer, lay organization, called into being by citizens who were concerned over the extent to which schools were being affected by the reduction of governmental revenues. In its membership are representatives of organizations interested in education, several taxation experts, educators, and public officials. The organizations listed on the reverse side have members on the committee. These members came as individuals, not committing their organizations, as such, to any specific program. Many of the organizations have in their own programs, all or part of the program finally adopted by the committee.

When was the Committee formed, and what are its objectives?

The Committee was first planned in the latter part of 1933. Its objectives are:

1. To awaken citizens to the emergency facing schools in the state, and to safeguard educational opportunities for the 562,000 children now enrolled in public schools in the state.
2. To understand the needs and problems of public schools, to support economies where practicable and desirable, and to help secure revenue needed to maintain schools on a high standard.

What was its method of procedure?

Ten "School Finance Conferences" have been held during the year, and sub-committees have held numerous meetings, taking up in detail and under expert advice various topics relevant to the financing of schools.

What program of action does the Committee recommend?

The Committee has a four point program, which it believes will help the cause of education. They are:

1. Increased school support by the state, such support to be financed not alone by the real estate and property tax

The Committee maintains that increased state support, properly financed, will shift the tax burden, and relieve real estate to some extent of the heavy load of school support that it now carries locally. Although careful study indicates that some methods of taxation offer more hope than others for supplying enough money, the Committee stresses the point that because methods of taxation involve political issues, it is wise for the friends of education not to adopt or suggest a definite method of raising the money. They ask merely that the necessary money be provided, and leave to the legislature the determination of the method of taxation.

2. Larger units of school administration

In this age of good roads and easy, quick transportation, it is out of date, uneconomical, and inefficient to have 7,755 separate school districts.

3. Improved methods of assessment so that we may have fair, equitable assessment throughout the state
4. Revision of tax delinquency laws, to improve tax collections and remove the encouragement to wait for "moratoriums" and special tax bargain laws.

American Association of University Women

American Legion

American Legion Auxiliary

Council of Jewish Women

Daughters of American Revolution

Junior Taxpayers Association

League of Women Voters

Minnesota Congress of Parents and Teachers

Minnesota Council of School Executives

Minnesota Education Association

Minnesota Federation of Labor

Minnesota Federation of Women's Clubs

Phi Delta Kappa

Pi Lambda Theta

Parent-Teacher Associations

Public School Protective League

Women's Club of Minneapolis

Y. W. C. A.

Citizens' Committee on Public School Finance

Please check the following and return as soon as possible to

Mrs. Lawrence Steefel
735 Huron Street Southeast
Minneapolis, Minnesota

1. I will see or write to the representative and senator from my district at once, asking for adequate state support for schools.
2. I will interest others in communicating with their legislators in behalf of schools.
3. I have already spoken to the following legislators:
 1. _____
 2. _____
 3. _____
4. I will help cooperate in interesting my local paper in printing information sent by the Citizens' Committee.
5. I have the following comments or suggestions to make:

* One need not be a "tax expert" *
* *
* Simply ask your legislators to *
* *
* "PLAN WISELY" *

Name _____
Address _____
City _____

SUMMARY OF CONFERENCES

CITIZENS' COMMITTEE ON PUBLIC SCHOOL FINANCE

January 18, 1935

- No. 1, February 5, 1934....Summary of financial situation of schools; determination of policy; organization for working procedure.
- No. 2, February 19, 1934...Report on tax delinquency laws; formation of special committee for detailed study of tax delinquency in Minneapolis.
- No. 3, March 5, 1934.....Discussion of Sales Tax as a possible source of income.
- No. 4, March 19, 1934.....Report on all possible sources of tax revenue as a basis of program for support, both for long time planning and the present emergency; creation of committee to formulate program.
- No. 5, April 16, 1934.....Reports of committees and adoption of program.
- No. 6, May 8, 1934.....Reports of committees; correlation with Minnesota Council on Education; special report of study on tax delinquency in Minneapolis.
- No. 7, June 25, 1934.....Discussion of Gross Income Tax as a source of income.
- No. 8, October 24, 1934....Report on tax measures used in other states.
- No. 9, November 19, 1934...Meeting with newly elected legislators of Hennepin and Ramsey Counties to confer with them on program of Citizens' Committee.
- No. 10, December 10, 1934..Committee reports; bringing information up to date; discussion of system of state aid in Minnesota.

The Committee is sponsoring a four point program which was first published April 20, 1934.

1. Support of Larger Units of School Administration
2. Scientific Assessment of Property
3. Revision of Tax Delinquency Laws
4. Adequate Financial Support for Schools by the State

With the legislature in session, it becomes necessary to translate the program into action.

PUBLIC SCHOOL FINANCE CONFERENCE
MONDAY, JANUARY 28, 1935
CURTIS HOTEL
FOURTH AVENUE SOUTH AND TENTH STREET, MINNEAPOLIS

Dinner at six in the Main Dining Room (optional)
Meeting called for 7:15 in the East Room

Your sub-committees have been hard at work since the last conference. They are now ready to report to you, with up-to-the-minute information. They need also your ratification of their proposed plan of action. A full attendance is urged.

Cordially yours

GLENN MATHER, Chairman
CLARA S. PAINTER, Secretary

"EDUCATION DOES NOT COST ANY APPRECIABLE AMOUNT,

BUT

THE LACK OF EDUCATION DOES COST US EVERYTHING."

1/18/35

Citizens' Committee on Public School Finance

The eleventh conference of the Citizens' Committee on Public School Finance was held on January 28, 1935, at the Curtis Hotel, Mr. Mather presiding. The meeting was called to order at 7:15 p.m. The Treasurer's report was read and accepted. It showed the organization to be solvent, with bills just about equalling expenses to date.

The publicity committee reported on material that had been sent out in the state to a mailing list of about three thousand, including representatives of the A.A.U.W., the Congress of Parents and Teachers, the American Legion and Auxiliary, the Federated Clubs, League of Women Voters, superintendents, principals in the Minneapolis, St. Paul, and Duluth schools, also to all P.T.A.s in Minneapolis. Plans for using the radio had been made, and Mrs. Frank M. Warren had already arranged for some programs. Further use of radio and moving picture theatres was considered advisable. Mr. Mather again made the point that the undertaking of this project on a state wide basis was involuntary, made necessary by the fact that the Minnesota Council on Education, which we had originally expected to function for the state, was inactive.

The question of Federal aid was summarized by Mr. Schulz. He said that the M. E. A. was asking for \$500,000,000 and the National Federation of Teachers for \$600,000,000 for schools to be distributed on the basis of average daily attendance. Mr. Roosevelt opposes the earmarking of funds for schools. The Federal Government has given money as a relief measure for unemployment, but it is used for extension work or to prevent actual closing. It can not be used for regular work. Federal funds for repairs and buildings may be available as recovery measures.

Mr. Umstattd reported for the legislative committee. A copy of the bill for increased state aid is on file, with an explanation of the bill. Mr. Wahlstrand had been seen by Mr. Umstattd and Mr. Andreen, and had agreed to sponsor the bill in the Education Committee and also to work for it in the Appropriations and Tax Committees, of which he is also a member. Mrs. Ladd and Miss Brown were to interview members of the Senate Committee on Education. Miss Brown was to see Senator Almen of the Education Committee. In order to take care of St. Paul, a line had been added specifying that the money should go for current school expenses only. According to figures of attendance available, it is estimated that this measure would give additional aid of 12 cents per day per child. Miss Byrnes suggested adding the word "school" to year for clearness. Mr. Schulz asked whether we should not specify in the bill that the money is not to come from the property tax. It was agreed such a provision would cause difficulties, as all money goes into a common fund. In general it represents a 33 1/3 per cent reduction in dollars of the amount the local community raised from real estate in 1931. Mr. H. S. Rockwell suggested that the bill be changed to limit the amount to be received by a district instead of the amount to be raised by a district. Mr. Hartwell, Mr. Rockwell, and Mr. Engelhardt were asked to retire to prepare a rewording.

Mr. Mather gave the following figures as the basis on which the \$11,400,000 was fixed. An average expenditure of \$90 a pupil is desirable. Half of that totals for the state approximately \$25,000,000. Present state aid is \$10,600,000. Receipts from the income tax in 1934 were \$1,900,000. That leaves \$11,400,000 additional aid to be raised. Question was raised as to whether we should specify district must levy 8 mills instead of 5 mills, in order to qualify for this aid. Agreed it would increase rural opposition. It was further agreed that this committee would not

become involved in the tax limitation fight, but should stress replacement taxes, and emphasizing that this bill actually would result in relief on property because it shifts the burden without increasing the total to be spent.

Mr. Reed asked about the proposed amendment to the income tax law. Mr. Umstattd replied that an amendment was being prepared to the effect that if the total receipts for school purposes in the cities of the first class did not average \$90 per pupil, current expenses should have first claim on proceeds from the income tax.

In regard to the matter of tax delinquency, Mr. Hartwell reported that the Council in St. Paul cuts off water supply and services to tax delinquent property.

Mr. Umstattd moved that we approve the bill, subject to such changes as may be suggested by the special committee of Mr. Rockwell, Mr. Hartwell, and Mr. Engelhardt or the executive committee. Motion seconded and carried. Mr. Umstattd then asked approval of the amendment to the income tax law, allowing cities of the first class the use of the income tax proceeds up to the point of securing an average of \$90 per pupil. Mrs. Dahl said that this amendment should go to the committee on cities of the first class of which Mr. C. A. Dahle of Duluth is chairman. It was moved and carried that the amendment be approved.

Mr. Umstattd reported that the bill for the Larger Unit of School Administration had been modified so as to prevent one school district from holding up county action on the larger unit. It exempts communities of a population of 2,400 or more from the participation in the unification at the start, in order to safeguard smaller districts. Such towns or villages are to be allowed to come in later if they wish. It was moved by Mr. Schulz, seconded and carried that the bill be approved in principle.

Mr. Umstattd then reported on the corrective state aid bill prepared by the state department (1) changing the forty days attendance to average daily as a basis of distribution, (2) providing for a local levy of five mills, including the county one mill levy, as a prerequisite for receiving aid from the income tax receipts, (3) changing the library aid to a pupil basis instead of school unit basis, (4) changing the classification aid to correspond with actual receipts of last year. Mr. Hegel asked whether provision for transportation costs of seventh and eighth grade pupils was included in the state department measure. This is not included. Mr. Umstattd said that all the measures recommended were improvements inasmuch as we have had no time in which to study these proposals, we should probably not be justified in adding them to our program. Dr. Boquist moved to refer the matter of these bills to the executive committee with power to act, as they deemed necessary or expedient on the question of these corrective state aid bills. Carried.

The question of funds for the work of the committee was introduced. Phi Delta Kappa has a little more money to contribute. It was suggested that the M.E.A. be asked to make a donation. Mr. Schulz replied that M.E.A. has little money on hand. Mrs. Dahl suggested that inasmuch as the plans for action were now concrete, teacher support might be secured. The organizations must know what the bills are before they can vote to support them. It was moved and carried that Mr. Mather ask the M.E.A. for a gift to help carry on the work on a state wide scale. Dr. Boquist reported that the legion would contribute \$15 and was paying postage on communications sent to posts. Mrs. Moore reported that the Auxiliary would give \$10 in addition to mailing costs.

Mrs. Moore introduced the Auxiliary president from International Falls who stated that the Auxiliary could be counted on for enthusiastic support.

Mr. Engelhardt reported for the special committee that no satisfactory wording had been accomplished, that we must get the bill in, and should submit it as drawn and add an amendment later if desired. Agreed.

Mrs. Linsley then introduced the following resolution in response to the question as to where the money can come from.

Whereas proposed modification of existing taxes to increase revenue, such as the increase in net income taxes, inheritance taxes, and corporation taxes cannot be depended upon to produce enough money to solve the financial problem of the schools, and

Whereas it is accordingly evident that it is necessary to enact measures to widen the tax base, such as a gross income (dollar turnover) or some more selective form of sales tax, if schools are to get adequate support,

Be it resolved that the executive committee in conjunction with the legislative committee is empowered to support or sponsor such bill or bills as will produce enough money, and which are, in their judgment, politically feasible.

The resolution was adopted.

Meeting adjourned.

Respectfully submitted,

Clara S. Painter, Secy.

CITIZENS' COMMITTEE ON PUBLIC SCHOOL FINANCE

GLENN MATHER, CHAIRMAN
3957 LYNDAL AVE. SOUTH

MINNEAPOLIS, MINNESOTA

CLARA S. PAINTER (MRS. H. K.), SECRETARY
4817 FREMONT AVE. SOUTH

NOTE: THIS IS THE FIRST OF A SERIES OF BULLETINS DESIGNED TO ACQUAINT THE PUBLIC WITH THE CRISIS FACING THE PUBLIC SCHOOLS OF MINNESOTA.

BULLETIN NO. 1

JANUARY 2, 1935

INCREASED ENROLLMENT + DECLINING REVENUE = CRISIS

OTHER STATES HAVE ACTED TO SAVE THEIR SCHOOLS.

WILL MINNESOTA ACT QUICKLY AND WISELY?

PROPERTY OWNERS OVERBURDENED Real estate and property have been carrying most of the burden of school support. Tax delinquency, revaluation of property, and the Homestead Act have cut the receipts from the property tax. Even so, the property owner is overburdened and demands relief. Emphasis is on reduction of expenditures by the state. Local districts cannot increase their taxes.

ENROLLMENT INCREASES In the following table showing twenty-five years of school development, you will note that high school enrollment has increased almost six-fold. High schools are expensive, both as buildings and as teaching units. New buildings have been necessary to take care of the increasing numbers. The modern buildings are more efficient and satisfactory than the old buildings, but they are not yet paid for. In many places, particularly the cities where enrollment has increased rapidly, income tax receipts offer no help on current expenses, as they must be applied, by law, to debt reduction.

TWENTY-FIVE YEARS OF SCHOOL DEVELOPMENT
(FROM THE MINNESOTA YEAR BOOK)

	1909-1910	1919-1920	1929-1930	1932-1933
ENROLLMENT IN PUBLIC SCHOOLS	440,083	503,597	551,741	562,518
GRADUATES FROM PUBLIC HIGH SCHOOLS	3,907	7,543	16,401	21,163
TEACHERS EMPLOYED	15,157	19,575	22,169	21,655
WOMEN	13,559	17,847	19,320	18,432
MEN	1,598	1,728	2,849	3,223

NEW COURSES NECESSARY Aside from sheer weight of numbers, the children, not needed in industry but staying instead in school, offer a new problem in curriculum. They are preparing not for college, but for life. Is it fair to ask them to take the old college preparatory courses? The planning of new courses demands research and curriculum departments.

GREATER
DEMANDS ON
SCHOOLS

BRIEFLY, OUR EXPANDING SCHOOL SYSTEM PUTS NEWER AND GREATER
DEMANDS ON SCHOOLS, AND SCHOOLS MUST BE EQUIPPED IN BUILDINGS
AND IN PERSONNEL TO MEET THESE DEMANDS.

WHAT IS
THE COST

How much does this cost, and how is it financed? AT PRESENT,
WE SPEND LESS THAN \$90 A YEAR TO KEEP A CHILD IN SCHOOL. The
cost is borne almost entirely by a local property tax. Unless
something is done by the legislature, there will be less than \$90 a pupil
available next year.

WE MUST
REORGANIZE

The Citizens' Committee, after careful study, maintains that
by modernizing our administrative system and by reorganizing
our antiquated taxing system, we could afford to take care of
our future citizens. It maintains that the very security of our future depends
on the training given those who are to carry on in the difficult years ahead,
and that we must act to reorganize BEFORE IT IS TOO LATE.

WILL YOU
HELP?

If you agree that the preservation of our American institu-
tions is in a large measure dependent upon the maintenance of
educational opportunities, will you reach your legislators?
Explain to them the increasing numbers of children to be cared for on the
high school level. Insist that we do not penalize our children by failure to
modernize our government and our taxing system. OUR SCHOOLS MUST BE KEPT
OPEN. PROPERTY AND REAL ESTATE TAXES CANNOT KEEP THEM OPEN.

SCHOOLS INSURE
THE FUTURE
COMES BUT ONCE.

The foundation of our future security depends on our present
attitude towards supporting our public schools. Ask your
legislators to plan wisely and to act promptly. CHILDHOOD
ITS NEEDS CANNOT BE POSTPONED.

YOUR HELP IS
NEEDED

The committee depends on you, both for reaching your legis-
lators and for interesting your local paper in the releases
sent out by this committee.

TRY THIS OUT ON YOURSELF

1. Figure your tax payments on a monthly basis. \$_____
2. List the services you receive from government for this tax money.

3. Compare your monthly tax costs with a combination of
 - a. Lighting costs \$_____
 - b. Fuel for food costs \$_____
 - c. Telephone costs \$_____
 - d. Operation of car costs \$_____Total cost of lighting, fuel, etc., per month \$_____
4. If you have children in school, figure the cost to you of their education per month. \$_____
5. Do you find you are getting your money's worth? _____

The Committee urges you to send in your findings to the Secretary, Mrs. H.K. Painter, 4817 Fremont Avenue South, Minneapolis. It is not necessary for you to sign your name to the report. This will give valuable data to the Committee on comparative costs.

CITIZENS' COMMITTEE ON PUBLIC SCHOOL FINANCE

GLENN MATHER, CHAIRMAN
3917 LYNDAL AVE. SOUTH

CLARA S. PAINTER (MRS. H. K.), SECRETARY
4817 FREMONT AVE. SOUTH

MINNEAPOLIS, MINNESOTA

BULLETIN NO. 2

JANUARY 14, 1935

CAN WE PAY FOR MODERN EDUCATION?

THEN The little red schoolhouse did a good job, in its day. So did the oxcart, before we had good roads. So did the horse and buggy, before the days of pavements. Pioneer life developed initiative and character; it left little time for leisure. High schools were limited to the selected few going to college, or training for the professions. Elementary education aimed merely to teach the 3 R's.

NOW Modern conditions have changed the story. Industry has released thousands of children; compulsory school laws and American appreciation of the necessity for education in a democracy has kept these children in increasing numbers in high schools. In order to meet the needs of all the children of all the people (children with varying needs and abilities), the schools have modernized and changed the curriculum.

OLDER SUBJECTS Additions to the curriculum do not necessarily mean increased expense. Costs are determined by the number of pupils per teacher, not by the subject taught. Some subjects are cheaper than others, but they are not necessarily the older subjects. Music, not considered a fundamental by some, is a low cost subject because it permits effective teaching in large groups. Restriction of the curriculum will not reduce expense. Failure to enrich the curriculum to meet the needs of pupils who must be prepared for modern life is inefficient, and to the degree that it causes failure is actually expensive.

EXTRA SERVICES Modern living conditions, the concentration of population NECESSARY NOW under artificial conditions of city life, the need of maintaining individualized instruction in handling large numbers of children, have created demands on schools which do cost money. Social service, recreation and health service, counseling service have been added. Unemployment and greater leisure are steadily increasing the demands on schools.

CAN MINNESOTA AFFORD NEW EDUCATION? Can Minnesota afford to pay for this new type of education for all its children? "Our public school," says a report from the State Department of Education, "gives the child books, classroom equipment, a playground, a day's instruction under a well prepared teacher for the price of a golf ball or a box of candy. The average daily cost of American education is fifty-one cents." In normal times, Minnesota spent 3.55 per cent of the state income for schools, while 19.65 per cent went for passenger automobiles and almost 8 per cent went for objects definitely classed as luxuries. Salary studies show that of all people gainfully employed, the only average income lower than teachers was that for wage earners.

STATE SHOULD CARRY HALF THE COST What can Minnesota do to guarantee educational advantages for its children, with real estate demanding relief from its heavy burden? The committee feels that, roughly speaking, ninety dollars a pupil is a fair cost under present financial conditions. This figure will vary somewhat according to the percentage of high school pupils and local standards. Ninety dollars a pupil totals about fifty million dollars for schools in Minnesota. This sum is lower than the amount spent in 1931, although enrollment in high schools has increased since that time and will probably continue to increase. The committee further suggests that if half the cost (\$25,000,000) were carried by the state, financed not entirely by the property tax, then relief would be offered to both rural and urban communities. Adjustments of this general plan, to meet the differing needs of communities, would have to be worked out by properly qualified persons, in order that the particular needs of all communities might have due consideration.

NEW SOURCES OF INCOME NEEDED Such a shifting of the tax burden will require the tapping of new sources of income. Please study the accompanying table. It shows how revenue has decreased. It shows that in 1933 the local community carried over 77 per cent of the costs, for which they relied largely on the real estate tax. It indicates where the state money comes from, and makes it clear that because of the interest from the Permanent and Swamp Land Funds, it will not be necessary for the state legislature to make appropriations for the entire twenty-five million. Minnesota is fortunate in the size of its funds set apart for education, provided for by the wisdom of the pioneers who appreciated the importance of educating all the citizens in a democracy. Following bulletins will show what other states have done, and what suggestions are being made for securing the necessary revenue.

PUBLIC SCHOOL EXPENDITURES IN MINNESOTA

School Year Ending	General Maintenance Expenditures	Capital Outlay and Bond Payments	Total Payments
1931	\$ 45,629,084	\$8,986,317	\$ 54,615,401
1933	39,096,325	4,335,119	43,431,444
Estimated Amount Needed for 1935.			\$ 50,000,000

SOURCES OF MONEY EXPENDED FOR SCHOOLS

Year	*Total Cash Available	Revenue from Local Property Tax	Revenue from State-wide 1-mill Property Tax	Revenue from State and Federal Sources
1931	\$ 54,069,084	\$ 34,213,922	\$ 2,026,011	\$10,709,700
1933	43,431,444	27,074,081	1,116,982	10,844,780
1935	**50,000,000	25,000,000	--	25,000,000

*These amounts include cash received from bond sales, interest on sinking funds, etc., as well as from sources indicated.

**Amount needed on economy schedule

SOURCES FROM WHICH STATE FINANCES EDUCATION

1. Permanent Endowment (This is interest from permanent school fund and one-half from Swamp Land Fund)...1934.... \$ 2,555,236*
2. Current School Fund (Shares in 1-mill county-wide property tax)..... 1,391,052**
3. Special State Aid (This is a special legislative appropriation derived from general state revenue plus \$500,000 from Swamp Land Fund.)..... 6,617,022***
4. Income Tax (Proceeds from the Income Tax go first to debt retirement and then to maintenance only when all debts are paid.).....(Estimated). 2,000,000****

In 1934-5, it would be necessary for the legislature to appropriate the difference between receipts from the Permanent and Swamp Land Funds, the County 1-mill Tax, and the desired \$25,000,000.

*The Permanent Endowment Fund income is apportioned according to per-pupil enrollment for forty days or more.

**The Current School Fund income is apportioned like the Permanent Endowment Fund, except for the \$500,000 which is transferred to the Special State Aid Funds.

***Special State Aid is apportioned in a variety of ways.

****Income Tax Receipts are apportioned to each district according to the number of children of school age.

CITIZENS' COMMITTEE ON PUBLIC SCHOOL FINANCE

GLENN MATHER, CHAIRMAN
3957 LYNDAL AVE. SOUTH

CLARA S. PAINTER (MRS. H. K.), SECRETARY
4817 FREMONT AVE. SOUTH
MINNEAPOLIS, MINNESOTA

BULLETIN NO. 3

JANUARY 25, 1935

AT THE CROSS ROADS

DISASTER
IN OHIO

In Ohio, in November, this was the picture:
80 per cent of the schools had money in sight for only
six months
58 per cent would have to close in four months
14 per cent were operating with no money, merely on
faith
6 per cent had enough money to run for nine months.

WHY?

The Ohio Legislature, in a frenzy of tax reduction,
passed tax limitation laws, in hearty agreement, THEN
failed to agree on a tax to replace the reductions on real estate.

WILL THIS
HAPPEN HERE?

Communities in Ohio are borrowing money for current
expenses which will ultimately be assessed against prop-
erty, so that instead of finding relief, property
owners will eventually pay both current costs and interest charges.
MINNESOTA MUST NOT MAKE THE MISTAKES MADE BY OHIO AND WEST VIRGINIA.
MONEY FOR ESSENTIAL SERVICES MUST BE PROVIDED.

STATE CAN
RELIEVE
PROPERTY

The Citizens' Committee has a constructive program
which will offer real relief to property, and guaran-
tee, also, more nearly equal opportunity for education
to the children of the state, both rural and urban.

Real relief to property owners comes when part of the burden carried
by property is taken from it and transferred to some other source of
taxable wealth. In 1933, over 75 per cent of the costs of schools was
borne by the local community. Local communities depend almost entirely
on the real estate and property tax. The committee is preparing a bill
which would provide that half the costs of schools be carried by the
state. The state has other sources of revenue than the real estate and
property tax. This change, by shifting the burden from the community
to the state, makes possible a reduction of about 33 per cent in real
estate taxes. More than that, it offers help to those areas that
cannot finance schools from their local taxes. It is in line with the
best modern thought for the equalization of educational opportunity.

MAJORITY MUST RULE The kind of tax to be adopted to replace the real estate tax is controversial and has political implications. So many states have found ways of meeting the emergency, or found themselves in serious trouble because they did not meet it wisely, that Minnesota can profit from their experience. In a crisis it is necessary to follow a course which might not be necessary in normal times; taxes not normally desirable may have to be voted to keep schools going. The committee will follow all tax proposals. It will recommend for support the bills which seem most fair, most likely to secure the necessary money, and which have a reasonable chance of adoption. It is important that we realize, regardless of our personal opinions as to forms of taxes, that we shall have to accept the method of taxation desired by the majority if the schools are to be helped.

CAN IT BE DONE? CALIFORNIA has taken over a larger share of the costs of schools, assuming the entire burden formerly carried by the county. It does not depend on the property tax. WEST VIRGINIA, after a disastrous experience of finding itself without enough money to operate even its hospitals and jails because of unwise tax limitation laws, has taken over a large share of the costs of schools, depending not on the property tax. NORTH CAROLINA carries almost all of the cost of schools, with a widened tax base. WASHINGTON has very recently assumed half of the costs of schools. NEW YORK gives a large amount of state support, financed not by a property tax.

ARE WE TO HAVE JUST "PAPER" SUPPORT? Most states have assumed, on paper, state responsibility for education. In many states, as in Minnesota, such responsibility is written into the state constitutions. Those states which have REALLY assumed responsibility by ADEQUATE FINANCING and have adopted varied forms of taxation, have carried their schools through the depression with much less disastrous consequences than those which have left the support of schools to the local property tax. MINNESOTA HAS NOT ASSUMED ENOUGH STATE SUPPORT TO PROVIDE THE EDUCATIONAL OPPORTUNITY SPECIFIED IN THE CONSTITUTION.

MINNESOTA MUST HAVE A REPLACEMENT TAX MINNESOTA IS AT THE CROSS ROADS! Shall we adopt in this session merely a destructive program of limitation, leaving the government without enough money to carry on, or shall we agree upon a program which will use all sources of wealth, relieve property of an undue burden, and STILL PROVIDE EDUCATION FOR THE CITIZENS OF TOMORROW? That is the issue before the citizens of Minnesota to-day. Under present political conditions, there is grave danger that we may be left, when the legislature adjourns, without a satisfactory tax program. WE MUST GET BEHIND THAT REPLACEMENT TAX WHICH IS DESIRED BY THE MAJORITY.

TAX LIMITATION WITHOUT TAX REPLACEMENT IS FATAL

POSSIBLE REPLACEMENT TAXES

Relief for property, especially if tax limitation laws are passed, will make it necessary for the legislature to pass replacement taxes. Some additional money can be secured by changing present laws. For example, a heavier tax on telephone companies might yield an extra \$600,000, or an increase in inheritance taxes an extra \$200,000. It is generally agreed that, under present financial conditions, an increase in the higher brackets of the Income Tax would not bring in enough money to offset property tax reductions. Three to four million is estimated as the total obtainable from such a source for 1935-6 and 1936-7, an increase of \$500,000 to \$1,500,000 over 1934 receipts. A majority in the legislature seems to be agreed that such an increase would not entirely solve the problem.

There remains for the legislature a choice of possible courses to be followed.

1. Lowering the exemptions in the net income tax, so that people of small incomes will pay a tax.

2. Passing a Gross Income or Dollar Turnover Tax, considered by tax authorities to be a form of sales tax.

3. Passing some other form of sales tax.

This tax can be more or less selective in what it taxes. The more selective, that is, the greater the number of exemptions, the less severely it bears on the poor. On the other hand, it is true that as the number of exemptions increase, the laws become more complicated, the administrative detail becomes more burdensome, and lastly, less money is secured. A definite luxury tax will not bring in enough money. California, with no exemptions to a 2½ per cent tax on sales receipts, secured \$52,000,000 in one year. Indiana, with 1 per cent on retail sales and ¼ per cent on wholesalers, collects about \$1,000,000 a month.

A tax often suggested for Minnesota is one exempting foods. It is estimated that a 2 per cent tax on retail sales in Minnesota, excepting foods, would in 1933 have yielded \$8,000,000. For all sales, it would have yielded \$10,400,000. A 3 per cent tax on all sales except food would have brought, in 1933, \$12,000,000; on all except food and clothing, \$9,000,000; on all sales, \$15,600,000. It is predicted that more could be expected in 1935, under improved business conditions.

The Minnesota Education Association, 2642 University Avenue, St. Paul, has issued a report by Dr. Blakey which gives estimates of what might be secured from a wide variety of sources. The Minnesota Institute of Governmental Research, E-621 First National Bank Building, St. Paul, has a bulletin summarizing the arguments for and against sales or gross income taxes. Copies may be had on request as long as the supply lasts. When the present supply is exhausted, a charge of 10 cents will be made. The same Institute also has a bulletin summarizing the arguments for and against a sales tax. A summary of all states having income or sales taxes, with the revenue obtained from each, can be secured from Mrs. John McCrory, 215 Ramsey Place, St. Cloud, Minnesota. Send 5 cents in stamps to cover costs. All this material gives facts; it is not propaganda. We urge you to get copies.

A CALL TO ACTION

Bills will be introduced in the legislature, covering the four point program of the Citizens' Committee, viz., (1) Larger Units of School Administration; (2) Scientific Assessment of Property; (3) Revision of Tax Delinquency Laws; and (4) 50-50 Support of Education by the State and the Local Community. The progress of these bills will be watched. You will be informed of the character of the bills and given the House and Senate numbers so that you may obtain copies and know exactly what they are. When it becomes necessary, you will be asked to get word to your legislators.

In the mean time, will you see that information about the situation is spread in your community, and that the local papers carry the information? More than that, will you get your neighbors and fellow citizens, both men and women, to act as "minute men." Have them ready with a supply of post cards. Let each be responsible for getting ten people who can be depended upon to write their legislators as bills come before the Senate or the House. It is not necessary to write long letters. Legislators are interested in the NUMBERS of their constituents for or against a bill.

When a bill is before the Senate, one card from each person is needed. When it is before the House, two cards are needed, one for each representative. Cards should be addressed as follows:

The Honorable _____
(Supply name of your legislator.)
State Capitol
St. Paul, Minnesota

They should say, in essence, "I am interested in the passage of Bill No. _____. Will you give it your support." All communications should be signed with the name and address of the writer, so that the legislator will know that he is hearing from one of his own constituents.

Informing the members of your community and getting them prepared to act is YOUR PART in the attempt to preserve educational opportunities for the children of the state.

I will secure _____ "minute men" prepared to write to their
(number)
legislators. It is understood that such "minute men" will be
informed in advance of the details of the bills they are being
asked to support.

(Signed) _____

Address _____

Return to Mrs. Lawrence Steefel, 735 Huron St. S.E., Minneapolis, Minn.

(See reverse side.)

Representatives of the organizations listed below serve on the Citizens' Committee. Many of the organizations have programs similar to that of the Citizens' Committee. They clear through this committee to avoid duplication and unify effort. For exact position of each organization on any one measure or bill, write the secretary.

American Association of University Women

American Legion

American Legion Auxiliary

Council of Jewish Women

Daughters of American Revolution

Junior Taxpayers Association

League of Women Voters

Minneapolis Council of Parent-Teacher Associations

Minnesota Congress of Parents and Teachers

Minnesota Council of School Executives

Minnesota Education Association

Minnesota Federation of Labor

Minnesota Federation of Women's Clubs

Phi Delta Kappa

Pi Lambda Theta

Public School Protective League

Woman's Club of Minneapolis

Y. W. C. A.

MINUTES OF THE MEETING
OF THE
LEGISLATIVE AND LEGISLATIVE ADVISORY COMMITTEE
CITIZEN'S COMMITTEE ON PUBLIC SCHOOL FINANCE
LEAMINGTON HOTEL, JANUARY 26, 1935

The Legislative and Advisory Legislative Committee met Saturday at 12:15 at the Hotel Leamington. Those present were: Mrs. Oscar Ronken, Rochester, Dr. Elizabeth Monohan, Mrs. E. L. Rosenbloom, Mr. E. G. Hall, Mrs. C. F. Moore, Jr., Mr. Glenn Mather, Dr. E.W.J. Boquist, Mrs. Frank Warren, Dr. Fred Englehart, Mr. Schultz, Mrs. Whelan, Stillwater, Miss Mary Byrnes, Mr. J. G. Umstattd, Mrs. R. G. Powers and Mr. F. B. Andreen, New Ulm.

The business meeting opened at 1:30 with Mr. Umstattd in the chair. He reported on a conference with Mr. Wahlstrand and Almen, the chairmen of the Education Committee in the House and Senate. He discussed with them the proposed bill for increased state aid, to which they were favorably disposed. Mr. Umstattd then read the bill. He then informed the committee that 650 school districts levy less than 5 mills to secure funds for school maintenance. The proposed bill is an emergency measure and not designed to correct defects in state aid. Section 3 was added, so that in case Section 2 might be called unconstitutional, the legal force of the remainder might not be affected.

The bill would be an addition to the ten million dollars given in the last 3 years by the state. This amount should be included in the general appropriations. We leave to the legislature the method of providing these funds.

It is suggested that Mr. Wahlstrand introduce the bill and take it to the appropriation committee. If there is a favorable reaction from this committee, work should be started at once in the Senate. A great amount of personal work will be necessary.

An open discussion followed concerning the bill. Mr. Hall offered to help with the work in the legislature, but said labor would oppose a sales tax if that method should be proposed to raise additional funds. He also said labor stands behind high educational standards.

Mr. Andreen, educational chairman for the American Legion, said the Legion would stand behind this program. Mrs. Ronken reported the A.R.U.W. would back program. Dr. Monohan said while this particular bill is not on the League of Women Voter's program, they would support a bill for additional revenue.

Mrs. Whelan said the P.T.A. would back program. Mr. Schultz has great fear of bill being passed, but is in favor of the bill.

It is hoped to have several sponsors for the bill. Those suggested are Mr. Roy Dunn, Mr. Daley, Geo. McKinnen, A. I. Carr, Mr. Youngquist, Mr. Zwack, Mr. Hanemeier, Mr. Weeks, Kingsley and Gudlicke suggested from Senate. Mr. Hall suggests Mr. Wahlstrand pick out his own sponsors to facilitate speed. Mr. Schultz suggests several rural representatives be used. Mr. Hall suggests a mimeographed sheet of explanation be sent to each sponsor.

A discussion followed as to the advisability of keeping this bill entirely apart from bills from state department. Mr. Mather said the Citizens Committee had established as a general principle that we were asking \$90 per pupil. The state's share to be \$45, equalized by an average of \$5 per month per pupil. Mr. Andreen suggests not using a definite amount, as \$11,400,000 but to change the wording, not using a definite amount.

Mr. Hall makes a motion that a committee of Messrs. Mather, Englehart, Andreen and Umstattd write a simple explanation of bill. Seconded. Carried.

Mr. Andreen suggested there might be confusion between this bill and revised state aid bill. Discussion of harmonizing these bills followed. Mr. Umstattd suggested Mr. Wahlstrand use his discretion in making any compromises. For political reasons, Mr. Mather wishes to keep two programs separate.

The matter of publicity was then discussed. Mr. Umstattd suggests the next bulletin be devoted to this bill, and an enclosed copy of explanation be sent out. Reaction favorable. He also said that a news release on each bulletin goes to every newspaper in state thru Mr. McGowan, Field Manager of the Minnesota Editorial Association.

Mr. Rosenbloom moves this committee propose to general committee that this bill be approved. Carried.

If approved by general committee, this committee recommends all publicity possible be given bill.

The county unit bill was then discussed. Very few changes have been made. Three minor changes have been made.

The third bill is designed to stop leaks in state aid. Library aid is increased, based on number of pupils. 76% of library aid went to one room schools.

The research bulletins on sales and gross income taxes were distributed to each member.

A companion tax bill for appropriations was suggested and will be discussed later.

Miss Byrnes asked if we were taking steps to defeat present bills which would endanger education. Mr. Umstattd suggests we do not enter or take sides in this controversy at present.

A copy of a resolution adopted by the P.T.A. of Dassel, Minn. was distributed.

Mr. Mather moves this committee meet Feb. 2, at Leamington Hotel at 12:15. Seconded. Carried.

The meeting adjourned at 3:30 PM.

Gertrude S. Powers,
Secy, Legislative Committee

CITIZENS' COMMITTEE ON PUBLIC SCHOOL FINANCE

GLENN MATHER, CHAIRMAN
3957 LYNDAL AVE. SOUTHCLARA S. PAINTER (MRS. H.K.), SECRETARY
4817 FREMONT AVE. SOUTH
MINNEAPOLIS, MINNESOTA

BULLETIN NO. 4

FEBRUARY 7, 1935

THE BILL - - - H. F. NO. 382

WHAT THE BILL DOES

AIMS TO "The schools," says one of our educators, "have been
PROTECT SCHOOLS put out on the property tax limb; now the limb is
being cut off." This bill aims to shift part of the
costs of schools from the local property tax to the state which has
other sources of revenue. It will help those districts which cannot
maintain good schools from a local tax levy, and will tend to give more
nearly equal opportunities for education to all children in the state.

WILL PROTECT
THE TAXPAYER

It protects the taxpayer, because it provides that
the total amount to be spent for school maintenance
shall not exceed that spent for maintenance in 1931.
It takes from the local property tax about one-third of the school
cost that it carried in 1931. It will help to equalize the tax burden
which property has been carrying almost alone.

HOW THE BILL PROTECTS SCHOOLS AND THE TAXPAYER

FIRST

THE AMOUNT OF MONEY DISTRIBUTED BY THE STATE SHALL
BE INCREASED BY \$11,400,000. This is an average in-
crease of 12 cents a day per pupil. It does not interfere with
existing state aids. It raises state support to about one-half of the
cost of schools, or a total from all sources of \$25,000,000.

SECOND

THE \$11,400,000 SHALL BE DISTRIBUTED ON THE BASIS OF
THE AGGREGATE NUMBER OF DAYS ATTENDED. This prevents
enrolling a pupil for 40 days, and collecting a year's apportionment.
The school is helped in proportion to the amount of instruction given.

THIRD DISTRIBUTION IS MADE ONLY TO DISTRICTS WHICH LEVY A FIVE-MILL TAX (INCLUDING THE COUNTY ONE-MILL TAX). This prevents sending money to districts that do not need it. It makes it necessary for districts to tax themselves if they are to receive the additional aid.

FOURTH IT PROTECTS THE TAXPAYER BY PROVIDING THAT THE TOTAL AMOUNT SPENT FOR SCHOOLS SHALL NOT EXCEED THE MONEY SPENT FOR MAINTENANCE IN 1931. This aid will go only to districts whose expenditures for schools do not go beyond the 1931 level. By a system of refunds or credits, it provides that if proceeds from this aid give schools in any district a total budget greater than the 1931 budget, then refunds or credits will be made to the local property taxpayer.

FIFTH IT PROTECTS THE SCHOOLS AGAINST ANY POSSIBLE DECISION OF UNCONSTITUTIONALITY. It states that if any part of the bill is unconstitutional, the rest of the bill is not affected, thereby avoiding the tying up of funds during any possible legal proceedings. This is merely a precautionary measure, as the committee feels the bill to be unquestionably constitutional.

SIXTH THE BILL IS AN EMERGENCY MEASURE. It aims to carry the schools through the next two years, when revenue from the present property and income tax receipts WILL NOT BE ENOUGH to keep the schools operating.

WHY WE NEED A BILL TO INCREASE STATE AID

REVENUES HAVE BEEN CUT The Homestead Exemption Law, reduced valuations, tax delinquency, proposed further exemptions of taxable property, and tax limitation bills all will cut even more than at present the revenue from the property tax, now the main source of revenue for schools. Schools have already taken a heavy cut, while their high school enrollment has been rapidly increasing. SOMETHING MUST BE DONE FOR SCHOOLS, OR THE CHILDREN WILL PAY THE PENALTY.

PROPERTY DEMANDS RELIEF Property is demanding relief. Shifting part of the costs of schools from the local property tax to the state will relieve the local taxpayer, and still give the schools a necessary minimum of support.

TIME FOR ACTION

The bill for increased state aid was approved without a dissenting vote by the House Education Committee, and endorsed as their bill H. F. 382. An amendment improving and clarifying the details of its operation makes it the bill described in Bulletin No. 4. It now goes to the Appropriations Committee in the House and the Education Committee in the Senate.

On the back of this page is a list of the members of the two committees, with the district each represents. If any legislator FROM YOUR COUNTY is on either committee, get as many people as you can to send cards to the legislators from their own county. Letters should be sent ONLY to legislators in whose county the writer lives, unless the writer has personal connections which would make his request valuable. It is the CONSTITUENT'S letter which carries weight. Letters from other than a constituent may hinder rather than help.

Address letters or cards to the legislators at the State Capitol. They should ask for support of H. F. 382, as amended by the authors.

Keep a list, if you can, of all the people who agree to write in; you will need their help again.

Continue the work in your community in informing people of the needs of the schools, and continue working to secure people who will agree to send in cards to their legislators. You are responsible for the work in your community, and every community in the state must be active if we are to help the schools.

A leaflet with a copy of the bill, a brief explanation of its purposes, and a summary of the reasons why it is needed, is being prepared for distribution. Copies will be mailed you as soon as it is off the press. This brief summary is being sent you now, because the two committees should be reached at once.

Name	Dist. No.	County
<u>HOUSE COMMITTEE ON APPROPRIATIONS:</u>		
✓ Nissen, W. Kenneth	2	Winona -- 1st District
✓ Martz, Wilbur G.	5	Mower
✓ Champlin, George W.	8	Blue Earth
Paulsen, O. A.	11	Rock
Andersen, H. C.	12	Lincoln
Lowe, Alex	12	Murray
✓ Gryte, Ralph E.	12	Pipestone
✓ White, Frank W.	13	Lyon
✓ Dawson, Fred H.	14	Redwood
✓ Kettner, John C.	15	Nicollet
✓ Forsythe, R. H.	20	Dakota
✓ Dammann, Herman	22	McLeod
✓ Thorkelson, Theo. E.	23	Renville
✓ Wahlstrand, Harry L. (chairman)	25	Kandiyohi
O Rourke, J. E.	27	Wright
✓ Jalkowski, Raymond J.	28	Hennepin
✓ MacKinnon, George	29	Hennepin
✓ Wier, Roy W.	29	Hennepin
✓ Hayford, Andrew O.	30	Hennepin
✓ Youngquist, W. R.	33	Hennepin
✓ Weeks, John A.	34	Hennepin
✓ Tighe, Richard L.	36	Hennepin -- South Half
✓ Masek, Joseph H.	39	Ramsey - Sixth Ward
✓ Kueffner, Albert	40	Ramsey - Seventh Ward
✓ Sweitzer, J. R.	42	Ramsey - North
✓ Hall, Lawrence M.	45	Second Division - Stearns
✓ Eastvold, Carl J.	48	Big Stone
Crissey, A. D.	48	Stevens
Moore, F. F.	48	Traverse
✓ Jesten, Clarence	49	Clay
✓ Kempfer, Hannah H.	50	Otter Tail
✓ Ost, William F.	50	Otter Tail
Syreen, William A.	53	Crow Wing
Hart, R. T.	54	Carlton
✓ Lockhart, George O.	58	St. Louis
✓ Wanvick, Arne C.	58	St. Louis
✓ Long, Fred D.	63	Hubbard
Lager, Martin P.	67	Kittson
Green, F. A.	67	Roseau

SENATE COMMITTEE ON EDUCATION:

Galvin, M. J.	2	Winona
Richardson, William B.	4	Olmsted
Murphy, D. D.	7	Faribault
Imm, Val	8	Blue Earth
Finstad, O. J.	10	Cottonwood, Jackson
Almen, A. L. (chairman)	13	Lyon, Yellow Medicine
Romberg, Frank F.	14	Brown, Redwood
Schmechel, Herman	23	Renville
Ruotsinoja, Arvid	26	Meeker
Anderson, William B.	33	Hennepin
Woolsey, Ralph V.	46	Stearns
Foslien, Fred J.	47	Douglas, Pope
Oliver, C. I.	48	Big Stone, Grant, Stevens, Traverse
Adams, Charles E.	57	Cook, Lake, St. Louis
Tungseth, E. L.	65	Clearwater, Pennington, Red Lake

in his up bringing

Members and friends of the League of Women Voters. On the program this afternoon, I am delighted to introduce to you H.F. 382. I hope you have heard of him already. If you have a pencil at hand, I hope you will write down his name, if not, that you will write it clearly in your memory. H.F. 382 is new to this legislature. He is sound and conservative, he has been very carefully brought up by thoughtful parents, who have consulted expert advice each step of the way. I am sure that his relatives are known to members of the League of Women Voters. Those of you who have been studying education, will recognize his relation to others who have already been accepted and duly accredited by other states. New York, California, West Virginia. North Carolina would recognize him at once, he is not a stranger to them. During the next few weeks he is going to need your friendship and support, your very active support, if he is to survive the winter. If he does not survive, the cause of education will be immeasurably retarded in Minnesota. Before describing him to you, so that you may ~~also~~ become acquainted, and introduce him to your friends, I should like to say a few words as to why we need him at this session of the legislature.

Our public schools need help, they need it badly. There are districts in the state where school would have closed, had it not been for emergency aid. There are districts where teachers are being paid, twenty five, thirty five, and forty dollars a month, sums less than the minimum code for unskilled workers. There is hardly a district where rigid economies have not already been made. and where services for children are not seriously threatened. Schools have depended upon local support for almost 80% of their funds. This has long been unsatisfactory. As League members, you realize that the state differs greatly in the wealth back of each child in different parts of the state. Some areas are so lacking in resources, that even a heavy tax for schools would not bring in enough money to maintain a good school, even in normal times. We have long been committed to the idea of equalizing educational opportunity. Equal educational opportunity is not possible for all children, as long as the major share of the cost is borne by the locality in which the child lives. Education is a state wide responsibility. Quite selfishly, we are concerned over the education received by children in other parts of the state, they may move over into our community at any time, we can't quarantine ignorance. They are the same people who when mature, are to be the registered voters of the same state with us. Unselfishly, we are even more concerned, because we wish to see children everywhere given a chance for a good education. In the future, we shall need a greater degree of state aid for education, if we are to maintain high educational standards throughout.

The second reason why we need H.F. 382 is this. Schools have depended almost entirely on the property tax. Many things have been happening to the property tax. It has been carrying most of the cost of government. It has been shrinking at an alarming rate, alarming at least to those who depend on it for support. Delinquency, reduced valuations, exemptions have already cut into the receipts. Further proposed exemptions and limitations may cause bigger and better shrinkage. Some proposals go so far as to eliminate all taxes on property. Here then are the schools, along with other functions of government facing a declining revenue. Schools, however, have an added worry, the demand for their services is increasing, it has increased 50% in the last few years, at the high school. The very depression which has reduced the revenue, is responsible for keeping in school great numbers of young people. who are unable to find work. This is particularly true in the cities. you can postpone the building of roads, even though they provide employment, and public buildings, we can get along without many things which we might like to have, but the needs of the children must be met now. Postponement of their education can cause nothing but damage, damage to them, and damage to society. We cannot really afford to neglect them. that thought is best expressed, I think, by the quotation from Mr. Zook, on your league calendar for January. "Education", says Mr. Zook, "does not cost any appreciable amount, the lack of it does cost us everything."

That, then is the background. Inequalities in taxable wealth, exist; reduced revenues from the property tax have cut and will continue to cut revenue at the time, when schools are carrying an increasing load in pupil enrollment. What can be done? H.F. 382 gives the answer. Briefly this is its purpose. It provides increased state aid for schools. Paul Mort says real relief comes to property when part of the burden it has been carrying is taken from it. His bill proposes to take from the local community property tax, one third of the load it carried in 1931. It is created on the supposition that the state should carry one half of the costs of public schools. that we should have a fifty fifty basis

instead of an eighty twenty basis. It is estimate by those best informed, that minnesota is justified in spending fifty million dollars a year for the coming biennium on public schools. This is a reduction from a normally desirable amount, a depression figure, a minimum amount, in view of the number of children to be educated. Half of that, twenty five million should be contributed by the state. Present sources, including appropriations, interest from the permanent funds, and proceeds from the present income tax bring in an estimated \$13,600,000.00. Herefor the bill asks for \$11,400,000.00 state aid. This is an average increase of twelve cents a day for every child in school, not such a big sum, when you put it in terms of the individual child. This does not mean that schools will have \$11,400,000.00 more than they have had, it means that the state share of the total cost is increased, while the local share is proportionately decreased. The bill is definitely a replacement measure. It provides that the state aid shall replace the local tax levy. It will go to districts only if they levy at least five mills themselves for school purposes. It will go to districts only if they keep their total levy for schools, down to the 1931 level of expenditures. It is not a new burden, it is a shifting of the burden, a shift in line with the best educational procedure and experience elsewhere in the country. It puts minnesota in the front rank with states that are trying to provide adequate and equal educational opportunities for their future citizens. It is sound, it is constructive, if passed it will keep schools operating on a fairly satisfactory standard, as satisfactory a standard as we can reasonably expect under present financial conditions. If it is not passed, public schools are faced with calamity. the children will pay the penalty.

~~The bill, you will notice, has nothing to say about~~

Provision is made that if any district receiving this aid, has a total budget in excess of the 1931 budget, credits or refunds will be made the local taxpayer.

The bill, you will find, says nothing as to how the money shall be raised, it is an appropriation bill, not a tax bill. The question of securing revenue for the functions of government, is the most serious one before the legislature. Falling revenues and proposed tax limitations offer a serious problem if we are to avoid the difficulties faced by Ohio and West Virginia where government was left without funds. If not only schools, but all functions of government are to be preserved, the legislature must provide revenue. If the load is to be taken from the over burdened property tax, it must be placed somewhere else. Government must go on. The bill asks merely, that from whatever sources minnesota decides to collect its funds, it base its appropriations on a recognition of the needs of education. We believe that minnesota has not reached a place where she cannot maintain essential services of government. We do believe that by reorganization, and modernization, by wise economy, and an equalization of the tax load, she can put her financial house in order. She has the example and experience of other states from which she can profit. In supporting this bill we reaffirm our belief in the necessity of maintaining essential services, in the long accepted theory that education is a state responsibility, for which the state must take an increasing share of the support. It is need if we are to advance towards the equalization of educational opportunity for all children.

You have met H.F. 382. I hope he meets with your approval. We really should have a rushing party. We have had an already classic example, in the defeat of the World Court, of the importance of registering public opinion with those in positions of responsibility. A sound public opinion must be well informed. The public needs to know and understand H.F. 382. To carry forward the idea of increased state expenditures for education, even though they are accompanied, by a local reduction in expenditures, is difficult in a legislature committed to the idea of reduced expenditures by the state. Every one is needed, in her own community to explain the bill so that it will get popular support. If you can show others that it is sound, that it is not a new tax burden, but a wise shifting of the burden. with the provision that the total expenditures for schools shall not exceed those of 1931, that it is necessary of we are to train properly the citizens of tomorrow, you will be rendering a service to your community and to the cause of education, If it is understood, it will be supported by all who believe that the promotion of education is necessary in a democracy. We cannot afford to let the children grow up without adequate education, next year and the year after will not compensate for what is lost this year in a child's life. Wise and immediate action must be taken to

to preserve and guarantee public education in Minnesota. We hope that H.F 382 will become through your efforts, the best known, and the best liked figure in Minnesota. It deserves all the popularity it can acquire from an intelligent and informed citizenship.

Citizens' Committee on Public School Finance

The twelfth conference of the Citizens' Committee on Public School Finance was held on March 2, 1935, at the Leamington Hotel, Mr. Mather presiding. Mrs. Steefel acted as secretary until the arrival of the secretary. Mr. Mather reported that we had been unable to secure the services of Mr. Andreen because of the failure of the school board to release him for the work. The board in New Ulm was dissatisfied because the distribution of the aid was not on the basis of school population of the district, but on attendance. However, Mr. Mather had secured the consent of ex-Senator Gus Widell of Mankato to part time service. Mr. Widell did not run for this session, but has had much experience in the legislature. He was effective in working for Mankato State Teachers' College. He can give three days a week, in which case we should have a full time person on the job. Mr. H. A. Garrison was suggested to carry on with the assistance of Mr. Widell for a limited number of days. Mr. Young said Mr. Widell has valuable contacts in the legislature and is well qualified for the job.

The treasurer's report was read and accepted.

Mr. Mather showed estimates worked out by Mr. Andreen of the effect of H. F. 382 in Brown County, as an example of the way in which this measure would help outstate schools. A tentative letter to be sent members of the legislature explaining the Citizens' Committee and the bill was read and approved. It is to be accompanied by the cartoon showing the need of a more satisfactory tax basis for education.

Mrs. Painter reported for the publicity committee. A series of bulletins has been sent throughout the state to a selected mailing list of organizations sponsoring the bill or interested in the support of education. A pamphlet has been prepared explaining H. F. 382. Radio talks have been given over WTCN and WCCO by Mr. Mather, Mrs. Powers, and Mrs. Painter. A radio dialogue is being prepared. Following Mr. Andreen's suggestion, a letter was sent to school board clerks throughout the state asking for support of H. F. 382.

Mrs. Gruner reported for work done in Minneapolis, saying that all schools are organized with legislative chairmen under district chairmen. Speakers have been provided, cards have been sent to the legislature, and the parents are waiting further instructions as to what they shall do. They are most anxious to help, showing a real interest and concern over financial relief for schools. She asked whether they should recommend cards and resolutions or telephone calls and personal interviews. Mr. Mather replied that contacts by persons of political influence were most effective. Next came sheer weight of numbers, showing that many people are interested and that a popular demand exists. Telephone calls should be discouraged as legislators are very busy. West district was mentioned as having been very well organized. Some schools have sent in as many as a thousand cards, others less. Many send about forty or fifty from a P. T. A. It was stated that cards should not be identical, but that each should write his own.

Mr. Glover was asked if he had information on outstate activity. He said he was not in a position to know, but that Hennepin County was at work and others probably are. Letters coming to the secretary show a widespread outstate interest. Mr. Glover asked why the amendment had been suggested. It was explained that changes had been made at the eleventh conference to avoid unconstitutionality and to try to simplify work for the county auditor. Mr. Garrison suggested that further changes in detail might be advised as the bill progressed, but that the principle would remain the same. The simplest possible machinery is advisable. The question was also raised as to whether or not we should favor the paying in full of older state aids before apportioning this aid. Agreed that this bill was

in addition to other state aids and that money for them should be gained independently. Moved and carried that the pamphlet explaining H. F. 382 be approved.

Miss Mullane of St. Paul was called upon to report for St. Paul. She brought a bill designed to help the St. Paul schools in the difficulty they now have in regard to all state aid, which goes into a common city fund because there is no school board but a commission form of government of which schools are a part. The bill would provide that all money distributed as state aid should be used exclusively for education and shall not be included in per capita limitations but should be in addition to the local levy. It will affect St. Paul only, and will change an amendment to the City Charter of July 16, 1923, Section 201, which allowed state education funds to go into a city miscellaneous fund. St. Paul would like an endorsement of this bill which will also be endorsed by the City Council. Legislative action is necessary to safeguard these funds for education. It was moved and carried that we endorse the principle of earmarking the funds for education to safeguard St. Paul schools in securing state aid.

Mrs. Denny asked whether we had given up activity for the larger unit of school administration. Reply was made that, on the advice of the executive committee, we were concentrating on H. F. 382, and that in the opinion of those most interested in the larger unit, there was nothing that our committee could do at present. We shall continue to follow the advice of Dr. Engelhardt in this matter.

Question was asked as to whether there should be a Citizens' Committee in St. Paul. Mrs. McManigal reporting for Mrs. Linsley said that is a local matter and that work was being done through the parent-teacher groups.

Duluth was then called upon. Mr. Young reported that a Citizens' Committee formed there had made a controversial sub-committee report covering many matters instead of limiting itself to meeting the present emergency. Much discussion has been aroused. The report is now being modified. The teacher association itself is lukewarm in supporting the bill, as it is busy with local difficulties over a suit for the reinstatement of the salary schedule. Considerable interest is being shown by the parents. They will probably develop a support of the bill. Request was made that fifty copies of the pamphlet be sent to Mr. Arthur M. Clure, 704 Torrey Building.

Mr. Mather announced that there would probably be no further meetings of the committee, as the matter is now in the hands of the legislators.

Mr. Garrison told briefly of what he had picked up in his days at the legislature. Probably the matter will not come up until the week of the eleventh in the House. It has not been introduced in the Senate. Work should be done there to get it properly sponsored.

Mr. Mather reminded those present that mailing costs will continue, as well as printing costs. Expenses of lobbyist will have to be met. We shall need more funds, probably about \$400 more, of which about half is in sight.

There being no further business, the meeting adjourned.

Respectfully submitted

CLARA S. PAINTER, Secretary

CITIZENS' COMMITTEE ON PUBLIC SCHOOL FINANCE

GLENN MATHER, CHAIRMAN
3957 LYNDAL AVE. SOUTH

CLARA S. PAINTER (MRS. H. K.), SECRETARY
4817 FREMONT AVE. SOUTH
MINNEAPOLIS, MINNESOTA

BULLETIN NO. 6

MARCH 26, 1935

THE HOME STRETCH

COMMITTEE'S OBJECTIVE The Citizens' Committee had as their objective \$25,000,000 STATE AID carrying schools through the financial crisis without increasing the burden on real estate and property. It was their conclusion that the state should bear half of the costs of education, because sources of revenue other than the property tax are available to the state. This support of schools would give more nearly equal educational opportunity to all children and would relieve the local property tax of part of the burden which it has been carrying. The total amount needed for schools on a minimum standard is \$50,000,000. This means that, under the committee's plan, the state's share should be \$25,000,000.

PRESENT STATE AID SUMMARIZED There are many forms of state aid. For your convenience, we shall summarize them as follows. The figures are estimates, made as carefully as possible.

1. Permanent Endowment Fund (approximate)	\$2,500,000
2. Current School Fund (state 1 mill)	1,400,000
3. Special State Aid (75 per cent of normal)	4,500,000
4. Income Tax	2,000,000
5. Gross Earnings, Evening Schools and Library	200,000

Total, School Year 1933-4 \$10,600,000

State's Modified Special Aid Bill (estimated to pay Item 3 in full, according to the revised bill)	2,000,000
New Items in State's Modified Special Aid Bill (estimate)	1,500,000
Total Under State's Modification	\$14,100,000

(Citizens' Committee on Public School Finance
March 26 - Page 2)

CONTEMPLATED AID
INADEQUATE

You will notice that these contemplated aids fall short of the \$25,000,000. They represent only 56 per cent of the amount needed for schools. These aids meet the needs of some communities. In order that the needs of all communities may be met, and in order that property may be relieved of part of its local costs of schools, H.F. 382 (S.F. 1144) is needed. This bill will bring to every community money which it would not otherwise have, - money which is badly needed both to relieve the property burden and to enable schools to continue to operate on even a minimum standard of educational efficiency.

PROPOSED STATE AID
DISTRIBUTION

Enclosed is a summary giving rough estimates of what each county may expect to receive under H.F. 382 (S.F. 1144). As noted on the sheet, aggregate daily attendance will be somewhat different from average daily attendance in some localities. There is no serious objection to changing the base to average daily attendance, as in general the difference is slight. Please study the tabulation and see what it would do for your county. You can figure it for your own district roughly by multiplying the number of children in your district by \$23. See what relief this extra aid offers to your local situation.

IMMEDIATE ACTION
NECESSARY

Immediate action by those interested in this bill is necessary in order that the legislature, in forming its tax program, may make adequate provision for the needs of education. The tax program is now being formed.

In concluding what may be the last of the series of bulletins issued by the Citizens' Committee, we wish to reemphasize two points.

First. Schools face an acute financial crisis this year and next. Their needs cannot be postponed, nor can they be met by local property taxes alone.

Second. This plan transfers part of the cost of schools from the local community, which depends on the real estate and property tax, to the state, which has other sources of taxable wealth. It safeguards education and makes possible an equitable distribution of the tax load.

ROUGH ESTIMATE OF
STATE AID WHICH WOULD BE DISTRIBUTED
UNDER THE TERMS OF H. F. NO. 382

County	Pupils in Average Daily Attendance*		State Aid at \$23 Per Pupil (\$11,400,000 divided by Estimated Attendance)		
	High & Gr. Elem. Dist.	Ungr. Elem. Dist.	High & Gr. Elem. Dist.	Ungr. Elem. Dist.	Total
AITKIN	1377	2250	\$ 31,671	\$ 51,750	\$ 83,421
ANOKA	2899	1128	66,677	25,944	92,621
BECKER	1839	2722	42,297	62,606	104,903
BELTRAMI	2091	2039	48,093	46,897	94,990
BENTON	1240	1556	28,520	35,788	64,308
BIG STONE	1278	822	29,394	18,906	48,300
BLUE EARTH	4070	1707	93,610	39,261	132,871
BROWN	1868	1601	42,964	36,823	79,787
CARLTON	3412	1513	78,476	34,799	113,275
CARVER	909	955	20,907	21,965	42,872
CASS	1814	1689	41,722	38,847	80,569
CHIPPEWA	1748	1569	40,204	36,087	76,291
CHISAGO	1178	1298	27,094	29,854	56,948
CLAY	3102	1542	71,346	35,466	106,812
CLEARWATER	747	1185	17,181	27,255	44,436
COOK	248	202	5,704	4,646	10,350
COTTONWOOD	1771	1427	40,733	32,821	73,554
CROW WING	4265	1618	98,095	37,214	135,309
DAKOTA	4422	1810	101,706	41,630	143,336
DODGE	1207	1303	27,761	29,969	57,730
DOUGLAS	1924	1890	44,252	43,470	87,722
FARIBAULT	2748	1641	63,204	37,743	100,947
FILLMORE	2640	2481	60,720	57,063	117,783
FREEBORN	2870	2634	66,010	60,582	126,592
GOODHUE	3229	2164	74,267	49,772	124,039
GRANT	812	1007	18,676	23,161	41,837
HENNEPIN	85154	3177	1,958,542	73,071	2,031,613
HOUSTON	849	1426	19,527	32,798	52,325
HUBBARD	1252	932	28,796	21,436	50,232
ISANTI	741	1519	17,043	34,937	51,980
ITASCA	7329	159	168,567	3,657	172,224
JACKSON	1632	1689	37,536	38,847	76,383
KANABEC	736	1178	16,928	27,094	44,022
KANDIYOHI	2195	2406	50,485	55,338	105,823
KITSON	981	1086	22,563	24,978	47,541
KOOCHICING	2275	657	52,325	15,111	67,436
LAC QUI PARLE	1266	1679	29,118	38,617	67,735
LAKE	1524		35,052		35,052
LAKE OF THE WOODS	411	570	9,453	13,110	22,563
LE SUEUR	1414	1257	32,522	28,911	61,433
LINCOLN	1286	1154	29,578	26,542	56,120
LYON	2605	1570	59,915	36,110	96,025
McLEOD	1943	1402	44,689	32,246	76,935
MAHNOMEN	641	681	14,743	15,663	30,406
MARSHALL	1622	1866	37,306	42,918	80,224

(continued on page 2)

ROUGH ESTIMATE OF
STATE AID WHICH WOULD BE DISTRIBUTED
UNDER THE TERMS OF H. F. NO. 382
page 2

County	Pupils in Average Daily Attendance		State Aid at \$23 Per Pupil (\$11,400,000 divided by Estimated Attendance)		
	High & Gr. Elem. Dist.	Ungr. Elem. Dist.	High & Gr. Elem. Dist.	Ungr. Elem. Dist.	Total
MARTIN	2632	1782	\$ 60,536	\$ 40,986	\$101,522
MEEKER	1411	2002	32,453	46,046	78,499
MILLE LACS	1537	1535	35,351	35,305	70,656
MORRISON	2011	3197	46,253	73,531	119,784
MOWER	3684	1648	84,732	37,904	122,636
MURRAY	850	1805	19,550	41,515	61,065
NICOLLET	1330	936	30,590	21,528	52,118
NOBLES	1819	1627	41,837	37,421	79,258
NORMAN	1170	1667	26,910	38,341	65,251
OLMSTED	4278	1925	98,394	44,275	142,669
OTTER TAIL	3781	5806	86,963	133,538	220,501
PENNINGTON	1665	837	38,295	19,251	57,546
PINE	2191	2293	50,393	52,739	103,132
PIPESTONE	1518	1299	34,914	29,877	64,791
POLK	3587	3314	82,501	76,222	158,723
POPE	1450	1375	33,350	31,625	64,975
RAMSEY	39982	1414	919,586	32,522	952,108
RED LAKE	509	870	11,707	20,010	31,717
REDWOOD	2270	2138	52,210	49,174	101,384
RENVILLE	2410	2022	55,430	46,506	101,936
RICE	2731	1686	62,813	38,778	101,591
ROCK	1141	1142	26,243	26,266	52,509
ROSEAU	1176	1586	27,048	36,478	63,526
ST. LOUIS	41795	5148	961,285	118,404	1,079,689
SCOTT	819	1047	18,837	24,081	42,918
SHERBURNE	877	861	20,171	19,803	39,974
SIBLEY	1067	1349	24,541	31,027	55,568
STEARNS	4582	5365	105,386	123,395	228,781
STEELE	2320	1389	53,360	31,947	85,307
STEVENS	968	1061	22,264	24,403	46,667
SWIFT	1772	1515	40,756	34,845	75,601
TODD	2380	2639	54,740	60,697	115,437
TRAVERSE	689	904	15,847	20,792	36,639
WABASHA	1587	1511	36,501	34,753	71,254
WADENA	1199	1245	27,577	28,635	56,212
WASECA	1414	1238	32,522	28,474	60,996
WASHINGTON	2805	1453	64,515	33,419	97,934
WATONWAN	1130	1103	25,990	25,369	51,359
WILKIN	774	1008	17,802	23,184	40,986
WINONA	3066	1813	70,518	41,699	112,217
WRIGHT	2426	2678	55,798	61,594	117,392
YELLOW MEDICINE	1919	1494	44,137	34,362	78,499
GRAND TOTAL	330,286	144,888	\$7,596,578	\$3,332,424	\$10,929,002

* Figures for 1931-2

Note: These figures are based on average daily attendance because figures on aggregate daily attendance were not easily available. In some cases there would be considerable difference. On the whole the difference is slight.

INSTRUCTIONS FOR IMMEDIATE ACTION

READ CAREFULLY, PLEASE!

The children cannot act to protect themselves. They must depend on you to act for them. It is now March 26. The legislature adjourns April 25. Probably the most effective time for letters to be sent is during the coming week, when the tax program will be nearing completion.

What You Can Do. Write.

Write, and get as many citizens as you can to write in from your community. Get the leaders in your locality if you can. Letters in children's handwriting should not be sent.

To Whom You Should Write.

First, to your legislators,- the representatives and senators from your district. If you do not know their names, ask your postmaster or your school principal.

Second, to the Governor.

All mail should be addressed to the State Capitol, St. Paul.

What the Cards or Letters Should Say.

They should be written not from a set form, but in your own words. The spirit should be friendly. In writing representatives, give the house number first, viz., "H.F. 382 (S.F. 1144)." In writing senators, give the senate number first, viz., "S.F. 1144 (H.F. 382)." Ask for support of H.F. 382 (S.F. 1144) and whatever tax program is needed to supply enough money for schools.

WE'RE ON THE LAST STRETCH. DO NOT DELAY.

* * * * *

"Democracy plays with the fire of dictatorship when it fails to educate the mass mind to the highest possible degree."--Pittsburgh Press

"On the diffusion of education among the people rest the preservation and perpetuation of our free institutions."--Daniel Webster

CITIZENS' COMMITTEE ON PUBLIC SCHOOL FINANCE

GLENN MATHER, CHAIRMAN
3957 LYNDAL AVE. SOUTH

MINNEAPOLIS, MINNESOTA

CLARA S. PAINTER (MRS. H. K.), SECRETARY
4817 FREMONT AVE. SOUTH

BULLETIN NO. 7

APRIL 3, 1935

THE CRISIS

EDUCATION COMMITTEE
PASSES S. F. 1144
Committee.

After two very brief hearings, S. F. 1144 (H. F. 382) passed the Education Committee last week by a vote of 7 to 3. It is now before the Tax

OMNIBUS BILL PAYS
STATE EXPENSES
FIRST

The Omnibus Tax Bill is now under consideration. Originally this provided a \$26,000,000 fund to replace property tax levies. State expenses running from \$18,000,000 to \$22,000,000 are to be met first, the remainder to go to schools. There is grave danger that state expenses will creep up and that there will not be an adequate remainder for schools. A definite appropriation measure is still needed. If school needs are not met by the state, local property will have to continue to carry the burden and the schools will still be crippled.

\$26,000,000 FUND
MUST NOT BE
REDUCED

Strong pressure is being put upon the legislature, by groups not wishing to be taxed, to pare the total below \$26,000,000. Reductions from that figure will be at the expense of schools and will fail to shift the burden of costs from the local property tax.

TWO THINGS YOU
SHOULD ASK FOR

Write or wire your legislators and the Governor in as large numbers as you can. Ask them not to reduce the Omnibus Tax Bill below \$26,000,000. Ask also for a definite appropriation for schools as suggested in H. F. 382 (S. F. 1144). THE VOTE MAY COME ANY DAY!

CITIZENS' COMMITTEE ON PUBLIC SCHOOL FINANCE

GLENN MATHER, CHAIRMAN
3957 LYNDAL AVE. SOUTH.CLARA S. PAINTER (MRS. H. K.), SECRETARY
4817 FREMONT AVENUE SOUTH

MINNEAPOLIS, MINNESOTA

BULLETIN NO. 7

MAY 6, 1935

A SUMMARY

THE LEGISLATURE IS
"EDUCATION CONSCIOUS"

Now that the legislative session is over, the committee wishes to express to you its appreciation of what has been accomplished through your very effective cooperation. Never before have the forces interested in education been so effective. The net results in dollars and cents may be slight because of political conditions over which we could have no control, but the principle for which we have been working has been advanced. Never has there been a legislature more conscious of the needs of schools, or more anxious to meet them.

SCHOOL AID DEPENDENT
ON SHIFTING OF TAX
BURDEN

It was realized, of course, that any hope for relief from the local burden on property, and for schools, was dependent on a new tax program. Our position was not to become involved in disputes over tax programs, but to have provision for schools included in whatever program was agreed upon by the legislature. It was hoped that local property would be relieved from part of its school costs through an increase in the state share financed by new revenue measures. That was the principle expressed in H. F. 382 (S. F. 1144).

OMNIBUS BILL MADE
PROVISION FOR
SCHOOLS

The result of your work for H. F. 382 was that the needs of the schools were given consideration in the Omnibus Bill, which was the tax program evolved by the majority of this legislature. Impartial observers remarked that the schools had fared well in this bill. Although it came far short of a fifty-fifty sharing of costs, it did provide all that we could reasonably expect for schools at this time.

WHAT THE OMNIBUS BILL
MIGHT HAVE DONE

In the first place, the Omnibus Bill doubled the revenue from the income tax, earmarking that revenue for schools. To have held that intact for schools was in itself a major accomplishment. In addition, all residue left from the new revenue was allocated for schools. It is hard to say what that would have meant. Regular state expenses were estimated at \$17,000,000 and receipts at \$23,000,000, with an additional appropriation for pensions of about \$2,000,000. Experts stated that, with an improvement in business and agricultural conditions (the crop outlook is good), the bill might have raised \$30,000,000 in another year. In that case, there would have been real relief to the local property taxpayer and real help to schools.

TAX CHANGE FAILED

The failure to reach an agreement between the governor and the legislature meant failure of tax change, and the collapse, for the time being, of a shifting of the burden of support. We have not attempted to fix responsibility for that failure. Our only concern was to secure relief for schools if possible, without increasing the burden on real estate.

SOME GAINS MADE

Certain other gains were made for schools. The appropriations for public schools were increased by about \$750,000 per year in such a way as to give increased aid to those districts least able to take care of their school needs, in accordance with the major bills of the State Department. An amendment to the income tax, affecting the use of income tax receipts in cities of the first class, was passed. A peculiar combination of two budgets, one for debt and one for current expense, coupled with local millage limitations, made such action imperative, but it was deemed purely a local matter. The rates of the income tax have not been changed, as proposed changes were lost with the Omnibus Bill.

PRINCIPLE OF MORE STATE AID MUST BE MAINTAINED Major programs involving a fundamental change in tax programs are not to be accomplished in a day. If the constitutional limitation amendment is passed, taking away real estate levies for state purposes, tax reform must be accomplished within the next two years. In the coming sessions of the legislature, the problem for those interested in schools will be the same, namely, to keep before the legislature the needs of schools.

INCREASE IN STATE SUPPORT NECESSARY Another legislature may work out a very different tax program. In whatever program is evolved, we must see to it that state responsibility for schools be assumed in an increased degree. Such an increase is necessary both to relieve property and to equalize educational opportunity. There is much to be done to explain this program to the public. We need to correct the erroneous impression that increased state costs mean necessarily increased money for schools. The increase in state support is necessary to offset a decreased revenue from local property taxes and to shift the tax burden.

SCHOOL SITUATION REMAINS ACUTE The situation in regard to schools and taxation remains acute. In all publicity regarding increases in state aid, we must bear in mind the fact that local revenue from the property tax has decreased, and will probably continue to decrease. Reduced valuations, "homestead exemptions," delinquency, all mean that a mill brings in much less than formerly. As long as schools continue to rely almost exclusively on the property tax, their condition, as well as the condition of the property owner, will continue to remain serious. In communities with mill limitations, the schools are faced with disaster because of the reduced value of the mill.

WILL YOU KEEP
INTEREST ALIVE?

At present there exists a widespread interest in public schools. May we depend on you to keep that interest alive in your community? We hope that you will keep yourself informed and keep your community informed on the needs of our public schools and their relation to the tax problem. If any of your legislators are on the interim tax committee, talk over the matter with them, explaining this shifting of burden from the local property tax to other sources of wealth. We are the means whereby a widespread interest in schools is made manifest to the legislature. We must continue by hard work and sustained effort until equal and adequate educational opportunity for every child in Minnesota exists in fact as well as in the pages of our state constitution.

YOUR HELP WILL BE
NEEDED IN FUTURE
SESSIONS

May we depend on you, when the time comes, to be as effective in future sessions as you were in the last, in presenting the cause of education to those framing our tax program? What you have accomplished has been of inestimable value in safeguarding education for the future generation of citizens, and in preparing for a sound, equitable means of financing that education.

"THE CHILDREN CANNOT ACT TO PROTECT THEMSELVES;
THEY MUST DEPEND ON YOU TO ACT FOR THEM."

JOINT MEETING OF LEGISLATIVE AND EXECUTIVE COMMITTEES

CITIZENS' COMMITTEE ON PUBLIC SCHOOL FINANCE

ROOM 3, CITIZENS AID BUILDING

404 South Eighth Street, Minneapolis

MONDAY, OCTOBER 21, 1935

Meeting called for 7:45 p. m.

A special session of the Legislature is to be called this fall. Undoubtedly there will be numerous proposals for revision of our tax system. There will certainly be many suggestions made for securing the money needed for financing the proposed social legislation. For that reason it is important that the friends of education be well informed and ready to make certain that whatever changes are made, there shall be adequate funds for the public school system.

At this particular time we need to reassemble our forces, bring ourselves up to date, and become acquainted with such new officers and chairmen as have been added to the committees.

From the standpoint of numbers of people and the amount of money involved, we believe this problem of safeguarding the financial support of the public education warrants the best efforts of us all. We hope that you will be able to attend in person and meet with the two committees named above. If you cannot be present, may we ask you to send a personal representative in addition to the members from your organizations who may be members of either of the two committees.

We hope to see you on the twenty-first.

Cordially yours,

GLENN MATHER, Chairman
CLARA S. PAINTER, Secretary

10-10-35
40 copies

October 17, 1935

Mr. Glenn Mather
3957 Lyndale Ave. S.
Minneapolis, Minn.

My dear Mr. Mather:

Your communication of October 10th containing the call to the joint meeting of the legislative and executive committees of the Citizens' Committee on Public School Finance was given due consideration by our State Board which met October 11th. While we do not know definitely exactly what the plans of this committee will be in regard to legislative support, the surmise may safely be made that your program which was a Five-Point program last year, will doubtless be narrowed down this year to the one item of public school finance. This item will necessarily be even more closely tied up with a stand on the tax question than it was last year. As you and other members of your committee doubtless know, the League of Women Voters has purposely not taken a stand relative to support of any one method of taxation, therefore, it is impossible for us to do any legislative work which would involve us in the tax discussion. It is also true that our support program does include the financing of certain sections of the proposed social legislation. Considering these various points, the Board voted that it would be unwise for the League of Women Voters to be a member of the Citizens' Committee on Public School Finance this year. As individuals, many members of the League will be working with you, and I trust will be valuable to you.

Lest we may have mistaken what your ultimate aim for the legislative work of this year will be, I should be very glad to accept your invitation to meet with you on the 21st and hear your discussion, so as to carry to my Board the conclusions you reach, and then consider the reversing of our decision if your program proves to be one which our carefully adhered to procedure can permit us to cooperate with.

Sincerely,

Ruth H. Mitchell
State President

The Citizens' Committee on Public School Finance

A special meeting of the legislative committee, the executive committee, and the presidents of cooperating organizations was held Monday evening, October 21, 1935, at the Citizens Aid Building. Mr. Umstattd presided in the absence of Mr. Mather. The following were present: Mrs. F. A. Wentink (St. Paul P.T.A.), Mr. Henry Rottschaefer, Mr. M. M. Pennell (M.E.A.), Miss Ruth Mitchell, Miss Mary R. Byrnes, Mrs. A. L. Lathers, Mrs. Thomas Mohn, Mrs. M. W. Smith, Mrs. E. W. Lindemann, Mr. O. S. Glover, Mr. Lynn Thompson, Mr. Theodore Utne, Dr. John G. Rockwell, Dr. E. T. W. Boquist, Mrs. A. L. Ladd, Mrs. John Kuehl, Mrs. S. E. Linsley, and Mrs. H. K. Painter.

The secretary gave a brief summary of the past work of the Citizens' Committee, emphasizing the fact that the committee had studied carefully before formulating its program, that it had evolved a program for the financing of education which was aimed at having the state assume a greater proportion of the costs of schools in order to have a greater degree of educational opportunity for all children and a more equitable distribution of the tax burden. It was made clear that although the committee wanted increased state aid, the means by which the money is to be raised is a political question which the legislature and the governor must determine. Our part is to create in the legislature and among the citizens an understanding of the needs of the schools and of the value of a revision of the present method of support which puts the burden almost entirely on the real estate and property tax.

It was generally agreed that the activities of this committee in support of H.F. 382 had resulted in the creation of a vital public interest in the support of schools, which was reflected in the provisions of the Omnibus Tax Bill and in the bill for the cities of the first class which allowed the income tax proceeds, within limits, to be diverted to maintenance in order to replace the reduced revenue from the real estate and property tax, and in the generally friendly attitude towards schools which was characteristic of the last session of the legislature. An article to that point appeared in the May issue of the M.E.A. Journal. The value of the bulletins has been universally accepted.

Mr. Utne then reported on the bills affecting education that were passed at the last session. There were four of state wide significance.

1. The revision of the method of apportionment which shifted the apportionment from the forty days in attendance basis to average daily attendance, a long step forward.
2. Revision of taxes on agricultural lands for the support of schools.
3. Revision of the state aid law in regard to supplemental state aid, a step in the direction of helping those districts too poor to provide adequate education for children. From \$13,000,000 to \$14,000,000 is available for schools this year: \$500,000 for apportionment, \$3,000,000 from the income tax, \$7,000,000 for special state aid of which \$3,000,000 is available for supplemental aid which is the part of state aid distributed on the basis of need. Certain aids are to be paid in full, namely, (1) tuition, (2) teacher training schools, (3) transportation of crippled children. The balance will be prorated, as not enough money will be available to pay all

aids in full. Were there enough to pay all aids in full, we should have moved further along in the direction of a fifty-fifty sharing of costs. Probably from 60 per cent to 70 per cent of the state aid will be prorated. The prorating of supplemental state aid is very hard on poor districts which have to depend so largely on state aid for the education of children.

4. Provision for six year high schools.

Miss Byrnes asked what estimates were available as to the amount of money needed to take care of proposed pension measures. Unofficial estimates were reported as high as \$9,000,000 to \$10,000,000 for the first year. Mr. Umstattd asked what the present situation was as to the proportion of school costs now borne by the state. Mr. Utne replied that \$46,000,000 was the peak amount for maintenance. Last year about \$39,000,000 was spent. The amount will be greater this year as costs have risen, so we shall probably reach a one-third share for the state. The amount of state aid has been increasing because of the Income Tax Law, and the local amount has been decreasing because of reduced revenue from the real estate and property tax. Much of the income tax goes for debt in most cases, though not in the cities of the first class. Such relief in debt provision offers relief to the operating budget. Two-thirds of the children in the state are in high and graded school districts, which have debts. In the rest of the districts, comprising the other third of the school population, there is no debt, so money goes directly for maintenance. If the money voted for schools were actually available, we should have a 40-60 ratio of support between state and local community.

Question was next raised as to what effect proposed pension legislation will have on schools. Will the money be diverted from schools for this and other purposes? Will they vote social legislation without providing new sources of revenue with which to finance such measures? Mr. Utne spoke of the danger of amending income tax to secure more revenue and directing part to other purposes. Dr. Rockwell said he believed there was no immediate danger of schools losing the money they have, because of a vital interest in public education. The State Department would like to see all state aids paid in full. If more money were to be received from the income tax than is needed to pay state aids in full and could be used for maintenance, then appropriations for education now paid from the general revenue fund could be reduced, and the money formerly used for schools from that fund used for other state purposes. It is advisable to keep the income tax intact for schools and use it as a means, if its proceeds are increased, of relieving other state appropriations for schools.

Question was then raised as to what would happen to present state aids if the constitutional amendment were passed and no agreement were reached on new sources of revenue. The result of course would be fatal.

Dr. Rockwell then spoke of the need of safeguarding No. 289 passed at the last session. This measure makes for a larger administrative unit and is already encouraging the consolidation of districts. Opposition is coming from county superintendents whose authority is lessened under consolidation. This bill shifts the burden of taxation from the farmer to the state, however, and for that reason is popular in communities profiting from it. The actual results of this bill can be better schools at a reduced cost.

Question was then raised as to what this group needs to do in the coming session, and where its help might be needed. Dr. Rockwell said that we could stand

The Citizens' Committee on Public School Finance - 3.

for:

1. The payment of state aid in full;
2. The protection of 289;
3. The codification of school laws.

It was agreed that one and two were along the lines already adopted by this group. It was felt that three was outside the sphere of this committee at present. Dr. Rockwell made the point that qualifications of teachers, tenure, and adequate financial support were all bound together. He stated that the revision of state aid from its apportionment on a forty-day basis to an average daily attendance will doubtless result in the elimination of the seventy-eight one year teacher training departments in high schools, as it takes the money-making feature away from schools operating the one year training courses.

Mr. Thompson asked what the attitude of the group would be towards the bill for Federal Aid which is gaining headway. It was agreed that members of the committee would be glad to be provided with copies of the proposed law. It was generally agreed that we should try to keep the income tax intact for schools. It was voted that this committee pass a resolution commending the legislature for its educational bills passed at the last session, and asking that sufficient funds be supplied to enable state aids provided by law to be paid in full. Agreed that this resolution should be used when and if it became advisable or necessary to use it, and that nothing could be gained by communicating with the legislature at present. Such a resolution will be of value to representatives of organizations as indicating the conclusions of the committee.

It was also voted to favor the continuation of 289, encouraging larger administrative units.

Mr. Umstattd gave the financial report showing a balance of \$37.93 in the treasury and pointing out the need for contributions from member organizations if any further bulletins are to be sent. It was suggested that a call be sent organizations for funds.

Question was asked as to whether we should approach the members of the interim tax committee. Mrs. Ladd replied that in her opinion it would be valuable if individual members would see such members of the committee as they could, so that education would be given due consideration in any tax plans to be made. Mrs. Mohn spoke of the continued interest and cooperation of the Federated Clubs, and Mrs. Lathers of the interest of the P.T.A. State Congress and its desire to be given all information available.

Meeting adjourned.

Respectfully submitted,

Clara S. Painter, Secretary

CSP:LE
10/25/35
75 copies

CITIZENS' COMMITTEE ON PUBLIC SCHOOL FINANCE

J. G. UMSTADT, ACTING CHAIRMAN
(IN THE ABSENCE OF MR. MATHER)

MINNEAPOLIS, MINNESOTA

CLARA S. PAINTER (MRS. H. K.), SECRETARY
4817 FREMONT AVENUE SOUTH

BULLETIN NO. 8

NOVEMBER 29, 1935

THE OUTLOOK

CITIZENS' COMMITTEE STILL ACTIVE

This bulletin is being sent to those who have been on the mailing list of the Citizens' Committee and to such new names as have been sent to the secretary. You have been wondering, possibly, whether the Citizens' Committee is still active. It is, and its officers have been in touch with matters pertaining to education. There has been a joint meeting of the executive board with the legislative committee and the legislative advisory committee, composed of representatives of participating organizations, in anticipation of the special session of the legislature called for December 2. We hope that the work done with your help last year was so effective in registering public support of education with the legislature that we shall not need to be so active in this special session.

LEGISLATURE HELPED SCHOOLS

The last session did well by schools. It changed the method of apportioning state aid to a basis of average daily attendance instead of the old forty days in attendance, a long step forward. It revised the taxation of agricultural lands for school purposes. It improved the laws in regard to supplemental state aid for the poorer districts of the state. It passed 289, which makes for more efficient administration of schools and which is bringing good results to the districts which have taken advantage of its provisions. In addition, it appropriated money for schools which would carry us forward materially in our efforts to get a fifty-fifty sharing of costs between the state and the local community and would lessen the burden now borne so heavily by the local real estate and property tax.

STATE IS SHORT OF
FUNDS

Unfortunately, however, money is not available to pay all the appropriations voted. As yet the state has not adopted a new system of taxation. There has been a lessening of receipts from the property tax because of reduced valuations and increased delinquency, so the state is short of funds. The state aids will have to be pro-rated. Probably only 60 to 70 per cent of the money voted can be paid. This means that the local community will get less help in relieving their situations than would be the case if enough money were available to pay the appropriations in full.

* * * * *

SCHOOLS NEED PROCEEDS
OF INCOME TAX

At present all proceeds from the Income Tax are held for schools. This means that the amount of state aid for schools has increased, and will continue to increase as economic conditions improve. That in turn can mean protection of educational opportunity and relief for the local property taxpayer. At this session there will be, doubtless, an intensive search for funds to finance proposed social security legislation. We need to be sure that in any method of raising money or revising taxation there shall be due consideration of the need for increased state aid for schools. Any lessening of such aid must result in lessening education services or an increased load on real estate. In the mean time, educational opportunity is being curtailed in many places in the state; funds are universally inadequate to meet the needs. Overcrowding of classrooms, inadequate buildings, underpaid teachers, are some of the indications that school services are suffering.

* * * * *

(Citizens' Committee on Public School Finance
November 29 - Page 3)

SAFEGUARD INCOME
TAX FOR EDUCATION

This committee has always kept clear of the political issues involved in methods of taxation. However, it seems to be the opinion of those most interested in safeguarding public education that the income tax receipts should be held inviolate for schools. Revisions can be made to increase the revenue from the Income Tax. Much of this is needed to pay in full funds already voted. If a greatly increased yield becomes available, it could well be used to relieve and replace the money now obtained for schools from the property tax. If the proposed constitutional amendment abolishing the state levy on property is passed, some such source of revenue must be obtained to take the place of the levy now made for state aid to schools.

* * * * *

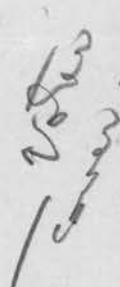
MINNESOTA HAS
ALWAYS PROTECTED
SCHOOLS

There has long been a precedent in this state, dating from pioneer days, to safeguard education by earmarking certain funds for schools. Such a policy was advocated by the founders of the state, who never failed to stress the importance to the state of a good system of schools. We should lose ground gained over a long period of years were the income tax receipts thrown into a general fund from which education might or might not get adequate support.

* * * * *

SCHOOLS CANNOT
BE NEGLECTED

This is not the first time that our state has been faced with a need to balance its budget or retrench in its expenditures. Governor Marshall, in the days following the Civil War, advised economy and retrenchment in state expenses, but not to the detriment of schools. We quote from his message to the legislature. "No state interest can claim as high consideration as the education of our children. All other interests can be neglected with less injury than this." The advice is as good to-day as it was in 1868. Let us hold the Income Tax for our public schools.



* * * * *

What You May Do

It does not seem advisable to undertake a campaign of letters or cards. If you know your legislators personally, or have friends who know them, it might be well to talk informally with them. In such a friendly conversation you might do any or all of the following.

1. Express your appreciation of the friendly attitude of the last session.
2. Stress the value of increased state aid, both for equalizing educational opportunity and for relieving local real estate taxes by shifting some of the burden. In this you will have the support of many taxpaying groups who are working to remove some of the unduly heavy burden from real estate. You may remember from earlier bulletins that the major costs of schools are now carried by the local community, which has to depend largely on the property tax.
3. Stand firmly for holding the income tax receipts for schools if it is productive enough, using it to relieve appropriations now financed from property levies.

The committee is unable to state now whether it will be necessary to send further bulletins or not. We want your continued interest, and shall be happy to keep you on the mailing list, unless you wish your name removed. We want our mailing list up-to-date. If a successor has taken your place, will you fill out and mail in the slip? Thank you.

My successor's name is _____

Address _____

Check the following:

- ☐ I should like to remain on the mailing list.
- ☐ I wish my name removed from the mailing list.

(Signed) _____

Address _____

Organization represented _____

Citizens' Committee on Public School Finance

Minneapolis, Minnesota

December, 1935

Dear Chairman:

The executive board is releasing some figures and comments on this year's budget that you may find helpful. The information enclosed, with Mr. Reed's report, "The Years of Depression," gives you an up-to-date picture of our schools, which we hope you will pass on to your organization.

We do not know what the special session of the legislature will bring forth, or what it will do to our taxes. We do know that increased state aid, which can be financed by something other than the property tax, offers relief to a too much reduced budget for the schools as well as for the property tax payer. At present receipts from the income tax are held for schools. They have helped our budget, but they still bring in less money than we need for an adequate school budget.

We hope that the work done last year was so effective in registering public support of our school system that we shall not be called upon for an active campaign this year. We do ask, though, that you keep yourself and your organization well informed so that you will be ready if the occasion demands your active support. We continue to need an alert public opinion, founded upon a real understanding of our school program and its financial needs. We shall count on you to lead that public opinion in your group. If you have not a copy of "The Years of Depression," you may get one from the Board of Education. We hope that you will read it and pass its story of the growth and the needs of our schools on to your organization.

Our schools are doing a good job. They need our support, both moral and financial.

Cordially yours,

CLARA S. PAINTER
Secretary

CSP:LE
12/5/35
250 copies
17 - 55

REPORT OF EXECUTIVE COMMITTEE

Citizens' Committee on Public School Finance

November, 1935

I. BUDGET

In a normal school budget, salaries make up 85 per cent of the total; other than salaries, 15 per cent. Because of the shortage of funds, the other than salary item has been reduced to 13.5 per cent, making salaries constitute 86.5 per cent of the budget. The 13.5 per cent which goes to other than salaries will cover only essential repairs and replacements, and cannot be reduced. All reductions resulting from tax delinquency or other factors reducing revenue must result in further salary reductions.

Expenditures

	<u>1935</u>	<u>1936</u>
Personal	\$6,432,975	\$6,229,640
Other than personal	<u>903,946</u>	<u>976,150</u>
Total	\$7,336,921	\$7,205,790

Table II shows the relation between expenditures and salary reductions.

Expenditure and Average Salaries

<u>Year</u>	<u>Other Than Salaries</u>	<u>Salaries</u>	<u>Total Per-sonnel</u>	<u>Average Yearly Salary</u>	<u>Decrease from 1931</u>
1931	\$1,230,495	\$7,141,077	3482	\$2,050	-
1932	929,312	6,551,523	3519	1,861	9 %
1933	763,918	5,423,138	3442	1,575	23 %
1934	986,849	6,161,091	3397	1,813	11.5%
1935*	903,946	6,432,975	3441	1,870	8.8%
1936*	976,150	6,229,640	3400	1,832	10.6%
Decrease	20.7%	12.8%			

* Estimated on 10 per cent shortage in tax collections.

II. DECREASE IN REVENUE

In the last year there has been a change in the proportion of school costs borne by the local property tax and the amount borne by the state and federal government. Proceeds from the income tax have helped in part to offset the decline in revenue from the local tax.

You will note that revenue from the property tax has declined 26.3 per cent since 1931; revenue from special taxes has increased 77.1 per cent; and state and federal aid has increased 44.6 per cent. The total revenue, however, has decreased 15.5 per cent, so it is evident that the additions have by no means equaled the decrease in revenue from the property tax which still carries the major burden of school costs.

School General Fund - Revenue Received

<u>Year</u>	<u>Property Taxes</u>	<u>Special Taxes</u>	<u>State and Federal Aid</u>	<u>Total Revenue</u>
1931	\$7,291,449	\$149,591	\$1,082,035	\$8,523,075
1932	6,090,702	134,997	1,040,880	7,266,579
1933	5,019,921	170,956	953,189	6,144,066
1934	6,062,208	193,586	912,611	7,168,405
1935**	5,430,225	265,000	1,565,828*	7,261,053
1936**	5,375,790	265,000	1,565,000*	7,205,790
Decrease	1,915,659 26.3%	-	-	1,317,285 15.5%
Increase	-	115,409 77.1%	482,965 44.6%	-

* Includes proceeds of income tax - \$550,000

** Estimated

III. DECREASE IN EXPENDITURES

The tax rate in Minneapolis has increased over a period of years. Assessed valuation has declined, and delinquency has increased. The result has been a decrease in the amount of money available, and schools have had

a sharp decrease in their budget. They have economized in harmony with the situation and balanced their budget.

You will note that salaries have been reduced 13.7 per cent in 1935 and will fall 17.8 per cent in 1936, according to estimates. Increased collections from income tax or property tax will improve the situation. Further delinquencies will mean greater cuts.

Reduction in Expenditures

	<u>1931</u>	<u>1935*</u>	<u>1936*</u>
Scheduled Salaries	\$7,141,077	\$7,450,732	\$7,578,760
Salaries Paid	7,141,077	6,432,975	6,229,640
Average Reduction	-	13.7%	17.8%
Per Cent Below 1931	-	9.9%	12.8%
Other Than Salaries	1,230,495	903,946	976,150
Per Cent Below 1931	-	26.5%	20.7%

* Estimated shortage of 10 per cent

IV. INCREASE IN LOAD

In the meantime enrollment in high schools has increased as has the teacher's load.

School Enrollment - Based on September

<u>Year</u>	<u>Elem.</u>	<u>Jr. High</u>	<u>Sr. High</u>	<u>Total</u>
1926	47,249	16,118	11,234	74,601
1927	48,837	16,998	11,855	77,690
1928	49,008	17,797	12,264	79,069
1929	49,310	18,256	12,894	80,460
1930	49,104	18,668	13,922	81,694
1931	48,891	18,925	15,430	83,246
1932	47,898	19,461	16,863	84,222
1933	46,334	19,863	17,618	83,815
1934	45,130	20,493	17,817	83,440
1935	43,796	20,636	18,616	83,048
Increase in 10 yrs.	-7.3%	28.0%	65.7%	11.3%

Note - Elementary includes Egn. and Specials

Jr. High includes 7-8 grades in elem. schools

Sr. High includes post graduate and vocational

12/5/35

250 copies

17 - 58

Pupil-Teacher Ratios

	<u>February, 1931</u>	<u>February, 1935</u>
Kindergarten	49.7	51.4
1-6	38.2	38.6
Junior High Schools	29.3	31.0
Senior High Schools	28.3	30.3

V. SCHOOL TAX RATE AND OTHER TAX RATES

It is interesting to know the relationship of school costs to the tax increases and other agencies of the government. The following table shows that although the tax rate has increased by 35 per cent, school tax rates have increased by only 11 per cent, which is considerably less than state, county, or total city rate.

Tax Rate in Mills

<u>For the Year</u>	<u>State of Minn.</u>	<u>County of Henn.</u>	<u>Mpls. Schools</u>	<u>City of Mpls.</u>	<u>Total</u>
1926	7.65	7.88	20.60	37.12	73.25
1927	5.35	7.50	20.20	38.45	71.50
1928	7.65	7.51	20.20	38.53	73.89
1929	5.29	7.35	21.85	39.70	74.19
1930	6.38	7.35	21.50	39.87	75.10
1931	5.65	7.10	22.53	39.72	75.00
1932	7.76	6.90	20.25	39.79	74.70
1933	8.15	6.80	19.00	40.69	74.64
1934	10.92	6.74	21.00	38.39	77.05
1935	11.80	9.10	23.00	55.10	99.00
Increase in 10 yrs.	54%	15%	11%	48%	35%

VI. DECLINE IN RECEIPTS FROM PROPERTY TAX

The following table shows in a little different form the decline in receipts from the property tax. Notice that one mill in 1936 brings in much less money than it did in 1931.

Proceeds from One Mill Levy - 1931-6

	<u>Assessed Valuation</u>	<u>Levy (1 Mill)</u>	<u>Receipts</u>	<u>Ratio</u>
1931	\$330,248,748	\$330,248.75	\$323,578	97.98
1932	330,853,639	330,853.64	300,779	90.91
1933	318,255,404	318,255.40	264,216	83.02
1934	316,361,702	316,361.70	288,680	91.25
1935	262,329,723	262,329.72	236,097	90.0 *
1936	259,700,000*	259,700.00	233,730	90.0 *

* Estimate

VII. SCHOOL AND OTHER TAX LEVIES

The last table gives a more detailed view of the distribution of the other city levies as compared with school levies. You will notice that the Board of Education levy totals a decrease. Many of the increases have been necessary. However, it is also evident that if you consider operating expenses only, the school reduction is greater than other operating funds in the city.

Tax Levies for 1936 and 1931

	<u>1936</u>	<u>1931</u>	<u>Inc. or Dec.</u>	<u>Per Cent</u>
Bd. of Educ. Levy	5,973,100	7,440,504	-1,467,404	-19.72
Other City Levies	13,130,432	13,117,481	12,951	.10
County Levy	2,363,270	2,344,766	18,504	.79
State Levy	<u>3,464,398</u>	<u>1,865,905</u>	<u>1,598,493</u>	<u>85.67</u>
	24,931,200	24,768,656	162,544	.65

Note - 1936 levies are based on a valuation of \$259,700,000 and the rates fixed by the Board of Estimate and Taxation. The state rate, 13.34 mills, is fixed by the state auditor.

Distribution of Other City Levies

Operating funds	5,953,623	7,298,498	-1,344,875	-18.4
Bonds and interest	5,902,981	4,791,909	1,111,072	23.2
Teachers' pensions	389,550	495,373	- 105,823	-21.4
Other pensions	884,278	531,701	352,577	66.3

CONCLUSIONS

Certain generalizations can be drawn from these figures. In spite of increased enrollments schools have decreased their budgets slightly more than other operating agencies in the city. Their economies have made necessary drastic cuts in salaries because salaries are 86.5 per cent of the budget. Factors other than schools have caused increases in tax rates. Because of delinquency and reduced valuations even a higher tax rate has not meant increased, but has meant decreased revenue for schools. The decrease has by no means been offset by other increases in revenue, though such increases have lessened the cuts which schools have made. The real estate and property tax is still carrying the major costs of the schools.

The Citizens Committee has urged the importance of securing relief from the legislature. The objective of the committee is a fifty-fifty sharing of costs by the state (which has access to sources other than a real estate property tax) and the local community (which depends mainly on the real estate and property tax). Such a system will improve the financial condition of schools and offer a relief to the overburdened property taxpayer. Such a division of school costs and redistribution of the tax load is in line with modern education procedure, and the practice of those states which have revised and modernized their taxing systems and carried their schools through the depression with a minimum of damage to the educational opportunity of the children.

[P. 311135]

The Citizens' Committee on Public School Finance

A meeting of the legislative and legislative advisory committees was called to order by Mr. J. G. Umstattd, chairman, at the Citizens Aid Building December 16, 1935, at 7:45 p. m. Mr. A. L. Almen, chairman of the Senate Committee on Education, was present. Mr. Harry L. Wahlstrand, chairman of the House Committee on Education, was unable to be present because of a committee meeting. Mr. Umstattd announced the purpose of the meeting, namely, to allow members to learn what was happening at the special session, to decide whether any action is necessary at the present time, and to prepare the members in case emergency action should be necessary at any time in the immediate future. After noting a communication from Mr. Glenn Mather, whose absence will probably be extended until February, Mr. Umstattd called on Senator Almen to give his impressions of the present situation in the legislature. Mr. Almen stated that two measures were under consideration, though it is doubtful if either comes out of a committee. The first would change a provision of Bill 288 passed at the last session to provide that supplemental aid will be given if the proceeds of the 30-mill levy do not bring in the necessary average per pupil. The bill reads at present that such aid will be given if a 30-mill levy does not equal the necessary amount. The second would be to change the bill to allow non-resident aid for high school pupils. Mr. J. G. Rockwell stated that because of delinquency, largely among cut-over lumber lands, there is a wide disparity between the 30-mill levy and the proceeds of a 30-mill levy, which works hardships on many school districts. He believed, however, that the Attorney General, by an interpretation of the law ruling that the proceeds are the basis, may be able to settle the matter without necessitating a change in the law.

Mr. Theodore Utne then stated that the governor had recommended that the income tax be increased in order that state aids might be paid in full. Great damage is being done because it has been necessary to prorate state aids. It is proposed that the Income Tax be increased, and that part of the proceeds be transferred into the Special State Aid Fund to permit paying of aid in full. The question was asked as to whether there was any danger of the Income Tax being used to pay for pensions. It was advised that pressure be brought to hold all proceeds of the Income Tax for school purposes. Any increase that may be obtained from the revision of the Income Tax law is needed to pay state aids in full. Dr. E. T. W. Boquist of the American Legion and Mrs. C. F. Moore of the Auxiliary stated that their organizations were definitely committed to keeping the Income Tax for schools. Mr. Walter E. Englund stressed the importance of not compromising on the proceeds of the Income Tax. The Income Tax was given to schools when it was badly needed. It is still needed. The amount of money spent for public education in the state fell from \$54,000,000 in 1930 to \$43,000,000 in 1933, and it was only \$40,000,000 in 1934 despite enrollment increases. The outlook is no better for 1935. The schools need more money now.

Mrs. Thomas Mohn said that the Federated Clubs would do all they could to help safeguard funds for schools and that they can work through their legislative chairman. Mrs. M. W. Smith asked why it was that some districts had received less money under the law. Mr. Utne replied that poorer districts receive more under the new law. If only \$7,000,000 out of the needed \$10,000,000 is available, then poorer districts will get more in proportion. Were the entire \$10,000,000 available, almost all the districts would get more than they have had, and the poorer districts would get still more. The governor's recommendation would solve the problem. The matter is not one of partisanship, but meets a need for educational opportunity that transcends party lines. Mr. Utne further suggested the wisdom of focusing public

The Citizens' Committee on Public School Finance - 2.

attention on the need for doubling the proceeds from the Income Tax and transferring one-half for the payment of state aid in full. Such a procedure would be a great advance towards the goal of adequate state support for education and the equalizing of educational opportunity.

The question was raised as to whether the governor had not advocated using one-half the increased proceeds for financing pensions. There was a difference of opinion on that point, though it was understood by the majority and definitely stated by the members from the state department who had conferred with the governor that he had urged increasing the tax to pay state aids. Mr. A. I. Jedlicka pointed out the danger that the Finance and Appropriations Committees might lessen appropriations for schools if the proceeds from the Income Tax were guaranteed, in which case schools would be no better off than before. Mr. Almen pointed out that attempts to do that were defeated in the last session. Mr. Rockwell urged the importance of state-wide support for increased state aid. Mr. Jedlicka urged education of public opinion throughout the state for the payment of state aid in full. It was advised that pressure be applied to the legislature through requests on state-wide basis for an increase in the Income Tax to pay state aids. It was pointed out that such an increase offered relief to property taxpayers as it served as a replacement tax. Real estate groups might be counted on to help secure this increase as a means of lightening the load on property. Mr. Jedlicka moved that this committee take action to reach legislators with the request that the Income Tax proceeds be held intact for schools, and that the tax be increased sufficiently to allow state aids to be paid in full. This was seconded and carried unanimously. This action will be referred to the executive committee for immediate action, Mr. Umstattd announced. Mrs. Whalen of the Congress of Parents and Teachers said her organization was committed to work for holding the Income Tax and was at work. Dr. Boquist and Mrs. Moore said that they would reach the proper people in their organizations at once to get in touch with legislators. It was advised that the Citizens' Committee should send cards or bulletins to members omitting the Legion and Auxiliary which will be taken care of through their own channels. Mr. Jedlicka said he would reach school board members in the state asking for their action.

Mr. Jedlicka then spoke of the resolutions passed by the Council of School Executives, (1) for the creation of an interim committee for codifying school laws; (2) for further protection of the superintendents--practically an extension of tenure now held by some teachers; (3) for the furtherance of a plan to transport high school pupils to existing high schools rather than build small expensive high schools, which could be done by the establishment of standards for transportation by the state department for pupils in districts not maintaining classified high schools and reimbursing districts by an amount not to exceed \$150,000 and by withholding of state aid for pupils transported contrary to standards set up by the State Board of Education; (4) for the introduction of courses in the curriculum dealing with problems of conservation. Because the fifth resolution passed by the council was an endorsement of the Lundeen Bill, he turned that matter over to Congressman Lundeen, who had recently arrived. Mr. Lundeen spoke of his interest in Federal Aid for education and asked the advice of the group on the matter. The question of distribution of funds was raised. Should it be on the basis of need or on population? The present bill provides for a grant of \$25 per pupil to states. The question was then raised as to whether the state should distribute it on the same basis or according to need. Because of differing viewpoints on this matter, Mr. Utne suggested that one-half be distributed on a per capita basis and one-half by the chief educational agency in the state on the basis of need. Mr. Lundeen

The Citizens' Committee on Public School Finance - 3.

said he would be glad to have information sent to himself and all Congressmen from Minnesota as to the need in the state for Federal Aid and suggestions for distributing it. It was noted that the amount suggested as the federal share in either the Lundeen Bill or the \$500,000,000 bill proposed by others would bring to Minnesota just about what is need to finance education adequately and would also make the sharing of costs by the federal government about 25 per cent as is advocated by some groups. It was moved and carried that this committee go on record as favoring a substantial amount of Federal Aid, and that Mr. Utne prepare a statement of his suggestion of a division of funds for distribution, half on a per capita basis, half on need. A statement of this action should be sent to the congressmen from Minnesota.

Meeting adjourned.

Respectfully submitted,

CLARA S. PAINTER
Secretary, pro tem

CSP:LE
125 copies
12/31/35

CITIZENS' COMMITTEE ON PUBLIC SCHOOL FINANCE

J. G. UMSTATD, ACTING CHAIRMAN

CLARA S. PAINTER (MRS. H. K.), SECRETARY
4817 FREMONT AVENUE SOUTH

MINNEAPOLIS, MINNESOTA

BULLETIN NO. 10

JUNE 10, 1936

A REMINDER

STATE AIDS ARE 34 PER CENT SHORT The depression is not over for schools. Next year when the legislature meets, constructive work will have to be done. This bulletin is sent to remind you that the Citizens' Committee is still on the job, and is counting on your continued interest in a progressive policy for the adequate support of education. Although the last legislature made very satisfactory appropriations for schools, money has been at hand this year to pay only 66 per cent of the aids appropriated. Increases in collections from the Income Tax have not offset decreases from the Real Estate and Property Tax.

SCHOOL EXPENDITURES ABOUT \$8,500,000 LESS THAN 1929-30 The following table taken from figures released by the Taxpayers' Association shows how seriously schools have been cut. Note that the heaviest reduction is in school levies. Although the state has increased its share of school costs, the increase has not offset local reductions.

Comparative Expenditures - 1930, 1935

	<u>1930</u>	<u>1935</u>
State levy	\$11,093,569	\$19,134,545
Counties	25,011,433	24,146,521
Townships	7,519,437	5,119,863
Cities, villages	34,930,178	33,228,074
School districts	43,492,213	31,010,824

In 1934-5 the total expenditure for maintaining schools was \$37,259,907, a decrease of \$8,572,279, from the corresponding expenditure of \$45,832,186 in 1929-30, although the enrollment has increased by 4,281 during that period. We still need to replace revenue lost by schools during the depression.

REAL ESTATE CANNOT CARRY THE BURDEN It has been the policy of the committee, as you know, to work for a fifty - fifty sharing of costs between the state and local community, because the state has various sources of taxable wealth. As long as real estate continues to carry most of the costs of schools, there cannot be equality of educational opportunity, nor a satisfactory equalization of the tax burden. The program of this committee offers a possibility of real relief to real estate and property and better opportunities for the children.

NEW AMENDMENT TO BE VOTED ON THIS FALL A constitutional amendment is to be voted on this fall. If passed, it will make necessary replacement taxes. Such taxes will be needed not only for schools, but for all departments of government. About two and a half million dollars now goes to schools from the real estate and property tax. That amount must be replaced by some other source of revenue in addition to present school funds, if we wish to maintain our schools. Tax revision and increasing needs for state funds present the danger of having the Income Tax revenue diverted from the schools. This committee continues firm in its conviction that the Income Tax should be held intact for schools.

HOW DO CANDIDATES FEEL ABOUT SCHOOLS? Election days are at hand. Because education is a state function, it is important to know the attitude of the candidates toward education. As friends of education, we are represented in all parties. We can make our influence felt within our party for the advancement of education. Our task is to present the needs of the schools to candidates for state offices and for the legislature. If we elect to office and to the legislature candidates who are sympathetic to the need for an adequate educational system in the state, we shall have taken the first step toward solving the various educational problems that will come before the state in the next two years.

CANDIDATES SHOULD BE INFORMED Candidates should understand the needs of the schools and the necessity of paying state aids in full. They should know that education is a matter in which voters are interested. Our schools cannot continue indefinitely to be financially handicapped if they are to give proper training to the oncoming generation. You may expect another bulletin in the fall. May we count on your continued efforts?

YOUR PART IN THIS PROGRAM

TALK WITH THE VARIOUS CANDIDATES, as you have a chance. Such information and expressions of interest as you can give between now and the fall elections will make much easier the solutions of educational problems next year. Candidates have an ear open for the voter. We are counting on you to make the most of the opportunities for increasing an understanding of the need for a shifting of the tax burden and the serious handicaps under which the schools are now operating.

IF YOU HAVE A SUCCESSOR whose name should be added to the mailing list, please send it to the secretary. If it is necessary for your organization to take action at a convention in order to continue to work for schools, will you see that the need for such action is presented at the proper time?

6/10/36

CITIZENS' COMMITTEE ON PUBLIC SCHOOL FINANCE

V. E. MIKKELSON, CHAIRMAN
2643 NORTHEAST FOLK

CLARA S. PAINTER (MRS. H. K.), SECRETARY
4817 FREMONT AVENUE SOUTH
MINNEAPOLIS, MINNESOTA

BULLETIN NO. 11

DECEMBER 31, 1936

THE PRESENT TASK

LEGISLATURE FACES
DIFFICULT SESSION

The Citizens' Committee on Public School Finance sends you this, its eleventh bulletin, as the legislators are about to leave for St. Paul for what promises to be a hard session. Already requests for funds have totaled twice the amount spent on state services by the last legislature. No tax program has been agreed upon. No one knows where or how the money can or will be raised to meet all the legitimate responsibilities of the state, of which education is one. Great pressure from many angles will be made; demands for money will exceed the supply. It is most important that education be given its proper place in the whole picture; and therefore it is essential that the friends of education be informed and thus able to present to the legislators the needs of the schools so that they will not be overlooked.

COMMITTEE FAVORS
MORE STATE AID
FOR SCHOOLS

Many of the names on the mailing list of this bulletin are new, so a bit of history may be in order. Briefly the story is this. The Citizens' Committee is composed of representatives from the organizations listed on a separate enclosure. They first met three years ago and formulated a program for the support of schools before the legislature; they were also active at the special session. They have met in consultation with school people, but they are essentially a lay group, interested in preserving educational opportunities for the children of the state. Each organization supports such part of the whole program as is adopted by itself, and all work together for measures on which they are agreed. They have presented to the legislature the needs of education, and have made articulate the large body of public opinion in support of adequate money for schools. They have left to the legislators the matter of deciding how they can meet these needs, once they know there is public support for a greater degree of State Aid.

SCHOOL SITUATION
STILL CRITICAL

Because of decreased valuation and other factors, schools, which have depended almost entirely on the local property tax, have had their funds reduced. Their situation has been and still is critical. The depression is not over for schools, and will not be until a better system of support has been developed. The Citizens' Committee, after careful study, supports a demand for more State Aid and for paying present State Aids in full. This does not mean spending more money for schools. It means that the state should assume a greater share of the amount spent. Such a shift would take some of the burden from the local community, which is largely dependent on property taxes, and place it on the state, which has other sources of taxation. It would mean greater educational opportunity for children living in parts of the state where the Real Estate Tax cannot support good schools. The Committee favors larger units of school administration for greater efficiency and economy of operation.

"THE INCOME TAX
IS A SCHOOL TAX."

The Committee has not concerned itself with methods of taxation, because of the political issues involved. It has been willing to leave to the legislature elected for that purpose decisions as to what and how taxes should be levied. It has spent its time and effort presenting facts of the plight of the schools to the legislators, letting them know that the public wants the state to fulfill its obligations toward the education of its future citizens. The Committee has also agreed that "The Income Tax Is a School Tax," and that other state services should not be financed at the expense of the schools. The present Income Tax has served as a real replacement tax, helping in part to replace the money lost to schools from declining property tax receipts. An enlarged and revised Income Tax, combined with such other state funds as are also earmarked for schools, might make it possible for the state to pay State Aids in full and to assume a greater share of school costs. There will be many demands from several sources to use the Income Tax for other purposes than the support of schools.

FURTHER INFORMATION
IS ENCLOSED

Some facts and figures are enclosed with this bulletin. For further detailed information consult your local school authorities or write the secretary. There is still a great lack of information about the costs of schools, about the drastic cuts in their budgets, and about their needs in the face of increasing high school enrollments. Minnesota has always been committed to the principle of state responsibility for education, but it does not rank very high in the amount of financial support it has given to live up to its responsibility. Legislators, as well as the general public, need to be given dependable information. It is the job of those interested in preserving educational opportunity to obtain that information and to spread it.

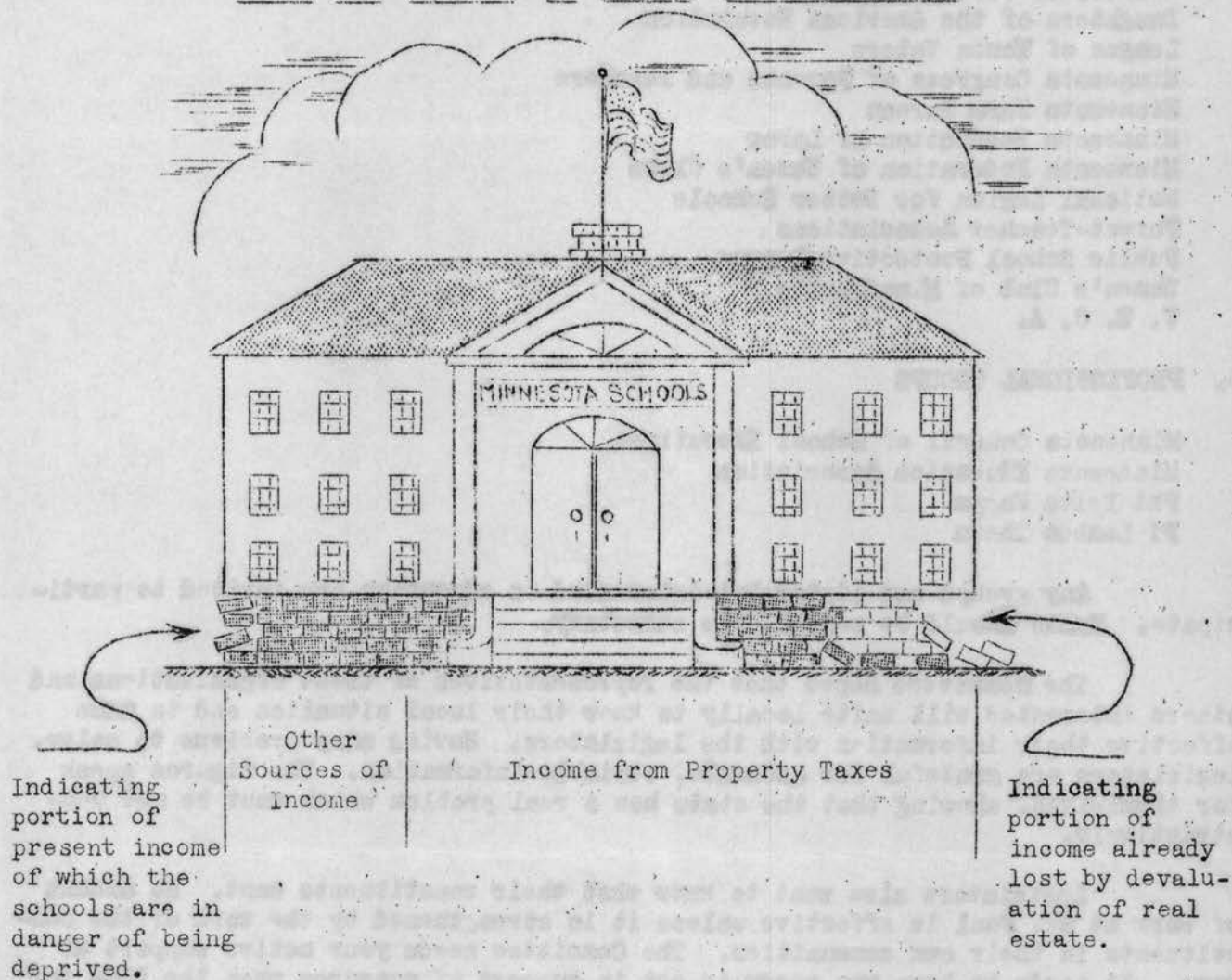
* * * * *

MAKE THE IDEAL
A REALITY

It is only as public opinion is enlightened and alert that the state can go forward to carry out the principles written into its State Constitution by the pioneers, - the belief that common welfare demands educational opportunity for all citizens. It is the task of this generation to see that the state assumes its acknowledged responsibility by providing enough money to make the ideal more nearly a reality.

* * * * *

LET US BUILD A FIRM FOUNDATION



In 1935 more than 550,000 children were using the Minnesota public schools. They cannot speak for themselves. Will you help give them educational security?

STATE-WIDE ORGANIZATIONS HAVING REPRESENTATIVES ON THE CITIZENS' COMMITTEE

A. LAY GROUPS

American Association of University Women
American Legion
American Legion Auxiliary
Council of Jewish Women
Daughters of the American Revolution
League of Women Voters
Minnesota Congress of Parents and Teachers
Minnesota Farm Bureau
Minnesota Federation of Labor
Minnesota Federation of Women's Clubs
National Legion for Better Schools
Parent-Teacher Associations
Public School Protective League
Women's Club of Minneapolis
Y. W. C. A.

B. PROFESSIONAL GROUPS

Minnesota Council of School Executives
Minnesota Education Association
Phi Delta Kappa
Pi Lambda Theta

Any groups not listed but interested in education are invited to participate. Names should be sent to the secretary.

The Committee hopes that the representatives of these organizations and others interested will unite locally to know their local situation and to make effective their information with the legislators. Having many problems to solve, legislators are grateful for accurate, reliable information. The figures speak for themselves, showing that the state has a real problem which must be met constructively.

Legislators also want to know what their constituents want. No amount of work at St. Paul is effective unless it is strengthened by the work of the constituents in their own communities. The Committee needs your active support at home. It needs to have you ready to act in support of measures when the time for action is ripe. It is never too early for you to supply information and to register greater interest in the support of education.

This bulletin is being sent to all legislators. If you have others to whom you wish it sent, report to the secretary.

Citizens' Committee on Public School Finance
December 31, 1936

SOME FACTS AND FIGURES ON SCHOOL COSTS

I.

School costs have not increased as fast as school enrollment at the high school level. (High schools cost approximately twice as much as elementary schools. Shall we pay for them or deny them to the children of the state?)

High School Enrollment

1915	1935	Percentage Increase
39,520	124,556	215.2%

Total Enrollment of All School Children

1915	1935	Percentage Increase
466,060	566,022	19.3%

School Expenditures

1915	1935	Percentage Increase
\$19,833,230	\$44,453,110	124.1%

II.

Per pupil costs have dropped since the depression.

1932	1935	Percentage <u>Decrease</u>
\$94.92	\$79.92	15.8%

III.

Schools have depended largely on the property tax.

1930	1935
80.9% local school district revenue	73.8% local district revenue (largely property)
17.5% state	24.4% state support (part from property)

IV.

Minnesota ranks twenty-first in the percentage of State Aid.

1. Delaware	82.5	8. Georgia	37.3	15. Florida	30.1
2. North Carolina	66.0	9. Louisiana	36.2	16. Oklahoma	28.4
3. California	63.5	10. Indiana	36.1	17. Nevada	26.6
4. Texas	61.8	11. New York	33.5	18. Arizona	26.0
5. West Virginia	53.2	12. Virginia	31.8	19. Ohio	25.4
6. Washington	50.0	13. Michigan	31.4	20. South Carolina	24.5
7. Utah	41.1	14. Alabama	31.2	21. MINNESOTA	24.3

V.

Reductions in assessed valuations have lessened receipts from property taxes. In Minneapolis, assessed valuation dropped from \$330,000,000 in 1932 to \$259,000,000 in 1936. One mill yielded \$330,853 in 1932 and \$259,561 in 1936. Get the facts on your local situation from your school authorities.

VI.

Receipts from the Income Tax have replaced in part only the revenue lost from reduced property tax receipts.

Total Income Tax Receipts

1935	1936
\$3,036,857.60 (\$7.50 per child)	\$2,804,083.35 (first half) (Second half estimated to be higher. Total estimate, \$9 per child.)

VII.

Although the total receipts have declined, the proportion of costs borne by the state has increased.

Receipts for Schools

1932	1935
\$50,077,873 - State - 22.2% (no Income Tax) Local - 77.8%	\$46,153,728 - State - 25.2% (Income Tax \$3,036,837.60 in total state share of \$12,077,324) Local - 73.8%

VIII.

Although the legislature voted funds for schools, lack of money has made it necessary to pro-rate state aids. Special state aids required \$7,386,960.91. They have been pro-rated at 75.1% of the 90%, with the exception of a certain few which the law specified should be paid in full. (90% is considered to be payment in full.)

Each local community can see how these figures have affected the financing of education and the taxpayer by consulting local school authorities.

IX.

Increases for education in Minnesota compare favorably with increases in other departments.

Total Disbursements in Minnesota (for 3 services)

	1915	1921	1935
Education	\$19,833,230.00	\$44,334,801.00	\$44,453,110.00
Highways	None	5,677,242.83	17,770,263.91
Institutions of Public Welfare . .	3,728,238.38	4,961,327.11	5,075,749.08

FOURTEENTH CONFERENCE
CITIZENS' COMMITTEE ON PUBLIC SCHOOL FINANCE
MONDAY, JANUARY 25, 1937, 7:45 P. M.
ROOM 3, CITIZENS AID BUILDING
EIGHTH STREET AND FOURTH AVENUE SOUTH, MINNEAPOLIS

This fourteenth conference is exceedingly important. The State Department of Education will present its program so that we may be informed and coordinate our efforts for the support of education. Present indications also are that there is a real chance for progress in the direction of obtaining a sound, scientific system of assessing property in the state.

Mr. George Wallace of the Tax Commission will tell us what steps forward may be taken and to what extent we may help bring about the much needed improvement in our present antiquated, unscientific way of taxing property.

V. E. MIKKELSON, Chairman

CLARA S. PAINTER, Secretary

1-18-37
CSP:LE

January 22nd,
1937

Mr. Ernest Hanson,
New Ulm, Minnesota.

My dear Mr. Hanson: -

I had a talk with Mrs. Painter the other day in regard to the meeting of the Citizens' Committee on Public School Finance called for next Monday. At her request, I am writing to you in regard to several points which pertain to the Citizens' Committee and to the League of Women Voters.

May I first inform you that Miss Katherine Wallace will attend the Monday meeting to represent the State League of Women Voters, but our permanent representative on your advisory committee will be Mrs. Ellwood Newhart, who is my first vice-president. She will be out of the state on Monday so is sending Miss Wallace as her substitute.

Mrs. Painter also wished me to call to your attention the fact that there is in existence a Legislative Council composed of representatives of all state organizations interested in welfare legislation. Miss Katherine Wallace is the chairman of this Council, and they would be very glad to have a representative of your Citizens' Committee on this Legislative Council. You will have an opportunity on Monday evening to talk with her on this subject. Mrs. Painter and I both realize that it is very necessary not to overlap more than we can possibly help in these numerous existing legislative organizations.

Also at Mrs. Painter's suggestion I am enclosing the items connected with education upon which the League of Women Voters is doing active work this year. This is as a suggestion for use on the back of your letterhead paper under your principles and programs of cooperating organizations.

Sincerely yours,

Ruth H. Mitchell,
President

RHM c
encl.

THE LEAGUE OF WOMEN VOTERS

1. Qualified personnel in public service
2. Units of school taxation and administration large enough for economy and efficiency.
3. Protection of academic freedom as basic to sound education.
4. Statement, uniform system of tax assessment.

CITIZENS' COMMITTEE ON PUBLIC SCHOOL FINANCE

Minneapolis, Minnesota

January 29, 1937

Dear Friend:

The matter of Federal Aid has been somewhat discussed in the Citizens' Committee and should receive further consideration. On Tuesday evening, February 2, the Minneapolis Public Forum presents a symposium on proposed federal legislation for school financial aid, at eight o'clock at West High School.

The discussion led by Mr. John Callahan, Wisconsin State Superintendent of Public Instruction, and Mr. Lynn Thompson of the Minneapolis School Board will cover the Ryan-Lundeen Bill and the Harrison-Fletcher Bill. Superintendent Reed will preside.

We urge that you attend this forum if possible.

Sincerely yours,

V. E. Mikkelsen
V. E. Mikkelsen, Chairman

VEM:GK

Clara S. Painter
Clara S. Painter, Secretary

CITIZENS' COMMITTEE ON PUBLIC SCHOOL FINANCE

MRS. H. K. PAINTER, CHAIRMAN
4817 FREMONT AVENUE SOUTH

DR. E. J. W. BOQUIST, SECRETARY
2212 POLK STREET NORTHEAST

MINNEAPOLIS, MINNESOTA

BULLETIN NO. 15

MARCH 5, 1941

AT LAST THE INTERIM COMMITTEE REPORT

REPORT IS
EXTENSIVE

The report of the Interim Committee on Education is out. It warrants your careful study, for it offers far reaching suggestions for changes in education. It contains valuable information, charts, and statistics, representing an amazing amount of work accomplished in a comparatively short time. The report includes recommendations on: changed investments of permanent funds, higher education, junior colleges, changing the function of the state teacher colleges to that of training for elementary education only, combining state teacher college boards with the state board of education, changes in administration, matters concerning standards for teachers - their placement and tenure, revision of state school laws, changes in state aids. In addition to its recommendations, it suggests future changes on which the committee could not agree to make unanimous recommendations. If you read between the lines, and study the difference between the recommendations and the suggestions, you can see the difference between what needs to be done, and what, as a practical voting matter, was done. The committee advises further study of several items such as the further investigation of the effect of state aids on administration and efficiency. The enclosed digest is limited to a discussion of the recommendations on state aids.

REPORT RAISES
QUESTIONS ON
WHICH OPIN-
IONS DIFFER

Briefly, the report states that no additional aid can be expected from the state, and that changes should be made in the distribution of the money now given. Briefly again, it moves in the direction of increased aid to the districts now receiving supplemental aid. In so doing, it will create serious situations in some schools which do not receive supplemental aid, but which face difficult taxing situations locally.

We remind you (see last bulletin of this committee) that supplemental aid goes to districts which by levying 30 mills do not realize a specified amount of money for schools. The basis of granting this aid rests in part on locally determined assessed valuations. Though there is general agreement in principle on the need for supplemental aid, critics of the recommendations maintain that it is impossible to separate the question of increasing supplemental aid from two other factors on which no recommendations were made. They state first, the impossibility of measuring need accurately so long as areas determine their own standards of assessment, and wish recommendations for state wide standards for assessment. They

(Citizens' Committee on Public School Finance
March 5 - Page 2)

state second, that since the committee reports the need for further study of the effect of state aids on efficiency of organization, that no increase in supplemental aid be granted until it can be made certain that such aid would not serve to perpetuate inefficient organization. Proponents of the report feel that recommendations on assessments are beyond the province of the committee, and wish to make now such changes as they think necessary for equalizing opportunity, leaving to the future efforts for eliminating inefficient organization. They are willing to take a step at a time. Those who oppose the recommendations think that two or three steps should be taken together. Difference of opinion will center about this point. It is to be regretted that the committee could not agree on further recommendations on nonresident high school tuition, which takes an increasing amount of state funds. You will observe a big discrepancy between what the committee offers as suggestions and the actual recommendations.

CITIZENS'
COMMITTEE
WILL MEET
TO DISCUSS
THE REPORT

The recommendations include matters on which the Citizens' Committee has taken previous action, so that the committee will want to meet to decide whether or not it is in agreement with the Interim Committee. The Citizens' Committee has stood for increased state aid since 1935. State aid, in the meanwhile, has increased from 1/4 to 1/3 of the total cost, so it will be desirable to reopen discussion on that point. Since the Committee also has asked for larger units of administration, it may want to ask whether an increase of certain state aids, as recommended, may serve to perpetuate rather than to discourage very small units. Although the recommendations help the districts needing aid to equalize opportunity, they leave unsettled the problems of areas which looked for increased aid as a means of equalizing their tax burden. Urban areas will find their problems greatly increased if the recommendations become law. The Citizens' Committee, as usual, hopes to evolve a course of action which will tend to unite urban and rural groups, and will try to reconcile conflicting interests in behalf of unified action among the friends of the schools.

A summary of the major recommendations on state aids is included on a separate sheet. The Interim Committee should be congratulated on the time and effort they have expended, on their method of approach, their search for facts, and their fairness in permitting the inclusion of suggestions which they could not agree unanimously to follow. There is still more work for them to do in following through on the topics they list for future study. They have made a real contribution toward the solution of some difficult problems. In whatever area you live, whether your school problems are made more difficult or less difficult by the recommendations, you are urged to study the recommendations in the light of their long range, state wide effect on education in Minnesota. This report is an epochal document which may have far reaching results for all areas and all children.

A DIGEST OF THE INTERIM COMMITTEE REPORT AS IT AFFECTS STATE AIDS

GENERAL STATEMENT -

The income tax is the main source of support for school aids. The major portion of the funds distributed goes to (1) income tax distribution, (2) supplemental aid, (3) apportionment, and (4) nonresident high school tuition. All other aids are comparatively small. Some aids are paid in full, some are prorated or have limitations on the total. Those paid in full are high school teacher training, nonresident high school tuition, transportation of crippled children, apportionment. Some are prorated as 54 per cent. The committee recommends prorating all aids, including the income tax distribution, except apportionment of the income from the permanent fund. They estimate that by equal prorating, they could pay all aids at 87.5% of the total. Specific recommendations follow:

A. Apportionment. By constitutional provision, proceeds from the permanent fund must be apportioned on a per pupil basis. But the recommendation would transfer proceeds from the one mill state tax from an apportionment basis to the payment of special state aids, and would limit apportionment to schools of nine month sessions. The result will be to increase the amount for such special state aids as are recommended for continuance.

B. Income tax distribution. The committee condemns the present distribution of ten dollars per pupil as unsound. The per pupil distribution was formerly agreed upon as a means of affording tax relief to local areas. Though dissatisfied with this distribution, the committee recommends its continuance with certain limitations as follows:

1. The ten dollars to be subject to prorating.
2. The ten dollars to be paid to the districts where the nonresident high school pupil attends instead of to the district of residence.
3. The total to be limited to \$50 per pupil in average daily attendance in a public school (this affects districts where there is large parochial school enrollment, and little or no public school service).
4. To be sent only to districts where the assessed valuation, excluding money and credits and agricultural land, is less than \$4,000 per child eligible (this affects mainly the range country).

C. Changes in special state aids, now granted to certain kinds of schools, certain kinds of children, certain kinds of districts, are recommended:

1. Elimination of all classification aids, with the exception of a superior aid of \$50 to ungraded schools and certain other public schools meeting fixed standards and which still need to be encouraged (for complete list of classification aids, see last bulletin).
2. Elimination of all special department aids such as home economics, agriculture and commercial education.
3. Reduction of aid to handicapped students to the amount which they have actually received under last year's severe proration of 58.5 per cent. Subjecting this reduced amount to proration will further decrease the aid.
4. Reduction of transportation aid as follows:
 - a. Aid for transportation in consolidated, county, ten or more township, and unorganized districts be limited to 75% of the cost, but transportation of isolated pupils be continued under a fixed maximum, and transportation of crippled children be maintained.

- b. Transportation of nonresident high school pupils, which should be a joint responsibility of parents and local districts, be further studied but be limited temporarily to \$5 annually per pupil reimbursement to districts providing transportation.
5. Supplemental aid. This aid is an equalization aid which the committee believes should be paid in full. By elimination of classification aids, the transfer of the state one mill tax, by equal prorating of aids, the committee hopes that the supplemental aid can more nearly be paid in full. They estimate 87.5% instead of 54 per cent. They recommend reducing the per pupil amount to \$50 per elementary and \$90 per high school pupil. This reduction in standard is a concession to the financial condition of the state, but still leaves a higher basis for a foundation program than that in other states. This standard is still higher than the appropriations can meet, if the total appropriation for education by the state is kept, as recommended, to the present level, and will not permit the aids to be paid in full.
6. Nonresident high school tuition. This aid takes an increasingly large amount of state funds. It now stands at over \$2,000,000 and is estimated soon to reach \$3,750,000 if continued under the present system. Districts educating nonresident high school pupils are not reimbursed on a cost basis, yet almost 40% of the elementary school pupils live in districts which do not support high schools. The district educating the child should be reimbursed on a cost basis. This raises the question whether the state should continue to be responsible, or whether the districts should assume responsibility for the education of their own high school children. Several plans for paying high school costs are offered as suggestions for further study and later action. The committee recommends as a partial, first step solution to a very pressing problem, that \$7 per month tuition be continued as a state aid, but that -
 - a. Districts with a hundred or more pupils should pay the entire cost, subject to such other state aids to which it is entitled. The district could then build its own school or arrange on a cost basis with other districts supporting a high school. It is generally agreed that a hundred pupils is too small a high school unit to provide adequate high school education in a separate high school, but this provision would permit a district to pay costs in a larger high school in another district.
 - b. The \$10 per child income tax allotment would go to the district providing the education in high school.
 - c. Tuition payments on nonresident high school pupils in University Schools of Agriculture should come from the University budget instead of from state aids. They recommend further study of the whole question of nonresident high school tuition.
7. Library aids are recommended for elimination.
8. High school teacher training departments are also recommended for elimination.
9. Gross earnings aids are recommended for reduction (these are aids to districts where local property taxes are reduced by exemption of property taxed under the state gross earnings tax) to a lower maximum and on a resident pupil in average daily attendance basis.
10. Offers a means of relief to districts where adjustments are needed between agriculture and private lands taxable for schools.

WHAT YOU CAN DO

Confer with your local school people to determine how the recommendations affect your district.

Ask your legislator to supply you with a copy of the report.

Call together the local representatives of the state organizations represented on the Citizens' Committee (see last bulletin). Help create an enlightened and interested public opinion on the recommendations.

If you don't know the names of your legislators, ask your school authorities. A complete list is published in the M.E.A. Journal for February.

If you care to contribute a dollar toward the cost of preparation and mailing of these bulletins, and have not already done so, send your dollar to Mrs. H. K. Painter, 4817 Fremont Ave. S., Minneapolis. Checks should be made payable to Mrs. Charles Shafer, Treasurer. There was a fine response to the first bulletin. We want you to have the bulletin whether you pay a dollar or not. This is not a dun. The dollar is a voluntary contribution to be sent only in case you are interested enough to want to help pay costs. All work except the labor involved in running off and mailing the bulletin is volunteer work.

March 19th, 1941

Items in regard to the Citizens Committee on Public School Finance found in bulletins and letters, and in the folder: -

The committee was first planned in the latter part of 1933. Its obligations are: 1. To awaken citizens to the emergency facing schools in the state - -
2. To understand the needs and problems of public schools, to support economies where practicable and desirable, and to help secure revenue needed to maintain schools on a high standard.

"In 1934 representatives of various state organizations interested in education, met to study the financial problems created by the depression, assisted by experts. They finally adopted a program. Parts, and in some cases, all of the program, has since been incorporated into the state program of the cooperating organizations. No organization is committed to the program, except by its own action."

"A letter signed by Mrs. Painter, calling a meeting for Jan 13th, (year not mentioned) states that "the Citizens Committee on Public School Finance is composed of the heads of state organizations interested in education and various experts on education and finance."

Numerous school finance conferences and meetings of sub-committees were held. Dr. Elizabeth Monahan was present at the luncheon meeting and advisory legislative committees Jan. 26th, 1935. (In a telephone conversation with Dr. Monahan, I learned that she attended a second meeting about two months later.)

~~The Bulletin for November 1935 states: "The~~

The Citizens Committee supported the full amount of the Omnibus Tax bill of April 1935.

The Bulletin dated December 31st, 1936, states: "The Committee has not concerned itself with methods of taxation, because of the political issues involved. It has been willing to leave to the legislature - - decisions as to what and how taxes should be levied. It has spent its time and effort presenting facts of the plight of the schools to the legislators."

The Fourteenth Conference of the Citizens Committee on Public School Finance was held Jan 25th, 1937. In a letter dated Jan. 22, 1937, Miss Mitchell states that Mrs. Newhart, 1st vice president, will be the permanent representative on the advisory committee of the Citizens Committee.

Walter S. Loring -

March 19th, 1941

Items Concerning the Citizens' Committee on Public School Finance
Found in the Minutes of the Minnesota
League of Women Voters

Sept. 13th, 1934

"Mrs. Denny read a letter from Mrs. Painter and the statement by Professor Blakey regarding taxes and schools! A discussion followed. "Mrs. Cant then moved, seconded by Mrs. Musser, that a committee be appointed by the President to draw up a recommendation in regard to such an item, which can be presented to the pre-Convention Board Meeting and to the Convention for action."

Oct. 1st, 1934

"Mrs. Pearce moved that an item to be numbered 4, be added under recommended policy; 'That the League of Women Voters may support measures to provide sufficient funds for maintaining a high standard of education with the equalization of educational opportunities.'" Mrs. Richards seconded the motion which was carried.

Feb. 8th, 1935

The Board Meeting was held in St. Paul. "The Board reconvened for a short meeting at the state Capitol after luncheon to discuss possible support for the bill for increased state aid to schools, proposed by the Citizens Committee for Public School Finance, HF 318. After discussion and the recommendation of Mrs. Pearce, Mrs. Denny moved, seconded by Mrs. Towler, that the League support this bill under the item for a reversion of state aid to schools. An amendment to this motion was made by Mrs. Richards, seconded by Mrs. Cant, making clear that the League ~~is~~ in no way supports legislation by which this appropriation should be raised, and if this bill should become a part of the tax-replacement bill, then the Board reconsiders its support."

March 8th, 1935

"Miss Horr reported that Mrs. Pearce recommends that the League support four bills pertaining to the revision of state aid to schools, HF 815, 816, 846, 862." (If I remember correctly, these bills were on the program of the Citizens Committee)

April 12th, 1935

"There was some discussion of the position of the League as a member of the Citizens Committee on Public School Finance, since publicity has indicated that the Citizens Committee is supporting the Omnibus Tax Bill. It was felt that since HF 382 is now probably dead, the League is no longer involved."

Oct. 11th, 1935

"A letter was read from the Citizens Committee on Public School Finance inviting the League to send a representative to a joint meeting of the executive and legislative committees to be held Mon, Oct 21st. After discussion, Mrs. Cant moved that the President be instructed to write to the Citizens Committee that we are supporting other projects in the legislature, requiring appropriations that might be jeopardized by too much emphasis on the education and that the League cannot support public school finance if it is tied up with tax question upon which the League has taken no stand as yet." The motion was seconded by Mrs. Swain and carried. (Following the Board Meeting such a note was written to Mr. Mather saying that "it would be unwise for the League to be a member of the Citizens Committee this year.")

June 10th, 1938

It was agreed that Mrs. Bartlett should informally represent the League at the meeting of the Citizens Committee on Public School Finance to be held Mon. evening, June 13th.

Feb. 14th, 1941

"The question of League representation on the Citizens Committee on Public School Finance was brought up. No meetings have been held recently to which the League was invited to send a representative, but a recent bulletin published by the Committee lists the League among the sponsoring organizations. There was advisability of the League's protesting its inclusion inasmuch as no meetings have been reported to the League. The opinion was expressed that although many organizations have a definite responsibility for educational problems, it is not the primary responsibility of the League, although there is interest in it. It was voted on motion of Mrs. Cant, seconded by Mrs. Duff, that because we have such a very limited program in the educational field, our name be withdrawn from the sponsorship of the Citizens Committee on Public School Finance, inasmuch as the program is so broad."

Mabel S. Henry.

APR 17 1941

Citizens' Committee on Public School Finance
Minneapolis, Minnesota

April 14, 1941

Dear Member:

Enclosed is a copy of the minutes of the last meeting and the treasurer's report. May I, in sending them to you, add my own observations on the committee and its work for your consideration?

First, may I remind you that the members of this committee, though coming from organizations, act as individuals. If after discussion there is agreement, the committee expresses that agreement in motions expressing its collective thought. The conclusions in no way bind the organizations but members are asked to report the conclusions to their organization for such consideration as each cares to give. The committee exerts no legislative pressure; it serves as a clearing house for organizations interested in education; it issues factual information. The effectiveness of its conclusions depends entirely on the extent to which member organizations themselves develop them.

With that in mind, please note the recommendations of the committee. As a statement of faith, the committee recommends Federal Aid without Federal control. Some member organizations already have that on their programs, others do not. The committee saw no need for reversing its former position of asking for more state aid, so the committee still recommends increased state aid. You will notice that the committee wished to have the work of the Interim Committee continued for another two years, and did not recommend any specific items for passage.

As Mr. Jedlicka pointed out, the Interim Committee started with the assumption that there shall be no increase in state aid. Such is a natural assumption for a legislative group, subject to pressure for spending money in many directions as well as to pressure for tax reduction. There seems merit in Mr. Jedlicka's suggestion that we should ask that a committee start not with that assumption, but with a desire to find the educational needs of the state. It may be that we should, as a committee, recommend to our member organizations that they work on the education of public opinion to the end that we secure a study based on surveying the entire educational needs of the state before any program of change is adopted. Such a demand will have to come from citizens, it will not come from the legislature. There is merit in Mr. Blakey's suggestion that we may need to convince the public that it should spend more money for education. It may well be that we should be thinking, even in a time like this, of the need of expanding such educational services as health and vocational education instead of thinking in terms of contracting services. It is obvious that the more advanced systems, those offering extra services such as health and vocational education, cannot expand unless given additional funds, and that they cannot look to local real estate taxes for such expansion. Should it not be the function of this committee to stress the importance of education as Dean Peik suggested, in building morale, in training for loyalty to the democratic ideal?

We should appreciate your suggestions for ways in which this committee might serve to awaken public interest to the importance of supporting adequate schools throughout the state. It was obvious at the meeting that only a program which recognized urban as well as rural needs can hold this committee together. Any proposals that take away from one place to give to another, that do not attempt to meet the needs of all, will cause dissension, not unity. Is it not possible to find a program for the entire state that will unite, not antagonize, all sections of the state? It is only by united action in behalf of a comprehensive program that we can promote education. Is it not sound for member organizations to ask to have a plan start with surveying educational needs everywhere, and build a plan around that, instead of continuing on the assumption that the maximum in state aid has been reached? Certainly we cannot convince the public it should spend more money on its schools until it understands what the specific needs of schools are. If the need can be demonstrated on a basis of facts, cannot the citizens be expected to find a way to meet the needs, to the end that school service may expand, not contract? A country such as ours depends for its preservation on adequate public education. We can still follow Washington's advice, "Promote then as an object of primary importance institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it is essential that public opinion should be enlightened."

Should the furtherance of that advice be the responsibility of the members of this committee? Please let us hear from you.

CP;mc

Clara S. Painter
Chairman

Citizens' Committee on Public School Finance

Minutes of Meeting - March 17, 1941

Time - Monday, March 17, 1941, 6:15 Dinner

Place - Minnesota Union

Chairman - Mrs. H. K. Painter, presiding

Mrs. Painter opened the meeting with general remarks on lapse of time since previous meeting and on what had been accomplished since last meeting. Two bulletins had been sent out and a revision had been made in the present mailing list to bring it up to date. Each bulletin represents work passed on by many. Mrs. Painter pointed out that school executives had responded by many one dollar subscriptions to the service.

The Treasurer's report was read and adopted on motion of Mr. Jedlicka, seconded by Dr. Peik. The motion carried.

Mr. Jedlicka suggested that the Committee try to include in bulletins, present bills on education in the Legislature. Discussion followed. Mr. Reed felt it was too big a job, since eight bills on education alone had been introduced that day. Mr. Johnson spoke of a service offered at \$10.00 giving all bills introduced. What about a service at \$5.00 for only bills on education? The general feeling was that there was a genuine need for a "digest on bills". Would the M. E. A. be interested in getting out such information? Upon motion of Mr. Jedlicka and seconded by Mrs. Linsley, a motion was made to ask the M. E. A. to publish such a digest on a subscription basis. The motion carried.

Mrs. Painter then spoke of the need of a nominating committee, for slate of new officers. Mr. Reed moved that Mrs. Painter carry on the splendid work indefinitely. This was seconded by Mr. Johnson. The motion carried.

Mr. von Bergererode began his discussion of the Interim Committee report and the recommendations made. He felt that this Committee (joint committee of House and Senate) of seven was chosen carefully for a purpose, and that its members were conservative and strong legislators representing both rural and urban communities, together with the President of a College, who on the whole looked at the problem of State Aid as a whole.

The Committee agreed that - (1) Aids should be limited to previous amounts, and (2) Whatever program was worked out, aids should be paid in full. Therefore two limitations were set up at once. It meant an overhauling of all the aids and evaluating them; to Mr. von Bergererode, a splendid approach to the problem. He spoke of the changes in special state aids recommended by the Committee.

The Committee compromised on the field of reorganization. It agreed there were too many small local districts, but offered no recommendations. Mr. von Bergererode felt recommendations which were made were a tremendous gain.

Comments and discussion followed:

Dr. Peik - said it was a splendid presentation, what about bills introduced? Answer - of nine bills introduced by the Committee, three were on way to passage.

Mr. Reed - the report on a high plane, but the situation in Minneapolis is such that if report went through, Minneapolis would have a net loss of \$216,000. Mr. Reed felt supplemental aid cannot be paid in full. Minnesota is attempting equalization on a very ambitious scale, higher than in other states.

Mr. Jedlicka - took issue with report in following remarks:

1. Who gave Committee mandate to say no more money is to be paid by state?
2. Education is a matter of state concern, not both local and state as Committee says.
3. Felt Committee did not function as a committee to solve a problem. Get your program first, then determine costs. We still do not know needs of school. What about health program, the most vital? The Committee went at the matter backwards.

Described conditions in Proctor and unfair workings of the Committee recommendations.

4. In regard to the Endowment Fund of 100 million, \$5 million came from the north, and now 64% is being spent in southeastern Minnesota. The cost to operate schools varies in different localities, even the Federal Government recognizes this, and so should the state.
5. Gross Earnings Bill, if passed, will mean a loss of \$47,000 to Proctor, with no means of replacement since state took their taxable wealth in gross earnings tax.

Mr. Utne - In reply to Mr. Jedlicka, all children are wards of the state, only eight states getting gross earnings aid. We are confronted by a condition, not a theory. What have we to recommend to the Legislature in place of this report?

Mrs. Painter - Should this Committee look on a long time program? (The need for more money for schools, the need for a wider tax base.) Are we setting up a standard greater than resources of the state? Certainly we need more facts.

Mr. Reed - Proposed first, we work out a program of needs, then cost, and then where to get the money. Felt we needed to study much further.

St. Paul - Raised the question of how much money can be secured for education. See what we spend on cosmetics, tobacco, etc., fifty per cent more than for education.

Mrs. Anderson - Did the Interim Committee study effect of recommendations?

Mr. Jedlicka - Supplemental aid is sound but why not raise tax millage for qualifying from 30 to 35 or 40 mills? For ten years the Council of School Executives, M. E. A., State School, has gone on record to pay state aids in full.

Dr. Peik - Believes in principles of report, but recommends

1. Federal support of education without Federal control. Motion made by Dr. Peik - seconded by Mr. Jedlicka.
2. Moved that the Interim Committee continue with an objective study - seconded by Mrs. Linsley.

Both motions carried.

Cost of education varies in different localities. Equalization must be based on this.

Mr. Reed - It is more and more difficult to get money for schools, so with taxes. Can we expect Federal Aid? We need to hold fast to what we have locally.

Dr. Blakey - Can we expect Federal support? With increased proposed taxes, hardly so. What can we expect from Minnesota? If more to education, less to relief. Committee makes recommendations that will get by, but is below an ideal limit. It is up to us to sell schools to the state.

The meeting adjourned at 9:45 p.m. with no agreement in support of the Interim Committee recommendations.

Mrs. Charles E. Shafer,
Secretary, pro tem.

Citizens' Committee on Public School Finance

Treasurer's Report

March 17, 1941

Balance in Treasury January 1, 1941 \$.00

Receipts:

January-February-March subscriptions to bulletin	\$ 53.05	
January 9th, Minnesota Education Association contribution	25.00	
January 30th, Minnesota Division of A.A.U.W. contribution	25.00	
March 15th, Minnesota Congress of Parents and Teachers contribution	<u>10.00</u>	<u>113.05</u>
Total Receipts		\$ 113.05

Disbursements:

March 15th, Board of Education - for mimeograph paper, stencils, staples and ink	\$ 32.71	
March 15th, Multigraph Sales and Service Agency - one plate for state aid chart	3.50	
March 15th, Elander Printing Company - 5,000 envelopes, 10"	17.50	
March 15th, W. F. Gustafson - reimbursement for postage and mimeographing	<u>17.25</u>	
Total Disbursements		<u>70.96</u>
Balance in Treasury March 17, 1941		\$ <u>42.09</u>

Mrs. Charles E. Shafer, Treasurer,
Citizens' Committee on
Public School Finance

March 19th, 1941

Notes from the files, reported by Mrs. Collins:

In January 1937 there is on the file a letter from Miss Mitchell to Mr. Ernest Hanson of New Ulm, stating that Mrs. Newhart would serve as the League's permanent representative on their advisory committee, but that Katherine Wallace (as chairman of the League's legislative council) would attend the meeting, and sending them the education items of the interest to the League for use on their letter-head paper.

An old letter-head of the organization lists Dr. Elizabeth Monahan as a member of the legislative advisory committee from the League of Women Voters.

The ~~last~~ meeting of which we received notice was held January 16th, 1939, to which there is a notation to the effect that Mrs. Bartlett attended unofficially. A meeting was held on Monday, March 17th, 1941, which Mrs. Bartlett attended as an unofficial representative of the League.