



## 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](http://www.mnhs.org/copyright).

FSG- For file

LEAGUE OF WOMEN VOTERS OF MINNESOTA



555 WABASHA • ST. PAUL, MINNESOTA 55102

PHONE: (612) 224-5445

TO: Larry Johnson

FROM: Harriette Burkhalter, President

SUBJECT: Your Inquiry

DATE: September 15, 1980

# MEMO

The League of Women Voters of the United States has no position at this time regarding tax indexing. The League of Women Voters of Minnesota supported indexing of income taxes in the Minnesota Legislature in 1978, but our position could not be used on a national level.

FROM:

Place  
15¢  
Postage  
Here

TO THE HONORABLE  
HOUSE OFFICE BUILDING  
WASHINGTON, D.C. 20515

(STAPLE OR TAPE HERE BEFORE MAILING)

**TO THE DEAR HONORABLES IN WASHINGTON  
BY LARRY JOHNSON**

**CONTENTS**

**SECTION:**

- I THE REASON FOR THIS PAMPHLET**
- II THE PURPOSE OF THIS PAMPHLET**
- III MORE FIGURES**
- IV THE SOLUTION**
- V YOUR MESSAGE TO YOUR CONGRESSMAN**

Copyright ©1979 by Lawrence B. Johnson  
All rights reserved. No part of this  
publication may be reproduced in any form  
without permission in writing from the  
publisher, except for the inclusion of brief  
quotations in a review.





## **Partially Scanned Material**

The remainder of this page/item has not been digitized due to copyright considerations. The original can be viewed at the Minnesota Historical Society's Gale Family Library in Saint Paul, Minnesota. For more information, visit [www.mnhs.org/library/](http://www.mnhs.org/library/).

SEP 5 1980

Sept 1, 1980

Minn. League of Womens Voters

I am sending copies of the enclosed  
phamplet to the national office.  
I thought you should have copies  
also.

Sincerely  
Larry Johnson

Sept 1, 1980

copy

League of Women Voters

I suspect that the League firmly believes in the value of tax indexing based on changes in the level of income received by the American public.

You may be interested in using the mass mailing idea in my pamphlet. It can be done in a way eliminating any profit to me if you can bear the distribution and publicity cost.

Another approach ... The League could be in a position to challenge the presidential candidates to state their position on this issue.

Sincerely  
Larry Johnson

Home 612-854-7393

Office 372-3018

BILL FRENZEL  
THIRD DISTRICT, MINNESOTA

WASHINGTON OFFICE:  
1026 LONGWORTH BUILDING  
202-225-2871

STAFF DIRECTOR  
RICHARD D. WILLOW

Congress of the United States  
House of Representatives  
Washington, D.C. 20515

DISTRICT OFFICES:  
MAYBETH CHRISTENSEN  
180 FEDERAL BUILDING  
MINNEAPOLIS 55401  
612-725-2173

IRIS SAUNDERSON  
3601 PARK CENTER BOULEVARD  
ST. LOUIS PARK 55416  
612-925-4540

December 10, 1979

Mr. Larry Johnson  
8243 - 14th Avenue South  
Minneapolis, Minnesota 55420

Dear Mr. Johnson:

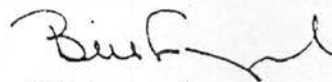
Thank you for contacting my office regarding the indexation of the tax code.

I agree with you that the tax code should be indexed, and have co-sponsored H.R. 365, a bill which would provide for the indexing of the tax code by tying it to the Cost-of-Living index.

I have sponsored the legislation for the past three years. The bill is currently in the Ways and Means Committee, and it is my hope that some action will be taken on it when the Committee starts consideration of a major tax bill early next year.

I appreciate your interest and support for the indexing concept.

Yours very truly,



Bill Frenzel  
Member of Congress

BF:dbf



INTERNATIONAL  
FINANCE AND MANAGEMENT  
GROUP INC.

MANAGERS AND CONSULTANTS

May 20, 1980

Ms. Harriette Burkhalter  
First Vice President  
League of Women Voters of Minnesota  
555 Wabasha  
St. Paul, MN 55102

Dear Ms. Burkhalter:

Thanks for Sheri Lanoff's article on Balancing the Budget. The League's interest in educating the public is commendable particularly since economics is a tough subject to address to the general public with any hope of understanding.

Sincerely,

William F. Ogden, Jr.

WFO:smv

MAY 15 1980

The Toro Company

One Appletree Square  
8009 - 34th Avenue South  
Minneapolis, Minnesota 55420  
612/887-5903

**David T. McLaughlin**  
Chairman of the Board

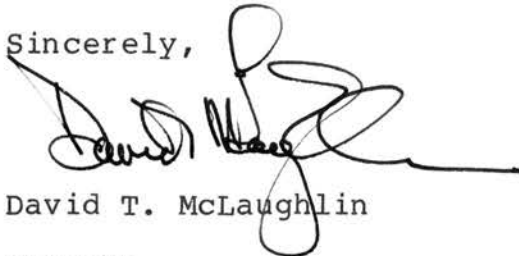
May 13, 1980

Ms. Harriette Burkhalter  
First Vice President  
League of Women Voters of Minnesota  
555 Wabasha  
St. Paul, Minnesota 55102

Dear Ms. Burkhalter:

I appreciated receiving a copy of your recent publication on the subject of the balanced budget and found it to be very well-done. I admire the service which you and your associates are providing to the community through the identification and clarification of major issues and wish you every continued success.

Sincerely,

A handwritten signature in black ink, appearing to read "David McLaughlin", with a long horizontal flourish extending to the right.

David T. McLaughlin

DTM/llh





## LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

*Harriette*

*Don't faint!*

May 8, 1980

Mr. David T. McLaughlin, Chairman  
Toro Company  
One Appletree Square  
8009 34th Avenue South  
Minneapolis, MN 55420

*Sent to 19 Presidents*

Dear Mr. McLaughlin:

As mutual participants in last fall's Spring Hill Conference on "Strategies for Fighting Inflation," you and I know much of the discussion centered around the issue of balancing the federal budget and the effect on our country's economy. Of course, the question is also in the headlines today.

The League of Women Voters is very interested in educating citizens about this timely but complex issue. I enclose a copy of our recent national publication on the subject of the balanced budget. As with all League of Women Voters Education Fund materials, it presents an unbiased, nonpartisan perspective in a clear, readable format. (If you would be interested in additional copies for your employees, we would be delighted to handle the order through our state League office.)

It was good to be part of the stimulating discussions at Spring Hill, and I hope you will enjoy reading this paper.

Sincerely,

Harriette Burkhalter  
First Vice President

B:M  
Enclosure



JAN 7 1980

January 4, 1980

Ms. Harriette Burkhalter  
League of Women Voters of Minnesota  
555 Wabasha  
St. Paul, Minnesota 55102

CHAIR  
RUTH J. HINERFELD

OFFICERS  
Vice-Chairs  
Pam Robbins  
Longboat Key, Florida  
Nancy M. Neuman  
Lewisburg, Pennsylvania

Secretary/Treasurer  
Yvonne G. Spies  
Bellevue, Washington

TRUSTEES  
Madeleine Appel  
Houston, Texas  
Doris G. Bernstein  
Highland Park, Illinois  
Lee Carpenter  
Issaquah, Washington  
M. Joanne Hayes  
Roughkeepsie, New York  
Hester P. McNulty  
Boulder, Colorado  
Pegina M. O'Leary  
Norwalk, Connecticut  
Dorothy K. Powers  
Princeton, New Jersey  
Dot Riangs  
Louisville, Kentucky  
Gina Reke  
Salt Lake City, Utah  
Florence R. Rubin  
Newton Centre, Massachusetts  
Ann S. Savage  
Oklahoma City, Oklahoma  
Ann W. Viner  
New Canaan, Connecticut

DIRECTOR  
Marna T. Mills

Dear Harriette:

In response to your query about the League's membership in the Citizens for Tax Justice coalition, the national board decided to join as a service to interested state and local Leagues. The affiliation will provide liaison with similarly interested organizations and a source of information on an issue that many Leagues have told us they are studying or on which they are taking action. As in any coalition the LWVUS joins, we reserve the right to join or not to join in any statement or other action strategy. The by-laws of the coalition state that its policies "shall not be binding on any member organization or its affiliates." And of course, the LWVUS has no position on tax and spending limitations or any other state or local fiscal issue; state and local Leagues are as always free to take positions and act under them without regard to this affiliation. In short, the affiliation should not affect your response in your state campaign.

Its implication for state and local Leagues will be as a source of information on tax issues and of assistance in coalition-building on the state level. In some cases the CTJ will provide financial assistance to state groups engaged in a campaign for progressive tax reform. You may write CTJ directly or contact the Urban Crisis Department at the League.

Incidentally, the staff people at CTJ have congratulated us on the state Leagues' excellent response to their questionnaire. (It's always nice to bask in reflected glory.) These responses will be made available to us for sharing with interested Leagues. We also hope to be able to share some of the substance of a January 11 LWVEF mini-conference on tax and spending limitations for twelve state Leagues from the area most accessible to Washington, D.C.

If we can be of further assistance, please let me know.

Sincerely,

*Florence*  
Florence R. Rubin  
Urban Crisis Chair





## LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

December 17, 1979

Mr. Mark H. Willes, President  
Federal Reserve Bank  
250 Marquette Avenue  
Minneapolis, MN 55480

Dear Mr. Willes:

Thank you for including me as a representative of the League of Women Voters of Minnesota in the Conference on Strategies for Fighting Inflation held at Spring Hill Center November 15 and 16.

I compliment you on your selection of presentors. Their points of view were diverse, and the interchange of discussion which followed was most informative and thought-provoking. The Conference Center facilities were, as always, pleasant, comfortable, and conducive to continued discussion of the arguments presented.

The League of Women Voters has long been interested and concerned about government taxing and spending and the effect on our nation's economy. I am enclosing a recent publication prepared by the League of Women Voters of the United States, THE BALANCED BUDGET: A CLOSER LOOK, which is an effort to improve community dialogue on the complex question of balancing the federal budget. Also enclosed is a copy of THE SALT II TREATY, BACKGROUND AND DEBATE, a publication prepared by the League of Women Voters of Minnesota on another topic under public discussion.

I look forward to future opportunities when we can share our ideas and seek solutions to the difficult problems of today. Again, I thank you for inviting the League of Women Voters of Minnesota to participate in this conference.

Sincerely,

Harriette Burkhalter  
First Vice President

B:M  
Enclosures 2



## LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

To: Florence Rubin, Urban Crisis Department, LWVUS  
From: Harriette Burkhalter, Financing State Government Chair, LWVMN  
Re: Reasons for LWV Participation in Coalition of Citizens for Tax Justice  
Date: December 10, 1979

The September, 1979, NATIONAL BOARD REPORT indicates LWVUS has joined a new coalition, Citizens for Tax Justice. We have received a questionnaire from C-T-J and replied to it indicating several areas where we expect action on tax limiting measures in Minnesota. We look forward to further contact with C.T.J.

We have a LWVMN position supporting a flexible multi-tax system for Minnesota, with specific support of some tax cuts in times of surplus (the present situation in Minnesota) and tax increases in times of shortfall. We recognize the need for thoughtful response to the tax revolt and spending limit movement, and our LWVMN Action Committee would be very interested in knowing the thinking behind your decision to join the anti-tax-revolt effort.

The Governor has proposed constitutional amendments that we will be responding to in the legislative session convening in Minnesota on January 22, 1980. One amendment would tie increases in state spending to increases in personal income level, and the other would require a 60% vote in the Legislature on bills to increase taxes. Knowing the thinking as to why LWVUS decided to join C.T.J. will aid us in planning our response to the tax limit campaign in Minnesota.

Thanks for your help - as always.

*Come to have  
an answer!*



## LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

To: Florence Rubin, Urban Crisis Department, LWVUS  
From: Harriette Burkhalter, Financing State Government Chair, LWVMN  
Re: Reasons for LWV Participation in Coalition of Citizens for Tax Justice  
Date: December 10, 1979

The September, 1979, NATIONAL BOARD REPORT indicates LWVUS has joined a new coalition, Citizens for Tax Justice. We have received a questionnaire from C-T-J and replied to it indicating several areas where we expect action on tax limiting measures in Minnesota. We look forward to further contact with C.T.J.

We have a LWVMN position supporting a flexible multi-tax system for Minnesota, with specific support of some tax cuts in times of surplus (the present situation in Minnesota) and tax increases in times of shortfall. We recognize the need for thoughtful response to the tax revolt and spending limit movement, and our LWVMN Action Committee would be very interested in knowing the thinking behind your decision to join the anti-tax-revolt effort.

The Governor has proposed constitutional amendments that we will be responding to in the legislative session convening in Minnesota on January 22, 1980. One amendment would tie increases in state spending to increases in personal income level, and the other would require a 60% vote in the Legislature on bills to increase taxes. Knowing the thinking as to why LWVUS decided to join C.T.J. will aid us in planning our response to the tax limit campaign in Minnesota.

Thanks for your help - as always.

File JAN 7 1980



League of Women Voters Education Fund 1730 M Street, N.W., Washington, D.C. 20036 (202) 659-2685

January 4, 1980

Ms. Harriette Burkhalter  
League of Women Voters of Minnesota  
555 Wabasha  
St. Paul, Minnesota 55102

CHAIR  
RUTH J. HINERFELD

OFFICERS  
Vice-Chairs  
Ruth Robbins  
Longboat Key, Florida  
Nancy M. Neuman  
Lewisburg, Pennsylvania

Secretary/Treasurer  
Yvonne G. Spies  
Bellevue, Washington

TRUSTEES  
Madeleine Appel  
Houston, Texas  
Doris G. Bernstein  
Highland Park, Illinois  
Lee Carpenter  
Issaquah, Washington  
M. Joanne Hayes  
Poughkeepsie, New York  
Hester P. McNulty  
Boulder, Colorado  
Regina M. O'Leary  
Norwalk, Connecticut  
Dorothy K. Powers  
Princeton, New Jersey  
Dot Ridings  
Louisville, Kentucky  
Gina Rieke  
Salt Lake City, Utah  
Florence R. Rubin  
Newton Centre, Massachusetts  
Ann S. Savage  
Oklahoma City, Oklahoma  
Ann W. Viner  
New Canaan, Connecticut

DIRECTOR  
Martha T. Mills

Dear Harriette:

In response to your query about the League's membership in the Citizens for Tax Justice coalition, the national board decided to join as a service to interested state and local Leagues. The affiliation will provide liaison with similarly interested organizations and a source of information on an issue that many Leagues have told us they are studying or on which they are taking action. As in any coalition the LWVUS joins, we reserve the right to join or not to join in any statement or other action strategy. The by-laws of the coalition state that its policies "shall not be binding on any member organization or its affiliates." And of course, the LWVUS has no position on tax and spending limitations or any other state or local fiscal issue; state and local Leagues are as always free to take positions and act under them without regard to this affiliation. In short, the affiliation should not affect your response in your state campaign.

Its implication for state and local Leagues will be as a source of information on tax issues and of assistance in coalition-building on the state level. In some cases the CTJ will provide financial assistance to state groups engaged in a campaign for progressive tax reform. You may write CTJ directly or contact the Urban Crisis Department at the League.

Incidentally, the staff people at CTJ have congratulated us on the state Leagues' excellent response to their questionnaire. (It's always nice to bask in reflected glory.) These responses will be made available to us for sharing with interested Leagues. We also hope to be able to share some of the substance of a January 11 LWVEF mini-conference on tax and spending limitations for twelve state Leagues from the area most accessible to Washington, D.C.

If we can be of further assistance, please let me know.

Sincerely,

Florence R. Rubin  
Urban Crisis Chair

REPORT ON PUBLIC FINANCE SYMPOSIUM

October 11, 1977

I. Keynote Address by Edward Hamilton

- A. State governments have become bank-governments and local governments are financed by bank-governments (state and federal) and by the private security market.
- B. Change from "layer cake" Federalism (where each layer of government is separate) to "marble cake" where they are intertwined.
  - 1. This process began in the depression.
  - 2. Inner-core cities
    - a. Worldwide it is found that the lower the per capita income of city residents, the higher the service demands.
    - b. Any innovation in services in cities is always financed by federal and state as well as city government.
    - c. From 1961-69 we had an economy that expanded but did not do anything about the bottom 20% of the economic scale - this was a traumatic experience that made the "Great Society" a reality.
    - d. Cities have three problems:
      - (1) explosion of demands for traditional services;
      - (2) explosion of demands for non-traditional services;
      - (3) explosion of costs of public services.

However, there is no perception of this politically - politicians run on politically making local governments pay their own way.

- e. Capital Expenditures
  - (1) Increasingly for operating items such as manpower training. This is justified by saying it's for "human investment."
  - (2) Most local government debt problems are with short term notes. It is a small leap from revenue anticipation notes (RAN) (which governments used to smooth out revenues from Feds, etc.) to tax anticipation notes (TAN). TANs are only o.k. if taxes aren't volatile and subject to change over short run. Income tax is volatile.
- C. Lessons are that public finance is built on a series of misconceptions.
  - 1. We don't have separate layers of government; we have interlocking structures.
  - 2. Bond rating business is in trouble because
    - a. they don't recognize that inner cities aren't self supporting;
    - b. All bonding is an answer to the question of who gets paid first in a crunch and bond rates don't have political antennae out enough.
      - (1) questions for bond raters should be:
        - (a) what is expected revenue of locality;
        - (b) how much of the expenditures are committed;



- (c) how volatile is revenue;
- (d) what is the long term payout of the thing being financed.
- c. Debt limits don't keep debt down - just promote creativity.

This speech was followed by a panel discussion of these matters by Mr. Hamilton, Osman Springsted, Tom Berg, Stephen Alness and Clyde Allen, during which it was acknowledged that Minnesota has these inner-city problems like everyone else and that we also have a debt limit that has indeed promoted some creativity in finding ways around it.

II. Luncheon was followed by an address on Public Pensions and Retirement Systems by Dr. Joseph Mentz.

- A. There are three points to a good pension plan
  - 1. Fair and equitable pension benefit
  - 2. Financed on a fully funded basis
  - 3. Costs consistent with taxpayer capacity
- B. In addition, you should have
  - 1. Uniformity of plan - all public employees should be in the same plan (with differing retirement ages for different classes of employees such as firemen)
  - 2. Plan should coordinate with Social Security
- C. Important questions for the future of a pension plan are
  - 1. What's the trend in assets vs. liabilities
  - 2. What's being done about the unfunded liability
  - 3. What's an adequate level of benefits
  - 4. When should it be paid
  - 5. Who should pay it

This was followed by a panel discussion by Mr. Metz, Dean Lund, Harmon Ogdahl, Donald Moe. Mr. Lund made the following points:

- 1. There should be employee contributions of 40-50% in a pension plan.
- 2. There should be employer representatives on pension boards.
- 3. The state should not bail out local plans that are in trouble.

There was also discussion of the deadline set by the Minnesota Legislature for having pension plans fully funded and of the status of non-PERA pension programs such as the independent plan (MERA) in Minneapolis.



**LEAGUE OF WOMEN VOTERS OF MINNESOTA**

555 WABASHA • ST. PAUL, MINNESOTA 55102

PHONE: (612) 224-5445

**MEMO**

**TO:** Karen A.

**FROM:** Pat Lucas

**SUBJECT:** MN Tax Study Commission

**DATE:** July 14, 1977

FSG sets were mailed out today as noted on the attached copy.

There are no "outside" members of the Commission -- all are legislators.



## LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

July 14, 1977

The Honorable Jack Davies  
875 Summit Avenue  
St. Paul, MN 55105

Dear Senator Davies:

The League of Women Voters of Minnesota would like to congratulate you on your appointment to the Tax Study Commission. The League has been following the Commission's actions for some time and is aware of the large scope of issues covered by its tax deliberations.

We are enclosing a copy of four current League of Women Voters of Minnesota publications on Financing State Government which may contain helpful background information for you as a Commission member. These publications are a result of our current study/action program on taxation and government spending in Minnesota.

If you would like additional copies of the publications, contact the League of Women Voters of Minnesota office, 224-5445.

Sincerely,

Karen Anderson  
Government Co-Chairperson  
League of Women Voters of Minnesota  
Board of Directors

Sent to Senators (Davies, Hanson, Jensen, McCutcheon,  
Merriam, Peterson, Sillers)

Sent to Representatives (Kelly, Evans, Fugina, Searles,  
Skoglund, Jacobs, Vanasek)

Sent to: Kathleen A. Gaylord, Executive Director, and  
Candace A. Ganje, Secretary, Tax Study Commission

A:M  
Enclosures



JUN 2 1977  
JUN ~ 1977

# ANOKA-COON RAPIDS AREA LEAGUE OF WOMEN VOTERS

ANOKA, MINNESOTA 55303

May 31, 1977

Karen Anderson  
League of Women Voters of Minnesota  
555 Wabasha Street  
St. Paul, MN 55102

Dear Ms Anderson:

The Anoka--Coon Rapids Area League of Women Voters has completed its units on State Financing and feels that a special commendation should be given to the committee responsible for the publications FACTS & ISSUES, Financing State Government numbers 1,2,3 and 4.

The clarity and arrangement of such a large amount of information into a comprehensive and understandable form was greatly appreciated. The educational value to us as citizens is immeasurable.

We are truly pleased. Thank you.

Sincerely yours,

*Sandra Shanley*  
Sandra Shanley, Secretary  
Board of Directors

President

Alice: Moorhead

Please add a note for me that  
the "Yes" & "No" method of determining  
opinion was very cumbersome  
we spent most of our time voting and  
had very little time even for clarification.

BARB

The Roseville LWV. concensus for Financing State Government took place at our April unit meetings. The number participating from each unit was as follows: Unit I-15, Unit II-10, Unit III-11, and Unit IV-9, for a total of 45. Since we did not discuss the questions in the order they were printed on our concensus sheets, there may be less numbers noted in a specific category if someone arrived late or left early. It should be noted that some individuals did not wish to vote either yes or no, thus there is a third column of figures showing the number of " No Response ".

return to K. Anderson

JUN 23 1977

The Brooklyn Center League and Board in answering the consensus questions would like to express our disappointment and dissatisfaction with the questions presented for consensus. After receiving the four Facts and Issues prepared by the State League, we were looking forward to some well-structured questions promoting good discussion on:

- (1) equitable tax structures and systems;
- (2) governmental areas of concern;
- (3) defining of service priorities (where we could all make do with less); and
- (4) justifiable positions for action and commitment from local members and State League.

It was the feeling of the majority of members ~~taking part~~ <sup>participating</sup> in the consensus that the questions were too simplistic. For example, yes and no answers did not accurately reflect every individual's feeling. Too often an individual had to answer "yes" or "no" to a specific question where "yes" or "no" was <sup>only</sup> conditional. ~~and not~~ In the case of question II.A. most felt the real issue should have been how to hold spending so that surpluses do not occur. We would have appreciated questions which



treated us as capable of dealing with problems requiring mental effort.

We also feel that the entire set of questions was much too subjective. Where basic questions could have led to defining the social value in particular changes, we were asked to ignore the good of the whole and discuss from the point of personal opinion or political bias.

We felt that the questions were irrelevant, rather subjective and did not call upon us to use our abilities to reason and to deal with facts in order to express our thoughts. We do not feel these consensus questions required our thoughtful examination in solving the problems of evaluating the most equitable and effective method of funding.

It is difficult to imagine how the answers from these questions can be made into a meaningful, truly reflective statement of what League supports, especially in order to refine the current general Principles.

JUN 29 1977

1717 E. 7th Street  
Duluth, Minnesota 55812  
June 27, 1977

Karen Anderson, Chairperson  
Financing State Government Committee  
Minnesota League of Women Voters  
555 Wabasha  
St. Paul, Minnesota 55102

Dear Ms Anderson,

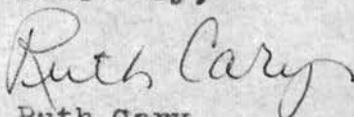
The Duluth League of Women Voters have reached consensus on Financing State Government. Our members were very pleased with the Facts and Issues that were prepared for this item.

Committee and board members did raise some questions on the format of the consensus questions. In the past, consensus questions have been quite broad in order to allow action on general legislation. We wondered how the questions, which were quite specific, would be used by the League in their action program.

Our hats off to the developer of the Expenditure Game.

"Chits" in Duluth were dried beans, which occasionally broke in half giving double for the money, and the game certainly set the stage for our meetings.

Sincerely,



Ruth Cary  
Committee Chairperson

Xerox for Bd JUN 1 1977

League of Women Voters of Edina  
5025 Ridge Road  
May 28, 1977

League of Women Voters of Minnesota  
555 Wabasha  
St. Paul, Minnesota 55102

Attention: State Board

Ladies:

The board of the Edina League met on May 23 and directed me to convey to you its dissatisfaction with the consensus questions on financing state government.

It was the opinion of the board that there were far too many questions — that the consensus was just too long to be adequately covered in one meeting. There was some frustration voiced that we were voting on questions about which we were not fully qualified to make judgments.

There was also a general feeling that the timing of the consensus was not favorable for effective action. In view of the ending of the state legislative session, this consensus seems to be much too late.

We would like to commend the committee, however, on the material supplied us for this topic. There was agreement on our board that your material was excellent.

Respectfully,

*Muriel D. Lowrie*

Muriel D. Lowrie  
Secretary

CC--Kay Bach, President  
Edina League



JUL 5 1877

The Richfield Board requests  
that the State League weigh the  
strength of this most difficult study and  
consensus in relation to total League members  
participating Statewide.



MAY 23 1977

Bloomington League of Women Voters  
Committee on Financing State Government

One of our units protested the consensus questions on the basis that the answers required much more in-depth knowledge than anyone could possibly have. Hence, too many answers were only opinions. The Facts and Issues did not give the kind of critical information needed for us to make decisions especially on state spending.

Some members of one unit felt that they appreciated the yes and no answers required. They felt the goal of specificity was met by this process.

One member of the committee wrote down her reactions, and since they pretty much reflect our feelings, we are including them:

1. gets gut reaction opinion - not thoughtful considered opinion, something League has built a reputation for.
2. many of the discussions showed the categories were too general and this leads to a false picture when results are tallied.
3. members felt that questions could not be answered with a yes or no answer.
4. consensus has changed since entering League.
5. these questions should have been an opinion poll - not consensus questions.
6. so much depended on the presentation, not all units were exposed to the same information.
7. Facts and Issues information?

LWUMN

June 21, 1977


Muriel D. Lowrie  
LWV of Edina  
5025 Ridge Road  
Edina. MN

Dear Ms Lowrie,

I am responding to your letter of May 28 to the LWUMN board concerning the financing state government consensus questions.

I appreciate your comments; in fact, some of them <sup>refer to questions</sup> ~~are the same as~~ the FSB committee discussed at length in our meetings over an 18 month period.

We tried to arrange the <sup>consensus</sup> material in a flexible manner, to allow Leagues to fit them into their <sup>varying</sup> unit schedules. ~~Some~~ <sup>Many</sup> Leagues used two unit meetings; my own League allowed just one unit, and I share your frustration in feeling rushed. We did, however complete the questions.

As to <sup>the</sup> "frustration of answering questions on which we were not fully qualified to make judgements"; the FSB committee strongly agreed that these decisions are now being made by many with ~~for the~~ 

fewer ~~fewer~~ qualifications or <sup>less</sup> background information.  
~~There is also a lack of input on tax policy~~  
~~matters from those outside of government~~  
~~itself.~~ While we realize that the four JSB  
Facts & Issues were quite general, we feel  
they addressed the basic ~~problem~~ issues  
~~of~~ of the consensus questions.

The timing of the consensus was originally  
planned for the fall of '77, but was moved  
up to the spring in order to be completed before  
the state convention. ~~But~~ We are hopeful that  
this will be a consensus which can be used  
for many <sup>legislative</sup> sessions, not just the current one.  
While most tax legislation is usually completed in  
the first year of the session, present indications  
are that it will continue to be <sup>an active</sup> ~~a~~ ~~very~~ area  
in the second half of this session.

Thank you for taking the time to send us  
your comments; I hope I have satisfactorily  
replied to your concerns.

Sincerely,

Karen Anderson

Government co-chairperson



LWU MN June 21

3425 Sprague  
Anoka 55303

Sandra Shanley  
Secretary, LWU Anoka-Corn Rapids Area  
address

Dear Mrs Shanley,

Thank you for your letter of May 31.  
After all of the committee efforts to  
put together a vast amount of material  
in as clear a way as possible, it's  
gratifying to know that we succeeded in  
~~put~~ for your league.

I will pass your comments on to the  
FSB committee, and I thank you for  
taking the time to write.

Sincerely

Karen Anderson

Government Co-chairperson

JUL 29 1977



## MINNESOTA TAXPAYERS ASSOCIATION

812 MINNESOTA BLDG. PHONE 224-7477  
ST. PAUL, MINNESOTA 55101

July 27, 1977

Ms. Harriet Herb  
League of Women Voters of Minnesota  
555 Wabasha Street  
St. Paul, Minnesota 55102

Dear Harriet:

Attached is a suggested agenda for the Public Finance Symposium we discussed by phone today.

We have committed only four items thus far--namely, the two speakers, the date, and location. The date, by the way, was chosen to dovetail with the Mini-Session of the Legislature scheduled for October 12 and 13.

The League of Minnesota Cities, the League of MN Cities Association of Metropolitan Municipalities and the Metropolitan Council have tentatively agreed to co-sponsor the event. We hope the League of Women Voters will find it possible to also co-sponsor the event. Basically, co-sponsorship involves placing your good name on the list of co-sponsors and mailing a brochure and registration form to your membership.

We believe our two speakers will present worthwhile facts and thoughtful questions and answers.

I would be most happy to meet with you and/or your board to discuss this subject.

Best regards,

*Clyde E. Allen, Jr.*

Clyde E. Allen, Jr.,  
Research Director

CEA/ps

*Margaret - a.m.,  
? Kathy - p.m.*

July 27, 1977

*Sofitel*  
*probably 25\$*

## PUBLIC FINANCE SYMPOSIUM

Tuesday, October 11, 1977      9:00 A.M. - 3:30 P.M.

|               |   |
|---------------|---|
| 9:00 - 9:30   | Registration, Coffee & Rolls  |
| 9:30 - 9:40   | Welcome & Announcements   |
| 9:40 - 10:30  | Keynote Address, Edward Hamilton - Indebtedness   |
| 10:40 - 11:30 | Panel Discussion - Indebtedness<br>Panel of Local Public & Private Sector & Media<br>& Hamilton |
| 12:00 - 12:40 | Lunch   |
| 12:40 - 1:15  | Luncheon Speaker, Joseph Metz - Public Pensions   |
| 1:30 - 2:15   | Panel Discussion - Pensions<br>Panel of Local Public & Private Sector & Media & Metz            |
| 2:30 - 3:30   | Metropolitan Investment Framework - Bob Hoffman or<br>John Boland                               |
| 3:30          | Adjourn   |

Speakers

Mr. Hamilton is former Budget Director and Deputy Mayor for Economic Development, City of New York. Currently on the staff at UCLA and a consultant in L.A.

Mr. Metz is Executive Director of the New York State Permanent Commission on Public Employee Pension and Retirement Systems.

*location*  
*Registration*  
*split ? - fine*



Xerox for Bd JUN 1 1977

League of Women Voters of Edina  
5025 Ridge Road  
May 28, 1977

League of Women Voters of Minnesota  
555 Wabasha  
St. Paul, Minnesota 55102

Attention: State Board

Ladies:

The board of the Edina League met on May 23 and directed me to convey to you its dissatisfaction with the consensus questions on financing state government.

It was the opinion of the board that there were far too many questions — that the consensus was just too long to be adequately covered in one meeting. There was some frustration voiced that we were voting on questions about which we were not fully qualified to make judgments.

There was also a general feeling that the timing of the consensus was not favorable for effective action. In view of the ending of the state legislative session, this consensus seems to be much too late.

We would like to commend the committee, however, on the material supplied us for this topic. There was agreement on our board that your material was excellent.

Respectfully,

*Muriel D. Lowrie*

Muriel D. Lowrie  
Secretary

CC--Kay Bach, President  
Edina League



UNIVERSITY OF MINNESOTA

AGRICULTURAL EXTENSION SERVICE

FEB 23 1977

Department of Agricultural and Applied Economics  
St. Paul, Minnesota 55108

February 18, 1977  
File 530-77

Karen Anderson  
League of Women Voters of Minnesota  
555 Wabasha  
St. Paul, MN 55102

Dear Karen:

*(In your folder)*

Enclosed is a set of charts and accompanying notes on state and local government finance. The charts could be used to make overhead transparencies, but they probably would have to be done in larger type. This is a slightly modified version of what I've done at most of the League meetings.

Please use this material in any way that you want.

Sincerely,

Arley D. Waldo  
Extension Economist  
Public Policy

ADW:ps

enclosure





UNIVERSITY OF MINNESOTA

AGRICULTURAL EXTENSION SERVICE

FEB 9 1977

Department of Agricultural and Applied Economics  
St. Paul, Minnesota 55108

February 8, 1977  
File 380-77

Karen Anderson  
League of Women Voters of Minnesota  
555 Wabasha  
St. Paul, Minnesota 55102

Dear Karen:

Enclosed for your information is a revised list of LWV meetings  
at which I have spoken.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Arley'.

Arley D. Waldo  
Extension Economist  
Public Policy

ADW:ps

enclosure



UNIVERSITY OF MINNESOTA

AGRICULTURAL EXTENSION SERVICE

Department of Agricultural and Applied Economics  
St. Paul, Minnesota 55108

Arley D. Waldo  
February 7, 1977

PUBLIC FINANCE SEMINARS  
CONDUCTED FOR THE  
LEAGUE OF WOMEN VOTERS

Seminars in 1975-76

|                |  |
|----------------|--|
| Sept. 23, 1975 | LWV-MN Fall Workshop (Alexandria)      |
| Sept. 26, 1975 | LWV-MN Fall Workshop (Duluth)          |
| Sept. 27, 1975 | LWV-MN Fall Workshop (St. Paul)        |
| Sept. 30, 1975 | LWV-MN Fall Workshop (Brooklyn Center) |
| Oct. 1, 1975   | LWV-MN Fall Workshop (Mankato)         |
| Nov. 19, 1975  | Winona LWV                             |
| Dec. 1, 1975   | Anoka-Coon Rapids Area LWV             |
| Jan. 22, 1976  | Freeborn County LWV                    |
| Mar. 18, 1976  | Crystal-New Hope LWV                   |
| Mar. 29, 1976  | Minnetonka-Eden Prairie LWV            |
| May 24, 1976   | Rochester LWV                          |

PUBLIC FINANCE SEMINARS (continued)

Seminars in 1976-77

|               |                                 |
|---------------|---------------------------------|
| Oct. 5, 1976  | Fridley LWV                     |
| Nov. 4, 1976  | Roseville LWV                   |
| Nov. 11, 1976 | Grand Rapids LWV                |
| Nov. 29, 1976 | St. Paul LWV                    |
| Dec. 1, 1976  | Northern Dakota County Area LWV |
| Dec. 6, 1976  | West Dakota County LWV          |
| Dec. 7, 1976  | Minneapolis LWV                 |
| Dec. 8, 1976  | Bloomington LWV                 |
| Jan. 18, 1977 | Alexandria LWV                  |
| Feb. 22, 1977 | Brooklyn Park LWV               |
| Mar. 21, 1977 | Cottage Grove LWV               |
| Mar. 26, 1977 | Falcon Heights LWV              |
| Apr. 12, 1977 | White Bear Lake LWV             |

Karen -

This is a slightly more detailed version of fiscal policy power development which you heard.

If you wish the original from which this was taken let me know. It is taken from the Legislative History of the bills which resulted in the Congressional Budget and Impoundment Control Act of 1974.

On another subject dear to your heart! I finally (after this round of topic and consensus meetings) have come closer to your position on the need for a discussion leader!

1. It still doesn't seem necessary when the topic is fairly limited and clear cut. I think the resource committee can handle the flow of the topic with the help of strong support of unit members.
2. I think the major weakness of our current round was:
  - a. need of a neutral person helping to sort out and keep the arguments straight and intelligible.
  - b. this can perhaps be done with a strong recorder who intercedes in this way, but is hard, since she should be busy just in writing down the salient points being made.
  - c. I wish we had had the recorder doing her writing on a large easel, keeping the points of argument before the group. I think our consensus will be more superficial than need be, just because in the press of time (which is just a fact of life we have to deal with, I think) we dealt with too many opinions, some ignorance of facts (who will ever know enough?), and lacked the capability to crystalize our thoughts.

Lilas

THE RECORDER  
CONSENSUS WAS  
WRITE THAT DOWN



## A. HISTORICAL DEVELOPMENT

LILAS

1. Legis. control over spending goes back to Magna Carta (1215).

U.S. Constitution firmly establishes Congress responsible for control over Federal spending (see F&I 2-pg.3, Art.1, Sec.9).

Serves two purposes:

- a. sharing of powers by legis. & exec. branches
- b. insures spending policies will reflect wishes of the people as expressed through their elected representatives (an annual opportunity to allocate funds in accord with public wishes).

At stake, therefore, in the attempt to improve the spending process, is the restoration to Congress of its essential role in Amer. Gov't.

Under broad framework of Const.:

- a. the Pres. and exec. agencies coveted a maximum of flexibility in the use of appropriated funds
- b. Congress wanted to maintain close surveillance over exec. actions.

Congress had the advantage and was able to establish its supremacy (with some reversals) for over 100 yrs. Not only was the presidency a weak and limited institution in the 19th century, it was also without a formal role in budgeting. Agencies went directly to Congress with their appropriation requests. President had minimal control of spending.

Early issue:

- a. Pres. preferred appropriations be made in lump sums with ample discretion to transfer from one category to another.
- b. Congress insisted on line-item appropriations with legis. control extending to individual items.

Congress generally prevailed and it maintained tight control over spending. One result: ind. lines were given as much or more attention than was spending as a whole. This perspective was entirely consonant with the times. Federal spending was limited and, except for wartime, varied little from year to year. Total spending 1789 \$4 mil.; a century later, despite enormous geographic and economic expansion, it was less than \$300 mil. With this level of spending it was feasible for Congress to monitor the line items. Moreover, concentration on items did not conflict with total spending control and the Fed. Gov't. had little difficulty living within its income. In 70 of the 1st 100 yrs. the budget enjoyed a surplus. By 1900 the national debt totaled \$1 Bil., due entirely to Civil War costs. The Fed. Gov't. was not yet a significant factor in the nat'l economy and was committed to a balanced budget ideology rather than using the budget for fiscal purposes. And, during most of 1st century, all revenue & spending measures handled by a single set of Cong. committees--House Ways & Means and Senate Finance.

Civil War - situation began to change with growth of Fed. sector. New approp. com. in House (1865) and Senate (1867), giving them jurisdiction over money bills previously held by Ways & Means and Finance. Thus, while Cong. now had committees devoted exclusively to spending measures, it no longer had entities responsible for both revenues & expenditures. High point in fragmentation reached 1919 when more than half of regular approp. bills were outside jurisdiction of the approp. committees. To make matters worse, an administrative agency would go one set of comm. for its regular approp. and to another set for deficiencies or supplementals.

Spending on rise, ind. items diminishing in significance, but difficult for Congress to change traditional orientation. But, necessary to appropriate in broader units and give agencies enlarged discretion to shift funds among items. Admin. learned how to use their greater discretion to compel Congress to make deficiency approps. Overspend in early part of fiscal year and make strong case for deficiencies and thus deprive Congress of control over total spending.

To remedy - 1905-6 Antideficiency Acts requiring agencies to apportion funds over full fiscal year. Only stop-gap relief. Federal spending escalated at pace Congress could not control. WWI--at beginning Fed. outlays less than \$700 mil, end of war escalated tenfold to \$7 bil. Debt increased much faster from \$1 bil 1916 to over \$25 bil 1919. Congress could not cope. Approp. responsibility scattered among a dozen committees, none concerned with total spending



Each agency trafficked with its favorite legis. com., disregarding budget as a whole. Solution--adopted by Congress ~~with~~ was executive budget system that has prevailed for over half century. Transferred budgetary supremacy to the President, giving him responsibility under Budget & Accounting Act of 1921 for preparing the annual budget. Expectation was that President, aided by Bureau of Budget, would serve as an agent of Congressional control of the purse. Aim of 1921 Act was to improve Congressional capability, not to establish the Pres. as an independent participant in the budget process. Under new procedures, agencies were referred to the Exec. and Congress received a comprehensive budget from Pres. However, few changes made in Congress to accommodate the exec. budget process. Jurisdiction over spending measures returned to approp. comms., but Congress was not endowed with staff or informational resources comparable to those newly supplied to Pres. In fact, GAO not specifically designated as an institution of Congress and its head (comptroller general) was made a Pres. appointee.)

Imbalance created by 1921 Act not serious as long as Pres. restrained Fed. expenditures and by so doing served the interests of Congress. Throughout 1920's Pres. and his budget aides did job expected of them--full decade of surpluses and cutting expenditure from \$5.1 bil 1921 to \$3.4 bil 1930 and an \$8 bil drop in public debt. But Great Depression and assumption by Fed. Gov't. of massive domestic and int'l commitments in 1930's and 40's brought uninterrupted deficits and not til end of WWII another surplus year. Since 1931, 36 deficit years out of 43. Bigness is central fact of Fed. budget. Fed. outlays in 1975 (\$3/bil) almost 100 times 1925 level (\$3 bil). Budget now rises more in 1 yr. than was spent in 1941, the last pre-WWII yr.

The budget process has continued with few changes since 1921. But BOB, and now OMB, was transformed into powerful instrument of Pres. authority, growing from 40 to over 600 staff and extending scope to virtually all program and financial operations. (No comparable agency for Congress, which has suffered balkanization of its spending control under pressure of backdoor and uncontrollable forces.)

Employment Act of 1946 recognized responsibility of Fed. gov't. for economic growth and stabilization, but beyond creation of Joint Economic Committee, Congress did little to equip itself to make informed fiscal policies. Revenue and spending measures continued to be made without any direct linkage to one another, leading to unwanted and harmful deficits.

## B. DEFICIENCIES IN THE SPENDING PROCESS

### 1. Lack of staff & information.

- ✓ a. Congress must rely on Pres. for info, judgments & evaluations.
- b. Resources assigned to Appropriation Comms. comparatively small and although augmented during budget season by persons detailed from GAO and other agencies, cannot match year-round budget capability of Pres.

Early each year Pres. unveils his budget. Congress receives 400 page budget and 1,000 pg appendix and thousands pages of justifications & explanations. Within 5 mos. Congress must make more than \$250 bil program & spending decision, covering hundreds of agencies & thousands of separate activities. Congress is excluded from months of labor & millions of hours of admin. preparations. Though budget may be outcome of exhaustive exploration of program alternatives, Congress has great difficulty ascertaining which possibilities were considered and why rejected. Nor can it readily obtain info on long range consequences of current programs and spending choices. Gets only what Exec. gives and when he gives it (OMB). Budget often presented & defended in a manner that thwarts consideration of alternative courses of action.

### ✓ Congress must:

- a. possess its own staff & sources of info.
- b. be equipped to evaluate the performance of programs funded in past yrs.
- c. be able to project future costs of current choices.
- d. be able to keep track of budget consequences of thousands of Leg. proposals.
- e. analyze pros & cons of spending alternatives.
- f. assess the condition of the economy
- g. be prepared to make timely fiscal decisions

Though budget has greatly increased, time available to Congress of appropriation process (5 out of the 12 mos.) remained constant. Result--well known resort to \*Continuing resolutions to provide for financial needs of Fed. agencies. (Discussion of splintering process in Congress as Pres. budget is considered by separate comms. & sub-comms.) Discussion of "backdoor" measures which do not go through regular approp. process. 4 types

- a. borrowing authority - Fed agency authorized by Congress to borrow money from Treasury or public for certain purposes.
- b. contract authority - allows agencies to incur obligations in advance of appropriation
- c. permanent appropriations - become available without any current action by Congress.
- d. Mandatory entitlements - Fed. Gov't., again in advance of approp., is obligated to pay benefits est. by law.

Adverse effects of backdoor spending, i.e., only 44% of 1974 spending will go thru regular approp. process. Over past 5 yrs. Congress has cut approp. bills by \$30 bil, but added \$30 bil in backdoor spending. Often means permanent & continuing obligation for future. Backdoor authorizations figure prominently in the 75% of the budget which is officially designated by OMB as "relatively Uncontrollable" under current law. Well over 1/2 of uncontrollable expenses are funded via perm. approps. Two main sources: (1) open-ended budget authority (law places no limit/ on amt. of obligation)--often coupled with mandatory entitlements to designated parties (i.e. black lung disease beneficiaries); and (2) time lag between appropriation and expenditure--after approp. voted, Cong. has no direct involvement in determining when money will be spent. Of 1974 budget \$288 bil authorized, but only \$174 bil expected to be used in current fiscal yr.

C. PREVIOUS EFFORTS TO IMPROVE BUDGET PROCESS

Since WWII constant upward push of expenditures accompanied by massive increases in public debt have impelled Cong. to seek new methods of spending control:

1. Legislative Reorganization Act of 1946. Provided for annual adoption by Congress of a legis. budget. Tried in '47 & '48, abandoned after. Why failure? 1947 Congress unable to agree on a ceiling. (1) Congress & White House controlled by dif. parties (1st time since 1932) and without non-partisan staff, joint committee work prey to political influences. (2) Cong. lacked information & time to make a responsible judgment on total spending. Must have time, staff and information resources and process must be non-partisan and have available expert analytic and information handling capability. The total spending level must be based on a careful determination of program needs and priorities, and it must be sensitive to economic conditions and other factors. Finally rules must be applied to preserve compliance with the legis. budget, but ways should be open for Congress to revise its spending ceilings as conditions and events warrant.

2. 1950 - Omnibus Bill - Too much crammed into single bill. If little ~~comprehensive~~ support for comprehensive bill when Fed. spending was \$40 bil, not likely success with \$300 bil budget. Thus \$1541 sought comprehensiveness at a general level through the concurrent resolutions on the budget, yet it preserves an opportunity for Cong. to consider each approp. bill in detail.

3. Attempts to create a joint budget committee, but House has never accepted idea because of concern for its prerogative to initiate approp. would be diluted. Reorganization, therefore, must least disturb traditions of House & Senate in their established relationships in appropriations process.

Budget as instrument of economic policy - to deal with recession and inflation. Discussion of counter-cyclical policy and Keynesian economics. Must have timely and accurate economic data and budget process be mobilized to move quickly in desired direction. Important improvement in 1968--unification of budget combining budget totals and trust funds (soc. security, pension funds, etc.)

There follows some very detailed discussion of conditions in early 70's which precipitated need for reforms incorporated in 1974 Control Act, but too detailed for our purposes and you are conversant with general ideas. The End!!!





## LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

October 22, 1976

Mr. Bob Potter  
KSJN Radio  
400 Sibley  
St. Paul, MN 55101

Dear Mr. Potter:

We are delighted to learn that you are considering doing an indepth interview with Karen Anderson and Arley Waldo on the League of Women Voters of Minnesota's study on Financing State Government.

Enclosed are the first two publications of the four-part series on the study. I'm sure you will find both the Primer of Minnesota Taxes and Minnesota's Multi-Tax System informative. The final two reports, available next spring, will focus on how the money is spent and legislative trends.

Sincerely,

Harriett Herb  
Executive Director

H:M  
Enclosures 2



UNIVERSITY OF MINNESOTA

AGRICULTURAL EXTENSION SERVICE

Department of Agricultural and Applied Economics  
St. Paul, Minnesota 55108

October 5, 1976  
File 550-77

Karen Anderson  
16917 Clear Spring Terrace  
Minnetonka, MN 55343

Dear Karen:

<sup>Dr.</sup>  
You will be interested to know that John Hoyt is resuming his state-wide ETV program called Perspective beginning in November. The program scheduled for December 2, 1976, will deal with "Minnesota Taxes". The scheduled panel members tentatively include:

Senator Jerald C. Anderson (Senate Finance  
and Education Committees)

Representative William N. Kelly (Chairman,  
House Tax Committee, and Chairman,  
Tax Study Commission)

Mr. Donald Paterick (Executive Director,  
Minnesota Taxpayers Association)

<sup>Arley Waldo</sup>  
I am also scheduled to be on the panel.

The program will be aired live at 7:30 p.m. on Channel 2 in the Twin Cities. I am not sure whether it will be carried at the same time by out-state stations.

If you would like more information about the program, you may want to call Professor Hoyt at 373-1225.

Sincerely,

*Arley*  
Arley D. Waldo

Extension Economist Public Policy

ADW/cl

*publicity for?  
taped?  
can we make available?*

# LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA, ST. PAUL, MINNESOTA 55102

September 24, 1976

Ted Miller  
Senate Committee on Finance  
Room 121, State Capitol  
St. Paul, Minnesota 55155

Dear Mr. Miller:

Thank you for agreeing to meet with the Financing State Government Committee of the League of Women Voters of Minnesota. Enclosed is a copy of the preliminary outlines for our two publications on expenditures in Minnesota. Our major concerns are identifying information sources for each of the sections and revising the categories under State Governmental Expenditures (section I, B of the second outline) so that they will correspond with the data available from the Minnesota Department of Finance. Any other suggestions would be most welcome.

I would also appreciate your bringing 20 copies of A Fiscal Review of the 1976 Legislative Session. I'm looking forward to seeing you Wednesday, September 29, at 1:00 p.m. in the League office.

Sincerely,

Karen Anderson  
Coordinator, Financing State Government Committee





1240 S. State St.  
Fairmont, MN 56031  
March 3, 1976

MAR 5 1976

Karen Anderson, Chairman  
Financing State Government Committee  
LWVMN

Dear Ms. Anderson:

I've just been given the financing state government study and have been looking through material accumulated since last fall. The committee guide suggestion sounds good: a general meeting with outside speakers giving an overview of the basic tax structure.

Here's where the problem comes in. Our committee hasn't found anyone in our small community who has the expertise to really help our members understand the tax structure. Also, because we have a small membership, we hesitate inviting an expert from somewhere else to speak to a handful of people. Perhaps finding other groups in our community with an interest in taxes to help sponsor a meeting would be one solution. However, we came up with another idea, and we ask for your help.

Can you find a larger League that is having a good speaker or panel come in for a general informational meeting? We would ask them or your state committee to videotape the meeting, about 1 hr. worth. We would rent the tape to help pay the cost. Perhaps other small outstate Leagues would also rent. If so, cost would not be prohibitive.

Even though our League is small, we feel our members need and deserve the best possible programs, not just a "make do" program with local resources that in this case are less than the best. We would appreciate your committee's attention to our problem.

*— 1 speaker rather than several*

*— another community group -  
county extension service  
Chamber of Commerce*

Yours truly,

*Eunice Leff*

Eunice Leff  
(Mrs. Gerald D. Leff)

~~rements~~ *- many LWV's not doing anything this yr.  
tent. Plans - fall publications, fall live presentations  
spring " , spring video "*

LEAGUE OF WOMEN VOTERS OF FAIRMONT

16917 Clear Spring Terrace  
Minnetonka, MN 55343  
March 25, 1975

Eunice Leff  
1240 S. State St.  
Fairmont, MN 56031

Dear Eunice,

I appreciate receiving your March 3rd letter about problems you're having with the financing state government study. Let me explain what other local LWV's have been doing, state committee limitations, and possible future plans.

Local LWV attention to the study has been varied: several have had a general meeting with one speaker giving an overview of the state tax structure; some have had unit meetings using resources they've tracked down themselves; some have had both a unit and a general meeting; many have done nothing this year.

The state committee, all being novices in the governmental financing area, has spent most of the past eight months gathering resources, listening to speakers, in general, informing ourselves. Our financial resources were limited at last June's convention and our activities have had to reflect this. After discussing your videotape idea with several committee members, we had to reject it due to time limitations and costs.

Our plans for next year are tentative, but if I give you a brief idea of what they look like at this point, you may be able to adjust your own plans. We've begun the first draft for two publications, to be distributed Sept. or Oct., both centering on government revenues. Coordinated with this, we're hoping for a fall "travelling resource team", giving presentations on revenues and disbursements, at strategic points throughout the state. Two more publications will be scheduled for spring '77, with a videotape presentation available at the same time. Although these plans are tentative, you should be able to count on us for adequate help next year. You may wish to wait until that time for your presentation.

What two other Leagues did: the Albert Lea LWV joined with the County Extension Service in sponsoring a meeting with speaker Arley Waldo, from the U of M Extension Agricultural Extension Service. By co-sponsoring, they were able to provide a larger audience. The Fridley LWV gathered lots of resources on their own and wrote up an excellent unit presentation. I would be glad to send this to you (I hesitated making a copy at this point because of the number of pages involved.)

One of these approaches may appeal to you. Our committee had discovered that our biggest job may be in "turning people on" to the study. In that respect, it might be good to plan something before June; on the other hand, it isn't "required" that you do anything; many Leagues have made that decisions. Whatever, I hope I've been of some help to you.

Sincerely,

Karen Anderson



UNIVERSITY OF MINNESOTA

AGRICULTURAL EXTENSION SERVICE

Department of Agricultural and Applied Economics  
St. Paul, Minnesota 55101

October 2, 1975  
File 510-76-4

Karen Anderson  
16917 Clear Spring Terrace  
Minnetonka, MN 55343

Dear Karen:

Thanks for the chance to participate in the LWV workshops. I believe the sessions went well, and I certainly enjoyed them.

I have about exhausted the supply of Summary of Governmental Finances in Minnesota; and, since more recent data will be available soon, I probably will not print more copies. I do have a good supply of Property Taxes-- Reform, Relief, Repeal? if anyone wants a copy.

Please call if I can help in any way.

Sincerely,

Arley D. Waldo  
Extension Economist Public Policy

ADW:vj

STATISTICAL INFORMATION  
PRESENTED TO  
THE LEAGUE OF WOMEN VOTERS

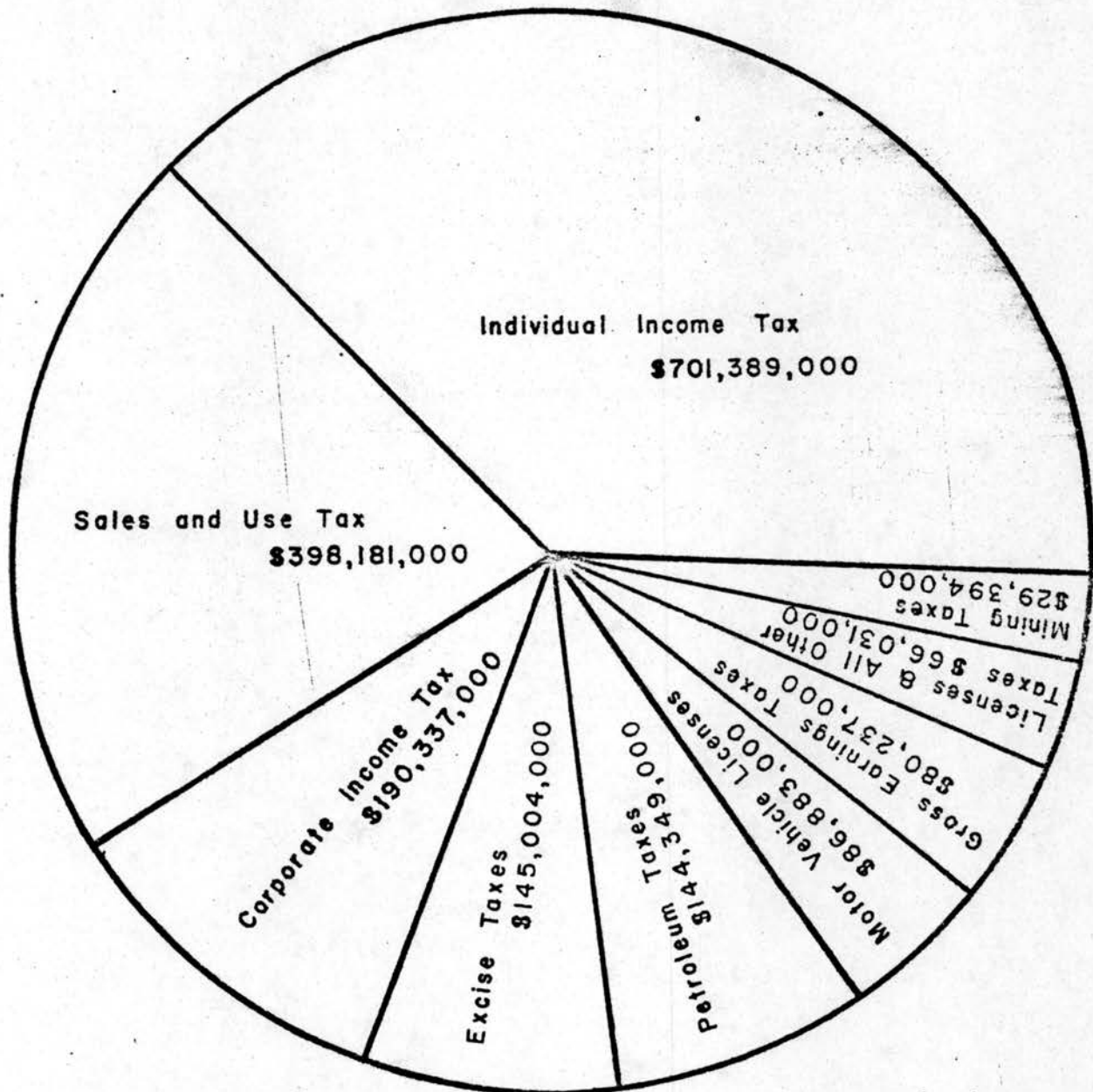
Presented By:  
Wallace O. Dahl, Director  
Tax Research Division  
Department of Revenue  
October 2, 1975



## TABLE OF CONTENTS

|  | <u>Page</u> |
|--|-------------|
| Fiscal 1974 Net State Tax Collections (Pie Chart).....   | 1           |
| State and Local Net Tax Collections in Minnesota<br>for Fiscal 1974 (Pie Chart).....                     | 2           |
| Net Minnesota State Tax Collections<br>for Fiscal 1975 (Pie Chart).....                                  | 3           |
| Net Minnesota State and Local Tax Collections<br>for Fiscal 1975 (Pie Chart).....                        | 4           |
| Comparisons by State for Fiscal Years 1973 and 1972:   |             |
| Total State and Local Tax Collections.....   | 5 & 6       |
| State and Local Tax Collections Per Capita.....  | 7 & 8       |
| State and Local Tax Collections Per \$1000 Income.....   | 9 & 10      |
| Local Tax Collections Per Capita.....  | 11 & 12     |
| Local Tax Collections Per \$1000 Income.....   | 13 & 14     |
| Historical Summary of Minnesota State and<br>Local Net Tax Collections<br>Fiscal Years 1961 through 1975 |             |
| Table.....   | 15          |
| Graph.....   | 16          |

# FISCAL 1974 NET STATE TAX COLLECTIONS

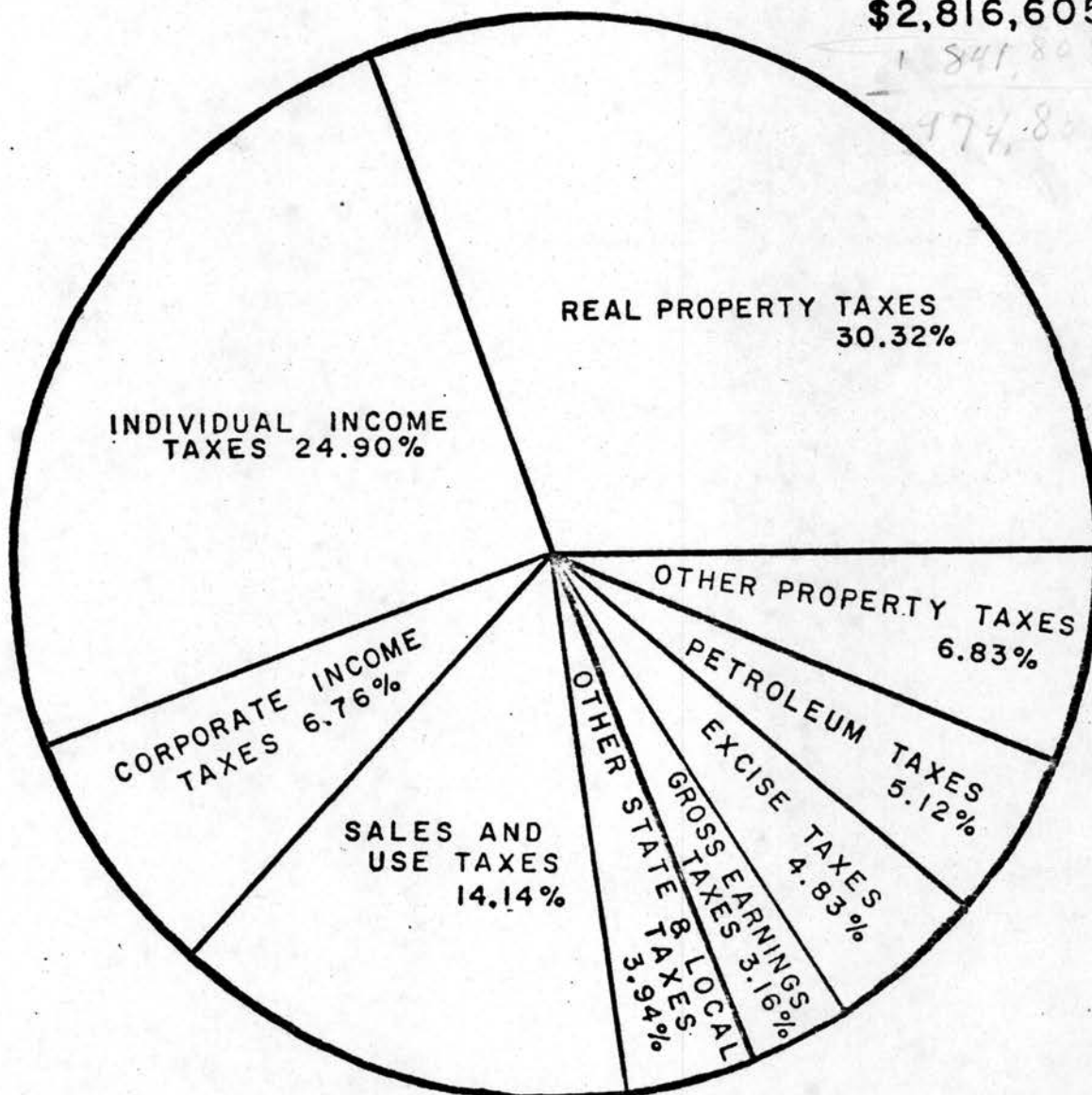


TOTAL NET COLLECTIONS \$1,841,805,000

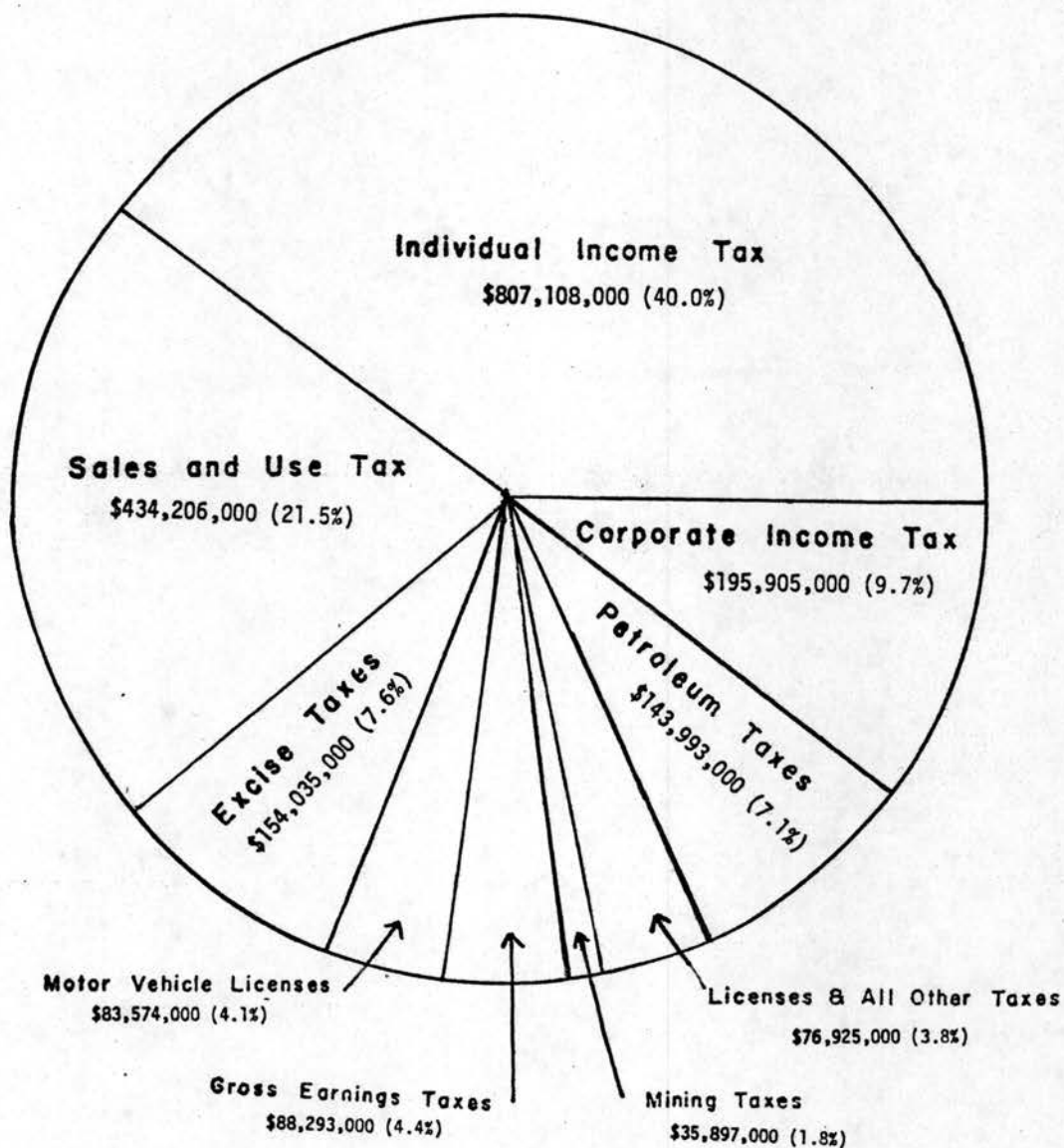
# STATE AND LOCAL NET TAX COLLECTIONS IN MINNESOTA FOR FISCAL 1974

TOTAL NET COLLECTIONS

\$2,816,605,000



# NET MINNESOTA STATE TAX COLLECTIONS FISCAL 1975



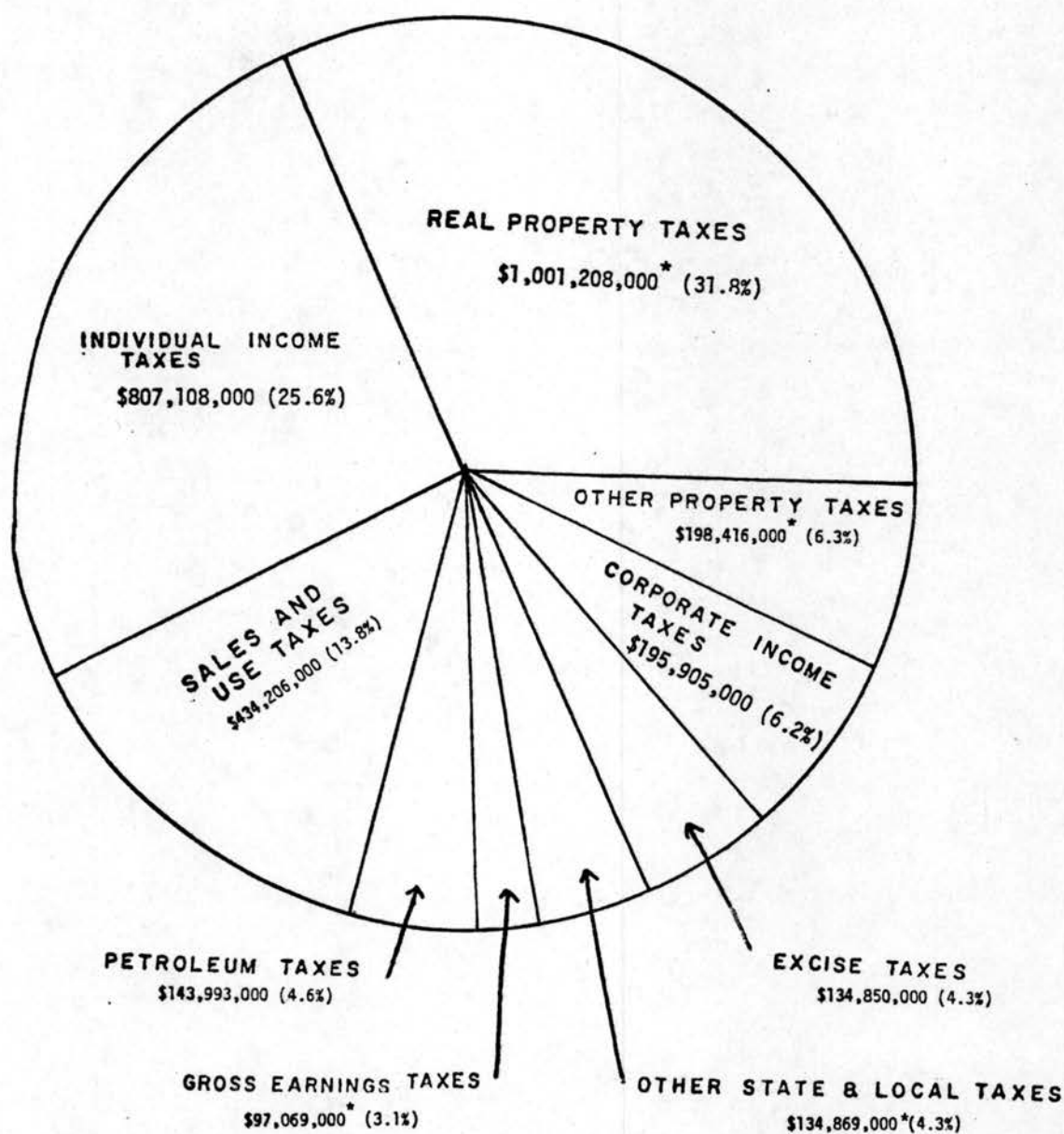
**TOTAL NET COLLECTIONS**

**\$2,019,936,000 (100.0%)**

Prepared by:  
Department of Revenue  
Tax Research Division  
October, 1975



# NET MINNESOTA STATE AND LOCAL TAX COLLECTIONS\* FISCAL 1975



**TOTAL NET COLLECTIONS**  
\$3,147,624,000\* (100.0%)

\* Estimate



## TOTAL STATE &amp; LOCAL TAX COLLECTIONS

| State          | 1973 State &<br>Local Tax<br>Collections | % Change from<br>Prev. Year | Rank of<br>% Change | 1972 State &<br>Local Tax<br>Collections | % Change from<br>Prev. Year | Rank of<br>% Change |
|----------------|--|-----------------------------|---------------------|--|-----------------------------|---------------------|
| Alabama        | \$ 1,243.9                               | 13.72%                      | 11                  | \$ 1,093.8                               | 14.03%                      | 24                  |
| Alaska         | 163.0                                    | 9.25                        | 34                  | 149.2                                    | 2.19                        | 51                  |
| Arizona        | 1,145.8                                  | 15.85                       | 5                   | 989.0                                    | 15.66                       | 15                  |
| Arkansas       | 696.5                                    | 12.66                       | 19                  | 618.2                                    | 18.23                       | 8                   |
| California     | 15,221.6                                 | 8.23                        | 40                  | 14,063.8                                 | 15.29                       | 19                  |
| Colorado       | 1,323.1                                  | 12.02                       | 23                  | 1,181.1                                  | 15.61                       | 16                  |
| Connecticut    | 2,236.9                                  | 15.04                       | 9                   | 1,944.5                                  | 18.36                       | 6                   |
| Delaware       | 337.6                                    | 4.32                        | 50                  | 323.6                                    | 16.11                       | 14                  |
| Dist./Col.     | 495.7                                    | 8.28                        | 39                  | 457.8                                    | 5.44                        | 49                  |
| Florida        | 3,771.3                                  | 18.46                       | 1                   | 3,183.7                                  | 20.70                       | 2                   |
| Georgia        | 2,073.6                                  | 13.11                       | 15                  | 1,833.3                                  | 18.38                       | 5                   |
| Hawaii         | 568.7                                    | 10.49                       | 31                  | 514.7                                    | 6.30                        | 46                  |
| Idaho          | 344.5                                    | 11.60                       | 25                  | 308.7                                    | 5.76                        | 48                  |
| Illinois       | 6,888.0                                  | 6.44                        | 47                  | 6,471.5                                  | 12.57                       | 30+31               |
| Indiana        | 2,496.7                                  | 6.25                        | 48                  | 2,349.8                                  | 10.91                       | 38                  |
| Iowa           | 1,538.1                                  | 7.70                        | 43                  | 1,428.1                                  | 11.08                       | 36                  |
| Kansas         | 1,178.5                                  | 13.25                       | 14                  | 1,040.6                                  | 10.69                       | 39                  |
| Kentucky       | 1,350.0                                  | 15.56                       | 7                   | 1,168.2                                  | 12.53                       | 32                  |
| Louisiana      | 1,690.1                                  | 8.17                        | 41                  | 1,562.5                                  | 11.89                       | 34                  |
| Maine          | 528.7                                    | 9.24                        | 35                  | 484.0                                    | 17.39                       | 10                  |
| Maryland       | 2,558.2                                  | 15.15                       | 8                   | 2,221.6                                  | 9.29                        | 41                  |
| Massachusetts  | 4,153.3                                  | 12.39                       | 21                  | 3,695.5                                  | 17.00                       | 11                  |
| Michigan       | 5,744.6                                  | 11.09                       | 28                  | 5,170.9                                  | 16.97                       | 12                  |
| Minnesota      | 2,531.1                                  | 12.40                       | 20                  | 2,251.9                                  | 16.58                       | 13                  |
| Mississippi    | 870.6                                    | 11.83                       | 24                  | 778.5                                    | 10.96                       | 37                  |
| Missouri       | 2,248.5                                  | 11.24                       | 27                  | 2,021.2                                  | 18.03                       | 9                   |
| Montana        | 380.2                                    | 3.48                        | 51                  | 367.4                                    | 22.75                       | 1                   |
| Nebraska       | 776.0                                    | 12.25                       | 22                  | 691.3                                    | 5.90                        | 47                  |
| Nevada         | 376.8                                    | 17.79                       | 3                   | 319.9                                    | 8.92                        | 42                  |
| New Hampshire  | 358.8                                    | 9.02                        | 37                  | 329.1                                    | 15.11                       | 21                  |
| New Jersey     | 4,641.2                                  | 13.67                       | 12                  | 4,083.2                                  | 12.19                       | 33                  |
| New Mexico     | 484.8                                    | 9.04                        | 36                  | 444.6                                    | 10.35                       | 40                  |
| New York       | 16,321.8                                 | 12.68                       | 18                  | 14,484.9                                 | 14.38                       | 22                  |
| North Carolina | 2,242.7                                  | 14.21                       | 10                  | 1,963.5                                  | 13.46                       | 28                  |
| North Dakota   | 300.3                                    | 10.61                       | 30                  | 271.5                                    | 3.55                        | 50                  |
| Ohio           | 5,101.7                                  | 12.98                       | 16                  | 4,515.6                                  | 15.14                       | 20                  |
| Oklahoma       | 1,047.6                                  | 7.57                        | 44                  | 973.9                                    | 15.53                       | 17                  |
| Oregon         | 1,185.4                                  | 17.26                       | 4                   | 1,010.9                                  | 12.57                       | 30+31               |
| Pennsylvania   | 6,919.1                                  | 10.31                       | 33                  | 6,272.3                                  | 18.82                       | 4                   |
| Rhode Island   | 527.5                                    | 6.03                        | 49                  | 497.5                                    | 11.22                       | 35                  |

# TOTAL STATE & LOCAL TAX COLLECTIONS

| State          | 1973 State &<br>Local Tax<br>Collection | % Change from<br>Prev. Year | Rank of<br>% Change | 1972 State &<br>Local Tax<br>Collections | % Change from<br>Prev. Year | Rank of<br>% Change |
|----------------|---|-----------------------------|---------------------|--|-----------------------------|---------------------|
| South Carolina | \$ 1,066.0                              | 18.17%                      | 2                   | \$ 902.1                                 | 15.42%                      | 18                  |
| South Dakota   | 339.2                                   | 8.34                        | 38                  | 313.1                                    | 7.34                        | 44                  |
| Tennessee      | 1,616.4                                 | 13.38                       | 13                  | 1,425.7                                  | 18.33                       | 7                   |
| Texas          | 4,939.0                                 | 10.34                       | 32                  | 4,476.2                                  | 13.99                       | 25                  |
| Utah           | 543.0                                   | 12.98                       | 17                  | 480.6                                    | 12.84                       | 29                  |
| Vermont        | 286.9                                   | 10.77                       | 29                  | 259.0                                    | 14.20                       | 23                  |
| Virginia       | 2,307.9                                 | 15.72                       | 6                   | 1,994.4                                  | 13.64                       | 26+27               |
| Washington     | 1,970.7                                 | 8.04                        | 42                  | 1,824.1                                  | 8.62                        | 43                  |
| West Virginia  | 746.3                                   | 7.04                        | 46                  | 697.2                                    | 19.16                       | 3                   |
| Wisconsin      | 3,035.4                                 | 11.56                       | 26                  | 2,720.8                                  | 13.64                       | 26+27               |
| Wyoming        | 188.6                                   | 7.22                        | 45                  | 175.9                                    | 7.13                        | 45                  |
| U.S. Average   | \$ 2,374.5                              |                             |                     | \$ 2,176.1                               | 14.56                       |                     |
| U.S. Median    | 1,243.9                                 |                             |                     | 1,994.4                                  | 13.64                       |                     |

Source: U.S. Bureau of the Census, Governmental Finances

- 1) Series GF 73-#5  
Table 17
- 2) Series GF 72-#5  
Table 17

## STATE &amp; LOCAL TAX COLLECTIONS PER CAPITA

| State          | 1973 State & Local<br>Tax Collections<br>Per Capita | 1973<br>Rank | 1972 State & Local<br>Tax Collections<br>Per Capita | 1972<br>Rank |
|----------------|---|--------------|---|--------------|
| Alabama        | \$ 351.48   | 50           | \$ 316.62   | 51           |
| Alaska         | 494.05  | 29           | 459.06  | 28           |
| Arizona        | 556.75  | 17           | 508.48  | 21           |
| Arkansas       | 341.94  | 51           | 312.55  | 50           |
| California     | 738.84  | 2            | 687.11  | 2            |
| Colorado       | 542.92  | 19           | 501.08  | 22           |
| Connecticut    | 727.21  | 3            | 630.91  | 5            |
| Delaware       | 586.14  | 18           | 572.76  | 11           |
| Dist./Col.     | 664.44  | 7            | 612.07  | 6            |
| Florida        | 491.25  | 30           | 438.58  | 31           |
| Georgia        | 433.25  | 40           | 388.42  | 42           |
| Hawaii         | 683.52  | 6            | 636.22  | 4            |
| Idaho          | 447.39  | 39           | 408.27  | 40           |
| Illinois       | 613.03  | 14           | 575.19  | 10           |
| Indiana        | 469.57  | 34           | 444.11  | 30           |
| Iowa           | 529.65  | 23           | 495.35  | 23           |
| Kansas         | 517.09  | 25           | 460.83  | 27           |
| Kentucky       | 403.94  | 45           | 354.10  | 46           |
| Louisiana      | 449.02  | 38           | 420.03  | 36           |
| Maine          | 514.32  | 26           | 470.35  | 24           |
| Maryland       | 628.56  | 12           | 547.73  | 15           |
| Massachusetts  | 713.88  | 4            | 638.59  | 3            |
| Michigan       | 635.11  | 10           | 569.36  | 12           |
| Minnesota      | 649.51  | 9            | 578.00  | 9            |
| Mississippi    | 381.67  | 49           | 343.99  | 48           |
| Missouri       | 472.68  | 33           | 425.24  | 35           |
| Montana        | 527.26  | 24           | 510.92  | 19           |
| Nebraska       | 503.27  | 27           | 453.31  | 29           |
| Nevada         | 687.59  | 5            | 607.04  | 7            |
| New Hampshire  | 453.55  | 37           | 426.85  | 33-34        |
| New Jersey     | 630.51  | 11           | 554.25  | 14           |
| New Mexico     | 438.31  | 41           | 417.45  | 39           |
| New York       | 893.61  | 1            | 788.68  | 1            |
| North Carolina | 425.32  | 42           | 376.58  | 44           |
| North Dakota   | 469.15  | 36           | 429.55  | 32           |
| Ohio           | 475.42  | 32           | 418.76  | 37           |
| Oklahoma       | 393.38  | 46           | 369.73  | 45           |
| Oregon         | 532.78  | 22           | 463.29  | 25           |
| Pennsylvania   | 581.34  | 15           | 525.93  | 17           |
| Rhode Island   | 542.09  | 20           | 513.90  | 18           |

# STATE & LOCAL TAX COLLECTIONS PER CAPITA

| State          | 1973 State & Local<br>Tax Collections<br>Per Capita | 1973<br>Rank | 1972 State & Local<br>Tax Collections<br>Per Capita | 1972<br>Rank |
|----------------|---|--------------|---|--------------|
| South Carolina | \$ 391.04   | 48           | \$ 338.50   | 49           |
| South Dakota   | 495.84  | 28           | 461.15  | 26           |
| Tennessee      | 391.76  | 47           | 353.67  | 47           |
| Texas          | 418.77  | 43           | 384.25  | 43           |
| Utah           | 469.29  | 35           | 426.85  | 33-34        |
| Vermont        | 618.23  | 13           | 560.52  | 13           |
| Virginia       | 479.71  | 31           | 418.62  | 38           |
| Washington     | 574.71  | 16           | 529.79  | 16           |
| West Virginia  | 415.99  | 44           | 391.45  | 41           |
| Wisconsin      | 664.35  | 8            | 601.95  | 8            |
| Wyoming        | 534.31  | 21           | 509.91  | 20           |
| U.S. Average   | \$ 577.08   |              | \$ 522.49   |              |
| U.S. Median    | \$ 514.32   |              | \$ 461.15   |              |

Source: U.S. Bureau of the Census, Governmental Finances

- 1) Series GF 73-#5  
Table 22
- 2) Series GF 72-#5  
Table 22



# STATE & LOCAL TAX COLLECTIONS PER \$1000 INCOME

| State          | 1973 Collections<br>Per \$1000 Income | 1973<br>Rank | 1972 Collections<br>Per \$1000 Income | 1972<br>Rank |
|----------------|---------------------------------------|--------------|---------------------------------------|--------------|
| Alabama        | \$ 103.62                             | 50           | \$ 101.60                             | 49           |
| Alaska         | 97.57                                 | 51           | 97.83                                 | 51           |
| Arizona        | 138.18                                | 10           | 135.72                                | 10           |
| Arkansas       | 104.65                                | 48           | 102.95                                | 48           |
| California     | 149.09                                | 5            | 149.42                                | 4            |
| Colorado       | 122.71                                | 25           | 124.88                                | 23           |
| Connecticut    | 136.22                                | 11           | 126.90                                | 21           |
| Delaware       | 115.19                                | 35           | 123.99                                | 25           |
| Dist./Col.     | 105.78                                | 46           | 103.62                                | 47           |
| Florida        | 118.67                                | 31           | 115.30                                | 33           |
| Georgia        | 112.38                                | 40           | 109.21                                | 39           |
| Hawaii         | 141.46                                | 8            | 139.33                                | 9            |
| Idaho          | 120.53                                | 28           | 122.92                                | 26           |
| Illinois       | 119.11                                | 30           | 121.18                                | 29           |
| Indiana        | 108.08                                | 44           | 111.26                                | 36           |
| Iowa           | 124.08                                | 24           | 128.79                                | 17           |
| Kansas         | 117.17                                | 32           | 109.99                                | 38           |
| Kentucky       | 113.39                                | 37           | 107.86                                | 44           |
| Louisiana      | 128.24                                | 18           | 130.10                                | 13           |
| Maine          | 142.36                                | 7            | 141.68                                | 7            |
| Maryland       | 129.18                                | 17           | 122.61                                | 27           |
| Massachusetts  | 147.83                                | 6            | 140.59                                | 8            |
| Michigan       | 129.60                                | 15           | 129.76                                | 15           |
| Minnesota      | 151.15                                | 4            | 144.68                                | 5            |
| Mississippi    | 122.64                                | 26           | 124.09                                | 24           |
| Missouri       | 110.21                                | 41           | 108.74                                | 41           |
| Montana        | 132.23                                | 13           | 142.66                                | 6            |
| Nebraska       | 116.84                                | 33           | 113.75                                | 35           |
| Nevada         | 140.81                                | 9            | 130.04                                | 14           |
| New Hampshire  | 109.71                                | 42           | 114.39                                | 34           |
| New Jersey     | 120.42                                | 29           | 116.17                                | 32           |
| New Mexico     | 127.70                                | 20           | 128.93                                | 16           |
| New York       | 169.52                                | 1            | 157.88                                | 1            |
| North Carolina | 113.22                                | 38           | 111.17                                | 37           |
| North Dakota   | 127.06                                | 21           | 122.17                                | 28           |
| Ohio           | 104.36                                | 49           | 100.71                                | 50           |
| Oklahoma       | 104.81                                | 47           | 106.55                                | 45           |
| Oregon         | 126.73                                | 22           | 119.35                                | 31           |
| Pennsylvania   | 129.94                                | 14           | 127.10                                | 20           |
| Rhode Island   | 121.53                                | 27           | 125.71                                | 22           |



# STATE & LOCAL TAX COLLECTIONS PER \$1000 INCOME

| <u>State</u>   | <u>1973 Collections<br/>Per \$1000 Income</u> | <u>1973<br/>Rank</u> | <u>1972 Collections<br/>per \$1000 Income</u> | <u>1972<br/>Rank</u> |
|----------------|---|----------------------|---|----------------------|
| South Carolina | \$ 115.02                                     | 36                   | \$ 109.02                                     | 40                   |
| South Dakota   | 135.01  | 12                   | 134.90  | 11                   |
| Tennessee      | 109.25  | 43                   | 108.14  | 43                   |
| Texas          | 106.25  | 45                   | 105.12  | 46                   |
| Utah           | 129.37  | 16                   | 127.55  | 19                   |
| Vermont        | 168.44  | 2                    | 156.94  | 2                    |
| Virginia       | 112.70  | 39                   | 108.38  | 42                   |
| Washington     | 127.97  | 19                   | 128.26  | 18                   |
| West Virginia  | 116.57  | 34                   | 120.43  | 30                   |
| Wisconsin      | 157.83  | 3                    | 155.51  | 3                    |
| Wyoming        | 126.24  | 23                   | 132.17  | 12                   |
| U.S. Average   | \$ 129.47                                     |                      | \$ 126.94                                     |                      |
| U.S. Median    | \$ 122.63                                     |                      | \$ 122.92                                     |                      |

Source: U.S. Bureau of the Census, Governmental Finances

- 1) Series GF 73-#5  
Table 24
- 2) Series GF 72-#5  
Table 24

# Local Tax Collections Per Capita

| <u>State</u>   | <u>1973 Local Tax<br/>Collections<br/>Per Capita</u> | <u>Rank</u> | <u>1972 Local Tax<br/>Collections<br/>Per Capita</u> | <u>Rank</u> |
|----------------|--|-------------|--|-------------|
| Alabama        | 88.41  | 49          | 78.66  | 51          |
| Alaska         | 163.64   | 35          | 144.92   | 37          |
| Arizona        | 225.36   | 25          | 202.37   | 27          |
| Arkansas       | 85.17  | 51          | 80.13  | 50          |
| California     | 383.35   | 3           | 357.81   | 3           |
| Colorado       | 269.39   | 11          | 245.61   | 12          |
| Connecticut    | 355.75   | 6           | 310.16   | 6           |
| Delaware       | 125.35   | 43          | 118.41   | 43          |
| Dist./Col.     | 664.48   | 1           | 612.03   | 1           |
| Florida        | 167.20   | 34          | 164.44   | 33          |
| Georgia        | 148.77   | 40          | 134.60   | 39          |
| Hawaii         | 163.58   | 36          | 155.50   | 35          |
| Idaho          | 155.32   | 38          | 143.65   | 38          |
| Illinois       | 285.90   | 8           | 273.19   | 7           |
| Indiana        | 233.27   | 22          | 219.73   | 22          |
| Iowa           | 235.43   | 21          | 231.95   | 18          |
| Kansas         | 249.54   | 17          | 227.10   | 21          |
| Kentucky       | 98.71  | 46          | 93.15  | 46          |
| Louisiana      | 133.02   | 42          | 122.96   | 42          |
| Maine          | 218.97   | 28          | 201.65   | 29          |
| Maryland       | 270.76   | 10          | 234.02   | 16          |
| Massachusetts  | 360.81   | 5           | 326.56   | 5           |
| Michigan       | 245.10   | 18          | 232.17   | 17          |
| Minnesota      | 229.07   | 23          | 238.06   | 15          |
| Mississippi    | 91.76  | 47          | 84.05  | 47          |
| Missouri       | 215.85   | 29          | 204.25   | 25          |
| Montana        | 267.68   | 12          | 256.61   | 10          |
| Nebraska       | 259.99   | 15          | 243.80   | 13          |
| Nevada         | 299.09   | 7           | 263.76   | 9           |
| New Hampshire  | 256.51   | 14          | 246.30   | 11          |
| New Jersey     | 369.76   | 4           | 333.50   | 4           |
| New Mexico     | 88.70  | 48          | 82.82  | 48          |
| New York       | 446.31   | 2           | 406.53   | 2           |
| North Carolina | 110.98   | 44          | 96.39  | 44          |
| North Dakota   | 188.28   | 32          | 179.91   | 31          |
| Ohio           | 226.02   | 24          | 215.73   | 24          |
| Oklahoma       | 133.83   | 41          | 123.20   | 41          |
| Oregon         | 264.67   | 13          | 230.52   | 19          |
| Pennsylvania   | 214.39   | 27          | 202.03   | 28          |
| Rhode Island   | 220.66   | 26          | 203.10   | 26          |

# Local Tax Collections Per Capita

| <u>State</u>   | <u>1973 Local Tax<br/>Collections<br/>Per Capita</u> | <u>Rank</u> | <u>1972 Local Tax<br/>Collections<br/>Per Capita</u> | <u>Rank</u> |
|----------------|--|-------------|--|-------------|
| South Carolina | 88.33  | 50          | 82.25  | 49          |
| South Dakota   | 274.71   | 9           | 264.80   | 8           |
| Tennessee      | 148.81   | 39          | 133.52   | 40          |
| Texas          | 179.75   | 33          | 163.47   | 34          |
| Utah           | 158.60   | 37          | 153.37   | 36          |
| Vermont        | 240.52   | 19          | 217.97   | 23          |
| Virginia       | 188.67   | 31          | 169.10   | 32          |
| Washington     | 199.33   | 30          | 188.64   | 30          |
| West Virginia  | 98.83  | 45          | 94.22  | 45          |
| Wisconsin      | 255.50   | 16          | 241.77   | 14          |
| Wyoming        | 236.26   | 20          | 228.41   | 20          |
| U.S. Total     | 252.71   |             | 234.98   |             |
| U.S. Average   | 252.71   |             | 234.98   |             |
| U.S. Median    | 220.66   |             | 203.10   |             |

Source: U.S. Bureau of the Census, Governmental Finances

- 1) Series GF 73 - No. 5  
Table 17, Table 26
- 2) Series GF 73 - No. 5  
Table 17, Table 26

# Local Tax Collections Per \$1000 Income

| <u>State</u>   | <u>1973 Collections<br/>Per \$1000 Income</u> | <u>Rank</u> | <u>1972 Collections<br/>Per \$1000 Income</u> | <u>Rank</u> |
|----------------|---|-------------|---|-------------|
| Alabama        | 26.07   | 47-48       | 25.65   | 49          |
| Alaska         | 32.32   | 42          | 30.89   | 42          |
| Arizona        | 55.93   | 18          | 54.01   | 23          |
| Arkansas       | 26.07   | 47-48       | 26.39   | 48          |
| California     | 77.35   | 3           | 77.81   | 3           |
| Colorado       | 60.87   | 13          | 61.21   | 11          |
| Connecticut    | 66.64   | 8           | 62.39   | 10          |
| Delaware       | 24.63   | 51          | 25.63   | 50          |
| Dist./Col      | 105.78  | 1           | 103.62  | 1           |
| Florida        | 40.39   | 37          | 43.23   | 36          |
| Georgia        | 38.59   | 38          | 37.85   | 39          |
| Hawaii         | 33.86   | 41          | 34.06   | 41          |
| Idaho          | 41.85   | 35          | 43.25   | 35          |
| Illinois       | 55.55   | 21          | 57.56   | 19          |
| Indiana        | 53.69   | 23          | 55.05   | 21          |
| Iowa           | 55.16   | 22          | 60.31   | 15          |
| Kansas         | 56.54   | 17          | 54.21   | 22          |
| Kentucky       | 27.71   | 45          | 28.37   | 46          |
| Louisiana      | 37.99   | 39          | 38.08   | 38          |
| Maine          | 60.61   | 15          | 60.74   | 14          |
| Maryland       | 55.65   | 20          | 52.39   | 25          |
| Massachusetts  | 74.72   | 5           | 71.90   | 5           |
| Michigan       | 50.01   | 27          | 52.91   | 24          |
| Minnesota      | 53.31   | 24          | 59.59   | 16          |
| Mississippi    | 29.48   | 44          | 30.32   | 43          |
| Missouri       | 50.33   | 26          | 52.23   | 26          |
| Montana        | 67.13   | 7           | 71.65   | 6           |
| Nebraska       | 60.36   | 16          | 61.18   | 12          |
| Nevada         | 61.25   | 12          | 56.50   | 20          |
| New Hampshire  | 62.05   | 11          | 66.01   | 8           |
| New Jersey     | 70.62   | 6           | 69.91   | 7           |
| New Mexico     | 25.84   | 50          | 25.58   | 51          |
| New York       | 84.67   | 2           | 81.38   | 2           |
| North Carolina | 29.54   | 43          | 28.46   | 45          |
| North Dakota   | 50.99   | 25          | 51.17   | 28          |
| Ohio           | 49.61   | 28          | 51.89   | 27          |
| Oklahoma       | 35.66   | 40          | 35.50   | 40          |
| Oregon         | 62.96   | 10          | 59.39   | 17          |
| Pennsylvania   | 47.92   | 30          | 48.82   | 30          |
| Rhode Island   | 49.47   | 29          | 49.68   | 29          |
| South Carolina | 25.98   | 49          | 26.49   | 47          |
| South Dakota   | 74.80   | 4           | 77.47   | 4           |
| Tennessee      | 41.50   | 36          | 40.83   | 37          |
| Texas          | 45.61   | 31          | 44.72   | 33          |
| Utah           | 43.72   | 34          | 45.83   | 31          |



Local Tax Collections Per \$1000 Income

| <u>State</u>  | <u>1973 Collections<br/>Per \$1000 Income</u> | <u>Rank</u> | <u>1972 Collections<br/>Per \$1000 Income</u> | <u>Rank</u> |
|---------------|---|-------------|---|-------------|
| Vermont       | \$ 65.53                                      | 9           | \$ 61.03                                      | 13          |
| Virginia      | 44.33   | 33          | 43.78   | 34          |
| Washington    | 44.39   | 32          | 45.67   | 32          |
| West Virginia | 27.69   | 46          | 28.99   | 44          |
| Wisconsin     | 60.70   | 14          | 62.46   | 9           |
| Wyoming       | 55.82   | 19          | 59.20   | 18          |
| U.S. Total    | 56.69   |             | 57.09   |             |
| U.S. Average  | \$ 56.69                                      |             | \$ 57.09                                      |             |
| U.S. Median   | 50.33   |             | 52.23   |             |

Source: U.S. Bureau of the Census, Governmental Finances  
 1) Series GF - No. 5  
 Table 17, Table 26  
 2) Series GF 72 - No. 5  
 Table 17, Table 26

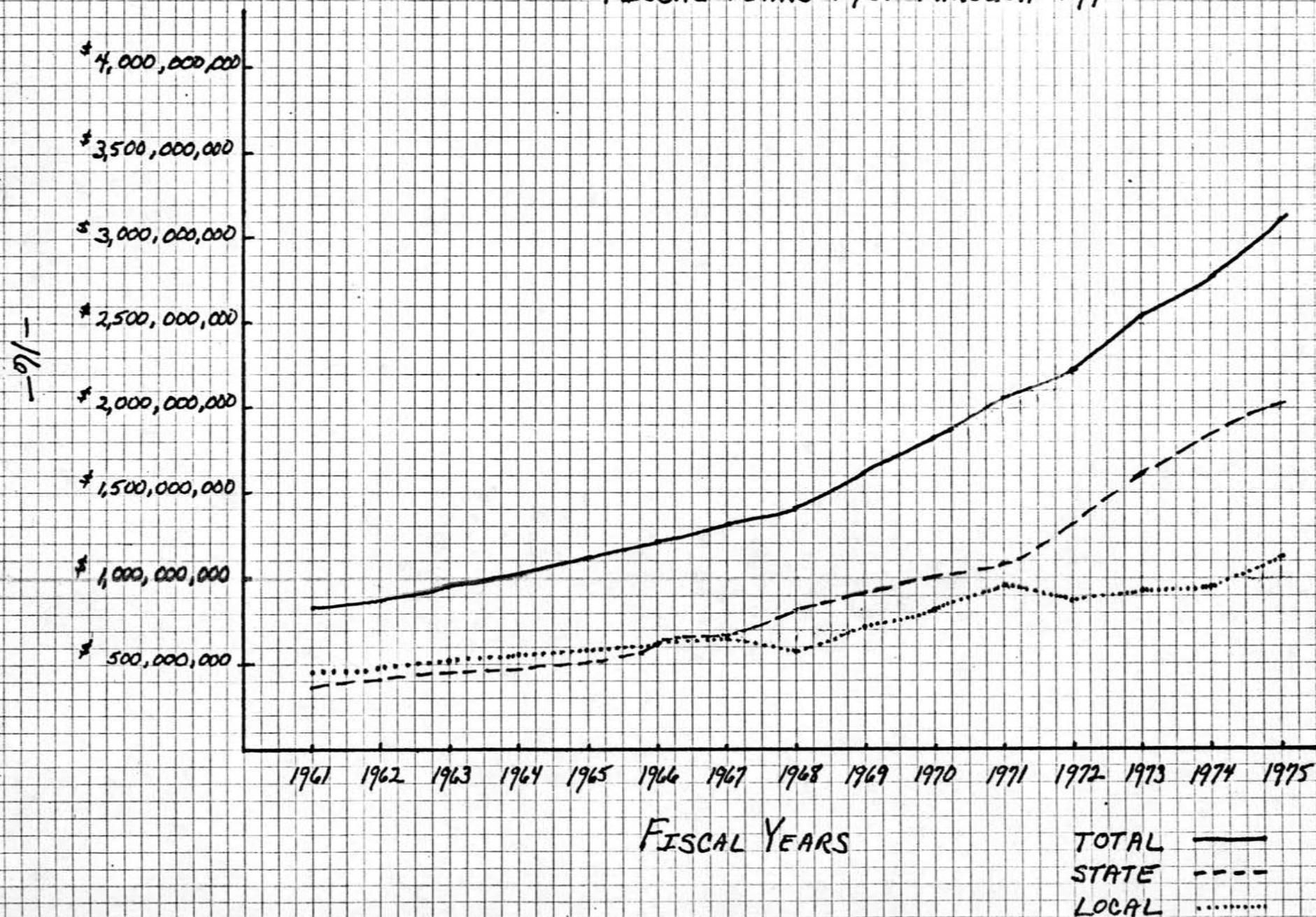
HISTORICAL SUMMARY OF MINNESOTA  
STATE AND LOCAL NET TAX COLLECTIONS  
Fiscal Years 1961 through 1975

| <u>Fiscal Year</u> | <u>State</u>   | <u>Local</u>   | <u>Total</u>   |
|--------------------|----------------|----------------|----------------|
| 1961               | \$ 382,976,000 | \$ 448,765,000 | \$ 831,741,000 |
| 1962               | 403,394,000    | 486,552,000    | 889,946,000    |
| 1963               | 442,478,000    | 518,709,000    | 961,187,000    |
| 1964               | 479,939,000    | 548,710,000    | 1,028,649,000  |
| 1965               | 519,469,000    | 586,799,000*   | 1,106,268,000* |
| 1966               | 614,996,000    | 610,485,000    | 1,225,481,000  |
| 1967               | 660,112,000    | 651,823,000*   | 1,311,935,000* |
| 1968               | 815,121,000    | 593,055,000    | 1,408,176,000  |
| 1969               | 914,569,000    | 707,882,000    | 1,622,451,000  |
| 1970               | 1,020,953,000  | 809,909,000    | 1,830,862,000  |
| 1971               | 1,098,036,000  | 963,760,000    | 2,061,796,000  |
| 1972               | 1,324,489,000  | 899,407,000    | 2,223,896,000  |
| 1973               | 1,624,220,000  | 924,094,000    | 2,548,314,000  |
| 1974               | 1,841,804,000  | 956,966,000    | 2,798,770,000  |
| 1975               | 2,019,936,000  | 1,112,937,000* | 3,132,873,000* |

\* Estimate

Note: Local taxes includes only real property tax levies after homestead credits, personal property tax levies, special assessments, taxes on rural power lines (transmission and distribution lines), and personal property taxes on mobile homes.

# HISTORICAL SUMMARY OF MINNESOTA STATE AND LOCAL NET TAX COLLECTIONS FISCAL YEARS 1961 THROUGH 1975



# LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA, ST. PAUL, MINNESOTA 55102

September 24, 1976

Ted Miller  
Senate Committee on Finance  
Room 121, State Capitol  
St. Paul, Minnesota 55155

Dear Mr. Miller:

Thank you for agreeing to meet with the Financing State Government Committee of the League of Women Voters of Minnesota. Enclosed is a copy of the preliminary outlines for our two publications on expenditures in Minnesota. Our major concerns are identifying information sources for each of the sections and revising the categories under State Governmental Expenditures (section I, B of the second outline) so that they will correspond with the data available from the Minnesota Department of Finance. Any other suggestions would be most welcome.

I would also appreciate your bringing 20 copies of A Fiscal Review of the 1976 Legislative Session. I'm looking forward to seeing you Wednesday, September 29, at 1:00 p.m. in the League office.

Sincerely,

Karen Anderson  
Coordinator, Financing State Government Committee







## LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

June 17, 1975

Mary Nash  
27 Kohring Circle S.  
Harrington Park, N J 07640

Dear Ms. Nash:

At the recent convention, our members chose, as the major new program item, a new study on Financing Government in Minnesota. It is to be: a study of the source and distribution of state revenue; a study of the effects of shifting tax burdens; evaluation of the most equitable and effective method of funding services to all levels of government. Focus will be on the effects of these on people and programs in the state.

I understand you were involved in the first Financing Government study in Minnesota and that you have recently completed a similar study in New Jersey. As the brand new program chairman for our study, I would appreciate any information you may have which would help me -- committee guides, publications, etc. Our committee is hoping to try new, innovative ideas in this program area, and we would like any information you feel would be of help to us.

Thank you very much.

Sincerely,

*Karen Anderson*

Karen Anderson, LWVMN  
Financing Government  
16917 Clear Spring Terrace  
Minnetonka, MN 55343

*file*

February 20, 1973

League of Minnesota Municipalities  
3300 University Avenue, S.E.  
Minneapolis, Minnesota 55414

Gentlemen:

We recently received the enclosed letter which we are forwarding to you, since we have no information on Kenneth Fry and the tax parity proposal. We hope that you will be able to assist this group by providing the requested information and materials.

Thank You.

Sincerely,

Mary Ann McCoy  
State President

MM:hh

February 20, 1973

Audrey Penn Rodgers  
Campaign Data Service, Inc.  
333 Kearny Street  
San Francisco, California 94108

Dear Ms. Rodgers:

We have forwarded your letter of 13 February requesting information on Kenneth Fry and the tax parity proposal, to the League of Minnesota Municipalities since we have no information on this. We hope that they will be able to help you obtain the requested information and materials.

Sincerely,

Mary Ann McCoy  
State President

MM:hh

FOUR STAR  
ORIGINAL SKIN  
STAMPED  
JAN 21 1973



April 11, 1972

The Honorable Albert H. Quie  
U. S. House of Representatives  
Washington, D.C. 20515

Dear Mr. Quie:

The Minnesota League of Women Voters wishes to emphasize our agreement with your expressed approval of greater efforts by states, and the federal government, to relieve the property tax burden and assist local education. We have supported increasing aids from the state government for greater equalization of educational opportunity.

We also appreciate your concern for local involvement. League members have expressed the desire to maintain local authority and initiative, and we are aware of the difficulties in accommodating these two potentially conflicting wishes.

Sincerely,

Mary Ann McCoy  
State President  
League of Women Voters of Minnesota

cc to Barbara Jones, Connie Johnson, Liz Ebbott,  
Gloria Phillips, M.A. McCoy



*File and copy to [unclear]  
and Mary [unclear]*

AGRICULTURAL EXTENSION SERVICE

UNIVERSITY OF MINNESOTA

COPY

February 4, 1966

INSTITUTE OF AGRICULTURE  
ST. PAUL 55101

Mrs. William Whiting, President  
League of Women Voters of Minnesota  
622 East School Street  
Owatonna, Minnesota 55060

FEB 7 1966

Dear Mrs. Whiting

It is clear that public problems concerning taxation and spending by the state of Minnesota and its local governments are among the most important public issues facing individuals and organizations within our state. Because of the critical nature of these problems and the need for better public understanding of problems and alternatives related to public finance in Minnesota, the Cooperative Extension Service is organizing a series of 8 one-day Public Affairs Seminars on "Tax Policies in Minnesota." I have discussed with Mrs. Nash and Mrs. Duff of the League the plans that we have for these public affairs programs. Since the League of Women Voters is currently engaged in programs concerned with this area of public policy, I hope that it will be possible to have members of your organization present at these seminars.

Enclosed is a copy of the schedule for these events and a tentative program for the seminars. Featured on each of the programs will be Mr. Roland F. Hatfield, Commissioner of Taxation, and Mr. Lloyd Woodruff, Director of Research and Planning for the Minnesota Department of Taxation. The object of these seminars will be to analyze state and local taxation, with special emphasis on property taxation, and to assess alternatives related to future needs for public revenues. A substantial part of the program will be devoted to group discussion.

I know that the seminars would benefit from having members of the League of Women Voters present. Individuals interested in attending these seminars should contact their local County Extension Agent to secure application forms. We hope to have a broad representation of local community leadership from a multi-county area in attendance at each program. The enrollment at each seminar will be limited to approximately 75 persons. Consequently, early application is strongly recommended.

I hope you will find it possible to encourage members of the League of Women Voters to attend these programs. I am sure this series will be of interest to your members.

Sincerely

Arley D. Waldo  
Extension Economist in Public Affairs

cc: Mrs. Mary Nash  
Mrs. N. E. Duff

ADW/jf

Enclosure

## A Series of Public Affairs Seminars

on

## TAX POLICIES IN MINNESOTA

1966

SCHEDULE

| <u>Date</u> | <u>Location</u> |
|-------------|-----------------|
| March 22    | Rochester       |
| March 24    | Mankato         |
| March 29    | Marshall        |
| March 31    | Morris          |
| April 5     | St. Cloud       |
| April 7     | Moorhead        |
| April 26    | Bemidji         |
| April 27    | Duluth          |

TENTATIVE PROGRAM

|           |   |
|-----------|---|
| 9:15 a.m. | Registration  |
| 9:45      | Introductions   |
| 10:00     | <u>Survey of Public Spending and Taxation in Minnesota</u> , Carole B. Yoho,<br>Public Affairs Specialist, University of Minnesota  |
| 10:30     | <u>The Minnesota Property Tax System</u> , Rolland F. Hatfield, Commissioner<br>of Taxation, State of Minnesota                     |
|           | Discussion  |
| 12:00     | Lunch   |
| 1:00 p.m. | <u>Tax Revision and Future Revenue Needs</u> , Arley D. Waldo, Extension<br>Economist in Public Affairs, University of Minnesota    |
| 1:45      | <u>An Analysis of Recent Tax Proposals</u> , Lloyd Woodruff, Director of<br>Research and Planning, Minnesota Department of Taxation |
|           | Discussion  |
| 3:30      | Adjournment   |



Office

26 November 1965

Mrs. Paul Gossard  
League of Women Voters of Massachusetts  
41 Mt. Vernon St.  
Boston, Mass. 02108

Dear Mrs. Gossard,

I'm sorry to be answering your letter this late. However we did not receive it until after the 15th. Then some time was lost while it went to our president and then back to me. I thought perhaps you'd still like to hear from us even though it's too late.

Our schools are financed primarily by the local property tax -- slightly over half --- and approximately 40% comes from state aids. The state portion is obtained mainly from the state income tax, 87% of which is dedicated to schools. Our school districts are entirely separate from the cities and villages and are not necessarily coterminous. The state money is given directly to the school districts so there's no question of whether or not the money is spent for schools.

To receive state aid, schools must be in session 9 months, must be free and non-segregated, must be taught in the English language, must display the flag, and a number of other such vital requirements. State aid is distributed on the basis of the number of pupil units in average daily attendance. For the formula, the local effort is figured by multiplying the equalized assessed valuation in the district by 19 mills. The number of pupil units is multiplied by \$315 and then the local effort is subtracted from this.

The League has no position on financing schools. We are just now beginning a basic study of financing government in Minnesota. This includes both state and local governments. Our first publication will be ready in Feb. We do not expect any consensus before next year and possibly not then. A consensus specifically concerning schools would not be expected even then.

Minnesotans spend an above average amount for education even though their per capita personal income is below average. I think in general the local communities demand high standards for their schools. The people are proud of their schools and are willing to pay for them. (Maybe nothing else, but schools, yes!) Consequently, perhaps the state doesn't have to prod them or make as many requirements as is necessary in some states. (These are observations of a relative newcomer to the state. I've been here 2 years.)

I hope this answers your questions and is useful to you. We'd be happy to have a copy of your information when you have it compiled.

Sincerely,

Mrs. Harold Nash, Financing Government Ch.

*Office*

November 3, 1965

Mrs. Anona Teska  
League of Women Voters of the United States  
1200 Seventeenth Street, N.W.  
Washington, D. C. 20036

Dear Mrs. Teska:

We in Minnesota are looking forward to the revised Inventory of Work on State Fiscal Policy for as you know we are in the first year of a new item and feel we can benefit a great deal from the past experience of other state League work in this area.

Enclosed is our suggested revision of the rough draft of Minnesota's work to date. We have included information on our publication which is still in the "rough draft" stage and did not have a title until your letter reached us. It is quite possible that the title might be changed but we feel that if anyone ordered it by this title we would know what they wanted and would be able to fill their order!

It has been so long ago when we were directly concerned with our state fiscal policy that we are forgetting past work or experience and trying to make a very fresh approach to the subject. We would therefore appreciate no mention to any "historical" activity we might have had.

We are looking forward to participating in the Conference on Financing State Government to be held in Chicago in February. From past experience at similar conferences we know there is much of value to be gained simply from an exchange of "experiences" among state League leaders who have worked in similar Program fields. We shall look forward to your revised Inventory in preparation for the discussions at the conference.

This is the first direct correspondence I have had with you since you have become a member of our national staff and I am glad that you have the opportunity to participate in this kind of exciting and vital League Program activity. We shall look forward to hearing more from you.

Sincerely,

Mrs. William W. Whiting  
President

Enclosure



## AN INVENTORY OF WORK ON STATE FISCAL POLICY

MINNESOTA: Financing Government in Minnesota: Evaluation of revenue sources with consideration of state and local needs. (CA)

The Minnesota league over the years has made some oblique approaches to the problems of state revenues and taxation. Their long-time constitutional revision study, state studies of discrimination, the study of Indians in Minnesota including welfare programs and law enforcement problems pointed up the importance of adequacy of state revenues. Then, too, local Leagues in their studies of assessment problems, county government and county planning, and education items came face to face with inter-governmental relationships of all levels of government to taxation and public spending.

In 1963, the recommended item was a finance study, rejected by the Convention; but in 1965, the delegates adopted the study of financing government in Minnesota.

Convention directives by delegates indicated the areas of interest: a study of basic tax structure; a study of what services are needed and how the tax dollar is spent; a study of inequities of the property tax (perhaps indicating the concern of the nine local Leagues in Minnesota with assessment items on their local agendas).

During the interval between the adoption of the item and the distribution of the first publication, League members are encouraged to begin by determining just what amount of state and local taxes they personally pay and also the kinds and costs of governmental services they receive in return. In addition each League is asked to make a financial survey of its own community (by answering the questions in the finance section of Know Your Local Government)). Four pertinent reprints and a small booklet make up a kit sent to each League. The resource committee in each local League is encouraged to study these materials and make use of the selected bibliography included with the kit.

The first publication, Financing Public Services in Minnesota, will provide League members and the public with factual information on the present system of financing state and local governments.

## AN INVENTORY OF WORK ON STATE FISCAL POLICY

**MINNESOTA:** Financing Government in Minnesota: Evaluation of revenue sources with consideration of state and local needs. (CA)

The Minnesota League over the years has made some oblique approaches to the problems of state revenues and taxation. Their long-time constitutional revision study, state studies of discrimination, the histori-



The second year of study envisions a more detailed study of some of the particular problem areas with consideration of alternative solutions and possible changes.

Publications: Financing Public Services in Minnesota March 1966. This will include

discussions of combined state and local finances making comparisons with other states, Minnesota state revenues and expenditures showing changes since 1950 and 1960, state fiscal procedures and local (i.e. county, township, municipality, school district and special district) finances.

Price: undetermined as yet but probably about 50¢

*office*

Similar letters were sent to Faribault, Albert Lea, Mankato, New Ulm, Owatonna, St. Peter, Wells and Northfield about the meeting in Waseca on Oct. 21. Also to Austin, Red Wing, Rochester and Winona about their meeting on Oct. 22 in Winona and to Granite Falls, Jackson and Worthington about the one in Marshall on Nov. 2

7 October 1965

Mrs. Richard Temple  
Country Club Heights  
Alexandria, Minn.

Dear Mrs. Temple,

You know the old saying, "Great minds run in the same channels". The Agriculture Extension Service has scheduled a series of meetings around the state on the subject of "Financing Government"! There will be one for your area on Wednesday, November 3rd in Benson. It runs from 9:30 to 3:30. Contact the Home Agent in your county (Agriculture Extension Office) for reservations before October 29. Your Home Agent will be able to tell you the place and the price of the lunch.

The morning session, conducted by Mrs. Carole Yoho, Extension public affairs specialist, will be concerned with spending and tax patterns, the public versus the private sectors of our economy, the changing role of government, comparative growth or decline of each level of government etc. There will be an opportunity for small group discussions later in the morning.

In the afternoon, Dr. Arley Waldo, Extension economist in public affairs, will discuss the policy-making process, the role of the individual, legislators, special interest groups etc. Also included will be consideration of the major taxes now in use, their strengths and weaknesses, their effects on various groups in society etc.

As you can see this will be an excellent opportunity for all your members to obtain a fine background for our study of financing government in Minnesota. Your resource chairman and her committee will surely want to attend and I hope the rest of your members can also be there. It isn't often that such an appropriate program is available to us at such an opportune time. So I hope all League members will take advantage of it.

Sincerely,

*Mary Nash*  
Mrs. Harold Nash  
Financing Government Chairman