

[COMMITTEE PRINT]

SUMMARY OF TESTIMONY ON FEDERAL AID  
TO PUBLIC AND PRIVATE ELEMENTARY  
AND SECONDARY EDUCATION  
(H.R. 16141 AND RELATED BILLS)

AT

PUBLIC HEARINGS

AUGUST 14-18 AND SEPTEMBER 5-7, 1972

HELD BY THE

COMMITTEE ON WAYS AND MEANS

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PREPARED BY THE STAFF  
OF THE  
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REVENUE TAXATION



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CATION (H.R. 16141 AND RELATED BILLS)**

Testimony was received by the Committee on Ways and Means from Members of Congress, the administration, and the general public at public hearings on August 14-18 and September 5-7, 1972, on the subject of Federal assistance to public and private elementary and secondary education (H.R. 16141 and related bills).

H.R. 16141 is divided into two titles. Title I would establish a Public Education Trust Fund to provide a Federal matching payment of 50 percent for State elementary and secondary education equalization expenditures. State-wide education expense per student and the average State-wide property tax rate are determined and applied on a district-by-district basis to arrive at the allocation of the equalization funds, which represent the gap between the district's presumed ability to raise education revenue and its need for such revenue. The bill would authorize equalization aid payments of up to \$2.25 billion per year, beginning with fiscal year 1973.

Title II of H.R. 16141 would add a Federal income tax credit for 100 percent of private nonprofit elementary and secondary tuition and fees paid on behalf of a dependent (up to a maximum credit of \$200 for each dependent), effective for taxable years beginning after December 31, 1971.

Summarized below are the statements of the witnesses appearing during the public hearings, as well as written statements submitted to the Committee on Ways and Means.

**A. TITLE I—PUBLIC EDUCATION EQUALIZATION  
TRUST FUND AID PROGRAM**

*1. Comments of those in favor of title I*

*William W. Brickman, Professor of Education, University of Pennsylvania (August 16).—Believes that a properly financed public educational system is a basic necessity for the welfare and security of the United States.*

*Honorable William R. Roy, Member of Congress, Kansas (August 18).—Notes that he cosponsors H.R. 16257. Considers property tax financing of education to be inequitable, as it depends upon local property wealth. Supports Federal assistance, but without Federal control of local schools. Urges that no Federal funds be expended for support of schools that discriminate on the basis of race, color, or creed.*

*Virgil A. Lange, Fordyce, Nebraska (August 18).—Supports quality public and nonpublic schools, with freedom to choose.*

*Honorable Louise Day Hicks, Member of Congress, Massachusetts (September 7).—Supports H.R. 16141 as a balanced, well-thought-out*

means of solving the pressing financial problems confronting our Nation's public and private schools.

*James A. Hamilton, Director, National Council Churches of Christ (written statement).*—Favors title I of the bill providing that (1) Federal funds be administered by the States with a provision for a report by them to the U.S. Commissioner of Education on the use of the funds, (2) there be no discrimination against children on the basis of race, religion, class, or national origin, and (3) there be adequate safeguards against Federal control of educational policy.

*J. Elliott Corbett, Director, Department of Church Government Relations, United Methodist Church (written statement).*—Favors title I of the bill as an attempt through matching Federal funds to readjust the inequitable distribution of public educational monies incurred as a result of the disparity of property tax base within various school districts.

2. *Comments of those opposing title I*

*Honorable Elliot L. Richardson, Secretary of Health, Education, and Welfare (August 14).*—Indicates that the Administration is still engaged in intensive study of the problems of primary and secondary education, but that the administration is unable to support title I of the bill at this time.

Notes that the bill uses assessed property valuation as a factor in the distribution under title I; maintains that use of such a non-uniformly administered factor would exacerbate the disparities in assessments. Points out that the bill does not provide for property tax relief.

*Honorable Caspar W. Weinberger, Director, Office of Management and Budget (August 14).*—Indicates that the budget margin for new programs is virtually nonexistent. Maintains that other expenditures would need cutting if such a new program is enacted. Estimates that title I grants would cost about \$2.25 billion per year.

*American Association of Christian Schools, A.C. Janney, President (August 17).*—Notes that recent research indicates that new allocations of more funds has not resulted in better education. Questions the wisdom of pouring more money in without better knowledge.

*National School Boards Association, August W. Steinhilber, Director, Federal and Congressional Relations (September 5).*—Maintains that proposed State allotment formula may discriminate against States with evenly distributed per-pupil wealth. Believes that intra-state equalization requirement for eligibility formula should include factors for student enrollments, relative income, special high-cost programs (as for the retarded), municipal overburdens in noneducational fields, and maintenance of local tax effort.

Suggests that the bill would give the Administration such power to prescribe equalization factors as would permit partisan stewardship. Maintains that the general aid program should be directed by the Assistant Secretary of HEW for Education, rather than by the Secretary; and that no wording should be included that might be interpreted to standardize salaries of local educational personnel.

*Albert E. Arent, representing American Jewish Committee, American Jewish Congress, B'nai B'rith—Anti-Defamation League, Jewish Labor Committee, Jewish War Veterans of the U.S.A., National Council of Jewish Women, Union of American Hebrew Congregations, and United*

*Synagogue of America (September 5).*—Supports the objectives but not the present drafting of title I. Believes bill as presently drafted would not necessarily reduce or even stabilize the present reliance on realty taxes in financing education. Suggests that further appraisal is needed before action on title I.

*American Federation of Labor and Congress of Industrial Organizations, Andrew J. Biemiller, Director, Department of Legislation (September 6).*—Believes that the Federal grants, which are tied to the level of State expenditures, will create more educational disparity than already exists by aiding the wealthy States more than the poor States.

Believes that the best solution to the problem of public and non-public education would be to fund existing Federal programs for education at the full limits of their present authorization.

*John J. Murray, Director, Department of Nonpublic School Teachers, American Federation of Teachers, AFL-CIO (September 6).*—Opposes title I because of belief that it will not accomplish its purpose. Suggests an in-depth inquiry to develop a more suitable Federal aid to education plan.

*National Governor's Conference, James L. Martin, Associate Director (written statement).*—Urges all States to undertake immediate action toward equalizing education opportunity to eliminate local wealth as the major determinant in educational opportunity. States that while achieving educational equality is primarily the responsibility of individual States, new Federal assistance will be necessary to assist the States to do this. Federal programs which are developed to provide this assistance should include the following principles: (1) new assistance should not be aimed at encouraging a single, federally prescribed approach to educational equalization, as differing State political traditions and fiscal situations must be recognized; (2) the States should not be by-passed in Federal education legislation, directives, or policy decisions, since States have constitutionally and historically maintained ultimate responsibility for education; (3) Federal assistance toward equal educational opportunity should not be tied to other objectives such as property tax relief, as local tax relief and reform is a State concern and must ultimately depend upon State action; and (4) Federal financial assistance for education should continue to be appropriated from the general revenue of the U.S. Treasury to assure flexibility in the face of changing needs.

*National Education Association, Katherine Barrett, President (written statement).*—Opposes H.R. 16141 and urges the Committee on Ways and Means to consider a general education bill to give full consideration to alternative plans to equalize educational opportunities among the public school children within and among States, and to plan now for an adequate system of Federal support which will provide for  $\frac{1}{3}$  Federal funding of the cost of elementary and secondary schools. Further recommends that any Federal program which deals with equalization within the States establish a priority for funding the needs of city school systems.

Points out that title I will not result in an equalization of educational opportunity because the bill does not recognize that cities have higher per pupil expenditures than the State-wide average and are high in assessed value as well. In addition, points out that many States do not have property assessment equalization programs and the assessment ratio to market value of property value vary widely.

Notes that the bill omits definitions of school expenditures and of assessed value. For example, school expenditures may include current expenditures for the regular day school programs, expenditures for other school programs, i.e., summer school, adult education, etc., capital outlay, and interest. Assessed value can include or exclude the tax exempt portion of the tax roll, such as homestead exemptions.

Contends that title I would not equalize funds among the States. For example, indicates that 10 percent of New York's non-Federal expenditures per pupil are three times those of either Arkansas or Mississippi, and the limit of 10 percent for New York would exceed \$500 million compared to about \$25 million apiece for Arkansas and Mississippi.

Objects strongly to the language in section 105(a), which provides that "persons employed in jobs financed in whole or in part out its trust fund established under paragraph (1) will be paid wages which will not be lower than the prevailing rates of pay for persons employed in similar jobs by such States." Points out that this is not an appropriate control for a Federal bill, and suggests that the prevailing wage level should be that of the particular district.

### 3. Other comments regarding equalization aid to public schools

*Mrs. C. Bradford Lundy, Jr., President, League of Catholic Women of Detroit (August 16).*—Suggests that equalization expenditures also be channeled to nonpublic schools.

*Public Funds for Public Schools of New Jersey, Professor Paul Trachtenberg, Rutgers University School of Law (August 17).*—Suggests that consideration also be given to the New York State Fleischmann Commission recommendations for "transition aid" to public schools to assist in the transfer of nonpublic students to the public schools.

*National School Boards Association, August W. Steinhilber, Director, Federal and Congressional Relations (September 5).*—Endorses a program of Federal support for public education which (a) sets a national goal that each child be provided an equal opportunity for good public education; (b) equalizes resources; (c) increases Federal support for operational purposes to not less than 40 percent within four years; (d) ensures maintenance of State and local policy determination and effort; and (e) allocates aid directly to public education.

*Honorable Thomas Laverne, New York State Senator and Chairman, Special Committee on School Finance, National Legislative Conference; Chairman, New York State Joint Legislative Committee on Metropolitan and Regional Areas Study; Chairman, New York State Senate Standing Committee on Education; Commissioner, New York State Commission on the Quality, Cost and Financing of Education (Fleischmann Commission) (September 5).*—Recommends that the bill adopt a 65th percentile level rather than State-wide average expenditure as an equalizing level. Suggests, also, factors for municipal overburden and for educational need to relieve inner cities. Proposes an incentive fund to enable States to reform realty tax administration and to reduce reliance on realty taxes. Suggests technical changes.

Points out that if property assessments are used to determine a distribution of funds, assessments must meet a common national standard, such as equalized assessment at full market value.

Recommends that the Federal Government increase its support of public education from the present 7 percent to the range of 25 to 30 percent, and that Federal funding be designed to help States equalize resources through block grants rather than categorical grants.

*Honorable Peter A. Peyser, Member of Congress, New York (September 7).*—Suggests that members of the Committee on Education and Labor be involved with Ways and Means in the consideration of title I.

*American Association of Retired Persons and National Retired Teachers Association, Cyril F. Brickfield, Legislative Counsel (written statement).*—Approves the purpose of H.R. 16141, but objects to the formula used to determine the amount of the Federal contribution to States where a significant portion of public school financing is raised locally since it is linked to assessed property evaluation and average property tax rates.

Feels that the bill should induce property tax reform and relief for the benefit of the elderly and other low-income groups.

#### B. TITLE II.—TAX CREDIT FOR PRIVATE ELEMENTARY AND SECONDARY SCHOOL TUITION

##### 1. Comments of those in favor of title II

*Honorable George P. Shultz, Secretary of the Treasury (August 14).*—States that the Administration strongly supports the goals of title II of H.R. 16141. Believes that the nonpublic school system provides a healthy diversity in society, and that it shares education costs that would otherwise fall on public schools. Considers the proposed tax credit approach to be consistent with the existing system of tax deductions, and to be constitutional.

Recommends that the credit be gradually phased out for families with adjusted gross income over \$18,000. Maintains that this would make the credit comparable with the child care deductions.

Suggests that the credit be devised to be refundable to those who pay no income tax. Recommends that such a refundable credit be made separable from the basic credit so that the constitutionality of the credit itself is not endangered.

Indicates that if this legislation is enacted then a corresponding offset by way of expenditure reduction or revenue increase would have to be found. Notes that the revenue loss estimate of \$584 million with a refundable provision is a realistic estimate, assuming no increases in tuition. Assuming increases in tuition, estimates the revenue loss at \$790 million without a refundable provision and \$970 million with a refundable provision.

*Honorable Caspar W. Weinberger, Director, Office of Management and Budget (August 14).*—Supports the purpose of title II of H.R. 16141. Recommends phasing out the credit for those with adjusted gross incomes over \$18,000.

*Honorable Elliot L. Richardson, Secretary of Health, Education, and Welfare (August 14).*—Supports the concept of a tax credit for private elementary and secondary education costs.

*Citizens Relief for Education by Income Tax (C.R.E.D.I.T.), Rabbi Morris Z. Sherer, President, and representing Agudath Israel of America, Council for American Private Education, The Lutheran Church—*

*Missouri Synod, National Association of Independent Schools, National Catholic Educational Association, National Union of Christian Schools, and Office of Educational Planning, Catholic University of America (August 15).*—Notes that C.R.E.D.I.T. is a multi-faith coalition of nonpublic school leadership representing 95 percent of the Nation's five million nonpublic school children.

Believes that the basic issue is one of freedom of choice in education, and the maintenance of a diverse school system. Maintains that without additional financial assistance, the nonpublic schools will continue to decline in enrollment and number of schools, which will increase the burden on public schools and the local taxpayers. Notes that Minnesota has enacted tax credit legislation, and that the enrollment loss in nonpublic schools there is below the national average.

Believes tax credits to be constitutional, as having a stated secular purpose, as doing nothing to advance or inhibit any particular religion, and not involving excessive entanglement between Church and State.

*National Catholic Educational Association, Rev. Frank H. Bredeweg (August 15).*—Notes that Catholic schools educate over 80 percent of nonpublic school children. Feels that nonpublic schools provide a needed diversity in education by giving parents a choice. Maintains that higher costs are forcing nonpublic schools to close, which increases the burden on public schools. Points out that most of these closings are in the inner urban areas, which are already under severe fiscal pressures.

Believes that Federal income tax credit legislation is the only solution capable of providing immediate, significant aid to nonpublic schools.

*The Lutheran Church-Missouri Synod, Al H. Senske, Secretary of Elementary and Secondary Schools (August 15).*—Notes that the Church supports Federal aid for all children attending public, private, and parochial schools. Believes that the tax credit approach is both fair and constitutional.

*John T. Gurash, Chairman, Archdiocesan Advisory Committee on the Financial Crisis of Catholic Schools in Philadelphia and Surrounding Counties (August 15).*—Feels that the financial crisis of nonpublic schools has also had an adverse impact on the public schools, by transferring students to the public system, especially in the urban areas.

*National Jewish Commission on Law and Public Affairs, Dennis Rapps, Executive Director (August 15).*—Considers tax credits to be constitutionally similar to tax deductions. Contends that the credit would only be a method of avoiding double taxation for those parents who choose private education but who still must support public education.

Maintains that there would be no "excessive entanglement" of Government and religion, and that the tax credit approach is a constitutional exercise of the taxing power of Congress.

*Diocesan Federation of Home-School Associations for the Diocese of Brooklyn, New York, Albert J. Millus, President (August 16).*—States that increasing costs and decreasing number of religious teachers has forced up tuition for private schools, resulting in attendance dropping 23 percent since 1965. Asserts that Catholic private education is to a great degree for the poor, and hence must be subsidized by diocesan funds.

Affirms that religious education is a manner of exercising religion, and that the constitutional right to the free practice of religion will become empty if parents are unable to pay for it. Believes that "pluralism of education" is beneficial to society, and that Federal assistance to private education is constitutional if its primary effect neither advances nor inhibits religion.

*Citizens for Educational Freedom, Eugene Linse, President (August 16).*—Asserts that nonpublic schools promote competition against a monopoly of education by public schools, save taxpayers \$3 billion annually, meet the needs of minority groups in large cities, and provide moral values and stabilization in poor, changing neighborhoods. Maintains any bill would be constitutional which had the secular purpose of education, the primary effect of advancing the free exercise of religion, and did not entangle Government excessively with religion as a tax credit would not.

Claims a tax credit for education would not be different from present tax credits and would be consistent with present Federal aids to private colleges and to students in those institutions. Believes a maximum of \$200 would be insufficient and notes that \$400 per pupil per annum would be less than 50 percent of cost of public education in the poorest of states.

*William W. Brickman, Professor of Education, University of Pennsylvania (August 16).*—Notes that H.R. 16141 would recognize importance of private schools in our history. Believes that the bill would democratically equalize educational opportunities and enable poor parents to pay tuition to prevent their children from becoming "mere creatures of the State."

*Honorable Thaddeus J. Dulski, Member of Congress, New York (August 17).*—Explains that, although the sponsor of H.R. 15065, which would provide a similar tax credit, he supports H.R. 16141. Says parents who support parochial schools help to hold down public school budgets and should get help in return. Makes a distinction between directly supporting parochial schools and helping parents of parochial school students, as the tax credit would.

*American Association of Christian Schools, A. C. Janney, President (August 17).*—Asserts that private schools are a beneficial alternative to the lack of discipline and ineffectual spending of public schools. Notes that a tax credit is of more help to poor parents than would be a deduction, but says amount of credit should be up to \$500 or, alternatively, the level of per-pupil expenditures in local public schools.

States that other voluntary contributions, such as charitable deductions, draw tax benefits, so a voluntary tuition payment to a private school may also be met with tax relief. Finds no reason why tax credit should be limited to nonprofit schools.

*Honorable Joshua Eilberg, Member of Congress, Pennsylvania (August 17).*—Notes that he co-sponsors tax credit legislation that is urgently needed to preserve our private school system.

*Holland Christian Schools of Holland, Michigan, Mark Vander Ark, Superintendent (August 17).*—Affirms that costs of his schools have doubled in eight years, with a comparable increase in taxes supporting public education, although salaries of parents have not kept pace. Says the annual cost is \$578 per pupil, exclusive of capital investment and transportation.

Asserts that his schools have increasing financial problems and that it would be only fair for Government to pay for the public service it is getting from his schools.

*Archdiocese of Philadelphia, Msgr. Francis B. Schulte, Superintendent of Schools (August 17).*—Explains that parochial schools in Philadelphia area face increasingly dire budget problems as tuition progressed from little or nothing in 1965 to \$450 per student currently. Predicts that deterioration will continue, with the brunt to be absorbed by inner-city private schools least able to pay for themselves.

*Edward F. Spiers, Office for Educational Research, Notre Dame University (August 17).*—Suggests that constitutionality of a measure aiding private education depends on whether it avoids "excessive entanglements" with religion, is not a direct subsidy, upon positive requirements that it have a secular purpose, and a primary effect that neither advances nor inhibits religion. Asserts that many experts believe title II passes these tests.

Notes that the tax credit was proposed by the Panel on Nonpublic Education of the President's Commission on School Finance. Explains that tax credits are allowed for purposes ultimately serving the public good, and believes that private education serves the public good by providing a more economical alternative to public education.

*Honorable William R. Roy, Member of Congress, Kansas (August 18).*—Supports title II to provide a tax credit for private school tuition.

*Dr. Johnnie R. Clarke, South Petersburg, Florida (August 18).*—Urges enactment of tax credit for private education, to relieve parents of the double expense of support of public school through taxes and their private school tuition.

*Walter J. Schoendorf, San Jose, California (August 18).*—Urges tax relief for parents of children who attend private schools. Maintains that many such schools will be forced to close without additional assistance.

*Homer Blair, Webb City, Missouri (August 18).*—Indicates that parochial schools are operating at a deficit, and that costs are going up.

*Mr. and Mrs. E. J. Pat Coughlin, Topeka, Kansas (August 18).*—Maintain that the public schools need the competition of the nonpublic schools. Consider nonpublic schools to be freer to innovate and be more flexible in teaching methods. Assert that parents of nonpublic school children are bearing a double burden for education costs of public and nonpublic schools.

*Virgil A. Lange, Fordyce, Nebraska (August 18).*—Maintains that parents should be free to send children to private schools without being penalized financially. Recommends, also, that relief be given to those who pay little or no Federal income tax.

*Bruce McGrath, Marion, Iowa (August 18).*—Points out that costs for nonpublic schools have forced many to close.

*Mrs. Mary Anne Ripple, Madison, Wisconsin (August 18).*—Indicates that rising costs may force more closings of private and parochial schools. Maintains that private elementary and secondary schools perform public service just as do privately-owned hospitals and colleges.

*Mrs. Alma Wilson, Pensacola, Florida (August 18).*—Urges tax relief for parents who support both the public school system and private schools.

*Patrick J. Kennedy, San Antonio, Texas (August 18).*—Feels that parents should have the freedom to choose where to educate their children, and that the tax benefits should not favor public school costs. Maintains that nonpublic schools operate at a lower per-pupil cost than public schools.

*Diocesan School Board of Pittsburgh, Pennsylvania, Mary Fahey, Chairman (August 18).*—Asserts that parochial education is now good education in secular needs as well as in spiritual values. Claims that pluralism in education is a desirable part of pluralism in our society. Maintains that parochial education needs Federal help if it is to survive.

*Mrs. David C. Riede, Cuyahoga Falls, Ohio (August 18).*—Claims that parochial schools do a better job of educating children to be good citizens because children are not exposed to confusing philosophies that contradict home values. Asserts that parochial schools are no longer "ghetto schools" for immigrants. Maintains that rising costs have hampered parents' right to a free choice of education for their children.

*Michael T. Ruiter, Grand Rapids, Michigan (August 18).*—Believes that a nation constituted "for the people" should pay for whatever education is chosen by the people for their children. Proposes that freedom of choice in education without penalty presupposes financial relief to all legitimate educational institutions. Explains that he speaks on behalf of non-Catholic religious schools.

*Charles J. Ruppert, representing Parents' Council of Independent Schools and the Federation of Home School Associations of the Diocese of Buffalo (September 5).*—Claims that more non-Catholic parents in underprivileged areas are sending their children to Catholic schools.

Proposes that tax credit be extended only to parents whose children attend schools meeting State and Federal educational standards and conforming to Civil Rights Act of 1964. Asserts that all tests show that students with same I.Q.'s get progressively better educations in parochial elementary schools as compared with public schools.

*Honorable Roman C. Pucinski, Member of Congress, Illinois (September 6).*—Notes that some 100,000 petitions have been signed in Illinois in support of tax credits. Feels that the tax credit approach avoids the constitutional problem of entanglement with religion.

*John F. W. Koch, Evansville, Indiana (September 6).*—Supports the tuition credit to maintain the American tradition of nonpublic schools for those who wish to use them.

*John J. Gilhooly, on behalf of the Connecticut Federation of Home School Associations (September 6).*—Supports the tuition credit because of the need for pluralism in education and because it allows parental choice in education.

*H. G. Roundtree, President, National Council of Catholic Laity (September 6).*—Supports the tuition credit proposal and believes it is necessary so that parents who wish to provide their children with a Catholic education can do so.

*Honorable William J. Keating, Member of Congress, Ohio (September 7).*—Favors a tuition tax credit and believes it is necessary to preserve

our Nation's nonpublic school system. Believes that the tax credit approach would be constitutional as fulfilling a secular purpose and not involving an entanglement of religion.

*Honorable Louise Day Hicks, Member of Congress, Massachusetts (September 7).*—Favors the tuition credit approach, and maintains that it would be of particular assistance to low- and middle-income taxpayers as well as helping to stem the closings of nonpublic schools. Considers the tax credit approach to be constitutional.

*Honorable Larry Winn, Jr., Member of Congress, Kansas (September 7).*—Urges enactment of tax credit legislation for private school tuition. Indicates that many private schools are closing, and thus increasing the burden on the public school system. Feels that the tax credit approach appears to be the only way for the Federal Government to provide assistance to private religious schools. Recommends placing the tax credit on a sliding scale.

*Honorable Peter A. Peyser, Member of Congress, New York (September 7).*—Supports the concept of tax credits for nonpublic school tuition.

*Honorable Margaret M. Heckler, Member of Congress, Massachusetts (September 7).*—Supports the proposal for a tuition credit. Believes the nonpublic school system is vital to the Nation and that its demise would result in a financial crisis for American public education. Believes the tax credit to be constitutional.

*United States Catholic Conference, Terence Cardinal Cooke, Archbishop of New York, accompanied by Bishop William McManus, Secretary of Education, Archdiocese of Chicago, and Chairman, Committee on Education of U.S. Catholic Conference. (September 7).*—Support the proposal to grant a tax credit for nonpublic school tuition. Believe nonpublic schools play a vital role in the Nation and should be preserved and assisted. Maintain that the issue is not just a Catholic issue, but for all nonpublic education. Assert that if nonpublic education declines, the burden will be increased on the public schools. Point out that a large portion of students attending parochial schools in large cities are from families with less than average incomes.

Contend that the tax credit approach would be constitutional, since it would avoid excessive entanglement. Support the concept of a refundable credit to help low-income families who pay little or no Federal income taxes.

*Honorable John J. Rooney, Member of Congress, New York (written statement).*—Points out the danger of the collapse of private and parochial school systems, and urges adoption of the tax credit in title II of the bill.

*Honorable James C. Cleveland, Member of Congress, New Hampshire (written statement).*—States that private and parochial schools are essential to the preservation of diversity in our educational system, and urges adoption of title II as the most equitable and efficient way of relieving the financial burden now experienced by the parents of children attending private schools.

*Honorable Gary Bayker, Michigan State Senator, and Jack Zondag, Grand Rapids, Michigan (written statement).*—Support the tuition credit as furthering the cause of religious freedom.

*Rabbi Bernard Goldenberg, Director, National Society for Hebrew Day Schools-Torah Umesorah (written statement).*—Supports legislation which allows tax credits for nonpublic school parents. Feels that a

pluralistic educational system is necessary and can be preserved only by encouragement from both the Federal and State governments.

Maintains that the tax credit legislation meets all constitutional strictures and is in accordance with the guidelines laid down by the Supreme Court in its recent rulings on aid to nonpublic schools.

*Sister Ann Finnerty, Superintendent, Diocese of Brownsville, Texas, Catholic School Department (written statement).*—Supports title II of the bill to relieve the immense financial burden on parents who send their children to nonpublic schools.

*Rabbi Joseph Rarasick, President, and Dr. Berel Wein, Executive Vice President, Union of Orthodox Jewish Congregations of America (written statement).*—Strongly favor title II of the bill as a method to preserve our pluralistic educational system.

*Minnesota Federation of Citizens for Educational Freedom, Douglas R. Seltz, President (written statement).*—Urges adoption of title II of the bill, and feels that it will not violate either the First or Fourteenth Amendments, nor will it result in any excessive or unnecessary entanglement between Church and State.

*Kansas Association of Nonpublic Schools (written statement).*—Endorses the concept of tax credits as being the most effective way for Government to support nonpublic schools. Maintains that inflation has limited the ability of nonpublic schools to continue to provide an education choice for parents.

*Mrs. Joseph R. Glenn, Louisville, Ky. (written statement).*—Urges adoption of title II of the bill as a method whereby the Federal Government recognizes its obligation to insure that all citizens are able to freely choose the schools where they want to educate their children.

*Mrs. Isable C. Moore, Bethesda, Maryland (written statement).*—Strongly supports adoption of title II of the bill, but suggests that the \$200 credit is inadequate.

## 2. Comments of those opposing title II

*American Ethical Union, Mrs. Rebecca Goldblum, Vice-President (August 15).*—Maintains that proposals to dilute public funds for public schools would only serve to reduce quality of public education and open up the public treasury for schools of all kinds of religious groups and private ideologies by encouraging their proliferation.

Feels that much of the recent exodus from public schools has been because of desegregation problems. Indicates that while enrollment in Catholic Schools has declined, enrollment in other private schools has increased, and is mostly white and elitist. Points out that the University of Notre Dame study indicates declines in Catholic school enrollment "were caused by geographic movement by families and changes in taste."

Believes that public aid to religious schools would serve to increase religious divisiveness and increase the entanglement between Church and State. Considers the tax credit proposal to be unconstitutional as providing financial assistance to religious schools at the expense of the taxpayers.

*Americans United for Separation of Church and State, C. Stanley Lowell, Associate Director (August 16).*—Maintains that the tax credit would be unconstitutional as an indirect subsidization of church schools. Asserts that a tax credit to a parent is equivalent to a pay-

ment to that parent by the Federal Government, and that such a payment to a parent would be equivalent to a payment to church schools.

Claims the credit would be uneconomical, would not achieve its goal of slowing the closing of private schools, and would discriminate against parents who do not have children in private schools and parents who are too poor to pay taxes. Maintains the credit would augment the "tax revolt" and tend to segment society as it is now segmented in Northern Ireland.

*Joint Washington Office for Social Concern (representing The American Ethical Union, The American Humanist Association, and the Unitarian Universalist Association), Edd Doerr (August 16).*—Asserts that the tax credit plan would be unconstitutional, uneconomical, regressive, discriminatory, devisive, unpopular with the majority of the public, and would not achieve its purpose of arresting the parochial enrollment decline.

*The Rev. Jay A. Wabeke, Coopersville, Michigan, former Chairman of the Board of CAPE (Citizens to Advance Public Education) (August 16).*—Asserts that Michigan citizens of various beliefs and limited finances in 1970 caused a Michigan constitutional amendment forbidding "parochial" to be passed in opposition to the wishes of the power structure of the State.

*Ohio Free Schools Association, Gaston D. Cogdell, (August 16).*—Believes that H.R. 16141 would damage public schools through diversion of public funds and would harm Church-State separation. Contends that the bill would give private schools aid under the guise of returning money to taxpayers. Asserts that Ohio measures in aid of private education have been cumulative and far costlier than first promised despite opinion poll-proved disapproval of measures by Ohio citizens.

*Baptist Joint Committee on Public Affairs, John W. Baker, Acting Executive Director (August 17).*—States that the real purpose of the credit would be to help private schools, not parents. Notes that the credit for some parents would necessarily mean that others must pay higher taxes or lose services. Claims that the credit would be unconstitutional.

Contends that the credit would be regressive, and that the maximum credit would become the minimum tuition. Believes that support of public schools by parents of private school pupils is no more prejudicial to them than it is to single persons and childless couples, and that the credit would result in proliferation of schools for divisive organizations.

*Rev. Robert O. Williams, Chairman, Citizens for Constitutional Education, and Vice-President, Illinois Committee for Public Education and Religious Liberty (August 17).*—Claims that the credit would constitute aid to parochial schools while those schools are being rejected by the denominations that built them. Wonders why credit should be proposed for tuition for church schools when both church support and property taxes for public education are already deductible. Maintains that the credit is unconstitutional.

Notes that although parents of private school students pay taxes for public schools, so do all citizens pay taxes for institutions, such as jails, they do not intend to use. Asserts that the credit would make the church the unwilling supporter of segregationists.

*Committee for Public Education and Religious Liberty, Mrs. Florence Flast, Vice Chairman (August 17).*—Claims that only attendance at Catholic private schools is declining, and hence public schools, also with declining enrollments, could accept students forced out of private schools that would close without Federal assistance. Asserts that the credit, on the other hand, would draw students out of public schools to unregulated, discriminating parochial schools.

Believes that parochial education is elitist, does not promote diversity of choice of education for non-Catholics, and is not sufficiently different to be "free market" competition for public schools, which are themselves pluralistic. Asserts that credit would discriminate against parents who pay for religious training in Sunday or after-hours classes.

*Franklin D. Hochholzer, on behalf of Preserve Our Public Schools (POPS) and for Milwaukee and Fox River Valley (Wisconsin) Chapters of Americans United for Separation of Church and State (August 17).*—Notes Wisconsin residents, acting through unpaid volunteers and with significant support from Catholics and Lutherans, have defeated numerous proposals to give State aid to private schools. Believes that the credit would mean eventual demise of public schools. Claims that Federal aid for nonpublic schools would lead to claims for aid from the separate States.

*Public Funds for Public Schools of New Jersey, Paul Trachtenberg, Professor, Rutgers University School of Law (August 17).*—Asserts that private schools do not serve the general public and must not receive tax funds from the public treasury. Concludes that private schools are discriminatory, and that the proposal would raise taxes of parents who could not send their children to the private schools benefited. Notes that passage would mean tax benefits to wealthy taxpayers who send children to the best preparatory (nonreligious) schools.

*American Civil Liberties Union, Edward J. Ennis, Chairman, Board of Directors (September 5).*—Maintains that court case precedents indicate the tax credit would violate the Establishment Clause of the First Amendment and, to the degree private schools discriminate in admissions policies, would also violate the Free Exercise Clause because Government regulation would then be required. Believes measure would not stop shrinking enrollment in parochial schools, yet, to the degree it would succeed, the proposal would make private schools whiter and more affluent while making public schools blacker and poorer.

Asserts that bill violates public opinion, would set legislative precedent for State-aid measures, and would disturb citizenry by requiring either expenditure reductions or higher taxes.

*National School Boards Association, August W. Steinhilber, Director, Federal and Congressional Relations (September 5).*—Opposes the use of public revenues for financing nonpublic elementary and secondary schools, including the tax credit approach.

*Albert E. Arent, representing American Jewish Committee, American Jewish Congress, B'nai B'rith—Anti-Defamation League, Jewish Labor Committee, Jewish War Veterans of the U.S.A., National Council of Jewish Women, Union of American Hebrew Congregations, and United Synagogue of America (September 5).*—Asserts that the proposed tax credit of title II is unconstitutional, would engender subsequent proposals for more help, promote civil discord, and would be unpopular

with the general public, as indicated by recent local votes on local aid proposals. Notes that credit would provide a cash payment by the Government to taxpayers whose income tax is less than the maximum credit allowed.

*American Federation of Labor and Congress of Industrial Organizations, Andrew J. Biemiller, Director, Department of Legislation (September 6).*—Opposes the tuition tax credit because it would provide different tax treatment for individuals depending on whether they send their children to public or private schools. Also believes the proposal raises serious constitutional questions.

*Bernard L. Weinstein, Washington, D.C. (written statement).* Asserts that the current enrollment decline in private elementary and secondary schools is not a consequence of cost increases. Contends that the major causes of enrollment declines are (1) a major migration of Catholics from the central cities to the suburbs where the public schools are in high repute, (2) changing attitudes among Catholics regarding the perceived benefits of public versus parochial education, (3) recent decline in the birth rate which has accentuated enrollment losses, and (4) fragmented and inefficient mechanisms within the church for raising revenues for the support of parochial school systems.

*John A. Buggs, Staff Director, United States Commission on Civil Rights (written statement).*—Expresses concern with title II of the bill in that the granting of tax credits for tuition payments to private schools may encourage and support the establishment and maintenance of private, segregated academies.

Feels that the Internal Revenue Service responsibilities for determining whether schools are racially segregated should be turned over to the Secretary of HEW, who upon ascertaining that a private school was racially segregated would certify that fact with the Commissioner of Internal Revenue. The Commissioner would then take action to withdraw the exemption status of the school. In this way, the allocation of responsibility would relieve the IRS of the additional burden and place the responsibility in a department which possesses both the expertise and the resources with which to make the necessary compliance reviews.

*National Education Association, Katherine Barrett, President (written statement).*—Opposes title II on philosophical as well as practical grounds. Contends that it is bad public policy to attempt to do by subterfuge or indirectly that which is clearly unconstitutional if attempted directly.

Maintains that the argument that parents who send their children to private or parochial schools are taxed double is specious. Contends that the decision of parents to send such children to other than the public schools in no way lessens their responsibility to support public schools.

Points out that while title II of the bill attempts to prevent discrimination on the basis of race, it does not prevent discrimination on the basis of sex or religion. Asserts that this amounts to a circumvention of the Civil Rights Act of 1964. Shares the concern of those who question the constitutionality of the tax credit proposal under title II.

Urges the Committee on Ways and Means to reject H.R. 16141, and to give their expert attention to tax reform which will lessen rather than increase the number of tax loopholes.

*J. Elliott Corbett, Director, Department of Church-Government Relations, United Methodist Church (written statement).*—Opposes title II of the bill on constitutional grounds, and fears that there will be substantial entanglement by the Federal Government in scrutinizing the financial records of parochial schools in order to ascertain that tax credits were not being fraudulently obtained. Feels that private and parochial schools should exist and be given strong financial support, but not through the use of public funds.

*Adolph Fehlauer, Executive Secretary, Wisconsin Evangelic Lutheran Synod (written statement).*—Opposes title II of the bill, and feels that parochial schools should not seek government aid in order to carry out their educational programs for the following reasons: (1) accepting government aid may hinder parochial schools from carrying out their objectives; (2) it may bring with it undesirable governmental control; (3) aid to the parents by means of tax credit is indistinguishable from rendering the same aid to the church or school itself, and is therefore unconstitutional; and (4) it may jeopardize religious training in parochial schools since religious instruction is carried on all day and there are no purely so called "secular" subjects.

*James A. Hamilton, Director, National Council of Churches (written statement).*—Opposes tax credits and exemption from school taxes or other taxes for parents whose children attend nonpublic elementary and secondary schools.

Favors the supplying of dental and medical services, lunches and other distinctively welfare services to all children whatever school they may be attending, providing such services are identifiable by recipients as public services and the expenditures are administered by public authorities responsible to the public electorate.

*Rev. Robert S. J. Curran, Washington, D.C. (written statement).*—Opposes title II of the bill because it violates the constitutional prohibition against Government aid to benefit religious purposes. Maintains that religious education primarily advances religion and the State can have no part in that advancement.

*National Congress of Parents and Teachers, Carol K. Kimmel, Coordinator of Legislative Activity (written statement).*—Opposes title II of the bill, and feels that the proposed legislation allowing parents tax credits for tuition to nonpublic schools is indirect aid to the nonpublic schools. Asserts that such aid violates the Constitution.

*United Parents Association of New York City (written statement).*—Opposes title II of the bill as a thinly disguised plan to aid religiously affiliated schools. States that parents who want the selective and special interest kind of education that parochial schools offer must be prepared to support them without the use of public funds.

*Citizens for Constitutional Education, Rock Island, Illinois (written statement).*—Opposes the allocation of public tax money or expected revenue directly or indirectly for private and parochial elementary and secondary schools, whether through direct payments or grants, auxiliary services, text books, vouchers, tax credits, or any other form of parochial aid, financed from public revenues.

*Martha Laties, Chairman, Monroe Citizens for Public Education and Religious Liberty (written statement).*—Feels that any government support for a private school weakens the public school system.

Contends that title II is unconstitutional, but suggests that a tax deduction for payments to nonpublic schools would be constitutional.

3. *Other comments regarding title II*

*Mrs. C. Bradford Lundy, Jr., President, League of Catholic Women of Detroit (August 16).*—Claims public education equalization expenditures would channel a great deal of Federal equalization expenditure assistance to inner city public schools, but that a nonrefundable tax credit would not help inner city parents who pay little or no taxes, thus resulting in harm to the ability of the inner city parent to preserve family values and to choose a private school for his children. Suggests that parents who pay little or no income taxes be given some compensation for private school tuition.

*John J. Murray, Director, Department of Nonpublic School Teachers, American Federation of Teachers, AFL-CIO (September 6).*—Believes that aid to nonpublic school parents should include aid to those too poor to benefit from the tax credit, and opposes title II unless such aid is provided. Also believes title II raises serious constitutional questions. Urges further investigation into the best means of providing programs which address the real needs of our Nation's children.



