

Wednesday, November 26, 1969

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Average Owner Would Pay Less

An average homeowner in the Farmington Area would pay over \$60 less property tax if the governor's proposed tax revisions pass the Legislature.

Using data from the Oakland County Equalization Department and the Southeast Michigan Council of Governments (SEMCOG), the Enterprise & Observer estimated the average homeowner now pays approximately \$468 per year in property taxes. The estimate is based on the district's approximately 30 mill levy and an average state equalized valuation (SEV) for residences of \$15,500 (market value of \$31,000).

THE PROPOSED state-wide 16 mill property tax would mean \$248 per year in property tax on the \$15,500 SEV. Taxes from several mills would go to Oakland County, adding \$108 to the total. A special local district property tax could add as much as \$46 to the average home's tax.

The highest possible total is \$403 compared to the present \$465.

Slight differences exist in the projections for city and township property owners. The estimated city bill under the proposed changes would be about \$410, \$63 less than present property tax.

Church School Views Split On Parochial

Probably the most controversial part of the educational reform package is state aid to parochial schools, commonly christened "parochialism."

Pick two persons at random on the street and you will get two different opinions. Like most controversies, parochialism has conceived numerous viewpoints and responses.

Thus, it comes as no surprise that leaders of two parochial schools in Farmington take different positions on the questions.

WHILE EXAMINING how the educational reform package would affect schools in Farmington, the Enterprise & Observer talked with church leaders at Our Lady of Sorrows Catholic High School and St. Paul Lutheran Elementary.

The Rev. Mallory Beahan, of Our Lady of Sorrows, said his school would accept parochial funds but he preferred that relief be given to parents instead of direct state aid to the school.

Eugene Pydynowski, principal of St. Paul Elementary, opposes parochialism and said his school would not accept any state aid other than auxiliary aid—funds spent on the health, welfare and safety of the student.

MSGP, BEAHAN said: "There is no question that if private schools don't get some aid, they will fold up."

But he would rather an allowance be made to parents of parochial students in tax credits or some form other than direct state aid to the school. Beahan estimated the proposed parochial bill, which he described as "complicated," would add about \$50 per pupil for the 1,000-1,800 students in Farmington's parochial schools.

Parents here are split almost 50-50 on the issue, he added, and there are no organized groups working publicly in Farmington for the bill's passage. The main method of support, he said, has been individuals writing to legislators.

Beahan said the need for support is "really pressing" because about 30 parochial schools closed down last year in the Detroit area, and at least that many will close this year.

The problem, he explained, has been increased inflation of educational costs, fewer nuns teaching, and inner city schools which get little support from their congregations.

Our Lady of Sorrows is in a better position, Beahan concluded, and could "stay open

for another two or three years without help."

Pydynowski said St. Paul Lutheran School would not accept direct state aid payments even if the Legislature approved the parochial bill.

"We believe that the freedom of religion guaranteed in the Constitution as well as scriptural tenets," he explained, "demand that the ministers and teachers of religion be selected or called solely by those who desire their services."

"If the state is permitted to subsidize the teaching of certain secular subjects in parochial and private schools, it would be forced to enter into areas which are the domain of the church."

Pydynowski said parochialism would infringe upon the church's constitutional right "to practice and employ our educational philosophy and goals according to the dictates of our conscience."

He said it appears that if parochialism is adopted, "the recipient would have to comply with the state equal employment laws."

"By its very nature, the church, in order to fulfill its goals and aims, must select its educational personnel on the basis of creed. To do otherwise would be in violation of conscience."

"This would cause conflict in regard to the two procedures of employment as embodied in the church's creed on the one hand, and the state equal employment laws on the other."

"We have chosen to establish our own system of education and have assumed the responsibility of providing quality education for our children."

"We seek no direct aid from government in order to carry out these responsibilities," Pydynowski concluded. "We do recognize that auxiliary educational services, which are necessary for the physical health and well-being of the citizens, can be rightfully provided by the state."

All-A Student

Mrs. Susan Margaret Williams, daughter of Dr. and Mrs. Frank Cox, of 29660 Highmeadow, Farmington, has been initiated as a member of the Ball State University chapter of Sigma Zeta, honorary science society. A junior, she is studying to be a medical technologist and lives with her husband in Muncie, Ind.

Joins Honorary

Mandy Shaw, daughter of Mr. and Mrs. Charles Shaw, of 28262 Farmington Rd., Farmington, was among those students at Michigan State University recently honored at a dinner for receiving straight A grades for the spring and summer terms. She is a member of Kappa Delta Pi, honorary for education majors.

Milliken's Education Proposal Means \$666,000 Aid Increase

by WYLIE GERDES

Gov. William Milliken's legislative program to reform Michigan's school system could mean as much as \$666,000 gross increase in state aid to the Farmington Public School District.

Projections supplied by Supt. Rodrick J. Smith show the district gaining \$40 per pupil in state aid if the governor's program passes the Legislature. This year's state aid in the district is estimated at \$273 for each of the district's approximately 16,500 pupils. The new per pupil state aid figure would be \$313.

MILLIKEN'S proposals could leave both the Farmington District and individual property owners in better financial position than it is now. (See accompanying chart and story.)

The package of bills now before a special session of the Legislature includes a state-wide property tax for education, limitations on property taxes levied by local school districts and corresponding increases in state aid to school districts.

One object of the proposals, the governor says, is to shift the financial responsibility for education from local to state level and from property taxes to other sources, increased income for school aid is supposed to come from closing loopholes in tax laws and increased income taxes.

FARMINGTON'S share of the state-wide collections cannot be determined at this time. The formula for distribution to the local district has not yet been devised.

The 16-mill levy must be approved by Michigan voters next November. If approved, the income would not be available until the 1970-71 school year, or two years from now.

This gives the Legislature another year to write distribution formulas. Supposedly, the state collected income will be prorated back to local districts according to how each district compares to the state average valuation per child.

Included in the governor's proposal is a local option three mill levy for "enrichment" programs.

The special local property tax of three mills would raise approximately \$740,000 in the Farmington District.

However, the proposed law provides each district shall be guaranteed at least \$30 per pupil per mill of enrichment levy. Since the Farmington district receives only about \$15 per pupil per mill, it could double its money by voting a maximum of three mills for program enrichment.

The guaranteed state aid would bring the total for enrichment to \$15.5 million. The money could not be used for teacher or administrator salaries, the proposed legislation says.

THE GOVERNOR has proposed changing the state tax laws to bring in \$166 million more per year to be used for education.

The major change proposed concerns the state income tax. It would repeal the credit which a taxpayer receives against his state income tax for his property tax payments. About \$116 million would be raised in the fiscal year 1970-71 which would be earmarked from the state school aid fund.

Various other changes, if approved, will add \$50.2 million to funds available for school aid.

Three changes have already been approved by the State Senate.

One places a use tax on diesel fuel, which is now exempt. Other motor fuels do not have the exemption. The measure, if passed by the House, would add \$17 million to the state treasury.

TWO OTHER changes approved by the Senate concern church exemptions. Audits of vehicle dealers' sales cases where cars were purchased by

individuals for personal use, but registered in the name of a church to gain tax exemption.

The state also has had some problems with churches engaging in retail selling without a proper sales tax license.

Over \$1 million in taxes is expected to be gained from the two changes relating to churches.

Gov. Milliken also has proposed the removal of other tax exemptions concerning such subjects as inheritance, commercial advertising, contractors and beer and liquor.

CHANGES in inheritance tax laws, laws passed in 1959, could bring in an additional \$15 million. A Senate bill proposes an entirely new inheritance tax statute which uses modern definitions and procedures for inclusion in taxable transfers at death.

Another \$10 million could be raised by removing an exemption in the sales and use tax laws concerning contractors.

Now, materials used to construct buildings for nonprofit groups are exempt from sales and use tax.

Michigan removed the exemption on contractors working on federal government contracts in 1959. The change was appealed to the Michigan Supreme Court, where it was ruled unconstitutional on the basis of discrimination against the federal government.

If contractors were required to pay tax on all materials purchased, the \$10 million would be available for education funds.

He said the Senate has "just started" on the 12 proposals submitted at the request of the governor. It is unlikely all the proposals even will reach the floor during the special session, he added.

THE FOLLOWING is a synopsis of the 12 proposals and their current status:

● **New state school aid bill**—The proposal increases state aid to public schools and authorizes \$25 million in aid to non-public schools. The Senate has approved the measure with cuts in the total state aid. The measure remains in committee in the House.

● **State-wide property tax**—The joint resolution calls for an election to amend the constitution allowing a 16-mill property tax for education. The amendment would allow the state to allot the same proportion of the state budget each year for education. If the state government's budget increases, the mill levy could be raised. The Senate passed an amended version of the resolution, calling for a 12 mill tax.

● **A local option three mill property tax**—A school district could vote to levy up to three mills for enrichment programs under this bill. It is in committee in both houses of the Legislature.

● **A smaller number of intermediate districts**—This bill would reduce the number of intermediate districts from the present 60 to 10-15. The Senate amended the bill with a change in the process of naming a director for the intermediate districts.

● **Reforming of the state board of education**—Milliken recommended an appointed state director of education and elimination of the present state board of education. The Senate modified the proposed constitutional amendment to provide for an appointed state board who would appoint the superintendent.

● **A state-wide assessment program**—The governor's plan is to distribute funds on the basis of performance as determined by a state testing system. The measure is in committee in both houses.

● **A state-wide budget process**—This bill would include local school district budgets in the governor's budget proposals. It is stalled in committees.

● **A school district reorganization plan**—The proposal calls for voluntary reorganization to meet state specifications as to size with mandatory state action if no voluntary action is taken. The measure is in committees in both the House and Senate.

● **A plan for "demonstration districts"**—Districts which install new programs would receive special state aid under this bill. It is in committee.

● **A repeal of property tax credit**—The governor proposed this measure as one of the main fund raisers for his education package. It would bring in about \$116 million by taking away the property tax credit now allowed on state income tax returns. The Senate has passed the measure, but it is in committee in the House.

● **More taxes on cigarettes**—This measure appears permanently sidetracked in a Senate committee. It would add 3¢ to the state tax on a pack of cigarettes, producing about \$45 million per year. The bill is also in a House committee.

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Here's Milliken Proposal

Gov. Milliken's 12 proposals for state-wide changes in the educational system seem to be stalled in the Legislature.

Only the Senate has taken positive action on any of the proposals. The Senate approved a new state school aid act which includes provisions for \$25 in aid to non public schools and four funding measures.

The Legislature is now adjourned until Dec. 2.

Senator George Kuhn (R-West Bloomfield) said recently the main measure, the new state aid act, has a "big cloud over its head."

BUILT INTO the proposal is the provision that the Supreme Court must rule on the laws constitutionality before it can go into effect, he said.

The measure, if passed by the House, would add \$17 million to the state treasury.

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individuals for personal use, but registered in the name of a church to gain tax exemption.

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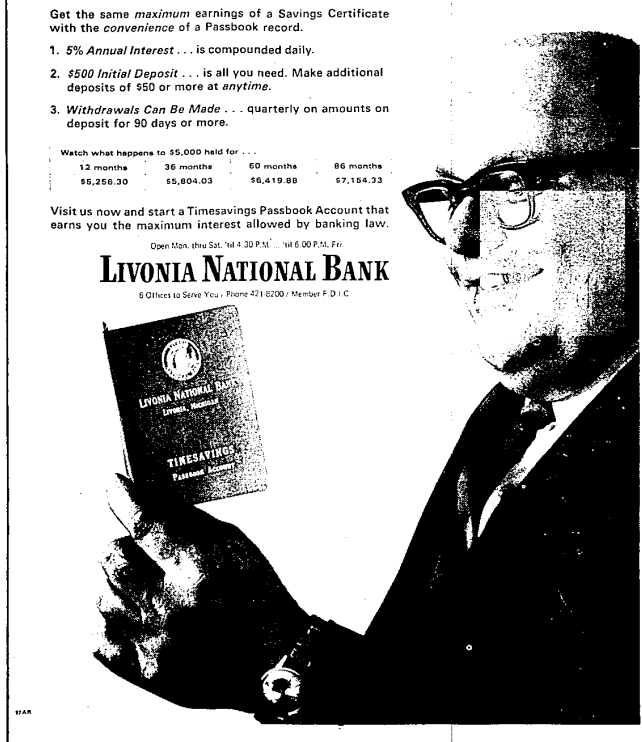
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FARMINGTON
ENTERPRISE
& OBSERVER
Emory Daniels, Editor
Published every Wednesday
and Sunday
Newstand Per copy, 15¢
Carry monthly, \$6
Editorial Office
2522 Farmington Road
Farmington, Mich.
Phone 474-6225