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TEACHERS' SALARY ACT AMENDMENTS OF 1972

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HEARING BEFORE THE COMMITTEE ON THE DISTRICT OF COLUMBIA UNITED STATES SENATE NINETY-SECOND CONGRESS

SECOND SESSION
ON

PROPOSED AMENDMENTS TO THE DISTRICT OF COLUMBIA
TEACHERS' SALARY ACT OF 1955 TO INCREASE SALARIES,
TO PROVIDE CERTAIN REVISIONS IN THE RETIREMENT BEN-
EFITS OF PUBLIC SCHOOL TEACHERS, AND FOR OTHER
PURPOSES

OCTOBER 3, 1972

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TEACHERS' SALARY ACT AMENDMENTS OF 1972

TUESDAY, OCTOBER 3, 1972

U.S. SENATE,
COMMITTEE ON THE DISTRICT OF COLUMBIA,
Washington, D.C.

The committee met, pursuant to notice, at 9:30 a.m., in room G-308, New Senate Office Building, Senator Thomas F. Eagleton (chairman), presiding.

President: Senators Eagleton and Mathias.

Staff present: Robert Harris, staff director; Gene E. Godley, general counsel; and Sidney H. Hurlburt, minority staff director.

The CHAIRMAN. The committee will come to order.

The Committee on the District of Columbia is holding a hearing, this morning, on the need for increases in teachers' salaries and the methods for obtaining the necessary funding.

As we are all aware, a bill to increase teachers' salaries by 7 percent and to impose additional taxes on automobile titling, gross receipts of public utilities, and tobacco, in order to finance such increases, was reported by the House Committee on the District of Columbia on September 27, 1972.

At this time, it is impossible to predict when House action on this legislation will occur. House action is a prerequisite to Senate action, since all revenue measures must originate in the House, and without some form of increased taxation, no teachers' salary increase is possible.

I am sure there are many groups of people in the city who are vitally interested in education who might wish to testify before the committee this morning.

However, in the limited time we have available, it seems advisable to me to hear from the parties directly involved—the Mayor, the Board of Education, and the representatives of the teachers union.

We have, accordingly, limited the witness list and invite all other groups to submit statements for the record. I can assure you that all such statements will be made available to the members of the committee.

I might note that the hearing this morning is on salary increases for teachers. It is not on any of the other issues which, as I understand it, were settled yesterday through collective bargaining between the parties, nor is it on other problems in the school system, nor on the choices made by the Board of Education as to their allocation of the resources which are available to the school system.

Our first witness is Mayor Washington who, I hope in his usual clear and concise fashion, will explain to the committee the problem and the city's proposed solution.

Good morning, Mayor Washington. We welcome you to the committee. Will you please identify for me those appearing with you this morning?

MAYOR WASHINGTON. To my left and right, Mr. Weinberg, Mr. Watt, Mr. Back and Mr. Coppie.

THE CHAIRMAN. Please proceed, Mayor Washington.

STATEMENT OF WALTER E. WASHINGTON, MAYOR-COMMISSIONER OF THE DISTRICT OF COLUMBIA, ACCOMPANIED BY GRAHAM WATT, DEPUTY MAYOR-COMMISSIONER; DONALD WEINBERG, CHIEF, PAY SYSTEMS AND LABOR RELATIONS DIVISION; KENNETH BACK, DIRECTOR, DEPARTMENT OF FINANCE AND REVENUE; AND COMER S. COPPIE, SPECIAL ASSISTANT TO THE MAYOR-COMMISSIONER

MAYOR WASHINGTON. Thank you very much, Senator, for this opportunity, and I particularly appreciate the fact that you are holding this hearing in anticipation of the bill coming over from the House of Representatives.

I must hasten to say, Senator, that your expression on the past is exceedingly significant, and I think all of us should recognize that we are dealing with about 11 more days.

Most of my time yesterday was spent trying to get the bill moved. Actually it was just reported late yesterday afternoon. We have the problem of getting before you a bill from the House which involves getting the bill on the floor in these last critical days as well as getting it passed fast, and getting it to you. I want you to know that it is my full endeavor to work to that end so that you will have an appropriate bill before you.

Also, I thank you for the opportunity to testify. I make that statement because I think some people are not well aware that this is the process. I just wanted to assure you of my commitment to that.

It is a privilege to appear before you today to support legislation to increase the salaries of District teachers and school officers.

I am asking the committee to consider and approve H.R. 15965 as reported yesterday by the House District Committee. That bill modifies some of the features of the draft legislation submitted to the Senate by letter on July 29, 1972. But it, in my judgment, will provide a much needed adjustment, one that has been approved by the Federal Pay Board and the Office of Management and Budget, and thereby carries with it the administration's support.

THE CHAIRMAN. I now place in the record a copy of the House bill, as reported, and a copy of the draft legislation, with attachments.

(The material referred to follows:)

Union Calendar No. 786

92^D CONGRESS
2^D SESSION**H. R. 15965**

[Report No. 92-1501]

IN THE HOUSE OF REPRESENTATIVES

JULY 20, 1972

Mr. McMILLAN (by request) introduced the following bill; which was referred to the Committee on the District of Columbia

OCTOBER 3, 1972

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend the District of Columbia Teachers' Salary Act of 1955 to increase salaries, to provide certain revisions in the retirement benefits of public school teachers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 ~~TITLE I—SALARY INCREASES FOR DISTRICT OF~~
4 ~~COLUMBIA TEACHERS AND SCHOOL OFFICERS~~

5 SEC. 101. This title may be cited as the "District of
6 Columbia Teachers' Salary Act Amendments of 1972".

1 ~~Sec. 102. The District of Columbia Teachers' Salary Act~~
2 ~~of 1955 (D.C. Code, sec. 31-1501, et seq.) is amended as~~
3 ~~follows:~~

4 ~~(1) Section 1 of such Act (D.C. Code, sec. 1501) is~~
5 ~~amended to read as follows:~~

6 ~~"SECTION 1. The following is the salary schedule for~~
7 ~~teachers, school officers, and certain other employees of the~~
8 ~~Board of Education whose positions are covered under this~~
9 ~~Act:~~

TEACHERS AND SCHOOL OFFICERS SALARY SCHEDULE

Salary class and group	Service step—						Longevity step V						
	1	2	3	4	5	6	7	8	9	10	11	12	13
Class IA.....	\$39,500												
Class IB.....	35,000												
Class IC.....	31,000												
Class 3A.....	24,360	\$24,940	\$25,520	\$26,100	\$26,680	\$27,260	\$27,840	\$28,420	\$29,000				
Class 3B.....	21,340	21,845	22,350	22,855	23,360	23,865	24,370	24,875	25,380				
Class 3C.....	20,160	20,640	21,120	21,600	22,080	22,560	23,040	23,520	24,000				
Class 3D.....	20,580	21,060	21,540	22,020	22,500	22,980	23,460	23,940	24,420				
Class 3E.....	21,000	21,480	21,960	22,440	22,920	23,400	23,880	24,360	24,840				
Group B, master's degree.....													
Group C, master's degree plus 30.....													
Group D, doctor's.....													
Class 7.....	19,480	19,945	20,410	20,875	21,340	21,805	22,270	22,735	23,200				
Level IV principal.....	19,480	19,945	20,410	20,875	21,340	21,805	22,270	22,735	23,200				
Level III principal.....	18,825	19,290	19,755	20,220	20,685	21,150	21,615	22,080	22,545				
Level II principal.....	18,170	18,635	19,100	19,565	20,030	20,495	20,960	21,425	21,890				
Level I principal.....	17,515	17,980	18,445	18,910	19,375	19,840	20,305	20,770	21,235				
Group C, master's degree plus 30.....	19,900	20,365	20,830	21,295	21,760	22,225	22,690	23,155	23,620				
Level IV principal.....	19,900	20,365	20,830	21,295	21,760	22,225	22,690	23,155	23,620				
Level III principal.....	19,245	19,710	20,175	20,640	21,105	21,570	22,035	22,500	22,965				
Level II principal.....	18,590	19,055	19,520	19,985	20,450	20,915	21,380	21,845	22,310				
Level I principal.....	18,590	18,515	18,980	19,445	19,910	20,375	20,840	21,305	21,770				
Group D, doctor's degree.....	20,320	20,785	21,250	21,715	22,180	22,645	23,110	23,575	24,040				
Level IV principal.....	19,665	20,130	20,595	21,060	21,525	21,990	22,455	22,920	23,385				
Level III principal.....	19,665	19,530	19,995	20,460	20,925	21,390	21,855	22,320	22,785				
Level II principal.....	18,470	18,935	19,400	19,865	20,330	20,795	21,260	21,725	22,190				
Class 7.....	17,800	18,225	18,650	19,075	19,500	19,925	20,350	20,775	21,200				
Group C, master's degree.....	18,220	18,645	19,070	19,495	19,920	20,345	20,770	21,195	21,620				
Group D, doctor's.....	18,640	19,065	19,490	19,915	20,340	20,765	21,190	21,615	22,040				
Class 8.....	16,280	16,670	17,060	17,450	17,840	18,230	18,620	19,010	19,400				
Group B, master's degree.....	16,700	17,090	17,480	17,870	18,260	18,650	19,040	19,430	19,820				
Group C, master's degree plus 30.....	17,120	17,510	17,900	18,290	18,680	19,070	19,460	19,850	20,240				
Class 9.....	16,035	16,415	16,795	17,175	17,555	17,935	18,315	18,695	19,075				
Group B, master's degree.....	16,450	16,835	17,220	17,605	17,990	18,375	18,760	19,145	19,530				
Group C, master's degree plus 30.....	16,870	17,255	17,640	18,025	18,410	18,795	19,180	19,565	19,950				
Group D, doctor's.....	16,870	17,255	17,640	18,025	18,410	18,795	19,180	19,565	19,950				
Class 10.....	15,660	16,035	16,410	16,785	17,160	17,535	17,910	18,285	18,660				
Group B, master's degree.....	16,080	16,455	16,830	17,205	17,580	17,955	18,330	18,705	19,080				
Group C, master's degree plus 30.....	16,500	16,875	17,250	17,625	18,000	18,375	18,750	19,125	19,500				
Group D, doctor's.....	16,500	16,875	17,250	17,625	18,000	18,375	18,750	19,125	19,500				

TEACHERS AND SCHOOL OFFICERS SALARY SCHEDULE—Continued

Salary class and group	Service step—											Longevity step Y		
	1	2	3	4	5	6	7	8	9	10	11		12	13
Class 11:														
B, master's degree	15,095	15,205	15,755	16,115	16,475	16,835	17,195	17,555	17,915					
Group C, master's degree plus 30	15,695	15,815	16,175	16,535	16,895	17,255	17,615	17,975	18,335					
Group D, doctor's	15,875	16,235	16,595	16,955	17,315	17,675	18,035	18,395	18,755					
Class 12:														
B, master's degree	14,410	14,755	15,100	15,445	15,790	16,135	16,480	16,825	17,170					
Group C, master's degree plus 30	14,830	15,175	15,520	15,865	16,210	16,555	16,900	17,245	17,590					
Group D, doctor's	15,250	15,595	15,940	16,285	16,630	16,975	17,320	17,665	18,010					
Class 13:														
B, master's degree	13,105	13,520	13,935	14,350	14,765	15,180	15,595	16,010	16,425					
Group C, master's degree plus 30	13,525	13,940	14,355	14,770	15,185	15,600	16,015	16,430	16,845					
Group D, doctor's	13,945	14,360	14,775	15,190	15,605	16,020	16,435	16,850	17,265					
Class 14:														
B, bachelor's degree	10,955	10,700	11,135	11,570	12,005	12,440	12,875	13,310	13,745	\$14,180	\$14,615	\$15,050	\$15,485	
Group C, master's degree plus 30	11,105	11,540	11,975	12,410	12,845	13,280	13,715	14,150	14,585	15,020	15,455	15,890	16,325	
Group D, doctor's	11,525	11,960	12,395	12,830	13,265	13,700	14,135	14,570	15,005	15,440	15,875	16,310	16,745	
Group A, bachelor's degree	8,350	8,685	9,020	9,355	9,690	10,025	10,445	10,865	11,285	11,705	12,125	12,545	12,965	\$13,385
Group A-1, bachelor's degree plus 15	8,770	9,105	9,440	9,775	10,110	10,445	10,865	11,285	11,705	12,125	12,545	12,965	13,385	13,805
Group B, master's degree	9,190	9,610	10,030	10,450	10,870	11,290	11,810	12,330	12,850	13,370	13,890	14,410	14,930	15,450
Group C, master's degree plus 30	9,610	10,030	10,450	10,870	11,290	11,710	12,230	12,750	13,270	13,790	14,310	14,830	15,350	15,870
Group D, master's degree plus 60 or doctor's	10,030	10,450	10,870	11,290	11,710	12,130	12,650	13,170	13,690	14,210	14,730	15,250	15,770	16,290

1 ~~(2) Section 2 (a) of such Act (D.C. Code, sec. 31-1511~~
2 ~~(a)) is amended by—~~

3 ~~(A) amending the fourth sentence to read as~~
4 ~~follows: "No teacher, school officer, or other employee~~
5 ~~shall be appointed or promoted to any position covered~~
6 ~~by section 1 of this Act on probationary or permanent~~
7 ~~status unless he possesses a master's degree, except that~~
8 ~~a person possessing a bachelor's degree may be ap-~~
9 ~~pointed on probationary or permanent status as teacher~~
10 ~~of military science and tactics, teacher of driver training,~~
11 ~~shop teacher in the vocational education program,~~
12 ~~teacher in the junior high schools, teacher in the ele-~~
13 ~~mentary schools, research assistant, attendance officer,~~
14 ~~child labor inspector, or census supervisor, and a person~~
15 ~~not possessing a bachelor's degree may be appointed on~~
16 ~~probationary or permanent status as shop teacher in the~~
17 ~~vocational education program if he submits acceptable~~
18 ~~evidence of equivalent training and experience in ac-~~
19 ~~cordance with the rules of the Board."; and~~

20 ~~(B) striking out the fifth sentence.~~

21 ~~(3) Section 4 of such Act (D.C. Code, sec. 31-1521)~~
22 ~~is amended to read as follows:~~

23 ~~"SEC. 4. Each teacher, school officer, or other employee~~
24 ~~in the service of the Board of Education on the effective~~
25 ~~date of the District of Columbia Teachers' Salary Act~~

- 1 Amendments of 1972 who occupies a position covered
 2 under this Act shall be placed in a salary class in the salary
 3 schedule of section 1 of this Act as follows:

Title	Class
Superintendent	1A
Vice superintendent	1B
Deputy superintendent	2A
Associate superintendent	2B
Assistant superintendent	3
Executive assistant to superintendent	3
Director of curriculum	4
Chief examiner	5
Executive assistant (to deputy and associate superintendents)	5
Director, career development	5
Director, vocational high schools	5
Director, Spingarn instructional unit	5
Assistants to assistant superintendents	6
Director, elementary education (supervision and instruction)	6
Director, elementary education (administration)	6
Director, health, physical education, athletics, and safety	6
Assistants to superintendent, vice superintendent, and deputy superintendents	6
Director, staff development	6
Director, special education	6
Director, elementary education (language arts)	6
Principalship	6
Supervising director	7
Assistant for Federal programs	7
Research associate	7
Planning associate	7
Director, school attendance	7
Director, elementary education	7
Director, adult education	7
Director, summer schools and continuing education	7
Area coordinator	7
Assistant principal	8
Assistant director	8
Director, group measurement	8
Director, Project 400	8
Youth Act coordinator	8
Assistant chief examiner	8
Recruitment coordinator	8
Budget analyst	9
Assistant director	10
Research associate	10
Planning associate	10
Assistant recruitment coordinator	10
Elementary supervisor	10
Coordinator (aides)	10
Director of reading	10

<u>Title</u>	<u>Class</u>
Coordinator of Widening Horizons program.....	10
Teacher aide coordinator, title I.....	10
Cultural enrichment coordinator.....	10
Curriculum specialist.....	11
Clinical psychologist.....	12
Chief attendance officer.....	12
Educational specialist.....	13
Psychiatric social worker.....	13
Clinical social worker.....	13
Project coordinator.....	13
Census supervisor.....	14
Teacher, elementary and secondary schools.....	15
Attendance officer.....	15
Counselor, placement.....	15
Counselor, elementary and secondary schools.....	15
Librarian, elementary and secondary schools.....	15
School social worker.....	15
School psychologist.....	15
Speech therapist.....	15
Hearing therapist.....	15
Job coordinator.....	15
Pupil personnel worker.....	15
Child labor inspector.....	15."

1 (4) Section 5 (c) of such Act (D.C. Code, sec. 31-
 2 1522 (c)) is amended by striking out "5333 (a)" and
 3 inserting in lieu thereof "5332 (a)".

4 (5) Section 5 (d) of such Act (D.C. Code, sec. 31-
 5 1522 (d)) is amended to read as follows:

6 "(d) (1) Within six months following the date of en-
 7 actment of this subsection, the Board of Education, with the
 8 cooperation of the Commissioner of the District of Columbia,
 9 shall assign each position of school principalship to a salary
 10 class in the salary schedule of section 1 of this Act com-
 11 mensurate to the difficulty, responsibility, and qualification
 12 requirements of such position. Such assignment shall be
 13 made on the basis of an evaluation by the Board of Educa-

1 tion with the cooperation of the Commissioner of the Dis-
2 trict of Columbia, of the duties and responsibilities of each
3 position of school principalship in the school administered
4 by the person holding such position. Such evaluation shall
5 be based on (A) such workload factors as (i) the number
6 of teachers, nonteaching personnel, and other professional
7 and nonprofessional personnel supervised, and (ii) school
8 enrollment; and (B) such other factors as the Board of
9 Education deems appropriate.

10 “(2) No person holding the position of school prin-
11 cipalship at the time of the assignment of the position to sal-
12 ary class 6 in accordance with paragraph (1) of this
13 subsection, or subsequently placed in such position after it
14 becomes vacant, shall have his compensation fixed in ac-
15 cordance with the rates of compensation prescribed for the
16 principalship levels within such class.”

17 (6) Section 5 of such Act (D.C. Code, sec. 31-1522)
18 is amended by (A) repealing subsection (e), and (B) re-
19 designating subsection (f) as subsection “(e)”.

20 (7) Section 7(a)(1) of such Act (D.C. Code, sec.
21 31-1532(a)(1)) is amended by—

22 (A) striking out in the fourth sentence “except the
23 positions of chief librarian and assistant professor, asso-
24 ciate professor and professor,”;

25 (B) inserting immediately after the fourth sentence

1 the following new sentence: "In the case of a person
2 newly appointed to any position in salary classes 3 to
3 6, inclusive, who is determined by the Board of Edu-
4 cation to possess unique or unusually high qualifications
5 of special need to the school system, and whose annual
6 salary immediately prior to such appointment was higher
7 than the rate of compensation prescribed for service
8 step 1 of his salary class, such person may, in the dis-
9 cretion of the Board of Education, have his compensation
10 fixed at the rate of compensation prescribed for service
11 step 2 or service step 3 of his salary class."; and

12 (C) striking out the last sentence.

13 (8) Section 10 of such Act (D.C. Code, sec. 31-1535)
14 is amended by—

15 (A) striking out in subsection (a) "1970" and
16 inserting in lieu thereof "1972";

17 (B) striking out in paragraph (1) of subsection
18 (a) "date of the regular Board meeting" and inserting
19 in lieu thereof "first day"; and

20 (C) adding at the end thereof the following new
21 subsection:

22 "(e) Notwithstanding subsection (a) or any other pro-
23 vision of this or any other law, the Board of Education is au-
24 thorized to correct on a retroactive basis any administrative
25 error occurring in the application of subsection (a)."

1 ~~(9) Section 13 of such Act (D.C. Code, sec. 31-1542)~~

2 is amended by—

3 ~~(A) amending the schedule of pay rates contained~~

4 ~~in subsection (a) to read as follows:~~

Classification	Per period		
	Step 1	Step 2	Step 3
Summer school (regular):			
Teacher, elementary and secondary schools; counselor, elementary and secondary schools; librarian, elementary and secondary schools; school social worker; speech correctionist; school psychologist.....	\$7.39	\$8.38	\$9.44
Psychiatric social worker.....	8.50	9.64	10.86
Veterans' summer school centers: Teacher.....	7.39	8.38	9.44
Adult education schools:			
Teacher.....	8.13	9.22	10.38
Assistant principal.....	11.38	12.91	14.53
Principal.....	12.60	14.29	16.09"

5 ~~(B) striking out in the second sentence of para-~~
 6 ~~graph (1) of subsection (d) “, except that the amount~~
 7 ~~of additional compensation for each such activity may~~
 8 ~~not in any school year exceed \$1,000”;~~

9 ~~(C) striking out in the second sentence of para-~~
 10 ~~graph (2) of such subsection “in the same manner as~~
 11 ~~regular pay”;~~ and

12 ~~(D) striking out in the third sentence of such para-~~
 13 ~~graph “81” and inserting in lieu thereof “83”.~~

14 ~~(10) Section 14 of such Act (D.C. Code, sec. 31-~~
 15 ~~1543) is amended to read as follows:~~

16 ~~“Sec. 14. All employees covered by the provisions of~~
 17 ~~this Act shall have their annual salaries paid in twenty four~~
 18 ~~semimonthly installments in accordance with existing law.”~~

19 ~~(11) Section 15 of such Act (D.C. Code, sec. 31-~~
 20 ~~1544) is amended to read as follows:~~

1 ~~“SEC. 15. On and after September 1, 1972, the Act en-~~
2 ~~titled ‘An Act to provide that the Board of Education of the~~
3 ~~District of Columbia shall have sole authority to regulate the~~
4 ~~vacation periods and annual leave of absence of certain school~~
5 ~~officers and employees of the Board of Education of the Dis-~~
6 ~~trict of Columbia’ (66 Stat. 14), as amended, shall apply to~~
7 ~~employees of the Board of Education whose salaries are fixed~~
8 ~~in salary classes 1 through 14, inclusive, under this Act.”~~

9 ~~(12) Section 16 of such Act (D.C. Code, sec. 31-~~
10 ~~1545) is amended to read as follows:~~

11 ~~“SEC. 16. On and after the effective date of the District~~
12 ~~of Columbia Teachers’ Salary Act Amendments of 1972, the~~
13 ~~Act entitled ‘An Act to provide cumulative sick and~~
14 ~~emergency leave with pay for teachers and attendance of~~
15 ~~ficers in the employ of the Board of Education of the District~~
16 ~~of Columbia, and for other purposes’ (63 Stat. 842), as~~
17 ~~amended, shall apply to employees of the Board whose~~
18 ~~salaries are fixed in salary class 15.”~~

19 ~~SEC. 103. (a) The third paragraph under the paragraph~~
20 ~~beginning with the side heading “FOR ALLOWANCE TO~~
21 ~~PRINCIPALS:”, under the center heading “PUBLIC~~
22 ~~SCHOOLS.” in the first section of the Act entitled “An Act~~
23 ~~making appropriations to provide for the expenses of the gov-~~
24 ~~ernment of the District of Columbia for the fiscal year ending~~
25 ~~June thirtieth, nineteen hundred and nine, and for other~~

1 purposes' (35 Stat. 291; D.C. Code, sec. 31-609) is
2 amended to read as follows:

3 ~~"Effective September 1, 1972, the salaries of all em-~~
4 ~~ployees in salary class 15 and such other employees who~~
5 ~~are paid on a ten-month basis whose services commence with~~
6 ~~the opening of school and who shall perform their duties,~~
7 ~~shall begin on the 1st day of September and shall be paid~~
8 ~~in twenty four semimonthly installments. The first payment~~
9 ~~shall be made on the 1st day of October, or as near that~~
10 ~~date as practicable; and the second payment shall be made~~
11 ~~fifteen days thereafter or as near that date as practicable.~~
12 ~~Subsequent payments shall be on the first and sixteenth~~
13 ~~days of the month or as near those dates as practicable. The~~
14 ~~salaries of other employees in salary class 15 shall begin~~
15 ~~when they enter upon their duties."~~

16 (b) ~~The first sentence in the fourth paragraph under~~
17 ~~the paragraph beginning with the side heading "FOR AL-~~
18 ~~LOWANCE TO PRINCIPALS:" under the center heading~~
19 ~~"PUBLIC SCHOOLS." in the first section of such Act~~
20 ~~(D.C. Code, sec. 31-620), is amended to read as follows:~~

21 ~~"Effective September 1, 1972, the following rules for~~
22 ~~division of time and computation of pay for services rendered~~
23 ~~are established: Compensations of all employees in salary~~
24 ~~class 15 and such other employees who are paid on a ten-~~

1 month basis shall be paid in twenty-four semimonthly in-
2 stallments."

3 SEC. 104. Section 4 of the Act entitled "An Act to pro-
4 vide educational employees of the District of Columbia with
5 leave of absence, with part pay, for purposes of educational
6 improvement, and for other purposes" (54 Stat. 349), as
7 amended (D.C. Code, sec. 31-635), is amended by strik-
8 ing out "or equal to the largest amount to which any em-
9 ployee in the salary class of elementary and secondary
10 school teachers would be entitled if given educational leave,
11 whichever is less, either" and inserting in lieu thereof a
12 comma and the word "such".

13 SEC. 105. (a) (1) Effective on the first day of the first
14 pay period beginning on or after September 1, 1973, each
15 rate of compensation in the salary schedule in section 1 of
16 the District of Columbia Teachers' Salary Act of 1955 (D.C.
17 Code, sec. 1501) in effect on the day next preceding such
18 effective date shall be increased by the per centum rise in
19 the price index between August, 1972 and August, 1973,
20 adjusted to the nearest one-tenth of 1 per centum: *Provided,*
21 That no such rate of compensation after such increase, ex-
22 cept the rate of compensation prescribed for salary class 1A,
23 shall exceed the rate of basic pay for level V of the Execu-
24 tive Schedule contained in subchapter II of chapter 53 of

1 title 5, United States Code: *Provided further*, That the rate
2 of compensation prescribed for salary class 1A after such in-
3 crease shall not exceed the rate of basic pay for level III of
4 such Executive Schedule.

5 (2) Effective on such effective date, each pay rate in
6 the schedule in section 13 (a) of such Act (D.C. Code,
7 sec. 31-1542 (a)) in effect on the day next preceding such
8 effective date shall be increased by the per centum rise in
9 such price index, adjusted to the nearest one-tenth of 1 per
10 centum.

11 (b) For purposes of this section, the term "price index"
12 shall mean the Consumer Price Index (all items—Washing-
13 ton, District of Columbia, Standard Metropolitan Statistical
14 Area) published monthly and priced quarterly in February,
15 May, August, and November by the Bureau of Labor
16 Statistics.

17 SEC. 106. Except as otherwise provided in section 105,
18 the effective date of this title and the amendments made by
19 this title shall be the first day of the first pay period begin-
20 ning on or after September 1, 1972.

21 ~~TITLE II—REVISIONS IN RETIREMENT BENEFITS~~
22 ~~FOR SCHOOLTEACHERS AND OFFICERS~~

23 SEC. 201. The Act entitled "An Act for the retirement
24 of public schoolteachers in the District of Columbia", ap-
25 proved August 7, 1946 (60 Stat. 875) is amended as
26 follows:

1 ~~(1) The first three sentences of paragraph (1) of sec-~~
2 ~~tion 5 (b) of such Act (D.C. Code, sec. 31-725 (b) (1))~~
3 ~~are amended to read as follows:~~

4 ~~“ (1) A reduced annuity and an annuity after death~~
5 ~~payable to the surviving widow or widower of such teacher.~~
6 ~~The life annuity of a teacher making such election, or any~~
7 ~~portion of such annuity designated by the teacher in writing~~
8 ~~for such purposes at the time of retirement, shall be reduced~~
9 ~~by 2½ per centum of so much thereof as does not exceed~~
10 ~~\$3,600 and by 10 per centum of so much thereof as exceeds~~
11 ~~\$3,600. The widow or widower of a teacher making such~~
12 ~~election shall be entitled to an annuity equal to 55 per cen-~~
13 ~~tum of such life annuity, or designated portion thereof:~~
14 ~~*Provided*, That if a retired teacher who has elected a reduced~~
15 ~~annuity as provided in this paragraph or in subsection (d)~~
16 ~~of this section dies and is survived by a widow or widower~~
17 ~~whom he or she married after retirement, such widow or~~
18 ~~widower is entitled to an annuity in an amount which would~~
19 ~~have been paid had the teacher been married to the widow~~
20 ~~or widower at the time of retirement, but only if (A)~~
21 ~~such widow or widower was married to such individual for~~
22 ~~at least two years immediately preceding the teacher's~~
23 ~~death, or is the mother or father of issue of such marriage;~~
24 ~~and (B) such widow or widower elects this annuity instead~~
25 ~~of any other survivor benefit to which he or she may be~~
26 ~~entitled under this Act or another retirement system for~~

1 ~~employees of the Federal or District Government. The~~
2 ~~annuity of a widow or widower entitled to an annuity under~~
3 ~~this paragraph shall begin on the day after the retiree dies."~~

4 (2) ~~Section 5 of such Act (D.C. Code, sec. 31-725) is~~
5 ~~amended by adding at the end thereof the following new~~
6 ~~subsection:~~

7 " (d) ~~A teacher who is unmarried at the time of retir-~~
8 ~~ing under a provision of law which permits election of a re-~~
9 ~~duced annuity with a survivor annuity payable to his spouse~~
10 ~~and who later marries, may irrevocably elect, in a signed~~
11 ~~writing filed with the Commissioner of the District of Co-~~
12 ~~lumbia within one year after he or she marries, a reduction~~
13 ~~in his or her current annuity and an annuity after death pay-~~
14 ~~able to his or her surviving widow or widower as provided in~~
15 ~~paragraph (1) of subsection (b) of this section. The~~
16 ~~reduced annuity is effective the first day of the month after~~
17 ~~such election is received by the Commissioner. The election~~
18 ~~voids prospectively any election previously made under para-~~
19 ~~graph (2) or paragraph (3) of subsection (b) of this~~
20 ~~section."~~

21 (3) ~~The first paragraph of section 8 of such Act (D.C.~~
22 ~~Code, sec. 31-728) is amended by—~~

23 (A) ~~striking out in the first sentence "that the~~
24 ~~total credit granted for leaves of absence without pay~~
25 ~~shall not exceed one year; *Provided further,*" and~~

1 ~~(B) inserting after the first sentence the following~~
2 ~~new sentence: "A teacher or former teacher who returns~~
3 ~~to duty after a period of separation is deemed, for the~~
4 ~~purpose of this section, to have been in a leave of absence~~
5 ~~without pay for that part of the period in which he or she~~
6 ~~was receiving benefits under subchapter I of chapter 81~~
7 ~~of title 5 of the United States Code, or any earlier statute~~
8 ~~on which such subchapter is based."~~

9 ~~(4) Section 9 of such Act (D.C. Code, sec. 31-729 is~~
10 ~~amended by—~~

11 ~~(A) striking out in paragraph (1) of subsection~~
12 ~~(b) the word "dependent" each place it appears therein;~~

13 ~~(B) amending the second sentence of paragraph~~
14 ~~(1) of subsection (b) to read as follows: "Such annuity~~
15 ~~and any right thereto shall terminate on the last day of~~
16 ~~the month before (A) the widow or widower dies, or~~
17 ~~(B) the widow or widower remarries before becoming~~
18 ~~sixty years of age.";~~

19 ~~(C) striking out in paragraph (3) of subsection~~
20 ~~(b) "dependent widower" and inserting in lieu thereof~~
21 ~~"widower"; and~~

22 ~~(D) striking out the second sentence of paragraph~~
23 ~~(5) of subsection (c).~~

24 ~~SEC. 202. (a) The provisions of the first and third sen-~~
25 ~~tences of section 5 (b) (1) of the Act of August 7, 1946, as~~

1 amended by section 201(1) of this title, which entitle a
2 spouse acquired after the teacher's retirement to a survivor
3 annuity, shall not apply in the cases of teachers or annuitants
4 who died before the date of enactment of this title. The rights
5 of such persons shall continue in the same manner and to the
6 same extent as if such amendments had not been enacted.

7 (b) The provisions of the second and third sentences of
8 such section 5(b)(1), as amended by section 201(1) of
9 this title, which authorize a teacher to designate that portion
10 of his life annuity which may be subject to reduction for pur-
11 poses of providing a survivor annuity, shall apply only to
12 teachers retiring after the date of enactment of this title.

13 (c) The amendment made by section 201(2) of this
14 title shall apply to a retired teacher who was unmarried at
15 the time of retirement, but who later married, only if the
16 election is made within one year after the date of enactment
17 of this title.

18 (d) The amendment made by section 201(3)(A) of
19 this title shall apply only to teachers retiring after the
20 date of enactment of this title.

21 (e) The amendment made by section 201(3)(B) of
22 this title is effective only with respect to annuity accruing for
23 full months beginning after the date of enactment of this
24 title; but any part of a period of separation referred to in
25 such amendment in which the employee or former employee

1 was receiving benefits under subchapter I of chapter 81 of
2 title 5, United States Code, or any earlier statute on which
3 such subchapter is based shall be counted whether the em-
4 ployee returns to duty before, on, or after such date of
5 enactment. With respect to any person retired before such
6 date of enactment, any such part of a period of separation
7 shall be counted only with application of the former
8 employee.

9 (f) The amendments made by section 201 (4) of this
10 title shall not apply in the cases of teachers or annuitants
11 who died before the date of enactment of this title. The right
12 of such persons and their survivors shall continue in the
13 same manner and to the same extent as if such amendments
14 had not been enacted.

15 ~~TITLE III—AMENDMENTS INCREASING CERTAIN~~
16 ~~TAXES IN THE DISTRICT OF COLUMBIA~~

17 ~~SEC. 301. Subsection (j) of section 6 of the District of~~
18 ~~Columbia Traffic Act, 1925 (D.C. Code, sec. 40-603 (j)),~~
19 ~~is amended by striking out "4 per centum" and inserting~~
20 ~~in lieu thereof "5 per centum".~~

21 ~~SEC. 302. Paragraph numbered 5 of section 6 of the Act~~
22 ~~entitled "An Act making appropriations to provide for ex-~~
23 ~~penses of the government of the District of Columbia for the~~
24 ~~fiscal year ending June thirtieth, nineteen hundred and three,~~
25 ~~and for other purposes", approved July 1, 1902 (32 Stat.~~

1 ~~590) as amended (D.C. Code, sec. 47-1701), is amended~~
2 ~~by striking out "4 per centum" and inserting in lieu thereof~~
3 ~~"5 per centum".~~

4 ~~SEC. 303. Section 125 of the District of Columbia Sales~~
5 ~~Tax Act (D.C. Code, sec. 47-2602) is amended to read~~
6 ~~as follows:~~

7 ~~"SEC. 125. A tax is imposed upon all vendors for the~~
8 ~~privilege of selling at retail certain tangible personal property~~
9 ~~and for the privilege of selling certain selected services (de-~~
10 ~~finied as 'retail sale' and 'sale at retail' in this title). The rate~~
11 ~~of such tax shall be 4 per centum of the gross receipts from~~
12 ~~sale of or charges for such tangible personal property and~~
13 ~~services, except that —~~

14 ~~"(1) the rate of tax shall be 2 per centum of the~~
15 ~~gross receipts from (A) sales of food for human con-~~
16 ~~sumption off the premises where such food is sold, and~~
17 ~~(B) charges for rental of textiles if the essential part~~
18 ~~of the rental includes recurring services of laundering or~~
19 ~~cleaning of the textiles;~~

20 ~~"(2) the rate of tax shall be 5 per centum of the~~
21 ~~gross receipts from (A) sales of or charges for the~~
22 ~~services described in paragraph (11) of section 114 (a)~~
23 ~~of this title, (B) sales of medicines, pharmaceuticals, and~~
24 ~~drugs not made on prescriptions of duly licensed physi-~~
25 ~~cians, surgeons, or other general or special practitioners~~

1 of the healing art, and (C) sales of or charges for any
2 room or rooms, lodgings, or accommodations, furnished
3 to transients by any hotel, inn, tourist camp, tourist
4 cabin, or any other place in which rooms, lodgings, or
5 accommodations are regularly furnished to transients;
6 and

7 “(2) the rate of tax shall be 5 per centum of the
8 gross receipts from sales of (A) spirituous or malt
9 liquors, beer, and wines, and (B) food for human con-
10 sumption other off the premises where such food is sold.”

11 SEC. 304. Section 212 of the District of Columbia Use
12 Tax Act (D.C. Code, sec. 47-2702) is amended by striking
13 out the last sentence and inserting in lieu thereof the follow-
14 ing: “The rate of tax imposed by this section shall be 4 per
15 centum of the sales price of such tangible personal property
16 or services, except that—

17 “(1) the rate of tax shall be 2 per centum of the
18 sales price of (A) sales of food for human consumption
19 off the premises where such food is sold, and (B)
20 charges for rental of textiles if the essential part of the
21 rental includes recurring services of laundering or clean-
22 ing of the textiles;

23 “(2) the rate of tax shall be 5 per centum of the
24 sales price of (A) sales of the services described in
25 paragraph (9) of section 201(a) of this title, (B)

1 sales of medicines, pharmaceuticals, and drugs not made
2 on prescriptions of duly licensed physicians, surgeons,
3 or other general or special practitioners of the heal-
4 ing art, and (C) sales of or charges for any room or
5 rooms, lodgings, or accommodations, furnished to tran-
6 sients by any hotel, inn, tourist camp, tourist cabin, or
7 any other place in which rooms, lodgings, or accom-
8 modations are regularly furnished to transients; and
9 “(3) the rate of tax shall be 5 per centum of the
10 sales of (A) spirituous or malt liquor, beer, and wines,
11 and (B) food for human consumption other than off the
12 premises where such food is sold.”

13 ~~Sec. 305. The amendment made by section 302 of~~
14 ~~this title shall apply to the gross receipts of each gas com-~~
15 ~~pany, electric lighting company, and telephone company for~~
16 ~~the year ending June 30, 1972, and for each succeeding year~~
17 ~~ending on the thirtieth day of June.~~

18 ~~Sec. 306. The amendments made by sections 301, 303,~~
19 ~~and 304 of this title shall take effect on the first day of~~
20 ~~the first month which begins on or after the thirtieth day after~~
21 ~~the date of enactment of this Act.~~

1 *TITLE I—SALARY INCREASES FOR DISTRICT*
2 *OF COLUMBIA TEACHERS AND SCHOOL*
3 *OFFICERS*

4 *SEC. 101. This title may be cited as the “District of*
5 *Columbia Teachers’ Salary Act Amendments of 1972”.*

6 *SEC. 102. (a) Section 1 of the District of Columbia*
7 *Teachers’ Salary Act of 1955 (D.C. Code, sec. 31-1501) is*
8 *amended to read as follows:*

9 *“SECTION 1. The following is the salary schedule for*
10 *teachers, school officers, and certain other employees of the*
11 *Board of Education whose positions are covered under this*
12 *Act:*

"TEACHERS AND SCHOOL OFFICERS SALARY SCHEDULE—Continued

Salary class and group	Service step—													Longevity step Y
	1	2	3	4	5	6	7	8	9	10	11	12	13	
Class 18:														
Group B, master's degree.....	14,125	14,470	14,815	15,160	15,505	15,850	16,195	16,540	16,885	17,230	17,575	17,920	18,265	18,610
Group C, master's degree plus 20.....	14,640	14,985	15,330	15,675	16,020	16,365	16,710	17,055	17,400	17,745	18,090	18,435	18,780	19,125
Group D, doctor's.....	14,960	15,305	15,650	16,000	16,350	16,700	17,050	17,400	17,750	18,100	18,450	18,800	19,150	19,500
Class 19:														
Group B, master's degree.....	18,985	19,340	19,700	20,060	20,420	20,780	21,140	21,500	21,860	22,220	22,580	22,940	23,300	23,660
Group C, master's degree plus 20.....	19,345	19,705	20,065	20,425	20,785	21,145	21,505	21,865	22,225	22,585	22,945	23,305	23,665	24,025
Group D, doctor's.....	19,705	20,065	20,425	20,785	21,145	21,505	21,865	22,225	22,585	22,945	23,305	23,665	24,025	24,385
Class 14:														
Group A, bachelor's degree.....	9,000	9,085	9,170	9,255	9,340	9,425	9,510	9,595	9,680	9,765	9,850	9,935	10,020	10,105
Group B, master's degree.....	10,730	11,165	11,600	12,035	12,470	12,905	13,340	13,775	14,210	14,645	15,080	15,515	15,950	16,385
Group C, master's degree plus 20.....	11,150	11,585	12,020	12,455	12,890	13,325	13,760	14,195	14,630	15,065	15,500	15,935	16,370	16,805
Group D, doctor's.....	11,665	12,000	12,435	12,870	13,305	13,740	14,175	14,610	15,045	15,480	15,915	16,350	16,785	17,220
Class 15:														
Group A, bachelor's degree.....	8,850	8,685	8,520	8,355	8,190	8,025	7,860	7,695	7,530	7,365	7,200	7,035	6,870	6,705
Group A-1, bachelor's degree plus 15.....	8,770	8,605	8,440	8,275	8,110	7,945	7,780	7,615	7,450	7,285	7,120	6,955	6,790	6,625
Group B, master's degree.....	9,190	9,610	10,030	10,450	10,870	11,290	11,710	12,130	12,550	12,970	13,390	13,810	14,230	14,650
Group C, master's degree plus 20.....	9,610	10,030	10,450	10,870	11,290	11,710	12,130	12,550	12,970	13,390	13,810	14,230	14,650	15,070
Group D, master's degree plus 20 or doctor's.....	10,030	10,450	10,870	11,290	11,710	12,130	12,550	12,970	13,390	13,810	14,230	14,650	15,070	15,490

- 1 (b) The schedule of pay rates contained in subsection
 2 (a) of section 13 of such Act (D.C. Code, sec. 31-1542(a))
 3 is amended to read as follows:

"Classification	Per period		
	Step 1	Step 2	Step 3
<i>Summer school (regular):</i>			
<i>Teacher, elementary and secondary schools; counselor, elementary and secondary schools; librarian, elementary and secondary schools; school social worker; speech correctionist; school psychologist.....</i>	\$7.39	\$8.38	\$9.44
<i>Psychiatric social worker.....</i>	8.50	9.64	10.86
<i>Veterans' summer school centers: Teacher.....</i>	7.59	8.38	9.44
<i>Adult education schools:</i>			
<i>Teacher.....</i>	8.15	9.22	10.38
<i>Assistant principal.....</i>	11.58	12.91	14.63
<i>Principal.....</i>	12.60	14.29	16.09"

- 4 (c)(1)(A) Effective on the first day of the first pay
 5 period beginning or or after September 1, 1973, each rate
 6 of compensation in the salary schedule in section 1 of the
 7 District of Columbia Teachers' Salary Act of 1955 (D.C.
 8 Code, sec. 31-1501) in effect on the day next preceding such
 9 first day shall be increased by 5 per centum unless the Pay
 10 Board prescribes under subparagraph (B) an increase of
 11 less than 5 per centum, in which case each such rate of
 12 compensation shall be increased on such first day by the per
 13 centum increase so prescribed by the Pay Board.

- 14 (B) Before the effective date of the compensation in-
 15 crease provided by this paragraph, the Pay Board shall de-
 16 termine whether an increase of 5 per centum in each rate of
 17 compensation in such salary schedule, effective as prescribed
 18 by subparagraph (A), meets the criteria established by the
 19 Pay Board for the stabilization of wages and salaries. If the
 20 Pay Board determines that such an increase does not meet

1 such criteria, the Pay Board shall, in accordance with such
2 criteria and subject to subparagraph (C), prescribe the per
3 centum increase in each such rate of compensation to take
4 effect as prescribed in subparagraph (A).

5 (C) Notwithstanding the compensation increase provided
6 by this paragraph, the rate of compensation for salary class
7 1A in such salary schedule may not be increased under this
8 paragraph to a rate of compensation in excess of the rate of
9 basic pay in effect for level III of the Executive Schedule con-
10 tained in subchapter II of chapter 53 of title 5, United States
11 Code, on the effective date of the increase provided by this
12 paragraph; and the rate of compensation for any other
13 salary class in such salary schedule may not be increased
14 under this paragraph to a rate of compensation in excess of
15 the rate of basic pay in effect on such date for level V of such
16 Executive Schedule.

17 (2) Effective on the effective date of the increase author-
18 ized by paragraph (1) of this subsection, each pay rate in
19 the schedule in section 13(a) of the District of Columbia
20 Teachers' Salary Act of 1955 (D.C. Code, sec. 31-1542
21 (a)) in effect on the day next preceding such effective date
22 shall be increased by the same percentage rate as the rates of
23 compensation in the salary schedule in section 1 of such Act
24 (other than the rate for salary class 1A) are increased under
25 paragraph (1).

26 (3) For purposes of this subsection, the term "Pay

1 *Board*" means the Pay Board established under section 7
 2 of Executive Order 11640 of January 27, 1972 (37 Fed.
 3 Reg. 1213), or any other entity to which is transferred, or
 4 in which is vested, the functions of the Board established
 5 under such section.

6 *SEC. 103. The District of Columbia Teachers' Salaru*
 7 *Act of 1955 is further amended as follows:*

8 (1) (A) The fourth sentence of section 2(a) of such
 9 Act (D.C. Code, sec. 31-1511(a)) is amended to read as
 10 follows: "No teacher, school officer, or other employee shall
 11 be appointed or promoted to any position covered by section
 12 1 of this Act on probationary or permanent status unless he
 13 possesses a master's degree, except that (1) a person pos-
 14 sessed a bachelor's degree may be appointed on probationary
 15 or permanent status as a teacher in the elementary or second-
 16 ary schools or as a coordinator of practical nursing; (2)
 17 a person possessing a bachelor's degree may be promoted
 18 to the position of census supervisor or coordinator of practi-
 19 cal nursing; (3) a person not possessing a bachelor's degree
 20 may be appointed on probationary or permanent status as a—

21 " (A) shop teacher in the vocational education
 22 program,

23 " (B) teacher of military science and tactics,

24 " (C) teacher of driver training,

25 " (D) attendance officer, or

26 " (E) child labor inspector,

1 if he submits acceptable evidence of equivalent training and
 2 experience in accordance with the rules of the Board; and
 3 (4) a person not possessing a bachelor's degree may be ap-
 4 pointed on a probationary or permanent status as a census
 5 supervisor, or promoted to that position, if he submits ac-
 6 ceptable evidence of equivalent training and experience in
 7 accordance with the rules of the Board."

8 (B) The fifth sentence of such section is repealed.

9 (2) Section 4 of such Act (D.C. Code, sec. 31-1521)
 10 is amended to read as follows:

11 "SEC. 4. (a) Each teacher, school officer, or other
 12 employee in the service of the Board of Education on the
 13 effective date of the District of Columbia Teachers' Salary
 14 Act Amendments of 1972 who occupies a position covered
 15 by this Act and listed in this subsection shall be placed
 16 in a salary class in the salary schedule contained in section
 17 1 of this Act as follows:

"Title	Class
Superintendent-----	1A
Vice superintendent-----	1B
Deputy superintendent-----	2A
Associate superintendent-----	2B
Assistant superintendent-----	3
Executive assistant to superintendent-----	3
Director of curriculum-----	4
Chief examiner-----	5
Executive assistant (to deputy and associate superintendents)-----	5
Director, career development-----	5
Director, vocational high schools-----	5
Director, Spingarn instructional unit-----	5
Assistants to assistant superintendents-----	6
Director, elementary education (supervision and instruction)-----	6
Director, elementary education (administration)-----	6
Director, health, physical education, athletics, and safety-----	6

"Title	Class
Assistants to superintendent, vice superintendent, and deputy superintendents -----	6
Director, staff development -----	6
Director, special education -----	6
Director, elementary education (language arts) -----	6
Principal -----	6
Supervising director -----	7
Assistant for Federal programs -----	7
Research associate -----	7
Planning associate -----	7
Director, school attendance -----	7
Director, elementary education -----	7
Director, adult education -----	7
Director, summer schools and continuing education -----	7
Area coordinator -----	7
Assistant principal -----	8
Assistant director -----	8
Director, group measurement -----	8
Director, Project 400 -----	8
Youth Act coordinator -----	8
Assistant chief examiner -----	8
Recruitment coordinator -----	8
Budget analyst -----	9
Assistant director -----	10
Research associate -----	10
Planning associate -----	10
Assistant recruitment coordinator -----	10
Elementary supervisor -----	10
Coordinator (aides) -----	10
Director of reading -----	10
Coordinator of Widening Horizons program -----	10
Teacher aide coordinator, title I -----	10
Cultural enrichment coordinator -----	10
Curriculum specialist -----	11
Clinical psychologist -----	12
Chief attendance officer -----	12
Educational specialist -----	13
Psychiatric social worker -----	13
Clinical social worker -----	13
Project coordinator -----	13
Coordinator of practical nursing -----	14
Census supervisor -----	14
Teacher, elementary and secondary schools -----	15
Attendance officer -----	15
Counselor, placement -----	15
Counselor, elementary and secondary schools -----	15
Librarian, elementary and secondary schools -----	15
School social worker -----	15
School psychologist -----	15
Speech therapist -----	15
Hearing therapist -----	15
Job coordinator -----	15
Pupil personnel worker -----	15
Child labor inspector -----	15.

1 “(b) The Board of Education, in accordance with sec-
2 tions 2(a) and 5(b) of this Act, shall place in a salary class
3 in the salary schedule contained in section 1 of this Act each
4 teacher, school officer, or other employee in the service of
5 the Board of Education on the effective date of the District of
6 Columbia Teachers’ Salary Act Amendments of 1972 who
7 occupies a position covered by this Act but not listed in sub-
8 section (a) of this section.

9 “(c) The classifications prescribed by subsection (a) of
10 this section of positions to salary classes in the salary schedule
11 contained in section 1 of this Act do not affect the authority
12 of the Board of Education under sections 2(a) and 5(b) of
13 this Act to make adjustments in the classification of any posi-
14 tion under the Board or to take any other action authorized
15 by those sections.”

16 (3) Section 5(c) of such Act (D.C. Code, sec. 31-1522
17 (c)) is amended by striking out “5333(a)” and inserting in
18 lieu thereof “5332(a)”.

19 (4) Section 7(a)(1) of such Act (D.C. Code, sec. 31-
20 1532(a)(1)) is amended by—

21 (A) striking out in the fourth sentence “except the
22 positions of chief librarian and assistant professor, asso-
23 ciate professor, and professor,”;

24 (B) inserting immediately after the fourth sentence
25 the following new sentence: “In the case of a person

1 *who is newly appointed to any position in salary class 3,*
2 *4, 5, or 6, who is determined by the Board of Education*
3 *to possess unique or unusually high qualifications of spe-*
4 *cial need to the school system, and whose annual salary*
5 *immediately prior to such appointment was higher than*
6 *the rate of compensation prescribed for service step 1*
7 *of his salary class, such person may, in the discretion*
8 *of the Board of Education, have his compensation fixed*
9 *at the rate of compensation prescribed for service step 2*
10 *or 3 of his salary class.”; and*

11 *(C) striking out the last sentence.*

12 *(5) Section 10 of such Act (D.C. Code, sec. 31-1535)*
13 *is amended by—*

14 *(A) striking out in paragraph (1) of subsection*
15 *(a) “date of the regular Board meeting” and inserting*
16 *in lieu thereof “first day”; and*

17 *(B) adding at the end thereof the following new*
18 *subsection:*

19 *“(c) Notwithstanding subsection (a) or any other pro-*
20 *vision of this or any other law, the Board of Education is au-*
21 *thorized to correct on a retroactive basis any administrative*
22 *error occurring in the application of subsection (a).”*

23 *(6) Section 13 of such Act (D.C. Code, sec. 31-1542)*
24 *is amended by—*

25 *(A) striking out in the second sentence of para-*

1 graph (2) of subsection (d) "in the same manner as
2 regular pay"; and

3 (B) striking out in the third sentence of such para-
4 graph "81" and inserting in lieu thereof "83".

5 (7) Section 14 of such Act (D.C. Code, sec. 31-
6 1543) is amended to read as follows:

7 "SEC. 14. Except as otherwise provided in this section,
8 each employee whose annual salary is prescribed by the
9 salary schedule contained in section 1 of this Act shall have
10 his annual salary paid in twenty-four semimonthly install-
11 ments. Semimonthly installment payments of the salaries of
12 such employees shall be made on the first and sixteenth days
13 of the month (or as near those days as is practicable); except
14 that in lieu of receiving on such days the first semimonthly
15 installment payment of salary payable in August and the
16 three succeeding semimonthly installment payments of salary,
17 an employee in salary class 15 of such salary schedule may
18 elect, under regulations prescribed by the Commissioner of
19 the District of Columbia, to receive on the date of the second
20 semimonthly installment payment of his salary in July an
21 amount equal to the sum of (1) the amount of such pay-
22 ment, and (2) the amounts of the four succeeding semi-
23 monthly installment payments of salary payable to him."

24 (8) Section 15 of such Act (D.C. Code, sec. 31-
25 1544) is amended to read as follows:

1 “*SEC. 15. On and after September 1, 1972, the Act of*
2 *March 5, 1952 (D.C. Code, secs. 31-698—698a) (relating*
3 *to vacation periods and annual leave) shall apply to em-*
4 *ployees of the Board of Education whose salaries are fixed*
5 *in salary classes 1 through 14, inclusive, of the salary sched-*
6 *ule contained in section 1 of this Act.”*

7 (9) *Section 16 of such Act (D.C. Code, sec. 31-1545)*
8 *is amended to read as follows:*

9 “*SEC. 16. On and after September 1, 1972, the Act of*
10 *October 13, 1949 (D.C. Code, sec. 31-691 et seq.) (relat-*
11 *ing to sick and emergency leave) shall apply to employees*
12 *of the Board whose salaries are fixed in salary class 15 of*
13 *the salary schedule contained in section 1 of this Act.”*

14 *SEC. 104. (a) The third paragraph under the paragraph*
15 *beginning with the side heading “FOR ALLOWANCE TO*
16 *PRINCIPALS:”, under the center heading “PUBLIC*
17 *SCHOOLS.” in the first section of the Act of May 26, 1908*
18 *(D.C. Code, sec. 31-609) is amended to read as follows:*

19 “*Effective September 1, 1972, in the case of an em-*
20 *ployee who is in salary class 15 of the salary schedule con-*
21 *tained in section 1 of the District of Columbia Teachers’*
22 *Salary Act of 1955 or any other employee of the Board*
23 *of Education who is paid on a ten-month basis, if such*
24 *employee’s services commence with the opening of school*
25 *and he performs his duties, his salary shall begin on the*

1 *first day of September and shall be paid in twenty-four semi-*
2 *monthly installments (except as provided in section 14 of*
3 *the District of Columbia Teachers' Salary Act of 1955).*
4 *The first semimonthly installment payment of the salaries*
5 *of such employees shall be made on the first day of October*
6 *(or as near that day as is practicable) and the second semi-*
7 *monthly installment payment of such salaries shall be made*
8 *on the sixteenth day of October (or as near that day as is*
9 *practicable). Subsequent semimonthly installment payments*
10 *of salaries shall be made on the first and sixteenth days of*
11 *the month (or as near those days as is practicable). The*
12 *salaries of other employees of the Board of Education in*
13 *such salary class 15 shall begin when they enter upon their*
14 *duties and shall be paid on a semimonthly basis."*

15 (b) *The first sentence in the fourth paragraph under*
16 *the paragraph beginning with the side heading "FOR AL-*
17 *LOWANCE TO PRINCIPALS:" under the center heading*
18 *"PUBLIC SCHOOLS." in the first section of such Act*
19 *(D.C. Code, sec. 31-630), is amended to read as follows:*
20 *"Effective September 1, 1972, the following rules for di-*
21 *vision of time and computation of pay for services rendered*
22 *are established: Compensation of all employees in salary*
23 *class 15 and such other employees who are paid on a ten-*
24 *month basis shall be paid in twenty-four semimonthly install-*
25 *ments (except as provided in section 14 of the District of*
26 *Columbia Teachers' Salary Act of 1955)."*

1 *SEC. 105. The effective date of this title (other than*
2 *section 102(c) thereof) and the amendments made by this*
3 *title shall be the first day of the first pay period beginning on*
4 *or after September 1, 1972.*

5 *TITLE II—REVISIONS IN RETIREMENT BENE-*
6 *FITS FOR SCHOOL TEACHERS AND OFFICERS*

7 *SEC. 201. The Act entitled "An Act for the retirement*
8 *of public school teachers in the District of Columbia", ap-*
9 *proved August 7, 1946, is amended as follows:*

10 *(1) Paragraph (1) of section 5(b) of such Act (D.C.*
11 *Code, sec. 31-725(b)(1)) is amended by striking out the*
12 *first three sentences and inserting in lieu thereof the follow-*
13 *ing: "A reduced annuity and an annuity after death payable*
14 *to the surviving widow or widower of such teacher. The life*
15 *annuity of a teacher making such election, or any portion of*
16 *such annuity designated by the teacher in writing for such*
17 *purposes at the time of retirement, shall be reduced by 2½ per*
18 *centum of so much thereof as does not exceed \$3,600 and*
19 *by 10 per centum of so much thereof as exceeds \$3,600.*
20 *The widow or widower of a teacher making such election*
21 *shall be entitled to an annuity equal to 55 per centum of*
22 *such life annuity, or designated portion thereof, except that*
23 *if a retired teacher who has elected a reduced annuity as*
24 *provided in this paragraph or in subsection (d) of this sec-*
25 *tion dies and is survived by a widow or widower whom he*

1 or she married after retirement, such widow or widower is
2 entitled to an annuity in an amount which would have been
3 paid had the teacher been married to the widow or widower
4 at the time of retirement, but only if (A) such widow or
5 widower was married to such individual for at least two
6 years immediately preceding the teacher's death, or is the
7 mother or father of issue of such marriage, and -(B) such
8 widow or widower elects this annuity instead of any other
9 survivor benefit to which he or she may be entitled under this
10 Act or another retirement system for employees of the Fed-
11 eral or District Government. The annuity of a widow or
12 widower entitled to an annuity under this paragraph shall
13 begin on the day after the retiree dies."

14 (2) Section 5 of such Act (D.C. Code, sec. 31-725) is
15 amended by adding at the end thereof the following new
16 subsection:

17 "(d) A teacher who is unmarried at the time of retir-
18 ing under a provision of law which permits election of a re-
19 duced annuity with a survivor annuity payable to his spouse
20 and who later marries, may irrevocably elect, in a signed
21 writing filed with the Commissioner of the District of Co-
22 lumbia within one year after he or she marries, a reduction
23 in his or her current annuity and an annuity after death pay-
24 able to his or her surviving widow or widower as provided
25 in paragraph (1) of subsection (b) of this section. The

1 reduced annuity is effective the first day of the month after
2 such election is received by the Commissioner. The election
3 voids prospectively any election previously made under para-
4 graph (2) or paragraph (3) of subsection (b) of this
5 section.”

6 (3) The first paragraph of section 8 of such Act (D.C.
7 Code, sec. 31-728) is amended by—

8 (A) striking out in the first sentence “that the total
9 credit granted for leaves of absence without pay shall not
10 exceed one year: Provided further,” and

11 (B) inserting after the first sentence the following
12 new sentence: “A teacher or former teacher who returns
13 to duty after a period of separation is deemed, for the
14 purpose of this section, to have been in a leave of absence
15 without pay for that part of the period in which he or
16 she was receiving benefits under subchapter I of chapter
17 81 of title 5, United States Code, or any earlier statute
18 on which such subchapter is based.”

19 (4) Section 9 of such Act (D.C. Code, sec. 31-729) is
20 amended by—

21 (A) striking out “dependent” in paragraph (1) of
22 subsection (b) each place it appears therein;

23 (B) amending the second sentence of paragraph
24 (1) of subsection (b) to read as follows: “Such annuity
25 and any right thereto shall terminate on the last day of

1 the month before (A) the widow or widower dies, or
2 (B) the widow or widower remarries before becoming
3 sixty years of age.”;

4 (C) striking out in paragraph (3) of subsection
5 (b) “dependent widower” and inserting in lieu thereof
6 “widower”; and

7 (D) striking out the second sentence of paragraph
8 (5) of subsection (c).

9 SEC. 202. (a) Effective on the first day of the first pay
10 period which begins on or after the date of enactment of this
11 Act, such Act of August 7, 1946, is further amended as
12 follows:

13 (1) The first paragraph of section 8 of such Act (D.C.
14 Code, sec. 31-728) is amended by striking out “probation-
15 ary” in the first sentence and in clause (f) of the fourth
16 sentence.

17 (2) The first sentence of section 13 of such Act (D.C.
18 Code, sec. 31-733) is amended by striking out “perma-
19 nently”.

20 (b) The first sentence of section 19 of the District of
21 Columbia Teachers’ Salary Act of 1955 (D.C. Code, sec.
22 31-1548) is amended by striking out “probationary and
23 permanent”.

24 (c) All—

25 (1) deductions for the Civil Service Retirement and

1 *Disability Fund made for annuity and retirement pur-*
2 *poses from the salaries of temporary teachers on the rolls*
3 *of the public schools of the District of Columbia on the*
4 *first day of the first pay period which begins on or after*
5 *the date of enactment of this Act,*

6 *(2) contributions made for such purposes for such*
7 *teachers by the government of the District of Columbia*
8 *to the Fund on account of the deductions referred to in*
9 *clause (1), and*

10 *(3) deposits made in the Fund for such purposes*
11 *by such teachers on account of their services as temporary*
12 *teachers in such schools,*

13 *are transferred from the Fund to the credit of the District*
14 *of Columbia Teachers' Retirement and Annuity Fund. Any*
15 *teacher with respect to whom funds are transferred by this*
16 *subsection shall be deemed to have consented and agreed to*
17 *such transfer. The transfer of funds under this subsection*
18 *shall be a complete discharge and acquittance of all claims*
19 *and demands against the Civil Service Retirement and Dis-*
20 *ability Fund on account of services rendered by such a*
21 *teacher prior to the first day of the first pay period which*
22 *begins on or after the date of enactment of this Act.*

23 *SEC. 203. (a) Section 7 of the District of Columbia*
24 *Teachers' Salary Act of 1955 (D.C. Code, sec. 31-1532) is*
25 *amended by adding at the end the following new subsection:*

1 “(d) Notwithstanding the provisions of subsection (a)
2 (1) of this section, any educational employee who was em-
3 ployed by the Board of Education at the District of Columbia
4 Teachers College and who was transferred to the Board of
5 Higher Education pursuant to the authority conferred by
6 section 103(a)(12) of the District of Columbia Public Edu-
7 cation Act (D.C. Code, sec. 31-1603(a)(12)), and who
8 wishes to be reappointed to a position under the Board of
9 Education shall receive salary placement credit for the inter-
10 vening years of service at the District of Columbia Teachers
11 College as if he had had continuous service with the Board
12 of Education if—

13 “(1) there is no break in service between the termi-
14 nation of employment by the Board of Higher Education
15 and the reappointment by the Board of Education; and

16 “(2) such service is credited to the District of Co-
17 lumbia Teachers' Retirement and Annuity Fund, either
18 by deductions made for such retirement system or by the
19 purchase of credit for such service for deposit in such
20 fund.”

21 (b) Section 8 of the Act entitled “An Act for the retire-
22 ment of public school teachers in the District of Columbia”,
23 approved August 3, 1946 (D.C. Code, sec. 31-728), is
24 amended by adding the following new paragraph at the end
25 thereof:

1 *"Notwithstanding the provisions of this section, any*
2 *teacher who is entitled to purchase service credit under the*
3 *provisions of section 7(d) of the District of Columbia Teach-*
4 *ers' Salary Act of 1955 shall purchase such credit based on*
5 *the salary received from the Board of Higher Education dur-*
6 *ing the period of service to be credited."*

7 *SEC. 204. (a) The provisions of the first and third*
8 *sentences of section 5(b)(1) of the Act of August 7, 1946,*
9 *as amended by section 201(1) of this title, which entitle a*
10 *widow or widower of a teacher who married the teacher*
11 *after his retirement to a survivor annuity, shall not apply*
12 *in the cases of teachers or annuitants who died before the*
13 *date of enactment of this title. The rights of such persons*
14 *shall continue in the same manner and to the same extent*
15 *as if such amendments had not been enacted.*

16 *(b) The provisions of the second and third sentences of*
17 *such section 5(b)(1), as amended by section 201(1) of*
18 *this title, which authorize a teacher to designate that portion*
19 *of his life annuity which may be subject to reduction for*
20 *purposes of providing a survivor annuity, shall apply only*
21 *to teachers retiring after the date of enactment of this title.*

22 *(c) The amendment made by section 201(2) of this*
23 *title shall apply to a retired teacher who was unmarried at*
24 *the time of retirement, but who later married, only if the*

1 *election is made within one year after the date of enactment*
2 *of this title.*

3 (d) *The amendment made by section 201(3)(A) of*
4 *this title shall apply only to teachers retiring after the date*
5 *of enactment of this title.*

6 (e) *The amendment made by section 201(3)(B) of*
7 *this title is effective only with respect to annuity accruing*
8 *for full months beginning after the date of enactment of this*
9 *title; but any part of a period of separation referred to in*
10 *such amendment in which the employee or former employee*
11 *was receiving benefits under subchapter I of chapter 81 of*
12 *title 5, United States Code, or any earlier statute on which*
13 *such subchapter is based shall be counted whether the em-*
14 *ployee returns to duty before, on, or after such date of*
15 *enactment. With respect to any person retired before such*
16 *date of enactment, any such part of a period of separation*
17 *shall be counted only with application of the former*
18 *employee.*

19 (f) *The amendments made by section 201(4) of this*
20 *title shall not apply in the cases of teachers or annuitants*
21 *who died before the date of enactment of this title. The right*
22 *of such persons and their survivors shall continue in the*
23 *same manner and to the same extent as if such amendments*
24 *had not been enacted.*

1 *TITLE III—AMENDMENTS INCREASING CER-*
2 *TAIN TAXES IN THE DISTRICT OF COLUMBIA*

3 *SEC. 301. (a) Subsection (j) of section 6 of the Dis-*
4 *trict of Columbia Traffic Act, 1925 (D.C. Code, sec. 40-*
5 *603(j)), is amended by striking out "4 per centum" and*
6 *inserting in lieu thereof "5 per centum".*

7 *(b) The effective date of the amendment made by sub-*
8 *section (a) is the first day of the first month which begins*
9 *on or after the thirtieth day after the date of enactment*
10 *of this Act.*

11 *SEC. 302. (a) Subsection (a) of section 603 of the*
12 *District of Columbia Cigarette Tax Act (D.C. Code, sec.*
13 *47-2802(a)) is amended by striking out "4 cents" and*
14 *inserting in lieu thereof "6 cents".*

15 *(b) The effective date of the amendment made by sub-*
16 *section (a) is the first day of the first month which begins*
17 *on or after the thirtieth day after the date of enactment of*
18 *this Act.*

19 *(c) (1) The amendment made by subsection (a) shall*
20 *apply with respect to cigarette tax stamps purchased on or*
21 *after the effective date of the amendment.*

22 *(2) In the case of cigarette tax stamps which have been*
23 *purchased prior to the effective date of the amendment made*
24 *by subsection (a) and which on such date are held (af-*

1 fixed to a cigarette package or otherwise) by a wholesaler,
2 retailer, or vending machine operator, licensed under the
3 District of Columbia Cigarette Tax Act, such licensee shall
4 pay to the Commissioner (in accordance with paragraph
5 (3)) an amount equal to the difference between the amount
6 of tax represented by such tax stamps on the date of their
7 purchase and the amount of tax which an equal number of
8 cigarette tax stamps would represent if purchased on the
9 effective date of the amendment made by subsection (a).

10 (3) Within twenty days after the effective date of the
11 amendment made by subsection (a), each such licensee
12 (A) shall file with the Commissioner a sworn statement
13 (on a form to be prescribed by the Commissioner) showing
14 the number of such cigarette tax stamps held by him as of
15 the beginning of the day on which the amendment made
16 by subsection (a) becomes effective or, if such day is a
17 Sunday, as of the beginning of the following day, and (B)
18 shall pay to the Commissioner the amount specified in para-
19 graph (2).

20 (4) Each such licensee shall keep and preserve for the
21 twelve-month period immediately following the effective date
22 of the amendment made by subsection (a) the inventories
23 and other records made which form the basis for the infor-
24 mation furnished to the Commissioner on the sworn state-
25 ment required to be filed under this subsection.

1 (5) For purposes of this subsection, a tax stamp shall
2 be considered as held by a wholesaler, retailer, or vending
3 machine operator if title thereto has passed to such whole-
4 saler, retailer, or operator (whether or not delivery to him
5 has been made) and if title to such stamp has not at any
6 time been transferred to any person other than such whole-
7 saler, retailer, or operator.

8 (6) A violation of the provisions of paragraph (2),
9 (3), or (4) of this subsection shall be punishable as pro-
10 vided in section 611 of the District of Columbia Cigarette
11 Tax Act (D.C. Code, sec. 47-2810).

12 SEC. 303. (a) Paragraph numbered 5 of section 6 of
13 the Act entitled "An Act making appropriations to provide
14 for expenses of the government of the District of Columbia for
15 the fiscal year ending June thirtieth, nineteen hundred and
16 three, and for other purposes", approved July 1, 1902 (D.C.
17 Code, sec. 47-1701), is amended by striking out "4 per
18 centum" and inserting in lieu thereof "5 per centum".

19 (b) The amendment made by subsection (a) shall apply
20 to the gross receipts of each gas company, electric lighting
21 company, and telephone company for the year ending
22 June 30, 1972, and for each succeeding year ending on the
23 thirtieth day of June.



THE DISTRICT OF COLUMBIA
WASHINGTON, D.C. 20004

July 20, 1972

WALTER E. WASHINGTON
Commissioner
GRAHAM W. WATT
Assistant to the Commissioner

The President
United States Senate
Washington, D. C.

Dear Mr. President:

I have the honor to submit a draft bill "To amend the District of Columbia Teachers' Salary Act of 1955 to increase salaries, to provide certain revisions in the retirement benefits of public school teachers, and for other purposes".

The proposed bill would increase the salaries of teachers and school officers in the District of Columbia, make certain changes in their retirement benefits, and increase certain District of Columbia taxes to provide the revenue needed for these purposes.

For the reasons stated in the attached "Statement of Purpose and Justification and Summary of Provisions", I urge early and favorable consideration of this draft bill by the Congress. I believe action on this legislation is imperative in order to provide adequate compensation for teachers and school officers in the District of Columbia. Moreover, the bill would authorize a sufficient increase in local tax revenues to insure that the proposal is financially sound.

On July 10, 1972 the Federal Pay Board informed the District of Columbia that the pay increases provided in the bill were not inconsistent with the objectives of the Economic Stabilization Act of 1970.

Sincerely yours,

WALTER E. WASHINGTON
Commissioner

11
Attachments

STATEMENT OF PURPOSE AND JUSTIFICATION
AND SUMMARY OF PROVISIONSINTRODUCTION

Salaries for District of Columbia teachers and school officers were last increased in June 1970, retroactive to September 1969, by Public Law 91-297. That law increased salary levels an average of 13 percent and thereby established a highly competitive pay scale for District teachers in relation to salaries paid teachers in the Washington Metropolitan Area. In addition, the \$7,800 starting salary for District teachers with a bachelor's degree ranked nationally in the upper quartile of cities of over 500,000 population. In the following text, current trends in salary and the status of the salary levels for teachers will be examined.

THE STATUS OF TEACHER SALARY LEVELS TODAY

A decade ago the inadequacy of teachers' salaries was blamed for the problems in attracting and holding teachers. However, recent supply and demand surveys have revealed that there is generally an oversupply of teachers.

----- Recently the National Education Association reported:

"The number of college graduates completing preparation to enter teaching set another record level this school year while the need for new teachers to handle increased enrollments dropped to its lowest point in recent history." (Emphasis added.)

If there is a shortage at all, it is in such specialties as elementary school librarians, special education, industrial arts, and in remedial reading and speech correction.

In a period when there is an oversupply of teachers, less salary advantage is needed in the labor market to attract and retain highly qualified teachers. If anything, substandard teachers can be readily replaced by younger teachers with modern teaching credentials.

This becomes the framework which must be considered in discussing salary levels in the District of Columbia public school system.

RESTATEMENT OF SALARY POLICY

For the purpose of setting salaries for District teachers and school officers, the following policies are used as general guides:

1. That the minimum salaries for District of Columbia public school teachers should be significantly higher than minimum salaries paid by school systems in the Washington Metropolitan Area; that the maximum salaries for District public school teachers should be close to the highest rates paid in the area; and that salaries for District school officers should be close to the highest salaries paid by school systems in the Washington Metropolitan Area. Because suburban areas provide other advantages, such as less crime, savings in travel time, and fewer socio-economic problems, large city school systems must be able to offer a competitive salary if they are to attract and retain capable and enlightened teachers and school officers.

2. That salaries of District of Columbia school teachers and officers should be in a very favorable competitive position with those of other cities having a population over 500,000, particularly those large cities which are likely to recruit personnel from the same areas as the District (e.g., Philadelphia, Pittsburgh, Baltimore, New York). The next few years are vital, and there is every likelihood that key administrative personnel will be sought from outside of the District's public school system.

3. That salaries of District of Columbia school officers should be in reasonable alignment with salaries paid to classified employees of the Federal and District Governments whose positions entail comparable duties and responsibilities or require similar qualifications.

These policies are important because they establish sound guidelines for salary administration for education employees.

CURRENT COMPETITIVE SALARY POSITION OF DISTRICT TEACHERS

A. Local Jurisdictions.

The District has been able to hold its salary advantage in comparison to the salaries paid beginning teachers by the six local school systems (Alexandria, Arlington, Fairfax, Falls Church, Montgomery, and Prince Georges counties) during the 1970-71 and 1971-72 school years, even though the 1971-72 school year was the eleventh consecutive year that most or all of the local school systems have increased teachers' salaries.

Table 1 below depicts the five-year trend in teachers' salaries locally and demonstrates that the District held a competitive advantage through the school years 1970-71 and 1971-72.

Table 1. Five Year Trend in the Salary Paid to Beginning Bachelor Degree Teachers by School Systems in the Washington Metropolitan Area

<u>School System</u>	<u>1967-68</u>	<u>1968-69</u>	<u>1969-70</u>	<u>1970-71</u>	<u>1971-72</u>
Alexandria	\$6,000	\$6,300	\$7,050	\$7,250	\$7,550
Arlington	5,740	6,200	6,800	7,000	7,575
Fairfax	5,900	6,400	7,000	7,200	7,350
Falls Church	5,629	6,230	7,000	7,250	7,550
Montgomery	5,880	6,340	6,900	7,250	7,615
Prince George's	5,800	6,200	6,800	7,175	7,600
Washington, D.C.	6,400	7,000	7,000	7,800	7,800
<u>Median (Except D.C.)</u>	<u>5,880</u>	<u>6,265</u>	<u>6,950</u>	<u>7,225</u>	<u>7,563</u>
Index relationship to 1967-68	1.00	1.05	1.18	1.22	1.29

Available information, however, indicates several changes locally for the 1972-73 school year. Montgomery County will start teachers with a bachelor's degree at \$7,880, an increase of slightly more than 3 percent. Fairfax teachers negotiated a two-year agreement in

January 1971 with an escalator provision for the 1972-73 school year tied to the Consumer Price Index. Arlington will provide a starting salary of \$8,008 and Alexandria \$7,850, for the next school year.

Chart 1, attached, shows comparisons of District of Columbia teachers' salaries with those of other local school systems for the 1971-72 school year. While the District maintained its competitive position for new teachers entering the school system, it did less well at the B.A. maximum and the master's degree levels.

Chart 2, attached, shows that the comparative position of the District for the 1972-73 school year will drop well below competitive levels. This signals a need for adjustment.

B. Trends in Major City School Systems.

Between the 1969-70 and the 1971-72 school years, the median salary level for the 24 cities over 500,000 population increased by six percent, from \$7,000 to \$7,420. As salaries were changing at the rate of seven to eight percent per year between 1960 and 1969, the six percent advance over the two-year period attests to the deceleration of teachers' salaries nationally. Certainly wage stabilization controls account for this to some extent, but most school systems had adopted salary levels prior to August 15, 1971, the date the wage-price freeze was placed into effect.

Chart 3, attached, shows that the District currently ranks seventh in comparison with the 24 cities over 500,000 population. This represents only a slight drop from the third place held in 1969, based on the District salary of \$7,800. [Prior to that increase, the District was tied with four other cities for thirteenth place.]

C. Trends in Beginning Salaries Paid by Private Industry.

In 1969 the national unemployment rate was 3.5 percent; in 1971 it was 5.9 percent. The serious unemployment problem has had its impact on salaries in private industry as well as in education.

The College Placement Council reported in its March 1972 study of 1971-72 beginning offers by business and industry:

"Generally, beginning salary offers over the two-year period since 1969-1970 have gone up only 1% to 3%, in contrast with the 5% to 6% boosts which were recorded each year in the late 60's."

Table 2 below shows average starting salaries for selected occupations in private industry between 1971-72 and 1972-73 as well as the percentage change in beginning salaries on a calendar year basis.

Table 2. Average Starting Salaries of Selected Positions in Private Industry 1971-72 and 1972-73, BA only.

<u>Position</u>	(1) <u>1971-72</u>	(2) <u>1972-73</u>	(3) <u>Percent Change</u>
Engineering	\$10,500	\$10,608	1.0
Accounting	10,260	10,356	0.9
Business Administration	8,425	8,568	1.7
Physics	9,636	9,900	2.7
Liberal Arts	8,292	8,328	0.4
Mathematics-Stat.	9,192	9,276	0.9
Economics-Finance	9,216	9,240	0.3
Sales-Marketing	8,736	8,904	1.9
Teaching (D.C.)	7,800	8,350 ^{1/} (Proposed)	7.0

SOURCE: Frank S. Endicott, Director of Placement, Northwestern University.

^{1/} Although the salary indicated is a 10-month salary, the major point shown is differences in starting salaries offered.

Table 2 makes two significant points. First, the percentage change in average beginning salaries for private industry for the periods shown is miniscule. Second, the starting salary for a District teacher with a seven percent increase would still rank below private industry even with the small increases noted in column 3.

PROPOSED TEACHERS' SALARY ACT AMENDMENTSA. Salary Increases for Teachers. - Salary Class 15.

The preceding review indicates that teachers' salaries have been increasing in the last two years but at a much slower rate than was the case through most of the 1960's. It also indicates that while the last salary increase of 1969 placed the District in a strong competitive position, this position has been now completely eroded.

Review of the District's current competitive position in light of established salary policy indicates that an increase averaging approximately 7 percent, effective September 1, 1972, is justified.

Section 102 of the attached bill provides such a 7 percent increase. The following table summarizes the salary levels established in section 102.

Table 3. Impact of 7.0 Percent Salary Increase for District Teachers.

<u>Teacher</u>	<u>Present</u>		<u>Proposed</u>		<u>Amount of Increase</u>	
	<u>Min.</u>	<u>Max.</u> ^{1/}	<u>Min.</u>	<u>Max.</u> ^{1/}	<u>Min.</u>	<u>Max.</u>
Bachelor's degree	\$7,800	\$13,000	\$8,350	\$13,965	\$550	\$ 965
Bachelor's + 15	8,190	13,800	8,770	14,800	580	1,000
Master's degree	8,580	15,200	9,190	16,300	610	1,100
Master's + 30	8,970	15,600	9,610	16,730	640	1,130
Master's + 60 or doctor's	9,360	16,100	10,030	17,270	670	1,170

^{1/} Longevity Step Y: attainable after 15 years of service.

The proposed \$8,350 starting salary would reestablish the District's competitive position both in the Metropolitan Area and nationally. The middle and upper steps of salary class 15 (teachers) likewise will be strengthened so that the entire schedule is competitive.

B. Salary Increases for School Officer - Salary Classes 1 Through 14.

Accepted practice has been to develop the remainder of the salary schedule for school officers by establishing relationships between salaries of teachers and salaries of

certain "benchmark position" (i.e., key positions used for comparison purposes) which are found in school systems in other large cities. These ratio, or index, differentials form the basis for maintaining the proper class relationships. Table 4, below, indicates this relationship for certain selected key jobs in the school system.

Table 4. Index Relationship of Proposed Maximum Salaries for Key Jobs as a Percentage of Salary Step 13 for Classroom Teachers with a Master's Degree.

<u>Key Job</u>	<u>Class</u>	<u>Maximum Salary</u>	<u>Index</u>
Teacher	15B	\$14,930 ^{1/}	1.00
Assistant Principal	8B	20,155	1.35
Principal, Level III	6B	21,945	1.47
Director, Curriculum	4	25,380	1.70
Assistant Superintendent	3	29,000	1.95
Associate Superintendent	2B	31,000	2.07
Deputy Superintendent	2A	33,000	2.21
Vice Superintendent	1B	35,000	2.35
Superintendent	1A	39,500	2.65

1/ Service Step 13.

C. Second Proposed Increase Tied to Cost-of-Living.

In order to maintain the true value of the seven percent increase proposed, section 105 of the proposed bill provides a second increase effective September 1, 1973, tied to the rise in the Consumer Price Index for the Washington Metropolitan area between the period of August 1972 to August 1973. Top level positions, however, would be subject to ceilings imposed by comparison with the Executive Salary Schedule. Review of the movement of teachers' salary increases locally, indicates a strong relationship with changes in the cost-of-living. It is believed that the escalator increase proposed will maintain the integrity of the 7 percent adjustment and not violate the concept of comparability.

D. Other Proposed Salary Schedule Changes.

(1) Salary schedule patterned after Federal salary schedule. The salary schedule provided by section 102(1) of the draft bill is patterned after

the G.S. Salary Schedule in that titles of positions are not listed in the schedule itself. Section 102(3) lists each position and assigns it to the appropriate class.

(2) Vice Superintendent position established. The salary schedule provided in section 102(1) contains a new class 1B for the position of Vice Superintendent. Although this position has been established operationally, there is no current authority for payment of salary between the level of Superintendent and Deputy Superintendent. This position allows removal of a significant portion of the administrative and fiscal load from the Superintendent, thereby allowing him to concentrate on attaining the educational objectives established by the Board of Education.

E. Evaluation of School Principalships.

Section 102(5) of the bill amends section 5(c) of the Teachers' Salary Act to establish a simplified method of assignment of school principalship positions to the new salary schedule. The proposed legislation provides that the Board of Education with the cooperation of the Commissioner must, within six months of enactment, evaluate the duties and responsibilities of each position on the basis of such workload factors as (1) the number of teachers, nonteaching personnel, and other professional and non-professional personnel supervised; (2) school enrollment; and (3) such other factors as the Board of Education deems appropriate. Based on this evaluation each such position would be assigned to an appropriate salary class in the salary schedule contained in section 102(1). Thereafter, use of the present four-level salary schedule for principals within each group in class 6 would be abandoned. Section 102(6) repeals present evaluation procedures.

F. Original Appointment to Service Steps 2 and 3 in Classes 3 through 6.

Section 102(7) provides the Board of Education with authority to place a new appointee in salary classes 3 through 6 on service steps 2 or 3 when such a person possesses unique or unusually high qualifications of

special need to the school system, and when such person's annual salary immediately prior to such appointment was higher than the rate of compensation prescribed for the first service step of the class to which he is to be appointed. This provision would give the Board of Education desirable flexibility when recruiting key staff personnel. Section 5333 of title 5 of the U. S. Code allows similar flexibility with regard to initial appointment to positions in GS-11 or above, but there currently is no such flexibility for educational employees of the Board of Education.

G. Correction of Errors in Promotional Placement.

Section 102(8)(c) amends section 10 of the Teachers' Salary Act to authorize the Board of Education to correct errors made in promotional placement.

H. Removal of Extra-Duty Pay Ceiling.

Section 102(9)(B) of the bill amends section 13 of the Teachers' Salary Act by removing the \$1,000 limit on extra duty pay that may be earned per activity per year. Currently the Commissioner and the Board of Education jointly prescribe the amount of additional compensation for teachers who perform extra-duty activities subject to the \$1,000 ceiling for any one activity. Although only a very few activities receive compensation at the \$1,000 level, increase in compensation for activities below the maximum will eventually result in serious compression. Section 102(9)(C) would eliminate the requirement that payment of extra-duty pay "be made in the same manner as regular pay". This provision has proved to be unnecessarily cumbersome.

I. Elimination of the 20 or 24 Pay Period Option.

Section 102(10) and section 103 of the proposed bill would eliminate the present optional 20 or 24 pay period for teachers and place all employees on a uniform 24 pay period schedule. The optional arrangement has proven administratively cumbersome. Placement on a uniform 24 pay period schedule will insure that all employees receive a salary during the summer months.

J. Regulation of Vacation and Annual Leave Periods.

Section 102(11) clarifies the authority of the Board

of Education with regard to vacation and annual leave provisions of all employees listed in the new salary schedule provided in section 102(1) of the proposed bill.

K. Authority to Receive One-Half Pay When on Sabbatical Leave.

Section 104 amends the Act of June 12, 1940 to authorize school officers who are on sabbatical leave to receive one-half of their annual salaries. While teachers may receive one-half of their salary when granted such leave, current law restricts such payment for officers to one-half of the maximum salary of a teacher in salary class 15.

L. Technical Amendments.

The proposed bill also contains a number of technical amendments which, among other things, (1) eliminate references to D. C. Teachers' College positions (section 102 (7) (a)); (2) change the optional effective date of promotions (section 102(8)); (3) eliminate certain obsolete provisions (section 102(2)); and (4) correct certain erroneous references (section 102(4) and section 102(9) (D).

M. Effective Date

Section 106 provides that the effective date of title I and its amendments (except as otherwise provided in section 106) shall be the pay period beginning on or after September 1, 1972.

PROPOSED RETIREMENT AMENDMENTS

Title II of the proposed bill amends the Act entitled "An Act for the retirement of public school teachers in the District of Columbia", approved August 7, 1946 (hereinafter referred to as the "Teachers' Retirement Act") to provide District of Columbia teachers and educational employees with certain benefits which are currently available to classified employees under the Civil Service Retirement system. Briefly, the proposed amendments would accomplish the following:

1. Eliminate the requirement that a teacher who elects to receive a reduced annuity at retirement must be designate at the time of

retirement the widow or widower to whom survivor's benefits will be paid.

2. Authorize a teacher to designate a portion of his life annuity, subject to reduction for purposes of a survivor annuity.

3. Authorize a teacher who was unmarried at retirement and who retired under a provision of law which permits payment of a reduced annuity with survivor benefits to a spouse to elect a reduced annuity with survivor benefits to a spouse whom he or she married after retirement.

4. Authorize the widow or widower of a retired teacher who originally elected a reduced annuity with survivor benefits to receive the survivor annuity even though the widow or widower is not the same as the one designated at the time of retirement.

5. Eliminate the restriction that the total credit granted for leave without pay shall not exceed one year.

6. Prescribe that a teacher or former teacher who returns to duty after a period of separation because of a job-related illness or injury shall be considered to have been on leave without pay for that portion of separation during which employee compensation benefits were received by the teacher.

7. Remove the dependency requirements for entitlement to a widower's annuity.

It has been past policy to provide to school employees covered by the Teachers' Retirement Act the same retirement benefits as are available to employees covered by the Civil Service Retirement Act. All benefits included in title II of the proposed bill were made available to employees covered under the Civil Service Retirement Act by Public Law 91-658, approved January 8, 1971, or in earlier legislation, and they should be extended to employees of the Board of Education who are subject to the Teachers' Retirement Act.

PROPOSED TAX AMENDMENTS

Title III of the bill provides three separate taxing provisions to finance the proposed pay increases as follows:

- (1) section 301 would increase the motor vehicle excise tax from 4% to 5%, to provide an estimated annual revenue yield of \$1.9 million;
- (2) section 302 would increase the tax on the gross receipts of public utilities from 4% to 5%, to provide an estimated annual yield of \$3.0 million; and
- (3) sections 303 and 304 would increase the sales and use tax on non-prescription drugs, laundry, and dry cleaning from 2% to 5%, to provide an estimated annual revenue yield of 1.4 million.

Section 305 provides that the increase in the gross receipts tax would apply to the gross receipts of each gas company, electric light company, and telephone company for the fiscal year ending June 30, 1972 and for each succeeding year thereafter.

Section 306 provides that the other proposed tax increases would be effective on the first day of the first month which begins on or after the thirtieth day after the date of enactment.

It is estimated that the full year costs of the bill will be \$7 million and that the annual revenue yield from the increased taxes will be \$6.3 million. The unfunded portion of the costs of the bill -- \$700,000 -- would be absorbed by the District of Columbia out of the operating budget of the Board of Education.

A BILL

To amend the District of Columbia Teachers' Salary Act of 1955 to increase salaries, to provide certain revisions in the retirements benefits of public school teachers, and for other purposes.

1 BE IT ENACTED BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE UNITED STATES OF AMERICA IN CONGRESS ASSEMBLED,

4 TITLE I - SALARY INCREASES FOR DISTRICT
5 OF COLUMBIA TEACHERS AND SCHOOL
6 OFFICERS

7 Sec. 101. This title may be cited as the "District
8 of Columbia Teachers' Salary Act Amendments of 1972".

9 Sec. 102. The District of Columbia Teachers'
10 Salary Act of 1955 (D.C. Code, § 31-1501, et seq.) is
11 amended as follows:

12 (1) Section 1 of such Act (D.C. Code, § 1501) is
13 amended to read as follows:

14 "Sec. 1. The following is the salary
15 schedule for teachers, school officers, and
16 certain other employees of the Board of
17 Education whose positions are covered under
18 this Act:

TEACHERS AND SCHOOL OFFICERS
SALARY SCHEDULE

" SALARY CLASS AND GROUP

	Service Step 1	Service Step 2	Service Step 3	Service Step 4	Service Step 5	Service Step 6	Service Step 7	Service Step 8	Service Step 9
Class 1A	\$29,500								
Class 1B	35,000								
Class 2A	33,000								
Class 2B	31,000								
Class 3	24,360	24,940	25,520	26,100	26,680	27,260	27,840	28,420	29,000
Class 4	21,340	21,845	22,350	22,855	23,360	23,865	24,370	24,875	25,380
Class 5									
Group B., Master's degree	20,160	20,640	21,120	21,600	22,080	22,560	23,040	23,520	24,000
Group C., MA #30	20,580	21,060	21,540	22,020	22,500	22,980	23,460	23,940	24,420
Group D., Doctor's	21,000	21,480	21,960	22,440	22,920	23,400	23,880	24,360	24,840
Class 6									
Group B., Master's degree	19,480	19,945	20,410	20,875	21,340	21,805	22,270	22,735	23,200
Level IV Principal	19,480	19,945	20,410	20,875	21,340	21,805	22,270	22,735	23,200
Level III Principal	18,825	19,290	19,755	20,220	20,685	21,150	21,615	22,080	22,545
Level II Principal	18,225	18,690	19,155	19,620	20,085	20,550	21,015	21,480	21,945
Level I Principal	17,630	18,095	18,560	19,025	19,490	19,955	20,420	20,885	21,350
Group C., M.A. #30	19,900	20,365	20,830	21,295	21,760	22,225	22,690	23,155	23,620
Level IV Principal	19,900	20,365	20,830	21,295	21,760	22,225	22,690	23,155	23,620
Level III Principal	19,245	19,710	20,175	20,640	21,105	21,570	22,035	22,500	22,965
Level II Principal	18,645	19,110	19,575	20,040	20,505	20,970	21,435	21,900	22,365
Level I Principal	18,050	18,515	18,980	19,445	19,910	20,375	20,840	21,305	21,770

Class	Description	Service Step		Service Step		Service Step		Service Step		Service Step		Service Step		
		1	2	3	4	5	6	7	8	9	10	11	12	
Class 6	Cont.	Group D., Doctor's degree	\$20,320	20,785	21,250	21,715	22,180	22,645	23,110	23,575	24,040	24,505	24,970	25,435
		Level IV Principal	20,320	20,785	21,250	21,715	22,180	22,645	23,110	23,575	24,040	24,505	24,970	25,435
		Level III Principal	19,665	20,130	20,595	21,060	21,525	21,990	22,455	22,920	23,385	23,850	24,315	24,780
		Level II Principal	19,065	19,530	19,995	20,460	20,925	21,390	21,855	22,320	22,785	23,250	23,715	24,180
		Level I Principal	18,470	18,935	19,400	19,865	20,330	20,795	21,260	21,725	22,190	22,655	23,120	23,585
Class 7	Group B., Master's degree	Group C., M.A. #30	17,800	18,225	18,650	19,075	19,500	19,925	20,350	20,775	21,200	21,625	22,050	
		Group C., M.A. #30	18,220	18,645	19,070	19,495	19,920	20,345	20,770	21,195	21,620	22,045	22,470	
		Group D., Doctor's	18,640	19,065	19,490	19,915	20,340	20,765	21,190	21,615	22,040	22,465	22,890	
Class 8	Group B., Master's degree	Group C., M.A. #30	16,280	16,670	17,060	17,450	17,840	18,230	18,620	19,010	19,400	19,790	20,180	
		Group C., M.A. #30	16,700	17,090	17,480	17,870	18,260	18,650	19,040	19,430	19,820	20,210	20,600	
		Group D., Doctor's	17,120	17,510	17,900	18,290	18,680	19,070	19,460	19,850	20,240	20,630	21,020	
Class 9	Group B., Master's degree	Group C., M.A. #30	16,030	16,415	16,800	17,185	17,570	17,955	18,340	18,725	19,110	19,495	19,880	
		Group C., M.A. #30	16,450	16,835	17,220	17,605	17,990	18,375	18,760	19,145	19,530	19,915	20,300	
		Group D., Doctors	16,870	17,255	17,640	18,025	18,410	18,795	19,180	19,565	19,950	20,335	20,720	
Class 10	Group B., Master's degree	Group C., M.A. #30	15,660	16,035	16,410	16,785	17,160	17,535	17,910	18,285	18,660	19,035	19,410	
		Group C., M.A. #30	16,080	16,455	16,830	17,205	17,580	17,955	18,330	18,705	19,080	19,455	19,830	
		Group D., Doctor's	16,500	16,875	17,250	17,625	18,000	18,375	18,750	19,125	19,500	19,875	20,250	
Class 11	Group B., Master's degree	Group C., M.A. #30	15,035	15,395	15,755	16,115	16,475	16,835	17,195	17,555	17,915	18,275	18,635	
		Group C., M.A. #30	15,455	15,815	16,175	16,535	16,895	17,255	17,615	17,975	18,335	18,695	19,055	
		Group D., Doctor's	15,875	16,235	16,595	16,955	17,315	17,675	18,035	18,395	18,755	19,115	19,475	
Class 12	Group B., Master's degree	Group C., M.A. #30	14,410	14,755	15,100	15,445	15,790	16,135	16,480	16,825	17,170	17,515	17,860	
		Group C., M.A. #30	14,830	15,175	15,520	15,865	16,210	16,555	16,900	17,245	17,590	17,935	18,280	
		Group D., Doctor's	15,250	15,595	15,940	16,285	16,630	16,975	17,320	17,665	18,010	18,355	18,700	
Class 13	Group B., Master's degree	Group C., M.A. #30	13,105	13,520	13,935	14,350	14,765	15,180	15,595	16,010	16,425	16,840	17,255	
		Group C., M.A. #30	13,525	13,940	14,355	14,770	15,185	15,600	16,015	16,430	16,845	17,260	17,675	
		Group D., Doctors	13,945	14,360	14,775	15,190	15,605	16,020	16,435	16,850	17,265	17,680	18,095	

1 (2) Section 2(a) of such Act (D.C. Code, § 31-1511
2 (a)) is amended by --

3 (A) amending the fourth sentence to read as
4 follows:

5 "No teacher, school officer, or other
6 employee shall be appointed or promoted to
7 any position covered by section 1 of this
8 Act on probationary or permanent status un-
9 less he possesses a master's degree, except
10 that a person possessing a bachelor's degree
11 may be appointed on probationary or perman-
12 ent status as teacher of military science
13 and tactics, teacher of driver training,
14 shop teacher in the vocational education
15 program, teacher in the junior high schools,
16 teacher in the elementary schools, research
17 assistant, attendance officer, child labor
18 inspector, or census supervisor, and a
19 person not possessing a bachelor's degree
20 may be appointed on probationary or perman-
21 ent status as shop teacher in the vocational
22 education program if he submits acceptable
23 evidence of equivalent training and

1 experience in accordance with the rules
2 of the Board."; and

3 (B) striking out the fifth sentence.

4 (3) Section 4 of such Act (D.C. Code, § 31-1521)
5 is amended to read as follows:

6 "Sec. 4. Each teacher, school officer, or
7 other employee in the service of the Board of
8 Education on the effective date of the District
9 of Columbia Teachers' Salary Act Amendments of
10 1972 who occupies a position covered under this
11 Act shall be placed in a salary class in the
12 salary schedule of section 1 of this Act as
13 follows:

14	<u>"Title</u>	<u>Class</u>
15	Superintendent	1A
16	Vice Superintendent	1B
17	Deputy Superintendent	2A
18	Associate Superintendent	2B
19	Assistant Superintendent	3
20	Executive Assistant to Superintendent	3
21	Director of Curriculum	4
22	Chief Examiner	5
23	Executive Assistant (to Deputy and	
24	Associate Superintendents)	5

	<u>"Title</u> (cont'd)	<u>Class</u>
1		
2	Director, Career Development	5
3	Director, Vocational High Schools	5
4	Director, Spingarn Instructional Unit	5
5	Assistants to Assistant Superintendents	6
6	Director, Elementary Education	
7	(Supervision and Instruction)	6
8	Director, Elementary Education	
9	(Administration)	6
10	Director, Health, Physical Education,	
11	Athletics and Safety	6
12	Assistants to Superintendent, Vice	
13	Superintendent, and Deputy Super-	
14	intendents	6
15	Director, Staff Development	6
16	Director, Special Education	6
17	Director, Elementary Education	
18	(Language Arts)	6
19	Principalship	6
20	Supervising Director	7
21	Assistant for Federal Programs	7
22	Research Associate	7
23	Planning Associate	7
24	Director, School Attendance	7

	<u>"Title (cont'd)</u>	<u>Class</u>
1		
2	Director, Elementary Education	7
3	Director, Adult Education	7
4	Director, Summer Schools and	
5	Continuing Education	7
6	Area Coordinator	7
7	Assistant Principal	8
8	Assistant Director	8
9	Director, Group Measurement	8
10	Director, Project 400	8
11	Youth Act Coordinator	8
12	Assistant Chief Examiner	8
13	Recruitment Coordinator	8
14	Budget Analyst	9
15	Assistant Director	10
16	Research Associate	10
17	Planning Associate	10
18	Assistant Recruitment Coordinator	10
19	Elementary Supervisor	10
20	Coordinator (Aides)	10
21	Director of Reading	10
22	Coordinator of Widening Horizons Program	10
23	Teacher Aide Coordinator, Title I	10
24	Cultural Enrichment Coordinator	10

	<u>"Title (cont'd)</u>	<u>Class</u>
1		
2	Curriculum Specialist	11
3	Clinical Psychologist	12
4	Chief Attendance Officer	12
5	Educational Specialist	13
6	Psychiatric Social Worker	13
7	Clinical Social Worker	13
8	Project Coordinator	13
9	Census Supervisor	14
10	Teacher, Elementary and Secondary Schools	15
11	Attendance Officer	15
12	Counselor, Placement	15
13	Counselor, Elementary and Secondary	
14	Schools	15
15	Librarian, Elementary and Secondary	
16	Schools	15
17	School Social Worker	15
18	School Psychologist	15
19	Speech Therapist	15
20	Hearing Therapist	15
21	Job Coordinator	15
22	Pupil Personnel Worker	15
23	Child Labor Inspector	15"

1 (4) Section 5(c) of such Act (D.C. Code, § 31-1522
2 (c)) is amended by striking out "5333(a)" and inserting
3 in lieu thereof "5332(a)".

4 (5) Section 5(d) of such Act (D.C. Code, § 31-1522
5 (d)) is amended to read as follows:

6 "(d) (1) Within six months following the
7 date of enactment of this subsection, the Board
8 of Education, with the cooperation of the
9 Commissioner of the District of Columbia,
10 shall assign each position of school principal-
11 ship to a salary class in the salary schedule of
12 section 1 of this Act commensurate to the diffi-
13 culty, responsibility, and qualification require-
14 ments of such position. Such assignment shall
15 be made on the basis of an evaluation by the
16 Board of Education, with the cooperation of the
17 Commissioner of the District of Columbia, of the
18 duties and responsibilities of each position of
19 school principalship in the school administered
20 by the person holding such position. Such
21 evaluation shall be based on (A) such workload
22 factors as (i) the number of teachers, non-
23 teaching personnel, and other professional

1 and nonprofessional personnel supervised,
2 and (ii) school enrollment; and (B) such
3 other factors as the Board of Education deems
4 appropriate.

5 "(2) No person holding the position of
6 school principalship at the time of the assign-
7 ment of the position to salary class 6 in
8 accordance with paragraph (1) of this subsection,
9 or subsequently placed in such position after it
10 becomes vacant, shall have his compensation fixed
11 in accordance with the rates of compensation
12 prescribed for the principalship levels within
13 such class."

14 (6) Section 5 of such Act (D.C. Code, § 31-1522)
15 is amended by (A) repealing subsection (c), and (B)
16 redesignating subsection (f) as subsection "(e)".

17 (7) Section 7(a)(1) of such Act (D.C. Code,
18 § 31-1532(a)(1)) is amended by --

19 (A) striking out in the fourth sentence "except
20 the positions of chief librarian and assistant
21 professor, associate professor and professor,";

22 (B) inserting immediately after the fourth
23 sentence the following new sentence: "In the

1 case of a person newly appointed to any position
2 in salary classes 3 to 6, inclusive, who is
3 determined by the Board of Education to possess
4 unique or unusually high qualifications of special
5 need to the school system, and whose annual salary
6 immediately prior to such appointment was higher
7 than the rate of compensation prescribed for
8 service step 1 of his salary class, such person
9 may, in the discretion of the Board of Education,
10 have his compensation fixed at the rate of com-
11 pensation prescribed for service step 2 or ser-
12 vice step 3 of his salary class."; and

13 (C) striking out the last sentence.

14 (8) Section 10 of such Act (D.C. Code, § 31-1535)
15 is amended by --

16 (A) striking out in subsection (a) "1970"
17 and inserting in lieu thereof "1972";

18 (B) striking out in paragraph (1) of sub-
19 section (a) "date of the regular Board meeting"
20 and inserting in lieu thereof "first day"; and

21 (C) adding at the end thereof the follow-
22 ing new subsection:

23 "(c) Notwithstanding subsection (a)
24 or any other provision of this or any other

1 law, the Board of Education is authorized
 2 to correct on a retroactive basis any
 3 administrative error occurring in the
 4 application of subsection (a)."
 5 (9) Section 13 of such Act (D.C. Code, § 31-1542)
 6 is amended by --
 7 (A) amending the schedule of pay rates con-
 8 tained in subsection (a) to read as follows:

"Classification	Per period		
	Step 1	Step 2	Step 3
Summer school (regular):			
Teacher, elementary and secondary schools;			
counselor, elementary and secondary			
schools; librarian, elementary and			
secondary schools; school social worker;			
speech correctionist; school psychologist--	\$ 7.39	\$ 8.38	\$ 9.44
Psychiatric social worker-----	8.50	9.64	10.86
Veterans' summer school centers: Teacher-----	7.39	8.38	9.44
Adult education schools			
Teacher-----	8.13	9.22	10.38
Assistant principal-----	11.38	12.91	14.53
Principal-----	12.60	14.29	16.09"

9 (B) striking out in the second sentence of
 10 paragraph (1) of subsection (d) ", except that the
 11 amount of additional compensation for each such
 12 activity may not in any school year exceed \$1,000";
 13 (C) striking out in the second sentence of
 14 paragraph (2) of such subsection "in the same
 15 manner as regular pay"; and

1 (D) striking out in the third sentence of
2 such paragraph "81" and inserting in lieu thereof
3 "83".

4 (10) Section 14 of such Act (D.C. Code, § 31-1543)
5 is amended to read as follows:

6 "Sec. 14. All employees covered by the
7 provisions of this Act shall have their annual
8 salaries paid in twenty-four semimonthly install-
9 ments in accordance with existing law."

10 (11) Section 15 of such Act (D.C. Code, § 31-1544)
11 is amended to read as follows:

12 "Sec. 15. On and after September 1, 1972,
13 the Act entitled "An Act to provide that the
14 Board of Education of the District of Columbia
15 shall have sole authority to regulate the vaca-
16 tion periods and annual leave of absence of
17 certain school officers and employees of the
18 Board of Education of the District of Columbia"
19 (66 Stat. 14), as amended, shall apply to
20 employees of the Board of Education whose
21 salaries are fixed in salary classes 1 through
22 14, inclusive, under this Act."

23 (12) Section 16 of such Act (D.C. Code, § 31-1545)
24 is amended to read as follows:

1 "Sec. 16. On and after the effective date
2 of the District of Columbia Teachers' Salary
3 Act Amendments of 1972, the Act entitled "An
4 Act to provide cumulative sick and emergency
5 leave with pay for teachers and attendance
6 officers in the employ of the Board of Education
7 of the District of Columbia, and for other
8 purposes" (63 Stat. 842), as amended, shall apply
9 to employees of the Board whose salaries are
10 fixed in salary class 15."

11 Sec. 103. (a) The third paragraph under the para-
12 graph beginning with the side heading "FOR ALLOWANCE TO
13 PRINCIPALS:", under the center heading "PUBLIC SCHOOLS."
14 in the first section of the Act entitled "An Act making
15 appropriations to provide for the expenses of the govern-
16 ment of the District of Columbia for the fiscal year
17 ending June thirtieth, nineteen hundred and nine, and
18 for other purposes" (35 Stat. 291; D.C. Code, § 31-609)
19 is amended to read as follows:

20 "Effective September 1, 1972, the salaries
21 of all employees in salary class 15 and such
22 other employees who are paid on a ten-month
23 basis whose services commence with the opening
24 of school and who shall perform their duties,

1 shall begin on the first day of September and
2 shall be paid in twenty-four semimonthly in-
3 stallments. The first payment shall be made on
4 the first day of October, or as near that date
5 as practicable; and the second payment shall be
6 made fifteen days thereafter or as near that
7 date as practicable. Subsequent payments shall
8 be on the first and sixteenth days of the month
9 or as near those dates as practicable. The
10 salaries of other employees in salary class 15
11 shall begin when they enter upon their duties."

12 (b) The first sentence in the fourth paragraph
13 under the paragraph beginning with the side heading
14 "FOR ALLOWANCE TO PRINCIPALS:" under the center heading
15 "PUBLIC SCHOOLS." in the first section of such Act
16 (D.C. Code, § 31-630), is amended to read as follows:

17 "Effective September 1, 1972, the follow-
18 ing rules for division of time and computation
19 of pay for services rendered are established:
20 Compensations of all employees in salary class
21 15 and such other employees who are paid on a
22 ten-month basis shall be paid in twenty-four
23 semimonthly installments."

1 Sec. 104. Section 4 of the Act entitled "An Act
2 to provide educational employees of the District of
3 Columbia with leave of absence, with part pay, for
4 purposes of educational improvement, and for other
5 purposes" (54 Stat. 349), as amended (D.C. Code, §
6 31-635), is amended by striking out "or equal to the
7 largest amount to which any employee in the salary
8 class of elementary and secondary school teachers would
9 be entitled if given educational leave, whichever is
10 less, either" and inserting in lieu thereof a comma
11 and the word "such".

12 Sec. 105. (a) (1) Effective on the first day of
13 the first pay period beginning on or after September 1,
14 1973, each rate of compensation in the salary schedule
15 in section 1 of the District of Columbia Teachers'
16 Salary Act of 1955 (D.C. Code, § 1501) in effect on the
17 day next preceding such effective date shall be increased
18 by the per centum rise in the price index between
19 August, 1972 and August, 1973, adjusted to the nearest
20 one-tenth of 1 per centum: Provided, That no such rate
21 of compensation after such increase, except the rate of
22 compensation prescribed for salary class 1A, shall exceed.
23 the rate of basic pay for level V of the Executive
24 Schedule contained in subchapter II of chapter 53 of

1 title 5, United States Code: Provided further, That
2 the rate of compensation prescribed for salary class 1A
3 after such increase shall not exceed the rate of basic
4 pay for level III of such Executive Schedule.

5 (2) Effective on such effective date, each
6 pay rate in the schedule in section 13(a) of such
7 Act (D.C. Code, § 31-1542(a)) in effect on the
8 day next preceding such effective date shall be
9 increased by the per centum rise in such price
10 index, adjusted to the nearest one-tenth of 1 per
11 centum.

12 (b) For purposes of this section, the term "price
13 index" shall mean the Consumer Price Index (all items---
14 Washington, D.C. Standard Metropolitan Statistical Area)
15 published monthly and priced quarterly in February, May,
16 August, and November by the Bureau of Labor Statistics.

17 Sec. 106. Except as otherwise provided in section
18 105, the effective date of this title and the amendments
19 made by this title shall be the first day of the first
20 pay period beginning on or after September 1, 1972.

1 TITLE II -- REVISIONS IN RETIREMENT BENEFITS
2 FOR SCHOOL TEACHERS AND OFFICERS

3 Sec. 201. The Act entitled "An Act for the retire-
4 ment of public school teachers in the District of
5 Columbia", approved August 7, 1946 (60 Stat. 875) is
6 amended as follows:

7 (1) The first three sentences of paragraph (1) of
8 section 5(b) of such Act (D.C. Code, § 31-725(b)(1))
9 are amended to read as follows:

10 "(1) A reduced annuity and an annuity
11 after death payable to the surviving widow
12 or widower of such teacher. The life annuity
13 of a teacher making such election, or any
14 portion of such annuity designated by the
15 teacher in writing for such purposes at the
16 time of retirement, shall be reduced by 2-1/2
17 per centum of so much thereof as does not ex-
18 ceed \$3,600 and by 10 per centum of so much
19 thereof as exceeds \$3,600. The widow or
20 widower of a teacher making such election
21 shall be entitled to an annuity equal to 55 per
22 centum of such life annuity, or designated
23 portion thereof: Provided, That if a retired
24 teacher who has elected a reduced annuity as

1 provided in this paragraph or in subsection
2 (d) of this section dies and is survived by
3 a widow or widower whom he or she married after
4 retirement, such widow or widower is entitled
5 to an annuity in an amount which would have
6 been paid had the teacher been married to the
7 widow or widower at the time of retirement,
8 but only if -- (A) such widow or widower was
9 married to such individual for at least two
10 years immediately preceding the teacher's
11 death, or is the mother or father of issue
12 of such marriage; and (B) such widow or widower
13 elects this annuity instead of any other sur-
14 vivor benefit to which he or she may be entitled
15 under this Act or another retirement system for
16 employees of the Federal or District Government.
17 The annuity of a widow or widower entitled to
18 an annuity under this paragraph shall begin on
19 the day after the retiree dies."

20 (2) Section 5 of such Act (D.C. Code, § 31-725)
21 is amended by adding at the end thereof the following
22 new subsection:

23 "(d) A teacher who is unmarried at the
24 time of retiring under a provision of law

1 which permits election of a reduced annuity
2 with a survivor annuity payable to his
3 spouse and who later marries, may irrevocably
4 elect, in a signed writing filed with the
5 Commissioner of the District of Columbia
6 within one year after he or she marries, a
7 reduction in his or her current annuity and
8 an annuity after death payable to his or her
9 surviving widow or widower as provided in
10 paragraph (1) of subsection (b) of this sec-
11 tion. The reduced annuity is effective the
12 first day of the month after such election is
13 received by the Commissioner. The election
14 voids prospectively any election previously
15 made under paragraph (2) or paragraph (3) of
16 subsection (b) of this section."

17 (3) The first paragraph of section 8 of such Act
18 (D.C. Code, § 31-728) is amended by —

19 (A) striking out in the first sentence "that
20 the total credit granted for leaves of absence
21 without pay shall not exceed one year: Provided
22 further," and

23 (B) inserting after the first sentence the
24 following new sentence:

1 "A teacher or former teacher who
2 returns to duty after a period of
3 separation is deemed, for the purpose
4 of this section, to have been in a leave
5 of absence without pay for that part of
6 the period in which he or she was re-
7 ceiving benefits under subchapter I of
8 chapter 81 of title 5 of the United States
9 Code, or any earlier statute on which such
10 subchapter is based."

11 (4) Section 9 of such Act (D.C. Code, § 31-729
12 is amended by --

13 (A) striking out in paragraph (1) of sub-
14 section (b) the word "dependent" each place it
15 appears therein;

16 (B) amending the second sentence of para-
17 graph (1) of subsection (b) to read as follows:

18 "Such annuity and any right thereto
19 shall terminate on the last day of the
20 month before (A) the widow or widower dies,
21 or (B) the widow or widower remarries be-
22 fore becoming sixty years of age.";

23 (C) striking out in paragraph (3) of sub-
24 section (b) "dependent widower" and inserting in

1 lieu thereof "widower"; and

2 (D) striking out the second sentence of
3 paragraph (5) of subsection (c).

4 Sec. 202. (a) The provisions of the first and third
5 sentences of section 5(b)(1) of the Act of August 7,
6 1946, as amended by section 201(1) of this title, which
7 entitle a spouse acquired after the teacher's retirement
8 to a survivor annuity, shall not apply in the cases of
9 teachers or annuitants who died before the date of enact-
10 ment of this title. The rights of such persons shall
11 continue in the same manner and to the same extent as if
12 such amendments had not been enacted.

13 (b) The provisions of the second and third sen-
14 tences of such section 5(b)(1), as amended by section
15 201(1) of this title, which authorize a teacher to des-
16 ignate that portion of his life annuity which may be
17 subject to reduction for purposes of providing a survivor
18 annuity, shall apply only to teachers retiring after the
19 date of enactment of this title.

20 (c) The amendment made by section 201(2) of this
21 title shall apply to a retired teacher who was unmarried
22 at the time of retirement, but who later married, only
23 if the election is made within one year after the date

1 of enactment of this title.

2 (d) The amendment made by section 201(3) (A) of
3 this title shall apply only to teachers retiring after
4 the date of enactment of this title.

5 (e) The amendment made by section 201(3) (B) of
6 this title is effective only with respect to annuity
7 accruing for full months beginning after the date of
8 enactment of this title; but any part of a period of
9 separation referred to in such amendment in which the
10 employee or former employee was receiving benefits under
11 subchapter I of chapter 81 of title 5, United States
12 Code, or any earlier statute on which such subchapter
13 is based shall be counted whether the employee returns
14 to duty before, on, or after such date of enactment.
15 With respect to any person retired before such date of
16 enactment, any such part of a period of separation
17 shall be counted only upon application of the former
18 employee.

19 (f) The amendments made by section 201(4) of this
20 title shall not apply in the cases of teachers or
21 annuitants who died before the date of enactment of this
22 title. The rights of such persons and their survivors
23 shall continue in the same manner and to the same ex-
24 tent as if such amendments had not been enacted.

1 TITLE III - AMENDMENTS INCREASING CERTAIN

2 TAXES IN THE DISTRICT OF COLUMBIA

3 Sec. 301. Subsection (j) of section 6 of the
4 District of Columbia Traffic Act, 1925 (D.C. Code,
5 § 40-603(j)), is amended by striking out "4 per centum"
6 and inserting in lieu thereof "5 per centum".

7 Sec. 302. Paragraph numbered 5 of section 6 of
8 the Act entitled "An Act Making appropriations to pro-
9 vide for expenses of the government of the District of
10 Columbia for the fiscal year ending June thirtieth,
11 nineteen hundred and three, and for other purposes,"
12 approved July 1, 1902 (32 Stat. 590) as amended (D.C.
13 Code, § 47-1701), is amended by striking out "4 per
14 centum" and inserting in lieu thereof "5 per centum".

15 Sec. 303. Section 125 of the District of Columbia
16 Sales Tax Act (D.C. Code, § 47-2602) is amended to read
17 as follows:

18 "Sec. 125. A tax is imposed upon all
19 vendors for the privilege of selling at re-
20 tail certain tangible personal property and
21 for the privilege of selling certain selected
22 services (defined as 'retail sale' and 'sale
23 at retail' in this title). The rate of such
24 tax shall be 4 per centum of the gross receipts

1 from sales of or charges for such tangible
2 personal property and services, except that--

3 " (1) the rate of tax shall be
4 2 per centum of the gross receipts
5 from (A) sales of food for human con-
6 sumption off the premises where such
7 food is sold, and (B) charges for
8 rental of textiles if the essential
9 part of the rental includes recurring
10 services of laundering or cleaning of
11 the textiles;

12 " (2) the rate of tax shall be 5
13 per centum of the gross receipts from
14 (A) sales of or charges for the services
15 described in paragraph (11) of section
16 114(a) of this title, (B) sales of
17 medicines, pharmaceuticals, and drugs
18 not made on prescriptions of duly
19 licensed physicians, surgeons, or other
20 general or special practitioners of the
21 healing art, and (C) sales of or charges
22 for any room or rooms, lodgings, or
23 accommodations, furnished to transients
24 by any hotel, inn, tourist camp, tourist

1 cabin, or any other place in which rooms,
2 lodgings, or accommodations are regularly
3 furnished to transients; and

4 "(3) the rate of tax shall be 5 per
5 centum of the gross receipts from sales
6 of (A) spiritous or malt liquors, beer,
7 and wines, and (B) food for human con-
8 sumption other than off the premises where
9 such food is sold."

10 Sec. 304. Section 212 of the District of Columbia
11 Use Tax Act (D.C. Code, § 47-2702) is amended by striking
12 out the last sentence and inserting in lieu thereof the
13 following: "The rate of tax imposed by this section
14 shall be 4 per centum of the sales price of such tangible
15 personal property or services, except that —

16 "(1) the rate of tax shall be 2 per
17 centum of the sales price of (A) sales of
18 food for human consumption off the premises
19 where such food is sold, and (B) charges
20 for rental of textiles if the essential part
21 of the rental includes recurring services of
22 laundering or cleaning of the textiles;

23 "(2) the rate of tax shall be 5 per
24 centum of the sales price of (A) sales of

1 the services described in paragraph (9)
2 of section 201(a) of this title, (b) sales
3 of medicines, pharmaceuticals, and drugs
4 not made on prescriptions of duly licensed
5 physicians, surgeons, or other general or
6 special practitioners of the healing art,
7 and (C) sales of or charges for any room
8 or rooms, lodgings, or accommodations, fur-
9 nished to transients by any hotel, inn,
10 tourist camp, tourist cabin, or any other
11 place in which rooms, lodgings, or accom-
12 modations are regularly furnished to tran-
13 sients; and

14 "(3) the rate of tax shall be 5 per
15 centum of the sales of (A) spiritous or
16 malt liquor, beer, and wines, and (B) food
17 for human consumption other than off the
18 premises where such food is sold."

19 Sec. 305. The amendment made by section 302 of
20 this title shall apply to the gross receipts of each
21 gas company, electric lighting company, and telephone
22 company for the year ending June 30, 1972, and for
23 each succeeding year ending on the thirtieth day of
24 June.

1 Sec. 306. The amendments made by sections 301,
2 303, and 304 of this title shall take effect on the
3 first day of the first month which begins on or after
4 the thirtieth day after the date of enactment of this
5 Act.

RND:kec
7/13/72
CCL 27/92 & 192/92

COMPARISON OF MINIMUM AND MAXIMUM SALARIES PAID TEACHERS

WITH BACHELORS AND MASTERS DEGREES BY SEVEN LOCAL

SCHOOL SYSTEMS IN THE WASHINGTON METROPOLITAN AREA

1971-1972

BA SALARY RANGE

MA SALARY RANGE

SCHOOL SYSTEM

SCHOOL SYSTEM	BA SALARY RANGE		MA SALARY RANGE	
	MINIMUM	RANK	MAXIMUM	RANK
ALEXANDRIA	\$ 7550	5 1/2	\$ 13,213	2
ARLINGTON	7575	4	11,650	5
FAIRFAX	7350	7	13,143	3
FALLS CHURCH	7550	5 1/2	10,193	7
MONTGOMERY	7613	2	10,354	6
PRINCE GEORGE'S	7600	3	13,224	1
WASHINGTON (PRESENT)	7800	1	12,070 4 13,000(15th yr.)	4
MEDIAN (EXCEPT D.C.)	7563		12,397	
MEAN (EXCEPT D.C.)	7540		11,963	

SOURCE: AMERICAN FEDERATION OF TEACHERS (AFL-CIO) SURVEY OF TEACHERS' SALARIES, 1971-72

PREPARED BY:

PAY SYSTEMS & LABOR RELATIONS DIVISION
D.C. PERSONNEL OFFICE

JUNE 1972

COMPARISON OF MINIMUM AND MAXIMUM SALARIES PAID TEACHERS

WITH BACHELORS AND MASTERS DEGREES BY SEVEN LOCAL

SCHOOL SYSTEMS IN THE WASHINGTON METROPOLITAN AREA

SCHOOL SYSTEM	1971-1972				1971-1972			
	BA SALARY RANGE				MA SALARY RANGE			
	MINIMUM	RANK	MAXIMUM	RANK	MINIMUM	RANK	MAXIMUM	RANK
ALEXANDRIA	\$ 7550	5 1/2	\$ 13,213	2	\$ 8683	2	\$ 15,629	2
ARLINGTON	7575	4	11,650	5	8660	3	15,225	4
FAIRFAX	7350	7	13,143	3	7750	7	16,400	1
FALLS CHURCH	7550	5 1/2	10,193	7	8381	6	15,100	6
MONTGOMERY	7613	2	10,354	6	8527	5	15,455	3
PRINCE GEORGE'S	7600	3	13,224	1	9120	1	15,200	5
WASHINGTON (PRESENT)	7800	1	12,070 13,000(15th yr.)	4	8580	4	13,900 15,200(15th yr.)	7
MEDIAN (EXCEPT D.C.)	7563		12,397		8594		15,340	
MEAN (EXCEPT D.C.)	7540		11,963		8520		15,502	

SOURCE: AMERICAN FEDERATION OF TEACHERS (AFL-CIO) SURVEY OF TEACHERS' SALARIES, 1971-72

PREPARED BY:

PAY SYSTEMS & LABOR RELATIONS DIVISION
D.C. PERSONNEL OFFICE

JUNE 1972

COMPARISON OF MINIMUM AND MAXIMUM SALARIES PAID TEACHERS

WITH BACHELORS AND MASTERS DEGREES BY SEVEN LOCAL

SCHOOL SYSTEMS IN THE WASHINGTON METROPOLITAN AREA

1972-1973

SCHOOL SYSTEM	IA SALARY RANGE				IIA SALARY RANGE			
	MINIMUM	RANK	MAXIMUM	RANK	MINIMUM	RANK	MAXIMUM	RANK
ALEXANDRIA	\$ 7850	3	\$ 13,737	2	\$ 9028	3	\$ 16,250	2
ARLINGTON	8008	1	14,810	1	9141	1	15,995	4
FAIRFAX	7600	6 1/2	13,721	3	8000	7	17,122	1
FALLS CHURCH	7650	5	10,328	7	8492	6	15,300	5
MONTGOMERY	7880	2	10,717	6	8826	4	15,996	3
PRINCE GEORGE'S	7600	6 1/2	13,224	4	9120	2	15,200	6
WASHINGTON (PRESENT)	7800	4	12,070 13,000(15th yr.)	5	8580	5	13,900 15,200(15th yr.)	7
WASHINGTON (PROPOSED) <u>1</u>	8350	1	12,965 13,965(15th yr.)	5	9190	1	14,930 16,300(15th yr.)	7
H.R. 15491 PHASE I <u>1</u>	8500	1	12,960 14,000(15th yr.)	5	9320	1	15,080 16,400(15th yr.)	7
H.R. 14674 PHASE I <u>1</u>	8580	1	13,277 14,300(15th yr.)	4	9438	1	15,290 16,720(15th yr.)	6
MEDIAN (EXCEPT D.C.)	7750		13,473		8927		15,996	

SOURCE: UNPUBLISHED SURVEY DATA FROM SURVEY CONDUCTED BY D.C. PERSONNEL OFFICE, PAY SYSTEMS AND LABOR RELATIONS DIVISION.

1 THE INCREASES ARE PROPOSED TO BE EFFECTIVE DURING THE 1972-73 SCHOOL YEAR.
IN ADDITION, THOSE PROPOSALS FOOTNOTED HAVE AUTOMATIC INCREASES FOR THE 1973-74 SCHOOL YEAR.

PREPARED BY:

PAY SYSTEMS & LABOR RELATIONS DIVISION
D.C. PERSONNEL OFFICE

JUNE 1972

COMPARISON OF CURRENT AND PROPOSED SALARIES FOR TEACHERS WITH
 1971-72 AND 1972-73 SCHEDULES AND 1971-72 SCHEDULES

1971-72

SCHOOL SYSTEM	1971-72 SALARY RANGE		1972-73 SALARY RANGE	
	MINIMUM PAKK	MAXIMUM PAKK	MINIMUM PAKK	MAXIMUM PAKK
ATLANTA	7390	16 10,650	8140	15 12,060
BALTIMORE	7500	11 11,770	8000	15 12,465
BOSTON	7600	9 12,990	8200	12 13,705
BUFFALO	7420	13 12,245	8278	10 13,472
CHICAGO	9333	2 14,870	9970	2 15,520
CINCINNATI	7000	20 11,490	7755	19 12,245
CLEVELAND	7450	12 12,675	7950	17 14,350
DALLAS	6900	23 9,860	7480	21 11,220
DENVER	7000	20 11,870	8255	11 14,000
DETROIT	8277	5 13,443	9153	4 15,500
HOUSTON	7100	18 10,200	7720	20 11,440
KANSAS CITY, MO.	6950	22 10,865	7250	23 12,695
LOS ANGELES	7590	10 11,010	8050	14 11,620
MILWAUKEE	8300	4 13,210	8654	7 13,697
NEW ORLEANS	7000	20 10,300	7300	22 10,900
NEW YORK	9400	1 13,950	10,900	1 15,450
PHILADELPHIA	8900	3 14,300	9200	3 15,200
PITTSBURGH	8100	6 13,100	8700	6 14,400
ST. LOUIS	7200	17 12,240	7920	18 12,920
SAN ANTONIO	6900	24 9,360	7150	24 10,305
SAN DIEGO	7400	14 10,532	8362	9 12,354
SAN FRANCISCO	7745	8 13,270	8220	5 14,440
SEATTLE	7328	15 8,173	7975	16 11,643
WASHINGTON (PRESENT)	7200	7 12,070	8380	8 13,900
WASHINGTON (PROPOSED) ¹	8350	6 12,965 13,965 (15th yr.)	9180	5 14,930 16,300 (15th yr.)
N.R. 19691 PHASE I ¹	8300	4 12,960 14,000 (15th yr.)	9220	3 15,050 16,400 (15th yr.)
N.R. 19694 PHASE I ¹	8580	4 13,277 14,300 (15th yr.)	9438	3 15,280 16,700 (15th yr.)
MEDIAN PROFFIT D.C.	7420	11,870	8140	12,960

¹ THE INCREASES ARE PROPOSED TO BE EFFECTIVE DURING THE 1972-73 SCHOOL YEAR.
 IN ADDITION, THOSE DISTRICTS INDICATED HAVE AUTOMATIC INCREASES FOR THE 1973-74
 YEAR.

SOURCE: NER RESEARCH REPORT 1971-1972 SALARY SCHEDULES FOR TEACHERS 1971-72

Mayor WASHINGTON. Mr. Chairman, my purpose this morning is to support a forthright and competitive pay raise. The salary increase proposal I am recommending for teachers and school officers is a reasonable one, consistent with the salary policy of the District government, and within our ability to pay for it.

As in all such matters, there is a day of reckoning. A package of tax increases is required to fund it.

I would like to emphasize these important points.

There is no doubt that our teachers need higher salaries. The last increase for District teachers and school officers was approved in June 1970, retroactive to September 1969.

The very survival of our cities requires educational systems that provide quality education for everyone. We must fulfill that mandate.

In the District of Columbia, it is a responsibility for all of us—the Congress, the city government, the board of education, the citizens, and the teachers.

The regrettable interruption in the city's public education program during the last 2 weeks has not obscured the real concerns that all of us share for the quality of the education being provided our children.

The children must be the overriding consideration. This is the point I have stressed repeatedly and would like to stress again today.

By achieving the goal of providing quality education, the schools will enable each child to function in his role as an individual, as a citizen, and as a success in the work world.

We speak of the American dream. But it takes more and more education every year to achieve that dream. Students are reminded over and over that, today, they need at least a high school diploma to get a decent job. Increasingly, a college degree is the passport they require.

The fact that disadvantaged children in an urban setting may develop frustrations toward their life of deprivation places an awesome responsibility on the urban teacher.

Title I of H.R. 15965, as reported by the House District Committee, provides an across-the-board 12 percent salary increase for our teachers and school officers in two phases.

The first phase increase of 7 percent would be retroactive to the September 1, 1972, start of the school year, assuring our teachers a highly competitive salary.

Mr. Chairman, we have charts that will compare the minimum and maximum salaries for school districts in the metropolitan area, and I think you will note the Washington area with the proposed 7 percent we have, will place Washington in the No. 1 position.

The CHAIRMAN. I now place the charts in the record.

(The charts follow:)

COMPARISON OF MINIMUM AND MAXIMUM SALARIES PAID TEACHERSWITH BACHELORS AND MASTERS DEGREES BY SEVEN LOCALSCHOOL SYSTEMS IN THE WASHINGTON METROPOLITAN AREA

<u>SCHOOL SYSTEM</u>	<u>1971-1972</u>							
	<u>BA SALARY RANGE</u>				<u>MA SALARY RANGE</u>			
	<u>MINIMUM</u>	<u>RANK</u>	<u>MAXIMUM</u>	<u>RANK</u>	<u>MINIMUM</u>	<u>RANK</u>	<u>MAXIMUM</u>	<u>RANK</u>
ALEXANDRIA	\$ 7550	5 1/2	\$ 13,213	2	\$ 8683	2	\$ 15,629	2
ARLINGTON	7575	4	11,650	5	8660	3	15,225	4
FAIRFAX	7350	7	13,143	3	7750	7	16,400	1
FALLS CHURCH	7550	5 1/2	10,193	7	8381	6	15,100	6
MONTGOMERY	7613	2	10,354	6	8527	5	15,455	3
PRINCE GEORGE'S	7600	3	13,224	1	9120	1	15,200	5
WASHINGTON (PRESENT)	7800	1	12,070 13,000(15th yr.)	4	8580	4	13,900 15,200(15th yr.)	7
MEDIAN (EXCEPT D.C.)	7563		12,397		8594		15,340	
MEAN (EXCEPT D.C.)	7540		11,963		8520		15,502	

SOURCE: AMERICAN FEDERATION OF TEACHERS (AFL-CIO) SURVEY OF TEACHERS' SALARIES, 1971-72

PREPARED BY:

PAY SYSTEMS & LABOR RELATIONS DIVISION
D.C. PERSONNEL OFFICE

JUNE 1972

COMPARISON OF MINIMUM AND MAXIMUM SALARIES PAID TEACHERSWITH BACHELORS AND MASTERS DEGREES BY SEVEN LOCALSCHOOL SYSTEMS IN THE WASHINGTON METROPOLITAN AREA

1972-1973

BA SALARY RANGEMA SALARY RANGESCHOOL SYSTEM

	<u>MINIMUM</u>		<u>RANK</u>		<u>MAXIMUM</u>		<u>RANK</u>	
ALEXANDRIA	\$ 7850	3	\$ 13,737	2	\$ 9028	3	\$ 16,250	2
ARLINGTON	8008	1	14,810	1	9141	2	15,995	4
FAIRFAX	7600	7	13,721	3	8000	7	17,122	1
FALLS CHURCH	7650	6	10,328	7	8492	6	15,300	6
MONTGOMERY	7880	2	10,717	6	8826	4	15,996	3
PRINCE GEORGE'S	7828	4	13,621	4	9394	1	15,656	5
WASHINGTON (PRESENT)	7800	5	12,070 13,000(15th yr.)	5	8580	5	13,900 15,200(15th yr.)	7
WASHINGTON (PROPOSED) ¹	8350	1	12,965 13,965(15th yr.)	5	9190	2	14,930 16,300(15th yr.)	7
H.R. 15491 PHASE I ¹	8500	1	12,960 14,000(15th yr.)	5	9320	2	15,080 16,400(15th yr.)	7
H.R. 14674 PHASE I ¹	8580	1	13,277 14,300(15th yr.)	5	9438	1	15,290 16,720(15th yr.)	6
MEDIAN (EXCEPT D.C.)	7839		13,671		8927		15,996	

SOURCE: UNPUBLISHED SURVEY DATA FROM SURVEY CONDUCTED BY D.C. PERSONNEL OFFICE, PAY SYSTEMS AND LABOR RELATIONS DIVISION.

¹ THE INCREASES ARE PROPOSED TO BE EFFECTIVE DURING THE 1972-1973 SCHOOL YEAR. IN ADDITION, THOSE PROPOSALS FOOTNOTED HAVE AUTOMATIC INCREASES FOR THE 1973-74 SCHOOL YEAR.

PREPARED BY:

PAY SYSTEMS & LABOR RELATIONS DIVISION
D.C. PERSONNEL OFFICE

OCTOBER 1972

COMPARISON OF MINIMUM AND MAXIMUM SALARIES PAID TEACHERS WITH
BACHELORS AND MASTERS DEGREES BY 24 CITIES OVER 500,000 POPULATION

1971-72

SCHOOL SYSTEM	BA SALARY RANGE				MA SALARY RANGE			
	MINIMUM	RANK	MAXIMUM	RANK	MINIMUM	RANK	MAXIMUM	RANK
ATLANTA	7300	16	10,660	18	8140	13	12,060	18
BALTIMORE	7500	11	11,770	14	8000	15	12,400	15
BOSTON	7600	9	12,990	8	8200	12	13,700	11
BUFFALO	7420	13	12,243	10	8278	10	13,472	12
CHICAGO	9333	2	14,870	1	9970	2	15,920	1
CINCINNATI	7000	20	11,490	15	7755	19	12,245	17
CLEVELAND	7450	12	12,675	9	7950	17	14,350	7
DALLAS	6800	23	9,860	22	7480	21	11,220	22
DENVER	7000	20	11,870	13	8255	11	14,000	8
DETROIT	8277	5	13,443	4	9153	4	15,500	2
HOUSTON	7100	18	10,200	21	7720	20	11,440	21
KANSAS CITY, MO.	6850	22	10,865	17	7250	23	12,895	14
LOS ANGELES	7590	10	11,010	16	8050	14	11,620	20
MILWAUKEE	8300	4	13,210	6	8654	7	13,857	10
NEW ORLEANS	7000	20	10,300	20	7300	22	10,900	23
NEW YORK	9400	1	13,950	3	10,900	1	15,450	3
PHILADELPHIA	8900	3	14,380	2	9200	3	15,200	4
PITTSBURGH	8100	6	13,100	7	8700	6	14,400	6
ST. LOUIS	7200	17	12,240	11	7920	18	12,960	13
SAN ANTONIO	6500	24	9,360	23	7150	24	10,303	24
SAN DIEGO	7400	14	10,532	19	8362	9	12,354	16
SAN FRANCISCO	7745	8	13,270	5	8820	5	14,440	5
SEATTLE	7328	15	8,173	24	7975	16	11,643	19
WASHINGTON (PRESENT)	7800	7	12,070	12	8580	8	13,900	9
WASHINGTON (PROPOSED) ¹	8350	6	12,965 13,965 (15th yr.)	9	9190	5	14,930 16,300 (15th yr.)	5
H. R. 15491 PHASE I ¹	8500	4	12,960 14,000 (15th yr.)	9	9320	3	15,080 16,400 (15th yr.)	5
H. R. 14674 PHASE I ¹	8580	4	13,277 14,300 (15th yr.)	5	9438	3	15,290 16,720 (15th yr.)	5
MEDIAN EXCEPT D.C.	7420		11,870		8140		12,960	

¹ THE INCREASES ARE PROPOSED TO BE EFFECTIVE DURING THE 1972-73 SCHOOL YEAR.
IN ADDITION, THOSE PROPOSALS FOOTNOTED HAVE AUTOMATIC INCREASES FOR THE 1973-74
YEAR.

SOURCE: NEA RESEARCH REPORT 1971-112 SALARY SCHEDULES FOR TEACHERS 1971-72

COMPARISON OF MINIMUM AND MAXIMUM SALARIES PAID TEACHERS

WITH BACHELORS AND MASTERS DEGREES BY 24 CITIES OVER 500,000 POPULATION

1972-1973

SCHOOL YEAR

SCHOOL SYSTEM	BA DEGREE				MA DEGREE			
	MINIMUM	RANK	MAXIMUM	RANK	MINIMUM	RANK	MAXIMUM	RANK
ATLANTA	7700	13	11,252	17	8588	11	12,732	16
BALTIMORE /1	7500	15	11,700	15	8000	17	12,400	17
BOSTON /1	7600	14	12,900	8	8200	16	13,700	12 1/2
BUFFALO /1	8013	8	12,813	9	9133	5	14,333	9
CHICAGO	9330	2	14,870	1	9970	2	15,920	3
CINCINNATI	7770	10	12,775	10	8638	9	13,700	12 1/2
CLEVELAND /1	7450	16	12,675	11	7950	18	14,350	8
DALLAS /1	6800	23	9,860	22	7430	21	11,200	22
DENVER	7150	19	12,165	13	8430	13	14,375	7
DETROIT /1	9032	3	14,198	4	9908	3	16,255	2
HOUSTON /1	7100	20	10,200	21	7720	20	11,440	21
KANSAS CITY, MO.	6850	22	10,865	18	7250	23	12,895	15
LOS ANGELES	8050	7	11,670	16	8530	12	12,310	19
MILWAUKEE	8300	6	13,210	7	8654	8	13,857	11
NEW ORLEANS	7000	21	10,300	20	7300	22	10,900	23
NEW YORK	9500	1	14,850	2	11,250	1	16,600	1
PHILADELPHIA /1	8900	4	14,380	3	9200	4	15,200	4
PITTSBURGH	8500	5	13,600	5	8900	6	15,100	5
ST. LOUIS	7200	18	12,600	12	7920	19	13,320	14
SAN ANTONIO	6500	24	9,555	23	7150	24	10,400	24
SAN DIEGO /1	7400	17	10,532	19	8362	14	12,354	18
SAN FRANCISCO /1	7745	11	13,270	6	8820	7	14,400	6
SEATTLE	7731	12	8,621	24	8356	15	12,283	20
WASHINGTON PRESENT	7800	9	12,070	14	8580	10	13,900	10
WASHINGTON PROPOSED (H.R. 15965)	8350	6	12,965	8	9190	4	14,930	6

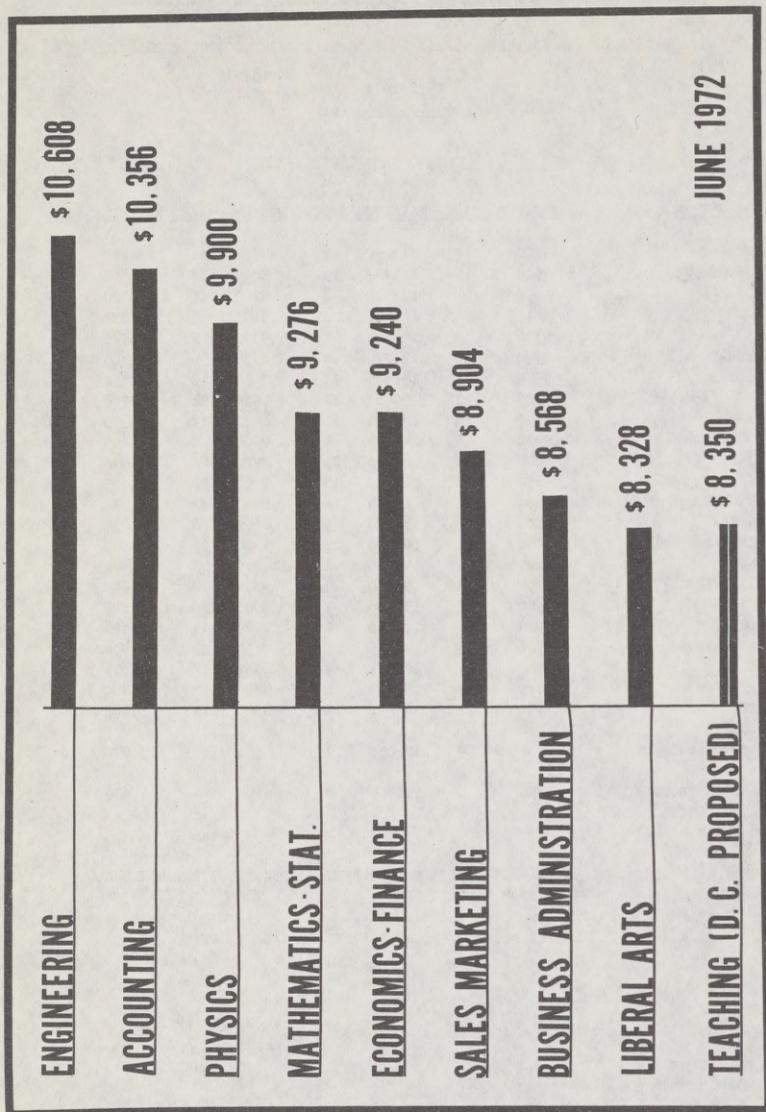
SOURCE: UNPUBLISHED DATA FROM SURVEY CONDUCTED BY THE NATIONAL EDUCATION ASSOCIATION

/1 CITIES NOT YET REPORTING REVISED SALARY RATES.

SEPTEMBER 1972

**ESTIMATED AVERAGE ANNUAL STARTING SALARIES PAID TO GRADUATES
WITH THE BACHELOR DEGREE;**

CHART NO. 4



SOURCE: FRANK S. ENDICOTT, DIRECTOR OF PLACEMENT, NORTHWESTERN UNIVERSITY

The CHAIRMAN. Could chart No. 1 be interpreted for me?

Where is the figure that shows the 7 percent?

Mr. WEINBERG. Mr. Chairman, it is shown as \$7,800 starting salary maintaining our competitive position where we were No. 1.

Now, what had happened at the end of the 1971-72 school year, and the change now for this new school year, 1972-73, you can see the relative position of the city for teachers has dropped to fourth place in comparison with the six other local jurisdictions.

Now, what would the 7 percent do?

It would change the \$7,800 to \$8,350.

This would regain the position that we want to have in the local metropolitan area, to be above those of other school jurisdictions, especially with regard to entrance salaries for teachers.

The reason for this is that in an urban school system the Board of Education needs a salary advantage with which to attract young teachers who will come into the school system and bring the quality education that the board would like to achieve.

The CHAIRMAN. So the 7-percent increase would make the beginning salary \$8,350, which would be No. 1 in the area currently—is that correct?

Mr. WEINBERG. The second one being Arlington.

The CHAIRMAN. With \$8,008?

Mr. WEINBERG. That is correct.

As everybody read the other day, Prince Georges just has agreed to a 3-percent increase, which brings them slightly above \$7,800.

The CHAIRMAN. Thank you.

You may proceed.

Mayor WASHINGTON. The second phase increase is 5 percent, to be effective September 1, 1973.

The second adjustment will maintain the integrity of the 7-percent adjustment and maintain the relationships with teacher schedules in the area.

Executive pay schedule ceilings will, in some cases, hold the increases for top-level officers under the 12-percent figure.

I am pleased to report that the Federal Pay Board by letter of July 10, 1972, approved our application for an exception to the 5.5 percent standard for District of Columbia teachers and school officers, thereby clearing the 7-percent increase for this year that I am recommending as being within the President's economic stabilization guidelines.

The CHAIRMAN. The letter of transmittal; application for general wage, salary, and benefit adjustments; and the reply from the Economic Stabilization Program Pay Board will be made part of the record.

(The material follows:)

GOVERNMENT OF THE DISTRICT OF COLUMBIA
EXECUTIVE OFFICE

PERSONNEL OFFICE

REPLY TO:
499 PENNSYLVANIA AVENUE, N. W.
WASHINGTON, D. C. 20001

June 21, 1972

Mr. George Boldt
Chairman, Pay Board
P. O. Box 1498
Washington, D. C. 20013

Dear Chairman Boldt:

The District of Columbia Government has for submission to the Congress of the United States draft legislation which would increase salaries for 8,258 teachers and school officers by amending the District of Columbia Teachers' Salary Act of 1955.

It is our understanding that this prenotification is necessary as it was for salary proposals recently cleared by the Pay Board for our policemen and firemen (Reference P. B. Control No. 5566).

Attached is the completed P. B. 3 as well as other information in support of the position by the District Government for an exception based on catch-up and an increase based on a tandem relationship with salary increases allowed for D. C. policemen and firemen as provided in Section 201.11 (a) (1) and (3) of Pay Board Regulations.

Exception Requested for Increase Based on Catch-up

The last increase granted District of Columbia teachers and school officers by the Congress was contained in Public Law 91-297, 91st Congress dated June 30, 1970 retroactive to September 1, 1969. This same statute also contained similar increases for District Government policemen and firemen also on a retroactive basis.

We emphasize this fact because it constituted the basis for consideration of a full 7 percent catch-up exception previously granted to District Government policemen and firemen by the Pay Board.

Numbered paragraph 4 contained in the Pay Board letter of May 8, 1972 concerning the police and fire application reads as follows:

"4. That the aggregate percentage of wage and salary increases in the employee unit involved in the preceding three years has been sufficiently less than the sum of a percentage increase of 7% for each of the three years to enable D. C. Government to pay in the first control year an annual aggregate increase of 7% pursuant to subsections 201.11 (a) (3) and (b) of the regulations."

In September 1969 the increase granted District Government teachers and school officers averaged 13 percent. Congress, in this case chose to increase policemen, firemen, teachers and school officers by the same overall percentage although this has not necessarily held true in the past.

The proposed legislation would increase salaries on a two phase basis. First, effective the first day of the first pay period beginning on or after September 1, 1972 salary levels would be increased by an average of 7.02 percent as calculated on the attached P. B. 3. It is proposed in the second phase, which would become effective the pay period beginning on or after September 1, 1973, to increase the salary levels by the percentage increase in the Consumer Price Index for Washington, D. C. for the period August 1972 through August 1973.

It is understood that the cost-of-living adjustment need not be reported until triggered and that the same 5.5 percent standard applies with regard to a cost-of-living adjustment that applies to general salary and fringe benefit increases.

We request approval of the 7.02 percent increase for District of Columbia Teachers and School Officers based on an exception for catch-up.

Exception Requested for Tandem Relationships

We believe that a strong tandem relationship exists between salary adjustments given District of Columbia policemen and firemen and increases given District of Columbia teachers and school officers.

Since 1964 salary increases enacted by Congress for District of Columbia policemen, firemen, teachers and school officers have been tied to the same public law except in 1967 when both employee groups were given two phase adjustments. However in 1967 Public Laws 90-319 and 90-320 increasing District of Columbia Government policemen and firemen and teachers and school officers both had the same effective dates.

Table 1 below indicates this relationship.

Table 1. Summary of Salary Increases for D. C. Policeman and Firemen Compared to Salary Increases Given D. C. Teachers and School Officers, 1964-1969

<u>Year</u>	<u>Policemen and Firemen</u>			<u>Teachers and School Officers</u>		
	<u>Public Law</u>	<u>Effective Date</u>	<u>Amount of Increase</u>	<u>Public Law</u>	<u>Effective Date</u>	<u>Amount of Increase</u>
1964	88-575	7/1/64	8.9%	88-575	7/1/64	7.0%
1966	89-810	7/3/66	9.9%	89-810	7/1/64	7.0%
1967	90-320	10/1/67	9.2% I	90-319	10/1/67	8.3% I
1968	90-320	7/1/68	.9% II	90-319	7/1/68	10.9% II
1969	91-297	7/1/69	13.0%	91-297	9/1/69	13.0%

Although the average increases were not the same (and we are not intending to establish parity) there is clearly a significant tandem relationship which has existed throughout the years.

We request that the increase of 7.02 percent also be approved for District of Columbia teachers and school officers on the basis of an exception in consideration of a tandem relationship with District of Columbia Policemen and Firemen.

Conclusion

Increases for teachers in school systems in the local Washington, D.C. Metropolitan area will place the District of Columbia Public School system in a poor competitive position with reports to teacher salaries for the 1972-73 school year as shown by the attached chart.

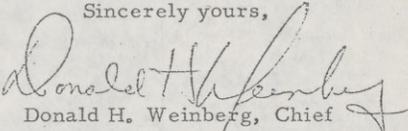
The exceptions being requested are vital to maintaining the economic well-being of our teachers who have not received a salary increase since September 1969.

We have stated in the past that it is clear that no single factor establishes a school system's competitive position; it is also clear that salary is not the primary attractor of staff, though it is one of the important factors. In short, urban school problems cannot be solved only with salaries, but it cannot be solved without a salary advantage. A competitive salary schedule is the only major competitive factor which the District Schools can turn to their advantage quickly. Buildings take years to plan and build. Reputations may be lost rapidly and may take years to rebuild. "Challenge" as an attractor is the opportunity to participate in a program of significance, and programs take time to develop and initiate. Compared with these factors, competitive salaries can be established quickly.

We therefore, request that the increase of 7.02 percent requested on the P. B. 3 be cleared for submission to the Congress.

We do not believe the wage increase proposed to be 'unreasonably inconsistent' with stabilization objectives.

Sincerely yours,


Donald H. Weinberg, Chief
Pay Systems & Labor Relations Division

Attachment.¹

¹ See chart No. 2, p. --.

PART A. — Straight-Time Hourly Rates and Hours

A. Base Payroll Period (See Explanation, Attached)

16. Total payroll expenditures at straight-time rates during the most recent pay period available prior to the control year. (Include straight-time pay for overtime, weekend and holiday work and all paid leave hours, but exclude any premiums or differentials above the straight-time day shift hourly rates for such time. Also exclude all payments to workers, funds, or insurance or other carriers, for nonproduction bonuses, severance or supplemental unemployment benefits, pay-as-you-go pension plans, life insurance, savings and thrift plans, other health, welfare, pension or deferred profit-sharing plans; and all legally required expenditures (e.g., for social security, unemployment insurance, and workmen's compensation).

If the base payroll period for which data are requested is not a representative one, for seasonality or other reasons, provide data for a representative period and explain in an attachment why data for the most recent period were not reported.

\$ 3,998,678

17. Total man-hours paid for (including all paid leave) during this payroll period. Include actual, not boosted, overtime and other hours equivalent to the straight-time payments noted on line 16. (In the absence of fixed hours for salaried or other employees, make reasonable estimates of hours paid for during the payroll period and explain the basis for the estimate in an attachment.)

515,824 hrs

18. Average straight-time hourly rate (line 16 divided by line 17). (Enter this amount on line 24, Part IV.) ..

\$ 7.75

* 19. Pay period used. From December 16, 1971 To December 31, 1971

B. Control Year Adjustments in Straight-Time Hourly Rates

20. In columns (b), (c), and (d) below, list amounts of all straight-time hourly rate adjustments (including skill and inequity adjustments) in cents per man-hour. Show corresponding effective dates in column (a). For merit adjustments made on a continuing basis throughout the year — indicate "various."

If changes are being made in piece or incentive rates, enter the increase in hourly earnings, if any, that the average worker will receive during the average hour (assuming no change in worker output). Where control year adjustments vary among employees, indicate overall average increase in cents per hour prorated over all employees in the unit on the basis of man-hours paid for during the base payroll period.

Make all adjustment calculations, except for those in column (c), assuming that there will be no change in the composition of the unit between the base date and the end of the control year or in the composition or structure of hours in the base and control years.

Pay adjustments made under the provisions of merit plans or practices entered into since November 13, 1971, are to be reported as a general wage and salary adjustment in column (d). For such plans, enter "M" next to the adjustment entry.

Pay adjustments, being made for employees under an employment contract or practice, based on, or that includes a merit component, including discretionary changes affecting individual employees on a variable timing basis and changes under plans instituted prior to November 14, 1971, that do not qualify for treatment as an exception under Pay Board Regulations, are to be reported in column (c) below as follows: 1) Estimate what the average straight-time hourly rate will be during the pay period ending on or immediately preceding the last day of the control year. 2) Subtract the average straight-time hourly rate in the base period from that estimate. 3) Enter the remainder in column (c). Also, complete column (b) on the basis of the stable work force assumption described above. Certain merit adjustments may qualify for treatment as an exception under Pay Board regulations. If you claim such treatment, so indicate in item 6, Part I and provide details in an attachment.

See instructions for information about nonchargeable adjustments which should not be reported below.

	Effective Date (a)	Adjustments under merit plans (other than those adopted on or after November 14, 1971)		General wage and other adjustments (including skill and inequity, and adjustments under merit plans adopted on or after November 14, 1971) (d)
		Projected change on the basis of a stable work force (b)	Estimated adjustment taking turnover and other factors into consideration (c)	
(1)	September 1, 1972	\$	\$	\$ 0.58/hr.
(2)	NOTE: It is proposed that the salaries be increased effective September 1, 1973 by the percentage			
(3)	increase in the Consumer Price Index for Washington, D.C. for August 1972 to August 1973.			
(4)				
(5)				
) TOTAL				
(7) Control Year Adjustment — sum of (c) and (d) (Enter this amount on line 29, Part IV)				\$ 0.58 Per Avg. hr.

Base Year Man-Hours and Benefit Expenditures in the Base and Control Year

Report the total man-hours worked by the employees in the unit covered by this application. (Exclude paid leave hours and do not boost over- for those items that are legally required—such as social security, workmen's compensation and unemployment insurance. Also exclude all employee contributions including those withheld by the employer.) Report for the 12-month period ending on the base date prior to the control year in question (as shown at item 10(a)).

21. Base Year Man-hours Worked 11,038,108 (EST. Hours)

Report in items 22 and 23 employer payments to or on behalf of workers (including employer payments to trust funds, insurance companies and other riers) for existing benefits, for improvements in existing benefits, for new benefits, and for changes in existing benefits due solely to changes in the e of employee compensation. (Do not report payments by trust funds, insurance companies and other carriers to workers. Also exclude expenditures for those items that are legally required—such as social security, workmen's compensation and unemployment insurance. Also exclude all employee contributions including those withheld by the employer.)

If exact expenditures (contributions) are not available, report your best estimate, and indicate by marking "EST." Estimate costs of improvements in exist- ing includable benefits by projecting existing cost levels, assuming no change in the composition of the work force, in the work schedule, and in the number of hours actually worked. In the case of pension and other benefits, the funding of which is based on actuarial estimates, provide data for the control year based on the same assumptions and on the same funding basis as was used in making the base year calculations. In calculating base year and control year expenditures, make the calculations on the basis of the benefits existing at the end of each year. Thus, if benefits were raised during the base year, assume that the cost of the higher benefits existed throughout the year. Similarly, if benefits in the control year are to be raised at the end of the year, project costs as if the higher benefit had existed throughout the entire year. In items 22 and 23, do not report additional control year expenditures or contributions required because of changes in cost needed to maintain base year benefits. If a plan is newly introduced, make your best estimate.

22. Included Benefits

Type of benefit		Total expenditures for:	
		Base year (a)	Control year (b)
Optional Fill-in	(1) Shift differentials	\$ ---	\$ ---
	(2) Overtime, weekend and holiday premiums	---	---
	(3) Vacations (include bonuses)	5,762,340	6,194,515 (EST.)
	(4) Holidays	4,077,730	4,383,560 (EST.)
	(5) Sick leave	3,212,235	3,453,155 (EST.)
	(6) Other leave (funeral, jury, military, voting, etc.)	500,000	537,500 (EST.)
	(7) Bonuses, other than vacation and those executive or variable compensation plans or practices described in the instructions	---	---
	(8) Severance pay and supplemental unemployment benefits	---	---
	(9) Pay-as-you-go pension plans	---	---
	(10) Other benefits excluding those reportable in item 23, below, and those variable compensation plans or practices described in the instructions. (Specify) Sabbatical (ACTUAL)	258,320	277,695
(11) Total, lines (1) through (10)		\$ 13,810,625 (EST.)	\$ 14,846,425 (EST.)
Mandatory Fill-in	(12) Control year (line (11b) above divided by man-hours from line 21, Part III)		\$ 1,345 (EST.)
	(13) Base year (line (11a) above divided by man-hours from line 21, Part II). (Enter results on line 25, Part IV)		\$ 1,251 (EST.)
	(14) Control year adjustment — (line (12) minus line (13)). (Enter results on line 30, Part IV)		\$ 0.094 (EST.)

23. Qualified Benefits

Type of benefits	Employer Contributions in the Base year (a)	Control year	
		Extra cost of base year benefits as a result of wage changes (shown in Part II B) (b)	Extra cost of new and improved benefits (c)
(1) Life insurance	\$ 338,192	\$	\$
(2) Sickness and accident benefits	---		
(3) Other group insurance, health and welfare plans	667,572		
(4) Annuity or funded pensions (including deferred profit sharing)	5,000,000		
(5) Other (specify)	---		
(6) Total, lines (1) through (5)	\$ 6,005,764	\$	\$
(7) Total (line 6) divided by man-hours from line 21, Part III: { (a) Base year (Enter results on line 25, Part IV)	\$ 0.54 (EST.)		
(b) Control year		\$ NONE	\$ NONE
(8) Sum of line (7)(b), columns (b) and (c)		\$ NONE	\$ NONE
(9) Cost savings in control year (in cents per base year working hour) on base year benefits attributable to favorable plan experience in the base or prior years or to plan changes. (If the savings are greater than the amount shown on (8), enter the amount shown on (8))		\$	\$
(10) Increased cost of qualified benefits (line (8) minus line (9)) (Enter results on line 32, Part IV)		\$ NONE	\$ NONE

PART IV. — Computation of Percent Increase

A. Base Period

24. Average straight-time hourly rate (from line 18, Part II)	\$ 7.75 (EST.)
25. Average hourly expenditure rate for included benefits (from line 22(13), Part III)	\$ 1.25 (EST.)
26. Average hourly expenditure rate for qualified benefits (from line 23(7)(a), Part III)	\$.54 (EST.)
27. Base compensation rate (sum of lines 24, 25, and 26)	\$ 9.54 (EST.)

B. Calculation of Base Period Qualified Benefit Percentage

28. Base period qualified benefits as a percent of base compensation rate (line 26 divided by line 27, rounded to one decimal place)	5.7 % (EST.)
--	--------------

C. Control Year Adjustments:

29. Straight-time hourly rate adjustment (from line 20(7), Part II)	\$.58 (EST.)
30. Included benefit adjustment (from line 22(14), Part III)	\$.09 (EST.)
31. Hourly rate and included benefit adjustments (sum of lines 29 and 30)	\$.67 (EST.)
32. Qualified benefit adjustment (from line 23(10), Part III)	\$ --
33. Total adjustments (sum of lines 31 and 32)	\$.67 (EST.)

D. Adjustments as Percent of Base Compensation (Round to One Decimal Place)

34. Hourly rate and included benefit adjustments (line 31) divided by base compensation rate (line 27)	7.02 % (EST.)
35. Qualified benefit adjustment (line 32) divided by base compensation rate (line 27)	-- %
36. Total percent adjustment (sum of lines 34 and 35)	7.02 % (EST.)

E. Calculation of Chargeable Control Year Adjustments and Offsetting Exceptions, if any (Round to One Decimal Place)

37. Percent offset against qualified benefit adjustment:	
a. Basis(es) for claim (place "X" in appropriate box(es)).	
(1) <input type="checkbox"/> 0.7 percent rule, (2) <input type="checkbox"/> 5 percent rule, (3) <input type="checkbox"/> catch-up (not more than 1.5 percent),	
(4) <input type="checkbox"/> Other	
If you checked (3) or (4), describe the basis(es) for your claim in an attachment containing (as appropriate) detailed supporting calculations and an explanation of the method used in calculating.	
b. Percent claimed (not to exceed percent on line 35)	%
38. Qualified benefit increase chargeable against the general wage and salary standard (line 35 minus line 37)	-- %
39. Total chargeable adjustment (line 34 plus line 38)	-- %
40. Exceptions, as shown in item 6, Part I, if any, claimed as offsets to the adjustment shown on line 39. (Express as a percent of the base compensation rate shown on line 27, Part IV, A)	1.5% +bandem%

Certification

I (we), have reviewed the information contained in this application and certify that this application is provided in good faith, that the data submitted herewith are factually correct, are in accordance with applicable regulations and the policies of the Economic Stabilization Act of 1970, as amended, and that (unless jointly certified) a true copy of this application has been served on the agent, if any, of the employees covered in this unit.

For Employer	Type name and title Donald H. Weinberg, Chief, Pay Systems and Labor Relations Division	Date June 21, 1972
	Signature <i>Donald H. Weinberg</i>	
For the Board of Education	Type name and title For the Board of Education	Date June 21, 1972
	Signature <i>[Signature] (PRESIDENT)</i>	

EXPLANATION OF BASE PAYROLL PERIOD

Part II, (A) (19)

- * The Board of Education generally recruits at two times during a year: at the beginning of the school year and just after the beginning of the calendar year. The pay period of December 16, 1971 to December 31, 1971, was chosen to accurately represent a normal complement of personnel.

ECONOMIC STABILIZATION PROGRAM
PAY BOARD
WASHINGTON, D.C. 20508

OFFICE OF GENERAL COUNSEL

JUL 10 1972

Mr. Donald H. Weinberg, Chief
Pay Systems & Labor Relations
Division
499 Pennsylvania Avenue, N.W.
Washington, D.C. 20001

Dear Mr. Weinberg:

This is in response to your inquiry of June 21, 1972, requesting a finding as to whether a proposed 7.02% increase in wages and fringe benefits for District of Columbia teachers, which is to be submitted for Congressional authorization, is within the "catch-up" exception as specified in section 201.11(a) (3) of the Pay Board regulations and the standard of 7% for increases in qualified benefits.

You have stated that the last increase for teachers amounting to 13% was granted in June 1970 retroactive to September 1969. (At that time payment was made exclusively on a ten month basis from September to June). Other pertinent factors are: The District of Columbia's fiscal year expires on June 30; individual teacher contracts expire on June 30 and are automatically renewed, effective July 1; new longevity increments become effective on July 1 for all employees with greater than two years of service (for less than two years of service, adjustments occur on anniversary dates); employees may opt for payment on a ten month basis from September through June or a 12 month basis from July through June (if the 12 month basis is used the employees will get the same yearly salary as those on a ten month basis).

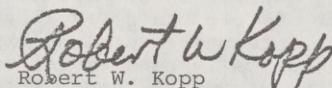
Mr. Donald H. Weinberg
Page Two

You are uncertain as to what effective date Congress would apply to the increase but it will almost certainly govern wage levels for the coming school year and will thereby apply to employees who are paid on the 12 month basis described above.

The Pay Board regulations permit catch-up increases not to exceed 7% for pay practices established prior to July 1, 1972, which succeed those expiring prior to July 1, 1972. If Congress makes the new increases effective for the coming school year, it will affect the wages paid as of July 1 and will cause the pay practice under which teachers are now being paid to expire as of June 30, 1972. Under those circumstances and since the D. C. Government has taken every possible step prior to July 1, 1972, to establish the pay practice, the conditions for catch-up will thereby have been met. Since increases over the past three years have been less than 19.5% the full 7% will be allowable. In addition, the teachers are entitled to a .7% increase in qualified fringe benefits, and since you have stated that at least .02% of the 7.02% increase is attributable to increases in qualified benefits, it would appear that under the facts in your particular case, the proposed increase will, subject to what has been previously stated, come within Pay Board guidelines.

I trust this clarifies the matters you have raised.

Sincerely,


Robert W. Kopp
Acting General Counsel

Mayor WASHINGTON. Additionally, in accordance with H.R. 15965, we will advise the Pay Board before putting into effect the second phase 5-percent adjustment.

That was written in the committee bill. It would be required because the material we submitted to this committee in July used 7-percent cost of living. There was some problem over on the House side, because of that being referred to, what they referred to as being open ended, so the figure was ascribed to it.

As in the past, salary comparability is the basis for establishing our competitive position for teachers and school officers, just as it is for classified employees, policemen and firemen and wage employees. In order for our teacher and school officer salary rates to be competitive, we believe several conditions must be satisfied.

(1) Salaries for District teachers at the entrance levels should be higher than minimum salaries paid by other school systems in the Washington metropolitan area, and the salary range as a whole for District teachers should be close to the highest paid locally.

With the 7-percent increase, starting bachelor degree teacher salaries will meet that test by rising from \$7,800 to \$8,350, as will the new maximum of \$16,720 for a teacher with a master's degree in his or her 50th year.

We endorse this concept because suburban areas provide other advantages, such as newer facilities, fewer socioeconomic problems, and savings in travel time.

Large city school systems must be able to offer a competitive salary if they are to stimulate the interest of those teachers who could significantly strengthen education in the urban setting, and we believe this particular point is satisfied by placing us as No. 1 in the metropolitan area.

(2) Salaries of District teachers and school officers should be in a favorable competitive position with those of other cities over 500,000 population, particularly those cities which are likely to recruit and proselytize from one another the small cadre of qualified urban school administrators in short supply today.

For cities over 500,000 in population, the starting bachelor level is fifth among 24, that fall in that category, so, you see, Mr. Chairman, in terms of the structure in the metropolitan area, we are No. 1, as to the Nation, we are No. 5 in cities that have over 500,000 populations.

We look forward, of course, to achieving the No. 1 position nationwide.

(3) Salaries of District school officers and administrators should be in reasonable alinement with salaries paid to classified employees of the Federal and District governments whose positions entail comparable duties and responsibilities and that has been the basis for their development.

These conditions are important because they represent the policy of comparability which establishes the direction for salary administration for our education employees.

As a further refinement, as an outgrowth of recent talks with the teachers' union, a forum will be established to discuss the entire salary

structure for teachers, with participation by representatives of the teachers' union, the board of education, and the city government.

Don Weinberg, our Chief of Pay Systems and Labor Relations, will be able to report on this development and to discuss the current competitive salary position of District teachers, the trends in private industry beginning salaries, proposed changes in retirement provisions, and other proposed amendments that are supported by the city government as well as the school system.

Mr. Chairman, we would also like to now deal with the tax proposal in the sense that we have in establishing one factor, which is in the bill, it is necessary to talk about what you do with it.

I have stated that the salary increases proposed in title I are within our ability to finance through tax increases. Title III of H.R. 15965 provides this financing by raising three taxes.

(1) The motor vehicle excise tax from 4 percent to 5 percent, to yield \$1.9 million a year.

(2) The gross receipts tax on public utilities from 4 percent to 5 percent to yield \$3 million a year.

And (3), the per-pack tax on cigarettes from 4 cents to 6 cents, to yield an estimated \$1.8 million annually.

These taxes will yield an estimated \$6.7 million annually, the estimated yearly cost of the first phase, 7 percent increase.

The estimated annual cost of the second phase, 5 percent adjustment is \$5 million, beginning in fiscal year 1974.

If the proposed tax increases are enacted this month, they will become effective this December 1.

As I have indicated to you in the past, I strongly urge that full financing be provided for any pay raise increase.

Without additional revenues, the District government cannot finance these pay raises.

With the chairman's permission I would like to place in the record some explanatory matter on these proposed taxes.

The CHAIRMAN. It is so ordered.

(The explanatory material follows:)

Increase the motor vehicle excise tax from 4 percent to 5 percent:	<i>Million</i>
Estimated fiscal year 1973 yield if passage is in October.....	\$ 1.1
Estimated fiscal year 1974 yield.....	1.9

The Motor Vehicle Excise Tax applies to the titling of all cars purchased by District residents no matter where the auto is purchased. Automobile sales are not subject to the sales and use tax. However, the rate of the Motor Vehicle Excise tax has usually been identical to the general sales and use tax rate.

At present, seven states including nearby West Virginia and Pennsylvania apply either a sales and use tax or a motor vehicle excise tax of 5% or more to the purchase of automobiles. In addition, local governments in several states, e.g., Illinois, apply additional taxes.

The excise tax rates of 2% in Virginia and 4% in Maryland will both be lower than the proposed 5% levy. However, motor vehicles and trailers sold in the District to residents of any other state are not subject to this tax.

Increase the gross receipts tax on public utilities from 4 percent to 5 percent:

Estimated fiscal year 1973 yield if passage is in October.....	<i>Million</i>
Estimated fiscal year 1974 yield.....	\$3.0
	3.6

The Gross Receipts Tax on Public Utilities was enacted in 1902 as an in lieu personal property tax and provided for a 5% rate on the gross receipts of gas companies and a 4% rate on the gross receipts of other utilities in 1939, a uniform rate of 4% applicable to all public utilities became effective.

This 4% rate has remained unchanged since 1939. The personal property tax which other companies are required to pay has been increased from \$1.75 per \$100 of assessed value in 1939 to the present \$2.40.

Maryland levies a 2% state gross receipts tax while major private gas, electric, and telephone companies in Virginia are subject to a regular tax of either 3% or 3½% of gross receipts plus a special tax of 2/10th of 1%. All local governments in Virginia are now authorized to levy an additional gross receipts tax of ½ of 1%.

In August 1972, rate hikes were granted all three District utility firms. These rate hikes will result in \$900,000 additional sales and use tax revenues in FY 1973 and \$2.5 million in additional sales and use and gross receipts tax revenues in FY 1974. Since the gross receipts tax is based on the previous year's receipts, the effect of the rate hike will not occur until FY 1974. A 5% rate applicable to the rate hike would yield approximately \$600,000 as shown in the FY yield at 5% of \$3.6 million.

Consumer taxes on public utilities now are generally higher in the Maryland and Virginia suburbs than in the District. Maryland, like the District, taxes gas and electricity under the general sales and use tax. In addition, an Energy tax has been enacted in Montgomery County based on the volume of each public utility consumed. Virginia does not tax utility service under the state or local sales and use tax. However, local governments are authorized to levy up to a 20% tax on the first \$15 utility bill. Metropolitan Area rates range from nothing in Arlington County to 14.6% in Fairfax County and 16% in Alexandria.

Thirty-one states apply their sales and use tax to at least some public utility services (most tax all).

Increase the cigarette tax rate from 4 cents per pack to 6 cents per pack :	<i>Million</i>
Estimated fiscal year 1973 yield if passage is in October.....	\$1.1
Estimated fiscal year 1974 yield.....	1.8

A 6¢ per pack would keep the District cigarette tax well below the average rate of 11¢ per pack throughout the 50 states. Only three states, North Carolina, Virginia, and Kentucky have a rate below the present District rate of 4¢ per pack while there is a 21¢ per pack rate in Connecticut, a 19¢ per pack rate in New Jersey, and a 18¢ per pack rate in Pennsylvania.

The proposed 6¢ per pack rate would be the same as the rate in Maryland but would be lower than the state and local rates combined in the surrounding Virginia jurisdictions. The combined state and local rates in the surrounding Virginia jurisdictions vary from 9½¢ per pack in Alexandria to 7½¢ per pack in Arlington and Fairfax Counties.

A cigarette tax was enacted in 1949 at the rate of 1¢ per pack. The rate was increased to 2¢ per pack in F.Y. 1954, then to 3¢ per pack in F.Y. 1966. The present 4¢ per pack rate was enacted in F.Y. 1970.

The estimated yield assumes a slight loss in volume initially. However, it is felt that a 6¢ per pack rate will have little long run effect on the volume of cigarettes sold in the District.

Mayor WASHINGTON. The past 2 weeks have been difficult ones for all involved. We have been reminded that the problems of our public schools are critical, and require all the additional resources and commitment our community can muster.

So today, I appreciate this opportunity to come before you to recommend approval of the pay increases provided for the District of Columbia teachers and school officers in H.R. 15965.

We will be pleased to answer any questions the committee may have.

These pay increases, we have been reasonably successful in the House with having these taxes, that are greatly needed, built into the bill which is No. 15965.

Mr. Chairman, there has been some question about the availability of Federal payment. I would like, at this juncture, to have Mr. Coppie explain to you what our status is with respect to Federal payments.

The CHAIRMAN. Fine.

Please proceed, Mr. Coppie.

Mr. COPPIE. Mr. Chairman, assuming the passage of the District proposed salary legislation for teachers comes about, in considering that along with the increase that has already been approved for police and firemen this year, the total requirement is \$25.5 million. That is the total net requirement for the cost associated with those salary increases.

The total revenue available is \$16.9 million, so there is a projected shortfall of \$8.6 million.

Mr. Chairman, the principal resource to fund that shortfall is the authorized but unappropriated Federal payment balance of \$8.5 million.

Our Federal payment is authorized for the current year, \$190 million. It has appropriated \$181.5 million, and that difference is now needed to fund the shortfall associated with the salary increases for policemen, firemen, and teachers.

Mayor WASHINGTON. I note that is appropriately before you, Mr. Chairman.

If there are any questions on that subject, we will be glad to answer them.

The CHAIRMAN. As I understand it, that would take care of the 7-percent increase for this year.

How do you propose to fund the additional 5 percent?

When does the 5 percent become due?

Mayor WASHINGTON. September 1973, next year.

The CHAIRMAN. How would that be funded or financed?

Mr. COPPIE. We would build that into our financial plank for the 1974 fiscal year, and we can meet that requirement.

The CHAIRMAN. Without any increase in the Federal payment?

Mr. COPPIE. At this time without any increase in the Federal payment and without any local increase in taxes.

The CHAIRMAN. You think the Federal payment, if fully appropriated, plus the increases derived from the taxes, would be enough to cover that?

Mr. COPPIE. The existing taxes and the taxes of this legislation before you.

Mayor WASHINGTON. Mr. Chairman, during the past 2 weeks, we have had difficult times. As you know, the union, the Board of Education, and my office have tried to work cooperatively to bring this matter to a resolution. That is what has been done. I certainly wish you to know there has been a lot of hard work, and a lot of hard effort on the part of all of the parties in order to do this, and I commend them for it.

We have also been reminded that the problems of our public schools are critical and require all of the additional resources and commitments that our community can muster. So, today, I appreciate this opportunity to come before you, to recommend approval of the pay in-

creases provided for the District of Columbia teachers and school officers in H.R. 15965.

I would also like to say publicly, Mr. Chairman, a number of extraneous issues have been injected into the considerations here—particularly the issue of control of Lorton.

I realize that is a suggestion at this point, because in the House, it is not a germane matter that can be added to the legislation. But this committee has always been responsive to our needs, and it would be my hope we would not let or permit extraneous matters such as the removal of Lorton from local control to Federal control, to further dim the problem of getting this very much needed legislation through the House.

In other words, we have applied for a clean bill. It would seem to me that this is also in the framework of the responsiveness of this committee because we have got enough problems. I think getting this legislation, if it is a clean bill, through without having another controversial, complex, and difficult problem placed upon it.

The CHAIRMAN. Could you explain to us what led to your suggestion of the increases in these particular tax increases: The motor vehicle tax, the cigarette tax, the grocery receipts tax, and the tax on public utilities, as opposed to other alternative sources of potential revenue?

Mayor WASHINGTON. I will ask Mr. Back to do it. But I will just say this, Mr. Chairman, as you know, we have in the past 2 years practically exhausted our taxing capacity.

We have increased real estate taxes to a point of 12 cents this year, in order to turn for instance to that tax which would not be available to us for another year, even to get to a higher amount that has been suggested.

It would look to another raise of 25 to 30 cents, so we are faced with that.

We have increased the tax on general sales across the board. We have also taxed this year a series of what I call regressive taxes in order to meet both of these pay increases.

We have had within the year to increase the personal property tax. It is now in a noncompetitive position because it is very high.

Now, on the subject of why we use these particular taxes, I would like to ask our finance officer, Mr. Back, to explore that.

Mr. BACK. Mr. Chairman, recognizing the only good taxes are the ones the other fellow pays there, nevertheless, is some rationale for this proposal at this particular time.

I will run through them one by one.

The gross receipts tax on public utilities was last changed in 1959. At that time it was established in lieu of personal property tax.

Since that time, the personal property tax rate was increased by approximately 38 percent. This proposed increase would be a 25-percent increase, but if it will be in lieu of a personal property tax, then we think there is a rationale for keeping it up.

With regard to the cigarette tax, we have long had the lowest cigarette tax rate jurisdiction in this area.

The average rate for the Nation is now 11 cents per pack.

We have had taxes of 6 cents a pack for a number of years.

The Virginia and local rate is either 7 or 9 cents per pack. So we think, insofar as our comparable position, certainly we have been low on taxation of cigarettes.

There are three States, I think, that are lower: North Carolina, Virginia, and Kentucky. We are the fourth lowest in the Nation for taxation of cigarettes.

With regard to motor vehicle excise tax, traditionally the motor vehicle excise tax has been kept in line with the general sales tax rate. It is really in lieu of the sales tax.

Many States have a direct sales tax.

There has been every effort down through the years to keep the rate the same. We recently increased our general sales tax rate, as you recall, to 5 percent to finance the police and firemen's raise. So these are the three proposals being put forth. We think there is a rationale for all three of them at this particular time.

MAYOR WASHINGTON. Mr. Chairman, could I interject by saying that these, from our standpoint, represent just about all we can find.

If anyone can see some alternatives, I would like to know after explaining to you how far we have gone with taxes this year across the board.

We have taxed just about everything that is moving, and some that were not moving. I would like to further indicate with this type fiscal situation, particularly on revenue, an additional Federal payment is always welcome, of course, even when it may not be what we want.

In relation to Mr. CSoppie's statement: We are just in a tight fiscal situation. There are many people who look at one side, but the side of revenue is so serious and so critical, that we feel compelled to mention that to you, in this framework.

THE CHAIRMAN. Just for my edification, on the general sales tax: What is the rate that applies to food, and what applies to drugs?

MR. COPPIE. Food is a 2-percent rate.

MAYOR WASHINGTON. Food is 2 percent. That is the only tax I did not consider raising. I think that goes to the heart of poor people. I have acted in that way, although there has been some serious pressure for us to raise it, because many of the States have done it.

I believe in this situation we would be going right to the heart of our poorest citizens.

THE CHAIRMAN. And drugs?

MR. COPPIE. Nonprescription drugs—2 percent rate.

THE CHAIRMAN. And prescription drugs?

MR. COPPIE. We have no tax on prescription drugs.

THE CHAIRMAN. Are there any other exemptions?

MR. COPPIE. Mr. Chairman, there are many exemptions. I cannot recall all of them at the moment.

THE CHAIRMAN. I mean significant ones other than nonprescription drugs.

MR. COPPIE. In the service areas, there are large categories of services that are not taxable under our sales tax, professional services, these sorts of things, but this is the one large area outside of our tax base at this particular time.

It is outside of most State sales taxes.

The CHAIRMAN. Mr. Mayor, this morning's paper indicates the School Board next year intends to ask for \$165 million for the school system, which is, I take it, 12 percent more than this year.

Do you have any forward-looking observation on that request—how it fits into the future budgetary situation of the city?

MAYOR WASHINGTON. I do not at this time, Mr. Chairman. Basically, because I do not know what is in it.

I have heard of \$165 million level, and I think in the normal budget process, I would have to have some idea of what is in it. What the nuts and bolts are.

I have pointed out that my remarks are, frankly at this point, that we are just at the end of negotiations, and I am prepared to look carefully at everything. I am prepared to look sympathetically at the needs of the School Board, because I think education is important, but I do not believe I can react to a level without knowing what is in it.

The CHAIRMAN. I take it then the summary of your testimony, along with your associates' at the witness table, is that you have really scraped the bottom of the barrel to come up with these three recommended tax increases: motor vehicles, cigarettes, and public utilities. That coupled in with hopeful appropriations of the Federal payment, just barely gives you enough to cover the 7-percent increase, and the 5-percent increase next year?

The MAYOR. We are about \$1 million on the short fall. We just have to make up through assessing it throughout the department.

The CHAIRMAN. Senator Mathias, do you have any questions?

Senator MATHIAS. Thank you, Mr. Chairman.

It is always a pleasure to have the Mayor with us—even on this very serious occasion. I do consider this to be a serious occasion. Any time there is a strike against the public we are dealing with, I think, a very explosive kind of problem.

I think the Mayor has dealt with it in a very objective way, and what he said here is important. The interruption in the city's public education program should not obscure the real concern for the quality of the education that is being provided for the children. The children have to be the overriding consideration. It ought to be understood that this committee does view any strike against the public as a very serious problem for all of us to deal with. I certainly feel that way.

I would like to go back to chart No. 2,¹ and just review some of the figures. As the Mayor knows, I have tried to deal with many of the city's problems on an areawide basis.

Mr. WEINBERG. Yes, sir.

Senator MATHIAS. Let's just review some of the areas, starting with Alexandria, and see where this new salary scale will put us, as against proposed salaries.

The new salary here will be approximately \$500 over Alexandria?

Mr. WEINBERG. It would be about \$350 over the next jurisdiction—Arlington. As we said before, I think that salary is not the solution entirely, but I do not think we want to proceed without some kind of salary advantage.

¹ See p. 97.

The fact is that the large majority of our teachers have between 1 and 5 years of service.

Without a salary advantage we would certainly lose, in a tight market, good young teachers that are coming into our system.

As the Mayor pointed out, we do have a good salary policy. That policy says we should be first with regard to local jurisdictions.

That is what we are trying to do. We are not trying to put our other school jurisdictions at a disadvantage by paying way over, but we do feel we must have some salary advantage to compete effectively.

Senator MATHIAS. The present proposal would give you a salary advantage over the next highest—Montgomery County.

Mr. WEINBERG. And Prince Georges settled at a 3-percent adjustment which, I think, was voted by the membership last Thursday, so this would be just short of \$500 over Montgomery County.

Senator MATHIAS. Will you go to the next chart, No. 3,² Mr. Weinberg?

Mr. WEINBERG. What we try to show by this chart, sir, is that in the 1972 school year, our salary policy with regard to these large cities states that we feel that we want to be at or near the highest. That is: in the upward quartile of the cities. The reason for that is the cities on the east coast that compete—Pittsburgh, Detroit, other cities—are, in a sense, recruiting in the same pool that we are.

In the 1971-72 school year, the \$7,800 kept us fairly competitive. We were able to abide by our policy.

However, what we tried to do is to update this to show what is happening now—what is happening in this school year. You can see that there are several cities, by the asterisk here, are now considering changes. The position of the city has now started to drop.

The \$7,800 is placing us in ninth place for the starting salary, 14th place for the maximum, and 17th place for the minimum and maximum.

This is without knowing what will happen in the other jurisdictions.

The \$8,350 will restore this city to the position it feels it must be in this type of salary posture.

Senator MATHIAS. The nearest city of comparable characteristics, of course, is Baltimore. We're now, under the proposed scale, starting with an \$850 lead over Baltimore.

Mr. WEINBERG. Except the Baltimore figure is for 1971-72, as we indicate by the asterisk, this is a city which has not yet reported revised salaries.

This does not mean they are not going to have a change.

Some of them provided annual changes in salaries for the teachers. Some have escalator provisions in their contracts which allow for cost-of-living adjustments.

I think Pittsburgh has that. What we tried to do is have this made as effectively as possible, and it is to try to bring this up to date, so we could bring to you what is happening.

Certainly, there is a tight market now for teachers.

This is certainly the type of market where you can go out and recruit. But we still have a shortage of types of teachers in special edu-

² See p. 98.

cation and industrial arts. These are extremely important for a well-rounded quality education system.

Senator MATHIAS. You are saying that to be competitive you have to pay more.

Mr. WEINBERG. We are saying this.

Senator MATHIAS. You have to bid higher in order to be competitive.

Mr. WEINBERG. Correct.

Senator MATHIAS. So that draws our attention to the other problems, the school system, other than money; does it not?

Mr. WEINBERG. As I said before, salary will not solve everything, but without a salary advantage, we would be in a difficult position.

Senator MATHIAS. What we are saying is that there are problems in the District school system besides the money factor, because you have to pay more money to compete, which means you have overriding problems that you have to compensate for with dollars.

Mr. WEINBERG. That is correct. There are other advantages, but that is the compelling reason we are asking for a salary range that is first, because if we pay the same, I think we are not in a competitive posture.

Mayor WASHINGTON. I think the point the Senator is making is that there are other overriding factors, and that is precisely the case. There are a whole host of factors that came to the forefront, even in the negotiations, and beyond that, they do bear on the problem. This is why we were trying very hard to get ourselves, in the pay area, in a competitive position among the local jurisdictions. Certainly the situation in Baltimore does bear on this.

I would certainly indicate that, whether or not it is \$7,500 in Baltimore and \$8,350 here, Senator, I would hasten to say that we believe we need an advantage based on our analysis of the needs of the school system in recruitment.

Senator MATHIAS. I am also thinking of other areas in the National Capital region.

I think the Mayor, with his usual perception, sees what is worrying me. As I said before, I view any strike against public service as a very serious act.

By the same token, I view the responsibility of government to provide conditions of employment which make strikes less necessary, as an equally serious act.

I think we have to find out what it is that makes the conditions of employment here so difficult that we have to pay more than anybody within a wide radius in this latitude. Mr. Chairman, I think that ought to be one of the assignments of this committee. It seems to me that we are dealing here with something that is very fundamental. We are not going to patch it over with a pay increase. I think we better get on to the fundamentals.

One further question about cigarette taxes: When do we reach the marginal area?

When do we start decreasing our revenues? I can ask that with total objectivity because I do not smoke.

Mr. COPPIE. I cannot answer that question, Senator, but in view of the rates in our jurisdictions, I would suspect we are quite a ways away from it.

Let me read a couple for you—if I might?

The 21-cents-per-pack rate exists in Connecticut, versus our 4 cents—proposed 6 cents—19-cents-per-pack rate in New Jersey, and 18-cents-per-pack rate in Pennsylvania.

I do not have any statistics that indicate that these areas are lower in consumption than in other States. So, I do not know the answer to the question.

Senator MATHIAS. At any rate, you do not think this is approaching the margin?

Mr. COPPIE. In my judgment, it does not.

Mayor WASHINGTON. It may be all the traffic can bear at the moment. That may be another way of getting to it.

Senator MATHIAS. What happens to the revenue-sharing money? Is that spent?

Mayor WASHINGTON. I think that is pretty well spent. Some of it is going to the schools also, but we are writing our own commitment now. It is uncertain—based on what the conference committee may do.

Mr. Coppie may speak to the detail of that—he works closely to that subject.

Mr. COPPIE. Senator Mathias, we stand to benefit \$24 million from the general Federal revenue funds.

There are limitations placed on the so-called Social Security Amendments of 1967, which will substantially impact the District of Columbia, resulting in curtailment, and this would be, of course, to the funding of current programs.

The net effect of revenue sharing for the city is still to be determined, but we anticipate the amount we need will be higher than what we are getting.

Senator MATHIAS. Are you telling us that revenue sharing will result in a net loss for the District of Columbia?

Mr. COPPIE. That is what we are saying, Senator Mathias.

Senator MATHIAS. As soon as those figures are firm, will you send them to the committee?

Mr. COPPIE. That will be done.

Mayor WASHINGTON. I would like to point out that we have a limitation on the use of that money, in relation to the reciprocal and commuter tax. I did not want to get into that.

Senator MATHIAS. It just happens to be there—does it not?

Mayor WASHINGTON. This is another tax loss, Senator.

The CHAIRMAN. Do you have a rough estimate to give us as to the shortfall of revenue sharing and social services? How much less you will end up with?

Mr. COPPIE. Under title IV-A and IV-B of the program, we have projected a total Federal match this year of about \$60 million.

Under the limitation that has been placed in the bill, which goes into effect July 1, 1972, we only qualify for \$9 million, so that is a shortfall which is very substantial.

The CHAIRMAN. That is \$51 million, and revenue sharing brings in what?

Mayor WASHINGTON. On an annual basis, it brings in \$24 million. It is retroactive to 1972, and then it will bring in approximately \$36 million in the current year.

The CHAIRMAN. So you are \$15 million short?

Mayor WASHINGTON. That would be essentially correct, Mr. Chairman.

The CHAIRMAN. Where are you going to find that money?

Mayor WASHINGTON. Mr. Chairman, if I could sit here with a crystal ball and tell you, I would like to, I just cannot tell you.

Everybody has got their minds made up that revenue sharing is the answer. What we have had to do with a shortfall, and it is a fact that we find ourselves with this kind of net loss or shortfall, at this moment, I just cannot tell you where we are going to put together that \$15 million.

That is also the reason that I cannot be around giving high hope about where the budget levels are—looking in the face of: (1) the shortfall in revenue sharing; and, (2) \$15 million short on mandates, before we even raise our pencils.

I am sympathetic to these problems, but I have just got to be responsible enough to take the flack from anybody who is trying to stand up and work on money that we do not have at this juncture.

I have got to find the money, and I think we have got to start living in a real world about these things.

Senator MATHIAS. I just have to say amen to the Mayor's statement. I think that we are approaching a very, very serious situation, and the committee ought to have the benefit of a realistic picture of the effect of the recent legislation, including revenue sharing, to see if we can project with you in the coming year, so that we do not get up to a crunch in the new Congress.

Mayor WASHINGTON. Senator, I am convinced in my own mind, at least it is my opinion, that at some point we are all going to have to face up to this very difficult problem, with revenue versus increased costs.

I took the effort to try to cut out as much as I could find, and if there is anything more there, somebody point it out to me. I will do something.

I just regret the fact that these are factors that have to come up in relation to the police, firemen and teachers.

That is our whole plan and it is unfortunate in that sense, because it makes a tax, for instance, look like it is related to the police and fire and teachers' pay raise. These taxes, I know, are regressive. They look as though they are related to the teachers' problems, but they are not.

It is just that I have to find something under our current system to finance with.

I do not like that system. I am hoping in the year to come we will be able to avoid that. So that when we are talking about gross receipts tax on utilities that I do not have to relate that to the teachers' problem. I do not like that system, but we have not successfully been able to conform to another system in the crunch that we have had. I am under congressional mandate, for instance, to bring to the Congress a bill with money and funding. In that position, we are all caught until we can find a system, hopefully, through the Nelsen Commission amendments. With everybody working together we can find a system where this will no longer occur. I say that in the interest of the teach-

ers, the police and firemen, and others. For instance, the Pay Board is a problem we have had with police, firemen, and teachers.

Under our system, the Pay Board ruled that they are also involved. We had to get a clearance, so I had to go there. I am talking now of constraints of the Pay Board which affect me. I fully entered into an accommodation, because I am not going to do the things which could send me to jail.

The CHAIRMAN. Mr. Coppie, what is the Federal payment now?

Mr. COPPIE. \$190 million in the general fund.

The CHAIRMAN. What percentage of the District's budget does that comprise?

Mr. COPPIE. I believe it would be about 35 percent, Mr. Chairman, of the general budget.

The CHAIRMAN. Thank you very much.

Senator MATHIAS. Over the years, we have had numerous discussions. Various studies have been made of the comparable tax burdens of the whole National Capital area.

I, personally, think it would be helpful if we would update those studies looking to the first of the year, and looking to the new Congress. We should keep them up to date.

I would like to get together with you, sometime before the first of the year, and take a look at those studies. We will then discuss them further with the chairman. I think some special sessions with the Mayor and the Board of Education, on these nonfinancial problems of the school system would be helpful. We will then see what this committee can do to alleviate them. This is an underlying problem that we will have to wrestle with, and we are not going to resolve it at this session alone.

The CHAIRMAN. Mr. Back, could we have such updated comparative charts that you have presented today for the record?

Mr. BACK. Yes, sir.³

Mayor WASHINGTON. My staff will be available, Mr. Chairman. They will be available on call to give any technical assistance that you may wish.

The CHAIRMAN. The time frame is solely conditional on what the House does.

Mayor WASHINGTON. I understand.

The CHAIRMAN. Thank you, Mayor.

Mayor WASHINGTON. Thank you very much, Mr. Chairman.

The CHAIRMAN. Our next witness is Mr. Marion Barry, Jr., president of the District of Columbia Board of Education. He is accompanied by Mr. Charles I. Cassell, member of the District of Columbia Board of Education.

³ See p. 185.

STATEMENT OF MARION BARRY, JR., PRESIDENT, DISTRICT OF COLUMBIA BOARD OF EDUCATION, ACCOMPANIED BY: CHARLES I. CASSELL, MEMBER, DISTRICT OF COLUMBIA BOARD OF EDUCATION; DR. HUGH SCOTT, SUPERINTENDENT OF PUBLIC SCHOOLS; LESTER JONES, ASSOCIATE SUPERINTENDENT FOR EMPLOYER AND EMPLOYEE RELATIONS; AND DWIGHT CROPP, SPECIAL ASSISTANT TO THE SUPERINTENDENT OF PUBLIC SCHOOLS

Mr. BARRY. We thank you very much for this opportunity to testify, and we also have other witnesses present with us.

We have Dr. Hugh Scott, Superintendent of Public Schools; Mr. Lester Jones, Associate Superintendent for Employer and Employee Relations, who handles a lot of our salary problems; and Mr. Dwight Cropp, special assistant to the Superintendent of Public Schools.

The CHAIRMAN. Thank you, Mr. Barry.

Mr. BARRY. Thank you.

Mr. Chairman and members of the Senate District Committee, I am Marion Barry, Jr., president of the District of Columbia Board of Education.

It gives me great pleasure to testify before you on an increase in salary for our teachers and administrators. I would like to apologize for not having written testimony before this morning.

As you know, I was a part of the negotiating team and I have been up almost night and day since last Wednesday trying to help to solve our educational crisis. I do not have a speech writer, therefore, I have had to write my testimony myself.

When I was elected to the Board of Education, November 19, 1971, and sworn in on January 24, 1972, it was evident that our school system had severe problems.

For some time, it has been clear to almost every resident of the District of Columbia that our schools have not been doing an acceptable job.

We should not have just discovered this. These conditions have existed for many years. These years of neglect, racism, don't careism, and other factors have led us to the point where in this school system, we have very serious learning problems.

These problems were created in part by ineffective instruction, ineffective and inadequate resources, ineffective management and management support systems, inaccurate or nonexistent information, and a system of allocating resources which is complex and misleading.

When the new Board of Education took over on January 24, 1972, it was apparent that this situation existed and had existed for a long time.

It was also apparent and to the credit of the Superintendent and previous Board members, that they had identified some of these problems and set in motion a project that resulted in a study dealing with many, but not all, of the structural and management deficiencies.

Setting aside for the moment the most serious problem, the lack of an acceptable level of student learning, I would like at this time to

clarify some of the other basic problems as we see them, and what we are doing to solve them.

Mr. Chairman, in order to determine what our educational needs are, we have to first deal with the population which we are serving.

For sometime, the District of Columbia school system has moved to an increasing percentage of black students. If one examines the history of black Americans, you will quickly discover the kinds of additional problems and needs of black students as compared to the needs of white students.

We know, for instance, that the economic, housing, health, and nutritional conditions are much worse among black than among average white Americans.

We know, for instance, that, according to the U.S. Department of Labor, the income of the average white family in Washington is \$14,000, while the average income for a typical black family is \$9,000.

Thus, a large urban school system such as the District of Columbia cannot ignore the environment in which our students live.

Therefore, this system has to provide the supportive services and other resources that are necessary to close the gap between conditions as they are and what we would like for them to be.

For instance, in the District of Columbia school system, approximately 20,000 of our students have parents who are on public assistance. Approximately 42,000 of our students, out of a total of 145,000, are enrolled in title I schools. Over 15,000 of our students reside in public housing and the District of Columbia school system is responsible for providing free lunches for over 46,000 students per day. Our surrounding counties are not faced with this situation on as large a scale as the District of Columbia.

The mere fact that a student lives in public housing in and of itself does not and should not affect learning. But the fact that he or she has five or six brothers and sisters who are crowded into a space designed for one-half that number will, in fact, affect the student's ability to learn free of disruption and other problems.

The fact that many of our students live in low-income or substandard housing does not mean learning cannot take place. However, if those same students have to be concerned about rats and roaches and poor lighting conditions, their learning is affected.

Mr. Chairman, what I have just discussed is not applicable to all of the students in the District of Columbia, but it certainly involves a substantial number of them.

This means that the District of Columbia school system has to take on these added responsibilities. This also means that the District of Columbia school system needs added resources to do the job.

We are not complaining about what exists in this city because we are proud of our city and we are not trying to explain away what exists, but we are trying to inform you and the Congress that District of Columbia schools cannot be judged as other systems would be. We do not want preferential treatment—we want the resources to do the job.

I would like to emphasize that the Board of Education and the Superintendent have declared that the students are the single most important group of people in the District of Columbia school system.

The Board of Education is committed to providing the local school unit with the necessary resources and support to insure that quality learning takes place. We are committed to providing quality education for all of the students of the District of Columbia.

Now as to the teacher salary increase. I would like to make it very clear that the Board of Education did not just suddenly realize that our teachers and administrators need a salary increase.

The Board of Education, on June 9 of this year, passed a 17-percent increase for teachers and administrators.

On June 13, 1972, the Superintendent and I personally met with Mayor Walter Washington to urge him to take the same position.

On August 10 and 11 of this year, the Superintendent and I appeared before Congressman Cabell's Subcommittee on Fiscal Affairs to urge a 17-percent increase.

Mr. Chairman, our teachers and administrators are not asking for pie-in-the-sky kind of a raise, but as you know, they have not had an increase of any kind since September 1969. The cost of living during that period has increased, according to the Department of Labor, some 11 or 12 percent. Everyone in the country, including the Congress, has had an increase in salary. Just recently, our firemen and policemen have received an increase of 17 percent. Our City Council members are about to receive an increase of 50 percent. I would like to point out at this time that members of the School Board receive only \$1,200 per year. However, we are not asking for an increase.

Mr. Chairman, there is no need to argue the justification for a 17-percent increase, or even to try to convince you of that need. For anybody to question that at this time is not thinking of quality education, but of something else.

The question arises as to where the money to finance such an increase should come from.

I maintain that it is not my responsibility to suggest that. However, with all the talent and intelligence of this illustrious body, I am sure the answer can be secured.

There are some arguments that I have heard recently that bother me. That is that Senators and Congressmen cannot vote for a salary increase for District of Columbia teachers that is above that of their constituent teachers.

I reject that argument entirely. We should do this because it costs more to live, rather than because it is politically expedient.

Finally, Mr. Chairman, the citizens of Washington, D.C. are dependent on you. The Board of Education is dependent on you. I am dependent on you, but most importantly, the children of the city and their future are dependent on you.

There has been some talk that the federalization of Lorton should be tied to the Teachers' Salary Act.

I would urgently request that that not be done because the Lorton problem is one that we are all concerned about, but there is no need to tie the two together for some politicians to take pot shots at.

Mr. Chairman, I would like to thank you and the committee for listening, and, in addition, I would like to thank the committee for passing a home rule bill that has not yet passed the House, because

if we had self-determination, there would be no need to appear before you this morning.

Let me add one statement. Let me add one final thing.

The last 2 weeks, Mr. Chairman, they have been a trying and difficult period.

I think all of us have grown as a result of it. I think we have learned a great deal about what happens in this city, and I think that even though it has caused a great deal of problems to our students, and to the Board of Education, it certainly was proper that we did urge students to go to school every day, and that we did urge the faculty to go to school every day, and we believe it has not all been in vain, at least in my view.

I think we are all better for it, we all now understand more of who we are, and where we are.

Thank you.

The CHAIRMAN. Thank you, Mr. Barry.

Are the teachers who are out on strike going to be paid for any of the days they were absent from the classroom?

Mr. BARRY. No; Mr. Chairman.

All those teachers who were not present during the school day and did not have valid excuses, there are some people who were ill and other kinds of things before the strike began, so naturally you cannot deal with that, but those who were out for that period will not be paid.

In fact, on Friday, the 15th, we started taking roll of our teachers, on Monday we took roll, we took roll every day, so we know those teachers who have the valid excuses, and we know those who do not.

The CHAIRMAN. Do we have a rough estimate as to what percentage were absent, plus what dollar figures we are talking of in terms of the payroll?

Dr. SCOTT. Mr. Chairman, it started out Tuesday, in the neighborhood of about 50 percent, it went back to 16 percent, and it got progressively worse to 70 percent, and it began to match the student absenteeism of 70-70.

Just recently it got back to 40. Yesterday it was about 9 percent, and we hope today will be back to normal, so that we will have 98 percent in attendance.

The determination as to the exact figure with regard to what can be secured in terms of the strike, in terms of nonpayment for the teachers that stayed out, is made somewhat difficult by a ruling of the judge that if an individual employee felt intimidated or endangered as to his health and safety, he or she could not be forced to work in the school system, so, therefore, we are talking about the burden of proof and of placing it on the individual employee, and proceeding to dock those individuals who have unexcused absences, and the other thing is the concerned people that might have stated they were sick, to come in with an appropriate medical excuse for that, but we estimate somewhere in the neighborhood of 2,000 people to 3,000 at the peak period, that is, 50 to 60 percent will be with unexcused absences, and we figure between \$1 million and \$1.5 million can be retrieved.

The problem is the school system, Mr. Chairman, the point needs to be illustrated, that one of the difficulties in managing an enterprise

that has 12,000 employees full-time and \$180 million budget overall is at the margin of error, it has to be nil, which means, in effect, unless you have a totally effective mechanism for management in all areas, and since we tied into the District government as well as our own enterprise, a 1-percent error can amount to \$1.5 million.

Last year our projected deficit of \$1.3 million represented less than 2 percent, but it was a deficit, and we have corrected that deficit.

My concern is the people not get the notion that the money obtained through teachers not reporting to work can be put into any major savings or purchase any new items.

It is a matter of compensating a structure that is so large, and with the collection and balances being rather inadequate to some degree, but even reduced, and I would also like to point out that we have lost one-third of all central office employees, and 180-some supervisory and clerical personnel in the last budget, so, therefore, it is even more difficult.

For instance, Price, Waterhouse has recommended an increase overall in our business office, yet at the same time, I have a depressed budget for 1974, which will eliminate, not increase, but cut down the present cadre of personnel, so I do not think that people should look to that \$1 or \$2 million as some sort of figure to promote anything new.

Mr. BARRY. In that connection, I would like to point out when we adopted the fiscal 1973 budget in its final form on July 19, after about 60 hearings, we are the only Department in the District that has extensive budget hearings, between June 1 and July 19, there were some 20 hearings for the public.

We did make some major changes.

When we did that, we were still \$1.1 million short projected-wise, because we refused to cut any deeper, and we wanted to try and find some way to make some adjustment to come out in the black, and I think Dr. Scott is right, we are the only part of the government that has cut the administration by one-third, which I think is a tremendous cut in a 6-month period, and I hope other agencies will do the same thing.

Mr. CASSELL. Before we go into the details, I would like to add some remarks about the reason for this hearing regarding the teachers' pay raise.

The CHAIRMAN. Go ahead.

Mr. CASSELL. I notice in the documents submitted to you by the city government, chart No. 3,² in which they listed several of the major cities throughout the country, that those cities most like Washington, D.C., where the urban population, the congestion of minority people into ghetto areas, and then the relative economic disadvantages that they suffer, that those cities such as Chicago, Detroit, Milwaukee, Philadelphia, Pittsburgh, all are at present above the starting salary level of Washington, D.C.

I think that is an interesting and a very valid comparison. I would point out also that in each of these cities—Philadelphia has just passed a resolution, I suppose it is a monetary resolution of their salary problems—the starting salaries are very significant in com-

² See p. 98.

parison to Washington, D.C., and each of these cities have to go through the same processes that we are going through, to try to address that issue.

I would like to point out also in chart No. 4,³ which is an estimated average annual starting salary, paid to graduates in other professional disciplines with the graduate degree, the teachers are the very lowest, but one of the things that this does not show is the apparent slow rate of raise in the salaries of teachers as compared to all of these other professions listed.

For instance, the first one, engineering, they start out with a bachelor's degree, according to this chart, with \$10,608.

What this does not show is that the average person finishing an engineering school with a bachelor's degree rises in income some 100 percent.

Sometimes this is accomplished in 2 or 3 years. There are very few engineering students who move into responsible positions with large firms, such as our school system is, who do not end up making \$20,000 in a very short time, and that would apply I think certainly to physics, mathematics, economics, very definitely to sales, marketing, the business administration area, perhaps even the liberal arts area.

I find since the question of salary has been raised in Washington, D.C., by the teachers, that even the people in the news media have a much faster rise.

For instance, the newspapers start the reporters in training at a much higher salary than do the teachers. somewhere around \$8,500, and in 1 year, let us say in 3 years, their salary increase has doubled 100 percent.

In the radio and television station field, their beginning salaries are somewhere around \$13,000 to \$16,000, and in one of the particular stations, that rises to some \$26,000 in just 7 years, so that the chart that has been furnished to you by the District of Columbia government, which at this time does not support the 16 percent, or the 17 percent, further substantiates the logic behind the request for the teachers for 17 percent.

I would like to point out also in our District of Columbia schools, 10 percent of the teachers in the elementary schools are males, heads of households.

Thirty percent of those in the junior high schools are males, heads of households, and some 40 percent in senior high schools are heads of households.

For these individuals to be starting out now at \$7,800, or the \$8,300, which would be the result of the 7 percent, leaves them in a very disadvantageous position as far as retaining some kind of status in their professional communities, to say nothing within their families themselves.

That is a specific problem. We certainly have to face the fact, our professionals have to deal with our children 6 hours per day, for 9 months, and they are very mindful of the fact that they are on a very low pay scale, and it is difficult for them to maintain the positive attitudes that will motivate their children, and it is difficult for them to

³ See p. 100.

hold out teaching as something our children should aspire to, and I would like to say, although we understand the Commissioner of Washington, D.C., who has testified as to the needs to be responsible for identifying the funds for these increases, that he has got a problem, the problem really is simply that we do not have available to us the resources taxwise to provide on the basis of need as the President of the Board has indicated, the kinds of salaries that would allow the teaching profession to have the needed remuneration.

I do not think it is a valid comparison to compare the status of our teachers, even though we are still relatively low on the totem pole with the surrounding areas, or even with other cities in the country.

The fact of the matter is that all the teachers are woefully underpaid, and it probably has something to do with the fact that teachers generally tend to consider themselves professionals who do not use the normal kind of pressures to represent their economic interests that other individuals do.

I think what we have had in Washington, D.C., as regretful as it may be in the eyes of some people is teachers who simply are not likely through their organizations to withhold their labor as the standard and legitimate industry, being driven to the point where they feel, that all the problems we have to deal with those 10 points, have had to do with money, have found, that this was their only recourse, and I would remind you, Washington is not the only place, the withholding of labor from the school system, even though that may not be acceptable as far as the law is concerned.

In Washington, D.C., we have to admit we have to live in a colonial serfdom, in which we do not have the opportunity for the Mayor with his fine staff of experts, who identify real sources of income to utilize their services.

The Government does sit on 55 percent of our land, and we have been talking for a long time about remedial forms of government, but none of those seem to be very, very close to us, and, therefore, we have to appeal to you to help us.

Now, to adjust the fact that teachers generally have a low morale, not only because of the working conditions, but because of their comparatively low standing in their profession, and we need some assistance from you.

We know there are means of dealing with this, and since we do not have normal authorities to raise funds in our city, as they do in every other city in this country, we need some extra special consideration.

Now, there comes in the form of a Federal payment or not, or whether it comes in the revision of the revenue sharing, it seems that we are very, very special, and not just because we have some 760,000 people crowded into a relatively small area, but because it is difficult for the Mayor to do anything other than what he has done.

We would like to see him make the same kind of recommendation that we are making to you, and that is recognizing that we cannot be held accountable to identify and to pinpoint resources that we have no control over, that for this year at least, and this committee recommends to the Senate that it increases the Federal payment, that it revises the revenue sharing bill so that we can bring our teachers to the same status as the police and firemen.

Our teachers are very mindful of the fact that in Washington, D.C., they are a very important service group, and they are serving no opposition to having gotten the benefits they have, and that in itself is an indication of the relative importance of those two professions. It seems to me the Board of Education has agreed, and that it will be lobbying vigorously with the Mayor's office, the House of Representatives, and the Senate, and that is what we are doing here, not to be told you cannot find within your limited resources, and our nontaxing ability the money to pay for it, but to ask you to help us with whatever other means to raise our teachers to that same status within our community as the other professions have obtained, and we want our teachers to get that 17 percent, because the cost of living continues to go up, these teachers do have homes they would like to maintain.

I would like to point out the coverage teachers are concerned with upward mobility, with homeownership, with providing the same kinds of benefits for their children, as far as education and some entrance into a society of reasonably secure people, and that they do have exactly the same problems that other people have, and most of them really have to do with what many of you do not have to do, their wives have to work, their children have to work, many teachers find themselves driving taxicabs at night, to maintain a standard of living, which we normally assume is reasonable for a professional person, and many of them find themselves in great hardship, once they move into an area which is considered to be decent, and once they begin to provide some of the basic things for their children, and they find themselves terribly strained, and terribly taxed, and that has an effect on their attitudes, and their own motivation, and perhaps their effectiveness as teachers.

These are the many reasons we insist and we beg that this committee seriously consider some means of providing this year the 17 percent for the teachers of Washington, D.C.

Mr. BARRY. Let me add one other point to what Mr. Cassell said.

We are trying to encourage people who work for the District of Columbia government to live here.

Some 60 percent of our teachers do live in Washington, and just this morning before I came here, at my own personal direction of trying to find a house to purchase, I discovered that the homes in this city cost more to purchase than in Montgomery County, or in Virginia, because of the small amount of land, and very few houses are available, and I find that houses in Washington cost \$35,000 and \$40,000, and I could purchase the same quality for some \$20,000 or \$25,000 in Montgomery County or in Virginia, and this is another factor, when you are trying to live here, you want to buy a home, the availability of homes for middle-income people are not as great, so again you have to have people making enough.

To do that, I think the city will be more viable, if we keep it viable in terms of middle income and upper income people's standards, because as we know, more middle income, black and white, are leaving Washington, and they are taking their children with them. I believe in public education, and I believe in it very strongly, and that is another factor that is different than in some other large urban cities, in living, and in income.

I have visited a number of cities, and there is more available housing in these other cities. Those are the kinds of factors that I think make Washington, D.C. unique. We want to stay here, we want them to be comfortable here, and unlike other cities, we do have a better relationship with people living in the city and in the suburbs, and it is not quite as distinct here in Washington, D.C., as it is in other places, and there is another factor that is important when you talk of Washington, D.C., and I think that very clearly demonstrates that we can do something about our schools, because very few of the Congressmen and Senators have their children in school here, and I am trying to encourage them to keep them in their schools here, but we have got to have quality teachers and quality education to do that, and another factor that is important, we have a nondiscriminatory hiring practice in Washington.

We do not discriminate against whites and blacks, but the majority of our teachers are black, and there is more opportunity for blacks now.

You do not have to go into teaching, you can go into other fields, and make more money, so it is again hard to attract good strong people.

We do not want to get people to come into teaching just because they have nothing to do, or because they are not too bright, and they want to go somewhere else.

We want to attract the very best in our profession, and that is another factor too.

The CHAIRMAN. Thank you, Mr. Barry.

Do we have any comparable figures on the teacher-pupil ratio in the District of Columbia schools as compared with other systems?

Dr. SCOTT. Mr. Back has those facts.

I would like to comment on that while Mr. Back is digging out the facts.

I think it is a very difficult thing. I have been quoted as stating, I am somewhat convinced that the problems and complexity of the problems of the District of Columbia are much greater in terms of population, in terms of numbers than they are in Montgomery County.

We serve more students, we have to provide more free lunches, we have a higher vandalism rate, and the pupil-teacher ratio really should be geared to individual needs, and it was clearly stated by the Supreme Court in 1954, about the history of the problems with black students, when you have a 95-percent black population in your schools, you have to deal with a scope of problems unprecedented in any other large school system, so, therefore, our pupil-teacher ratio does compare with other places, and I can give you these figures.

In Washington, D.C., in 1970-71, 25 in the District, 28 in Atlanta, Baltimore 33, Boston 34, Cleveland 31, Milwaukee 30, New Orleans 29, and San Antonio, Tex. 26.

Our present pupil-teacher ratio in elementary school runs somewhere around 28 to 1, close to 29 to 1, and secondary it varies, so much it is difficult to get a projection.

Now, suburban school systems at that time, for the school year of 1970-71, we had a 25 to 1.

Alexandria, 25 to 1, Arlington 24 to 1, Fairfax 29 to 1, Falls Church 20 to 1, Montgomery County 26 to 1, and Prince Georges 29 to 1.

In our secondary schools, we have 2,000 classes, somewhere in the neighborhood of 15 to 20 students to 1, and in a large number of classes it goes up to 35 to 50, and that is where our major problem area is, in secondary schools.

Mr. CASSELL. In reference to that question, I would like to point out that in going around to the various schools from time to time, that we find that these figures cannot be 100 percent accurate under our variations, those variations are always on the high side.

Parents come to us from time to time, and they question the figures we use, for instance, where we take a particular school, the average in that school may be 30 to 1. The parents and the parent-teachers association, they insist those figures are higher, and I would suspect that that is true in other cities.

It is difficult to maintain an accurate count day by day. There is a question of an absentee rate which may not even show that the students are in a class, so the high pupil-teacher ratio is a very serious one.

There are errors always on the low side. It is usually more than it appears to be, which is another reason why it is a very difficult problem that we have to wrestle with in our negotiations with the union, in that they rightfully are concerned with the fact, that not only is it difficult to teach with large numbers of students, but these teachers are rated on efficiency, on how they do.

The ratings just do not take that into account.

Mr. BARRY. What we do is take the total number of students in elementary, say if it is 28 to 1, and then you get the number of teachers, but because of our building patterns, I know our schools in the southeast are built in such a way that it is impossible to make many adjustments, so you have variations in classes.

It is the same way in our secondary schools, you take the total number of students in high school, and you divide that, and you take the total number of subject matter, and divide that, and you get the number of teachers that we need.

Now, we have some places, because of the very nature of those classes, one has 13 students, because that is what you can use for what they are trying to do, it is on the vocational training type of situation, so that figure does not give you a really true picture of what is actually happening in the classroom, because it is an average figure, rather than a class-by-class figure, or a subject matter by subject matter figure, or school by school.

I would like to get to the point, school-by-school, class-by-class operation.

I think we are going to see some reflected in our 1974 budget. Basically, what has been happening, is that in the past the school system basically asked for what information that they thought they had, rather than what they really needed, but we hope to improve on that.

We spent only 22 percent of our total budget on education. Atlanta spends 45 percent on education, and the surrounding counties spend 35 percent on education.

So we are still in the low percentages with regard to our budget, as to what is spent on education, and that is what concerns us a great deal.

Also, we would like you to see these kinds of things that go on, so you can see that we are not just talking about small things.

We want you to know what our problems are.

We have scientific equipment in our classrooms, which I know I would not want to use in teaching.

They do not have test tubes, they do not have adequate equipment, and this Board of Education intends to bring these things to your attention.

You can see precisely what we are talking about in our school units.

We have buildings that have not been painted for 4 or 5 years, and that is the kind of conditions we are suffering under at this particular time.

The CHAIRMAN. Senator Mathias.

Senator MATHIAS. Thank you very much, Mr. Chairman.

I think we are midway between the question the Chairman asked and the answer that is forthcoming, but since we have gotten into this, let me just say a couple of things.

First of all, Mr. Barry, I agree with you, the Lorton question has no bearing on this proposition. That is a different and unrelated problem, and I think it would be unfortunate to involve it here. I think we could get agreement on that from some of the officials of the Federal Bureau of Prisons, so I just wanted my position on that to be known at the outset.

Mr. Cassell has pointed out one of the very basic problems we have in our local society—it is the value we place on teacher services as compared to professional entertainers, professional athletes, and any other group that you might want to single out for comparison.

This is a problem that is not unique in the District of Columbia. It is in the fabric of American society, and it is really worldwide today.

It is something we can address ourselves to in a philosophical sense. There is an injustice here which is not only an injustice to teachers, but perhaps an injustice to society itself, but that is not going to help very much in getting this particular pay raise through.

Now, Mr. Barry, you have been very helpful to me in pointing out some of the conditions about which I was asking the Mayor, and which I think this committee could spend some time reviewing—the conditions which require in effect a premium salary in the District to maintain the quality of teaching and to compensate for factors other than the pecuniary factors of compensation.

You pointed out the conditions of buildings, size of classes, the cost of living, other factors which bear upon the problems of the District of Columbia teachers.

Many of the things I could comprehend very easily, but on some of the questions, the problems of larger schools, larger classes, and children from deprived homes are in one sense or another problems that would require perhaps larger numbers of teachers for solution.

To give you an example, I am aware of a Model Cities early education program where tremendous progress is being made, not only in teaching children to read early, but actually in raising their I.Q.; but to do that, it has required a large addition to the teaching staff—not only more teachers, but teachers' assistants. I do not know if you want to go into this this morning, but I would be interested in exploring at some future time not only the effect of increasing teachers' salaries,

but the effect of what a teacher's salary would cost. I am thinking of the future, and the effect also on other personnel—such as teacher's assistants, and conditional teachers—to achieve the compensation that you are talking about.

Mr. BARRY. Senator, I think that direction is the kind of direction we would like to explore with you.

For instance, educators have agreed and all of us agree that maybe we have been derelict in not putting a lot more emphasis at the kindergarten or prekindergarten level. It is really the younger children at the ages of 2 to 6, where they are cognitantly developing their personality, and unfortunately in Washington, we have some 10,000 kindergarten children that do go to school only a half a day. We have also pushed for the idea, not only smaller class sizes, but aides, and other adequate facilities to try to get that done, and all of this goes back to the fact that it costs money to do that.

To increase our kindergartens, it means we have to feed the young people which we do not do now.

A very funny thing about this, in some instances in our schools, particularly in the kindergarten, it has been shown that diet has a lot to do with the ability, the fact that pregnant mothers, that they lack certain kinds of vitamins and natural things, does in fact affect the brain cells and other kinds of things of the child.

We want to get into that, and I realize it is not solely the responsibility of the education system. It is the total responsibility of the society and the Government.

We have been exploring how we could coordinate all of these kinds of things, so that when we get a child, we get a healthy child.

For instance, for the first time this year, we are going to give physical examinations to all of our young people that enter the first grade. I know a lot of the problems are not mental, they are physical, that we have with our children, they have to do with hearing, eyesight, and other kinds of things, and I would like for Washington to become the model of education, where we could bring in the best resources.

We have some seven or eight universities here. We ought to involve the universities more in the education process—where you take those resources and integrate them. But one of the tragedies is Washington is a fragmented town. Everybody has gone here, gone there, everywhere. I think you are right in how do we bring all this together, and really get to it. It is very difficult to teach large numbers of people, and really give them what they need. I can speak from very personal examples in my other job that I now sometimes work at, in terms of the kind of benefit we have not gotten this kind of training, and I think that is on the right track.

Mr. CASSELL. Senator Mathias, I fully appreciate what you are saying about the susceptibility of the philosophy. I can understand what you mean when you say this may not have significant impact on the committee as far as the requested 17-percent pay raise.

Senator MATHIAS. I did not say that. What I said was that I think there is a philosophical question here that affects the whole of our society, not just this committee on this day.

Mr. CASSELL. I would just like to say there must have been a logic and rationale around the request for pay increases for the policemen and firemen. As I read in the news media, it seemed to me it was a philosophical thing as well as a practical one.

We considered the question of law enforcement as a problem, and it is a very serious problem. We in the teaching field would also like to have a high caliber of teachers as you would like to have a high caliber of law enforcement officers. Of course, we must establish a better relationship between enforcement officers and the community, as we must do this with teachers also.

It seems to me that this rationale holds for the recruitment of policemen and firemen, and it must also hold for the recruitment of a higher caliber of teachers. We are interested in the fact that many of our young teachers spend one to three years in our system, and then move into the field of science.

A science teacher can do very well in industry, in business, and in commerce. We would like to have those people.

I would point out what we are asking for here should not be compared with existing conditions in our school systems, simply because they have the same problems, and those teachers are moving toward rectification of that, and there is no reason you should not start now, so if this testimony has to do with the caliber of people you attract, and holding them, since our rate of raise is so small, it seems that is a valid thing for this committee to consider.

Senator MATHIAS. I do not think you have any argument with this committee on those considerations.

Mr. CASSELL. I would just hope this would influence an anticipated positive reaction of 17 percent coming from the Board of Education, the teachers, and the majority of the community who support the teachers in this recent problem that we have had. I know they would go for the 17 percent.

I would point out that normally communities are very, very much concerned, and perhaps as much as the teachers who do serve the community, that the teachers are properly compensated.

In this instance, I know of no negative community reaction. I have even found from taxi drivers, people on the street, the Federation Civic Association—which is not a radical organization, that is the federation of all the civic associations in the city—the various PTA's, the various community groups, all strongly supported the teachers, and they were sympathetic to the pay aspect of the teachers.

The teachers were not pushing essentially for the pay increase, so it seems the parents are fully aware of the problems in the classroom and the attitudes of the teachers, so that the unified thrust toward what they were asking for, coming from the community, parents, and the board of education, would be very impressive to you regarding this particular request for 17 percent.

The CHAIRMAN. Thank you, Mr. Barry, Mr. Cassell, Dr. Scott, and to the other gentlemen present, we appreciate your presentation.

Mr. BARRY. Thank you for the opportunity, Mr. Chairman.

The CHAIRMAN. Our next witness is William H. Simons, president of the Washington Teachers' Union, local No. 6 of the American Federation of Teachers, AFL-CIO.

**STATEMENT OF WILLIAM H. SIMONS, PRESIDENT, WASHINGTON
TEACHERS' UNION, LOCAL 6 OF THE AMERICAN FEDERATION
OF TEACHERS, AFL-CIO**

Mr. SIMONS. Mr. Chairman, I apologize to the committee for not being able to furnish it with copies of my prepared statement before this morning.

I do not think it be necessary to read the prepared statement. I would ask it be incorporated in the record.

The CHAIRMAN. Your prepared statement will be incorporated as submitted, and I suppose you would like to have the accompanying charts on service steps and other information included?

Mr. SIMONS. That is correct, Mr. Chairman.

The CHAIRMAN. So ordered.

(The prepared statement follows:)



THE WASHINGTON TEACHERS' UNION

1424 16TH STREET, N. W.
WASHINGTON, D. C. 20036

October 2, 1972

The Senate District Committee
United States Senate
Washington, D. C.

Gentlemen:

I am William H. Simons, President of Washington Teachers' Union, Local #6 of the American Federation of Teachers, AFL-CIO. This morning, I am here on behalf of the teachers of the District of Columbia seeking economic justice.

You are well aware of the fact that the last increase in salary for teachers was effective over three years ago, September 1, 1969. During the time that has elapsed, teachers have suffered a decrease in their real earnings because of the rampant increase in consumer prices which are still rising.

The bill before you, H. R. 15965, is woefully inadequate to say the least. To enact this salary proposal would be grossly discriminatory. The seven percent salary increase would not cover the cost of living rise which has taken place since 1969. The five percent for next year will not be sufficient to erase the long-standing deficit.

Your attention is called to the Statement of Purpose and Justification and Summary of Provision which has been prepared by the D.C. Government in support of H.R. 15965. First of all, the statement indicates that there is a general oversupply of teachers, and for that reason, less salary advantage is needed in the labor market to attract highly qualified teachers. This statement misses the point. It would be more accurate to state that the necessary financial resources are not committed to education which would permit the use of the available oversupply of teachers. More teachers are needed in the classroom to cope with the existing problems. It might be noted at this point when it was determined that action had to be taken to cope with the rising crime problem, the police department was allocated funds to increase its strength from 3100 to 5100. It is recognized by all that there are many problems

WILLIAM H. SIMONS 526-4869
President

LYNWOOD F. WILLIAMSON 882-3951
General Vice-Pres.
Brown Jr. High

JENNIE FLETCHER 526-9016
Vice-Pres. Elementary
Clark Elementary

WELLESLEY WASHINGTON 583-8823
Vice-Pres. Jr. High
Hamilton Jr. High

JOHN ELWELL 337-7970
Vice-Pres. Sr. High
Dunbar Sr. High

DANIEL DELANEY 723-3942
Vice-Pres. Vocational
PHELPS Vocational

ANDREA IRBY 561-7552
Vice-Pres. Counselors
Draper Elementary

THELMA LUCAS 529-4755
Vice-Pres. Librarian
Mott Elementary

RUFUS CANNON 529-3847
Vice-Pres. Special Services
Twining Building

MACEO HUTCHERSON 832-4337
Vice-Pres. Pupil Personnel
Walker-Jones

JEANNETTE FEELY 723-7613
Exec. Secy.
Coolidge High

MARGIE SNEED 882-2444
Secy.-Treas.
Miner Elementary

MIRIAM HUGHES 438-4256
Recording Secretary
Meyer Elementary

MEMBERS-AT-LARGE

EOLA PARRISH 647-1727
Brent Elementary

THOMASINA GRIFFIN 396-8216
Langdon Elementary

BURNELL IRBY 726-8259
Magruder Building

JEAN HILL 291-7249
Whittier Elementary

CHARLENE COOPER 529-8672
Hamilton Jr. High

THEODORE LONDON SO 5-8230
Lincoln Jr.

CARMELITA CARTER 529-0773
Webster Girls' High

ARTHUR HAYNES 736-8443
Cardozo Sr.

LILLIAN A. SEDGWICK 291-7090
Speech and Hearing

JAMES SIMMONS 882-3771
Vocational High

connected with education but there has been a consistent decrease in the number of teachers hired to solve these problems. In essence, there is a shortage of teachers and salary must be used to attract highly qualified teachers.

In the section "Restatement of Salary Policy," it states, "That the minimum salaries for the District of Columbia Public Schools teachers should be significantly higher than minimum salaries paid by school systems in the Washington Metropolitan Area; that the maximum salaries for District Public School Teachers should be close to the highest rates paid in the area; ... The term "significantly higher" has many different interpretations. H.R. 15965 proposes as "significantly higher" a range of \$342.00 to \$750.00. This is certainly a modest "significantly higher." A more accurate range for the term "significantly higher" can be found in the Union's proposal which provides for ranges of \$1002.00 to \$1410.00. In terms of the maximum salaries in the Metropolitan area, H.R. 15965 would keep the District in its current position of number five. The proposal by the Union would place the District in the number two position which would be close to the highest in a ranking of seven.

As for the M. A. maximum, it is an entirely different picture. The District is currently number seven and would remain number seven with the proposed resolution. Even under the Union's proposal, the District merely moves into the fourth position. Using the District Government's criteria, neither of the proposals would meet that bench mark. However, the Union would readily accept its proposal which would elevate the teachers to the number four position.

The second general guide used states that "the salaries should be in a very favorable competitive position with those of other cities having a population over 500,000..." At the present time, the District of Columbia is in seventh place. H.R. 15965 would move the District to sixth place while the Union's proposal would move the District into third place. This would be a favorable competitive position.

Enclosed are three charts (Exhibits B, C. & D) which indicate the plight of the teachers in Washington, D. C. in comparison with other metropolitan areas, as well as with other large cities. As you can see, the teachers in Washington are in very poor economic straits.

The Union now calls your attention to some pertinent facts which make it imperative that the Senate heed the request of the Union to increase the proposed salary schedule to 17%. From November, 1969 to August, 1972, the cost-of-living for the Metropolitan Washington, D. C. area rose 12.7 percent according to the Bureau of Labor Statistics of the U. S. Department of Labor. The proposed 7% increase for this

year means that teachers will continue to subsidize the economy. Even with the 5% next year, teachers will still be lagging.

Since the last increase, which was effective September 1, 1969, the classified employees both Federal and District have received cumulative raises of 17.4%. This fact has a direct impact on the situation. There are several hundred employees in the system who have benefited from these increases. This means that there are administrative aides, GS-5 and GS-6 who have beginning salaries greater than that of teachers. With the prospective raise of 5.1% due in January, this will mean a greater gap. There are teachers in the system who are classified as GS-9. The starting salary for these teachers is over \$11,000. While it is true that these are twelve-month employees, the rate of pay for all persons doing the same job should be equal.

The Union is asking for equality in an economic sense. It has no quarrel with what any group of employees receives. It is only asking that the teachers be given equal treatment. Even though it is recognized that there are cumbersome procedures in effect which are designed to control inflation these have not been effective. Teachers should not be made the scapegoat of the situation.

The Union asks that you consider the facts objectively. If this is done you will reach the conclusion that the only equitable solution is to enact the salary schedule which is contained in this report.

Respectfully submitted,

William H. Simons

William H. Simons
President

WHS:af
opeiu#2af1cio

Mr. SIMONS. Mr. Chairman and members of the committee, I am William H. Simons, president of the Washington Teachers' Union, Local 6 of the American Federation of Teachers, AFL-CIO.

This morning, I am here on behalf of the teachers of the District of Columbia seeking economic justice.

You are well aware of the fact that the last increase in salary for teachers was effective over 3 years ago, September 1, 1969.

During the time that has elapsed, teachers have suffered a decrease in their real earnings because of the rampant increase in consumer prices which are still rising.

The bill before you, H.R. 15965, is woefully inadequate, to say the least. To enact this salary proposal would be grossly discriminatory.

The 7 percent salary increase would not cover the cost of living rise which has taken place since 1969. The 5 percent for next year will not be sufficient to erase the long-standing deficit.

Your attention is called to the statement of purpose and justification and summary of provision which has been prepared by the District of Columbia government in support of H.R. 15965.

First of all, the statement indicates that there is a general oversupply of teachers, and for that reason, less salary advantage is needed in the labor market to attract highly qualified teachers.

This statement misses the point. It would be more accurate to state that the necessary financial resources are not committed to education which would permit the use of the available oversupply of teachers.

More teachers are needed in the classroom to cope with the existing problems. It might be noted at this point when it was determined that action had to be taken to cope with the rising crime problem, the police department was allocated funds to increase its strength from 3,100 to 5,100. It is recognized by all that there are many problems connected with education, but there has been a consistent decrease in the number of teachers hired to solve these problems. In essence, there is a shortage of teachers and salary must be used to attract highly qualified teachers.

In the section, restatement of salary policy, it states, "That the minimum salaries for the District of Columbia Public Schools teachers should be significantly higher than minimum salaries paid by school systems in the Washington metropolitan area, that the maximum salaries for District Public School teachers should be close to the highest rates paid in the area."

The term, "significantly higher" has many different interpretations. H.R. 15965 proposes as "significantly higher," a range of \$342 to \$750.

This is certainly a modest "significantly higher."

A more accurate range for the term "significantly higher" can be found in the union's proposal, which provides for ranges of \$1,002 to \$1,410.

In terms of the maximum salaries in the metropolitan area, H.R. 15965 would keep the District in its current position of No. 5.

The proposal by the union would place the District in the No. 2 position, which would be close to the highest in a ranking of seven.

As for the M.A. maximum, it is an entirely different picture.

The District is currently No. 7 and would remain No. 7 with

the proposed resolution. Even under the union's proposal, the District merely moves into fourth position.

Using the District government's criteria, neither of the proposals would meet that bench mark. However, the union would readily accept its proposal which would elevate the teachers to the No. 4 position.

The second general guide used states that, "the salaries should be in a very favorable competitive position with those of other cities having a population of over 500,000." At the present time, the District of Columbia is in seventh place. H.R. 15965 would move the District to sixth place, while the union's proposal would move the District into third place. This would be a favorable competitive position.

Enclosed are three charts, exhibits I, II, and III, which indicate the plight of the teachers in Washington, D.C. in comparison with other metropolitan areas, as well as with other large cities.

I point out that as you can see, the teachers in Washington are in very poor economic straits, and ask that these charts be made a part of the record.

The CHAIRMAN. The charts will be added to the record at this time.
(The charts follow :)

Chart I -- Beginning Bachelor's-Degree and Maximum Master's-Degree Salaries
September, 1972

School District	B.A. Minimum	Steps	M.A. Maximum
Prince George's Co.	\$7,655	25*	\$15,787
Fairfax	7,600	17	17,122
Alexandria	7,850	15	16,250 (longevity, \$16,645)
Arlington	8,008	15	15,995
Montgomery Co.	7,880	13	15,996
WASHINGTON, D.C.	7,800	12	13,900
New York City	9,500	7	16,600
Philadelphia	8,900	10	15,200
Detroit	9,032	10	16,255
Chicago	9,796	15	16,716

* Includes longevity

Chart II -- Salary increases negotiated between September, 1969, and September, 1972

School District	B. A. Minimum 1969-70	B. A. Minimum 1972-73	Percentage Increase	M. A. Maximum 1969-70	M. A. Maximum 1972-73	Percentage Increase	Steps
Prince George's Co.	\$6,800	\$7,655	14%	\$13,600	\$15,787	16%	25 (includes longevity)
Fairfax	7,000	7,600	9%	14,700	17,122	17%	17
Alexandria	7,050	7,850	11%	13,395	16,250	21%	15
Arlington	6,800	8,008	17%	13,668	15,995	17%	15
Montgomery County	6,900	7,880	13%	14,007	15,996	14%	13
WASHINGTON, D.C.	7,000	7,800	11%	11,550	13,900	12%	12
New York City	7,950	9,500	19%	13,650	16,600	21%	7
Philadelphia	7,300	8,900	22%	12,600	15,200	21%	10
Detroit	7,616	9,032	19%	13,635	16,255	19%	10
Chicago	8,400	9,796	16%	12,863	16,716	30%	15

Chart III -- Salary increases negotiated between September, 1970, and September, 1972

<u>School District</u>	<u>B.A. Minimum</u> <u>1970-71</u>	<u>Percentage</u> <u>Increase</u>	<u>M. A. Maximum</u> <u>1970-71</u>	<u>Percentage</u> <u>Increase</u>	<u>Steps</u>
	<u>1972-73</u>		<u>1972-73</u>		
Prince George's Co.	\$7,175	7%	\$14,350	10%	25 (includes longevity)
Fairfax	7,385	3.5%	16,159	8.5%	17
Alexandria	7,250	8.5%	15,008	15%	15
Arlington	n.a.	19%*	n.a.	17.5%*	15
Montgomery County	7,250	8.5%	14,718	8.5%	13
WASHINGTON, D.C.	7,800	-0-	13,900	-0-	13
New York City	8,450	13%	14,500	14%	7
Philadelphia	8,190	9%	13,900	10%	10
Detroit	8,277	9.5%	15,500	7%	10
Chicago	8,400	16.5%	14,332	16.5%	15

*Gain over 1969-70 school year; 1970-71 figures not available (n.a.)

Mr. SIMONS. The union now calls your attention to some pertinent facts which make it imperative that the Senate heed the request of the union to increase the proposed salary schedule to 17 percent.

From November 1969 to August 1972, the cost of living for the Metropolitan Washington, D.C. area rose 12.7 percent, according to the Bureau of Labor Statistics of the U.S. Department of Labor.

The proposed 7-percent increase for this year means that teachers will continue to subsidize the economy. Even with the 5 percent next year, teachers will still be lagging.

Since the last increase, which was effective September 1, 1969, the classified employees, both Federal and District, have received cumulative raises of 17.4 percent.

This fact has a direct impact on the situation. There are several hundred employees in the system who have benefited from these increases. This means that there are administrative aides, GS-5 and GS-6, who have beginning salaries greater than that of teachers.

With the prospective raise of 4.1 percent due in January, this will mean a greater gap.

There are teachers in the system who are classified as GS-9. The starting salary for these teachers is over \$11,000. While it is true that these are 12-month employees, the rate of pay for all persons doing the same job should be equal.

The union is asking for equality in an economic sense. It has no quarrel with what any group of employees receives. It is only asking that the teachers be given equal treatment.

Even though it is recognized that there are cumbersome procedures in effect which are designed to control inflation, these have been ineffective. Teachers should not be made the scapegoat of the situation.

The union asks that you consider the facts objectively. If this is done, you will reach the conclusion that the only equitable solution is to enact the salary schedule which is contained in this report.

Mr. Chairman, I have some additional statistics which I feel should be made a part of the record.

The CHAIRMAN. So ordered. Without objection.
(The material referred to follows:)

	Service steps—						
	1	2	3	4	5	6	7
Class 13:							
Group B, master's degree.....	14,204	14,628	15,052	15,476	15,900	16,324	16,748
Group C, master's degree, plus 30 credit hours.....	14,628	15,051	15,476	15,900	16,324	16,748	17,172
Group D, doctor's degree.....	15,052	15,476	15,900	16,324	16,748	17,172	17,596
Class 15:							
Group A, bachelor's degree.....	9,010	9,355	9,699	10,044	10,388	10,733	11,162
Group A-1, bachelor's degree plus 15 credit hours.....	9,445	9,795	10,145	10,494	10,844	11,194	11,629
Group B, master's degree.....	9,880	10,314	10,749	11,183	11,618	12,053	12,614
Group C, master's degree plus 30 credit hours.....	10,314	10,749	11,183	11,618	12,053	12,487	13,049
Group D, master's degree plus 60 credit hours or doctor's degree.....	10,749	11,183	11,618	12,053	12,487	12,922	13,484

	Service steps—						Y
	8	9	10	11	12	13	
Class 13:							
Group B, master's degree.....	17,172	17,596					
Group C, master's degree, plus 30 credit hours.....	17,596	18,020					
Group D, doctor's degree.....	18,020	18,444					
Class 15:							
Group A, bachelor's degree.....	11,592	12,021	12,450	12,879	13,309	13,738	14,840
Group A-1, bachelor's degree plus 15 credit hours.....	12,063	12,498	12,932	13,367	13,802	14,236	15,794
Group B, master's degree.....	13,176	13,738	14,300	14,862	15,423	15,985	17,384
Group C, master's degree plus 30 credit hours.....	13,611	14,173	14,734	15,296	15,858	16,430	17,914
Group D, master's degree plus 60 credit hours or doctor's degree....	14,045	14,607	15,169	15,731	16,399	16,960	18,656

Section 13(a) (D.C. Code, sec. 31-1542(a) is amended to read as follows:

(a) The Board is authorized to conduct as part of its public school system the following: Summer programs, extended school year programs, adult education programs, and Americanization schools. The pay for teachers and other education employees in the summer school programs, adult education school programs, and veterans' summer high school centers shall be as follows:

Classification	Per period		
	Step 1	Step 2	Step 3
Teacher, elementary and secondary schools; counselor, elementary and secondary schools; librarian, elementary and secondary schools; school social worker; speech correctionist; school psychologist.....	\$8.00	\$8.90	\$9.80
Psychiatric social worker.....	9.35	10.40	11.50
Veterans' summer school centers: teachers.....	8.00	8.90	9.80
Adult education schools: teachers.....	8.80	9.80	10.80

MR. SIMONS. Mr. Chairman, the service steps, of course, show what the salary levels would be at a 17-percent increase for class 13.

We have some members in the bargaining unit, while in class 13, and the bargaining unit in class 13.

Now, I just simply want to point out a few facts, that in the District of Columbia, in the preparation of support of H.R. 15965, the statement there is a general oversupply of teachers, I would submit that statement is not accurate, as it has been indicated, it is simply a lack of the financial resources necessary in order to provide an adequate educational program, and I submit to you, if we had the financial resources commensurate with the lip service given to the importance of education, I would say there would be a shortage of teachers, because, certainly, what we need, in order to get the job done, is resources.

Now, I would simply point out to the committee, when it was determined that we had a serious problem with respect to crime in the District of Columbia, instead of reducing the police force, funds were allocated to increase the strength from 3,100 to 5,100, and as a result of that, if we can believe the statistics from the Police Department, there has been some positive action, but as far as education is concerned, it has just been the opposite.

We recognize many problems that exist insofar as the educational system is concerned, but for the third consecutive year, we have had a reduction in the number of persons available in order to cope with these problems.

Senator MATHIAS. Let me interrupt you to make an observation. I think from our point of view, they are not unrelated problems. Looking down the road, a quality educational system for the District of Columbia can bear fruit in the rate of crime reduction in the years ahead. That is: in decreasing the rate of crime by training citizens to lead productive and constructive lives. To adjust themselves to the community, rather than driving them into the streets where they very early become juvenile delinquents, and go along on that road. So I think there is a correlation here of which, I would like you to feel, the committee is aware. We do not view these problems as unrelated, but as part of the metropolitan area as a whole.

Mr. SIMONS. Also, I would like to point out that the question which was raised earlier, the underlying frustrations, which lead to the situation that was concluded yesterday, and I would submit to you that perhaps underlying all of this, is a lack of self-determination on the part of the people here in the District of Columbia.

A lot of it is true that the Senate has taken positive action in order to correct that situation, but the situation still exists, and, of course, I would submit to you that I think even the Senate could go further in insuring the fact that the people in the District of Columbia would have the right to make these determinations for themselves, and thereby freeing the Congress of the United States to deal with more important problems, and, of course, following that further we find, as has been pointed out, that the many problems that exist in the city: lack of adequate housing, lack of adequate facilities, unemployment, lack of adequate recreational facilities, transportation, and the whole gambit plays a role in the education system in the city.

The school system is not an entity within itself. All of the problems relate to the school system, so that you are not going to solve the problems of education until you solve some of the problems that are within the city, that relate to education.

Now, getting back to the reasons why we are asking for a 17-percent increase at this time, you are well aware of the factors that are involved in it.

First of all, our last increase was effective September 1, 1969.

Since that time, the cost of living has gone up 12.7 percent. Also, since that time every District of Columbia employee has received at least a 17.4-percent increase over that period of time, so the question is, why should the teachers be discriminated against, why should the teachers be made the scapegoat, why should the teachers be asked to subsidize the economy.

It costs the same amount for teachers to live as it does for every other citizen in the city, and somehow or other along the line, it has become prevalent that really teachers do not need very much to turn out students who are capable of functioning in this society, and likewise teachers do not need very much in order to live in this society, so if you look at these underlying reasons, the only thing we are asking for is equity in the situation.

Now, the city government has gone through the process of preparing these elaborate charts, and I say while they look pretty, they really do not tell you anything, because we have known for all of these years that the salary of teachers has always been low, so that when you

start from a false premise, any conclusions which you reach based on that false premise are also going to be false, so we are just going through the motions, and we come to the same end, that teachers really do not deserve anymore, and I will certainly ask the committee to study the matter very carefully.

I recognize the shortage of time remaining in this session of Congress, but I am also aware of the fact that it has been possible for Congress to enact a whole piece of legislation in a matter of 24 hours, when it was considered to be an emergency.

All of the processing of law, the legislation, we do recognize what it has to go through, the signing by the President, and so on, but simply because we do have a shortage of time, I do not think that should be used for an excuse for not fulfilling our obligation to the city as long as you maintain control over the city.

Thank you.

The CHAIRMAN. Thank you very much, Mr. Simons.

Do you have any suggestions to make to this committee as to potential sources of revenue toward which we should direct our attention in order to accomplish a higher teacher salary?

Mr. SIMONS. Well, here again, I have no specific recommendations. That does not fall under the purview of the union. To sit here and to try to suggest sources of revenue within the city—I am socially inadequate.

I would simply submit to you that moneys can be found by the U.S. Government in cases of emergencies, in order to meet problems. I would strongly suggest that we look at that source in an effort to come up with the additional revenue necessary in order to meet the situation.

The CHAIRMAN. Thank you very much, Mr. Simons. We appreciate your presentation.

I might add at this point, after the Nelsen report is made public, this committee is interested in working closely with the School Board, the administration, and others interested in the District of Columbia schools, in reviewing the Nelsen recommendations as they will relate to the school system.

We thank you very much.

Mr. SIMONS. Thank you for the opportunity, Mr. Chairman.

The CHAIRMAN. Our next witness is Maurice J. Murphy, executive vice president of the Automotive Trade Association of the National Capital area.

STATEMENT OF MAURICE J. MURPHY, EXECUTIVE VICE PRESIDENT, AUTOMOTIVE TRADE ASSOCIATION, NATIONAL CAPITAL AREA; ACCOMPANIED BY CURTIS E. McCALIP, JR., PRESIDENT, NORTHEAST MOTOR CO.

Mr. MURPHY. Thank you very much, Mr. Chairman. I have with me Mr. McCalip, president of the Northeast Motor Co., and a District of Columbia dealer.

The CHAIRMAN. We welcome you also.

Mr. Murphy, will you please proceed with your testimony.

Mr. MURPHY. My name is Maurice J. Murphy. I am executive vice president of the Automotive Trade Association, National Capital Area.

This association was founded in the District of Columbia in 1917 and incorporated here in 1922.

Originally, it was comprised of automobile dealers and kindred-line members in Washington, D.C. But as the metropolitan area grew, the name was changed from Washington Automotive Trade Association to its present one, and automobile dealers and kindred-line members in nearby Maryland and Virginia became full members.

The number of motor vehicle dealers in the District of Columbia has been very drastically reduced over the last 10 years, although the total membership of the association has shown an increase.

It is our understanding that there is a proposal to increase the excise tax in the District of Columbia on motor vehicles from 4 to 5 percent.

Our association is not in favor of such an increase.

It is realized that there have been increases in the cost of operation as far as the District of Columbia government is concerned; it is also realized that increases are requested for salaries for teachers in the District of Columbia schools. But we also know that there has been an increase in the cost of living as far as the District of Columbia resident and automobile owner is concerned.

It is a problem with dealers, in many instances, that after arrangements for the purchase of an automobile have been settled, to then collect the various taxes and fees that are presently required to title and register the vehicle.

We appreciate that teachers' salaries are important. But we feel that the payment of them should be spread over the entire population of the District of Columbia and not limited to certain groups, among which it is now proposed to include motor vehicle purchasers and owners.

Just 2½ years ago, in October 1969, Public Law 91-106, known as the District of Columbia Revenue Act of 1969, was passed by the Congress and became effective on December 1, 1969.

At that time, a number of changes were made concerning taxes and fees as they pertained to motor vehicles. Some of the changes were as follows:

(1) The excise tax was raised from 3 to 4 percent.

(2) The registration fees for a passenger-car motor vehicle were changed from \$22 to \$32 and from \$30 to \$50, depending on the weight class.

Originally, the difference was based on a weight of 3,500 pounds. However, in the same act, the weight that changes the rate was dropped from 3,500 pounds to 3,400 pounds, thereby increasing the number of vehicles that would be included in the higher rate.

(3) The increase of registration fees on commercial vehicles was also increased, beginning with a schedule based on weight of commercial "B" vehicles.

The low-weight rate having been \$40 was increased to \$53 and the highest rate from \$202 to \$269. Changes in between were based on approximately the same percentage. On commercial "C" vehicles, old

weight charges ran \$8 to \$182, whereas the new rates run from \$11 to \$243.

(4) The inspection fee was increased from \$1 to \$3. The temporary tags were increased from \$1 to \$3. The transfer fee on transferred tags from \$1 to \$2. The title fee was increased from \$1 to \$5. The driver's permit was increased from \$3 for 3 years to \$12 for 4 years, and a duplicate permit which included name changes, such as for marriage, was increased from 50 cents to \$2.

So, having recently had increases in taxes and fees on motor vehicles in the District of Columbia of this magnitude, which are after all borne by the owners, we feel that another increase should not be placed on motor vehicles.

I would like to point out that this association does not arbitrarily oppose all increases that affect motor vehicles.

In May of 1965, we supported an increase of the gasoline tax which was to make possible a \$35 million increase in the borrowing authority for the District of Columbia in order to help pay for its share of the federally assisted highway program. We did oppose a later increase in gasoline taxes, but, again, last year when the gasoline tax was increased, this association did not oppose it.

Another point that I would like to make pertains to our two neighboring States.

Maryland has an excise tax of 4 percent on motor vehicles and Virginia has a sales tax on motor vehicles of 2 percent.

I think this is important in that the District of Columbia resident should not find himself too far out of line with the neighboring jurisdictions as far as the taxes and fees on motor vehicles are concerned.

At this time, I would like to submit a chart showing the present taxes and fees for registration and inspection of motor vehicles in the three jurisdictions and the amount by which they will be increased in the District of Columbia if the excise tax goes from 4 to 5 percent.

The CHAIRMAN. The chart will be inserted in the record at this point. (The chart follows:)

MOTOR VEHICLE TAXES AND FEES FOR TITLE REGISTRATION AND INSPECTION

10/3/72

	Current Taxes and Fees							Proposed D.C. Increase	
	Weight (Lbs.)	Price	Regis- tration	Sales or Excise Tax	Fees	County	Total	Excise	Total
CHEVROLET NOVA (1)	D.C.	\$2,860.70	\$ 30.50	\$114.43	\$ 11.00		\$156.43	\$143.03	\$185.03
	Maryland	\$2,860.70	\$ 20.00	\$114.43	\$ 3.00		\$137.43		
	Virginia	\$2,860.70	\$ 15.00	\$ 57.21	\$ 5.00	\$ 10.00	\$ 78.21		
CHEVROLET IMPLA (2)	D.C.	\$4,485.90	\$ 50.50	\$179.44	\$ 11.00		\$240.94	\$224.30	\$285.80
	Maryland	\$4,485.90	\$ 30.00	\$179.44	\$ 3.00		\$212.44		
	Virginia	\$4,485.90	\$ 20.00	\$ 89.72	\$ 3.00	\$ 10.00	\$125.72		
PLYMOUTH VALIANT (3)	D.C.	\$2,898.00	\$ 30.50	\$115.92	\$ 11.00		\$157.42	\$144.90	\$186.40
	Maryland	\$2,898.00	\$ 20.00	\$115.92	\$ 3.00		\$138.92		
	Virginia	\$2,898.00	\$ 15.00	\$ 57.96	\$ 6.00	\$ 10.00	\$ 88.96		
PLYMOUTH FURY (4)	D.C.	\$4,715.85	\$ 50.50	\$188.62	\$ 11.00		\$250.12	\$235.79	\$297.29
	Maryland	\$4,715.85	\$ 30.00	\$188.62	\$ 3.00		\$221.62		
	Virginia	\$4,715.85	\$ 15.00	\$ 94.32	\$ 3.00	\$ 10.00	\$125.32		
FORD LTD (5)	D.C.	\$4,661.72	\$ 50.50	\$186.47	\$ 11.00		\$247.97	\$233.08	\$294.58
	Maryland	\$4,661.72	\$ 30.00	\$186.47	\$ 3.00		\$219.47		
	Virginia	\$4,661.72	\$ 20.00	\$ 93.23	\$ 6.00	\$ 10.00	\$129.23		
FORD GALAXIE (6)	D.C.	\$4,423.72	\$ 50.50	\$176.95	\$ 11.00		\$238.45	\$221.18	\$272.68
	Maryland	\$4,423.72	\$ 30.00	\$176.95	\$ 3.00		\$209.95		
	Virginia	\$4,423.72	\$ 15.00	\$ 88.47	\$ 6.00	\$ 10.00	\$119.47		
FORD TORINO (7)	D.C.	\$3,688.16	\$ 50.50	\$147.53	\$ 11.00		\$209.03	\$184.40	\$245.60
	Maryland	\$3,688.16	\$ 20.00	\$147.53	\$ 3.00		\$170.53		
	Virginia	\$3,688.16	\$ 15.00	\$ 73.77	\$ 6.00	\$ 10.00	\$104.77		

Mr. MURPHY. If I may, I would like to point, on a Chevrolet Impala, at the present time in the District of Columbia, that car to be put on the street, with the registration fee, the excise tax, the other fees, such as for title and inspection, in the District of Columbia, now amounts to \$240.94.

In Maryland it amounts to \$212.44, and in Virginia it amounts to \$125.72. If the 5 percent goes in in lieu of the 4 percent, it will take that car to \$285.80, and this is where the problem arises for the District of Columbia dealer.

As stated above, we have lost a number of motor vehicle dealers in the District of Columbia over the years. And, since I last testified in 1969 on the revenue bill concerning the increases on taxes and fees on motor vehicles, additional dealers have left the District.

The association would like to see more, not fewer dealers in the Nation's Capital.

However, if it becomes harder to sell a motor vehicle in the District because of increased costs of taxes, it is more difficult to encourage our dealers to remain or to attract new dealers to the District.

It is hoped there will be no increase on motor vehicle taxes.

Thank you.

The CHAIRMAN. Thank you, Mr. Murphy. We appreciate your presentation. I have no questions.

Mr. MURPHY. Thank you for the opportunity, Mr. Chairman.

The CHAIRMAN. Our next witness is Mr. Edgar R. Mellon, who appears on behalf of the Washington Gas Light Co.

**STATEMENT OF EDGAR R. MELLON, VICE PRESIDENT, FINANCE,
WASHINGTON GAS LIGHT CO.**

Mr. MELLON. Thank you very much for the opportunity to appear, Mr. Chairman.

The CHAIRMAN. Mr. Mellon, I have to be present on the Senate floor on a bill that has to be taken up at this time, otherwise the Senate will recess until 1 o'clock.

What I would suggest, if I may have the indulgence of the other witnesses, is that the staff take the remainder of the testimony from the Washington Gas Light Co., the Potomac Electric Power Co., and the Chesapeake and Potomac Telephone Co. I assure you I will have the staff brief me as to the gist of the testimony.

I apologize for this, but it is necessary in order to expedite the business in this session of the Senate.

Mr. MELLON. I understand, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Mr. Robert Harris, staff director of this committee, will assume the Chair.

Mr. MELLON. My name is Edgar R. Mellon. I am vice president, finance, of the Washington Gas Light Co.

Washington Gas Light Co. is a gas distribution company which serves the District of Columbia and surrounding areas in Virginia and Maryland, which together comprise the Washington metropolitan area.

I appeared before the Subcommittee on Business, Commerce, and

Fiscal Affairs of the House of Representatives with regard to our position on certain provisions of H.R. 15965. I appreciate the opportunity to appear here today for the same purpose.

At the outset, I would like to say that we take no position with regard to the proposals for teachers' salary increases.

The purpose of our appearing here today is to point out the impact of sections 302 and 305, of H.R. 15965, on the company and its customers.

Section 302 provides that the tax rate on gross receipts of gas, electric, and telephone companies would increase from 4 to 5 percent.

Section 305 provides that the higher rate would be applicable to the gross receipts of such utility companies for the year ending June 30, 1972, and for each succeeding year ending on the 30th of June.

For the year ended June 30, 1972, our taxable gross receipts in the District of Columbia amounted to \$38,071,931. The tax payable on that amount at the present 4-percent rate is \$1,522,877. At the proposed 5-percent rate, the tax would be \$1,903,597, an increase of \$380,720, or 25 percent.

In July 1971, we filed an application with the Public Service Commission of the District of Columbia for an increase in gas rates.

After extensive hearings, the Commission on June 26, 1972, granted an interim surcharge of 2.5 percent effective June 29, 1972, on the company's present rates, pending the issuance of a final order.

On August 2, 1972, the Commission authorized the company to file rate schedules which would produce a \$1.6 million annual increase, 4.13 percent, in District of Columbia revenues.

The increase authorized by the Commission is based on an allowable return of 8.23 percent of the company's rate base as of September 30, 1971. The Commission directed us to file new rate schedules by August 11, 1972, and a public hearing relative thereto was held on September 1, 1972.

Although we are collecting the interim surcharge, the full amount of the authorized rate increase has not yet become effective. Our basic retail rates in the District of Columbia have not been increased since 1958, 14 years ago. And the recently authorized increase is minimal at best—56 percent of the amount requested.

Consequently, any increase in cost, such as the proposed increase in gross receipts taxes, not taken into account in the rate proceeding just concluded, will have an adverse effect on the economic health of the company and its ability to continue to meet its public service obligation, and thus will require further rate increases to be borne by its customers.

If the proposed increase in the tax rate on gross receipts had been in effect during the test year used by the Commission in the recent rate proceeding, approximately \$400,000 of annual revenues, in addition to the \$1.6 million granted, would have been required to produce the same rate of return.

The impact of the proposed gross receipts tax increase is thus apparent. Before the full rate increase can become effective, it would be reduced by \$400,000, or 25 percent.

Our company faces serious problems in the years immediately ahead. Due to the shortage of natural gas, it became necessary in the early part of this year to cease taking on any new customers in order to protect the gas supply for its present customers.

Until the gas supply situation is alleviated, we will not be able to increase revenues and earnings through increased sales.

Recent rate increases granted by the Maryland, Virginia, and District of Columbia regulatory authorities were based on 1971 cost levels and were barely adequate to restore the financial integrity of the company, which had been adversely effected by poor earnings.

As a result, any significant increase in cost will have to be passed on to customers through higher rates for gas service.

If the proposed increase in the tax rate on gross receipts becomes effective as set forth in H.R. 15965, we would have no alternative but to apply to the Public Service Commission of the District of Columbia for a rate increase equal to the increase in gross receipts taxes.

Insofar as the company is concerned, this proposed tax increase will have substantially the same effect as a tax imposed directly upon the gas consumer.

Most of our 160,000 customers in the District of Columbia use gas to provide one or more of the essentials of life, such as cooking, space heating, and water heating. The amount of gas consumed for these essential services does not increase in proportion to a person's income.

Thus, this type of levy bears proportionately more heavily on those with limited incomes, and can properly be considered as a regressive form of taxation.

Basically, we object to any form of taxation which constitutes special taxes applying specifically to the service we render or to a group, such as public utilities in this case, singled out for special treatment.

I think the Mayor, in his statement, also considers the selective taxes as regressive, and he so stated this morning.

Mr. HARRIS. Mr. Mellon, do you have a pending rate hearing before the Public Service Commission, or will you have to apply for a new hearing?

Mr. MELLON. Unfortunately, our present case is now wound up.

The last hearing has been held, and the briefs are in, but a decision has not been rendered.

Mr. HARRIS. Do you have any idea—if the committee were to increase the taxes the cost to you would be \$280,000, roughly—what the impact would be on individual resident consumers?

Mr. MELLON. Well, there are several categories of residential consumers.

If you take one who has no heat, just basically cooking, water heating, the monthly bill would be in the order of \$6–\$8 a month, so you can see what a 5 percent figure to that would do.

Mr. HARRIS. It is a 1-percent figure.

Mr. MELLON. Yes; it is a 1-percent increase.

Mr. HARRIS. So it is 6 cents, roughly, a month to him.

What percentage of the gas you furnish is residential?

Mr. MELLON. This is a residential city. Practically all of our gas is residential in character—85 percent. It falls practically all into dwell-

ing units in the area. We have no industry to speak of. It is a bedroom community.

Mr. HARRIS. Thank you very much.

Mr. MELLON. Thank you for the opportunity.

Mr. HARRIS. The next witness will be Mr. H. Lowell Davis, vice president of the Potomac Electric Power Co.

STATEMENT OF H. LOWELL DAVIS, VICE PRESIDENT AND COMPTROLLER, POTOMAC ELECTRIC POWER CO.; ACCOMPANIED BY GEORGE W. WORLICK, ASSOCIATE GENERAL COUNSEL, PEPCO

Mr. DAVIS. With me is Mr. George W. Worlick.

I am pleased to have the opportunity to appear here today.

Mr. Chairman, my name is H. Lowell Davis, and I am vice president and Comptroller of Potomac Electric Power Co., Pepco, the electric utility which serves the District of Columbia, major portions of Montgomery and Prince Georges Counties in Maryland, and a small portion of Arlington County in Virginia.

Pepco also supplies, at wholesale, most of the electricity distributed in Calvert, Charles, and St. Mary's Counties in southern Maryland.

I would first like to thank the committee for inviting us to give our views on the taxes necessary to fund proposals for teachers' salary increases.

In early August, I appeared before the Subcommittee on Business, Commerce, and Fiscal Affairs of the House Committee on the District of Columbia to give Pepco's views on sections 302 and 305 of H.R. 15965.

Section 302 of that bill would have increased, from 4 to 5 percent, the tax on gross receipts of gas, electric, and telephone companies.

Section 305 would have applied the increase to the year ending June 30, 1972, and for each succeeding year ending on the 30th day of June.

I would like to discuss two points. First, the effect of such an increase on Pepco and its customers, and, second, the effect of Pepco's recent rate increase on District of Columbia tax revenues.

On July 31, 1972, Pepco filed with the District of Columbia authorities a report of its gross receipts for the year ended June 30, 1972.

Pepco's taxable gross receipts were \$109,982,938, and the computed tax on that amount at the 4 percent rate would be \$4,399,317.

If the rate is increased to 5 percent, the tax would be \$5,499,146, an increase of \$1,099,829.

On July 28, 1972, after proceedings that lasted over a year from the date that Pepco's application was filed, the District of Columbia Public Service Commission gave final approval to an increase in electric rates, effective August 1, 1972.

The new rates were designed to produce a \$12.5 million annual increase in Pepco's District of Columbia revenues, based on a test year ended October 31, 1971.

This rate increase was designed to provide a 7.84 percent return on Pepco's test year rate base. Had the proposed increase, from 4 to 5 percent in the gross receipts tax rate been in effect during the test

year used in setting the new rates for District electric service, Pepco would have required an annual increase of \$13.6 million rather than the \$12.5 million to produce the same return.

Thus, the impact of the proposed gross receipts tax increase would be to effectively reduce the rate increase by \$1.1 million, virtually before the ink is dry on the Commission's order, and before Pepco has had an opportunity to collect the new electric rates.

Pepco's 5-year construction budget, 1972-76, will be approximately \$1.4 billion, an amount in excess of Pepco's total investment of \$1.3 billion over the past 75 years.

To finance that program, Pepco will be required to sell about \$400 million of additional common stock and some \$800 million of senior securities.

Pepco considers the \$12.5 million increase in District of Columbia revenues, both by itself and when coupled with the increase in Maryland revenues recently approved by the Maryland Commission, to be barely adequate to allow it to attract the capital required immediately for financing the current construction program.

If the \$12.5 million increase were reduced by approximately \$1.1 million because of increased District of Columbia gross receipts taxes, Pepco would have no alternative but to immediately petition the District of Columbia Public Service Commission for an additional rate increase of \$1.1 million in order to restore the return contemplated in the July 28 order.

Pepco is fully mindful of the budgetary requirements of the District of Columbia government. However, in the circumstances, we must point out that in order for Pepco to continue to meet its public service obligations, the result of any increase in the gross receipts tax must be an increase in the charges for electric service to District householders, industries, and agencies of the Federal and District governments.

As I stated above, Pepco's taxable gross receipts of the year ended June 30, 1972, were \$109,982,939. The computed tax on this amount at the 4-percent rate would be \$4,399,317. The tax at the 5-percent rate would be \$5,499,146 an increase of \$1,099,829.

Under the House of Representatives bill, the increase would have been payable during fiscal year 1973.

I pointed out in the House subcommittee hearing that as a result of the higher electric rates recently approved by the District of Columbia Public Service Commission, Pepco will bill to District customers approximately \$12 million in additional revenues during the fiscal year ending June 30, 1973.

Under the existing tax laws and existing rates, these additional revenues will in turn result in substantial increases in District gross receipts, sales, and franchise taxes.

Following is a table showing Pepco's estimate of the additional taxes payable to the District which will result from the Pepco rate increase.

I request this table be included in the record, as well as an exhibit sheet giving the data which were used in developing these estimates.

Mr. HARRIS. So ordered. Without objection.

(The table and exhibit sheet follow:)

POTOMAC ELECTRIC POWER COMPANY
SUMMARY OF DISTRICT OF COLUMBIA SALES, GROSS RECEIPTS, AND FRANCHISE
TAXES ARISING FROM RETAIL SERVICE RATE INCREASE APPROVED JULY 31, 1972

On the basis of present tax rates, the \$12.5 million increase in Potomac Electric Power Company's retail rates will increase the Company's District of Columbia tax liabilities by \$1,650,000 in 1973 and \$1,750,000 in 1974 (without allowance for increased sales volume). The following tabulation expresses these tax increases in terms of the timing of cash payment to the District of Columbia government.

For purposes of this computation, the following assumptions have been made, based upon existing District of Columbia tax rates:

1. \$12,500,000 rate increase with additional revenues of \$1,041,667 a month beginning August 1972;
2. 60% of sales subject to District of Columbia sales tax (the approximate percentage of taxable sales reported on District of Columbia sales tax returns for prior periods);
3. 80% of District of Columbia franchise tax to be paid within the current calendar year; and
4. 7% District of Columbia franchise tax for calendar years 1972 and 1973; 8% District of Columbia franchise tax for calendar year 1974.

We have estimated the additional taxes due and the method of payment of these taxes results in the following amounts being collected by the District of Columbia for fiscal years as indicated:

<u>Fiscal</u> <u>Year Ended</u>	<u>Sales</u>	<u>Gross</u> <u>Receipts</u>	<u>Franchise</u>	<u>Total</u>
June 30, 1973	\$250,000	\$ -	\$694,180	\$ 944,180
June 30, 1974	300,000	458,330	879,200	1,637,530
June 30, 1975	300,000	500,000	961,200	1,761,200

October 3, 1972

Mr. DAVIS. As you will note, the total for fiscal year ending June 30, 1973, the initial year of the rate increase, is almost as much as would flow from an increase in the gross receipts tax from 4 to 5 percent, applied to a June 30, 1972, fiscal year but payable in fiscal year 1973.

The gas and telephone companies have also been recently granted rate increases which will produce substantial increased tax payments to the District of Columbia.

In view of these increased tax payments, Pepco questions whether an increase in the utility gross receipts tax is necessary to provide funding for a teachers' pay increase.

I would again like to thank the committee for inviting us to appear here today.

I would like to make two points in my presentation.

We are certainly mindful of the complex District of Columbia revenue problems, and the problems posed by the District of Columbia teachers' salary requirements.

We point out in our presentation, the original House bill would have made the gross receipts tax effective immediately, or in effect retroactive to the fiscal year ending June 30, 1972.

In our case, the 1-percent increase in the tax rate would amount to approximately \$1.1 million.

The rate case which the Potomac Electric Power Company concluded recently in the District of Columbia provided for new District rates effective August 1. It was based on the test year ended October 1971, and of course did not contemplate the increased gross receipts tax rate.

In our circumstances, we have no alternative but to petition the Public Service Commission for a supplemental rate increase to restore the return that was contemplated in their original order, so if the rate increase were approved, the tax would be passed on to all customers in the District of Columbia, and, of course, the District and the Federal Government as well as residential and business customers would have to pay it.

One of the items that we reviewed when this proposal was before the House in August was the amount of revenue that was going to accrue to the District government as a result of the rate increase we just received.

We have the understanding at that point that the additional tax revenues from the rate increase, that there would be similar tax revenues flowing from the rate increases of the other utilities in the District, those that were not contemplated in the original District of Columbia budget figures, and there is a table on page 4 of my prepared testimony which shows our estimates of the receipts that would be paid by this company, would be paid by this company under existing rates to the District of Columbia government as a result of the \$12.5-million rate increase we are just beginning to bill, and as the table indicates, the District revenues will be increased by about a million dollars in the year ending June 30, 1973, and by about \$1.6 million in fiscal 1974, and \$1,750,000 in the year ending June 30, 1975.

Mr. HARRIS. Is this additional revenue caused by the rate increases presently granted?

It has nothing to do with the taxes?

Mr. DAVIS. That is correct.

Under the existing law, we would urge that there be consideration of whether the increased taxes arising from this rate increase may not mitigate, or even be a substitute for the tax revenue that was contemplated by the increase in the gross receipts tax rate.

Mr. HARRIS. I have several questions.

Mr. Mellon said that he understood it would be effective in the fiscal year ending June 30, 1972. Your comment was 1973. Which is correct?

Mr. DAVIS. I intended to say 1972. That is what the House bill originally provided.

Mr. HARRIS. I want to ask the same questions I asked of Mr. Mellon.

Let me start off this way. My understanding is that approximately 22 percent of the revenues are derived from the Federal, and the District of Columbia governments.

Mr. DAVIS. Yes; I have those figures with me.

In Pepco's case, the revenues from the District and the U.S. governments is approximately 20 percent. The sales to the governments are about 23 percent of our total sales.

Mr. HARRIS. How much is industrial as opposed to residential?

Mr. DAVIS. By the type of service, residential service is about 29 percent of the total, and these figures are overlapping.

General service or business service which includes some government service is about 48 percent, with the remainder being large power service—again including government service and street lighting.

Mr. HARRIS. Your basic thrust is that the increase in rates that you foresee will make up the amount of money that is needed—is that right?

You say the increase in tax is not needed, even if the revenue is needed, because the increased revenue from the recent taxes caused by the increase in rates will be sufficient to, in effect, contribute the same amount as these. Is that a fair summary of what you are saying?

Mr. DAVIS. Yes; it would appear that way in looking at the revenues that would be derived from the two alternatives.

I think the other point we are making is that under the present circumstances, in which we find ourselves, is that a utility is obliged to do an enormous amount of outside financing to meet its public service obligations. We would have no alternative but to pass this sort of an increase along, coming as it does on the heels of our rate increase that has just been received.

Mr. HARRIS. Is it fair to say that, unlike the Washington Gas Light Co., a large percentage, as I gathered, of your service, does not go to residential consumers, and therefore, in the case of Pepco, the tax is not as retrogressive as the Washington Gas Light Co.?

It does not hit individuals as badly, because at least 20-odd percent is paid for by the government and another percentage is paid for by business?

Mr. DAVIS. Our customer makeup is different. I think in the case of the charges to the business customers, naturally it becomes a part of

their obligation, and it is something they will have to consider in their business and in their pricing.

Mr. HURLBURT. I have the same question that was asked of the gas company: Do you have any average figures as to what such a pass-through—if you were required to pass through an additional million dollar cost, which is what we are talking about here—what this would mean to the average residential customer, or—if there is such a thing—an average business customer?

I realize it is probably much harder to strike an average in the business area, but it would be useful to the committee to have some idea of what the ultimate cost impact on the people would be, one way or another.

Mr. DAVIS. I have some figures here.

In the case of the District of Columbia residential customer for the year 1971, our average revenues were about \$127.

That would be increased by some 11 percent as a result of the rate increase. The history has been that there is an increase in the amount of consumption per customer, but on that basis, we would be talking of something in the order of just under \$150, extrapolating the figures per customer per year.

The average business customer is not too meaningful as a statistic. I can give the figures of total revenue, the breakdown between the classes, if that would be of interest to you.

Mr. HURLBURT. I recognize the problem in achieving anything meaningful in this area.

If there is something that might be useful, that you or your staff could supply the committee, we would appreciate receiving that information.

Mr. DAVIS. All right.

I might mention just the total numbers. Our general service and large power service revenues in the District of Columbia were about \$83 million, and the number of customers was about 27,000, so that would give you some perspective perhaps.

Mr. HARRIS. Thank you.

Our final witness is Mr. Charles W. Weikel, assistant vice president, revenue requirements and public affairs, of the Chesapeake and Potomac Telephone Co.

STATEMENT OF CHARLES W. WEIKEL, ASSISTANT VICE PRESIDENT, REVENUE REQUIREMENTS AND PUBLIC AFFAIRS, CHESAPEAKE AND POTOMAC TELEPHONE CO.

Mr. WEIKEL. Thank you for the opportunity to appear here today.

Mr. Chairman and members of the committee, I am Charles W. Weikel, assistant vice president, revenue requirements and public affairs, of the Chesapeake and Potomac Telephone Co. My office is located at 930 H Street, NW.

I appreciate this invitation to comment on the proposals for teachers' salary increases, and the taxes necessary to fund such proposals.

I had an opportunity to make similar comments on August 4, before the Subcommittee on Business, Commerce and Fiscal Affairs of the

Committee on the District of Columbia of the House of Representatives.

At that time, I commented specifically about section 302 of H.R. 15965, which increased the gross receipts tax paid by my company from 4 percent to 5 percent of gross revenue.

I said on that occasion that I had no position on the validity of the need for this increase in taxes, and that my concern was solely about the proposed source. I am still not qualified to comment on the level of pay for teachers, so my position is the same.

However, I would like to bring out two points. First, that as a result of C. & P.'s recently authorized increase in rates, there may actually be more tax revenues being received than budgeted, and second, an increase in gross receipts tax is a poor source of additional tax revenue.

I am aware that the Director of Finance and Revenue of the government of the District of Columbia has indicated that he felt the utility estimates presented at that hearing were high, and would be received at a later date than needed.

Accordingly, I have had these data reviewed and broken down into the fiscal years in which they will be received so that you will have more precise data to work with.

The proposed increase in gross receipts tax from 4 to 5 percent would result in an additional \$1.6 million annually in our expenses at the present level of business operations.

A tax increase of this magnitude will have unfortunate consequences, both from the point of view of the company and of all the users of telephone service in the District.

This is a particularly difficult time for the company, and for utilities in general, to be faced with increases in the level of tax expense.

My company is under extreme pressure to expand telephone facilities and operations to accommodate the rapidly growing demand for communications services, while the presently authorized charges for telephone service do not adequately reflect current levels of expense and cost of capital.

As a result, the company has just reported a decline in net income of approximately \$600,000 for the last fiscal year, as compared with the preceding year.

This reduction in net income occurred despite a substantial increase in gross revenue, and resulted from the fact that the level of expenses, including taxes, is rising more rapidly than revenue.

The company expects to, and believes that it does, bear an equitable share of the tax burden in the District of Columbia.

Last year, the company incurred tax expenses of \$8,262,000, as a result of taxes imposed by the District of Columbia, an amount equal to approximately 46 percent of its net income.

The District of Columbia is, in fact, a major beneficiary of any increase in charges for telephone service, as such charges significantly increase both the company's gross receipts and net income tax expense and subscribers' sales tax liability on their telephone service.

The recent decision of the Public Service Commission authorizing rate increases of approximately \$13.2 million annually, will produce an ultimate annual increase in local tax collections of more than \$1.6 million.

This breaks down by source and fiscal year as follows :

	Full effect, Fiscal year 1973-74	Probable effect	
		Fiscal year 1972-73	Fiscal year 1973-74
Gross receipts tax.....	\$525,535	0	\$481,740
District of Columbia income tax.....	850,465	\$809,577	850,465
District of Columbia sales tax.....	235,177	195,981	235,177
Increased tax revenues to District of Columbia government.....	1,611,177	1,005,558	1,567,382

To add to this an additional increase of \$1.6 million, as proposed, is clearly and excessively burdensome, both to the company and its subscribers.

While the company expects to bear an equitable share of the District of Columbia's revenue needs through the tax structure, it strenuously objects to special taxes applying to it alone or as part of a small group singled out for separate treatment.

In practice, fairness can best be assured through broadly based taxes imposed generally on large segments of the community.

Special taxes applying to small groups as taxpayers, such as is the case with the gross receipts tax, are almost invariably unfair.

The corporate franchise tax on net income has been increased to a rate of 7 percent for the current year and an additional increase to 8 percent is scheduled in 1974.

The increase in this tax, which the company pays on the same basis as most other local business organizations, was not opposed by the company in light of the revenue needs of the District, and the fact that this tax bears with some degree of uniformity, on most business organizations in the city.

In addition to this tax increase and the substantial increase resulting from the recently authorized rate increases, however, the company is now faced with this additional increase of 25 percent in its gross receipts tax, a levy applying only to it and two other utility companies.

Such an increase, while the company is already struggling within the confines of strict regulation to meet growing demands for its services, is both unfair and detrimental to the economic health of the company.

There is, moreover, a second side to this problem. In addition to the difficulties imposed upon the company, it is necessary to consider the impact of this proposal on the users of telephone service, which, of course, includes substantially all the residents of the city.

In the company's present financial posture, there can be no doubt that any increase in tax expense will have to be passed on to the users as rapidly as possible.

The ultimate effect of this 1 percent increase in gross receipts tax is simply that the customers will have to pay more for their service.

In terms of economic impact, this tax increase, insofar as this company is concerned, will have substantially the same effect as a tax imposed directly upon the customer. I do not need to recite the objections which would be levied against such a tax if imposed directly on the customer. Such a levy would bear proportionately more heavily

on those with limited incomes, as the use of telephone service does not increase in proportion to a person's income.

This regressive economic impact is not altered by the fact that such expense will be passed on indirectly through the charges of the company, and not billed separately as a tax expense.

Not only is the economic burden of this tax regressive, but the imposition of tax expense on telephone users indirectly, through the charges of the telephone company, has the effect of compounding the cost, insofar as the subscriber is concerned, by reason of other applicable taxes.

Charges for local telephone service are subject to the 10 percent Federal communications excise tax and to the District's 4 percent sales tax.

To the extent that the cost of taxes levied on the company must be defrayed by increased charges to local exchange subscribers, the increases are subject to those taxes.

Thus, for every \$100 of increased tax expense which is defrayed by increasing charges for these services to our customers, the company must collect from its customers approximately \$114.

While the District of Columbia is undoubtedly not distressed by an increase in sales tax revenue, the financial position of the District is not improved by the additional charge of 10 percent resulting from the Federal communications excise tax.

Thus, from the point of view of the local subscriber, the imposition of District of Columbia taxes indirectly through increased charges for telephone service is not an efficient method of producing revenue. It is both regressive in its economic impact, and productive of additional tax liability on the user.

Thank you for the opportunity to be heard on this subject, and I hope that these comments will be carefully considered as you evaluate this proposed legislation.

I would be happy to additionally say, Mr. Chairman, basically our position is that the taxes that are being received by the city of Washington right now are probably greater than they are budgeted, as Mr. Davis has said, and on page 3 of my testimony, you have detailed information as to what those amounts are.

They total about \$1.6 million for a fiscal year, which about equals what a 1-percent increase in gross receipts tax would bring in, and the other points I wish to make, and to make in my testimony, is that a gross receipts tax is a poor way to raise money which again parallels the same thing that Mr. Mellon and Mr. Davis have said.

It is a regressive tax, and a telephone service like our service is not consumed in greater amounts by those with higher incomes, so it continues to be an across-the-board percentage, and that is the substance of what I have to say.

Mr. HARRIS. Let me ask you the same questions. Obviously, you have just restructured your rates in the District.

There is a new type of rate for minimum service, and then a series of rates that go up, and obviously there is also a business rate. I assume the amount that you get from the Federal Government is a separate amount based on some other kind of rate?

Mr. WEIKEL. No; business rates apply to the Federal Government. They are the same rates.

Mr. HARRIS. What about the interagency leasing system?

Mr. WEIKEL. Those are special rates.

Mr. HARRIS. Does the FTS come under C. & P. funds?

Mr. WEIKEL. It is apportioned on the basis of who provides the service, but it is principally long lines.

Mr. HARRIS. Could you give the committee some idea of the percentage of revenues derived from government business and residential usage?

Mr. WEIKEL. Yes. Very roughly, 30 percent of our revenues come from the Federal and the District of Columbia governments.

Roughly 10 percent is from local business and industry, and the remainder is residential.

Mr. HURLBURT. Your company operates solely within the District of Columbia? Once you cross over into the other jurisdictions, the companies that operate are your affiliates?

Mr. WEIKEL. Right.

Mr. HARRIS. The 60 percent is residential?

Mr. WEIKEL. Yes.

Mr. HARRIS. Could you give us some idea of what this means to an individual consumer?

Mr. WEIKEL. I have some figures on this from last June.

The average residential bill in June ran \$18.67. The average business bill, which includes government, was \$299.45.

Mr. HARRIS. So the annual percentage increase in tax would amount to \$2.24?

Mr. WEIKEL. Yes.

Mr. HARRIS. This is monthly?

Mr. WEIKEL. Yes.

Mr. HARRIS. Which would be increased a little bit more, because unlike the gas company and the power company, we also have a Federal excise tax on our bills, which would round that out to roughly \$2.50 per month, and \$35.93 for the business estimate?

Mr. WEIKEL. Yes.

Mr. HARRIS. Thank you very much. We appreciate your testimony very much.

The hearing will be adjourned.

(Whereupon, at 1:15 p.m., the hearing was adjourned.)

(Material to be included in the hearing record follows:)

PREPARED STATEMENT OF JAY MARTIN, PRESIDENT, CAPITAL CIGAR & TOBACCO CO.

My name is Jay Martin, and I am president of the Capital Cigar & Tobacco Co., and I am representing myself and the tobacco distributors of the District of Columbia.

We feel that if the House version of the Teacher Pay Raise Bill as voted out were enacted to increase the cigarette tax by 2 cents, or 50 percent, the District of Columbia would actually receive less revenue than it presently derives from cigarettes.

The per capita consumption figures for the District are 213 packs per person

per year as opposed to Virginia and Maryland, which are approximately 127 packs per year.

At present, the per pack tax in northern Virginia is 7½ cents per pack; in Alexandria, Virginia 9½ cents per pack; and in Maryland 6 cents per pack.

At least, the per capita consumption figures are 42-percent higher than either in Maryland or Virginia. This is because of the tax disparity. Many people in Maryland and Virginia come into the District to buy cigarettes. They also pay sales tax on those cigarettes. Prior to the tax being 4 cents in the District, the District collected approximately \$1.5 million per penny of tax. At that time northern Virginia did not have a tax, and the price on cigarettes at this time was 2½ cents per pack in Virginia.

As a result, the revenue decreased at the time the District raised their tax to \$1.2 million per penny of tax collected.

When northern Virginia imposed 50 cents per tax, or 5 cents per pack increase, the District revenue increased to the \$1.6 million per penny of tax imposed.

Now, that is 42-percent higher. We feel that if the tax is increased to 6 cents to a parity with Maryland, and the business flows back to Maryland, and also back to Virginia, and you only show a 35-percent decrease, so that the consumption rate would drop considerably, but our figures show it would still be higher than in Maryland and Virginia, but the District would receive \$170,000 per year less than it is already receiving now at the lower rate.

This does not include the loss in revenue to the District of Sales Tax on the decrease in sales in cigarettes resulting from a tax increase.

Therefore, we feel that although the intentions of the House bill are admirable, the results will not achieve the necessary revenue.

PREPARED STATEMENT OF RICHARD S. BRIGHT, PRESIDENT, AREA II-B COUNCIL OF PTA's

I am a parent of two children enrolled in the D.C. public schools and two other children whom I anticipate enrolling in the coming years. I have also taught in the public elementary and secondary schools of D.C., and am aware of many of the problems in our schools as a parent and as a teacher.

There are many problems of administration but the ones that relate to having instructional personnel that are prepared to give instruction, counseling and friendship to students are of the greatest importance. We expect our teachers to relate to the total child and yet, only require them to be prepared to give academic instruction. With the financial pinch that our big cities are in, we are not only cutting back on counseling services for students but on certain types of instruction such as science, music, art, and physical education. The D.C. school system require teachers to continue their schooling for permanent job status and for promotions, under the premise that the higher and broader the training teachers have, the better their preparation to teach. Accepting the continuing professional development of our teachers, let us examine their financial plight.

The average college graduate who goes into teaching had to work his or her way through college or borrowed money to finish. The amount of time one consumes in attempting to work and go to college for a normal 4-year education (BA or BS degree) is 6.7 years if three courses or an average of nine credits a semester are completed. If the money for the education is borrowed, our graduate might finish in 4 years; allowing 2.7 years to pay off the educational loans (your banks may be a little more lenient—smile). We are now talking of a time period of from 6 to 7 for our prospective teachers to graduate from college. After teaching positions have been secured, the average teacher continues his professional education for job security and advancement. Generally, teachers go to school while they are working and take a part time load of hours such as six semester hours a semester. At this rate, it will take a teacher 3 years to complete the courses for a masters degree. What does this academic training cost financially to our teachers?

Currently, the average private institution of higher education charges about \$85 a credit hour for semester credits. For twelve hours a year, the tuition would be over \$1,000. The tuition from our public and state institutions is about half

that of the private institutions, but their other expenses would be about the same. These other expenses—from book costs, leave from jobs, loss in wages from part time jobs, child care, and transportation, could easily add up to another \$1,000.

We are looking at about a \$2,000 a year expense over an 8 to 10 year span for the average teacher, not including costs such as room and board away from home. The projected median constant dollar income for black families in 1972 is \$6,791 and for white families is \$10,394.¹ Our teachers come from families of median income and \$2,000 is about $\frac{1}{2}$ and $\frac{1}{2}$ respectively of the above incomes—staggering portions of families' incomes on schooling for single individuals. Even if this \$2,000 yearly educational burden is compared with the average income of D.C. teachers of over \$11,900, proposed by this Congress, then over $\frac{1}{6}$ of the earned income would still be going out as a very large educational expense.

These statistics appear quite real to me. In 1967, I earned income at the rate of \$6,700 a year teaching in D.C. schools with a family of four. I regrettably left teaching for a job paying about \$2,000 more a year. I left because I could not afford to stay. I left a junior high school in which the majority of the teachers were females and an overwhelming majority of the student leaders were girls (over 90%). Prior to this teaching job I had been a special teacher in three elementary schools where the male teachers would stand out like knights because they were so few in number.

When our children do not receive the male image at home, nor at school, what will they make of themselves as teenagers and adults? It is easy to sit in an armchair and diagnose the reasons for our society's failures, but why is it so difficult for us to take steps of prevention for our maladies? Is it as important to have engineers of peace as well as protectors of peace? Is it not more important to have engineers of peace than protectors of peace? Is it true that our engineers of peace are also the protectors of peace? It is my belief that teachers are engineers and keepers of peace; and, I believe that you share this thought. How then can we pay a peace officer more than we pay a teacher officer who we also know is a peace officer? With the realization of the teachers' worth to the total society, how can we neglect them?

I proudly stand with the D.C. school teachers in their quest for remuneration for their worth. However, I am ashamed to ask for a 17% raise which will only keep the lid on the pot a little longer. I want to see teachers pursue their education and not have to worry where the funds are coming from. I want to see men in the classrooms. I want to see teachers who are not weary from their 2nd and 3rd jobs when they should be exhibiting exemplary deportment and giving instruction to students.

I ask you to sponsor legislation to place our teachers in the levels of income that are commensurate with their worth to society and at the professional levels that we expect them to perform. Congressmen! double teachers' salaries.

¹ Projections were based on statistics taken from Table 8, p. 24, Current Population Reports, Consumer Income, U.S. Dept. of Commerce Consumer Income, December, 1970.

September 26, 1972

Memo: From a Parent Concerned
about conditions in the D.C. Public Schools

Many of us have been distressed by the continuing cuts in the resources of the D.C. Public Schools in general and our own school in particular. Many of us firmly believe that investment in education is insurance for the future well-being of our society. Dr. Urie Bronfenbrenner in Two Worlds of Childhood says one measure of the worth of a society is the CONCERN OF ONE GENERATION FOR ANOTHER.

If the children and youth of a nation are afforded opportunity to develop their capacities to the fullest, if they are given the knowledge to understand the world and the wisdom to change it, then the prospects for the future are bright. In contrast, a society which neglects its children, however well it may function in all other respects, risks eventual disorganization and demise.

The present trend of our society and our national priorities seem to put us in the latter category. Services for children which should be increasing are, to the contrary, decreasing. Services which should be becoming more comprehensive, involving the development of interest areas as well as academic abilities, are becoming more narrow and limited.

I am enclosing figures on how our particular school has been effected over the past 2 years. Presumably other schools have been effected in similar ways.

Class size. When my children entered the D.C. Public Schools in the fall of 1970, no classroom at their school contained more than 28 children. Only one class contained as many as 28. In September, 1971, our school lost 2 teachers. We had one classroom of 35, 2 of 33, one of 29, and 3 of 28 children. The day before the children started school this fall, it was learned by our school that we would lose still another teacher. This led faculty and administrators to scurry around and make up a class split with 2nd and 3rd grade students. School wide, we had 2 classrooms of 28 children and one of 30 children. The current practice of taking the entire school enrollment and dividing by 28 to determine the number of teachers a school should have does a disservice to our children. One cannot come up with a classroom of 27.8. Because of this formula, our school is threatened by the prospect of losing 1 to 2 additional teachers. This would surely mean an even higher pupil-teacher ratio and more impromptu split classes.

These figures might seem minor on the surface, but in a school setting, classes of 28, 30, and 35 present a severe teaching and learning problem.

Today's world has shown that educators should move away from rote teaching and toward individualization. Individualization of learning is a fine art and takes a lot of planning inside and outside the classroom. It is practically impossible to do with a large class size. A class size on the ratio of about 15 students to one adult would be ideal. Use of paraprofessionals would help make such a ratio feasible. A ratio of 24 children to one adult is large, especially at the lower grades where the attention span of little ones is very short. Some private schools operate on ratios as low as 6 to 1. Class sizes over 28 to 1 make individualization only a paper concept.

TABLE: CLASS SIZES OVER 3 SCHOOL TERMS - Number of classes of each size.*

<u>Fall, 1970</u>		<u>Fall, 1971</u>		<u>Fall, 1972</u>	
Class size	# Classes	Class size	# Classes	Class size	# Classes
28	1	35	1	30	1
27	6	33	2	28	2
26	8	29	1	27	2
25	2	28	3	26	3
23	2	27	1	25	4
		26	6	24	4
		25	1	21	1
		24	1		
		23	1		
		22	1		
Teacher Total	<u>19</u>		<u>18</u>		<u>17</u>

* Figures reflect grades 1 - 6. One kindergarten teacher was lost in Fall, 1971.

School Resources. Even more drastic has been the cut at our school in resource teachers. In September, 1970 there were 7 teachers who were residents within the building, i.e. teachers who worked at our building 5 days a week. There were 5 itinerant teachers, i.e. teachers who spent from 2 to 4 days per week at our school, their time being divided between 2 or more buildings. In Sept., 1971 we saw the number of resident teachers cut to 4, almost half. The number of itinerants rose to 8. The total number of resource days per week shrunk from $46\frac{1}{2}$ to 39 days per week. This, of course, does not reflect the number of extra volunteer hours put in by resident teachers whose loyalties rest with one school and thus are available to serve on committees and do extra activities.

This fall, the number of resident teachers was decreased to the alarming number of one. 7 teachers are divided between schools. The total number of days per week has dropped from 39 days to 22 days per week. Over a 2 year period, we have lost ^{Full time} the resources of physical education, art, music, French, reading, science and counselling personnel. Cutting back these services so

severely without providing for their replacement robs our children of enrichment opportunities which could stay with them through their adult years.

TABLE: RESOURCE TEACHERS - Days Per Week Served

Teachers	<u>Fall, 1970</u>		<u>Fall, 1971</u>		<u>Fall, 1972</u>	
	#	Days/Wk	#	Days/Wk	#	Days/Wk
Resident	7	35	4	20	1	5
Itinerant	5	11½	8	19	7	17½
	<u>12</u>	<u>46½</u>	<u>12</u>	<u>39</u>	<u>8</u>	<u>22½</u>

In the school year of 1970-71, there was a small amount of money available to reimburse teachers who were able to carry on after-school activities. Some fine activities resulted, including a stimulating French club which at the end of the year presented a play done in French and enjoyed by the entire school, to say nothing of the children who were the participants. This sum of money was eliminated during the middle of last year.

Destructive Effects of Budget Cuts. We should be putting more, not less of our total resources into the education of our youth. School age children are so eager, so vital, and so interested when they are really learning. They want to learn about the world around them; they want to read; they want to learn how to dance, sing, whittle, master their environment. They grab onto learning when it is within their reach with gusto. It takes so little guidance to channel these eager minds into constructive activities. When that little guidance is denied, this energy often becomes misguided.

The current budget cuts and the prospects of further cuts next year have had a very demoralizing effect on administrators, teachers, students and parents. Last year, our school had 2 male teachers out of 19 total. These men filled a vital gap and did a very effective job. As desperately as our children need more male images in the schools, as much as we needed both of these men in our school, we lost one over the summer. He was offered a job with a suburban school system with smaller class sizes, more resources, more salary, more security, better and clearer advancement opportunities. The morale of our remaining male teacher is at an all time low because of the lack of those very things which caused us to lose his fellow teacher.

The only other male teachers at our school are 2 resource teachers which at one time were residents but who have been cut back to a few days a week. At the beginning of the year, these men did not know whether they had jobs or not. This kind of basic job insecurity is devastating. Some

suburban school officials have been heard to say that they will never have a lack of good teachers as long as they have the D.C. Public Schools nearby.

Teachers who are poorly paid, treated as subordinates, and given little freedom and autonomy by the school administration cannot help but reflect their true position and reduce their influence in the pupil's eyes. (Bronfenbrenner)

Parent morale is down at our school. Since our neighborhood is one with several families who through sacrifice can send their children to private schools, several have felt compelled to do so. This is indicated by an enrollment drop of almost 60. The drop is due largely, though not wholly to transfers of worried parents. We might still have more transfers as a result of concern about the conditions which gave rise to the recent teacher strike.

It is true that, as in many other urban communities, D.C. school personnel must be evaluated and held accountable for their performance to their administrators, their peers, and the community they serve. This is an essential ingredient in getting at some of the mismanagement which has so long plagued our school system. However, cutting resources for education at this point only compounds the already grave problems of our schools.

National Priorities. Large urban public school systems throughout the country are facing the worst financial crisis since their inception. Yet a Federal Government spends billions for a war effort thousands of miles from home. That same Federal Government substantially increases Defense Dept. expenditures even as it avows that the war is winding down. That same Federal government vetos day care for children and vetos bills for education.

What is to become of a country which values war and policemen and foreign conquests more than it does its children? What is to become of a country which values law and order for some, more than justice and human dignity for all? What is to become of a country where the rich get richer and more privileged while the poor get poorer and more distraught? Save the Children. Save our Society. Return education to one of our highest national priorities.

Amy Billingsley
2017 Spruce Drive, N.W.
Washington, D.C. 20012

Wash. DC. 20012
 Sept. 27, 1972.

SEP 29 1 55 PM '72
 UNITED STATES SENATE
 Dear Senator Byrdson -

We really need the help of the Senate District Committee. Parents, teachers, and pupils of DC. are united in their support of adequate pay and decent working conditions for teachers in the public schools.

Please sponsor legislation that will give a full 17% pay increase for the teachers. Certainly they deserve as much as the policemen; and they are much more important to the future of the country than the fireman!

I have three children in two different public schools, and you would not believe the conditions under which their teachers teach. Please, provide adequate numbers of teachers, safety & sociodical help, and sufficient materials for our schools.

Thank you.

Sincerely,
 James W. Brown.

September 28, 1972

Petition

To: Senate District Committee (Senators Eagleton, Tunney, Inouye, Stevenson, Mathias, Buckley).

From: Students, teachers, and parents of D.C.

The undersigned citizens of the District of Columbia urge the Senate District Committee to support quality education in the nation's capital by voting a 17% pay raise for public school teachers, sufficient teachers to ensure small classes, and funds for necessary supplies.

Name

Address

Victoria J. Farris

163 Duddington Pl. SE
DC 20003

W. Haskew

2208 Ken, Place NW 20007

Louis Williamson

1111 Mass Ave N.W.

John Cowrie

527 9th St. S.E. 20003

James E. Joseph

35 E St. N.W. # 209

SEP 28 9 26 AM '72
UNITED STATES
SENATOR

1438 Iris St. N.W.

Wash. D.C. 20012

September 27, 1972

Dear Senator Eagleton,

I am a student of one of the schools on strike I feel that the teachers' pay should match the pay of the policemen and firemen. Please help us because we don't have any senator of our own.

Thank you,
Sincerely,

Jan Brown

1716 H St. N.W.
Wash. D.C. 20012

SEP 28 1 41 PM '72

Dear ^{UNITED STATES} ~~SENATOR~~ Thomas Eagleton

I go to Paul Jr. High School.
I have not had a good day
of school since Monday September
18, 1972. I think you ought to
give the teachers there raise.
The cost of living is going
up and pretty soon they
are not going to be able
to afford anything. So why don't
you vote for the 17% raise
Is there a specific reason.

The classes I am in
are getting more and more
crowded such as my history
class which has 40 students
in it and the teachers
can not provide enough help
I hope you vote for it and
the teachers get there raise
thanks you,

Sincerely Douglas Fredell

P.S. If you can, answer my
letter.

1-12
1323 Hemlock St. NW
Washington, D.C.
20012

SEP 20 10 56
UNITED STATES
SENATOR

Dear Senator Eagleton,

I am a student at Paul M. High School in Washington D.C. Because of the strike I have already missed 7 days of school. Now I'm not complaining about all this vacation I'm having, but I do have to get an education.

Instead of stopping at the 7% raise, go all the way! Go straight to the 17%. Teachers are people, too. They need money to fight these sky high prices. Without teachers everyone would go uneducated like (ahem) policemen and and firemen.

The teachers also deserve better materials to work with and smaller classes. To achieve smaller classes, one must stop the cutting of so many teachers just so you can send astronauts to the moon. We've got enough problems down here!

Cordially,
Louise Kowitch, Student.

WILLIAM GREENWOOD
CONGRESSIONAL NEWS CORRESPONDENT
WASHINGTON

September 27, 1972

TO: District of Columbia School Board
House District Committee
Mayor Walter Washington

As a taxpayer and property owner in the District of Columbia, I am shocked and outraged over the possibility my elected officials may reward striking school teachers with a pay raise in excess of seven percent.

It is simply a disgrace to reward violators of the law.

It is simply a disgrace to cave in to blackmail tactics.

It is simply a disgrace to permit any group of public employees to openly defy the courts and dare the government to take legal reprisals.

Isn't this the school system which cannot currently account for its budget expenditures; which does not even know precisely how many employees it has?

Is our government unaware of NEA reports which indicate an over-abundance of qualified teachers looking for jobs?

May I suggest we hire new educators willing to work at prevailing metropolitan wages. Must we continue to reward defiant law breakers? Must my taxes rise annually to pay for such blackmail?

Sincerely,



William Greenwood
1605 - 44th Street, N.W.
Washington, D.C. 20007

- 0430AL73004 09/29/72
ICS IPMTBXF MTWN
004 00984 B MGM TDMT WASHINGTON DC 29
ZIP 20013



DISTRICT OF COLUMBIA COMMITTEE
US SENATE
WASHINGTON DC 20013

THE PAUL JUNIOR HIGH SCHOOL HOME AND SCHOOL ASSOCIATION SUPPORTS
THE EFFORTS OF OUR TEACHERS TO ASSURE QUALITY EDUCATION FOR OUR
CHILDREN. WE URGE YOU TO TAKE ALL NECESSARY STEPS TO REACH AN
AGREEMENT

AILEEN DANIELS PRESIDENT PAUL HOME AND SCHOOL ASSOCIATION 7909
ORCHID STREET NW WASHINGTON DC 20012

0829 EST

MGMWSHB WSH

Mailgram

VNAB065(1243)(1-0202154273)PD 09/29/72 1241

1972 SEP 29 PM 2:19

ICS IPMTBYM MTWN

UNITED STATES
SENATOR

ZCZC 001 04225 C 2027371767 PD 1 EXTRA TDMT WASHINGTON DC 29 1244P EDT

PMS HONORABLE THOMAS F EAGLETON

US SENATE 4102 NEW SENATE OFFICE BLDG CAPITOL HILL DC

ON BEHALF OF THE DISTRICT BOARD OF EDUCATION, IT IS REQUESTED THAT
NO ACTION BE TAKEN TO ATTACH A RIDER CONCERNING LORTON REFORMATORY
TO THE PENDING DISTRICTS TEACHERS PAY BILL

MARION BARRY JR PRESIDENT BOARD OF EDUCATION

Saint Peter's Rectory
313 Second Street, Southeast
Washington, D.C. 20003

October 1, 1972

District of Columbia Committee
United States Senate
Washington
D.C.

Dear Sirs:

On behalf of the children of the Capitol Hill area and the whole city of Washington, the Parish Council and the Clergy of St. Peter's Church wish to convey to you our concern at the indifference of the Committees, the District School Board and the Superintendent of Schools in attending to the needs of the school system of the District of Columbia. We direct your attention specifically to such matters as an adequate salary for the teachers and adequate books and supplies for all the schools in the District. We trust that you will do all in your power to correct these inadequacies.

Sincerely

Michael J. O'Sullivan

Rev. Michael J. O'Sullivan, Pastor

Francis W. Kraemer

Francis W. Kraemer, Jr., President

Signed at their direction by the Secretary to the Board.

MRS. W. AUGUSTUS FOWKE
8 OAK AVENUE
LA PLATA, MARYLAND 20646

Senator Eagleton

Dear Senator

PLEASE DO NOT
PLEASE DO NOT
PLEASE DO NOT

response the Teachers cause, they get excellent salaries, lots of vacations, and their demands are far above the guide lines of the wage board. They have behaved outrageously. The tax burden caused mostly by schools is stupendous.

The time has come I think for no raises except for those who

Surely the time has come to outlaw strikes, I know this politically governed Congress will not propose dealing with strikes until after the election but you can be getting a proposal ready to put to the Senate Nov. 8th also a proposal for a freeze on wages salaries and prices except to reduce some, including pensions I don't think anyone should expect the tax payers to provide over \$10,000 a year.

Yours sincerely
A. Fowkes

Sept. 29, 1972

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF FINANCE AND REVENUE



REPLY TO:
DIRECTOR OF FINANCE AND REVENUE

ROOM 4136 MUNICIPAL CENTER
300 INDIANA AVE., N.W.
WASHINGTON, D.C. 20001

October 3, 1972

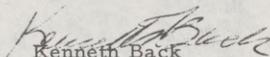
Mr. Bob Harris, Staff Director
Senate District Committee
Room 6222, New Senate Office Building
Washington, D. C.

Dear Bob:

In response to the Chairman's question during this morning's hearings on the D. C. Teachers Pay Proposal, I am enclosing our latest Metropolitan Area, 25 City, and State Rate Comparisons.

If I can be of further assistance, please call me.

Sincerely yours,


Kenneth Back
Director

SELECTED STATE AND LOCAL TAX RATES IN THE WASHINGTON METROPOLITAN AREA
1972 - 1973

	District of Columbia		Maryland		Virginia			
		Prince George's County	Montgomery County	Alexandria	Arlington	Fairfax City	Fairfax County	Falls Church
Real Estate ^{1/} (Rate per \$100 of market value)	\$1.77	\$2.17	\$1.96	\$1.73	\$1.38	\$1.69	\$1.51	\$1.53
Sales and Use:								
General Rate	5%	4%	4%	4%	4%	4%	4%	4%
Groceries	2% <u>1/</u>	--	--	4%	4%	4%	4%	4%
Transient Accommodations	6%	7%	7%	4%	4%	4%	4%	4%
Individual Income	2%-10%	3.5%-7.5%	3.5%-7.5%	2%-5.75%	2%-5.75%	2%-5.75%	2%-5.75%	2%-5.75%
Corporate Income <u>5/</u>	7%	7%	7%	6%	6%	6%	6%	6%
Beer (rate per barrel)	\$2.25	\$2.79	\$2.79	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
Spirits (rate per gallon)	\$2.00	\$1.50	\$1.50	Sold through State stores - Tax equal to 14% of retail price				
Wines (rate per gallon) - Light	\$.15	\$.40	\$.40	\$.35	\$.35	\$.35	\$.35	\$.35
Heavy	\$.33	\$.40	\$.40	\$.70	\$.70	\$.70	\$.70	\$.70
				Plus an additional tax of 14% of retail price				
Cigarettes (per pack) <u>6/</u>	\$.04	\$.06	\$.06	\$.095	\$.075	\$.075	\$.075	\$.075
Personal Property Tax <u>2/</u>	\$2.40	\$3.71	\$4.07	\$5.20 <u>3/</u>	\$4.20	\$4.00	\$4.30 <u>3/</u>	\$4.21
Applies to autos	no	no	no	yes	yes	yes	yes	yes
Applies to business inventories	partially <u>4/</u>	Only the .21 state rate		no	no	no	no	no
Motor Vehicle Excise	4%	4%	4%	2%	2%	2%	2%	2%
Gasoline tax (per gallon)	\$.08	\$.09	\$.09	\$.09	\$.09	\$.09	\$.09	\$.09

1/ The District allows a variable sales tax credit on the individual income tax up to \$6 per person for families earning \$6,000 and less
2/ The rates shown are based on market value. The definitions of market value differ in each jurisdiction.
3/ The rates shown apply to automobiles. A \$4.50 rate in Alexandria and a \$3.25 rate in Fairfax County applies to business equipment and fixtures.
4/ The District is phasing out the tax on business inventories over three years. Inventories will be assessed at two-thirds of market value on July 1, 1973, at one-third on July 1, 1973, and will be fully exempt on and after July 1, 1974.
5/ In taxable years beginning on or after January 1, 1974 the rate is 8%.
6/ Cigarettes are also subject to the general sales tax in all these jurisdictions.

District of Columbia Department of Finance
Revenue
Rev. Sept. 1972

METHODOLOGYFAMILY OF FOUR:

The assumed family of four consists of a husband who earns all the family income, primarily through salaries or wages, a wife, and two children of primary or secondary school age.

INCOME TAX:

Six income levels are assumed. The state and local tax burdens are calculated for calendar year 1972 using the standard deduction for income levels of \$10,000 and under and an assumed 15% of adjusted gross income representing itemized deductions for income levels over \$10,000.

REAL ESTATE TAX:

The housing values used for all area jurisdictions are based on the ratio of median household income in Washington, D. C. (obtained from Sales Management's 1972 Survey of Buying Power) to the median value of owner-occupied housing (1970 Census of Housing). This ratio is 2.1 and is used for housing value assumptions through the \$15,000 income level. The 2.1 ratio is lowered by one-fifth to 1.68 for income levels of \$20,000 and \$25,000 to reflect the satisfaction of housing needs of most families with housing valued at around \$35,000. The values computed for each income level are as follows:

Income level:	\$5,000	\$7,500	\$10,000	\$15,000	\$20,000	\$25,000
Housing value:	10,500	15,750	21,000	31,500	33,600	42,000

SALES AND USE TAX:

The sales taxes shown are amounts computed by the U. S. Internal Revenue Service as acceptable average sales tax deductions on federal income tax returns for the size of family, income levels, and jurisdictions in this report. The District of Columbia amount has been adjusted to include items taxed at rates which differ from the general rate and are therefore excluded from the Internal Revenue Service tables. The D. C. amounts also reflect rate increases enacted August 30, 1972 by P. L. 92-410 (H. R. 15180) effective October 1, 1972.

AUTOMOBILE TAXES:

Basic data used are from "Road User and Property Taxes on Selected Motor Vehicles, 1970," published by U. S. Department of Transportation. Computations reflect the current eight cents a gallon gasoline tax in the District of Columbia and nine cents in Maryland and Virginia. Families with incomes of \$5,000 and \$7,500 are assumed to own one very light car; families with income of \$10,000, one medium weight car; families with income of \$15,000, one medium and one very light car and families with incomes of \$20,000 and \$25,000, one heavy car and one very light car. Virginia local registration fees and the local personal property taxes on autos are included. The property tax computations reflect current ad valorem personal property tax rates in the Virginia localities and are based on National Automobile Dealers' Association "blue book" valuations for selected 1970 autos meeting the features specified in the U. S. D. O. T. publication as to type, weight, and fuel consumption.

MAJOR STATE AND LOCAL TAX BURDENS FOR A FAMILY OF FOUR
RESIDING IN SELECTED WASHINGTON METROPOLITAN AREA JURISDICTIONS
1972 - 1973

Tax	District	Mont- gomery	Prince George's	Alex- andria	Arling- ton	Falls Church	Fairfax	
	of Columbia						City	County
<u>\$5,000 Income</u>								
Income	\$ 27 ^{1/}	\$ 44	\$ 44	\$ 26	\$ 26	\$ 26	\$ 26	\$ 26
Real Estate	186	206	228	182	145	161	177	159
Sales & Use	116	74	74	103	103	103	103	103
Automobile	<u>64</u>	<u>51</u>	<u>51</u>	<u>141</u>	<u>130</u>	<u>125</u>	<u>122</u>	<u>127</u>
Total	\$ 393	\$ 375	\$ 397	\$ 452	\$ 404	\$ 415	\$ 428	\$ 415
Rank	6	7	5	1	4	3	2	3
<u>\$7,500 Income</u>								
Income	\$ 128	\$ 195	\$ 195	\$ 84	\$ 84	\$ 84	\$ 84	\$ 84
Real Estate	279	309	342	272	217	241	266	238
Sales & Use	145	93	93	125	125	125	125	125
Automobile	<u>64</u>	<u>51</u>	<u>51</u>	<u>141</u>	<u>130</u>	<u>125</u>	<u>122</u>	<u>127</u>
Total	\$ 616	\$ 648	\$ 681	\$ 622	\$ 556	\$ 575	\$ 597	\$ 574
Rank	4	2	1	3	8	6	5	7
<u>\$10,000 Income</u>								
Income	\$ 250	\$ 383	\$ 383	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175
Real Estate	372	412	456	363	290	321	355	317
Sales & Use	179	118	118	154	154	154	154	154
Automobile	<u>108</u>	<u>78</u>	<u>78</u>	<u>148</u>	<u>141</u>	<u>136</u>	<u>134</u>	<u>138</u>
Total	\$ 909	\$ 991	\$ 1035	\$ 840	\$ 760	\$ 786	\$ 818	\$ 784
Rank	3	2	1	4	8	6	5	7
<u>\$15,000 Income</u>								
Income	\$ 493	\$ 626	\$ 626	\$ 388	\$ 388	\$ 388	\$ 388	\$ 388
Real Estate	558	617	684	545	435	482	532	476
Sales & Use	233	155	155	196	196	196	196	196
Automobile	<u>165</u>	<u>128</u>	<u>128</u>	<u>292</u>	<u>269</u>	<u>260</u>	<u>254</u>	<u>262</u>
Total	\$ 1449	\$ 1526	\$ 1593	\$ 1421	\$ 1288	\$ 1326	\$ 1370	\$ 1322
Rank	3	2	1	4	8	6	5	7
<u>\$20,000 Income</u>								
Income	\$ 810	\$ 945	\$ 945	\$ 620	\$ 620	\$ 620	\$ 620	\$ 620
Real Estate	595	659	729	581	464	514	568	507
Sales & Use	276	187	187	231	231	231	231	231
Automobile	<u>177</u>	<u>152</u>	<u>152</u>	<u>337</u>	<u>318</u>	<u>303</u>	<u>296</u>	<u>306</u>
Total	\$ 1858	\$ 1943	\$ 2013	\$ 1769	\$ 1633	\$ 1668	\$ 1715	\$ 1664
Rank	3	2	1	4	8	6	5	7
<u>\$25,000 Income</u>								
Income	\$1163	\$1264	\$1264	\$ 864	\$864	\$864	\$ 864	\$ 864
Real Estate	743	823	911	727	580	643	710	634
Sales & Use	308	205	205	253	253	253	253	253
Automobile	<u>177</u>	<u>152</u>	<u>152</u>	<u>337</u>	<u>318</u>	<u>303</u>	<u>296</u>	<u>306</u>
Total	\$ 2391	\$ 2444	\$ 2532	\$ 2181	\$ 2015	\$ 2063	\$ 2123	\$ 2057
Rank	3	2	1	4	8	6	5	7

^{1/} This amount reflects the \$2 per low-income family member for sales taxes paid as provided for in the Revenue Act of 1969.

DEPARTMENT OF FINANCE AND REVENUE
Fiscal Planning and Research
FO - 81 (Revised 9/20/72)

25 CITY METHODOLOGY
1971 - 1972

The family of four consists of a husband who earns almost all the family income through salaries and wages, a non-working wife, and two school age (primary or secondary school) children.

Income Tax: Six income levels are assumed. Calendar year 1971 rates and provisions are assumed. The standard deduction is used for income levels of \$10,000 and less, and an itemized deduction equal to 15% of adjusted gross income is used for income levels over \$10,000. Local income taxes are included in this comparison.

Real Estate Tax: The housing values at each income level, were determined by the ratio of household income (Sales Management's 1971 Survey of Buying Power) to the median value of owner occupied housing (1970 Census of Housing). These ratios for each city were lowered by one-fifth for the \$20,000 and \$25,000 income levels to reflect the satisfaction of many families regardless of their income of a home valued at between \$35,000 and \$50,000.

This methodology takes into account the differing types of property available in each jurisdiction as well as the varying effective property tax rates. The median value of housing in older cities like Baltimore and Philadelphia with their many row houses and some economically deprived central city neighborhoods is quite different than in the newer cities of California.

The amount of tax shown also reflects local property assessment levels and rates in each jurisdiction. Assessment level data for 22 of the cities are from the U. S. Bureau of the Census, Census of Governments; 1967, May 1968/CG-P-5, "Property Tax Rates in Selected Major Cities and Counties". Assessment level and rate data for San Antonio are the latest available from Prentice-Hall, State and Local Taxes, "Property Tax Edition". District of Columbia data is based on the latest city-wide sales assessment ratio study while Pittsburgh data reflects the differing rate applicable to land and improvements.

The detail in both the housing value ratios and the effective property tax rates for each city are presented in the narrative report.

Sales Tax: The sales taxes shown are amounts allowed by the Internal Revenue Service as sales tax deductions for a family of four at the various income levels for calendar year 1971. Adjustments have been made to reflect annual burdens at the most current rates and provisions.

Automobile: Data based on U. S. Department of Transportation's "Road-User and Property Taxes on Selected Motor Vehicles, 1970". The families with income of \$5,000 and \$7,500 are assumed to own a very light passenger car; those with incomes of \$10,000, a medium weight car; \$15,000, both a very light car and a medium weight car; and those families earning \$20,000 and \$25,000 are assumed to own both a heavy car and a very light car. Adjustments have been made for gasoline tax rate hikes and other law changes since the issuance of the 1970 report.

District of Columbia Government
Department of Finance and Revenue
Fiscal Planning and Research
February, 1972

ESTIMATED TAX BURDENS OF MAJOR TAXES FOR A FAMILY OF FOUR RESIDING IN THE NATION'S 25 LARGEST CITIES
1971 - 1972

	\$20,000				\$25,000								
	Real Estate	Sales	Auto- mobile	Total Amount	Burden Percent	Rank	Real Estate	Sales	Auto- mobile	Total Amount	Burden Percent	Rank	
Boston	759	1,560	58	2,671	13.4	1	1,000	1,950	64	294	3,308	13.2	2
Milwaukee	1,155	1,136	213	2,618	13.0	2	1,597	1,420	233	114	3,364	13.5	1
New York	1,020	892	353	2,440	12.2	3	1,561	1,115	387	175	3,238	13.0	3
San Francisco	454	1,207	246	2,091	10.5	4	731	1,509	270	184	2,694	10.8	4
Los Angeles	454	1,100	219	1,957	9.8	5	731	1,375	241	184	2,531	10.1	5
Baltimore	945	590	187	1,850	9.3	6	1,264	738	205	128	2,335	9.3	6
Pittsburgh	870	653	189	1,821	9.1	7	1,085	816	207	109	2,218	8.9	8
Philadelphia	1,060	454	189	1,812	9.1	8	1,325	568	207	109	2,209	8.8	9
Denver	592	622	379	1,783	9.0	9	862	778	417	189	2,246	9.0	7
Chicago	400	746	301	1,722	8.6	10	525	932	330	275	2,062	8.2	12
San Diego	454	832	219	1,784	8.4	11	731	1,040	241	184	2,196	8.8	10
Detroit	808	488	265	1,689	8.4	12	1,043	610	291	118	2,062	8.2	12
Washington	810	452	220	1,673	8.3	13	1,163	566	239	171	2,139	8.6	11
St. Louis	633	481	267	1,604	8.0	14	870	602	293	222	1,987	7.9	14
Phoenix	468	671	270	1,601	8.0	15	706	839	296	192	2,033	8.1	13
Indianapolis	318	775	140	1,575	7.9	16	418	968	153	343	1,882	7.5	15
Seattle	---	699	326	1,260	6.3	17	---	874	358	235	1,467	5.9	16
Cleveland	200	608	194	1,101	5.5	18	250	760	213	99	1,322	5.3	17
New Orleans	224	377	361	1,057	5.3	19	309	471	396	96	1,272	5.1	18
Memphis	---	526	319	961	4.8	20	---	658	351	115	1,124	4.5	20
Columbus	200	483	173	956	4.8	21	250	604	190	99	1,143	4.6	19
San Antonio	---	418	207	833	4.2	22	---	522	227	208	957	3.8	21
Dallas	---	278	207	693	3.5	23	---	348	227	208	783	3.1	23
Jacksonville	---	330	208	676	3.4	24	---	441	228	138	807	3.2	22
Houston	---	231	207	646	3.2	25	---	289	227	208	724	2.9	24
25 City Average	473	664	237	1,550	7.8		657	831	260	175	1,924	7.7	

ESTIMATED TAX BURDENS OF MAJOR TAXES FOR A FAMILY OF FOUR RESIDING IN THE NATION'S 25 LARGEST CITIES
1971 - 1972

	\$5,000					\$7,500								
	Income	Real Estate	Sales	Auto-mobile	Total Amount	Burden Percent	Rank	Income	Real Estate	Sales	Auto-mobile	Total Amount	Burden Percent	Rank
Boston	22	487	20	76	605	12.1	1	136	730	26	76	968	12.9	1
Milwaukee	109	355	80	41	585	11.7	2	230	533	101	41	905	12.1	2
Pittsburgh	225	204	64	37	530	10.6	3	385	306	83	37	811	10.8	4
San Francisco	---	377	93	53	523	10.5	4	4	565	119	53	741	9.9	5
New York	37	279	147	52	515	10.3	5	177	419	182	52	830	11.1	3
Philadelphia	265	142	64	37	508	10.2	6	398	213	83	37	731	9.8	6
Los Angeles	---	344	83	53	480	9.6	7	4	516	106	53	679	9.1	8
Chicago	25	233	144	75	477	9.5	8	88	350	171	75	684	9.1	7
Seattle	---	218	153	72	443	8.9	9	---	327	183	72	582	7.8	14
Denver	2	194	182	51	430	8.6	10	70	291	218	51	631	8.4	9
Phoenix	22	210	132	53	417	8.3	11	69	316	157	53	594	7.9	13
Detroit	92	152	128	36	408	8.2	12	204	228	152	36	620	8.3	10
St. Louis	65	150	125	65	405	8.1	13	125	225	149	65	564	7.5	15
Indianapolis	18	243	67	75	403	8.1	14	68	364	80	75	587	7.8	12
San Diego	---	260	83	53	396	7.9	15	4	389	106	53	552	7.4	16
Memphis	---	165	143	42	350	7.0	16	---	247	174	42	463	6.2	19
Cleveland	50	190	72	34	346	6.9	17	75	285	92	34	486	6.5	18
Baltimore	44	184	74	43	345	6.9	18	195	276	93	43	607	8.1	11
Washington	27	142	101	57	327	6.5	19	128	213	122	57	520	6.9	17
New Orleans	---	118	154	30	302	6.0	20	19	176	188	30	413	5.5	21
Columbus	50	151	64	34	298	6.0	21	75	225	82	34	417	5.6	20
San Antonio	---	131	83	55	269	5.4	22	---	197	103	55	355	4.7	22
Dallas	---	87	83	55	225	4.5	23	---	130	103	55	288	3.8	23
Houston	---	72	83	55	210	4.2	24	---	108	103	55	266	3.5	24
Jacksonville	---	25	84	40	149	3.0	25	---	94	104	40	238	3.2	25
25 City Average	42	204	100	51	398	8.0		98	309	123	51	581	7.7	

ESTIMATED TAX BURDENS OF MAJOR TAXES FOR A FAMILY OF FOUR RESIDING IN THE NATION'S 25 LARGEST CITIES
1971 - 1972

	\$10,000					\$15,000								
	Income	Real Estate	Sales	Auto-mobile	Total Amount	Burden Percent	Rank	Income	Real Estate	Sales	Auto-mobile	Total Amount	Burden Percent	Rank
Boston	279	973	34	126	1,412	14.1	1	519	1,459	47	203	2,228	14.9	1
Milwaukee	386	710	131	62	1,289	12.9	2	719	1,065	176	104	2,064	13.8	2
New York	272	559	228	98	1,157	11.6	3	586	838	296	150	1,870	12.5	3
San Francisco	64	753	151	85	1,053	10.5	4	234	1,129	203	139	1,705	11.4	4
Pittsburgh	440	408	110	61	1,019	10.2	5	655	612	153	97	1,517	10.1	6
Philadelphia	530	284	110	61	985	9.9	6	795	427	153	97	1,472	9.8	7
Los Angeles	64	688	135	85	972	9.8	7	234	1,032	181	139	1,586	10.6	5
Chicago	150	467	208	120	945	9.5	8	275	700	260	195	1,430	9.5	9
Baltimore	383	367	118	64	932	9.3	9	626	551	155	108	1,440	9.6	8
Detroit	320	304	183	65	872	8.7	10	558	456	229	101	1,344	9.0	11
Denver	130	388	262	88	869	8.7	11	328	583	326	140	1,376	9.2	10
Phoenix	132	421	189	88	829	8.3	12	266	631	234	141	1,272	8.5	13
Indianapolis	118	485	96	123	822	8.2	13	218	728	121	198	1,265	8.4	14
San Diego	64	519	135	85	803	8.0	14	234	778	181	139	1,332	8.9	12
St. Louis	207	300	182	107	796	8.0	15	396	450	230	172	1,247	8.3	16
Washington	250	284	149	101	784	7.8	16	493	425	190	158	1,266	8.4	15
Seattle	---	436	222	103	761	7.6	17	---	654	277	175	1,106	7.4	17
Cleveland	100	380	119	55	654	6.5	18	150	570	159	89	968	6.5	18
Memphis	---	330	214	63	607	6.1	19	---	495	273	105	873	5.8	19
New Orleans	64	235	236	54	589	5.9	20	139	353	306	83	881	5.9	20
Columbus	100	301	106	55	562	5.6	21	150	451	142	89	832	5.5	21
San Antonio	---	262	130	84	476	4.8	22	---	393	173	139	705	4.7	22
Dallas	---	174	130	84	388	3.9	23	---	261	173	139	573	3.8	24
Jacksonville	---	163	132	78	373	3.7	24	---	301	174	118	593	4.0	23
Houston	---	144	130	84	358	3.6	25	---	216	173	139	528	3.5	25
25 City Average	162	414	154	83	813	8.1		303	622	200	134	1,259	8.4	

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF FINANCE AND REVENUE

COMPARISON OF SELECTED DISTRICT OF COLUMBIA AND STATE TAX RATES
(As of September 1971)

Page No.	Tax	Using Tax	Rate Lower than D.C.	Rate Same as D.C.	Rate Higher than D.C.
2	Spirits	35	7	5	23
3	Beer	50	14	0	36
4	Dessert Wine	36	8	0	28
5	Cigarettes	50	3	0	47
6	Gasoline	50	34	8	8
7	Motor Vehicle Excise	46	22	16	8
8	Insurance	50	0	26	24
9	Sales and Use	45	20	17	8
10	Sales and Gross Receipts Tax Collections as a Percent of Personal Income	50	11	0	39
11-15	Individual Income ^{1/}	39	29	0	10
16	State Individual Income Tax Collections as Percent of Personal Income	41	32	0	9
17	Definition of State Income Bases		Not	Applicable	
18	Corporation Income (maximum rate)	43	13	10	20
19	Total State Tax Collections as a Percent of Personal Income	50	Not	Applicable	
20	Inheritance and Estate Taxes	49	Not	Applicable	
21	Motor Vehicle Registration Fee	50	45	0	5
22	State and Local Per Capita Tax Burdens	50	47	0	3

^{1/} This is based on the tax burden of a family of four with an income of \$10,000 and excludes New Hampshire, New Jersey, and Tennessee where the tax only applies to special types of income.

DISTILLED SPIRITS TAX RATES PER GALLON
 District of Columbia and States
 September 1971

No. of States:	----- Tax Rates -----			
	Monopoly States	Lower than the District	Same as the District	Higher than the District
	15	7	5	23
	Alabama	\$1.50	\$2.00	\$2.08
	Idaho	Kansas	Arizona	Indiana
	Iowa	MARYLAND	California	Massachusetts
	Maine	N. Mexico ^{1/}	Illinois	\$2.25
	Michigan		Missouri	\$3.74
	Montana	\$1.60	Texas	Delaware
	N. Hampshire	Nebraska		New York
	Ohio			Wisconsin
	Oregon	\$1.80		\$2.30
	Pennsylvania	Colorado		New Jersey
	Utah			\$4.00
	VIRGINIA	\$1.90		\$2.50
	Washington	Nevada		Arkansas ^{2/}
	W. Virginia			Connecticut
	Wyoming	\$1.92		Tennessee ^{4/}
		Kentucky		Louisiana
				Mississippi
				N. Dakota
				Vermont
				Rhode Island
				\$5.60
				12% of Retail
				N. Carolina ^{5/}
				\$2.72
				S. Carolina
				20% of whole-
				sale
				\$3.00
				S. Dakota
				Hawaii

Average in non-monopoly states: \$2.60 per gal.

Source: State Tax Guide, Commerce Clearing House

Footnotes:

- 1/ New Mexico: Liquor over 100 proof, per wine gallon, is taxed at \$2.40 per wine gallon.
- 2/ Arkansas: Plus tax of 20 cents per case.
- 3/ Florida: Liquor containing more than 48% alcohol by weight taxed at \$7.50 per gallon.
- 4/ Tennessee: An additional tax of 15¢ per case is levied on wholesale sales.
- 5/ North Carolina: An additional tax at the rate of 1¢ per 2 ounces (\$.64 a gallon) is levied.

BEER TAX RATES PER 31 GALLON BARREL
District of Columbia and States
September 1971

-----Tax Rates-----				
Alcoholic content assumed to be 4-1/2%				
Lower than the District 14 States	Same as the District 0 States	Higher than the District 36 States		
<u>\$.62</u>	<u>\$2.25</u>	<u>\$2.48</u>	<u>\$4.34</u>	<u>\$10.00</u>
Wyoming	None	Arizona	Iowa	Georgia*
		Nebraska		Louisiana
<u>\$.93</u>		New Mexico	<u>\$4.65</u>	Oklahoma
MARYLAND		N. Dakota	Idaho	
		Pennsylvania*	Kansas	<u>\$13.23</u>
				Mississippi
<u>\$1.00</u>		<u>\$2.50</u>	<u>\$5.12</u>	
Washington*		Connecticut*	Texas	<u>\$15.00</u>
		Kentucky		N. Carolina
<u>\$1.03</u>		Ohio*	<u>\$5.50</u>	
New Jersey			W. Virginia	<u>\$16.53</u>
		<u>\$2.71</u>		Alabama*
<u>\$1.24</u>		Indiana	<u>\$6.00</u>	
California			VIRGINIA*	<u>\$23.33</u>
		<u>\$2.74</u>		S. Carolina*
<u>\$1.30</u>		Massachusetts*	<u>\$6.30</u>	
Oregon			Michigan	20% of
		<u>\$3.00</u>		Wholesale
<u>\$1.38</u>		Montana	<u>\$7.75</u>	Hawaii
New York			Alaska	
		<u>\$3.10</u>	Arkansas	
<u>\$1.86</u>		Utah	Maine	
Colorado			Vermont	
Missouri		<u>\$3.40</u>		
Nevada		Tennessee	<u>\$8.00</u>	
			S. Dakota	
<u>\$2.00</u>		<u>\$3.68</u>		
Delaware		Minnesota	<u>\$9.92</u>	
Rhode Island*		Mississippi	Florida*	
Wisconsin				
		<u>\$3.72</u>		
<u>\$2.17</u>		N. Hampshire		
Illinois				
		<u>Average in the states: \$5.05</u>		

Source: State Tax Guide, Commerce Clearing House

* Different tax rate used for beer sold in bottles and cans.

DESSERT WINE EXCISE TAX RATES PER GALLON
 District of Columbia and States
 September 1971

-----Tax Rates-----				
Monopoly States 14 States	Lower than the District 8 States	Same as the District 0 States	Higher than the District 28 States	
Alabama	<u>2 cents</u>	<u>33 cents</u>	<u>34 cents</u>	<u>70 cents</u>
Idaho	California	None	Texas	N. Carolina
Iowa				
Maine	<u>10 cents</u>		<u>35 cents</u>	<u>75 cents</u>
Michigan	New Jersey		Mississippi	Arkansas
Montana	New York			
N. Hampshire			<u>39 cents</u>	<u>80 cents</u>
Oregon	<u>20 cents</u>		Wisconsin	Delaware
Pennsylvania	MARYLAND			Massachusetts
Utah			<u>40 cents</u>	Minnesota
VIRGINIA ^{1/}	<u>21 cents</u>		Indiana	
Washington	Louisiana		N. Mexico	<u>\$1.00</u>
W. Virginia			Rhode Island	Oklahoma
Wyoming	<u>25 cents</u>			
	Connecticut		<u>42 cents</u>	<u>\$1.08</u>
			Arizona	S. Carolina
	<u>30 cents</u>			
	Colorado		<u>50 cents</u>	<u>\$1.10</u>
	Missouri		Kansas	Tennessee
			Kentucky	
			Nevada	<u>\$1.40</u>
				S. Dakota
			<u>55 cents</u>	Vermont
			Nebraska	
				<u>\$1.60</u>
			<u>60 cents</u>	Florida
			Alaska	
			Illinois	<u>\$2.50</u>
			N. Dakota	Georgia
			Ohio	
				<u>20% of Wholesale Price</u>
				Hawaii

Average rate in non-monopoly states: 68 cents

Source: State Tax Guide, Commerce Clearing House
 Wine assumed to contain 21% alcohol.

Footnotes:

^{1/} Virginia: Wines having more than 14% alcohol are taxed at 70 cents per gallon plus a 14% markup. Wine can be sold through private retail outlets.

CIGARETTE TAX RATES PER PACK OF 20
District of Columbia and States
September 1971

-----Tax Rates-----				
Lower than the District 3 States	Same as the District 0	Higher than the District 47 States		
<u>2 Cents</u>	<u>4 Cents</u>	<u>5 Cents</u>	<u>11 Cents</u>	<u>14 Cents</u>
North Carolina		Colorado*	Kansas	Delaware
			Louisiana	Maine
<u>2 1/2 Cents</u>		<u>6 Cents</u>	<u>Michigan</u>	<u>New Jersey*</u>
VIRGINIA *		Indiana	North Dakota	Wisconsin
		MARYLAND		
<u>3 Cents</u>		<u>South Carolina</u>	<u>12 Cents</u>	<u>16 Cents</u>
Kentucky			Alabama*	Massachusetts
		<u>7 Cents</u>	<u>Georgia</u>	<u>Washington</u>
		Idaho	Illinois	
			Montana	<u>17 Cents</u>
		<u>8 Cents</u>	<u>New Mexico*</u>	<u>Florida</u>
		Alaska	New York*	
		Hawaii <u>1/</u>	South Dakota	<u>17 3/4 Cents</u>
		Utah	Vermont	<u>Arkansas</u>
		Wyoming	West Virginia	
				<u>18 Cents</u>
Average State Rate		<u>9 Cents</u>	<u>13 Cents</u>	<u>Minnesota</u>
11¢ per Pack		Mississippi	Iowa	<u>Pennsylvania</u>
		Missouri*	Nebraska	
		Oregon	Oklahoma	<u>18 1/2 Cents</u>
			Rhode Island	<u>Texas</u>
		<u>10 Cents</u>	<u>Tennessee*</u>	
		Arizona		<u>21 Cents</u>
		California		<u>Connecticut</u>
		Nevada		
		New Hampshire <u>2/</u>		
		Ohio		

Source: State Tax Guide, Commerce Clearing House

* Local taxes are imposed in these States.

1/ Hawaii 8 cents per pack approximates the 40% of wholesale price levy.

2/ New Hampshire 10 cents per pack approximates the 42% of retail price levy.

STATE GASOLINE TAX RATES
District of Columbia and States
September 1971

-----Tax Rates-----			
Lower than the District	Same as the District	Higher than the District	
34 States	8 States	8 States	
5 cents	7 cents	8 cents	8.5 cents
Hawaii 1/	MARYLAND	Alaska	Nebraska
Missouri	Michigan	Delaware	W. Virginia
Texas	Minnesota	Florida	
	Montana	Indiana	9 cents
6 cents	New Jersey	Louisiana	Maine
Nevada 2/	New Mexico	Mississippi	N. Hampshire
	New York 4/	Pennsylvania	N. Carolina
6.58 cents	North Dakota	Rhode Island	Vermont
Oklahoma	Ohio		Washington
	Oregon		
7 cents	South Carolina		10 cents
Alabama 3/	South Dakota		Connecticut
Arizona	Tennessee		
California	Utah		
Colorado	VIRGINIA		
Idaho	Wisconsin		
Iowa	Wyoming		
Kansas			
Kentucky	7.5 cents		
	Arkansas		
	Georgia		
	Illinois		
	Massachusetts		

Source: State Tax Guide, Commerce Clearing House

Footnotes:

- 1/ Hawaii: County taxes are levied in addition to the 5¢ state rate. A combined state and county rate of 8-1/2¢ is in effect in Honolulu.
- 2/ Nevada: A county fuel tax up to 2¢ a gallon is authorized--1¢ tax now in effect in three counties.
- 3/ Alabama: Cities and counties can levy an additional tax of up to 2¢ per gallon.
- 4/ New York: New York City imposes a 1¢ per gallon levy on fuel with 0.5 grain or more of lead per gallon.

MOTOR VEHICLE EXCISE, SALES & USE AND PRIVILEGE TAX RATES
 District of Columbia and States
 September 1971

No Tax 4 States	Tax Rates		Same as the District 16 States	Higher than the District 8 States
	Lower than the District 22 States			
Alaska*	1.5%	3% (cont.)	4%	4.5%
Delaware	Alabama*	Mississippi	Arizona 1/	Washington*
N. Hampshire		Missouri	Florida	
Oregon	2%	Wyoming 1/	Hawaii	5%
	California*		Illinois*	Kentucky
	Indiana 1/	3.5%	MARYLAND	Maine 1/
	Montana	Tennessee*	Michigan	New Jersey
	Nevada 1/		Minnesota	Rhode Island
	New Mexico 1/		New York	West Virginia
	North Carolina		North Dakota	
	Oklahoma		Ohio	6%
	VIRGINIA		S. Carolina	Pennsylvania
			S. Dakota	
	2.5%		Texas	6.5%
	Nebraska		Utah	Connecticut
			Vermont 2/	
	3%		Wisconsin	
	Arkansas			
	Colorado 1/			
	Georgia			
	Idaho			
	Iowa			
	Kansas			
	Louisiana*			
	Massachusetts 1/			
			Average State rate in 46 States:	
			3.5%	

Source: State Tax Guide, Commerce Clearing House

Footnotes:

* Local taxes are imposed in these states.

1/ Annual excise-type levies are imposed in these states. Maximum rates vary from 24 mills in Maine, 2% in Colorado, California, Indiana, New Mexico, Washington, 4% in Arizona, Nevada, to 6.6% in Massachusetts.

2/ Vermont. Tax limited to lesser of 4% of purchase price less trade-in or \$300.

STATE INSURANCE GROSS PREMIUMS TAX RATE
 District of Columbia and States
 September 1971

-----Tax Rates-----		
Same as the District		Higher than the District
<u>26 States:</u>		<u>24 States</u>
<u>2%</u>		<u>2.25%</u>
Arizona	Colorado	Massachusetts <u>2/</u>
Delaware	Georgia <u>1/</u>	
Florida	Oregon	<u>2.925%</u>
Illinois	Utah	Hawaii
Indiana	VIRGINIA	
Iowa		<u>3%</u>
Kansas	<u>2.35%</u>	Alabama
Kentucky	California	Alaska
Louisiana <u>1/</u>		Idaho
Maine	<u>2.5%</u>	Mississippi
MARYLAND	Arkansas	W. Virginia
Michigan	N. Mexico	
Minnesota	N. Carolina	<u>3.3%</u>
Missouri	N. Dakota	Texas
Nebraska	Ohio	
Nevada	S. Dakota	<u>4%</u>
N. Hampshire	Wyoming	Oklahoma
New Jersey		
New York <u>1/</u>	<u>2.75%</u>	
Pennsylvania <u>1/</u>	Connecticut	
Rhode Island <u>1/</u>	Montana	
S. Carolina		
Tennessee		
Vermont		
Washington		
Wisconsin		

Source: State Tax Guide, Commerce Clearing House

Assumes most of assets held outside the state.

1/ Louisiana, New York, Pennsylvania, Georgia: In addition to the state levy, local premium taxes are levied.

2/ Massachusetts: In addition to the Gross Premiums Tax, Massachusetts has enacted a Gross Investment Income Tax of 1% which applies to domestic life and casualty companies. The Investment Tax is not subject to retaliatory measures.

STATE SALES AND GROSS RECEIPTS TAX COLLECTIONS
AS A PERCENT OF TOTAL PERSONAL INCOME
1970

United States Average is 3.4%

Lower than U. S. Average (Less than 3%)		Near U. S. Average (3% - 4%)		Above U. S. Average (Over 4%)	
11 States		20 States		19 States	
Oregon	1.2%	<u>DISTRICT</u>	3.0%	North Dakota	4.2%
Alaska	1.5%	Kansas	3.1%	Rhode Island	4.2%
Delaware	1.8%	Missouri	3.1%	Utah	4.2%
Massachusetts	2.1%	Nebraska	3.1%	Arkansas	4.3%
Montana	2.1%	Ohio	3.1%	Vermont	4.3%
New Hampshire	2.4%	Minnesota	3.2%	Arizona	4.5%
New Jersey	2.4%	Indiana	3.3%	South Dakota	4.5%
New York	2.5%	Oklahoma	3.3%	Wyoming	4.5%
Colorado	2.9%	Texas	3.3%	Florida	4.6%
MARYLAND	2.9%	Wisconsin	3.3%	Kentucky	4.6%
VIRGINIA	2.9%	California	3.4%	Maine	4.6%
		Connecticut	3.5%	Alabama	4.7%
		Idaho	3.5%	South Carolina	4.8%
		Illinois	3.6%	New Mexico	4.9%
		Iowa	3.6%	Nevada	5.7%
		Louisiana	3.6%	West Virginia	5.7%
		Michigan	3.6%	Washington	6.0%
		Pennsylvania	3.8%	Hawaii	6.2%
		Tennessee	3.9%	Mississippi	6.5%
		Georgia	4.0%		
		North Carolina	4.0%		

1970 state collections as a percent of 1970 personal income.

INDIVIDUAL INCOME TAX RATES AND TAXABLE INCOME BRACKETS FOR CALENDAR YEAR 1971
 District of Columbia and States
 September 1971

DISTRICT AND BORDERING STATES	PERSONAL EXEMPTIONS		RATES AND TAXABLE INCOME BRACKETS		FEDERAL TAX		
	Single	Married	Dependent	First	Rate	Deductible	Withholding
District of Columbia	\$1,000	\$2,000	\$500	First \$1,000 - 2% Next \$1,000 - 3% Next \$1,000 - 4% Next \$2,000 - 5% Next \$3,000 - 6% Next \$4,000 - 7% Next \$5,000 - 8% Next \$8,000 - 9% Over \$25,000 - 10%	No	Yes	
Credit \$2 - \$6 per exemption for residents earning \$64,000 or less							
Maryland (1)	\$ 800	\$1,600	\$800	First \$1,000 - 2% Next \$1,000 - 3% Next \$1,000 - 4% All over \$3,000 - 5%	No	Yes	
Local surcharge rates vary from 20% to 50%							
50% Montgomery, 50% Prince Georges Counties							
50% in Baltimore City							
Virginia	\$1,000	\$2,000	\$300	First \$3,000 - 2% Next \$2,000 - 3% Over \$5,000 - 5%	No	Yes	

RATES

OTHER STATES*	PERSONAL EXEMPTIONS		MINIMUM		MAXIMUM		FEDERAL TAX	
	Single	Married	Rate %	Income up to %	Rate %	Income Over %	Deductible	Withholding
Alabama (1)	\$1,500	\$3,000	1.5	\$ 1,000	5.0	\$ 5,000	Yes	Yes
Alaska	----	----	16%	of Federal Income Tax			No	Yes
Arizona	1,000	2,000	2.0	1,000	8.0	6,000	Yes	Yes
Arkansas Credit (3)	17.50	35.00	1.0	3,000	7.0	25,000	No	Yes
California Credit (2)	25.00	50.00	1.0	2,000	10.0	14,000	No	No (3)
Colorado Exemption	750	1,500	3.0	1,000	8.0	10,000	Yes	Yes
Credit	7.00	14.00	7.00	(2% surtax on div. & int. over \$5,000)				
Delaware (1) (4)	600	1,200	1.5	1,000	18.0	100,000	Yes (4)	Yes
Georgia	1,500	3,000	1.0	500	6.0	10,000	No	Yes
Hawaii	650	1,300	2.25	500	11.0	30,000	No	Yes

OTHER STATES*	PERSONAL EXEMPTIONS				MINIMUM				MAXIMUM				FEDERAL TAX		
	Single	Married	Dependent	Rate	%	Up to	Rate	Income	%	Over	Income	Rate	%	DEDUCTIBLE	WITHHOLDING
Idaho (2) and (5)	\$ 650	\$1,300	\$650	2.5		\$1,000	9.0		\$5,000				Yes	Yes	
Illinois	1,000	2,000	1,000	2.5		% of base income							No	Yes	
Indiana	1,000	1,000 - 2,000	500	2		% of adjusted gross income							No	Yes	
Iowa Credit	15.00	30.00	10.00	.75		1,000	7.0		9,000				Yes	Yes	
Kansas	600	1,200	600	2.0		2,000	6.5		7,000				Yes	Yes	
Kentucky Credit (1)(6)	20.00	40.00	20.00	2.0		3,000	6.0		8,000				Yes (6)	Yes	
Louisiana (2)	2,500	5,000	400	2.0		10,000	6.0		50,000				Yes	Yes	
Maine	1,000	1,000	1,000	1.0		2,000	6.0		50,000				No	Yes	
Massachusetts (7)	2,000	2,000-4,000(8)	600	5.0		(7)	9.0		(7)				No	Yes	
Michigan (1) and (8)	1,200	2,400	1,200	3.9		flat rate on adjust. gr. inc.							No	Yes	
Minnesota Credit	20.00	40.00	20.00	1.55		500	13.5		20,000				Yes	Yes	
Mississippi	4,000	6,000	None	3.0		5,000	4.0		5,000				No	Yes	
Missouri (1)	1,200	2,400	400	1.5		1,000	6.0		9,000				Yes	Yes	
Montana	600	1,200	600	2.2		1,000	12.1		35,000				Yes	Yes	
Nebraska Credit	7.00	14.00	7.00	10		% of Federal income tax							No	Yes	
New Hampshire	4.25	% on interest and divs. above \$600, 4% commuter's tax											No	No	
New Jersey (3) (9)	650	1,300	650	2.0		1,000	14.0		23,000				No	No (3)	
New Mexico (1) (2)	650	1,300	650	1.0		500	9.0		100,000				No	Yes	
New York Exemption	650	1,300	650	2.0		1,000	14.0		23,000				No	Yes	
New York Credit (1)	12.50	25.00	None										-	-	
North Carolina	1,000	2,000	600	3.0		2,000	7.0		10,000				No	Yes	
North Dakota (3)	600	1,500	600	3.0		3,000	13.0		15,000				Yes	Yes (3)	
Oklahoma	750	750	750	0.5		1,000	6.0		7,500				Yes	Yes	
Oregon (10)	600	1,200	600	4.0		500	10.0		5,000				Yes	Yes (12)	
Pennsylvania	-----	-----	-----	2.3		flat rate							No	Yes	
Rhode Island	-----	-----	-----	17 1/2		% of Federal Income Tax							No	Yes	
South Carolina	800	1,600	800	2.0		2,000	7.0		10,000				Yes	Yes (11)	
Tennessee (12)	-----	-----	-----	6		% on interest & div. income							No	No	
Utah	600	1,200	600	2.0		1,000	6.5		5,000				Yes	Yes	
Vermont	-----	-----	-----	28.75		% of Federal Income tax							No	Yes	
West Virginia	600	1,200	600	2.1		2,000	9.6		200,000				Yes	Yes	
Wisconsin (Credit)	12.00	24.00	12.00	2.8		1,000	10.4		14,000				No	Yes	

Source: State Tax Guide, Commerce Clearing House

Footnotes on following page.

Footnotes:

- (1) Alabama: Delaware, Maryland, Kentucky, Michigan, Missouri, New York, Ohio, Oregon and Pennsylvania. In addition to the state taxes, local income taxes are imposed in major cities and/or counties in these states.
- (2) Arizona, California, Idaho, Louisiana and New Mexico are community property states in which 1/2 of community income is taxable to each spouse.
- (3) California, New Jersey and North Dakota: Taxes are withheld from non-residents only.
- (4) Delaware: Federal income tax deduction is limited to \$300.
- (5) Idaho: There is a \$10 per return fee. A \$10 credit is given for each personal exemption.
- (6) Kentucky: Limited to the lesser of: (a) the tax actually paid or accrued for the taxable years, or (b) the Federal rates in effect on 12/31/67 to taxable income of the taxable year.
- (7) Massachusetts: Personal exemptions are as follows: Married filing separately, \$2,000; married filing jointly, \$2,000 plus business income of spouse with smaller income or \$4,000, whichever is less; additional deduction of \$600 for spouse whose income does not exceed \$2,000 and for taxpayers over 65 years of age. A tax rate of 5% applies to all business income (including wages and salaries), interest and dividends are taxed at a combined tax and surtax rate of 9%. Annuity income is taxed at a combined tax and surtax rate of 2%. A credit of \$4.00 for the taxpayer, \$4.00 for a spouse, and \$8.00 for qualified dependents is allowed if gross income is \$5,000 or less.
- (8) Michigan: Partial credits are allowed for property taxes and city income taxes.
- (9) New Jersey: Tax is levied on net income derived by New Jersey resident individuals in New York and on net income derived by New York resident individuals in New Jersey. New Jersey rates, taxable income brackets, exemptions, etc., are exactly comparable to those of New York.
- (10) Oregon: Federal income tax deduction is limited to the lesser of the amount of Federal taxes paid for the taxable year or the amount that would be paid under the Federal code in effect on 11/1/67 applied to Federal taxable income minus any credits used.
- (11) South Carolina: Federal income tax deduction is limited to \$500.
- (12) Tennessee: Tax rates are 6% on dividends and interest and 4% on dividends from corporations which have 75% of their property taxable in State.

1971 STATE INCOME TAX BURDENS OF A FAMILY OF FOUR AT SIX INCOME LEVELS

Rank	\$5,000		\$7,500		\$10,000		\$15,000		\$20,000		\$25,000	
	State	Tax	State	Tax								
1	Pa. 1/	\$115	Minn.	\$274	Minn.	\$453	Minn.	\$774	Minn.	\$1,161	Wisc.	\$1,597
2	Minn.	114	Wisc.	230	Wisc.	386	Wisc.	719	Wisc.	1,155	Minn.	1,550
3	Wisc.	109	MD. 2/	195	MD. 2/	383	MD. 2/	626	Hawaii	954	Hawaii	1,315
4	Iowa	70	Vt.	175	Hawaii	310	Hawaii	593	MD. 2/	945	MD. 2/	1,264
5	Alas.	67	Pa. 1/	173	Mont.	293	Mont.	539	Mont.	881	Mont.	1,241
6	Mont.	65	Iowa	170	Vt.	293	Ore.	537	Ore.	844	N. York.	1,217
7	Ore.	52	Ore.	169	Ore.	286	Vt.	533	Del.	835	Del.	1,175
8	Utah	47	Mont.	168	Iowa	284	Mass.	519	Vt.	822	D. C.	1,163
9	W. Va.	44	Hawaii	148	Mass.	279	Del.	495	D. C.	810	Ore.	1,155
10	MD. 2/	44	Alas.	140	N. Car.	258	D. C.	493	N. York	781	Vt.	1,151
11	VA.	43	Mass.	136	D. C.	250	N. Dak.	453	Mass.	759	N. Car.	1,044
12	Mich.	40	N. Car.	132	Utah	244	Iowa	445	N. Car.	746	Mass.	1,000
13	N. Car.	39	Utah	130	Pa. 1/	230	N. York	436	Idaho	679	Idaho	958
14	Vt.	38	D. C.	128	Ky.	229	Utah	427	Iowa	672	N. Dak.	935
15	Rhode Isl.	37	Ky.	120	Alas.	220	Idaho	404	Utah	638	S. Car.	929
16	Del.	33	Idaho	116	Del.	215	VA.	378	S. Car.	631	Iowa	890
17	Kansas	29	Rhode Isl.	106	VA.	215	Ky.	374	N. Dak	624	Colo.	855
18	D. C.	27	VA.	106	N. York	367	Alas.	352	VA.	590	Utah	840
19	Illinois	25	Mich.	102	Idaho	185	Kansas	352	Colo.	586	Ark.	808
20	Arizona	22	Kansas	96	Rhode Isl.	178	Pa. 1/	345	Ky	568	VA.	803
21	Ky.	22	Del.	95	Kansas	169	S. Car.	343	Kansas	563	Alas.	782
22	Mass.	22	N. York	92	Mich.	168	Ark.	332	Alas.	560	Kansas	765
23	S. Car.	22	W. Va.	92	Ark.	163	Colo.	324	Ark.	553	Ky.	755
24	Ark.	21	Illinois	88	S. Car.	152	Rhode Isl.	324	Rhode Isl.	501	Ga.	751
25	Ind.	18	Ark.	84	Illinois	150	Mich.	306	Ca.	496	Calif.	732
26	N. York	18	S. Car.	72	W. Va.	144	N. Dak.	300	Ariz.	466	Ariz.	704
27	N. Mex.	17	Colo.	70	Ala.	137	Ala.	280	Pa. 1/	460	Rhode Isl.	700
28	N. Dak.	15	Ind.	68	Ariz.	131	Illinois	275	Mich.	455	N. Mex.	669
29	Missouri	14	Ala.	60	Colo.	129	Ariz.	265	Calif.	454	Missouri	618
30	Ala.	10	Ariz.	60	Ind.	118	Ga.	258	Ala.	442	Ala.	597

1977 STATE INCOME TAX BURDENS OF A FAMILY OF FOUR AT SIX INCOME LEVELS (Cont'd)

Rank	\$5,000		\$7,500		\$10,000		\$15,000		\$20,000		\$25,000	
	State	Tax	State	Tax	State	Tax	State	Tax	State	Tax	State	Tax
31	Hawaii	6	N. Mex.	59	N. Mex.	113	N. Mex.	246	Missouri	431	Mich.	591
32	Okla.	5	Missouri	49	Missouri	107	Missouri	245	N. Mex.	430	Okla.	585
33	Maine	5	N. Dak.	39	Miss.	105	W. Va.	242	Illinois	400	Pa. 1/	575
34	Colo.	2	Neb.	33	N. Dak.	94	Calif.	234	Miss.	390	Miss.	560
35	Idaho	1	Ca.	33	Ca.	89	Miss.	220	W. Va.	371	Illinois	525
36	Ga.	0	Miss.	30	Neb.	74	Ind.	218	Okla.	340	W. Va.	516
37	La.	0	Maine	28	Calif.	64	Okla.	158	Ind.	318	Ind.	418
38	Miss.	0	La.	19	La.	64	Neb.	157	Neb.	258	Maine	378
39	Calif.	0	Okla.	17	Maine	60	La.	139	Maine	250	Neb.	372
40	Neb.	7	Calif.	4	Okla.	50	Maine	135	La.	224	La.	309

1/ The Pennsylvania burdens assume a full calendar year of the recently enacted state levy.

2/ The Maryland burdens include the state administered 50% local piggyback taxes.

Source: State Tax Guide, Commerce Clearing House

Note: The family of four consists of a husband who earns all the family income, a non-working wife, and two children—both of whom are in either primary or secondary school.

The tax burden is calculated on the basis of state income tax provision effective for calendar 1971. The usage of the optional standard deduction is assumed for families earning less than \$15,000 and an itemized deduction equal to 15% of adjusted gross income for families earning \$15,000 and above. Credits for local property and income taxes are those for the largest cities in each state. The deduction of Federal income taxes is based on the liabilities as provided in the Relief and Reform Act of 1969.

STATE INDIVIDUAL INCOME TAX COLLECTIONS
AS A PERCENT OF TOTAL PERSONAL INCOME
1970

United States Average is 1.15%

Lower than U. S. Average (Less than 1.00%) <u>15 States</u>		Near U. S. Average (1.0% - 1.5%) <u>10 States</u>		Above U. S. Average (Over 1.5%) <u>16 States</u>	
Tennessee	0.10%	Arizona	1.01%	Colorado	1.52%
New Hampshire	0.13%	Iowa	1.08%	Idaho	1.59%
Louisiana	0.43%	Indiana	1.10%	Montana	1.65%
Rhode Island	0.50%	New Mexico	1.12%	North Carolina	1.66%
New Jersey	0.53%	Illinois	1.15%	VIRGINIA	1.68%
Maine	0.58%	Michigan	1.15%	Utah	1.80%
Oklahoma	0.60%	Georgia	1.21%	Massachusetts	2.08%
Missouri	0.75%	Kentucky	1.23%	<u>DISTRICT</u>	<u>2.23%</u>
West Virginia	0.76%	South Carolina	1.25%	Alaska	2.32%
Mississippi	0.77%	California	1.30%	Minnesota	2.37%
Arkansas	0.79%			MARYLAND	2.46%
Nebraska	0.80%			Oregon	2.74%
North Dakota	0.83%			Vermont	2.83%
Alabama	0.87%			Delaware	2.87%
Kansas	0.91%			New York	2.88%
				Wisconsin	3.00%
				Hawaii	3.05%

1970 State Individual Income tax collections as a percent of 1970 personal income.

DEFINITIONS OF INCOME USED BY THE STATES
AS THE STATE INCOME TAX BASE

<u>States that Use Federal Definition of Income For State Tax Base</u>	<u>States that Use Their Own Definition of In- come for State Tax Base</u>	<u>States that Use Federal Tax Liability as Base for State Income Tax</u>
22 States	13 States	4 States
Colorado	Alabama	Alaska
Delaware	Arizona	Nebraska
Hawaii	Arkansas	Rhode Island
Idaho	California	Vermont
Illinois	DISTRICT OF COLUMBIA	
Indiana	Georgia	
Iowa	Louisiana	
Kansas	Massachusetts	
Kentucky	Mississippi	
Maine	Missouri	
MARYLAND	North Carolina	
Michigan	Oklahoma	
Minnesota	South Carolina	
Montana	VIRGINIA <u>1/</u>	
New Mexico		
New York		
North Dakota		
Oregon		
Pennsylvania		
Utah		
West Virginia		
Wisconsin		

1/ After January 1, 1972, the Virginia state income tax will be based on Federal adjusted gross income with modifications.

TOTAL STATE TAX REVENUES
AS A PERCENT OF TOTAL PERSONAL INCOME
1970

United States Average is 6.0%

Lower than U. S. Average (Less than 5 1/2%)		Near U. S. Average 5 1/2 - 6 1/2%)		Above U. S. Average (Over 6 1/2%)	
<u>10 States</u>		<u>18 States</u>		<u>23 States</u>	
<u>Below 4%</u>		<u>5 1/2% - 6%</u>		<u>6 1/2% - 7 1/2%</u>	
New Hampshire	3.6%	Montana	5.5%	Arkansas	6.5%
		Oregon	5.5%	Michigan	6.5%
<u>4% - 5%</u>		Colorado	5.6%	Nevada	6.6%
New Jersey	4.0%	Massachusetts	5.6%	North Dakota	6.6%
Ohio	4.0%	Florida	5.7%	Alabama	6.7%
Missouri	4.7%	Illinois	5.7%	Idaho	6.7%
Nebraska	4.7%	Tennessee	5.7%	Minnesota	7.0%
		VIRGINIA	5.7%	New York	7.0%
<u>5% - 5 1/2%</u>		Oklahoma	5.9%	Kentucky	7.1%
Connecticut	5.0%	Iowa	6.0%	South Carolina	7.1%
Kansas	5.0%	Pennsylvania	6.0%	North Carolina	7.2%
Texas	5.0%	Alaska	6.1%	Wyoming	7.2%
Indiana	5.1%	Georgia	6.1%	West Virginia	7.3%
South Dakota	5.3%	California	6.2%	Arizona	7.4%
		Rhode Island	6.2%	Utah	7.4%
		Maine	6.4%		
		MARYLAND	6.4%		
				<u>7 1/2% and Over</u>	
				Louisiana	7.5%
				Washington	7.5%
				Delaware	8.2%
				Wisconsin	8.2%
				Mississippi	8.5%
				New Mexico	8.6%
				Vermont	8.7%
				Hawaii	9.9%

District of Columbia tax revenues were 8.1% of personal income. This is not comparable with the states since local taxes, e. g. property taxes are included in the District amount.

STATE MOTOR VEHICLE REGISTRATION FEES
 District of Columbia and States
 September 1971

Much lower than District (Less than \$20) <u>29 States</u>	Lower than the District (\$20 less than \$45) <u>16 States</u>	Approximately the same as District (\$45 less than \$60) <u>1 State</u>	Above the District (\$60 and above) <u>4 States</u>
Louisiana \$3.00	Arkansas \$26.00	<u>DISTRICT \$50.50</u>	Minnesota \$65.80
Utah \$5.00	Michigan \$26.85	S. Dakota \$54.75	N. Dakota \$66.50
Massachusetts \$6.00	Rhode Island \$28.00		Iowa \$75.00
Arizona \$6.25	Alaska \$30.00		Oklahoma \$80.72
Nevada \$6.50	Illinois \$30.00		
Wyoming \$7.50	MARYLAND \$30.00		
S. Carolina \$9.00	New Jersey \$30.00		
Washington \$9.90	W. Virginia \$30.00		
Oregon \$10.00	Texas \$30.30		
Montana \$10.50	N. Hampshire \$30.50		
Ohio \$10.50	Missouri \$32.00		
California \$11.00	Vermont \$32.00		
Indiana \$12.50	Florida \$35.50		
Kentucky \$12.50	N. Mexico \$35.50		
N. Carolina \$13.00	Hawaii \$36.00		
Alabama \$13.75	New York \$39.75		
Colorado \$13.90			
Pennsylvania \$14.00			
Connecticut \$15.00			
Maine \$15.00			
Georgia \$15.50			
Nebraska \$16.00			
Idaho \$18.00			
Wisconsin \$18.15			
Tennessee \$18.50			
Mississippi \$18.75			
Delaware \$20.00			
VIRGINIA \$20.00			
Kansas \$20.00			
		<u>Average fee in 50 states:</u>	
		\$24.30	

Assumptions: Registration fees are based on a 4-door, 6-passenger auto weighing 4,680 pounds with an 8 cylinder motor having 59.20 horsepower.

STATE AND LOCAL PER CAPITA TAX BURDENS
 District of Columbia and States
 1969 - 1970

-----Tax Rates-----			
	Lower than the District 46 States	Same as the District 1 State	Higher than the District 3 States
<u>Under \$300</u>		<u>\$350 - 426</u>	<u>\$517</u>
Arkansas	\$252	Nebraska \$397	Nevada
Alabama	259	Montana 398	
South Carolina	274	South Dakota 398	
Tennessee	279	Oregon 400	
Mississippi	296	Pennsylvania 401	
Kentucky	299	Rhode Island 408	
		Alaska 417	
		Colorado 419	
<u>\$300 under \$350</u>		Arizona 425	
West Virginia	\$301		
Oklahoma	306		
North Carolina	311	Average in 50	
Georgia	312	States-\$427	
Texas	316		
Louisiana	331	<u>\$427 - \$516</u>	
New Hampshire	333	Wyoming \$434	
VIRGINIA	340	Iowa 436	
Missouri	343	Minnesota 442	
Ohio	343	Washington 443	
Florida	347	New Jersey 447	
Idaho	347	Delaware 450	
		Michigan 456	
		Vermont 471	
<u>\$350 - \$426</u>		MARYLAND 482	
Indiana	\$357	Connecticut 485	
New Mexico	359	Illinois 487	
Utah	375	Massachusetts 497	
North Dakota	376	Wisconsin 509	
Maine	380		
Kansas	395		

Comparing District per capita tax burdens with those in the states is really not valid. In contrast to the states with their rural and suburban areas, the District is an 100% urban jurisdiction with its generally older population composed of large numbers of single member households. It is more valid to compare the burdens in the District with state and local tax burdens borne by residents of other large cities.

TEACHERS AND SCHOOL OFFICERS
SALARY SCHEDULE

P. I. 91-297

Effective September, 1969

Salary Class and Group	Service								
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9
<u>Class 1:</u> Superintendent of schools	\$38,500								
<u>Class 2:</u> Group A, Deputy superintendent Group B, Associate superintendent	31,000 29,000								
<u>Class 3:</u> Assistant superintendent	\$22,190	\$22,720	\$23,250	\$23,780	\$24,310	\$24,840	\$25,370	\$25,900	\$26,430
<u>Class 4:</u> Director, curriculum. Director, staff development. Executive assistant to superintendent.	19,480	19,940	20,400	20,860	21,320	21,780	22,240	22,700	23,160
<u>Class 5:</u> Group A, bachelor's degree Group B, master's degree Group C, master's degree plus 30 credit hours Group D, doctor's degree Chief examiner. Executive assistants to associate superintendents. Director of food services.	17,600 18,380 18,770 19,160	18,040 18,820 19,210 19,600	18,480 19,260 19,650 20,040	18,920 19,700 20,090 20,480	19,360 20,140 20,530 20,920	19,800 20,580 20,970 21,360	20,240 21,020 21,410 21,800	20,680 21,460 21,850 22,240	21,120 21,900 22,290 22,680

Salary Class and Group	Service Step 1	Service Step 2	Service Step 3	Service Step 4	Service Step 5	Service Step 6	Service Step 7	Service Step 8	Service Step 9
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Class 6: (con't.)

Assistant to assistant superintendent (industrial and adult education, vocational education, evening and summer school).

Director, elementary education (supervision and instruction).

Director, health, physical education, athletics, and safety.

Director, special education.

Principal, senior high school.

Principal, junior high school.

Principal, elementary school.

Principal, vocational high school.

Principal, Americanization school.

Principal, boys' junior-senior high school.

Principal, Capitol Page School.

Principal, health school.

Principal, laboratory school.

Principal, veterans' high school.

Class 7:

Group B, master's degree 16,205

Group C, master's degree plus 30 credit hours 16,595

Group D, doctor's degree 16,985

Supervising director, elementary education (supervision and instruction).

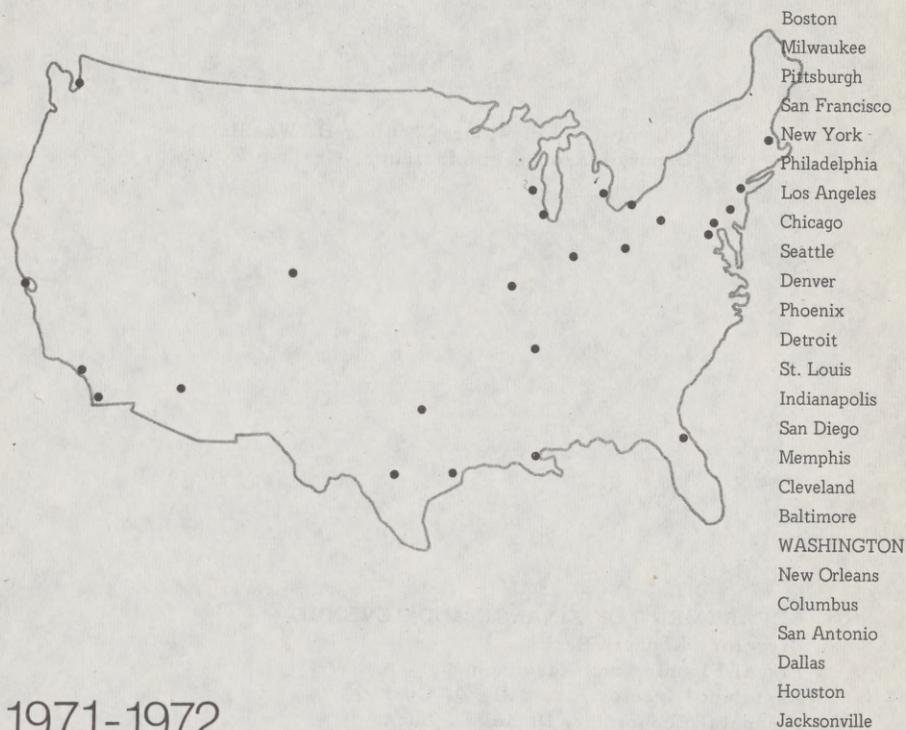
Supervising director, audio-visual instruction.

16,205	16,595	16,985	17,375	17,765	18,155	18,545	18,935	19,325
16,985	17,375	17,765	18,155	18,545	18,935	19,325	19,715	20,105

Salary Class and Group	Service								
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9
<u>Class 9:</u>									
Group A, bachelor's degree	13,880	14,240	14,600	14,960	15,320	15,680	16,040	16,400	16,760
Group B, master's degree	14,660	15,020	15,380	15,740	16,100	16,460	16,820	17,180	17,540
Group C, master's degree plus 30 credit hours	15,050	15,410	15,770	16,130	16,490	16,850	17,210	17,570	17,930
Group D, doctor's degree Assistant director, food services.	15,440	15,800	16,160	16,520	16,880	17,240	17,600	17,960	18,320
<u>Class 10:</u>									
Group B, master's degree	14,095	14,445	14,795	15,145	15,495	15,845	16,195	16,545	16,895
Group C, master's degree plus 30 credit hours	14,485	14,835	15,185	15,535	15,885	16,235	16,585	16,935	17,285
Group D, doctor's degree Assistant director, audio visual instruction. Assistant director, subject field. Assistant director, adult education and summer school. Supervisor, elementary education.	14,875	15,225	15,575	15,925	16,275	16,625	16,975	17,325	17,675
<u>Class 11:</u>									
Group B, master's degree	13,670	14,005	14,340	14,675	15,010	15,345	15,680	16,015	16,350
Group C, master's degree plus 30 credit hours	14,060	14,395	14,730	15,065	15,400	15,735	16,070	16,405	16,740
Group D, doctor's degree Assistant director, practical nursing.	14,450	14,785	15,120	15,455	15,790	16,125	16,460	16,795	17,130

GOVERNMENT OF THE DISTRICT OF COLUMBIA

Department of Finance and Revenue



1971-1972

MAJOR STATE AND LOCAL TAX BURDENS IN
 WASHINGTON COMPARED WITH THOSE IN
 THE 25 LARGEST CITIES

DISTRICT OF COLUMBIA GOVERNMENT

Mayor-Commissioner, Walter E. Washington
Deputy Mayor-Commissioner, Graham E. Watt

DEPARTMENT OF FINANCE AND REVENUE

Director, Kenneth Back
Fiscal Planning and Research
Assistant Director for, Billy D. Cook
Financial Economist, Daniel E. Lucas

Daniel E. Lucas
Financial Economist
District of Columbia Government
Department of Finance and Revenue
February 1, 1972

MAJOR STATE AND LOCAL TAX BURDENS IN WASHINGTON COMPARED WITH THOSE IN THE TWENTY-FIVE LARGEST CITIES

The 25 City Comparison includes the 1971-1972 estimated burdens of major state and local taxes--income, real estate, sales, and automobile--paid by sample families at six different income levels. The hypothetical family consists of a husband who earns all the family income, a non-working wife, and two children of primary or secondary school age.

The methodologies used in deriving burdens for each tax are described in detail in the following sections dealing with the specific taxes. All the assumptions used represent what is thought to best fit an average family at each income level. Obviously, there may be different results when circumstances vary greatly from those of the "typical" families as defined for these comparisons.

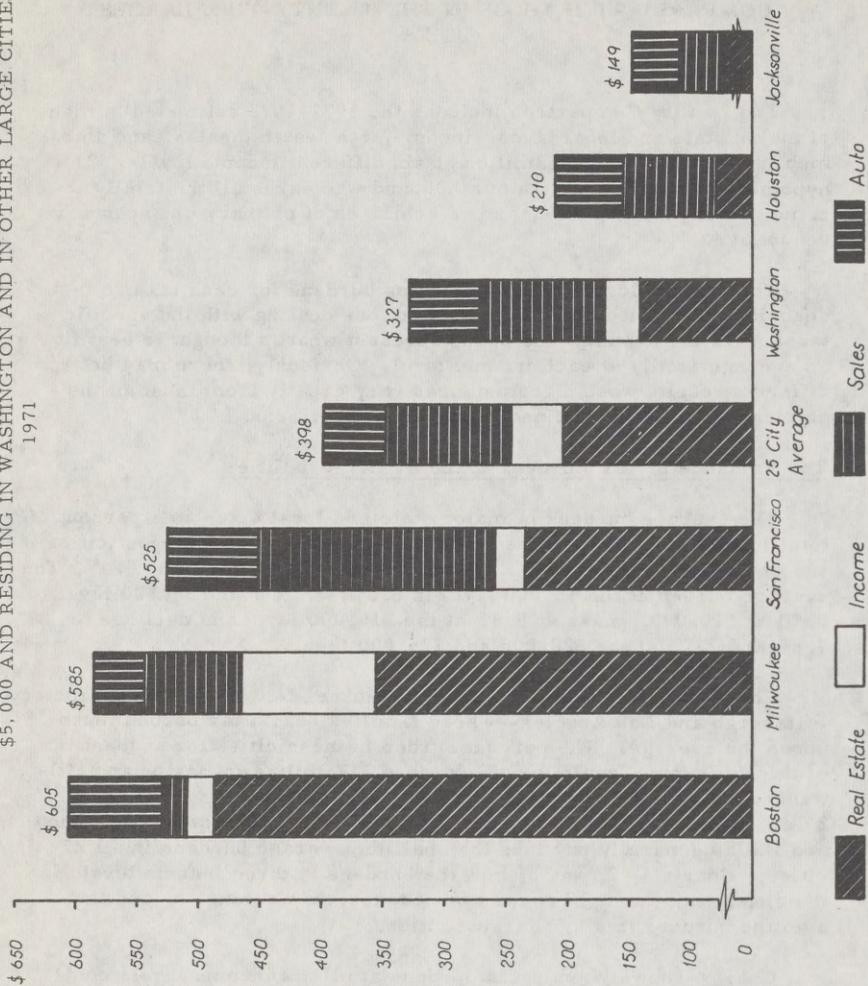
The Variance in Tax Burdens in the 25 Largest Cities

The average burdens of major state and local taxes as a percent of total income paid by families residing in the nation's 25 largest cities and earning between \$5,000 and \$25,000 is between 7.7% and 8.4%. The average burden at the \$5,000 level is 8.0%, 7.7% at the \$7,500 level, 8.1% at \$10,000, peaks at 8.4% at the \$15,000 level and declines to 7.8% and 7.7% at the \$20,000 and \$25,000 levels.

There are six cities--Boston, Milwaukee, New York, San Francisco, Pittsburgh and Los Angeles--where families bear a tax burden much above the average. The percent burden in these cities for at least two of the six income levels is 10% or more. Families in Boston and Milwaukee bear almost twice the average burdens borne by families in all 25 cities. At the other extreme, families living in Jacksonville, Houston, and Dallas generally pay less than half the average burdens in all 25 cities. Charts 1, 2, and 3 show the burdens at three income levels in the cities with the highest and lowest taxes, in Washington, and the average burdens in all 25 largest cities.

Chart 4 shows Washington burdens at all six income levels compared with the average burdens in the 25 cities. Washington burdens continue to be lower than the 25 city averages in the lower and middle classes (\$5,000 through \$10,000), the same as the 25 city average at the \$15,000 level, and are higher than the 25 city

Chart. 1... STATE AND LOCAL TAX BURDENS FOR A FAMILY OF FOUR EARNING \$5,000 AND RESIDING IN WASHINGTON AND IN OTHER LARGE CITIES 1971



average at the \$20,000 and \$25,000 income levels. Table B shows the differences in dollar burdens between those in Washington and the averages in all 25 cities.

The components of the average major state and local tax burdens in the 25 largest cities are shown in Chart 5. Property taxes account for the largest burden at all income levels. Sales taxes are the second highest burden for lower income families while income taxes are second for middle and upper income families. Taxes on automobiles are greater than income taxes for the family earning \$5,000.

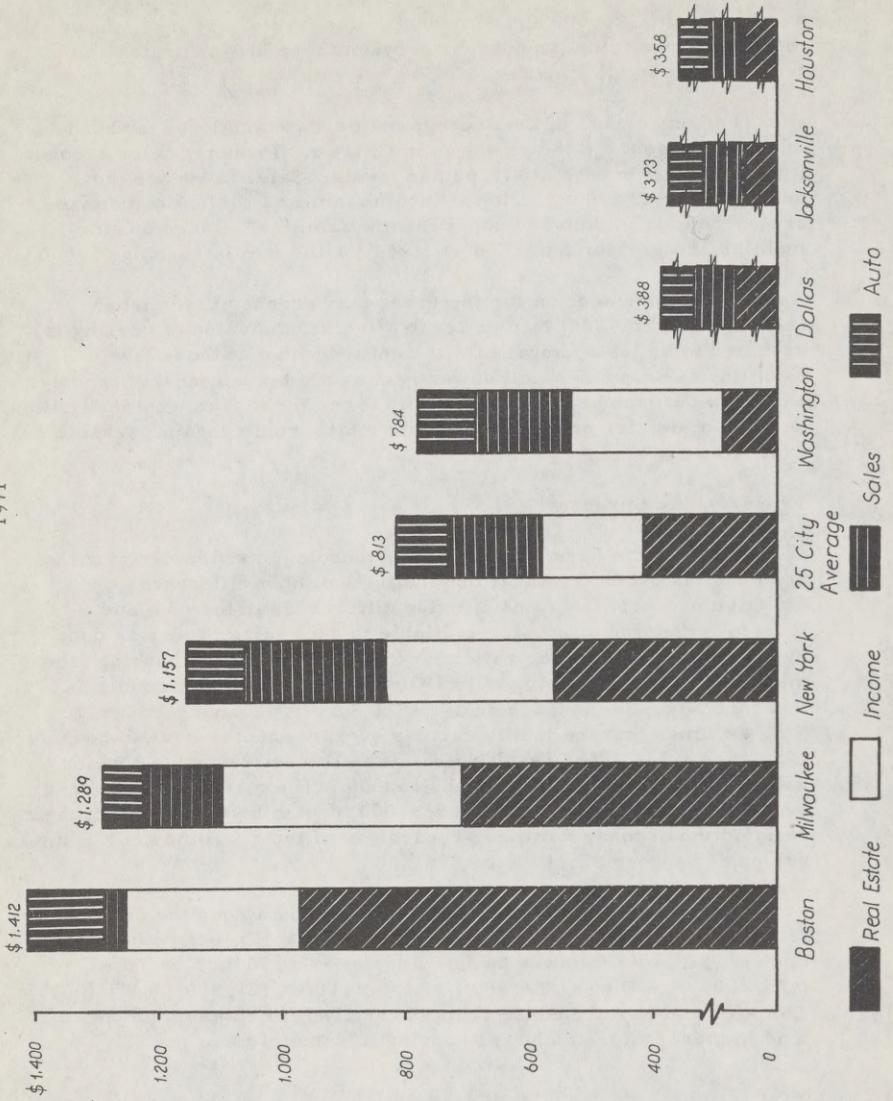
Two factors account for the lower tax burdens at the higher (\$20,000 and \$25,000) income levels. First, the value of housing is assumed to be less compared with annual income at those levels resulting in proportionately lower real estate tax burdens. Secondly, sales tax burdens are proportionately lower for higher income families because a smaller proportion of their total income goes for taxable expenditures.

Property Tax Burdens

This year we have changed the methodology used in deriving the property tax burdens so that they reflect not only differences in effective property tax rates but also differences in the cost and therefore the type of housing available in each city. This was done by using for each city the ratio that the median value of housing from the 1970 census of housing is to 1970 average household income as measured by Sales Managements "1971 Survey of Buying Power". This assumes that the family earning average income lives in housing of median value. The resulting ratios were used to derive housing values for income levels through \$15,000. The ratios were lowered by one-fifth for the \$20,000 and \$25,000 income levels to reflect the satisfaction of many families, regardless of their incomes, of a home valued at between \$25,000 and \$50,000.

The median value of housing varies greatly among the 25 largest cities. It exceeds \$20,000 in seven cities. San Francisco has the highest (\$28,100) followed by Los Angeles (\$26,700), New York (\$25,700), San Diego (\$22,500), and (\$21,000 - \$21,300) in Washington, Chicago, and New Orleans. This obviously reflects the high cost of land in these cities and newer housing in some of them.

Chart 2. STATE AND LOCAL TAX BURDENS FOR A FAMILY OF FOUR EARNING \$10,000 AND RESIDING IN WASHINGTON AND IN OTHER LARGE CITIES 1971



In five cities, the median value of housing was between \$10,000 and \$13,000. Baltimore showed the lowest (\$10,000) followed by Philadelphia (\$10,700), San Antonio (\$11,600), Jacksonville (\$12,100) and Denver (\$12,800). The low values in Baltimore and Philadelphia reflect the age of these cities with miles of row housing some of which is located in economically deprived central city neighborhoods. Lower building costs, different types of housing construction and the cheaper price of land resulted in low median values of housing in Jacksonville and San Antonio.

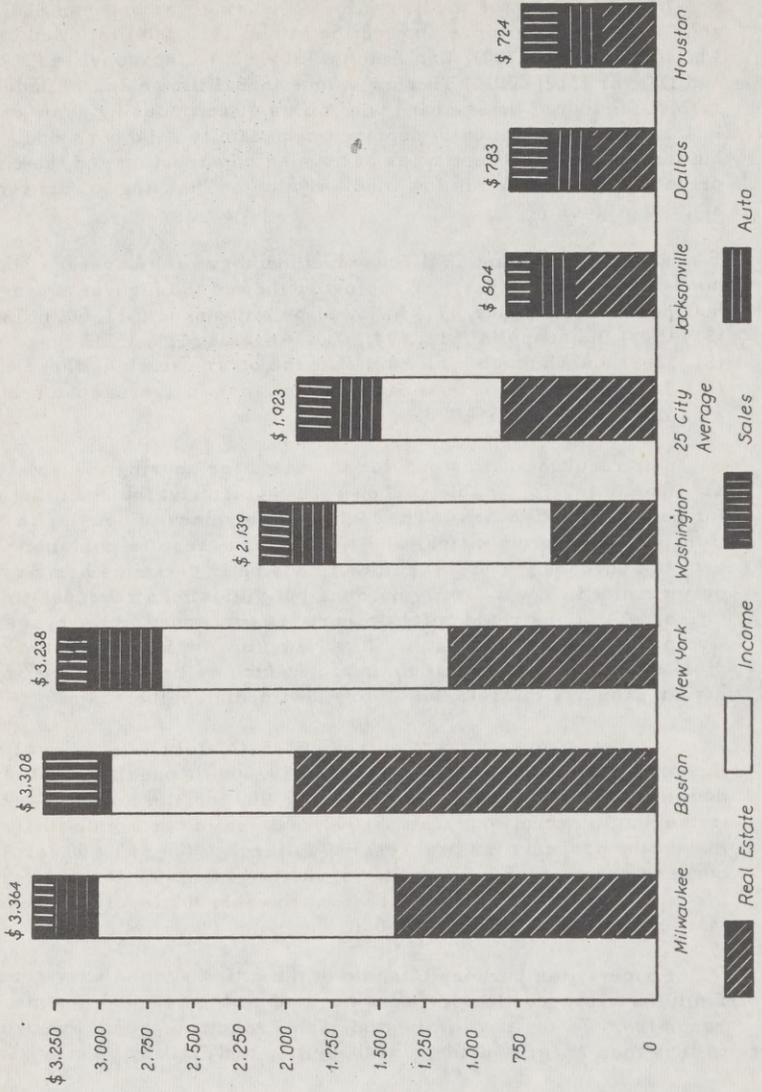
Equally important in the new methodology is the average household income in each city. Washington showed the highest average household income (\$13,077) followed by Milwaukee (\$11,600), Dallas (\$11,528) Indianapolis (\$11,494), Los Angeles (\$11,432), New York (\$11,269) and Chicago (\$11,202). At the other extreme, three cities (St. Louis, Baltimore, and San Antonio) showed average household income of less than \$9,000.

The resulting ratios provide the basis for housing values at all six income levels. Table C shows the factors and the resulting ratios for each of the 25 cities. The high median values of housing in New York, the California cities, and New Orleans results in higher property tax burdens. The low value of housing in certain other cities not only results in lower family burdens but yields less revenues to those cities. As far as residential property is concerned, an average effective property tax rate in a city like New York or San Francisco will yield much more revenue than in a city such as Baltimore with a much higher property tax rate but a very low median value.

The real property tax requires approximately 4.1% of total annual income for families who earn between \$5,000 through \$15,000. This declines to 3.3% at the \$20,000 and \$25,000 income levels, Jacksonville is the single exception. The \$5,000 real estate tax exemption there makes the property tax progressive up through the \$15,000 level -- burdens range from 0.5% at the \$5,000 level to 2.0% at the \$15,000 level. The percent burden of 1.8% at the \$25,000 level far exceeds that for the family earning \$5,000.

Property tax burdens in some of the cities studied vary greatly from the average. Property tax burdens at the \$10,000 income level range from 7% or more in Boston, San Francisco, and Milwaukee, to less than 2% in Houston, Jacksonville, and Dallas. Washington's

Chart 3. STATE AND LOCAL TAX BURDENS FOR A FAMILY OF FOUR EARNING \$25,000 AND RESIDING IN WASHINGTON AND IN OTHER LARGE CITIES 1971



burden of 2.8% is below the 25 city average and less than half the burdens in five cities.

Sales Tax Burdens

State or local sales taxes are in effect in all the cities studied. The average sales tax burdens at the \$5,000 level is 2.0% but is about half this at the \$25,000 level. At the \$10,000 income level, state and local sales tax burdens ranged from more than 2-1/2% in Denver to less than 0.3% in Boston. The burden in Washington approximates the 1.6% average in all 25 cities.

Table E shows the state and local general sales tax rates in effect in the nation's twenty-five largest cities. Local rates are in effect in 15 cities. Total combined rates range as low as 2% in Indianapolis and 3% in Boston and as high as 7% in New York City. The average rate in the 25 cities is 4.7%.

Income Tax Burdens

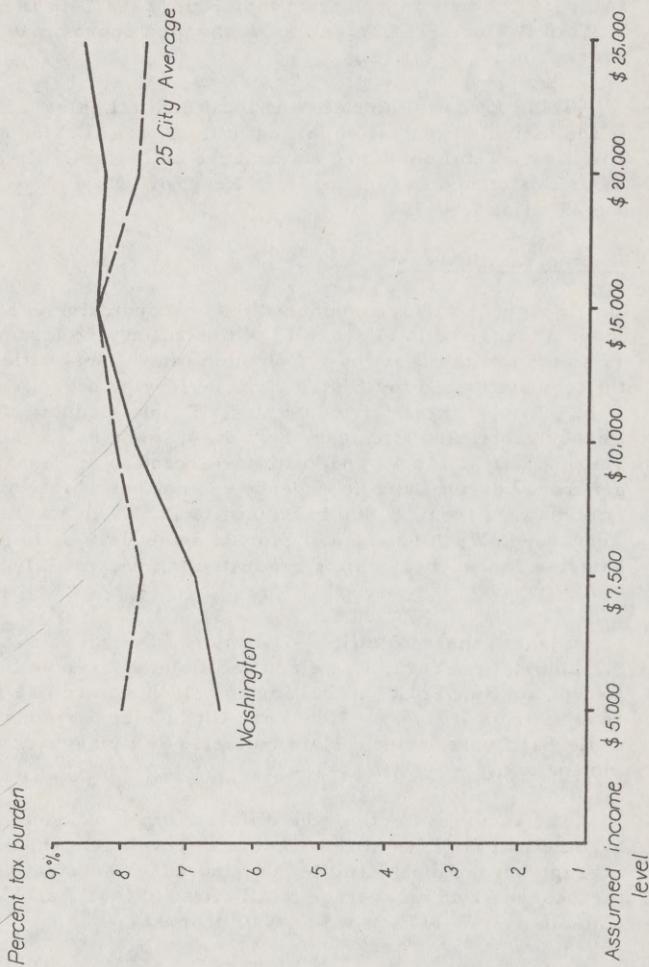
Income is widely considered the best indicator of ability to pay. Income taxes are in effect in 19 of the nation's 25 largest cities. Of the 17 states and the District of Columbia where these cities are located, thirteen states and the District will be levying personal income taxes in 1972. Five of these thirteen states, Illinois, Indiana, Massachusetts, Pennsylvania, and Michigan, levy one-rate taxes on salaries and wages ranging from 2% to 4% and, with the exception of Pennsylvania, allow generous personal and dependency exemptions which for our hypothetical family range from \$3,000 in Indiana to \$5,200 in Massachusetts. Texas, Tennessee, Washington, and Florida do not levy state income taxes on salaries and wages. Ohio's graduated tax became effective on January 1, 1972.

Eight of these 25 cities--Baltimore, Detroit, Philadelphia, Pittsburgh, St. Louis, New York, Cleveland and Columbus--levy local income taxes. Except for New York and Baltimore, all these are flat-rate payroll taxes ranging from 1% to 3%. New York City levies a graduated city income tax while Baltimore levies a state collected 50% piggyback tax on the Maryland income tax.

The varying effects of the different types of income taxes paid by our hypothetical families at the six income levels are shown in Table F. The average burden these families pay increases substantially as their income increases--from an average in all cities of less than 1% at a \$5,000 income to over 2-1/2% at a \$25,000 income.

Chart 4.....MAJOR TAX LIABILITY AS A PERCENT OF INCOME IN WASHINGTON COMPARED WITH THE AVERAGE IN THE NATION'S 25 LARGEST CITIES

1971-1972



Flat payroll taxes such as the Pennsylvania state levy and the Philadelphia payroll tax obviously imposes the same percent burden on all our families regardless of their different income levels. Progression in burdens exists in Boston and Chicago where there are single-rate taxes with generous exemptions. The progression in Boston is greater than in Baltimore and New York where graduated state and local levies both exist. However, the most progressive burdens generally are in those cities where there is only a finely graduated state income tax--especially in states where lower income families (incomes up to and above \$5,000) pay little or no income tax, e. g., Colorado, Louisiana, and California.

Income tax burdens vary widely among the 25 largest cities. At the \$5,000 income level, burdens range from nothing in the California cities, Denver, and New Orleans to 4.5% in Pittsburgh and 5.3% in Philadelphia. Income taxes now account for the greatest state and local tax burden in the Pennsylvania cities. The burdens on low income families in Pennsylvania are especially high reflecting the lack of exemptions and deductions in both the city and state income taxes.

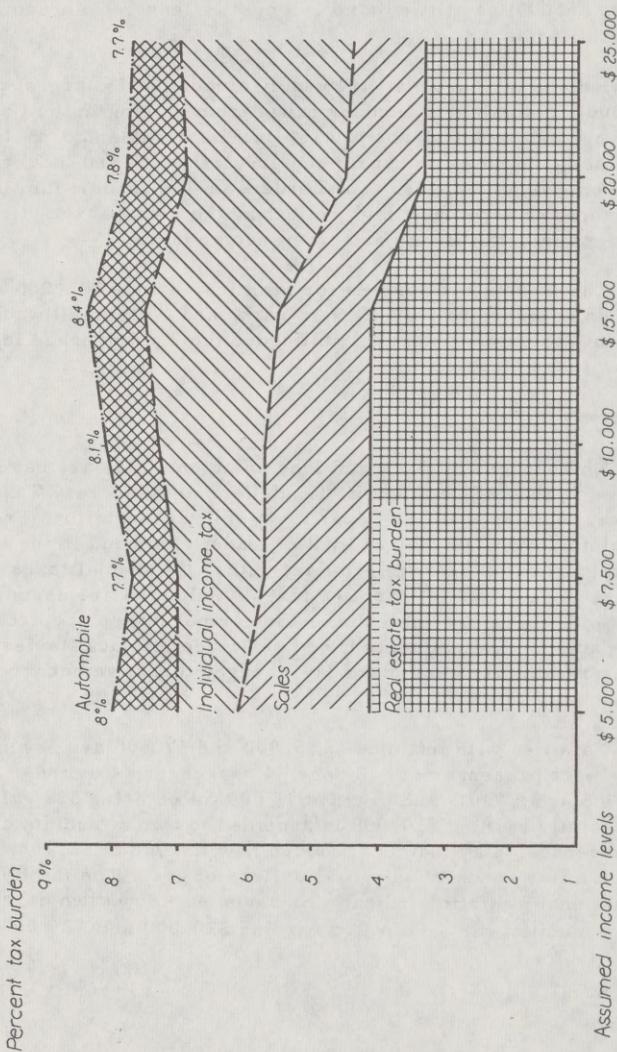
The income tax burdens for families earning \$25,000 range from 1.2% in New Orleans, to 6.2% in New York, and 6.4% in Milwaukee. The burden in Washington is 4.6%, well above the 2.6% average in all cities but below that in four cities.

Automobile Taxes

The burdens of taxes and fees on automobiles are based on data presented in the 1970 edition of "Road-User and Property Taxes on Selected Motor Vehicles," U. S. Department of Transportation, Federal Highway Administration, Bureau of Public Roads. Included in the burdens are (1) registration fees, (2) property taxes, (3) special taxes such as annual excise levies, and (4) gasoline taxes. All autos are assumed to be one year old, therefore, sales taxes on car purchases are excluded from this comparison. Adjustments have been made for local levies and for gasoline tax rate hikes and other law changes that have occurred since the issuance of the 1970 report.

Families with incomes of \$5,000 and \$7,500 are assumed to own a very light passenger car (2 door, 4 passenger, 4 cylinder car valued new in 1968 at \$1,710), and to travel 9,000 miles using 333 gallons of gas. The family earning \$10,000 is assumed to own a medium car (4 door, 6 passenger, 8 cylinder car valued new in 1968 at \$2,764) and travels 9,500 miles annually using 633 gallons of gas. The family earning \$15,000, as national statistics indicate, is assumed to own two cars, a very light and a medium car. Families earning \$20,000 and \$25,000 are assumed

Chart 5.....AVERAGE MAJOR TAX LIABILITY AS A PERCENT OF INCOME IN THE 25 LARGEST CITIES,
 BY TYPE OF TAX
 1971



to own both a heavy car and a very light car. A heavy car is a 4 door, 6 passenger vehicle with 8 cylinders, valued new in 1968 at \$5,785 and is driven 11,000 miles annually using 786 gallons of gas.

Table G shows the state and local gasoline tax rates levied in the 25 largest cities. The average rate is just over 7 cents per gallon. A 5 cent rate is in effect in the Texas cities while in Seattle there is a 9 cent rate. A 7 cent rate is in effect in almost half the cities (eleven) while an 8 cent rate, similar to that in the District of Columbia, is in effect in seven cities.

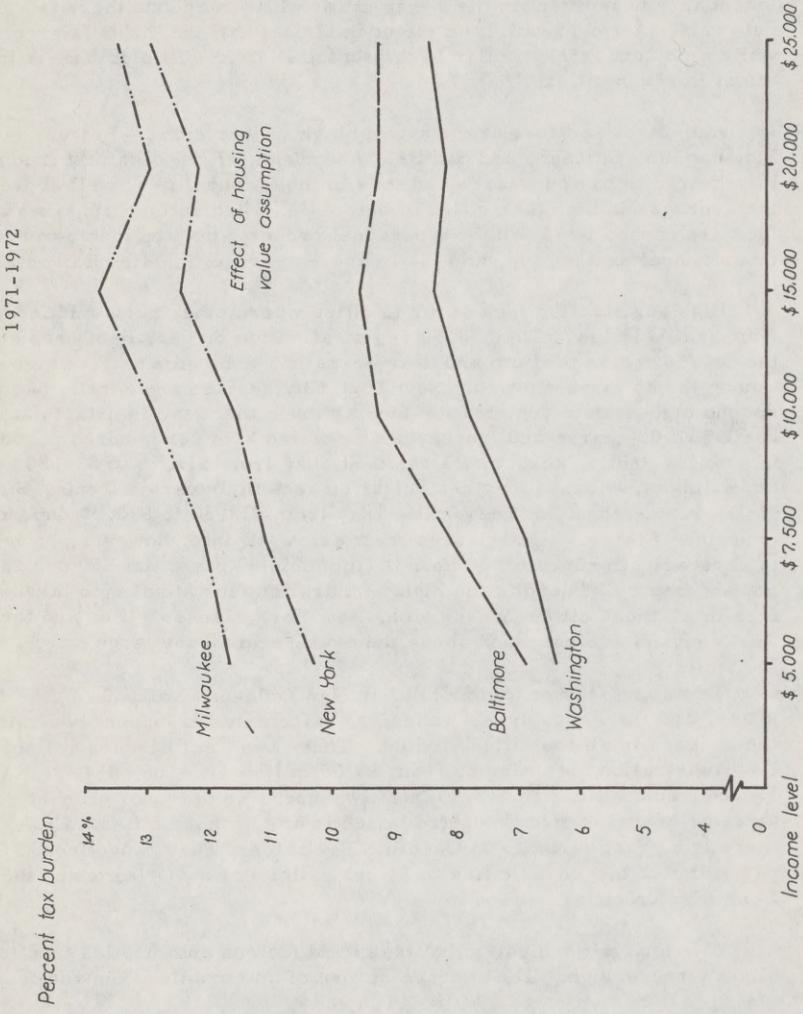
Auto taxes and fees are unusually high in four cities--Boston, Indianapolis, Chicago, and Seattle. As much as 1.5% of family income is required to pay auto taxes and fees in these four cities, well above the averages in the other cities of below 1%. High automobile taxes and fees are caused by (1) either a personal property tax applicable to autos or an annual excise levy, and (2) an above average Gasoline Tax rate.

High registration fees occur in cities where other taxes and fees are comparatively low. The \$30.50 registration fee on very light cars and the \$50.50 fee on medium and heavy cars in Washington are the highest among the 25 largest cities. New York City residents generally pay the second highest auto registration fees although there the fee starts at a basic \$12.00 charge and increases at a stated rate per hundred pounds of gross weight. Jacksonville residents pay from \$12.75 to \$35.50 depending on which of four net weight classes their cars fall into. Similarly, residents in the Texas cities pay from \$12.30 to \$30.30 depending on which of three weight classes their autos fall into, however, owners of cars weighing over 6,000 pounds (limousines) pay a flat 55¢ per 100 pounds rate. Yet despite the high registration fees, total auto taxes and fees in all these cities (Washington, New York, Jacksonville, and the Texas cities) are not much above the average in all the large cities.

Taxes and fees on automobiles in New Orleans, Milwaukee, the Ohio cities, and the Pennsylvania cities are extremely low--about two-thirds the average in all the cities studied. These low total burdens reflect low registration fees ranging from \$3.00 in New Orleans, \$14.00 in the Pennsylvania cities, to \$18.15 in Milwaukee. No personal property taxes or annual excise taxes are levied in any of these cities. However, there is a great variance in Gasoline Tax rates. They range from 5¢ per gallon in the Texas cities to 8¢ per gallon in New Orleans and the Pennsylvania cities.

This analysis indicates that taxes and fees on automobiles tend to be slightly regressive. The average burden of automobile taxes and fees

Chart 6 THE MOST PROGRESSIVE MAJOR STATE AND LOCAL TAX STRUCTURES IN THE NATION'S TWENTY-FIVE LARGEST CITIES



levied in the 25 largest cities is 1.0% of assumed family income at the \$5,000 income level but is one-third lower or 0.7% at the \$25,000 income level. Much of this regressiveness stems from flat registration fees.

Why the Differences in Burdens?

There are many factors which cause the wide dispersion in major tax burdens in the nation's 25 largest cities. Among the most important are:

1. The tax burden borne by business (industry and trade), which is not reflected in this study, greatly affects the tax burdens borne by individuals. For example, tax burdens on individuals are comparatively low in New Orleans and in the Texas cities partially because of the large amount of severance tax revenues collected by these two state governments. Texas collected \$308 million and Louisiana \$257 million in such revenues in 1971. The burdens of these taxes which primarily involve oil and gas operations are to a large extent borne by households and businesses in the north. Pennsylvania traditionally has had high taxes on businesses but moderate taxes on individuals. Large commercial trade centers like New York City and Chicago draw trade from a wide geographic area. This also makes possible some shifting to nonresidents of the general sales and use levies and certain selective sales levies.

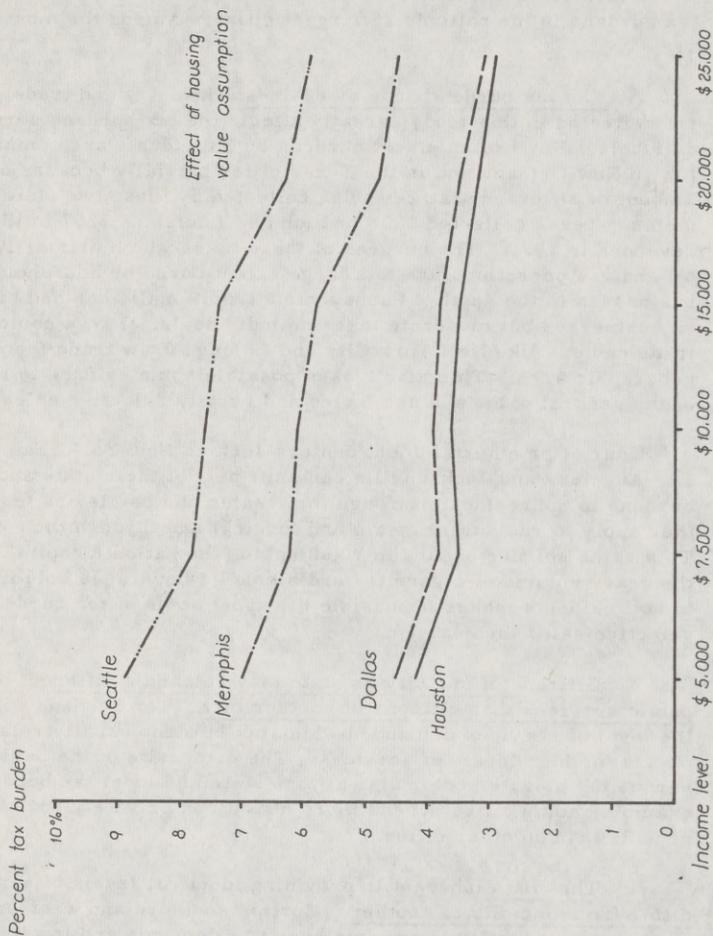
Tourist or entertainment centers such as New York, San Francisco, Los Angeles, and Jacksonville can shift part of their state and local tax burdens to nonresidents through their sales and use levies (especially as they apply to restaurant meals and lodging) and through the gasoline tax. This same shifting occurs in Washington, the nation's capital. In addition, the heavy volume of cigarettes and alcoholic beverages sold in Washington to nonresidents makes it possible to export some of the burdens of these selective sales levies.

2. Citizens of one city or state may demand a different level of public services than citizens of another city. Tax burdens will reflect the level of services demanded--high tax burdens usually relate to demands for high levels of services. The composite of the public sector versus the private sector also affects state and local tax burdens. For example, some cities depend more heavily on privately run hospitals and schools than do other cities.

3. The costs inherent in providing identical levels of service may differ from one city to another. Certain southern and western cities experience generally lower employee pay demands and lower costs associated with the mild climates than do cities in the north.

Chart 7. THE MOST REGRESSIVE MAJOR STATE AND LOCAL TAX STRUCTURES IN THE NATION'S TWENTY-FIVE LARGEST CITIES

1971-1972



4. Some state and local governments may be more efficient in providing public services than others.

Progressivity of Major Tax Burdens

Although the average burdens in the 25 largest cities are slightly regressive, this analysis shows that ten have progressive tax structures in that there is a higher percent of income needed to pay these various tax burdens for families earning \$25,000 than for those earning \$5,000. The structures in these large cities are becoming more progressive over time. For example, in 1969 only four of the twenty-one largest cities had progressive structures.

The ten cities with progressive state and local tax structures include three, Baltimore, New York, and Washington, with very progressive structures; four, Milwaukee, San Diego, Boston, and Jacksonville, with moderately progressive structures; and the remaining three, Denver, Los Angeles, and San Francisco, have slightly progressive structures. All the cities except Jacksonville with progressive structures are in states that levy individual income taxes. The progressivity of different types of income taxes was discussed earlier. However, most of the progressive structures include a finely graduated state income tax.

Groceries are either exempt from sales taxation or a credit is allowed on the income tax for sales taxes paid on groceries in all these cities with progressive tax structures. The progressiveness of the Denver structure reflects the usage in the Colorado income tax of not only a credit for sales taxes paid on groceries but also a low income allowance and a low income credit. These special tax features serve to overcome the regressive effect of the 6% state and local sales tax. Washington families earning up to \$6,000 are also allowed an income credit for sales taxes paid on groceries--it is a vanishing credit ranging between \$2 and \$6 per exemption.

Tax burdens in these ten cities are not only progressive but they are also higher than average. The five cities with the highest burdens all have progressive structures. Only Jacksonville of the ten cities with progressive structures have burdens below the average in all 25 cities.

In contrast to the progressive structures are those cities where a much higher percent burden falls on lower income families than on higher income families. A family earning \$5,000 and residing in Memphis, Seattle, Dallas, and Houston pays a 50% greater state and local tax burden than families earning \$25,000.

Memphis has the most regressive structure--a family earning \$5,000 pays 7.0% of his income in state and local taxes while a family earning \$25,000 bears only a 4.5% burden. These very regressive structures reflect the lack of income taxes and higher than average sales and use taxes. Although these structures are very regressive, the burdens in these four cities are below the 25 city averages due to the lack of income taxes and lower-than-average real estate tax rates.

Moderately regressive structures exist in eight cities, San Antonio, Columbus, Cleveland, Chicago, Pittsburgh, New Orleans, Philadelphia, and Indianapolis; while slightly regressive structures exist in the remaining two cities, Phoenix, and St. Louis. The tax burdens in Detroit are proportional in that the same percent burden is borne by a family earning \$25,000 as by a family earning \$5,000.

Conclusion

Only Baltimore among the 25 largest cities has a more progressive state and local tax structure than does Washington if one measures progressiveness by how much greater a tax burden falls on families earning \$25,000 than on a family earning \$5,000. A family residing in Washington earning \$25,000 pays one-third greater a percent burden (8.6%) than does a family earning \$5,000 (6.5%).

The progressiveness in the Washington structure reflects: (1) one of the highest yet most progressive individual income taxes, (2) an average sales tax burden coupled with an income tax credit for sales taxes paid by low income families, and (3) a much lower than average real property tax rate. Slightly countering the progressiveness is the regressive effect of the taxes and fees on automobiles. The \$30.50 minimum registration fee is responsible for the 1.1% of income automobile tax and fee burden at the \$5,000 income level while the burden at the \$25,000 income level is only 0.7%.

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Table A. MAJOR TAX BURDENS IN THE NATION'S 25 LARGEST CITIES, BY TYPE, AS A PERCENT OF FAMILY INCOME
1971 - 1972

Cities	\$5,000				\$7,500				\$10,000										
	Income	Real Estate	Sales	Auto	Total	Rank	Income	Real Estate	Sales	Auto	Total	Rank	Income	Real Estate	Sales	Auto	Total	Rank	
Boston	0.4%	9.7%	0.4%	1.5%	12.1%	1	1.8%	9.7%	0.4%	1.0%	12.9%	1	2.8%	9.7%	0.3%	1.3%	1.3%	14.1%	1
Milwaukee	2.2	7.1	1.0	0.8	11.7	2	3.1	7.1	1.3	0.6	12.1	2	3.9	7.1	1.3	0.6	12.9	2	
Pittsburgh	4.5	4.1	1.3	0.7	10.6	3	5.1	4.1	1.1	0.5	10.8	4	4.4	4.1	1.1	0.6	10.2	5	
San Francisco	---	7.6	1.9	1.0	10.5	4	---	7.5	1.6	0.7	9.9	5	0.6	7.5	1.5	0.9	10.5	4	
New York	0.8	5.6	2.9	1.0	10.3	5	2.4	5.6	2.4	0.7	11.1	3	2.7	5.6	2.3	1.0	11.6	3	
Philadelphia	5.3	2.9	1.3	0.7	10.2	6	5.3	2.8	1.1	0.5	9.8	6	5.3	2.9	1.1	0.6	9.9	6	
Los Angeles	---	6.9	1.7	1.0	9.6	7	---	6.9	1.4	0.7	9.1	8	0.6	6.9	1.4	0.9	9.7	7	
Chicago	0.5	4.7	2.9	1.5	9.5	8	1.2	4.7	2.3	1.0	9.1	7	1.5	4.7	2.1	1.2	9.5	8	
Seattle	---	4.4	3.1	1.4	8.9	9	4.4	4.4	2.4	1.0	7.8	14	---	4.4	2.2	1.0	7.6	17	
Denver	---	3.9	3.7	1.0	8.6	10	0.9	3.9	2.9	0.7	8.4	9	1.3	3.9	2.6	0.9	8.7	11	
Phoenix	---	4.2	2.0	1.1	8.3	11	0.9	4.2	2.1	0.7	7.9	13	1.3	4.2	1.9	0.9	8.3	12	
St. Louis	1.9	3.0	2.6	0.7	8.2	12	2.7	3.1	2.0	0.5	8.3	10	3.2	3.0	1.8	0.7	8.7	10	
Indianapolis	1.3	3.0	2.5	1.3	8.1	13	1.7	3.0	2.0	0.9	7.5	15	2.1	3.0	1.8	1.1	8.0	15	
San Diego	0.4	4.9	1.3	1.5	8.1	14	0.9	4.9	1.1	1.0	7.8	12	1.2	4.8	1.0	1.2	8.2	13	
Memphis	---	5.2	2.9	0.8	7.9	15	---	5.2	1.4	0.7	7.4	16	0.6	5.2	1.3	0.9	8.0	14	
Cleveland	1.3	3.3	1.4	0.7	7.2	17	1.4	3.3	2.3	0.6	6.2	19	0.6	3.3	2.1	0.6	6.1	19	
Baltimore	---	3.8	1.4	0.9	6.9	18	---	3.8	1.2	0.5	6.9	18	1.5	3.8	1.2	0.6	7.1	18	
Washington	0.9	3.7	1.5	0.9	6.9	18	2.6	3.7	1.2	0.6	8.1	11	3.8	3.7	1.2	0.6	9.3	9	
New Orleans	0.5	2.8	2.0	1.1	6.5	19	1.7	2.8	1.6	0.8	6.9	17	2.5	2.8	1.5	1.0	7.8	16	
Columbus	---	2.3	3.1	0.6	6.0	20	0.3	2.3	2.5	0.4	5.5	21	0.6	2.4	2.4	0.5	5.9	20	
San Antonio	1.3	3.0	1.3	0.7	6.3	21	1.4	3.0	1.1	0.5	6.0	20	1.5	3.0	1.1	0.6	6.2	21	
Dallas	---	2.6	1.7	1.1	5.4	22	---	2.6	1.4	0.7	4.7	22	---	2.6	1.3	0.9	4.8	22	
Houston	---	1.7	1.7	1.1	4.5	23	---	1.7	1.4	0.7	3.8	23	---	1.7	1.3	0.9	3.9	23	
Jacksonville	---	1.4	1.7	1.1	4.2	24	---	1.4	1.4	0.7	3.5	24	---	1.4	1.3	0.9	3.6	25	
25 City Average	0.9	4.1	2.0	1.0	8.0		1.3	4.1	1.6	0.7	7.7		1.6	4.1	1.6	0.8	8.1		

1/ The income tax burdens for Ohio cities include the effect of the recently enacted Ohio income tax even though it becomes effective 1/1/72. However, this is not included in the 25 city average nor in the rankings so that this table agrees with the burden amount table.

Table A. (Continued) \$15,000

Cities	\$15,000				\$20,000				\$25,000									
	Income	Estate	Sales	Auto	Total	Rank	Income	Estate	Sales	Auto	Total	Rank	Income	Estate	Sales	Auto	Total	Rank
Boston	3.5%	9.7%	1.4%	0.3%	14.9%	1	3.8%	7.8%	0.3%	1.5%	13.4%	1	4.0%	7.8%	0.2%	1.2%	13.2%	2
Milwaukee	4.8	7.1	1.2	0.7	13.8	2	5.8	5.7	1.1	0.6	13.1	2	6.4	5.7	0.9	0.5	13.5	1
New York	3.9	5.6	2.0	1.0	12.5	3	5.1	4.4	1.8	0.9	12.2	3	6.2	4.5	1.6	0.7	13.0	3
San Francisco	1.6	7.5	1.4	0.9	11.4	4	2.3	6.1	1.2	0.9	10.5	4	2.9	6.1	1.1	0.7	10.8	4
Los Angeles	1.6	6.9	1.2	0.9	10.6	5	2.3	5.5	1.1	0.9	9.8	5	2.9	5.5	1.0	0.7	10.1	5
Pittsburgh	4.4	4.1	1.0	0.7	10.1	6	4.4	3.3	0.9	0.6	9.1	7	4.3	3.3	0.8	0.4	8.9	8
Philadelphia	5.3	2.8	1.0	0.7	9.8	7	5.3	2.3	0.9	0.6	9.1	8	5.3	2.3	0.8	0.4	8.8	9
Baltimore	4.2	3.7	1.0	0.7	9.6	8	4.7	3.0	0.9	0.7	9.3	6	5.0	3.0	0.8	0.5	9.3	6
Chicago	1.8	4.7	1.7	1.3	10.1	9	2.0	3.7	1.5	1.4	8.6	10	2.1	3.7	1.3	1.1	8.2	12
Denver	2.2	3.9	2.2	0.9	9.2	10	3.0	3.1	1.9	0.9	9.0	9	3.4	3.1	1.7	0.8	9.0	7
Detroit	3.7	3.1	1.5	0.7	9.0	11	4.0	2.5	1.3	0.6	8.4	12	4.2	2.4	1.2	0.5	8.2	12
San Diego	1.6	5.2	1.2	0.9	8.9	12	2.3	4.2	1.1	0.9	8.5	11	2.9	4.2	1.0	0.7	8.8	10
Phoenix	1.8	4.2	1.6	0.9	8.5	13	2.3	3.4	1.3	1.0	8.0	15	2.8	3.3	1.2	0.8	8.1	13
Indianapolis	1.5	4.9	0.8	1.3	8.5	14	1.6	3.9	0.7	1.7	7.9	16	1.7	3.9	0.6	1.4	7.5	15
Washington	3.3	2.8	1.3	1.0	8.4	15	4.0	2.3	1.1	0.9	8.3	13	4.6	2.3	1.0	0.7	8.6	11
St. Louis	2.7	3.0	1.5	1.1	8.3	16	3.2	2.4	1.3	1.1	8.0	15	3.5	2.4	1.2	0.9	7.9	14
Seattle	---	4.4	1.8	1.2	7.4	17	---	3.5	1.6	1.2	6.3	17	---	3.5	1.4	1.0	5.9	16
Cleveland	1.9 1/2	3.8	1.1	0.6	7.3	18	2.8 1/2	3.0	1.0	0.5	7.3	18	2.6 1/2	3.0	0.9	0.4	6.8	17
Memphis	---	3.3	1.8	0.7	5.8	19	---	2.6	1.6	0.6	4.8	20	---	2.6	1.4	0.5	4.5	20
New Orleans	0.9 1/2	2.4	2.0	0.6	5.9	20	1.1	1.9	1.8	0.5	5.3	19	1.2	1.9	1.6	0.4	5.1	18
Columbus	---	3.0	0.9	0.6	6.4	21	2.8 1/2	2.4	0.9	0.5	6.5	21	2.6 1/2	2.4	0.8	0.4	6.1	19
San Antonio	---	2.6	1.2	0.9	4.7	22	---	2.1	1.0	1.1	4.2	22	---	2.1	0.9	0.8	3.8	22
Jacksonville	---	2.0	1.2	0.8	4.0	23	---	1.7	1.0	0.7	3.4	24	---	1.8	0.9	0.5	3.2	22
Dallas	---	1.7	1.2	0.9	3.8	24	---	1.4	1.0	1.1	3.5	23	---	1.4	0.9	0.8	3.1	23
Houston	---	1.4	1.2	0.9	3.5	25	---	1.2	1.0	1.1	3.2	25	---	1.2	0.9	0.8	2.9	24
25 City Average	2.0 1/2	4.1	1.4	0.9	8.4		2.4 1/2	3.3	1.2	0.9	7.8		2.6 1/2	3.3	1.1	0.7	7.7	

Detail may not add to total because of rounding.

Table B. AVERAGE MAJOR TAX DOLLAR BURDENS IN THE 25 LARGEST CITIES COMPARED
WITH THOSE IN WASHINGTON
1971 - 1972

Income Level	\$5,000			\$7,500			\$10,000		
	25-City Average	Wash.	Dif.	25 City Average	Wash.	Dif.	25 City Average	Wash.	Dif.
Burdens									
Income	\$ 42	\$ 27	\$- 15	\$ 98	\$ 128	\$+ 30	\$ 162	\$ 250	\$+ 88
Real Estate	205	142	- 63	307	213	- 94	414	284	-130
Sales	100	101	+ 1	123	122	- 1	154	149	- 5
Auto	51	57	+ 6	51	57	+ 6	83	101	+ 18
Total	\$ 399	\$ 327	\$- 71	\$ 579	\$ 520	\$- 59	\$ 813	\$ 784	\$- 29
Income Level	\$15,000			\$20,000			\$25,000		
Income	\$ 303	\$ 493	\$+190	\$ 473	\$ 810	\$+337	\$ 657	\$1,163	\$+506
Real Estate	622	425	-197	664	452	-212	831	566	-265
Sales	200	190	- 10	237	220	- 17	260	239	- 21
Auto	134	158	+ 24	175	171	- 4	175	171	- 4
Total	\$1,259	\$1,266	\$+ 7	\$1,549	\$1,653	\$+104	\$1,923	\$2,139	\$+216

FACTORS USED IN HOUSING VALUE ASSUMPTIONS

	1970 Average Household Income 1/	1970 Median Value of Housing 2/	Ratio Housing to Income	Ratio Minus 20%	Housing Value Assumptions					
					\$5,000	\$7,500	\$10,000	\$15,000		
New York	\$11,269	\$25,700	2.28	1.82	11,400	17,100	22,800	34,200	\$20,000	\$25,000
Chicago	11,202	21,200	1.89	1.51	9,450	14,175	18,900	28,350	36,400	45,500
Los Angeles	11,432	26,700	2.34	1.87	11,700	17,550	23,400	35,100	37,400	46,750
Philadelphia	9,802	10,700	1.09	0.87	5,450	8,175	10,900	16,350	17,400	21,750
Detroit	11,007	15,600	1.42	1.14	7,100	10,650	14,200	21,300	22,800	28,500
Houston	11,094	14,500	1.31	1.05	6,555	9,825	13,100	19,650	21,000	26,250
Baltimore	8,577	10,000	1.17	0.94	5,850	8,775	11,700	17,550	18,800	23,500
Dallas	11,528	16,700	1.45	1.16	7,250	10,875	14,500	21,750	23,200	29,000
Washington	13,077	21,300	1.63	1.30	8,150	12,225	16,300	24,450	26,000	32,500
Indianapolis	11,494	14,800	1.29	1.03	6,450	9,675	12,900	19,350	20,600	25,750
Cleveland	9,329	16,800	1.80	1.44	9,000	13,500	18,000	27,000	28,800	36,000
Milwaukee	11,600	18,000	1.55	1.24	7,750	11,625	15,500	23,250	24,800	31,000
San Francisco	10,537	28,100	2.67	2.14	13,350	20,025	26,700	40,050	42,800	53,500
San Diego	10,577	22,500	2.11	1.69	10,550	15,825	21,100	31,650	33,800	42,250
San Antonio	8,692	11,600	1.33	1.06	6,650	9,975	13,300	19,950	21,200	26,500
Boston	9,409	19,500	2.07	1.66	10,350	15,525	20,700	31,050	33,200	41,500
Memphis	8,476	14,000	1.48	1.18	7,400	11,100	14,800	22,200	23,600	29,500
St. Louis	8,479	13,300	1.57	1.26	7,850	11,775	15,700	23,550	25,200	31,500
New Orleans	9,531	21,000	2.20	1.76	11,000	16,500	22,000	33,000	35,200	44,000
Phoenix	10,800	16,500	1.53	1.22	7,650	11,475	15,300	22,950	24,400	30,500
Columbus	10,028	17,200	1.72	1.38	8,600	12,900	17,200	25,800	27,600	34,500
Seattle	10,839	19,600	1.81	1.45	9,050	13,575	18,100	27,150	29,000	36,250
Jacksonville	9,926	12,100	1.22	0.98	6,100	9,150	12,200	18,300	19,600	24,500
Pittsburgh	9,860	12,800	1.30	1.04	6,500	9,750	13,000	19,500	20,800	26,000
Denver	10,249	17,000	1.66	1.33	8,300	12,450	16,600	24,900	26,600	33,250
25 City Unweighted Average	10,397	17,488	1.68	1.34	8,378	12,567	16,756	25,134	26,816	33,520

1/ Sales management, effective buying income per household, "1971 Survey of Buying Power"

2/ 1970 Census of Housing

Table D. RESIDENTIAL PROPERTY TAX RATES IN THE NATION'S
25 LARGEST CITIES
1971

Rank	City	Combined stated property tax rate per \$100 of assessed value	Assessment Level	Effective rate per \$100 of market value
1	Boston	\$15.68	30.0%	\$4.70
2	Milwaukee	8.70	52.7	4.58
3	Indianapolis	12.40	30.3	3.76
4	Pittsburgh	7.701/	40.8	3.14
5	Baltimore	5.82	53.9 2/	3.14
6	Los Angeles	12.55	23.4	2.94
7	San Francisco	12.80	22.0	2.82
8	Phoenix	12.62	21.8	2.75
9	Philadelphia	4.48	58.3	2.61
	25 City Average	7.32	34.2	2.50
10	Chicago	6.91	35.7	2.47
11	San Diego	10.14	24.3	2.46
12	New York	5.97	41.0	2.45
13	Seattle	4.81	50.0 3/	2.41
14	Denver	8.03	29.1	2.34
15	Jacksonville	2.97	76.2 4/	2.26
16	Memphis	4.67	47.8	2.23
17	Detroit	5.77	37.1	2.14
18	Cleveland	6.33	33.3	2.11
19	San Antonio	4.91	40.2	1.97
20	St. Louis	5.53	34.5	1.91
21	Columbus	4.64	37.7	1.75
22	Washington	3.20	54.3	1.74
23	Dallas	6.04	19.9	1.20
24	Houston	5.89	18.7	1.10
25	New Orleans	4.53	23.6	1.07

Rates shown are most current state, county, school district, and city property rates shown in Commerce Clearing House, State and Local Taxes. In most cases the effective rates were derived by taking the latest rates and adjusting them by the ratio of gross assessed value as a percent of sales prices as shown in the Census of Government 1967, "Property Tax Rates in Selected Major Cities and Counties" May 1968/CG-P-5. Assessment ratios for the California and Texas cities are from Commerce Clearing House while the ratios for Baltimore and Washington are from their latest sales-assessment ratio studies.

- 1/ Pittsburgh: The combined rate reflects the \$55.00 per \$1,000 city rate on land, \$27.50 rate on buildings.
- 2/ Baltimore: The data shown reflects the Maryland Department of Assessment and Taxation ratio study. Census of Government 1967 report showed a 71.8% assessment ratio which would produce a \$4.18 effective rate.
- 3/ Seattle: The Washington Supreme Court has ordered the Washington Department of Revenue to comply with a 50% assessment ratio as of January 1, 1970.
- 4/ Jacksonville: The Jacksonville rate applies to value above a \$5,000 exemption.

Table E. STATE AND LOCAL GENERAL SALES TAX RATES
IN THE 25 LARGEST CITIES
1971

COMBINED PERCENTAGES

	<u>7%</u>			<u>4½%</u>		
	State	Local		State	Local	
New York*	4%	3%	Cleveland *	4%	1/2%	
Denver	<u>6%</u>	3%	Baltimore *	<u>4%</u>		
New Orleans	3	3	Columbus *	4		
Philadelphia *	6		Detroit	4		
Pittsburgh *	6		Jacksonville *	4		
	<u>5½%</u>		Milwaukee *	4		
San Francisco *	4%	1½%	Phoenix	3	1	
	<u>5%</u>		St. Louis	3	1	
Chicago	4%	1%	Washington <u>1/</u>	4		
Dallas *	4	1				
Houston *	4	1	Boston *	<u>3%</u>	3	
Los Angeles *	4	1				
Memphis	3½	1½	Indianapolis <u>1/</u>	<u>2%</u>	2	
San Antonio *	4	1				
San Diego *	4	1				
Seattle	4½	1/2				

Average in 25 cities is 4.7%

* Denotes groceries are exempt from the sales tax.

1/ A credit is allowed on the individual income tax for sales taxes paid.
In Washington, the credit is confined to taxpayers reporting income of
\$6,000 or less.

Table F. INCOME TAX BURDENS IN SELECTED CITIES, BY TYPE OF TAX
1971

	<u>Assumed Family Income Levels</u>					
	\$5,000	\$7,500	\$10,000	\$15,000	\$20,000	\$25,000
Cities with						
Flat rate local and state levy with no exemptions:						
Philadelphia	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
Only a single rate state tax with exemptions:						
Boston	0.4	1.8	2.8	3.5	3.8	4.0
Chicago	0.5	1.2	1.5	1.8	2.0	2.1
Graduated state and local levies:						
Baltimore	0.9	2.6	3.8	4.2	4.7	5.0
New York	0.7	2.4	2.7	3.9	5.1	6.2
Graduated state tax only:						
Denver	--	0.9	1.3	2.2	3.0	3.4
Los Angeles	--	--	0.6	1.6	2.3	2.9
Milwaukee	2.2	3.1	3.9	4.8	5.8	6.4
New Orleans	--	0.3	0.6	1.4	1.1	1.2
Washington	0.5	1.7	2.5	3.3	4.0	4.6
25 City Average	0.9	1.3	1.6	2.0	2.4	2.6

Table G

GASOLINE TAX RATES IN THE 25 LARGEST CITIES
1971

<u>Lower than Washington 17 Cities</u>	<u>Same as Washington 7 Cities</u>	<u>Higher than Washington 1 City</u>
<u>5 cents</u>	<u>8 cents</u>	<u>9 cents</u>
Dallas	Indianapolis	Seattle
Houston	Jacksonville	
San Antonio	New Orleans	
	New York ^{2/}	
<u>6-1/2 cents</u>	Philadelphia	
St. Louis ^{1/}	Pittsburgh	
	Washington	
<u>7 cents</u>		
Baltimore		
Cleveland		
Columbus		
Denver		
Detroit		
Los Angeles		
Memphis		
Milwaukee		
Phoenix		
San Diego		
San Francisco		
<u>7-1/2 cents</u>		
Boston	Average rate in 25 largest cities	
Chicago	7.1 cents	

^{1/} The Missouri state levy is 5¢ per gallon. In addition, St. Louis requires that service station owners obtain a license -- the license fee is 1-1/2 cents per gallon of gasoline sold, transported, or stored.

^{2/} New York state increased the state gasoline levy to 8 cents levy on February 1, 1972. The combined state and local rate in New York City on leaded gas is now 9¢ per gallon.

Table H.

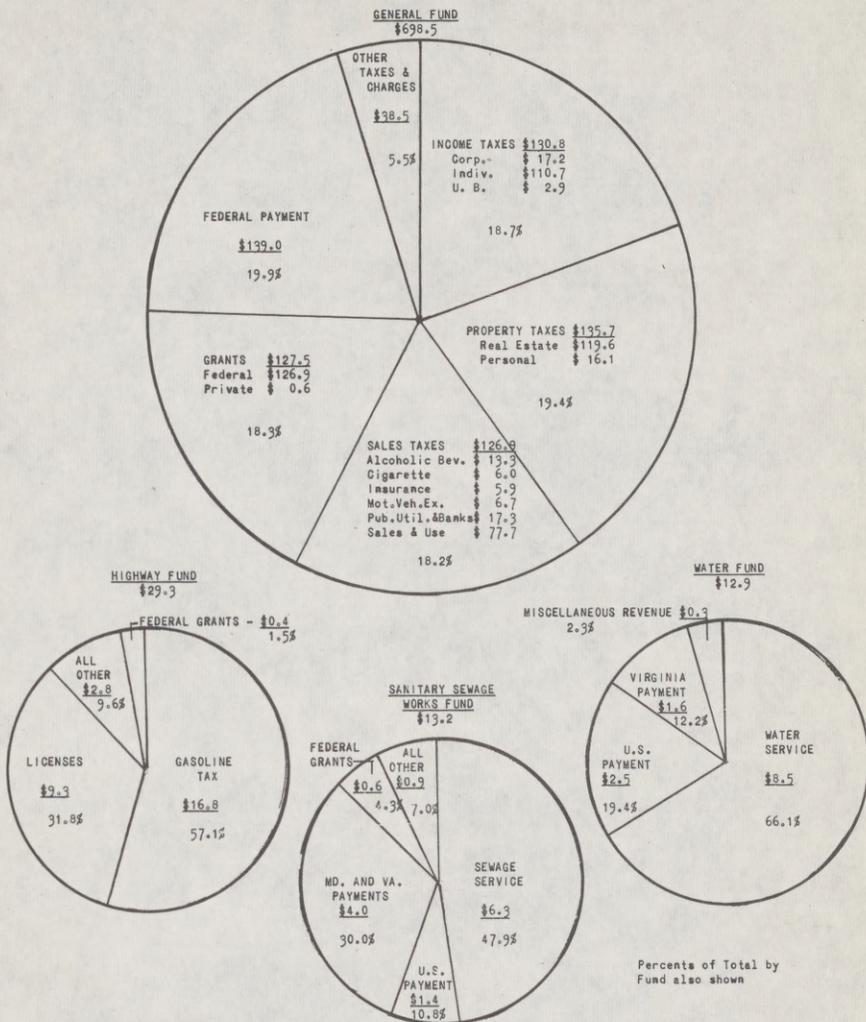
THE NATION'S 25 LARGEST CITIES
1970

<u>Rank</u>	<u>City</u>	<u>1970 Population</u>	<u>Percent change from 1960</u>
1	New York	7,867,760	1.1%
2	Chicago	3,366,957	- 5.2
3	Los Angeles	2,816,061	13.6
4	Philadelphia	1,948,609	- 2.8
5	Detroit	1,511,482	- 9.5
6	Houston	1,232,802	31.4
7	Baltimore	905,759	- 3.5
8	Dallas	844,401	24.2
9	Washington	756,510	- 1.0
10	Cleveland	750,903	-14.3
11	Indianapolis *	745,239	56.5 ^{1/}
12	Milwaukee	717,099	- 3.3
13	San Francisco	715,674	- 3.3
14	San Diego	696,769	21.6
15	San Antonio	654,153	11.3
16	Boston *	641,071	- 8.1
17	Memphis	623,530	25.3
18	St. Louis	622,236	-17.0
19	New Orleans	593,471	- 5.4
20	Phoenix *	581,562	32.4
21	Columbus, O. *	539,677	14.5
22	Seattle	530,831	- 4.7
23	Jacksonville	528,865	163.0 ^{1/}
24	Pittsburgh	520,117	-13.9
25	Denver *	514,678	4.2

* Denote state capital

^{1/} Much of these increases are the result of consolidated governments.

FISCAL YEAR 1971
 DISTRICT OF COLUMBIA REVENUES (MILLIONS OF DOLLARS)



Percents of Total by Fund also shown

