

SJR

14

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 29, 1979

SUBJECT: SJR 14 am; protesting the proposed IRS regulations removing the tax exempt status of certain private schools

TO: Representative Charles H. Parr
Chairman, House Judiciary Committee

FROM: Richard A. Bradley *B*
Legislative Counsel

The request for the House committee substitute for SJR 14 am asked that I confirm the accuracy of the citation stated in the above SJR; I regret to advise you that the earlier citation was in error.

S. 103 of the present Congress, the 96th, is entitled:

"To provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies."

The bill is sponsored by Senators Hatch, McClure, Laxalt, Thurmond, Goldwater, Helms, Garn, Harry F. Byrd, Jr., Tower, Hayakawa, and Stevens.

I cannot obtain a copy of S. 103 until the State Library reopens on Monday.

The title of SJR 14 as formerly written was intended to recognize that IRS was not proposing to remove the tax exemption of all private schools, but rather only those contained within the title of S. 103.

RAB:jdn

Introduced: 1/31/79
Referred: Health, Educa-
tion & Social Services

1 IN THE SENATE

BY BRADLEY

2 SENATE JOINT RESOLUTION NO. 14 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 Protesting Internal Revenue Service
6 regulations removing the tax-exempt
7 status of certain private ^{non-profit} schools.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 WHEREAS a free marketplace of ideas is the cornerstone of a democratic
10 society, and a flourishing of private schools offering a choice of religious
11 and educational philosophies is essential to the greatness of our nation; and

12 WHEREAS Congress has recognized the important educational role of pri-
13 vate schools and implemented the constitutional requirement of separation of
14 church and state by granting tax-exempt status to private ^{non-profit} schools; and

15 WHEREAS most private ^{non-profit} schools cannot cover their operating costs with
16 tuition but depend heavily on tax-exempt donations; and

17 WHEREAS the Internal Revenue Service has threatened the very existence
18 of private ^{non-profit} schools by writing regulations which would remove the tax-exempt
19 status of private schools; and

20 WHEREAS this precedent-setting decision by the Internal Revenue Service,
21 which would have a major impact on the future course of American education,
22 is a profound change in the policies established by Congress, and is in
23 effect usurping the policy-making responsibilities of Congress;

24 BE IT RESOLVED that the Alaska State Legislature protests the regula-
25 tions proposed by the Internal Revenue Service which threaten private ^{non-profit} schools
26 with the loss of their tax-exempt status; and be it

27 FURTHER RESOLVED that the Alaska State Legislature urges Congress to
28 enact legislation similar to S. 103, now introduced in the ^{96th} 94th Congress,
29 which would delay the promulgation and effective date of the Internal Revenue

1 Service regulations and would give Congress a chance to weigh the effects of
2 such regulations and take appropriate action.

3 COPIES of this resolution shall be sent to the Honorable Jimmy Carter,
4 President of the United States; Mr. Jerome Kuntz, Commissioner, Internal
5 Revenue Service; the Honorable Orrin G. Hatch, U. S. Senator from Utah and
6 prime sponsor of the Save Our Schools Act; and to the Honorable Ted Stevens
7 and the Honorable Mike Gravel, U S. Senators, and the Honorable Don Young,
8 U. S. Representative, members of the Alaska delegation in Congress.

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SYNOPSIS OF PROPOSED IRS REGULATORY DEMANDS

Under the proposed IRS regulations, private schools will be judged guilty of discrimination if they do not meet four out of five of the following demands:

- (1) Grant scholarships and provide other significant financial assistance to minority students.
- ✓(2) Actively and vigorously recruit minorities.
- (3) Increase our percentage of minority students.
- (4) Employ minority teachers or professional staff.
- ✓(5) Provide evidence of "good faith" by the following:
 - a. continued and meaningful advertising programs or contact with minority leaders inviting applications from minorities,
 - b. significant efforts to recruit minority teachers,
 - c. participation with integrated schools in sports and other activities,
 - d. making schools facilities available to outside, integrated civic or charitable groups, etc.
 - e. special minority-oriented curriculum or orientation, and
 - f. minority participation in founding the school or using minority board members.