

The 1941
School Retirement Bill



**Text of the Legislative Council's School Retirement
Bill, Presented by the Council to the 1941 Session
of The Kansas Legislature. With Explanatory
Comments.**



LEGISLATIVE BULLETIN No. 5

November, 1940

Series of 1941

A publication of The Kansas State Teachers Association
Department of Legislation, Public and Professional Relations
315 West Tenth Street, Topeka, Kansas

The 1941 School Retirement Bill

Legislative Bulletin No. 5

November, 1940

Series of 1941

To ALL THOSE INTERESTED IN SCHOOL RETIREMENT:

The Legislative Council of the Kansas Legislature on November 15, 1940, approved a school retirement bill and submitted it for the consideration of the 1941 session of the Legislature. This bill is the culmination of years of work on teacher retirement by legislators, patrons and teachers.

The movement for teacher retirement in Kansas began as early as 1900, but it received its present impetus only three years ago. At that time a survey of conditions among school employees of the state indicated not only the need for adequate retirement of teachers in an agricultural state, but also the special problems facing any plan for state-wide retirement in Kansas. Work since the publication of the survey in 1938 has moved constantly forward, and advancement has been by progressive stages.

The 1939 Bill

A bill, largely drafted by the educators of the state, was introduced in the senate and the house of the Kansas Legislature in 1939. Though the bill did not reach the floors of the houses, the senate passed a resolution instructing the Legislative Council to submit a retirement bill by December, 1940, for the consideration of the 1941 Legislature.

The Legislative Council Works on Retirement

In the fall of 1939, the Legislative Council invited the Kansas State Teachers Association to offer suggestions for the bill which it had been instructed to draft under Senate Resolution No. 22. The Legislative Committee of the teachers association offered as its best suggestion the retirement bill which had been introduced in the Legislature in 1939.

In the spring of 1940 the Legislative Council instructed its Education Committee to draft a measure carrying substantially the benefits of the 1939 bill, but providing for reserve features. Such a bill was drafted in the summer of 1940 by Rep. Marion Beatty of Topeka with K.S.T.A. counsel, and was submitted to the Legislative Council at its August, 1940, meeting.

The 1940 Bill and Its Cost

At the August meeting of the Legislative Council the Beatty bill on school retirement was referred to the Research Department of the Legislative Council for a study of the probable cost of the measure to the state. By the last of October the Research Department reported that the cost to the state would be in the neighborhood of \$700,000 a year, a sum which appeared to the Education Committee of the Legislative Council too large for ready adoption by the legislature.

The 1941 Bill and Its Approval

As a result of conferences with school leaders of Kansas, certain compromises, which are explained in the following pages, were made, and the revised bill was submitted to the vote of the entire Kansas Legislative Council on November 15, where it passed with only two dissenting votes. The school retirement bill as it appears in this bulletin will be presented to the 1941 session of the Kansas Legislature as a Council bill on school retirement. The bill also carries the endorsement of the Legislative Committee of the Kansas State Teachers Association.

Favorable action in the 1941 session of the Kansas Legislature is a reasonable expectation. Both political parties carried school retirement planks in their 1940 platforms, so retirement is not a partisan issue. Patrons want school retirement; boards of education and school employees want school retirement; the Legislative Council has drafted its bill. Enactment is the next logical step.

The Legislative Committee of the Kansas State Teachers Association wishes to express its appreciation for the fine work and most pleasant cooperation it has received from all members of the Legislative Council. It is especially grateful for the untiring work of the members of the Council's Committee on Education composed of Senator Donald C. Allen, Valley Falls; Rep. Marion Beatty, Topeka; Rep. Wilford Riegle, Emporia; Rep. Paul R. Wunsch, Kingman, and Rep. Earle Baker, Sublette. Special appreciation is extended to Rep. Marion Beatty, of Topeka, who served as a subcommittee on school retirement of the Council, to Dr. F. H. Guild and Mr. Camden Strain of the Legislative Council's Research Department who conducted research studies on the subject, and to Mr. Franklin Corrick, revisor of statutes, and his staff who assisted in the legal framing of the 1941 bill.

Sincerely yours,

K.S.T.A. LEGISLATIVE COMMITTEE,

The Sub-committee on School Retirement,

R. V. PHINNEY, Larned,

IRA O. SCOTT, Hays,

ADEL THROCKMORTON, Wichita.

Membership of K.S.T.A. Legislative Committee

SUPT. REES H. HUGHES, Parsons
Chairman

C. O. WRIGHT, Topeka
Secretary-Director

FIRST DISTRICT
Supt. W. D. Wolfe, Atchison

SECOND DISTRICT
Supt. W. L. Rambo, Paola

THIRD DISTRICT
Supt. Rees H. Hughes, Parsons

FOURTH DISTRICT
Prin. George Stevens, Clay Center

FIFTH DISTRICT
Co. Supt. Adel Throckmorton,
Wichita

SIXTH DISTRICT
Prin. R. E. Custer, WaKeeney
Supt. Chas. E. Hawkes, Salina

SEVENTH DISTRICT
Supt. Frank Irwin, Stafford
Dr. Ira O. Scott, Hays

MEMBERS AT LARGE
Supt. F. L. Schlagle, Kansas City
Supt. R.V. Phinney, Larned
State Supt. Geo. L. McClenney,
Topeka

Synopsis of **The 1941 or Council Bill on Retirement of School Employees**

The retirement campaign has produced three bills: a mother bill and two daughter bills. We are dealing now with the second daughter bill. It can best be explained by comparison with its two predecessors. Many of our readers have already studied them. Like human relatives, these related bills greatly resemble each other, yet there are also notable differences in detail. The basic purposes and the most vital features are the same in all three bills. The differences are detail adjustments made to meet stubborn facts, and, so far as possible, to recognize the inevitable variety of opinions.

It Is the 1941 Bill Now!

The final adjournment of the Legislative Council on November 16, 1940, put an end to the period of weighing and adjusting. The Legislative Council and the official representatives of the State Teachers Association have definitely agreed upon this 1941 bill. The chance for action on retirement now depends, first of all, upon the teachers throughout the state sinking any remaining differences of opinion (like Americans after a presidential election) and uniting in support of the 1941 bill.

Common Features of the 1939, 1940, and 1941 Bills

All three retirement bills have outstanding purposes in common: (1) To provide retirement benefits to all public school employees: teachers, principals, superintendents, county superintendents, school nurses, clerical workers and janitors. All school employees are guaranteed retirement on the same terms without evasion or discrimination. (2) To provide retirement for career teachers who are unemployed when the act goes into effect, and to those who happen to be unemployed hereafter at retirement age 65, and to provide retirement for these on the same service annuity terms as apply to the fortunate teachers who happen to have employment in school service on those dates. The retirement rights of the low salaried group in the rural and small town schools are not to be cancelled by the Kansas practice of dismissing rural teachers before age 65.

In all three bills the above purposes are achieved and benefits to individuals are kept in due proportion largely through the use of two main devices:

1. The principle of the deferred annuity is applied for the protection of the unemployed teacher. This annuity starts at age 65 whether the teacher with considerable years of service is employed or not. Thus teachers with records of twenty or more years who are now out of service will receive annuities.

2. Service annuity rights are computed separately from savings annuity rights. Service annuity rights are based upon service rendered as determined by years of service and salaries earned. Savings annuity rights are based upon the teacher's individual contributions from salary.

All three bills follow the well established American principle that retirement costs should be borne approximately 50-50 by the employer, that is the state and by the school employees.

Teachers should not confuse retirement with relief. Retirement is a form of insurance for which the teacher must expect to help pay while she earns. The cost to teachers, the benefits to teachers, and the obligation of the state will be low or high in the same degree as salaries are low or high and tenure is long or short. Kansas school teachers generally have short tenures and low salaries, and will pay only modest amounts and receive in return only modest annuities. If the state is to recognize all on equal and democratic terms, it cannot pay out too generously to any one person or group.

Insofar as conditions of school employment in Kansas justify, these bills follow the general retirement principles so widely established by the National Social Security Act. Should any provision of the 1941 bill seem to you to be strange or unprecedented, find out if it is not in harmony with the national social security program which applies to forty some millions of enrolled wage earners.

How the 1941 Bill Differs From Former Ones

The 1941 or Council Bill differs from its predecessors in some notable, but relatively less important details.

The 1939 bill provided for financing retirement annuity payments through cash disbursements. The teachers and the state were to share current retirement costs on a fifty-fifty basis. All that the teachers would have paid in under the 1939 bill was to be used to pay current annuities, and in return the teachers were to receive credit reserves, not savings reserves. This plan was rejected by the Legislative Council in the spring of 1940 and a new retirement bill (The Beatty 1940 Bill) was drawn up, incorporating reserves for the teachers, but cash disbursement for the state. From the Legislative Council came the decision to use savings account reserves for the teachers' contributions from salary, instead of pay-as-you-go assessments. Under the 1941 bill the state alone will meet the cost of service annuities on a pay-as-you-go basis. Each teacher's contribution under the 1941 bill will remain always her individual property, all of which will eventually return to her or to her estate. The teacher contributes nothing to the state except service; and the state contributes to the teacher a deferred payment for service when she is retired.

The 1941 bill assesses a permanent levy of 4% upon monthly salaries of all school employees, except those now covered by local retirement systems. The 1939 bill, on the other hand, set a maximum levy of 4% and made possible lower levies in the early years of operation. Each plan has its advantages. The 1941 plan is probably fairer to the teachers of later years. It also permits a more definite method of protecting the individual savings of the teacher. It protects the state from some danger of the possible pyramiding of costs in later years.

Compromises of the 1941 Bill

Another change was made in the form of a compromise to meet certain facts presented by the Legislative Council. A statistical study revealed that around \$700,000 a year would be needed from the state to finance the 1940 bill. The Council representatives thought this figure prohibitive, and a pro-rated figure of \$400,000 was agreed upon. This pro-rated plan was agreed upon rather than a proposal to reduce the basic benefits provided in the bill. Section 23 of the 1941 bill appropriates \$400,000 a year as the state's part and section 24 provides for pro-rating this sum as far as it will go among the eligible annuities. This compromise applies only to service annuities which are paid with state money; it does not affect the teacher's individual savings account or savings annuities purchased by her payments. After a year or two of operation accurate cost of the retirement measure to the state will be available. The best estimated figures indicate that the \$400,000 will pay approximately four-sevenths of the annuities due the first year under the formula of the bill. It is doubtful if reliable data can be obtained except by experience in operating the plan. The compromise gives the state time to feel its way through the first experimental years. Meanwhile the standards set by the bill for annuity benefits remain and should be met in future years by larger state appropriations.

The Legislative Council's Committee on Education suggested the use of sales tax money for the state's appropriation of \$400,000, and made a provision for this in the 1940 bill. The Legislative Council at its meeting on November 16, 1940, by a motion from the floor, altered this provision of the original Beatty bill and provided for the appropriation of the \$400,000 for the first year of operation from the general fund of the state.

K. S. T. A. LEGISLATIVE PROGRAM

THE THREE-POINT PROGRAM

- 1. School Retirement.**
- 2. High School Equalization.**
- 3. State Commissioner of Education.**

CODIFICATION OF THE SCHOOL LAWS

**(In cooperation with the Education Committee of
the Legislative Council of the Kansas Legislature,
by invitation of the Legislative Council.)**

Summary of Chief Features of 1941 Bill

1. All school employees become subject to a levy of 4% upon each salary check after September 1, 1941, except those now covered by local retirement systems.
2. School employees who are aged 65 or more, and who have established records of twenty years or more of service in Kansas public schools, are eligible for modest service annuities beginning in January, 1942. Younger persons with similar records will become eligible for service annuities when they attain age 65.
3. Young employees who serve less than five years will receive, upon request, a refund of all the four per cent salary assessments paid into the system with accumulated interest. Others who in the future discontinue school employment before attaining age 65 will receive deferred annuities following the precedent of the national social security plan.
4. The 1941 bill offers two major protections in the form of minimum annuities. The minimum annuity for any teacher with a twenty-year service record is \$120. The minimum annuity for a teacher with a thirty-year service record is one-third of her average salary for the last ten years of service. Those who serve less than thirty years, but more than twenty years will be guaranteed a fractional part of the one-third average salary. For example, the teacher with twenty-five years' service will receive twenty-five-thirtieths of the guarantee of one-third of the average salary.
5. Retirement is set up as a state function to be managed by a State Retirement Board of which the State Treasurer is to be treasurer. Local schools and local school boards will have no connection with the plan except to make reports and to forward deductions from salaries.
6. Membership is compulsory for all concerned as is the case in the vast national social security plan. (Only teachers, and in the case of Kansas City all school employees, who are members of local retirement systems are excluded. These systems are permitted to join the state system by local action if they so desire.)

The 1941 School Retirement Bill

BILL No. _____
By Committee on Education
(To Carry Out Resolution No. 17.)

AN ACT relating to schools, providing for the retirement and payment of annuities to persons engaged in school service as in this act defined, creating a state school retirement fund and state school retirement board for such purposes, prescribing the powers and duties of said board, and providing penalties for the violations of this act.

Be it enacted by the Legislature of the State of Kansas:

SECTION 1. Unless a different meaning is plainly required by the context, the following words and phrases, as used in this act, shall have the following meanings:

(a) "*Retirement Fund*" shall mean the state school retirement fund of Kansas.

(b) "*Board*" shall mean the state school retirement board of Kansas, created by section 2 of this act.

(c) "*School year*" shall mean either a full calendar year beginning on September first, or the legal school term during such calendar year. In case of doubt the board shall decide what constitutes a school year; but it shall not give credit for a school year that represents less than eighty days of actual service; nor shall any person receive credit for more than one school year during any twelve months' period beginning on September first.

(d) "*School employee*" shall mean any person who has performed or who shall hereafter perform, school service for the state of Kansas or any of its subdivisions. The term "*school employees*" shall include state and county superintendents and their helpers and assistants; the employees of the state board of education; the employees of the board; and the employees of all schools maintained by the State of Kansas or by any school district or other subdivision of the state: *Provided*, That the term "*school employees*" shall not include any employee of a collegiate institution operated by the state which maintains a standard four-year college course but shall include municipal universities maintaining such course. The term "*school employee*" shall include such persons performing school service as classroom teachers, administrators, supervisors, librarians, nurses, clerks, janitors, mechanics, bus drivers, or in other capacities.

(e) "*School service*" shall mean service performed on either a full time or part time basis throughout at least one school year, for which salary or wages is paid regularly from the treasury of the State of Kansas, or from the treasury of a school district or other subdivision of the state. In case of doubt the board shall decide what constitutes school service.

(f) "*School annuitant*" shall mean any person who is entitled to receive a school annuity.

(g) "*School annuity*" shall mean the total annual payment due to any school annuitant. Such annual payments shall continue for life, and be paid in equal periodical installments.

(h) "*Service annuity*" shall mean that part of the school annuity which is based upon the service record of the person concerned, and which is paid by the state.

(i) "*Savings annuity*" shall mean that part of the school annuity which results from the accumulated contributions of the school employee and interest thereon.

(j) "*Disability annuity*" shall mean a school annuity granted to a school employee who suffers such physical or mental disability as to be unable to perform school service.

(k) "*Standard annuity*" shall mean the school annuity which is granted to a school employee at age sixty-five, as prescribed by this act. This standard annuity shall be used as the basis in computing actuarially equivalent annuities granted at ages other than sixty-five.

(l) "*Service record*" shall mean the individual record kept by the board for each school employee. It shall show the number of school years of school service, the salary or wages earned, the date of birth, and such other date as the board may require.

(m) "*Age*" and also "*attained age*" shall mean the age on the birthday occurring in the calendar year under consideration.

(n) "*Deductions*" shall mean the amounts withheld, as provided in this act, from warrants issued in payment for school services.

(o) "*Actuarial computation*" shall mean computation in accordance with some standard actuarial table. The board shall determine which one of the standard actuarial tables shall be used.

SEC. 2. There is hereby created the state school retirement fund of Kansas, and the state school retirement board of Kansas for its administration.

SEC. 3. The board shall consist of six members: The state superintendent of public instruction, who shall also be chairman of the board; the state treasurer, who shall also be custodian of all funds of the board; two school employees, each to be appointed by the governor from a list of three to be submitted by the state board of education; and two other persons to be appointed by the governor. Vacancies among the appointed members of the board shall be filled by appointment in the same way; and those so appointed shall serve for the unexpired terms. Not more than two of the appointive members shall belong to the same political party; and at least two of the appointed members serving at any time shall reside in counties wherein there is no city with more than eight thousand population. Members shall serve without compensation; but they shall be reimbursed for expenses incurred in the performance of their duties.

SEC. 4. At the first appointment, the governor shall designate the terms of the appointed members, to begin at once and to run respectively one, two, three and four years from July 1, 1941. Thereafter, appointments shall be for four years each in rotation, and the appointees shall take office on July first.

SEC. 5. The board shall maintain an office at Topeka. It shall employ a full-time executive secretary who shall not be a member of the board. He shall be secretary of the board and the custodian of its records. He shall enforce the rules, decisions and orders of the board. The board is also authorized to employ other help as may be necessary to carry out the provisions of this act, including actuarial assistance, and medical assistance for the examination of claimants for disability allowances. The board shall fix the compensation for all such employees and assistants and reimburse them for expenses incurred in pursuance of their duties. The attorney general shall be the legal advisor of the board, and represent it in all cases at law.

SEC. 6. The board shall control and manage all funds provided for in this act. It shall have the status and powers of a public corporation, and may sue and be sued under its corporate name. Any legal service upon the executive secretary in the name of the board, shall be considered binding upon the board. The board shall keep adequate records and make annual reports to the governor. Copies of the annual reports shall be furnished to county superintendents in all counties and to superintendents of schools in all cities of the first and second classes. The board is authorized and directed to require from public officials of the State of Kansas, and from school employees, such information and reports as may be necessary to carry out the provisions of this act. It is authorized to direct the manner in which the money deducted from pay warrants shall be transmitted to its offices. It is authorized and directed to make rulings, decisions, and definitions and orders, which are needed to clarify and to make effective the provisions of this act. From its decisions there shall be no appeal except by action at law.

SEC. 7. Officials of the state and its subdivisions are hereby authorized and directed to furnish information and to make salary and wage deductions, and employees of the state and its subdivisions are hereby directed to furnish information as required by this act and by the board in conformity with this act.

SEC. 8. The board shall meet on the first Monday in June each year, and on such other dates as it shall find necessary. It shall meet to organize before June 1, 1941, at the call of the governor. Each member shall have one vote. Four members shall constitute a quorum; and four votes shall be necessary to make a decision; but a smaller number may adjourn and fix the date for another meeting. All payments of money from the retirement fund shall be made by warrant according to the usual routine for state business; but such warrants shall be issued only on requisition authorized by the board and signed by the chairman of the board or by the acting chairman, and also by the executive secretary or acting secretary. The board shall require adequate bond on the executive secretary which shall not be less than ten thousand dollars, and on other employees as it finds necessary, and shall order the premiums thereon to be paid from the retirement fund.

SEC. 9. The provisions of this act shall apply to all school employees who shall perform school service after September 1, 1941, and to all school employees who have a record of twenty years or more of school service performed before September 1, 1941: *Provided*, That when

school employees present from other states or from educational institutions which are not covered by this act, school service records which are, in the judgment of the board, comparable to the service requirements of this act, such outside service records shall be counted in determining the record of twenty years' service required herein for eligibility, but not in determination of service annuities. This act shall not apply to any employees while they are members of a separate school retirement system operated by the State of Kansas or any of its governmental subdivisions. A majority of all members participating in any such separate school retirement system may make application to the board for permission to come within the provisions of this act by a petition duly signed and verified, approved by the local board of education, and filed with the board. The board is hereby authorized to promulgate rules, regulations and plans for the inclusion of such retirement systems under the provisions of this act, or the board may draft plans for the inclusion of such systems and present same to the legislature.

SEC. 10. As soon as practicable after this act goes into effect, the board shall receive, verify, and formally validate service records as submitted by school employees. So far as possible, reports of school service, of salaries earned, and of dates of birth shall be certified from official records; but when these are not available, the board is authorized and directed to consider other reasonable evidence. Any statement of a date of birth shall be signed under oath by the school employee concerned. The board shall have authority, independently, to secure other evidence affecting service records.

SEC. 11. If any school employee shall fail to file any service record required by the board within three months, the board may as penalty increase his deductions to 5% until said service record is properly filed. If any school employee shall delay filing claim for a service annuity, no payment shall ever be made for the period of the delay.

SEC. 12. Except as otherwise provided in this act, any school employee who has attained the age of 65 shall be eligible to a school annuity, but any employee who retires direct from service may, at his choice, be granted an annuity beginning on any September first from age sixty to age seventy, inclusive. Any annuity granted prior to age 65 shall not be the standard annuity, but shall be the actuarial equivalent at attained age. When an annuity is granted to a person past age 65, there shall be no back payments, and said service annuity shall be computed as if the age were 65.

All annuities of one hundred twenty dollars or more shall be paid in equal monthly installments beginning on the first of September of that calendar year. Annuities of less than one hundred twenty dollars shall be paid in quarterly or semi-annual installments as the board may direct.

No person shall be employed for any school service to which this act applies, after August thirty-first of the year in which he attains age seventy. Nor shall any person be so employed after receiving the first installment of a school annuity, or while receiving a disability annuity provided by this act. The first monthly installments of school annuities shall be paid in January, 1942.

SEC. 13. Any school employee who has a school service record of fifteen years or more, and who suffers such physical or mental disability as to be permanently unable to perform school service may at once be granted a disability annuity, the amount of which shall be the actuarial value of the school annuity of that individual, at the attained age. In such cases the board is authorized to provide for medical examinations and to secure other evidence at the expense of the retirement fund. Such medical examinations shall be repeated at least once in every five years, and may be ordered at any time until the annuitant attains age sixty-five. In case any person receiving a disability annuity shall recover, or if he shall refuse to be examined, then the disability annuity shall cease. But employment outside of school service at part time work or at full time work suited to a partly disabled person shall not of itself be sufficient reason to cease paying such disability annuity. In case any person receives a disability annuity and later recovers and returns to school service, the service record of that person shall include all school service, both before and after disability, but the retirement annuity finally paid shall be reduced by actuarial computation in proportion to the total amount of the disability annuity paid.

SEC. 14. In case an error has been made and an annuitant has been paid more or less than he is entitled to receive, and other satisfactory arrangements cannot be made, the board, insofar as that may be possible, shall adjust future annuity payments so as to correct the error, in accordance with actuarial computations.

SEC. 15. After September 1, 1941, all boards and other agencies of the State of Kansas which issue warrants to school employees, shall deduct 4% from the full amount of each such warrant issued to any permanent school employee (up to an annual maximum total of \$3,000 salary), and shall transmit the amounts, so deducted, to the state treasurer in such manner as the retirement board may direct. These deductions shall be credited to individual savings accounts.

SEC. 16. All contracts for school services made after this act goes into effect, and all salaries of school employees set by statute shall be deemed to include this provision for deductions: *Provided*, That in any case where an existing contract or legal obstacle forbids a deduction, the school employee concerned is hereby authorized to tender the amount of the deduction to the board for credit: *Provided further*, This section shall not apply to employees exempted under the provisions of section 9 of this act.

SEC. 17. The funds resulting from such deductions shall be handled as permanent reserves. These reserves are to be invested by the board in school, state, municipal and federal securities approved by the State School Fund Commission. All interest received thereon shall be prorated at least once each twelve months to the individual savings accounts.

SEC. 18. On retirement each school annuitant shall receive: (a) A savings annuity which shall be the actuarial equivalent of his accumulated contributions including interest credits at the time of retirement, with due consideration of the refund provision act in Section 21 of this act, and (b) a service annuity to be paid by the state. The amount of any individual service annuity shall be determined by multiplying the average annual salary (up to maximum of \$3,000) for the last ten

years of school service, by the total number of years of school service and dividing by 160: *Provided*, That any person having a record of thirty years or more of school service shall receive a service annuity which added to his savings annuity will total not less than one-third of the average annual salary during the last ten years of school service: *Provided further*, That any eligible employee who has a school service record of twenty years or more, but less than thirty years, shall receive payments in the proportion which those years of service bear to thirty years; and the minimum service annuity for any person having twenty years or more of school service shall be \$120.

SEC. 19. In case any school employee shall quit school service before age sixty (except as provided otherwise in this act) the board shall on request, issue to him a certified statement of his service record and his savings account. No refund shall be made; no further payments shall be required from the employee (unless he returns to school service); interest shall continue to be credited to his account; and none of his retirement rights shall be canceled. At age sixty-five such a person shall become eligible to receive the annuity indicated by this service record and his savings account at the time of retirement.

SEC. 20. In case any school employee quits school service before age fifty, with not more than five years of school service, his accumulated contributions plus interest credited thereon shall, within six months, be refunded to him; and his claims upon the retirement fund shall thereby be terminated. In case said school employee shall later return to school service, he may return the amount refunded to him without either interest or penalty, and regain his original status with the retirement fund: *Provided*, That if said school employee shall file with the board, advance notice of intention to return to school service later, the refunding shall be deferred; but if, after five years, said employee has not returned to school service, the refund shall be made.

SEC. 21. In case of the death of any school employee or annuitant before any installment of any annuity has been paid, all deductions, without interest or penalty, shall be refunded to the estate of the deceased unless beneficiaries have been specifically designated by said school employee or annuitant. In case of the death of a school employee or annuitant after an annuity installment or installments have been paid to him that portion of such payments which derived from his accumulated savings, shall be substracted and the remainder of the accumulated savings shall be refunded as directed in the preceding sentence. Except, as provided in sections 20 and 21 of this act, there shall be no refunds or payments to the heirs of any school employee or annuitant.

SEC. 22. The board shall adopt and operate under a budget and conform to the statutes which govern the budgets of school districts.

SEC. 23. There is hereby appropriated from the general fund the sum of \$400,000 for the year 1942 or so much thereof as shall be necessary for the state teachers' retirement fund.

SEC. 24. In case the amount of money available in any fiscal year is not sufficient to pay expenses, and to pay all service annuities in full, the amount available over and above expenses shall be pro-rated among the claimants.

SEC. 25. In case any refund or annuity installment due under the provisions of this act shall remain unclaimed for a period of five years after it is due, it shall be declared outlawed, and the amount thereof shall revert to the retirement fund.

SEC. 26. The retirement fund shall be subject to supervision and audit in the same manner and by the same agencies as other departments of the state. The board shall have authority either to conduct or to require audits of those accounts of the boards and agencies designated by this act to make deductions, which affect the retirement fund.

SEC. 27. Annuities and refunds provided herein shall be unassignable except as specifically provided in this act. Any payments made or to be made, as provided in this act, shall not be subject to sale or execution and shall not be subject to garnishment or attachment.

SEC. 28. Any person who shall, with intent to defraud, make any false statement or falsify any record made or given by virtue of the provisions of this act or any rule or regulation of the board, shall be deemed guilty of perjury.

SEC. 29. Any person who shall refuse to make any report or to provide for any deduction or any tax levy, as provided for in this act, shall be deemed guilty of a misdemeanor.

SEC. 30. The legislature hereby reserves the right to amend any section, paragraph, or any and all provisions of this act, as it may from time to time deem necessary.

SEC. 31. If any section or part of a section of this act shall be held unconstitutional by any court, it shall be conclusively presumed that the legislature would have passed this act without such invalid section or part of a section and the remaining provisions shall be given full force as if the part held unconstitutional had not been included herein.

SEC. 32. This act shall take effect and be in force from and after its publication in the official state paper.

The Eight Kansas Local Retirement Systems
(All but Kansas City pay a flat annuity of \$500 a year
to teachers only.)

City	Date Established	Contribution
Topeka	1911	All systems in Kansas are supported by joint contribution of teachers and local boards of education. The districts in first class cities may levy up to one mill. In practice only a fraction of a mill is needed. Example: Topeka, 1940, levied for the retirement system .0312 of a mill. In general the teachers' contribution is matched by the local board.
Atchison	1917	
Parsons	1921	
Leavenworth	1927	
Fort Scott	1937	
Pittsburg	1937	
Salina	1937	
Kansas City, Kan.	1939	

Case Studies on the 1941 Teacher Retirement Bill Showing How It Would Operate In Typical Cases

These calculations are based upon several assumptions:

1. That reserve funds can be kept invested at interest for the coming years.
2. That such investments in the long run of years will yield 3% interest, compounded.
3. That school salaries in terms of dollars will continue at present levels.
4. That for the next half century medical science, the American way of living, and other factors, will not materially change life expectancies.
5. That the yield on investments in refund life annuities beginning at age 65 will not change materially from the present rates.

The 1941 plan would levy 4% on salaries of school employees. Upon retirement, the employee would receive a refund annuity purchased by the reserve. The state would make its contribution from the formula of the bill (Section 18), "multiplying the average annual salary (up to a maximum of \$3,000) for the last ten years of school service, by the total number of years of school service and dividing by 160. Provided that any person having a record of thirty years or more of school service shall receive a service annuity which added to his savings annuity will total not less than one-third of the average annual salary during the last ten years of school service. Provided further: That any eligible employee who shall have served less than thirty years shall receive payments in the proportion which those years of service bear to thirty years; and the minimum service annuity for any person having twenty years or more of school service shall be \$120." The specific appropriation of \$400,000 provided in the 1941 bill would necessitate a pro-rata of service annuities. From available figures this pro-ratio payment would probably run four-sevenths of the amount guaranteed under the bill in 1942.

ANNUITIES IN YEARLY TOTALS

I Begins teaching in 1941 at age 22.

Teaches 7 years.

Average annual salary \$750.

Assessment \$30.

Reserve accumulated at age 65.....\$ 675

Refund annuity purchased by reserve 47

Service annuity 32.81 (or pro-rata)

Total annuity \$ 79.81

II	Begins teaching in 1941 at age 25.	
	Teaches 19 years.	
	Average salary \$900 a year.	
	Assessment \$36.	
	Reserve accumulated at age 65.....\$1730	
	Refund annuity purchased by reserve. 121	
	Service annuity 106	(or pro-rata)
	Total annuity \$ 227	
III	Begins teaching in 1941 at age 25.	
	Teaches 40 years.	
	Average annual salary \$1200.	
	Assessment \$48.	
	Reserve accumulated at age 65.....\$3700	
	Refund annuity purchased by reserve. 260	
	Service annuity 300	(or pro-rata)
	Total annuity \$ 560	
IV	Begins teaching in 1941 at age 21.	
	Teaches 30 years.	
	Average annual salary \$1000.	
	Assessment \$40.	
	Average salary last ten years \$1200.	
	Reserve accumulated at age 65.....\$2950	
	Refund annuity purchased by reserve. 206	
	Service annuity 225	(or pro-rata)
	Total annuity \$ 431	
V	Janitor begins service at age 50, in 1941.	
	Serves 20 years to age 70.	
	Average annual salary \$800.	
	Assessment \$32.	
	Reserve accumulated at age 70.....\$ 885	
	Refund annuity purchased by reserve. 78	
	Service annuity 100	(or pro-rata)
	Total annuity \$ 178	
	Raised by minimum: \$120 service	
	annuity, etc. \$ 198	
VI	Begins teaching at age 22, in 1941.	
	Teaches 43 years.	
	Average annual salary \$2000.	
	Assessment \$80.	
	Reserve accumulated at age 65.....\$7000	
	Refund annuity purchased by reserve. 490	
	Service annuity on average salary of	
	\$2500, last ten years..... 670	(or pro-rata)
	Total annuity \$1160	
VII	Same as VI but half the salary.	
	Total annuity \$ 580	
VIII	Teacher old and unemployed at age 65, in 1941.	
	Taught 30 years. Average salary \$1000.	
	Annuity purchased by reserve..... 000	
	Service annuity (the total annuity) .. \$ 333	(pro-rata)*
IX	Same as VIII, average salary \$2,000.	
	Service annuity (the total annuity) .. \$ 666	(pro-rata)*

* In 1942 the annuity would probably be four-sevenths of this figure because of the appropriation of \$400,000 for the year.

THE UNIVERSITY OF KANSAS
SCHOOL OF EDUCATION
LAWRENCE

OFFICE OF THE DEAN

December 2, 1940

To K. U. Members of the K. S. T. A.

My dear Colleague:

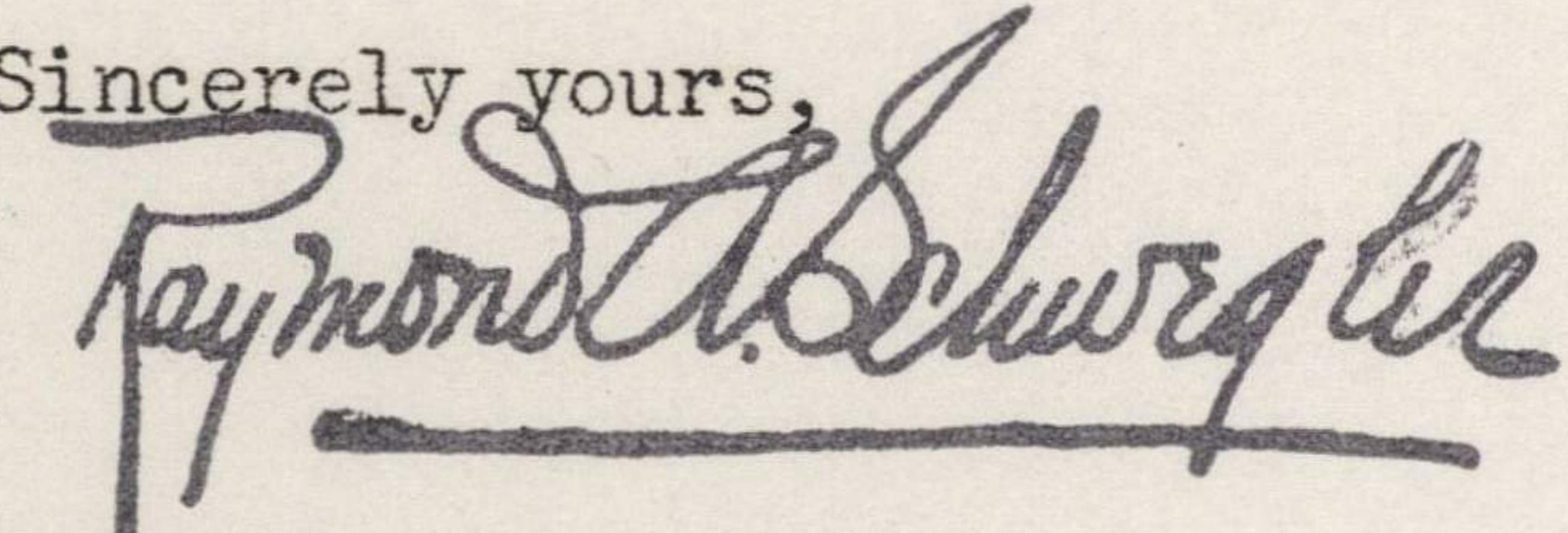
Copies of the proposed bills for the 1941 legislature on School Transportation, Free Textbooks, and School Retirement are enclosed.

These measures are the result of the work of the legislative committee of the Kansas State Teachers Association. The School Retirement and the School Transportation bills have been passed upon favorably by the Legislative Council.

We are calling these measures to your attention so that you will know what the teachers' association is doing and so that you will be able to exert your influence with a full awareness of what is proposed.

Your cooperation with the legislative program will be greatly appreciated.

Sincerely yours,



Raymond A. Schwegler
President, K. U. Unit, K. S. T. A.

RAS/MR
Enclosures

THE SCHOOL TRANSPORTATION BILL

(Adopted By The Legislative Council)

A measure drafted by the Education Committee of the Legislative Council with K.S.T.A. advice. Presented by the Education Committee to the November 1940 session of the Council and passed by the Council and presented to the 1941 Session of the Kansas Legislature.

Pamphlet No. 6

Series of 1941

Department of Legislation, Public and Professional Relations

Kansas State Teachers Association

315 West 10th

Topeka, Kansas

BILL NO. —

By Committee on Education

(To Carry Out Proposal No. 3 In Part)

AN ACT relating to schools, providing for school transportation, and repealing sections 72-601 to 72-605, inclusive, 72-701, 72-702, 72-2517a, 72-3601 and 72-3602 of the General Statutes of 1935, and sections 72-606 to 72-609, inclusive, 72-2517, 72-2517b, and 72-2517c of the General Statutes Supplement of 1939.

Be it enacted by the Legislature of the State of Kansas:

Section 1. Legal rate for compensation. In all cases whatsoever wherein compensation is paid to the parents or guardian for transporting their children to elementary school, junior high school, or high school, the rate to be paid shall be 4¢ per mile by the usually traveled route for each mile actually and necessarily traveled in going to the school attended and in returning therefrom to the home: Provided, That such compensation shall not be paid for more than one child in a family attending the same school.

Sec. 2. Common school district; own school. The school board of any common school district shall furnish safe, comfortable, and healthful transportation to all pupils resident in the district and attending elementary school, junior high school or high school maintained in and by said common school district who

live two miles or more from the school attended: Provided, That all arrangements for such transportation shall be submitted to the county superintendent for approval before the opening of school in September of any year: And provided further, That the school board of the common school district shall have the privilege of substituting for actual transportation compensation for it as provided for in section 1 of this act.

Sec. 3. Transportation to other schools; tuition; own school. In all cases wherein pupils in common school districts reside at inconvenient and unreasonable distances from the school maintained in the district in which they live the school board of such district may provide school privileges for them in some neighboring and more convenient school, paying for tuition and transportation to said school. The school board shall designate such school and conclude an agreement with the governing body of such school for the admission of such children and the payment of tuition for them. In all cases wherein said children are admitted to the school prior to any agreement as to tuition, the rate for such tuition shall be one and one-half dollars per week for each week, or major fraction thereof, for a pupil in grades one to eight, inclusive: Provided, That the school board shall have the privilege of furnishing transportation in cases of this kind or of paying the parents or guardian of the children for furnishing the transportation themselves. Such compensation, if paid, shall be in accordance with the provisions of section 1 of this act: And provided further, That nothing in this section regarding the payment of tuition shall be construed as applying to students in grades 9, 10, 11 and 12.

Sec. 4. Closed schools; tuition and transportation. In all cases where no school is maintained in a common school district, the school board shall be responsible for providing school privileges including tuition and transportation to neighboring schools for all school children resident in the district. Said board shall designate the school or schools to be attended and shall conclude agreements with the governing body of such schools covering the admission and the tuition of such children. Such tuition shall be at the rate of one and one-half dollars per week, or major fraction thereof, for each pupil in grades one to eight inclusive. In the event that the school board of any common school district with a closed school fail for one week after the date of opening the school to make satisfactory provision for school privileges for children resident within the district, the county superintendent of public instruction shall make such arrangements within the provisions of the law and shall notify the school board of his action: Provided, however, That the school board of such district may, in lieu of furnishing the transportation, pay the parents or guardian of the children for

furnishing such transportation, and compensation shall be at the rate named in section 1 of this act.

Sec. 5. Transportation in rural high schools and community high schools

All school boards in rural high school districts and boards of trustees of community high schools are authorized to provide safe, comfortable, and healthful transportation for all pupils resident in their respective districts who reside two miles or more from the school within the district. In lieu of furnishing such transportation the school board or board of trustees shall have the right to compensate the parents or guardian of such pupils for transporting the pupils. Such compensation shall be in accordance with the provisions of section 1 of this act.

Sec. 6. Transportation to outside pupils forbidden. No school board of any common school district or of any rural high school district, no board of education of any first or second class city and no board of trustees of any community high school shall furnish transportation to any pupil resident in any school district. Nor shall any such board authorize or permit any one in its employ to solicit the attendance to the school under its control of any pupil resident in any other district which is maintaining a high school which offers instruction in the grade in which such pupil would be classified, or to offer any valuable inducement for such attendance: Provided, That any school board or board of education named in this section may contract or agree with the school board of any adjoining or neighboring district for the transportation of pupils resident within the first named district to the school in the district governed by the board agreeing to furnish such transportation. The rate to be paid for transportation under such agreement shall be in accordance with the provisions of section 1 of this act.

Sec. 7. Transportation in cities. The boards of education in cities of the first and second classes are hereby authorized to provide and furnish such transportation for pupils resident within the school territory of such district to the schools under the management of such board as in the judgment of said board shall be necessary or desirable for the effective operation of the schools under their management and for the best educational interests of the pupils in said schools.

Sec. 8. Transportation, school activities. All school boards of common school districts or boards of rural high school districts or boards of trustees in community high school districts or boards of education in cities of the first and second classes are authorized to use any means of school transportation within their possession, such as buses or cars, to transport pupils to school activities such as musical contests, school debates, athletic contests, museums,

places of historical, industrial or educational importance within or without the boundaries of the school district or territory under the control of the managing boards: Provided, That pupils so transported shall be deemed under school control and discipline and shall in all cases be accompanied by suitable school officials or instructors.

Sec. 9. County system of transportation. In any county of the state of Kansas, the board of county commissioners shall be required, on receipt of a petition signed by 40% or more of the qualified voters as shown by the vote cast for secretary of state in the county at the last general election, to submit at the next general election a proposal to establish a county system of school transportation. The ballots used at such an election shall be marked "For county school transportation" and "Against county school transportation" and the majority of all votes cast on the proposal shall be required to carry it.

Sec. 10. County transportation committee. Upon the passage of such a proposal, the board of county commissioners shall appoint one person as a member of the county school transportation committee. The county superintendent shall appoint a second member and the county superintendent shall be the third member. This committee shall plan and devise a system of school transportation for the high school students of the county: Provided, That no teacher, principal or superintendent other than the county superintendent or any member of any board of education or school district board shall be eligible to serve as a member of such committee. The office of the county school transportation committee shall be in the office of the county superintendent who shall be the chairman of the committee. The meetings of the committee shall be at such times as the committee may determine or at the call of the county superintendent. Secretarial service for the committee may be performed by the county superintendent himself or by any clerk employed in his office. Minutes of said meetings shall be fully and clearly kept and shall constitute the official record of the proceedings of the committee.

Sec. 11. County transportation committee; powers and duties. It shall be the duty of the county school transportation committee to divide the territory of the county into transportation districts tributary to the several high schools of the county, defining the several areas of the county within which the respective high school districts, or districts or cities maintaining high schools, may transport pupils to their respective high schools. The governing boards of the several districts maintaining high schools may transport all high school students resident in the territory allotted to it in accordance with the provisions of section 2, 5, 7 and 8 of this act: Provided, That the provisions of section 6 of this act shall not apply to any high school in any county which has elected to set up a county system of high school transportation and has appointed a county school transportation committee.

Sec. 12. Attendance in schools not served by the system. Any pupil in the county resident in the county desiring to attend a high school within the county not served by the transportation system allotted to his portion of the county may do so provided he furnishes his own transportation without cost to either the district in which he lives or the one containing the school he attends or the county school transportation committee.

Sec. 13. Sections 72-601 to 72-605, inclusive, 72-701, 72-702, 72-2517a, 72-3601 and 72-3602 of the General Statutes of 1935, and sections 72-606 to 72-609, inclusive, 72-2517, 72-2517b and 72-2517c of the General Statutes Supplement of 1939 are hereby repealed.

Sec. 14. This act shall take effect and be in force from and after its publication in the statute book.

THE LEGISLATIVE COUNCIL'S FREE TEXT BILL

(Considered But Not Adopted)

A measure drafted by the Education Committee of the Legislative Council with K.S.T.A. advice. Presented by the Education Committee to the November 1940 session of the Council and defeated by a close vote.

Pamphlet No. 5

Series of 1941

Department of Legislation, Public and Professional Relations
Kansas State Teachers Association
315 West 10th Topeka, Kansas

BILL NO. _____

By Committee on Education

(To Carry Out Proposal No. 5)

AN ACT providing for free textbooks in the public elementary and high schools of the State.

Be it enacted by the Legislature of the State of Kansas:

SECTION 1. As used in this act, the term "district school" means a public school district in the state offering instruction in any of the grades one to twelve, inclusive. The term "governing body" means school boards of common school districts, boards of education of cities of the first and second classes, rural high school boards, and trustees of community high schools.

Sec. 2. The governing body of each school district shall purchase and furnish, from funds hereinafter provided, all school textbooks necessary for use in said schools free of cost to the pupils as follows:

1. All basal textbooks adopted or readopted by the state board of education during each year, beginning with the adoptions of 1940, and such years thereafter as said books continue as the adopted texts, for grades one to eight, inclusive, but not including kindergarten.

2. All basal textbooks adopted or readopted by the state board of education during each year, beginning with the adoptions of 1940, and such years

thereafter as said books continue as the adopted texts, for grades nine to twelve, inclusive.

3. During each school year such supplementary textbooks which have been approved for use in the public schools by the state board of education for use in grades one to twelve, inclusive, but not including kindergarten, and which the local school district board or board of education may desire to furnish to the pupils in the schools under its management.

Sec. 3. The parent, guardian or other person having charge of each child enrolled in any of the grades one to twelve, inclusive, shall buy all other necessary supplies, including workbooks, drawing, writing and construction paper, pencils, and other consumable materials.

Sec. 4. There shall be distributed out of the unused balance remaining in the state school aid fund after the distribution on the first day of April of each year as provided for in Section 72-5011 of the General Statutes Supplement of 1939 and any amendments thereto, the following amounts for the purpose of carrying out the provisions of section 2 of this act:

1. To each school district for the purpose of purchasing basal textbooks in grades one to eight, inclusive, in any amount not to exceed 75¢ per pupil based upon the average daily attendance for the year next preceding.

2. To school districts for the purpose of purchasing basal textbooks for pupils in grades nine to twelve, inclusive, in an amount not to exceed \$1.50 per pupil based upon the average daily attendance for the year next preceding:

Provided, That any school district finding the allotments, as specified in paragraphs 1 and 2 of this section, more than sufficient for the purpose of purchasing basal textbooks, as adopted by the state board of education in each year, may use the excess amount for the purchasing of such supplementary books as the board may select from the list of such supplementary books approved by the state board of education.

Sec. 5. If the unused balance remaining in the state school aid fund is insufficient for the purpose of carrying out the provisions of section 2 of this act, there shall be distributed out of any unused balance in the "retail sales tax fund" an amount sufficient to pay the amounts remaining due the various school districts.

Sec. 6. The distribution provided in section 3 of this act shall be made once each year on the fourteenth day of May by the state superintendent of public instruction. The amount necessary to carry out the provisions of this act, or so much thereof as is available shall be apportioned to the counties as will be required to purchase school text books as provided in section 2 of this act.

County superintendents shall furnish to the state superintendent of public instruction whatever reports he may require for the enforcement of the provisions of this act not later than the first day of February of each year. The state superintendent shall on or before the fifteenth day of March in each year, certify to the state auditor the amount due from the state school aid fund to each school district for the ensuing school year, and at such time shall also certify to the county treasurer and county superintendent of each county with school districts entitled to money under this act in such ensuing school year, the amount of money allotted to the school districts in such county.

Sec. 7. On the fourteenth day of May in each year, the auditor of state shall draw his warrant on the treasurer of state payable to the county treasurer of the several counties having districts entitled to money from the state school aid fund as herein provided, for the total allotments due, or so much thereof as is available, the school districts in such county upon duly itemized and verified vouchers of the state superintendent of public instruction. If such date falls on Sunday or a legal holiday, said warrant shall be drawn the preceding day.

Sec. 8. The distribution provided in section 4 of this act shall be made once each year on the first day of June and the auditor of state shall draw his warrant on the treasurer of state payable to the county treasurer of the several counties having districts entitled to money as herein provided.

Sec. 9. Upon receipt of such county's apportionment, the county treasurer of each county shall apportion the same to the free textbook fund of the school districts in said county as shown by said certificate of the state superintendent, and thereupon such funds so apportioned to a school district shall be subject to withdrawal by the several school district treasurers for the purpose of paying for school textbooks as provided in this act. Any balance remaining in the free textbook fund at the end of the school year shall be available for the purchase of textbooks the succeeding year.

Sec. 10. All books purchased as provided in this act shall be held as property of the school district and loaned free of charge to the pupils of the school while pursuing a course of study therein; but the governing body of the district shall hold such pupils responsible for any damage to, loss of, or failure to return such books at the time and to the person designated by the governing body of such district.

Sec. 11. The governing bodies of school districts are hereby authorized to establish such rules and regulations as may be necessary and proper to carry out the provisions of this act, including the power to recover from pupils, parents or guardians the cost of lost, destroyed or damaged textbooks loaned under the provisions of this act. In order to provide some degree of uniformity in such rules and regulations, the state superintendent of public instruction shall prepare model rules and regulations and transmit copies of same to the various governing bodies at such times as the state superintendent may deem proper.

Sec. 12. This act shall take effect and be in force from and after its publication in the statute book.