

**Written Neutral Testimony on
HB 2844
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Mr. Chair and Members of the Committee,

KASB appears today as neutral on HB 2844. Our permanent legislative platform language on State Tax Policy urges the legislature to “strive to achieve from the major revenue sources, sales, income and property taxes, a balanced and equitable mix of revenues that are suitable to support public services, including funding for quality education. Taxes should be broadly based to ensure all Kansans share fairly in the cost of public services.” Further, our member-approved 2024 State Resolutions opposes arbitrary limits on taxes and valuations; our members “urge caution and due deliberation in the consideration of tax policy.”

Two provisions of the bill reduce the local property tax revenues available to the Legislature for funding our public schools. Section 6 lowers the statewide levy for schools from 20 mills to 18 mills; Section 9 of the bill raises the exemption from that statewide levy from \$40,000 to \$80,000 in 2024, and in 2025 going forward that exemption amount can be increased using a rolling 10-year average of valuation increases. Together, these changes amount to a meaningful decrease in the tax revenue that will be generated for schools from the current statewide levy for schools.

These provisions would provide property tax relief, which is an important policy goal. Our concern remains that reducing the property tax revenue generated by the statewide levy for schools reduces the amount of money in the state school district finance fund. That fund is the first pot of money that the Legislature looks to when it passes the K-12 education budget; less money in that fund means more money must be committed from the state general fund to fully fund the school finance formula. KASB shares this concern with the committee to highlight that providing this property tax relief will require a commitment by the Legislature to backfill revenue from the SGF to maintain the Legislature’s commitment to fully fund the general state

aid for our public schools (the BASE state aid, as agreed to in the Gannon case). We encourage the committee to make this commitment clear in its discussions of these proposals.

Further, we encourage thoughtful consideration of these provisions by the committee because, with a statewide \$432 million shortfall in state special education funding, school districts are already backfilling that shortage with local property tax dollars. Closing that shortfall calls for additional appropriations from the SGF. All of these issues should be part of the considerations of the committee in considering the tax relief package as it moves forward.

We look forward to working with the legislature on bipartisan efforts to reduce taxes while ensuring sustainable, stable funding for public services, including our public schools.

Thank you.

KASB is a non-profit service organization built on an abiding belief in Kansas public schools. We have put the needs of students and K-12 leaders first since 1917.