

Chairwoman Tyson and Members of the Committee,

We appreciate this opportunity to submit written neutral testimony for SB 128, which provides a tax credit to taxpayers with eligible dependent children not enrolled in public school. We hold the following positions on SB 128:

1. SB 128 provides a tax credit large enough to cover alternative education.
2. SB 128 is not universal school choice as the tax credit is not available to all Kansas households.
3. SB 128 limits competition in the education market
4. SB 128 makes it more difficult to lower or flatten income tax rates

SB 128 provides a tax credit large enough to cover alternative education

SB 128 provides a refundable tax credit equal to BASE state aid to taxpayers with eligible dependent children not enrolled in public school. The magnitude of the credit should provide substantial financial relief to Kansas families that choose a non-public school option or require the need of additional services while in a non-public school.

SB 128 is not universal school choice as the tax credit is not available to all Kansas households.

Since 2022, four states have expanded eligibility of their school choice programs. Known as “Universal School Choice,” these states expanded educational options to all available families.¹ SB 128 limits choice options to only those who choose to leave public schools. Such a restriction does not give Kansas parents full autonomy and resources to choose the schooling that best works for their child. As an example, parents with children attending public school may simply need tutoring to help their child. SB 128 provides relief towards that end if the child was in private school, but parents in public schools would pay out of pocket.

SB 128 limits competition in the education market

A common mantra of school choice advocates to “fund students, not systems.”² The purpose of the adage is to tailor school choice policy to not pick one school system over another but to encourage them to compete for students. By funding students over systems, public schools would compete with other public schools, private schools, and other alternatives. Like the private sector, allowing competition punishes schools that are not providing quality education services and reward those schools that are providing quality education services. SB 128 restriction to those enrolled in non-public schools effectively translates to funding private school systems instead of students. This

¹ Washington Examiner(Jan 30, 2023), *School choice revolution: Utah becomes the third state to enact universal program*, <https://www.washingtonexaminer.com/restoring-america/community-family/school-choice-revolution-utah-becomes-third-state-to-enact-universal-program>

² ReimaginED (Mar 30, 2022), *DeAngelis: Fund students, not systems*, <https://www.reimaginedonline.org/2022/03/deangelis-fund-students-not-systems/>

limits the potential competition effects in the education marketplace and weakens the incentives for bad schools to adapt.

SB 128 makes it more difficult to lower or flatten income tax rates

Given the magnitude of the refundable income tax credit, SB 128 needs a revenue or spending pay-for otherwise it could make it difficult to see substantial income tax rate reforms in the future. A more optimal tax policy could be to lower income tax rates to the extent the fiscal note is equal to SB 128 in its current form.

For these reasons, we encourage the committee to consider alternative policies in the direction of education freedom.