



Testimony on HB 2345

Authorizing school districts to adopt a local activities budget and levy property taxes for the finance thereof
before the

House Committee on K-12 Education Budget

by

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Mr. Chairman, Members of the Committee:

Thank you for the opportunity to comment on **HB 2345** on behalf of the Kansas Association of School Boards. As we understand the bill, it would allow districts to create a separate “add on” local option budget, called the local activities budget, subject to election and without state equalization aid. We appear in opposition to this bill for the following reasons:

The bill would authorize districts to adopt a local revenue source that is not equalized. KASB policies specifically oppose this concept:

“Local boards of education should be able to authorize additional funding beyond the foundation level, provided such authority includes equalization that meets constitutional standards of equity.”

The bill implies that student activities are not part of a constitutionally required education. Our policies specifically disagree with this idea:

“KASB believes extracurricular and co-curricular activities should be supported as an integral part of education under the Rose capacities to prepare students for success, and should be available to all students.”

The bill limits the uses of this fund, but so broadly as to make it extremely difficult to know how these limits would be defined and audited. The bill states:

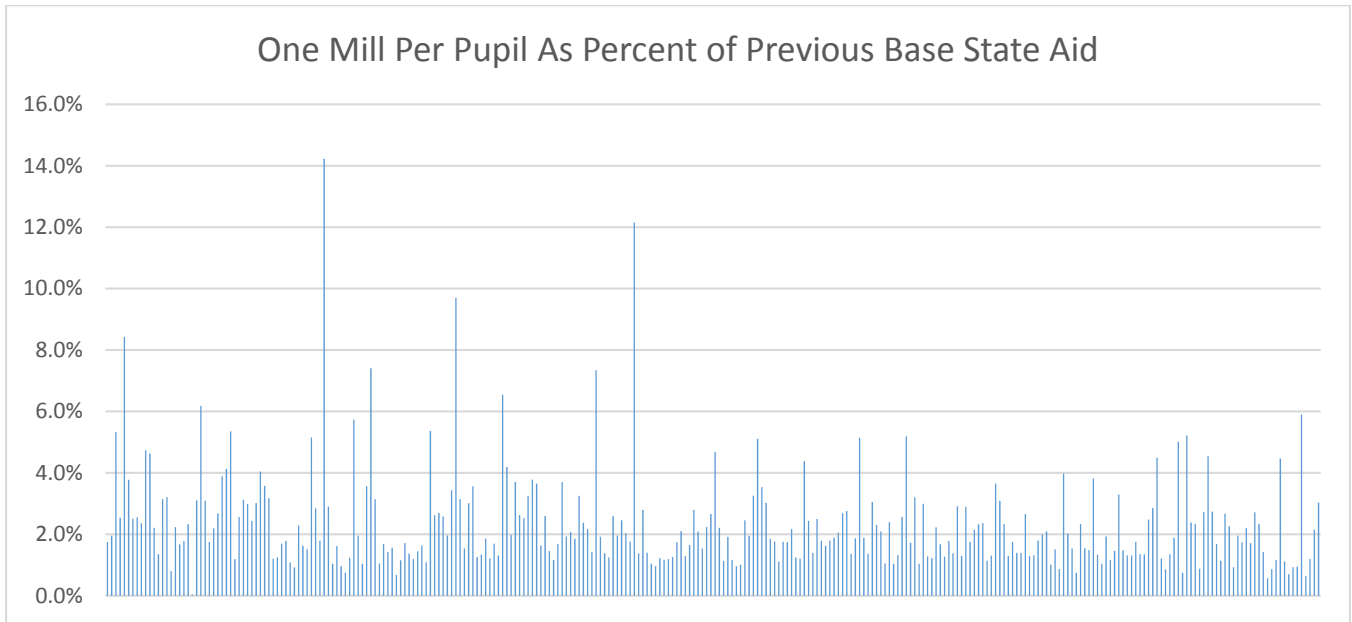
Amounts in the local activities fund may not be expended or transferred to the general fund of the district for the purpose of funding the cost of providing the subjects or areas of instruction required by state law to be provided in accredited schools, including reasonable and necessary related instruction, administration, support staff, supplies, equipment and building costs.

Based on this definition, it is hard to determine what, other than instructional salaries, would not be permissible uses of these funds. Ironically, student activities are considered “instruction” under federal accounting rules.

The bill would allow districts to simply shift funding. Because school districts could simply shift allowable current expenditures to the new Local Activity Budget, it would free up an equal amount that **COULD** be used to enhance instruction. There is nothing we see in the bill to require LAB to be used for **NEW** programs or expenditures. Even if there were, it would still allow districts to fund growth in current programs and relieve pressure on existing programs.

Therefore, we believe this bill will simply authorize additional general spending by school districts that will allow higher wealth districts to either raise more money or raise equal money at a much lower tax effort than lower wealth districts.

On the chart below, I have attempted to estimate how much one mill would raise per pupil in each district as a percentage of the previous base state aid per pupil (\$3,852).



As we understand this bill, it would limit the amount to be raised to five percent, so this does not reflect what districts are able to actually raise and spend. However, it does clearly show the dramatic differences in what districts can generate locally, and why equalization aid is so important.

By requiring the LAB to be approved by an election, it would impose additional costs for districts, and likely be more difficult to pass in districts with less valuation, higher taxes for other services, a lower percentage of students in school, etc. For all those reasons, we think it highly unlikely this would be approved by the Courts.

Thank you for your consideration.