

**To: House Committee on K-12 Education Budget, Rep. Larry Campbell, Chairman**

**From: John Donley, Kansas Farm Bureau**

**Date: February 14, 2017**

**Re: HB 2345- AN ACT concerning school districts; authorizing the adoption of local activities budgets and property tax levies for the finance thereof.**

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Good morning Chairman Campbell and members of the Committee, I appreciate the opportunity to present testimony on behalf of the Kansas Farm Bureau (KFB) in opposition to HB 2345. KFB is the state's largest general farm organization representing more than 30,000 farm and ranch families through our 105 county Farm Bureau Associations.

First, I would like to thank this committee for taking on the task of addressing the important needs of K-12 education in Kansas. Education funding is never an easy conversation, and it appears that this committee will be taking a deliberative approach to the future funding needs of K-12 education. For that reason, KFB felt that this bill was an appropriate time to lay out some of the foundational principles that KFB's education policy is based upon. While this bill has some positive merits, there are still concerns with the overall policy behind this piece of legislation.

The Local Activities Budgets (LABs) created in HB 2345 appears to be modeled after the Local Option Budgets (LOBs) that have been utilized in the past to help fund K-12 education; therefore, KFB policy relating to LOBs is being applied to this legislation.

KFB policy opposes increasing LOBs unless approved by voters in the district. This legislation meets the requirement of having a vote in order to have the resolution to adopt a LAB become effective. KFB supports this idea conceptually.

KFB policy also states that "[l]ocal option budget dollars should continue to be equalized to ensure equity among districts. Any new formula or funding mechanism should include these provisions or an equitable alternative." After a quick reading of HB 2345, it does not seem that there is an equalization provision in the bill; therefore, it seems that this bill may not be equitable in its application.

Finally, KFB policy supports "a tax, fee and revenue mix that does not increase the dependency on property tax. Reductions in Kansas personal income tax, or sales tax, should not increase reliance on property tax as a revenue source for state or local governments." Unfortunately, the funding of state and local units of government, including schools, has consistently increased the reliance on property taxes. This bill does nothing to change that trend.

For the reasons listed above, KFB opposes HB 2345. However, we understand the difficult policy decisions legislators are facing to fund K-12 education. We are willing to provide input as necessary moving forward. We felt it was important to inform this committee of the policy factors that will go into KFB's analysis of all bills moving forward.

Thank you for the opportunity to provide testimony today, and I will stand for questions at the appropriate time.