



**KANSAS ASSOCIATION  
OF SCHOOL BOARDS**

Serving Educational Leaders, Inspiring Student Success

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Written Opponent Testimony

Before the

House Committee on Taxation

On

**SB 22 - Income Taxation.**

By Mark Tallman, Associate Executive Director for Advocacy

March 17, 2021

Mr. Chairman, Members of the Committee:

KASB does not have a specific position on the tax policies contained in SB 22. However, we are voicing opposition based on positions our members have adopted, including the following statement:

*The state should 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.*

Furthermore, our members have specifically endorsed continuing to *“implement the constitutionally suitable school funding approved by the Legislature and the Kansas Supreme Court. This funding plan was designed to restore funding to inflation-adjusted 2009 funding for school operation and maintain equity in local funding.”*

Our concern is that the passage of SB 22 could make it impossible for the state to continue the commitment to school funding in the *Gannon* school finance plan or would require cuts in other important state programs. Our understanding of the state general fund profile suggests this is very likely.

Tax policy is obviously important to a state economy and quality of life. We believe education policy is at least as important. KASB supports funding for the *Gannon* plan because we believe it will enable our schools to improve student success and allow us to compete with other states trying to do the same. One of the state education goals adopted by the Legislature is to allow Kansas students to successfully compete with surrounding states academically and in the job market.

The *Gannon* plan, approved by the Legislature and Kansas Supreme Court and included in the Governor’s budget, is simply designed to restore school base operating budgets to the 2009 level after adjusting for inflation, and to maintain tax equity in the school finance system for local funding such as the local option budget, capital outlay and school construction bonds.

From 2009 to 2018, following the recession of 2008 and deep state income tax cuts, total school operating budgets, local option budgets and special education state aid declined about \$570 million when adjusted for inflation, and not considering increases in enrollment.

As a result, school districts cut about 2,000 positions and reduced programs, and teacher salaries fell behind inflation, private sector salaries and other states. Most other states were increasing per pupil funding more than Kansas, which dropped from 23<sup>rd</sup> in the nation in 2009 to 30<sup>th</sup> in 2017. Average per pupil funding in the region also increased more than Kansas.

After several years, Kansas scores on national and state tests, which had been rising, began to fall, as did Kansas national ranking on these measures. Most worrisome, educational attainment by young Kansas adults fell last year after 15 years of increases. Educational attainment means the percent of the population completing high school, any college, and four-year degrees or higher. With higher education levels, Kansans earn more and have higher employment rates, and have the credentials and skills to fill jobs needed for Kansas to grow.

The Legislative response was to adopt a plan to add restore that funding over six years, from 2018 to 2023, plus inflation over the phase-in period. This year, 2020-21, is the fourth year of the plan. After that, base state aid for pupil to be adjusted annually based on the consumer price index for the Midwest Region.

Our concern is that the level of tax reductions in SB 22 could stop the restoration of school funding the Legislature has approved.

In the first four years of the plan, school districts have restored cuts positions and added new positions in teaching, student support services and instructional support. Teacher salaries have risen more than inflation, allowing districts to be more competitive. Graduation rates and postsecondary participation have been increasing. School leaders believe the new funding, targeted to both academic and social-emotional needs of students, will result in improvement in other measures such as test scores.

School leaders expect that student achievement will be set back by the COVID pandemic. Fortunately, districts are receiving hundreds of millions of dollars in federal aid to not only make changes for safer operations, but to provide extra time and services to help student recover. However, all of those dollars are one-time funds that must be spend in the next few years and will not be available to support on-going school district costs. All other states are receiving similar assistance. Kansas must be in position to fund schools that can compete with those states in educational outcomes in the future.

Therefore, as the committee considers tax policy, we urge you to balance tax cuts with the need to continue the Legislature's commitment to rebuild our school system, help students recover from the pandemic, and move toward the State Board of Education's vision for Kansas to lead the world in the success of every student. That means school funding that is as competitive with other states in the nation and region as our tax policy.

Thank you for your consideration.