



**KANSAS ASSOCIATION
OF SCHOOL BOARDS**

Serving Educational Leaders, Inspiring Student Success

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Testimony before the
House Committee on Taxation
on
HB 2023 - Determination of Kansas adjusted gross income; sunseting certain modifications
by

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Mr. Chairman, Members of the Committee:

The Kansas Association of School Boards appears today as a proponent on **HB 2023**. We support additional revenue for education and other state programs, which **HB 2023** would address. However, we do not believe the repeal of the income tax exemption alone will be sufficient to address the state's revenue situation and additional efforts must be made. KASB's position on revenue, adopted by the KASB Delegate Assembly in December, reads:

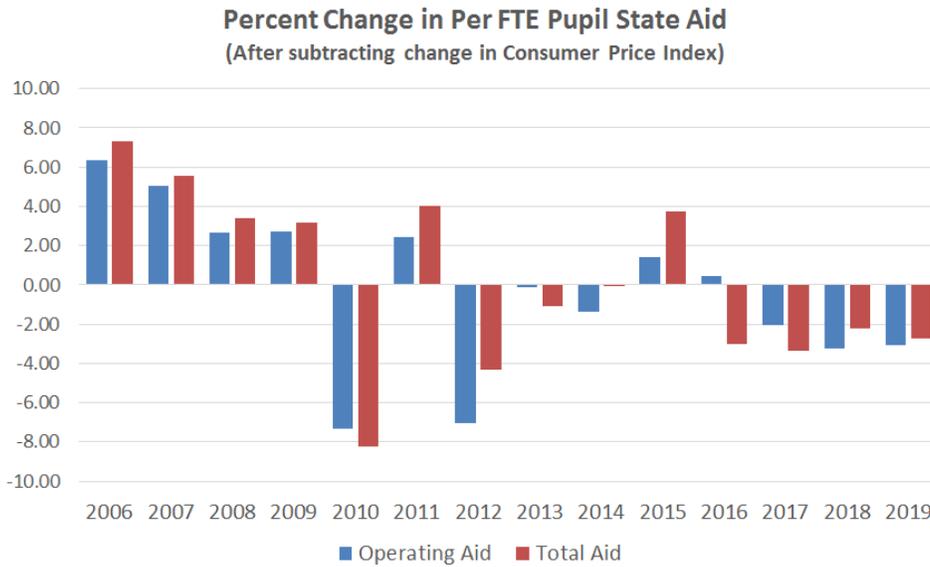
“The state should strive to achieve from the major revenue sources, sales, income and property taxes, a balanced and equitable mix of revenues that are suitable to support public services, including funding for quality education. Taxes should be broadly based to ensure all Kansans share fairly in the cost of public services.”

Kansas K-12 funding has fallen behind enrollment growth and inflation.

Yesterday, KASB testified before the House Education Budget Committee that under Governor Brownback's budget recommendations for FY 2017, total state aid per pupil will fall behind inflation this year, as it has done for five of the past seven years. Under the Governor's recommendations for FY 2018 and 2019, school funding would continue to trail behind inflation for the next two years, as well. State aid for school district operating budgets, which pay for teachers and instructional staff, student support programs, leadership, operations and maintenance, has fallen even further behind. Even funding the Governor's budget will require additional revenue from tax increases and/or one-time funding.

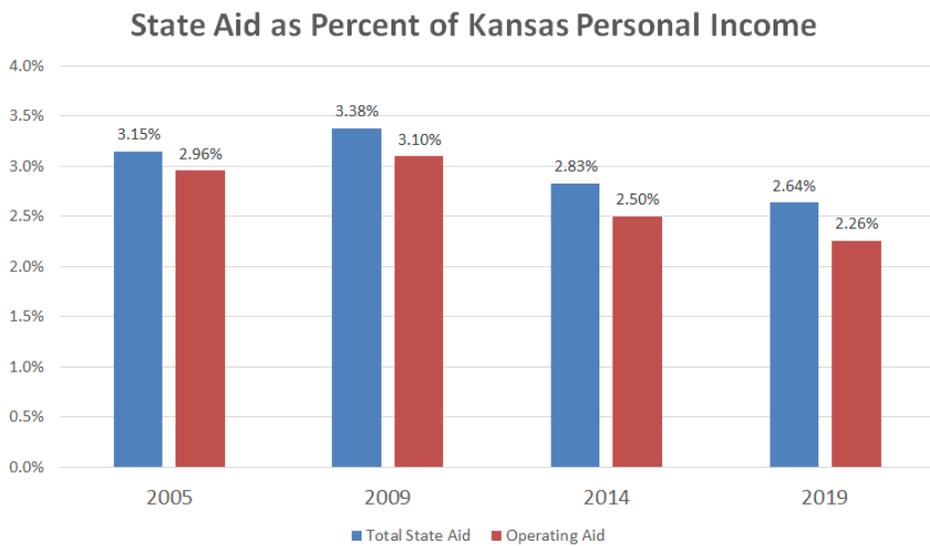
The chart below shows that after the four years of post-*Montoy* funding increases, state aid on a per pupil basis has lagged behind the inflation rate most years except for 2011 and 2015. (2015 increased due to the additional Local Option Budget and Capital Outlay funding approved in response to the Supreme Court's Gannon equity ruling.)

It should be noted that these FTE numbers are based on the full time enrollment used for school finance purposes. As a result, they do not count full-time kindergarten students or students in district-funded preschool programs. Because of the significant growth in these programs over the past 15 years, these numbers actually understate how much funding has fallen behind the number of pupil receiving public education.



Kansas K-12 funding has fallen behind state personal income growth.

This decrease in funding compared to enrollment and inflation cannot be blamed only on the weaknesses of the Kansas economy. As the chart below shows, since 2009 state school aid has been falling compared to Kansas Personal Income (based on the consensus revenue estimates for 2016, 2017 and 2019). Kansas tax and budget policies have resulted in a declining share of total state income going to support education.



Kansas K-12 funding has fallen behind other states.

We know from research that the states with the highest levels of student success were outspending Kansas in 2014, and the spending gap has likely widened.

Since 2008, Kansas funding per pupil has lagged behind other states in total funding for education. Kansas ranked 38th of 50 in the percent of increase between 2008 and 2014, and Kansas dropped from 25th to 29th in total funding per pupil. Kansas student achievement, although still high compared to the national average and peer states, has not increased as much as those comparison groups.

Tax increases, spending cuts and economic growth.

KASB understands that many people believe state spending should be cut before, or in combination with, increases in taxes. We believe the facts above demonstrate that school funding HAS been cut, compared to inflation, overall state economic growth and other states.

School leaders believe we cannot continue to fall behind in funding if we are going to continue to improve achievement as is critical to the economic and social future of Kansas. The Kansans Can vision of the State Board of Education is based on improving our graduation rate and preparing more students to successfully complete postsecondary programs for two reasons: jobs for students without postsecondary education and certainly those without completing high school are disappearing and pay far less. Lower taxes will not create low skill jobs that no longer exist, and Kansans will not be hired to jobs if they lack required educational levels.

Kansas has significantly improving education attainment for young Kansans (between ages 18-24) since 2000. In 2014, Kansas ranked 18th in high school completion, 7th in students with some college or higher, and 16th in completion of a four-year degree for young adults and ranked above all of our peer states. However, other states are improving faster - and have increased funding more in recent years.

KASB understands the extremely difficult budget and tax choices the Legislature faces. But we believe the time has come to stop allowing education funding to fall behind increases in inflation, enrollment and funding in other states. We need to begin investing in programs we know help students succeed. These include additional support for low income, disabled and ELL students to narrow the achievement gaps in high school graduation; improving preparation for postsecondary education; and expanding college and technical education programs. It also requires supporting the Board of Education's other outcomes: improving kindergarten readiness, individual plans of study and social/emotional support. We cannot accomplish these goals under current revenue projections.

We urge the Legislature to address the state's revenue shortfall so that school funding matches the rate of inflation and student growth, plus funding for the additional programs identified above. We understand that it will take additional, on-going revenue, and we support a balanced, comprehensive program to raise that revenue. **HB 2023** is a step in that direction, but it is not a complete solution.

Thank you for your consideration.