



Testimony in Support of HB 2416
(Providing a sales tax exemption for area agencies on aging)

Thank you for the opportunity to provide testimony in support of HB 2416 to provide a sales tax exemption for eight of the eleven Area Agencies on Aging in Kansas.

Area Agencies on Aging (AAAs) were established under the Older Americans Act (OAA), as amended, in 1973 to respond to the needs of Americans 60 and over in every local community. By providing a range of options, AAAs make it possible for older adults to “age in place” with suitable home and community-based services. The Act requires local control and decision-making that allows AAAs to adapt to the unique demands of their communities while complying with the OAA requirements that AAAs advocate, plan, and coordinate services to assist older adults in leading independent, meaningful, and dignified lives. The Act also designates AAAs as a private or public nonprofit organization or a unit of local government, as in three AAAs under county authority.

The association supports HB 2416 for several reasons:

- 1) Older adults are an economic powerhouse and contribute to the success of the community;
- 2) An AAA builds capacity and provides greater value by diverting dollars from costlier services; and
- 3) The sales tax exemption for eight non-governmental organizations will create equity.

Ageing Demographics: The Center for Economic Development and Business Research published the Kansas Population Projections, 2020 to 2040, which indicates the population of older Kansans will substantially increase, and further projects if “an increased supply of senior-oriented services are not available to [the oldest Kansans] who are most dependent on them, [there] will be likely [an] additional migration . . . out of the rural Kansas to metropolitan Kansas or other states.” Kansas could be at risk of losing a significant number of older adults, who are far more likely to vote and contribute to the local economy.

Purpose of Area Agencies on Aging: By providing comprehensive, coordinated services, the AAAs advance public interest in the overall purpose to assess community needs and develop and fund programs; educate and provide direct assistance; serve as portals to care; and demonstrate responsible fiscal stewardship. To serve your constituents, AAAs maximize public and private funding by primarily operating on federal funding, state general revenue, local funding, grants, and cost-sharing customer contributions. State sales tax exemption would maximize availability of funds to provide greater value.

Benefits to Kansans: Area Agencies on Aging are a vital partner to divert older Kansans from costlier care. Spending matters, and the state sales tax exemption would redirect resources to readily available, high-touch services with a cost avoidance to state general revenue of at least \$7.15 million.

The AAAs appreciate your consideration and understand an exemption offers privileges, and your favorable support of HB 2416 validates the valuable contributions made by Area Agencies on Aging, older adults, and caregivers in the State of Kansas.

Thank you,
Leslie Anderson
Executive Director