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PUBLIC POLICY STATEMENT

SENATE COMMITTEE ON EDUCATION

Re: SB 361; School Finance

February 6, 2012

Topeka, Kansas

Testimony provided by:

Harry A. Watts

KFB Governmental Relations

Good afternoon, Madam Chairman and members of the Committee, and thank you for the opportunity to appear today. I am Harry Watts, Director - Governmental Relations for Kansas Farm Bureau. As you know, KFB is the state's largest general farm organization representing more than 40,000 farm and ranch families across the state through our 105 county Farm Bureau Associations.

Our members have long supported a quality, adequately funded system of education in Kansas. And, our members, like all other Kansas residents, have financially supported elementary and secondary schools through a mix of income, sales, and property taxes.

We realize that within Kansas vast differences exist in population distribution and economic realities. Those differences do not always produce students with similar needs or abilities. Likewise, the cost of providing education varies drastically across the state.

SB 361 appears to address many concerns that are important to rural Kansas school districts.

The proposal to equalize the 20 mills of state property tax seems to address some of the struggles that rural schools have with funding an adequate education for their students. The bill would also bring funding back to the court-ordered level of \$4,492 per pupil, which would obviously help all school districts, both rural and urban.

We are pleased to see that funding for transportation and vocational education have been included in SB 361. Transportation costs become increasingly crucial, especially as districts are encouraged to consolidate or partner with their neighbors, and vocational education dollars provide critical skills to both rural and urban students who benefit by being better equipped to enter the workforce after graduation.

We do, however, have a major concern about the proposal to remove the cap on the Local Option Budget (LOB) authority.

The Kansas Supreme Court recognized the disequalizing nature of the LOB in its opinion in the *Montoy* case, concluding that increases in the LOB cap exacerbate wealth-based disparity between districts. The court acknowledged the ability of high wealth districts to easily fund their LOB with a low mill levy while districts with lower assessed property values, and often lower median family incomes, must raise the same percentage through a higher mill levy.

KFB policy states that any increase in the Local Option Budget authority must be approved by the voters in the district. We hope this point will be refined through the legislative process.

Thank you for the opportunity to share the views of our members today. We stand ready to assist as you consider this complex and far-reaching plan.