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To: Senate Select Committee on Education Finance
Sen. Molly Baumgardner, Chair

From: Aaron M. Popelka, V.P. of Legal and Governmental Affairs, Kansas Livestock Association

Re: **SB 422 AN ACT concerning education; relating to the financing thereof; relating to the Kansas school equity and enhancement act; relating to local option budgets.**

Date: March 20, 2018

The Kansas Livestock Association (KLA), formed in 1894, is a trade association representing over 5,200 members on legislative and regulatory issues. KLA members are involved in many aspects of the livestock industry, including seed stock, cow-calf, and stocker cattle production; cattle feeding; dairy production; swine production; grazing land management; and diversified farming operations.

Thank you, Chairwoman Baumgardner and members of the Committee, my name is Aaron Popelka and I am with the Kansas Livestock Association (KLA). KLA opposes SB 422.

SB 422 would mandate that all school districts set each district's local option budget (LOB) at a minimum of 30 percent of the school district's total foundation aid. Under existing law, school districts have the option to set LOBs lower than 30 percent and a significant number of school districts have current LOBs below that threshold.

KLA policy states: "The Kansas Livestock Association opposes the full funding of schools through property taxes and supports increased reliance on income tax and other non-property tax sources for support of local school districts." If passed this bill would create a property tax increase in a number of school districts and eliminate the ability of other school districts to give property relief when appropriate. As a result KLA cannot support the LOB mandate in SB 422.

It should be noted that statewide assessed valuation of agricultural land has increased over 120 percent since 2010. That trend is expected to continue into the near future. If LOB is mandated at 30 percent, not only could it cause a tax increase in the initial year, it will ensure a property tax increase every year there is a valuation increase. By allowing school districts to reduce LOB below 30 percent, current law enables local school boards to give property tax relief when revenues increase due to valuation increases. SB 422 removes that flexibility.

Thank you for the opportunity to provide testimony on SB 422. KLA opposes the bill and asks the Committee to not advance the bill.