



# Unified School District 232

De Soto – Shawnee – Lenexa – Olathe  
www.usd232.org

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Superintendent of Schools

March 18, 2021

Assessment and Taxation Committee  
Support SB277 with Request to Amend SB13

Chair Tyson and members of the committee, thank you very much for the opportunity to provide testimony today. I am here to stand in support of SB 277 as the 20 mill statewide property tax is the foundation of an equitable school finance formula. However, I want to bring to your attention what I believe to be unintended consequences of SB 13 as amended by the House and concurred by the Senate that have a direct impact on SB277.

As you know, SB13 was intended to address a tax lid issue for cities and counties. As originally passed by the Senate, SB13 excluded school districts. The Senate's exclusion of school districts was appropriate given that all school district levies are either controlled by the school finance formula or actively or passively approved by the constituents of the school district. Two of the possible school district levies already have specific caps. SB277 would mandate that all school districts levy 20 mills that is collected by the state and the Capital Outlay levy cannot exceed 8 mills and is subject to voter approval. The other school district levies are set to provide a specific level of funding as prescribed by the school finance formula, or to make payments on debt approved by the voters. As you can see, school district taxing authority is strictly controlled by statute and the constituents of the district.

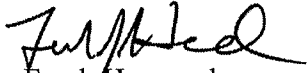
One of the most pressing issues that arise due to SB13 is directly related to the 20 mill levy you are discussing today. According to SB13, a separate hearing and an additional publication notice and mailing will be required if a tax is not revenue neutral for the next fiscal year. To calculate revenue neutrality, the previous year's tax is divided by the total current assessed valuation. As part of SB277, you will consider the exemption of the first \$20,000 of residential property valuation as part of the state wide 20 mill levy. This exemption creates a separate valuation used to calculate a district's General Fund that is lower than the total valuation. Using USD 232 – De Soto as an example, the 2020 assessed General Fund valuation was \$590,746,909 while the total assessed valuation was projected to be \$617,939,944. Using the General Fund assessed valuation the 20 mill state wide levy resulted in an estimated \$11,814,938. USD 232's total assessed valuation is projected to increase by 8.61%, with most of the increase due to new construction. Using SB13's method to calculate the revenue neutral rate for the mandatory 20 mill levy, the result is 17.6 Mills (\$11,814,938 divided by \$671,144,573 multiplied by 1000). This calculation would mean the mandatory 20 mill levy is not revenue neutral and would require a hearing and mailing in order to comply with conflicting statutes.

Based on the conflicts that arise between SB277 and SB13, I respectfully request that school

district levies as a whole or the 20 mil levy at a minimum be exempted from the requirements of SB13. There are already mechanisms in place that limit the taxing authority of school districts. The additional requirements included in SB13 threaten to make the process more complicated for officials, added expense for the district, and less transparent for the public.

Again, thank you for allowing me to provide testimony in support SB277, the 20 Mill statewide levy is vital in equitably supporting public schools in Kansas.

Respectfully



Frank Harwood  
Superintendent  
USD 232 – De Soto