

# Kansas Families for Education

*Demanding Excellent Education for All Children*

**Testimony – House Bill 2457**

**House Education Committee**

**February 2, 2016**

Thank you, to Chairman Highland and to this committee for giving me the opportunity to speak. My name is Brian Koon, and I am the legislative liaison for Kansas Families for Education, a statewide, nonprofit, nonpartisan, pro-public education organization representing students in Kansas Public Schools and their parents.

I'm here today to address this committee on the subject of House Bill 2457. Kansas Families for Education opposes this legislation on grounds that it is potentially unconstitutional as well as impractical, and unfunded.

Private School Review reports that the average annual cost of private school education in Kansas is \$8,738 dollars overall, and \$11,054 for the average private high school education. The scholarship in question covers 92% of the average cost of private education, and only 72% of the average cost of private high school education. The stated aim of the bill is to give households with low incomes the option of going to a private school, but a difference of \$738 from the overall average and \$2,316 for the average high school education remains - as does the question of where a low income household should come up with \$738 to \$2,316 *per child*.

No matter what your income level is, having to pay a substantial amount of money to supplement a voucher-style scholarship is a burden, and that burden is disproportionately greater for people with lower incomes who don't have discretionary consumer spending to cut in the first place. That's bad for our consumer based economy.

If the state were most concerned about educational outcomes of its students, shouldn't it *increase* public school funding instead of freezing it while the formula is being rewritten, even if only to adjust funding based on inflation? If educating children from low income families is the primary purpose of this bill, wouldn't it be better to do so by giving greater weight in the new public school funding formula for children from low income households, and additional grants to those needy students in the meantime? HB 2457 looks a lot like a sophisticated tax avoidance instrument by which for-profit corporations, and people with greater than \$8,000 in state income tax liability, can avoid paying taxes.

In my research of this bill in its current form, I discovered some startling facts: there is not a single school benefiting from this program in the western *half* of the state. Further, 46 of the 51 participating schools - 90% - are located in the northeast quarter of the state. But even that is not so startling as the fact that only three counties contain nearly two thirds of the beneficiaries: Wyandotte County with 6 schools, Shawnee County with 7, and Johnson County with 20

schools. This measure was billed as a way to give low income Kansans more choice in what school their children attend and to escape "failing" public schools, but in practice it appears to benefit very few. Under this bill, private schools in just 14 of Kansas' 105 counties have benefited from this tax credit. But for Kansas students in the other 91 counties, there is no "escape" from underfunded public schools; apparently no other "choice" is available.

If the reasoning behind the bill held true - that private schools arise out of unfulfilled demand for quality education that inexplicably can't be found in public schools - then Johnson County, with about 40% of the participating schools, therefore should have the worst overall satisfaction with public education in the state. But in fact, an overwhelming majority of Johnson County residents have consistently demonstrated strong support for their public school districts by voting to pay higher property taxes to support their schools. Since public schools in Johnson County are some of the best rated schools nationwide, the evidence here suggests that the demand for private education in Johnson County has more to do with household wealth and the perceived social advantages of attending private schools, rather than any desire to flee failing public schools on academic grounds.

Johnson County has the highest per capita income of any County in Kansas, and likely also has the highest number of people who can take advantage of sophisticated tax avoidance instruments, but I cannot say this for certain because the people avoiding their contribution to the state general fund with this tax credit have their contribution amount and beneficiary school shrouded in secrecy, under the guise that these irregular tax payments are private, even in aggregate.

As the law stands, aggregate tax credits were capped at 10 million dollars, but of that amount, only \$543,200 was actually utilized according to the fiscal note - just over 5%. It confounds me as to why this committee is so desperate to expand a seemingly unpopular tax credit, particularly in a time of fiscal unease. The state isn't so flush with cash that it has an obligation to encourage wealthy people in northeastern Kansas to pay less taxes.

Private Schools run by religious institutions have no obligation to provide accredited education to students; to operate under any sort of oversight; to accept students with special needs, disabilities, or behavioral problems; or to retain them if they prove more expensive to educate than their tuition payment purchases - unlike public schools. This is the crux of private education. It is easier to educate intelligent and motivated students who are well supported by college educated parents at home, making them more desirable for private schools. High needs students, those who arrive without the benefit of prior rigorous education, students from low income households, and students with less educated parents, typically require more intensive efforts by educators to make up for these deficits. A low income family benefiting from this scholarship would have no means of recourse if they were jilted midyear - at private schools, no students or their families do. There is no school board to appeal to and the school isn't obligated to educate *everyone* in the way that public schools are. But that's not the end. Students dropped

midyear return to their public school, which won't receive full funding for that student, thereby exacerbating the problem of underfunded public schools.

The strongest argument against this bill is the fiscal note. At a time when every dollar in the general fund is critical and a radical school district consolidation bill has been introduced with the aim of saving the state an estimated average of \$17.3 million per year, this committee would see fit to try to convince Kansas taxpayers to widen the gap with an additional \$12.5 million diverted from the general fund to private schools. In short, where's the money to pay for all this going to come from?

Finally, this bill appears to violate the establishment clause in the First Amendment of the Constitution - that the government "make no law respecting an establishment of religion." I'll not dwell on this area, but suffice it to say that the use of public tax monies to support the private exercise of religion and their associated institutions has been ruled unconstitutional.

On behalf of public school students and their parents all across this state, I urge this committee not to expand on the current tax credit, and to repeal it as it exists.

Thank you to the chair and the committee for their time and consideration.