



Testimony to House Taxation Committee
HB 2019 Property Tax Increase for Kansas Educational Building Fund
February 4, 2015
Dave Trabert, President

Chairman Kleeb and members of the Committee,

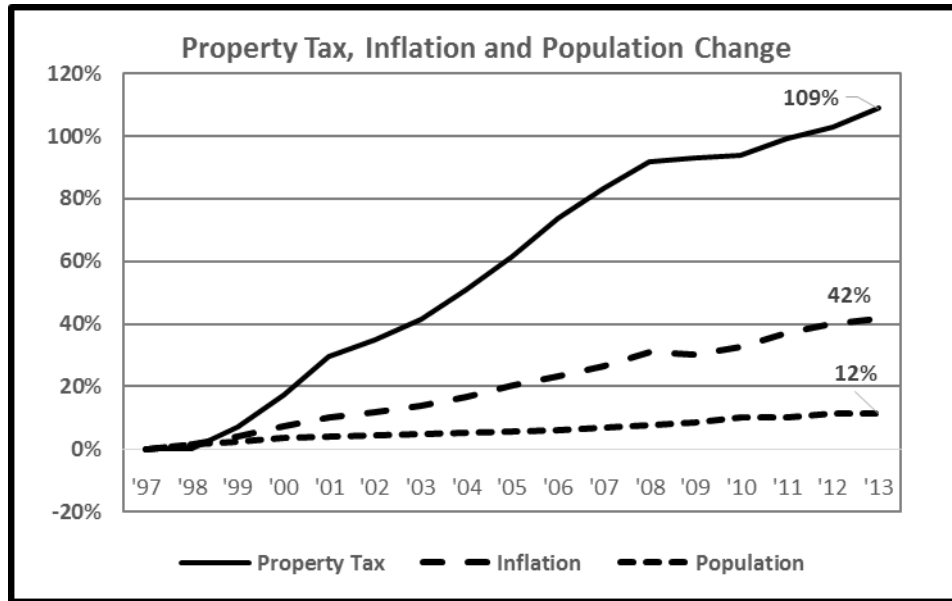
We appreciate this opportunity to testify in opposition of HB 2019, which would quadruple the mill rate (from one mill to four mills) and increase property taxes by roughly \$100 million annually.

In our opinion, universities and all other taxpayer-supported entities should first ensure that they are making efficient use of taxpayer funds before asking for tax increases. Our review of the Kansas Board of Regents Databooks indicates that universities have significant opportunity to reduce current costs and thereby fund the initiatives listed in HB 2019 without tax increases.

Educational Program Spending Per Student FY 2014						
General Use Spending Category	University of Kansas	K-State	Wichita State	Emporia State	Pittsburg State	Fort Hays State
Instruction	\$ 9,310	\$ 6,767	\$ 5,025	\$ 5,250	\$ 4,680	\$ 3,328
Academic Support	\$ 1,920	\$ 1,798	\$ 1,768	\$ 1,895	\$ 1,253	\$ 1,291
Student Services	\$ 671	\$ 629	\$ 972	\$ 1,057	\$ 870	\$ 788
Administration	\$ 1,279	\$ 1,276	\$ 1,675	\$ 954	\$ 950	\$ 708
	\$ 13,180	\$ 10,470	\$ 9,440	\$ 9,156	\$ 7,753	\$ 6,115
FY 2002 total per-pupil	\$ 8,112	\$ 6,949	\$ 7,447	\$ 7,104	\$ 6,495	\$ 7,614
% change 2002-2014	62%	51%	27%	29%	19%	-20%
Inflation 2002-2014	29%	29%	29%	29%	29%	29%
FTE enrolled	22,056	20,880	11,924	4,830	6,915	8,951
5-year enrollment chg.	-8.3%	9.7%	9.4%	-10.2%	1.1%	33.4%
<i>Source: Kansas Board of Regents Databooks; Bureau of Labor Statistics, Consumer Price Index Midwest Urban Cities on a fiscal year basis. Education Program Spending excludes spending on Physical Plant, Research, Public Service, Scholarships, and Other.</i>						

Fort Hays State University has the lowest cost per-student enrolled and they reduced that cost by 20% over the last twelve years. Annual savings across the other five universities would total \$312 million if they operated at FHSU's cost of \$6,115 per student. Even if one assumes that research universities (KU, K-State and WSU) should be examined separately from non-research universities, annual savings would total \$170 million if Wichita State and Fort Hays State are used as the benchmarks for the two groups.

We also note that Kansans have been hit with very large property tax increases over the years.



Property taxes increased at a slower rate in recent years but 2013 tax collections were 109% greater than in 1997. At the same time, inflation and population grew by 42% and 12%, respectively. The property tax burden is already too great on residents and businesses and should not be increased, especially since universities can fund the initiatives in HB 2019 by operating much more efficiently.

We oppose the tax increase in HB 2019 and hope the Committee agrees that the proposed tax increase is not necessary.