

January 22, 2025

Nathan Kessler, Tax Policy Advisor Kansas Action for Children Written Only – Opponent Testimony on HB 2011 House Committee on Taxation

Chairperson Smith and members of the Committee:

Thank you for the opportunity to provide testimony in opposition to HB 2011, which would reduce the statewide school finance mill levy from 20 mills to 18.5 mills and limit the future revenue generated for K-12 education.

Kansas Action for Children is a nonprofit advocacy organization working to make Kansas a place where every child has the opportunity to grow up healthy and thrive. We work across the political spectrum to improve the lives of Kansas children through bipartisan advocacy, partnership, and information-sharing on key issues, including early learning and education, health, and economic security for families.

We oppose this bill because of the imposed cap on the funds generated from the statewide school finance mill levy. While KAC is not inherently opposed to property tax relief through a reduction in the statewide mill levy, we are wary of measures that jeopardize K-12 funding or the State General Fund (SGF).

By including language that would limit the amount of school funding revenue raised by the statewide mill levy to school year 2025-2026 levels, this bill decouples this tax from the economy in a way that could jeopardize school funding and the state budget. Placing a cap on the potential revenue of the statewide mill levy will force the state to backfill increasingly large funding gaps in the coming years. The result is likely to be an SGF that is inadequate to fill this gap and fund other priorities.

We are aware of the real need for property tax relief and believe a robust circuit breaker is the best option for doing so. However, if the Committee removed language limiting future revenue from this proposal, KAC could move from opposition to a neutral stance on HB 2011, contingent on a reasonable fiscal note. Indexing the revenue raised to the rate of inflation beyond the 2025-2026 school year would also enable a change to neutral on this bill. Unfortunately, in its current state, the bill's cap is too restrictive and disjointed from economic forces.

Thank you for the opportunity to share our concerns with HB 2011. Feel free to reach out me if you have any questions at nathan@kac.org.

