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PUBLIC POLICY STATEMENT

SENATE COMMITTEE ON EDUCATION

Re: 450; School Finance

March 6, 2012

Topeka, Kansas

Testimony provided by:

Jeff Grossenbacher

Bern, Kansas

Good afternoon, Madam Chairman and members of the Committee, and thank you for the opportunity to appear today. My name is Jeff Grossenbacher. I'm a farmer from Bern, in Nemaha County, and a member of the Kansas Farm Bureau. I also represent ten northeast Kansas counties on KFB's Board of Directors.

I'd like to share with you how Bern has been affected by stagnant K-12 funding and how the story of one small community illustrates what could be a very bleak future for our state's children and our economy.

To summarize briefly, Bern is in USD 113, a school district that was formed when USDs 441 and 448 consolidated due to lack of funding. Despite our best efforts, including the establishment of a new daycare center and renovating homes to attract new families – which resulted in an enrollment increase of 8.3 percent in one year and meeting the benchmarks set by the school board - the USD 113 School Board voted Saturday to close Bern Schools, a Pre-K thru 12

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facility. This decision has caused much heartache and many hard feelings in Nemaha County, but it will also have far-reaching social and economic impacts.

In small Kansas towns, the loss of a school affects more than just the students who'll have a long bus ride to a different school. It affects the rural economic development of their hometowns as well.

When young families are looking to relocate to rural areas – and many are – they won't move to a community that doesn't have a school. They'll take their family and their money to the town that has a school and all the services they need.

I think we can all agree that economic development is key to the continued success of our state. If we are going to have successful economic development in Kansas, we have to adequately fund ALL schools, both urban and rural.

I'm happy to see that SB 450 begins to increase funding of the current formula. I strongly believe the current law will provide an excellent education for Kansas students if it's adequately funded. This bill takes several steps in the right direction.

I'm also pleased to see that the bill retains the current weightings. Funding for transportation, at-risk and low enrollment helps small Kansas school districts.

Like farmers and ranchers across the state, my family and I have supported public education through a mix of income, sales, and property taxes. I'm gravely concerned, however, that this tax mix is shifting too heavily towards the property tax.

For instance, the provision in SB 450 that allows school boards to increase their LOBs to 33 percent and then 35 percent would have a crippling affect on rural taxpayers. Owning property does not mean one automatically has the means to pay property taxes.

If USD 113 decides to raise its local option budget, I will certainly be affected. But I'd like to give you a broader picture of how increases in the LOB will affect taxpayers statewide.

There are 612 members of Kansas Farm Bureau in Nemaha County. If the average property tax burden for just those farmers and ranchers increases due to an increase in the LOB, that means farmers and ranchers, who by the nature of their occupation own larger amounts of land than other citizens, will be taxed much more heavily than others in the same county. Further, if the

property taxes on the 10,400 Kansas Farm Bureau members in the northeast corner of the state increase by a like amount, it's easy to see that the property tax burden will be shifted disproportionately to the industry that's the primary economic driver in our state. If any other industry were taxed in this way, there would be a public outcry.

High-wealth districts can easily fund their LOB with a low mill levy while districts with lower assessed property values, and often lower median family incomes, must raise the same percentage through a higher mill levy. This is fundamentally unfair.

For that reason, I urge you to restore the stricken subsection (c) to the bill. KFB policy states that any increase in the Local Option Budget authority must be approved by the voters in the district. I hope you will put the protest vote back in the bill.

I would also urge you to look at the proceeds from gaming, as well as sales and income taxes, to help fund public schools to avoid over-reliance on the property tax.

Thank you for the opportunity to share the views of one Kansas farmer who's concerned about education and the future of this state.

I hope that my testimony today helps prevent other communities and children from going through the same gut-wrenching, heartbreaking ordeal that's happening now in my hometown of Bern.