



Senate Ways and Means Senator Masterson, Chair

S.B. 71 changes in equalization state aid

January 29, 2015
Submitted by Diane Gjerstad

Mr. Chairman, members of the Committee:

Thank you for the opportunity to provide input on Senate Bill 71 which would amend the calculation and distribution of Local Option Budget (LOB) state aid for the current school year and into the future.

The bill would change the calculation for determining which districts receive LOB equalization state aid by adjusting the threshold determining which districts qualify to a lower assessed valuation. The shift would reduce state aid for districts by \$39 million statewide.

For the Wichita Public Schools the bill would reduce LOB state aid by -\$3.9 million for the current budget, the current school year.

Last session the Legislature made the policy decision to fully fund LOB state aid lowering the LOB mill levy by 9 mills for Wichita taxpayers. Because LOB is a combination of local tax dollars and state aid the impact of this bill would lower the district's state aid by \$3.9 million for the current year and subsequently raise property taxes next year.

For districts, like Wichita Public Schools, with lower assessed valuation, the reduction in state aid would either be made up by an increase in property taxes or reductions in budgets. Contrasted to districts with high valuations, not dependent on state aid, which would not be in the position of lowering budgets. As a result we view this bill as disequalizing and urge the Committee not to advance.

Thank you, Mr. Chairman, for your consideration.