



Kansas Community College Testimony in Support of HB 2315

Thank you for the opportunity today to testify in support of HB 2315 and request an amendment to include community colleges in the bill if it moves forward. As currently written, HB 2315 would allow taxpayers to claim the Higher Education Deferred Maintenance Tax Credit for contributions to a technical college for capital improvements, deferred maintenance, or the purchase of technology or equipment. This program was previously in effect for both community and technical colleges and was taken advantage of by various community colleges across the state to improve their campuses and equipment to ensure the technical education being provided meets the needs of Kansas businesses and stay current in terms of ensuring students are trained on the equipment and types of technologies they will need to be able to operate when they enter the workforce.

Kansas community colleges provide 70 percent of the technical education credit hours delivered in Kansas and nine community colleges (Coffeyville, Cowley, Dodge City, Highland, Hutchinson, Johnson County, Kansas City Kansas, Pratt and Seward) absorbed technical colleges decades ago. All Kansas Community Colleges offer some form of technical education. This bill would assist colleges in ensuring they have the very expensive state of the art equipment needed to train students. Companies and individuals would be able to donate funds to purchase the equipment and ensure it can be made operational within a building with these tax credits. While community colleges do have local property tax authority each college works extremely hard to keep the local mil as low as possible. Community Colleges are funded as outlined in the chart below.

Fiscal Year 2018 Audited Revenue Percentages	
County Appropriations	36%
State Appropriations	18%
Tuition and Fees	17%
Federal Grants and Contracts	12%
Other	10%
Auxiliary Enterprises	7%
Total	100%

This credit would allow property tax relief and/or avoidance for the 19 counties where community colleges are located by allowing businesses and individuals to receive this credit and help prevent the college from asking tax payers in 19 counties to fund improvements that will benefit not only their county but also the other 86 counties in Kansas.

The bill authorizes a 100.0 percent refundable income tax credit for qualifying contributions beginning in tax year 2021 and continuing through tax year 2025. As written, the bill would limit the total amount of tax credits that could be claimed to \$3.5 million in any tax year, including limits of \$500,000 for either a technical college or a taxpayer. Including the 19 community colleges under the same provisions would increase the bills cost by \$9.5 million in revenue loss for a total cost for both community and technical colleges of \$13.0 million in revenue loss.

Presented by: Heather Morgan, Executive Director of the Kansas Association of Community College Trustees, 785-221-2828, hmorgan@kacct.org.