

**To: Senate Select Committee on Education Finance, Senator Jim Denning, Chairman**  
**From: John Donley, Kansas Farm Bureau**  
**Date: May 18, 2017**  
**Re: Testimony in opposition to SB 251 – creating the Kansas school equity and enhancement act**

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Chairman Denning and members of the Committee, on behalf of Kansas Farm Bureau (KFB), I want to thank you for the opportunity to provide testimony in opposition to SB 251. KFB is the state's largest general farm organization representing more than 30,000 farm and ranch families through our 105 county Farm Bureau associations. KFB opposes the funding effort contained in SB 251.

KFB opposes the inclusion of an irrigation "fee" to fund K12 education. There is no nexus between irrigators and education. Additionally, our members spoke out forcefully in opposition earlier this session when the House Water and Environment Committee proposed a fee on irrigation. This as well as the newly created utility "fee" appears to be an untargeted approach to funding Kansas schools with no basis in sound tax policy. Generally fees are applied only to fund programs that will provide direct services to the industry that pays the fee. Therefore, KFB stands in strong opposition to this portion of the bill.

The utility fee could potentially include agricultural utility retail customers under the undefined "industrial utility retail customer" fee. There is no definition for that classification of customer; therefore, there is the potential to interpret the "industrial utility retail customer" to include agricultural customers. Furthermore, many farmers and ranchers have multiple meters, some of which consume a supplied utility only during certain seasons, and billing arrangements. There is the potential to have a \$10 charge per meter per month, which could cost some farming and ranching operations hundreds or thousands of dollars.

KFB understands the difficult position you, as policymakers, are in regarding finding adequate funding to fund state government, including K12 education. KFB has long standing policy that supports the three legged stool approach to funding state and local government. Unfortunately, the long term trend has been a reliance on property tax over other sources of tax revenue to fund state and local government. We encourage you to look at an approach to funding state and local government in a more balanced manner. Looking at "fees" such as those discussed in SB 251 to fund core portions of state and local government simply avoids the serious policy decision that needs to be made on the proper levels of taxation through the traditional sources of income, sales, and property taxes. We encourage you to oppose these new "fees" as you look to close out the legislative session.

Once again, thank you for the opportunity to provide testimony in opposition to SB 251. I would be happy to answer questions at the appropriate time.