



Testimony in Support of HB 2684
(Providing a sales tax exemption for area agencies on aging)

Thank you for the opportunity to provide testimony in support of HB 2684 to provide a sales tax exemption for eight of the eleven Area Agencies on Aging in Kansas.

Area Agencies on Aging (AAAs) were established under the Older Americans Act (OAA), as amended, in 1973 to respond to the needs of Americans 60 and over in every local community. By providing a range of options, AAAs make it possible for older adults to “age in place” with suitable home and community-based services. The Act requires local control and decision-making that allows AAAs to adapt to the unique demands of their communities while complying with the requirements that AAAs advocate, plan, and coordinate to assist older adults in leading independent, meaningful, and dignified lives. Additionally, the Act designates AAAs as a private or public nonprofit organization or a unit of local government, as in three of the AAAs which fall under county authority.

The association supports HB 2684 for several reasons, including the value to local communities when an older adult continues to contribute to the local economy; the fiscal savings to build capacity and provide greater value; and the sales tax exemption for eight non-governmental organizations will create equity.

Ageing Demographics: The Center for Economic Development and Business Research recently published the Kansas Population Projections, 2020 to 2040, which indicates the population of older Kansans will substantially increase, and further projects if “an increased supply of senior-oriented services are not available to [the oldest Kansans] who are most dependent on them, [there] will be likely [an] additional migration . . . out of the rural Kansas to metropolitan Kansas or other states.” Therefore, Kansas could lose a significant number of older adults, who are far more likely to vote.

Purpose of Area Agencies on Aging: By providing comprehensive, coordinated services, the AAAs advance public interest in the overall purpose to assess community needs and develop and fund programs; educate and provide direct assistance; serve as portals to care; and demonstrate responsible fiscal stewardship.

Financial Stewardship: Area Agencies on Aging maximize public and private funding to serve as many of your constituents as possible. Operating on primarily federal funding, state general revenue, local funding, other state funding, grants, and cost-sharing customer contributions, state sales tax exemption would allow the maximum advantage of available funds to provide greater value.

Benefits to Kansans: As the demographic shift occurs, there will be a correlating increase in the need and demand for community supports, although with limited resources. Area Agencies on Aging are a vital component of an efficient service delivery model to divert older Kansans from costlier care. Spending matters, and the state sales tax exemption would redirect resources to readily available, high-touch services.

The AAAs appreciate your consideration and understand an exemption offers privileges, and your favorable support of HB 2684 demonstrates your commitment to older Kansans and their caregivers.