

SB 75 Testimony (Opposition, Virtual)

Senate Education Committee

January 28, 2025

From: Hilary Junk, KS Resident

Chair Erickson & Members of the Committee:

I write in opposition to SB 75 as it is fiscally irresponsible for the state to, through tax credits, assume additional expenditures that were previously covered by private sector spending. The bill's mechanics, including the automatic program renewal and increase without data or accountability, flies in the face of fiduciary duty and sound fiscal policy. Please do not create a financial entitlement and neglect your fiduciary duty by instituting automatic program increases with no data, oversight, transparency or accountability.

Concerns about the bill's philosophy:

Choosing not to engage with a public service does not mean that one is entitled to the monies that support that public good.

- The state park near me is not to my liking, but there are private country clubs near me. Can I claim a tax credit that may be larger than my tax assessment and receive a refund from the state to pay for private club dues? **No.**
- I disagree with the Kansas Attorney General's use of time and resources to pursue cases restricting voting practices when there is no material evidence of voter fraud. Can I claim a tax credit for my tax dollars that fund the Attorney General's Office because we don't share the same "values"? **No.**

Opting out or disagreeing with a public good does not mean I am entitled to monies that support public goods and services.

Concerns about the bill's logistics:

- **Incentives with no transparency or accountability is ripe for fraud:** In economic terms, tax credits are incentives. This bill's promise of a tax refund could actively incentivize families to pull their children from public schools.
- **Automatic renewal and expansion without data:** I appreciate that there are stringent guidelines for how tax funds are spent. If dollars that were going towards a public good are directed to a private entity, most reasonable people would expect the standards and reporting would be equivalent. There are no such mechanics in this bill. How will we know if the program is "successful"? Trust, AND verify.

Concerns about the bill's impact:

- **Increases in private school tuition:** When similar programs have been rolled out in other states, data shows that a vast majority of participants were already in private schools and that those private schools raised their tuition. The students switching from public school to private school were the exception, especially after private schools raised their tuition.
- **Transference of tax burden from rural to suburban areas:** Given that over half of Kansas counties do not have a single private school, it's highly likely that this bill would supplement the Kansas families who already pay private tuition in more populated areas like the Wichita metro area and Johnson County.
- **Higher property taxes:** As the state's tax revenue decreases over the years given the program's automatic renewal and expansion, local school districts will have to max out their mill levy, thereby raising local property taxes. Those higher property taxes are felt by all property owners: those with kids in private schools, those with kids in public schools, and those without K-12 kids.

My professional success in the finance and investment management industry is a testament to the high-quality public education I received. After 15+ years working at hedge funds and asset managers, I know full well that transparency and oversight are vital parts of prudent fiscal policy. SB 75 lacks a way to assess if taxpayer dollars credited and thus diverted to private or home schools are being used properly or measured.

I respectfully request that you vote no on SB 75. Please do not create a financial entitlement and neglect your fiduciary duty to Kansas students, 90% of whom benefit from our public education system. Transparency should accompany the collection and spending of tax dollars.

Sincerely,

Hilary Junk

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