

Gail Santy
Director, Great Bend Public Library and Central Kansas Library System
Chair, Kansas Library Association Governmental Affairs Committee
1409 Williams Street
Great Bend KS 67530

To: Governor's Council on Tax Reform
Subject: Written Testimony on Transparent and Honest Taxation
Date: Thursday, January 28, 2021

Thank you for the opportunity to present written testimony to the Governor's Council on Tax Reform. My name is Gail Santy and I serve as the Kansas Library Association Governmental Affairs Committee Chairman and as the Director of the Great Bend Public Library and the Central Kansas Library System. The Governmental Affairs Committee represents all libraries across the state of Kansas. The Central Kansas Library System (CKLS) serves 54 public libraries and school libraries from 32 school districts in our 17-county region.

CKLS is one of the seven regional library systems in Kansas and all have a similar mission. By Kansas statute, the seven regional library systems are charged to improve library service where it exists and offer service where there is none. Regional library systems are governed by a full system board, which consists of a representative from each library board in the region and includes a county appointee, appointed by the county commission. The board meets annually to approve the budget. All other business can be delegated to an executive board. The members of the executive board are elected by the full system board. At CKLS, three county appointees serve on the executive board.

The seven Regional Library Systems all meet the statute charge to improve library service where it exists and offer service where there is none in different ways, customized to their region. Some provide a service of rotating books which supplement the local library collection. Most provide digital ebooks and downloadable audiobooks to supplement those available through the State Library of Kansas. Again, the look of these services and direct aid vary from System to System.

Regional Library Systems are funded by a mill levy on those properties so rural that they don't pay a local library tax. By statute, the Regional Library Systems annually post advance notice of the budget and budget hearing in the largest every newspaper in each of the taxing counties.

The mill levy for Regional Library Systems across the state ranges from 1.998 to 1.218 mills, which is a combination of the levy for the general fund and employee benefits. This is often lower than public libraries because the regional library systems serve and tax multiple counties. All the Systems are very conscientious about careful use of the dollars they receive from rural taxpayers. The bulk of the tax money received is returned to libraries in the form of direct aid. Libraries may use this money to pay salaries, purchase circulating materials, and pay utility bills, among other things, but may not put these tax dollars into savings.

In CKLS we have big and very small libraries. There isn't much left in these small communities beyond the library. In Long Island, Kansas, population 154 (2019), the library holds an after school feeding program once a week in conjunction with a reading program, serving the town youth. Libraries across Kansas continued to serve communities, even during the Safe at Home order, through digital books, online programming, and publishing factual information on social media and websites. Libraries are now actively sharing factual information about the Covid vaccine and directing the community to those resources as well. Libraries are truly the heartbeat of rural and urban communities across Kansas.

I have some concerns about Senate Bill 13 as regards the regional library systems and public libraries. Libraries and the regional library systems are the best bang for the buck Kansans have and libraries consistently score in the top three rankings for trusted community entities and return on investment, following only the military and first responders.

In Kansas there are many different kinds of libraries, beyond school and public libraries. District libraries serve an area larger than a township and their boards are elected. Township libraries serve a township and the boards are appointed by the township. There are county libraries such as Topeka and Shawnee County Public Library and there are a handful of public libraries that serve as their own taxing authority. Salina Public Library is one example of the later. All have proven to be good stewards of the tax dollars they receive.

Salina Public Library lowered the mill levy for 2021 because they know this is a hardship year for taxpayers. Most libraries held the request for total dollars steady this year for the same reason. At the Central Kansas Library System we reduced the total amount of dollars received in 2020 versus 2019 by \$92,504.96. We are mindful that we have more oil producing counties than the other Systems and that oil valuation could drop as much as 40% this year. Bearing that in mind, we greatly reduced operating expenses, which means that we will levy less money again in 2021. Senate Bill 13 will throw a monkey wrench into all of this.

Just as we are seeing a stable downward trend in total dollars taxed, the Central Kansas Library System will have to increase our mill levy just to fund that mailing

notification requirement should we need to increase our budget by even just one dollar. I estimate that it will cost the seven regional library systems more than \$60,000 to mail notification to taxpayers in order to stay compliant with Senate Bill 13. In libraries like Salina, where the library is its own taxing entity, taxpayers will be faced with the same dilemma. And the dilemma is that our taxpayers will have to pay twice to publish the budget and announce the budget hearing. While the notification may be slightly more transparent than publishing the budget in the newspaper and on the library's and regional library system's websites and social media, this is not honesty in taxation!

I am personally concerned about the costs to our rural residents, which may increase rather than decrease each individuals' tax burden.

The only other option available to the regional library systems would be to cut financial aid to libraries, which means reduced services across the board. Public libraries are often the only place with free wi-fi, public access computers, and trained information professionals. This would greatly impact the quality of life across rural Kansas negatively.

The notification requirement in Senate Bill 13 will place an unnecessary burden on our rural tax payers. For the regional library systems, tax dollars are already used to publish the budget and notice of the budget hearing each year. Our rural taxpayers should not have to bear the burden of that additional cost.

When the tax lid was placed on cities, libraries were pulled out of the total computation to meet the tax lid and then added back into the budget. And while legislation states the library board, as the governing body, sets the budget and the city shall levy the taxes to meet the budget, it really isn't quite like that in reality. Library board members serving libraries in CKLS nearly always live and pay taxes to support the library. These are often the movers and shakers in the community and are mindful about what level of tax burden exists. Library boards work with that knowledge in mind when they set the budget. That is good stewardship plain and simple.

I support tax reform, honesty, truth, and transparency in taxation. I believe strongly in taxation with representation. And I work every day to be a good steward of the tax dollars we receive from our rural taxpayers. We all know there is no such thing as free money, and this is evident to me never more so than when I am returning from a trustee training workshop more than two hours away. Driving home, I am kept company by farmers working the fields, headlights on, late into the night. Those are the faces I keep in mind. Those are the people we serve. And those are the people who support the regional library systems. It is neither honest or truthful to force these hardworking Kansans to pay twice to meet the requirements of Senate Bill 13.

Thank you for the opportunity to present testimony on truth in taxation and Senate Bill 13.

Respectfully submitted,

A handwritten signature in blue ink that reads "Gail Santy". The signature is written in a cursive, flowing style.

Gail Santy
Director, Great Bend Public Library and Central Kansas Library System
Chair, Kansas Library Association Governmental Affairs Committee
1409 Williams Street
Great Bend KS 67530