



**JOINT MEETING OF
HOUSE COMMITTEE ON APPROPRIATIONS AND
SENATE COMMITTEE ON WAYS AND MEANS**

**Public Comment on Potential School Funding Changes in Response to
the May 27, 2016, Gannon Order
Senator Masterson and Representative Ryckman, chairs**

David A. Smith, Chief of Communications and Governmental Relations
June 23, 2016

On behalf of the Kansas City, Kansas Public Schools (KCKPS), I am here to testify on potential changes in the Kansas school funding formula, in response to the Kansas Supreme Court ruling in the *Gannon v. State of Kansas* lawsuit. My testimony is not intended to be in support or opposition to any specific legislation; rather, I am testifying to general principles that I believe should guide the work of the Kansas Legislature, as it considers responding to the May, 27, 2016 ruling in the Gannon case.

First, it is the Legislature's responsibility to pass an equitable school finance system, one that meets the equity test of the Kansas Supreme Court: Specifically, the Legislature must enact a school finance system that provides school districts with "reasonably equal access to substantially similar educational opportunity through similar tax effort," while not running afoul of the adequacy requirement of Article 6 of the Kansas Constitution. Failure to enact an equitable school finance system will leave the school finance system in Kansas unconstitutional, and school districts will be unable to spend money provided through that unconstitutional system.

The impact of a legislative shutdown of the school finance system in Kansas, even for a short period of time, would be devastating to schools, to families, and to the state of Kansas. Districts would be forced to spend money unnecessarily to recover from a shut down, at a time when they are already struggling to meet increased costs. Indeed, even the threat of a shutdown has created uncertainty and anxiety for students, families, and staff, and has made the process of hiring new staff significantly more challenging.

The most straight-forward and direct way to respond to the Supreme Court's ruling on equity is to reinstate and fully fund the previous equalization formula for the Local Option Budget (LOB) for the 2016/17 school year (\$16.5 million), and fully fund Capital Outlay equalization (\$24 million). The Supreme Court has already determined that this approach meets the constitutional test for equity. It is thus the most direct way to meet the equity requirements of the Kansas Constitution, and keep schools open. While this approach does not address the significant losses in LOB and Capital Outlay state aid over the past seven years (which for KCKPS total \$32 million), it at least puts the state on the right path.

It is important that the money necessary to pay for the restoration of LOB and Capital Outlay equalization should not come from other parts of the education funding formula. It is critical that the Legislature pass legislation which provides equity for school districts without impacting adequacy. This is the only way to create constitutional school finance legislation, and to keep schools open. At the same time, we would support amending the law governing the Extraordinary Needs Fund to permit school districts that suffer a reduction in capital outlay or local option state aid for 2016-17 to apply to the Fund to mitigate those reductions. The lack of adequate education funding has had a negative impact on ALL school districts in Kansas, and fixing equity needs to be done in away that does not impact adequacy for any district.

Let's get this done, let's get it done quickly, and let's get it done right. The people of the great State of Kansas are counting on us.

Thank you for your consideration of this testimony.