



**KANSAS ASSOCIATION
OF SCHOOL BOARDS**

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Testimony on School Funding in Response to the May 27, 2016, *Gannon* Court Order

before the
**Joint Meeting of the House Committee on Appropriations
And
Senate Committee on Ways and Means**

by

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Chairman Ryckman, Chairman Masterson, Members of the Committees:

Thank you for the opportunity to appear today and share the positions of the Kansas Association of School Boards. We acknowledge that the issues before you today are very difficult, and a resolution will probably satisfy no one completely. We urge the committees to adopt a proposal that comes as close as possible to meeting the following goals:

First, we support increasing the equity of the school finance system; which means, in part, that school districts must be able to access similar amounts of revenue to provide similar educational opportunities at *similar tax efforts*. The May 27 *Gannon* Order found the Legislature had resolved equity issues in capital outlay state aid by returning to the previous formula; but had not demonstrated that using the same capital outlay formula would reduce tax disparities in the local option budget.

We agree with the Supreme Court that there may be other ways to achieve equity; however, at this point the quickest and more certain path to ensure a constitutionally equitable system is to restore both the previous capital outlay formula (based on the median assessed valuation per pupil) and the previous LOB formula (based on the 81.2 percentile of valuation per pupil). We understand that would cost the state approximately \$38 million, and encourage the Legislature to take this action.

Some have questioned why the Legislature should provide increased school funding that would result in property tax relief for some districts rather than increase “classroom” support. The response is that these districts have been required to levy higher property tax revenues simply to provide comparable school funding. The only way to address this taxpayer inequity is to reduce the disparity in tax rates.

Second, as we testified during the regular session on school finance proposals, we support the concept of providing assistance to districts which lose state aid due to changes in the school finance formula. We

understand that school district and legislative leaders have developed a proposal to expand the uses of the extraordinary needs fund for this purpose, and we support the plan.

Third, we understand that the first two steps will require additional funding, and the state has almost no additional funding to provide. We are not endorsing any particular revenue proposal, but encourage Legislators to find an acceptable compromise among competing ideas. However, we believe that any reduction in general school funding to provide additional equity dollars should be minimized if it cannot be not avoided altogether.

The school district block grant funding, which essentially equals the school district general operating budget, basically froze funding for 2016 and 2017 at the 2015 level, providing no increase for inflation, insurance costs, increased enrollment, special needs students or program improvements. Increases in state school aid have gone almost exclusively to KPERs contributions and capital assistance, not operating costs. School districts have no ability to shift these funds to “classroom” spending.

In 2009, Kansas ranked 23rd in the nation in total revenue per pupil (total dollars provided, not just state aid or share of state budget), and ranked 17th in educational spending per \$1,000 in personal income (\$50 per \$1,000 in Kansas compared to \$47.74 nationally). In the most recent national report released this month for 2014, Kansas had dropped to 29th nationally in total revenue per pupil, and 33rd in total K-12 revenue per \$1,000 of personal income (\$42.72 in Kansas compared to \$43.91 nationally). In other words, despite “record-setting” school funding, even the modest funding increases in recent years are allowing Kansas to fall behind other states in support for K-12 education.

This is particularly concerning because we know that the states that do the best on multiple measures of educational attainment already spend more than Kansas. Over this same period of time, Kansas’ national ranking in National Assessment of Education Progress testing and graduation rates have also declined. Another warning sign is this week’s report that the Kids Count survey found Kansas’ ranking child well-being has also dropped.

Fourth and finally, we oppose adding “policy” changes to the school finance equity bill. Other measures should be debated and allowed to pass or fail on their own merits.

Thank you for your consideration.