



Making public schools great for every child

KANSAS NATIONAL EDUCATION ASSOCIATION / 715 SW 10TH AVENUE / TOPEKA, KANSAS 66612-1686

Mark Desetti Testimony
Senate Committee on Education
February 6, 2012

Good afternoon Madame Chair, members of the Committee. I appreciate this opportunity to speak to you today about the finance portions of Senate Bill 361.

As we enter these discussions on Senate Bill 361, we would like to point out first that such a radical change to the school finance formula – a formula used to distribute half of the state's budget – is being subject to a few hours of testimony and perhaps a few more of debate. We are presented with a very complex and challenging bill – 100 sections in 89 pages – and struggling to understand the many overlapping provisions and how one section changes another. Such an undertaking demands careful and deliberate review, dissection, debate, and discussion.

If this bill is intended to remove the state from the "cycle of litigation," it fails on that point. We believe that by eliminating weightings – especially at-risk and bilingual weightings – it is very likely to actually feed an equity lawsuit. Additionally, by passing the responsibility for all future increases in school funding to local property taxes, it is also very likely to feed another equity lawsuit. Finally, by essentially institutionalizing the cuts of the last several years, a strong argument would exist for an adequacy lawsuit. Passage of these school finance proposals will not end lawsuits; it is more likely to spawn more lawsuits.

Exacerbating this perhaps is the fact that while new funding is added to school finance, all of that funding goes to school districts representing 25% of Kansas students. If the money were to be applied to the current formula, it would be distributed equitably across all Kansas school districts, helping all Kansas students.

The proponents of this proposal suggest that the current formula needs to be replaced because it is overly complicated. I would suggest that this formula is every bit as complicated in the complex mathematical formulas it contains. It was telling in the discussions last week just how complicated it was when Senator King simply tried to get an idea of what the equalization formulas were supposed to do. The answer to that question was never made clear.

Proponents have suggested that the formula needs to be redone because the current formula is "old." I shudder to think what might happen if we all replaced everything because it is old. My wife and I are still using her grandmother's waffle iron and it still produces delicious waffles. If something works, you don't replace it.

In 2005 and 2006, when the Legislature struggled with a response to its school finance studies and the ruling of the Kansas Supreme Court in the Montoy Case, you discovered that by increasing your funding (as called for in your studies) and making adjustments in weightings (as called for in your studies), the Court eventually approved your work. The Court in fact said that they would not rule on the constitutionality of your work product because it was a new formula – it had been changed enough to suggest that it would take another challenge to determine its constitutionality. The Court essentially said that the 2006 Legislature created a new school finance formula.

The fact is this new formula is not broken, it is underfunded. The Legislature was on track to full funding of the formula as indicated in the cost studies when the financial collapse of 2008 and the resulting recession hit Kansas and the nation. Promises made were set aside as we struggled to recover from the worst economic downturn since the Great Depression. The State was unable to fully fund the formula.

Today you are faced with a formula that serves Kansas well. Is it perfect? Perhaps not. But whatever flaws it has cannot be fully understood until it is funded properly. Passage of the school finance proposals contained in SB 361 will simply freeze state school funding at the current, reduced level. Far from "holding schools harmless," this bill institutionalizes the harm done by the great recession.

#17

The new unlimited local authority granted in this bill provides schools with short-term gain in exchange for long-term pain. Some places will find their patrons willing to raise more local property taxes in the short-term but as the school districts will be forced to repeatedly return to the local property tax well simply to meet inflation, they will find their residents growing increasingly intolerant of local property tax increases. The proponents will tell you that the Legislature could increase the base at any time. That's true but that leads one to wonder what pressure there would be to do that if the response can always be, "We gave you unlimited local authority. If your patrons think you need more money, raise your property taxes."

We would suggest that there are better alternatives. We would ask the Legislature to preserve the current formula and work to restore the cuts enacted as a result of the recession. Let's give the work of the 2006 Legislature a chance to be finished and evaluated before we throw the whole thing out.