

# Educational Management Consultants

## “Managing Cost Effective Learning Systems”

$$E = MC^2$$

### Testimony before the JOINT MEETING OF HOUSE COMMITTEE ON APPROPRIATIONS AND SENATE COMMITTEE ON WAYS AND MEANS Re: *Gannon* By – Dr. Walt Chappell, President

There are only two bills which need to be passed during the June 23<sup>rd</sup> Special Session. The **first** is a bill to set a **“similar tax effort”** by establishing a **statewide real property tax mill levy** to help fund K-12 schools. Do not pay a \$38 million ransom. It is not owed, required by the KSC and none will go to educate students. The **second bill** needs to **amend K.S.A. 64b01** to prohibit school districts from using any tax dollars to sue the Legislature for more money.

**If you pass these two bills, “equity” will be achieved, schools will stay open, no more tax dollars will need to be appropriated or cuts made and the Special Session can be concluded quickly. Here are the FACTS!!!**

**The Kansas Supreme Court (KSC) did NOT order or demand that the Legislature appropriate a single dime more for school districts.** There is no requirement that any more money be spent—let alone \$38 million.

In fact, the May 27<sup>th</sup>, 2016 ruling is similar to that ordered by the 1994 KSC, the May 11<sup>th</sup>, 2004 decision by Judge Terry Bullock, the Montoy KSC 2005 ruling and the 2014 Gannon order. The vast differences between assessed property values in Kansas school districts make the revenue able to be raised locally unequal and therefore unconstitutional.

So, this latest ruling is **NOT an attempt by the KSC to tell the legislature how much money to spend.** It is merely repeating the obvious fact that the 1992 school finance formula has never been equitable or constitutional.

Consequently, there is no need to spend a minute debating or trying to appropriate more LOB money or pass a Constitutional Amendment. K.S.A. 72-64b03(d) and K.S.A. 60-2106(d) both state that **no Kansas court shall “have the authority to order a school district or any attendance center within a school district to be closed or enjoin the use of all statutes related to the distribution of funds for public education.”**

Clearly, the KSC does not have the statutory authority to close Kansas schools or withhold funding. But, it is the Supreme Court’s responsibility and authority to rule on the constitutionality of laws passed by the Legislature. That IS their job!!

1) So, instead of getting caught up in a debate about whether to pass a Constitutional amendment to keep schools open or whether more money needs to be appropriated, **please pass a bill** which designates a **“similar ad valorem tax effort”** for all real property across Kansas to be collected by the County Treasurer in each county and transferred into the State General Fund. By having each real property tax payer in each school district pay at the same tax rate, there will be “equity” throughout Kansas to fund schools—regardless of the assessed value of their property.

2) In addition to setting a statewide mill levy, an amendment to **72-64b01 General fund money to finance litigation, prohibited** needs to be passed in the Special Session to **prohibit the use of any and all tax dollars received by each Kansas public school district to sue the State.** To get around this 2005 law, the Plaintiff school districts have used supplemental general fund transfers to pay their Gannon legal expenses to sue the Legislature for more money. These endless law suits must STOP!!

3) Also, make it clear, that **included in the Block Grants are the +/- \$200 million per year in Low-Enrollment weighting from the old formula plus At Risk funds** which primarily go to school districts with low property values.

Senate Ways and Means Committee

Date: 06/23/2016

Attachment #: 12

- 4) The calculation should be made by (a) identifying which school districts have lower than average assessed property values. Then (b) itemize how much additional money these “poor” districts have already received in the Block Grants from Low Enrollment and At Risk funding. Finally, (c) subtract the additional amount of tax dollars these “poor” districts currently receive from the \$39 million in the latest KSDE run using the old formula.

Document the extra money previously appropriated and dispersed to these “poor” districts to show to the KSC that little or no additional funds are required. Submitting accounting evidence that the Legislature has done its job by providing more money to these “poor” districts will hopefully make it clear that not only are the Block Grants constitutional but they have equalized the funding needed to educate K-12 students in those low-wealth districts.

It is worth pointing out to the KSC, that since 1998, the amount spent by K-12 districts has doubled. \$3 billion more per year in federal, state and local dollars are now being spent to educate the same number of Kansas students but still—only 1 in 3 is proficient in reading, math, science, history or geography. And, only 30% who take the ACT score 21 or higher to qualify for university admission. **Clearly, more money spent is NOT improving student achievement!!**

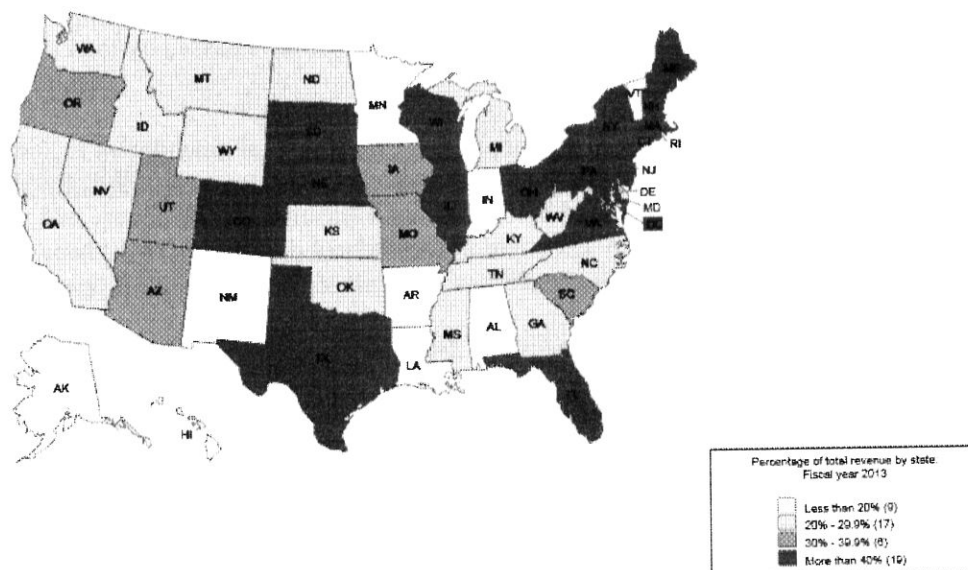
So, by simply eliminating the 1992 formula’s LOB effort to equalize funding between districts, the 2016 Legislature can finally “get off the merry-go-round” of endless court battles and adopt a “similar tax effort”. Once the new school-based finance formula is developed and a computer model provided to the Legislature, you will be able assure the Courts, parents and taxpayers that both equal and adequate funding is being appropriated by the Legislature. The new formula—with built-in cost controls—will be able to hold down costs, assure that most tax dollars are being spent in the classroom and improve student performance in all schools.

I wish you all the best as you pass legislation to keep our schools open, satisfy the Constitutional “equity” requirements of the KSC and balance the SGF budget without making major cuts to other state programs. Let me know what questions you have and how I may be of service.

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P.S.—Kansas taxpayers and legislature are not alone in trying to stay up with the constant demands by paid lobbyists for more money to be spent on K-12 schools. For your convenience, I have provided financial data and funding policies from all 50 states to be uploaded to the KLRD website.

These Excel and PDF files were compiled by the [National Center for Educational Statistics](#), the [EdBuild.org](#) research organization and “[A 50 State Survey of School Finance Policies](#)” prepared by Dr. Deborah A. Verstegen, Ph.D. Professor, College of Education University of Nevada, Reno. These data show that Kansas property taxes for education are relatively low compared to other states.



SOURCE: U.S. Department of Education, National Center for Educational Statistics, Common Core of Data (CCD), Common Core of Data (CCD), "School District Finance Survey (F-33)," Fiscal year 2013, Preliminary Version 1a.