

IN THE SUPREME COURT OF THE STATE OF KANSAS

LUKE GANNON, *et al.*,

Plaintiffs/Appellees,

v.

THE STATE OF KANSAS, *et al.*,

Defendants/Appellants.

Case No. 15-113,267-S

SUPPLEMENT TO NOTICE OF LEGISLATIVE CURE

The State's Notice of Legislative Cure, filed on April 7, 2016, noted that the minutes of the relevant House Appropriations Committee, Senate Ways and Means Committee, and Joint Legislative Budget Committee meetings had not been finalized at that time, and the State promised to provide those minutes in a supplemental filing once they became available. Those minutes have now been finalized and approved and are included with this filing, along with the relevant attachments (except for the transcripts of the committee hearings, which have already been provided to the Court).

Respectfully submitted,

OFFICE OF ATTORNEY GENERAL
DEREK SCHMIDT

By: /s/ Derek Schmidt

Derek Schmidt, KS Sup. Ct. No. 17781

Attorney General of Kansas

Jeffrey A. Chanay, KS Sup. Ct. No. 12056

Chief Deputy Attorney General

Stephen R. McAllister, KS Sup. Ct. No. 15845

Solicitor General of Kansas

M. J. Willoughby, KS Sup. Ct. No. 14059

Assistant Attorney General

Dwight R. Carswell, KS Sup. Ct. No. 25111

Assistant Solicitor General

Bryan C. Clark, KS Sup. Ct. No. 24717

Assistant Solicitor General

Memorial Bldg., 2nd Floor
120 SW 10th Avenue
Topeka, Kansas 66612-1597
Tel: (785) 296-2215
Fax: (785) 291-3767
Email: jeff.chanay@ag.ks.gov
stevermac@fastmail.fm
mj.willoughby@ag.ks.gov
dwight.carswell@ag.ks.gov
bryan.clark@ag.ks.gov

and

Arthur S. Chalmers, KS Sup. Ct. No. 11088
Gaye B. Tibbets, KS Sup. Ct. No. 13240
Jerry D. Hawkins, KS Sup. Ct. No. 18222
Rachel E. Lomas, KS Sup. Ct. No. 23767
HITE, FANNING & HONEYMAN, LLP
100 North Broadway, Suite 950
Wichita, Kansas 67202
Tel: (316) 265-7741
Fax: (316) 267-7803
E-mail: chalmers@hitefanning.com
tibbets@hitefanning.com
hawkins@hitefanning.com
lomas@hitefanning.com

Attorneys for the State of Kansas

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 25th day of April 2016, the above supplement and the attached minutes were electronically filed with the Clerk of the Court using the Court's electronic filing system, which will send a notice of electronic filing to registered participants, and copies were electronically mailed to:

Alan L. Rupe
Jessica L. Skladzien
Mark A. Kanaga
LEWIS BRISBOIS BISGAARD & SMITH
1605 North Waterfront Parkway, Suite 150
Wichita, KS 67206-6634
Alan.Rupe@lewisbrisbois.com
Jessica.Skladzien@lewisbrisbois.com
Mark.Kanaga@lewisbrisbois.com

John S. Robb
Somers, Robb & Robb
110 East Broadway
Newton, KS 67114-0544
johnrobb@robblaw.com

Attorneys for Plaintiffs

Steve Phillips
Assistant Attorney General
120 S.W. 10th, 2nd Floor
Topeka, KS 66612
steve.phillips@ag.ks.gov

Attorney for State Treasurer Ron Estes

Tristan L. Duncan
Zach Chaffee-McClure
2555 Grand Blvd.
Kansas City, MO 64108
tlduncan@shb.com
zmccclure@shb.com

Attorneys for U.S.D. 512

Philip R. Michael
Daniel J. Carroll
Kansas Department of Administration
1000 SW Jackson, Suite 500
Topeka, KS 66612
philip.michael@da.ks.gov
dan.carroll@da.ks.gov

*Attorneys for Secretary of Administration
Jim Clark*

/s/ Dwight R. Carswell
Dwight R. Carswell

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MINUTES

JOINT LEGISLATIVE BUDGET COMMITTEE

March 21, 2016
Room 548-S—Statehouse

Members Present

Representative Ron Ryckman,, Chairperson
Senator Ty Masterson, Vice-chairperson
Senator Jim Denning
Senator Laura Kelly
Representative Jerry Henry
Representative Marvin Kleeb
Representative Sharon Schwartz

Staff Present

Dylan Dear, Kansas Legislative Research Department
J.G. Scott, Kansas Legislative Research Department
Bobbi Mariani, Kansas Legislative Research Department
Raney Gilliland, Kansas Legislative Research Department
Sharon Wenger, Kansas Legislative Research Department
Eddie Penner, Kansas Legislative Research Department
Lauren Douglass, Kansas Legislative Research Department
Tamera Lawrence, Office of Revisor of Statutes
David Wiese, Office of Revisor of Statutes
Jason Long, Office of Revisor of Statutes
Jill Wolters, Office of Revisor of Statutes
Daniel Yoza, Office of Revisor of Statutes
Gordon Self, Office of Revisor of Statutes
Melinda Gaul, Administrative Assistant
Debbie Luper, Administrative Assistant
Dee Heideman, Committee Assistant
Kathy Holscher, Committee Assistant

Conferees

Jason Long, Senior Assistant Revisor, Office of Revisor of Statutes
Eddie Penner, Research Analyst, Kansas Legislative Research Department
Dale Dennis, Deputy Commission, Kansas Department of Education
Dave Trabert, President, Kansas Policy Institute
Dr. Jim Hinson, Superintendent, Shawnee Mission School District
Mark Tallman, Associate Executive Director, Kansas Association of School Boards
Randall Watson, Kansas Commissioner of Education
Mike O'Neal, CEO, Kansas Chamber

Others Attending

See attached list.

Discussion of: K12 Equalization Issues and Options

Chairperson Ryckman called the meeting to order at 8:35 a.m. He stated the purpose of the meeting would be to provide the Kansas Supreme Court with the record of evidence on the formal process for funding Kansas school districts. Chairperson Ryckman introduced Toby Crouse, Legislative Council for the State of Kansas.

Mr. Crouse stated a certified court reporter would be preparing the transcript of the Joint Budget Committee meeting proceedings to record the issues and rationale for funding public education, and the policies established for equitable funding compliance issues for public schools.

Committee members received copies of Local Option Budget (LOB) Supplemental State General Aid, and Capital Outlay State Aid spreadsheets ([Attachment 1](#)). These spreadsheets are also included in the transcript of the meeting proceedings.

Mr. Crouse questioned the following:

- Jason Long, Senior Assistant Revisor, Office of Revisor of Statutes;
- Eddie Penner, Research Analyst, Kansas Legislative Research Department;
- Dale Dennis, Deputy Commissioner, Kansas Department of Education;
- Dave Trabert, President, Kansas Policy Institute;
- Dr. Jim Hinson, Superintendent, Shawnee Mission School District;
- Mark Tallman, Associate Executive Director, Kansas Association of School Boards;
- Randall Watson, Kansas Commissioner of Education; and
- Mike O'Neal, President and CEO, Kansas Chamber.

The individuals questioned by Mr. Crouse responded to additional questions and comments from the Legislative Budget Committee members.

A Comprehensive Analysis of the Kansas Supreme Court Opinion in *Gannon v. State*, issued February 11, 2016, by Gordon L. Self, Revisor of Statutes, and Tamera Lawrence and Nick Myers, Assistant Revisors of Statutes, was distributed to the Committee ([Attachment 2](#)).

The transcript of proceedings of the Joint Legislative Budget Committee Hearing, recorded by Lora Appino, Certified Court Reporter, was distributed to the Legislative Budget Committee members, House Appropriations Committee members, Senate Ways and Means Committee members, and staff on March 23, 2016 ([Attachment 3](#)).

The meeting adjourned at 3:10 p.m.

Prepared by Dee Heideman and Kathy Holscher

Approved by the Committee on:

April 21, 2016

(Date)

USD#	County Name	USD Name	2015-16		2013-14		2016-17 Block Grant Cap Outlay State Aid	2016-17 Est. HB 2731 Cap Outlay State Aid	Difference
			Est.	AVPP	AVPP	Rank Trend			
			Rank	Rank					
			SY 16-17	SY 14-16					
244	Coffey	Burlington	1	1	-	0	0	0	0
332	Kingman	Cunningham	2	4	↑	2	0	0	0
275	Logan	Triplains	3	9	↑	6	0	0	0
106	Ness	Western Plains	4	5	↑	1	0	0	0
255	Barber	South Barber	5	3	↓	(2)	0	0	0
321	Pottawatomie	Kaw Valley	6	10	↑	4	0	0	0
291	Gove	Grinnell Public Schools	7	27	↑	20	0	0	0
209	Stevens	Moscow Public Schools	8	8	-	0	0	0	0
507	Haskell	Satanta	9	2	↓	(7)	0	0	0
251	Lyon	North Lyon County	10	40	↑	30	0	0	0
269	Rooks	Palco	11	6	↓	(5)	0	0	0
217	Morton	Rolla	12	7	↓	(5)	0	0	0
103	Cheyenne	Cheylin	13	37	↑	24	0	0	0
476	Gray	Copeland	14	38	↑	24	0	0	0
399	Russell	Paradise	15	11	↓	(4)	0	0	0
387	Wilson	Altoona-Midway	16	68	↑	52	0	0	0
241	Wallace	Wallace County Schools	17	42	↑	25	0	0	0
362	Linn	Prairie View	18	29	↑	11	0	0	0
474	Kiowa	Haviland	19	23	↑	4	0	0	0
111	Doniphan	Doniphan West Schools	20	32	↑	12	0	0	0
351	Stafford	Macksville	21	43	↑	22	0	0	0
112	Ellsworth	Central Plains	22	16	↓	(6)	0	0	0
482	Lane	Dighton	23	15	↓	(8)	0	0	0
502	Edwards	Lewis	24	31	↑	7	0	0	0
468	Lane	Healy Public Schools	25	14	↓	(11)	0	0	0
374	Haskell	Sublette	26	13	↓	(13)	0	0	0
292	Gove	Wheatland	27	34	↑	7	0	0	0
216	Kearny	Deerfield	28	20	↓	(8)	0	0	0
226	Meade	Meade	29	47	↑	18	0	0	0
444	Rice	Little River	30	54	↑	24	0	0	0
215	Kearny	Lakin	31	19	↓	(12)	0	0	0
452	Stanton	Stanton County	32	21	↓	(11)	0	0	0
300	Comanche	Comanche County	33	12	↓	(21)	0	0	0
107	Jewell	Rock Hills	34	60	↑	26	0	0	0
310	Reno	Fairfield	35	44	↑	9	0	0	0
294	Decatur	Oberlin	36	66	↑	30	0	0	0
422	Kiowa	Kiowa County	37	24	↓	(13)	0	0	0
303	Ness	Ness City	38	18	↓	(20)	0	0	0
227	Hodgeman	Hodgeman County Schools	39	28	↓	(11)	0	0	0
254	Barber	Barber County North	40	46	↑	6	0	0	0
284	Chase	Chase County	41	55	↑	14	0	0	0
363	Finney	Holcomb	42	22	↓	(20)	0	0	0
274	Logan	Oakley	43	25	↓	(18)	0	0	0
459	Ford	Bucklin	44	30	↓	(14)	0	0	0
361	Harper	Anthony-Harper	45	61	↑	16	0	0	0
314	Thomas	Brewster	46	52	↑	6	0	0	0
299	Lincoln	Sylvan Grove	47	81	↑	34	0	0	0
401	Rice	Chase-Raymond	48	39	↓	(9)	0	0	0
200	Greeley	Greeley County Schools	49	41	↓	(8)	0	0	0
229	Johnson	Blue Valley	50	62	↑	12	0	0	0
281	Graham	Graham County	51	35	↓	(16)	0	0	0
256	Allen	Marmaton Valley	52	175	↑	123	0	0	0
115	Nemaha	Nemaha Central	53	57	↑	4	0	0	0
208	Trego	Wakeeney	54	49	↓	(5)	0	0	0
210	Stevens	Hugoton Public Schools	55	26	↓	(29)	0	0	0
220	Clark	Ashland	56	36	↓	(20)	0	0	0
423	McPherson	Moundridge	57	76	↑	19	0	0	0
390	Greenwood	Hamilton	58	58	-	0	0	0	0
225	Meade	Fowler	59	87	↑	28	0	0	0
512	Johnson	Shawnee Mission Pub Sch	60	63	↑	3	0	0	0
364	Marshall	Marysville	61	73	↑	12	0	0	0
283	Elk	Elk Valley	62	122	↑	60	0	0	0
223	Washington	Barnes	63	92	↑	29	0	0	0
412	Sheridan	Hoxie Community Schools	64	69	↑	5	0	0	0
245	Coffey	LeRoy-Gridley	65	53	↓	(12)	0	0	0
415	Brown	Hiawatha	66	71	↑	5	0	0	0
467	Wichita	Leoti	67	83	↑	16	0	0	0
242	Wallace	Weskan	68	64	↓	(4)	0	0	0
403	Rush	Otis-Bison	69	48	↓	(21)	0	0	0

USD#	County Name	USD Name	Est.		Rank	Trend	2016-17	2016-17 Est.	Difference
			AVPP	AVPP			Block Grant	HB 2731	
			SY 16-17	SY 14-16			Cap Outlay	Cap Outlay	
							State Aid	State Aid	
384	Riley	Blue Valley	70	75	↑	5	0	0	0
346	Linn	Jayhawk	71	158	↑	87	27,233	0	(27,233)
334	Cloud	Southern Cloud	72	90	↑	18	0	0	0
483	Seward	Kismet-Plains	73	50	↓	(23)	0	0	0
481	Dickinson	Rural Vista	74	89	↑	15	0	0	0
496	Pawnee	Pawnee Heights	75	99	↑	24	0	0	0
271	Rooks	Stockton	76	74	↓	(2)	0	0	0
383	Riley	Manhattan-Ogden	77	80	↑	3	0	0	0
214	Grant	Ulysses	78	45	↓	(33)	0	0	0
489	Ellis	Hays	79	65	↓	(14)	0	0	0
432	Ellis	Victoria	80	33	↓	(47)	0	0	0
297	Cheyenne	St Francis Comm Sch	81	78	↓	(3)	0	0	0
350	Stafford	St John-Hudson	82	51	↓	(31)	0	0	0
270	Rooks	Plainville	83	17	↓	(66)	0	0	0
306	Saline	Southeast Of Saline	84	84	-	0	0	0	0
326	Phillips	Logan	85	70	↓	(15)	0	0	0
272	Mitchell	Waconda	86	101	↑	15	0	0	0
398	Marion	Peabody-Burns	87	86	↓	(1)	0	0	0
219	Clark	Minneola	88	77	↓	(11)	0	0	0
109	Republic	Republic County	89	98	↑	9	0	0	0
298	Lincoln	Lincoln	90	135	↑	45	13,456	2,694	(10,762)
108	Washington	Washington Co. Schools	91	94	↑	3	0	3,908	3,908
105	Rawlins	Rawlins County	92	111	↑	19	0	5,221	5,221
377	Atchison	Atchison Co Comm Schools	93	112	↑	19	0	4,289	4,289
466	Scott	Scott County	94	72	↓	(22)	0	21,880	21,880
329	Wabaunsee	Mill Creek Valley	95	109	↑	14	0	9,206	9,206
359	Sumner	Argonia Public Schools	96	97	↑	1	0	0	0
375	Butler	Circle	97	82	↓	(15)	0	72,089	72,089
224	Washington	Clifton-Clyde	98	100	↑	2	0	0	0
477	Gray	Ingalls	99	59	↓	(40)	0	7,671	7,671
395	Rush	LaCrosse	100	91	↓	(9)	0	7,025	7,025
315	Thomas	Colby Public Schools	101	114	↑	13	0	44,730	44,730
110	Phillips	Thunder Ridge Schools	102	134	↑	32	9,750	10,987	1,237
419	McPherson	Canton-Galva	103	102	↓	(1)	0	13,823	13,823
479	Anderson	Crest	104	131	↑	27	0	0	0
426	Republic	Pike Valley	105	121	↑	16	2,039	10,653	8,614
497	Douglas	Lawrence	106	93	↓	(13)	0	656,309	656,309
448	McPherson	Inman	107	108	↑	1	0	24,032	24,032
206	Butler	Remington-Whitewater	108	105	↓	(3)	0	23,597	23,597
418	McPherson	McPherson	109	106	↓	(3)	0	148,145	148,145
392	Osborne	Osborne County	110	113	↑	3	0	19,440	19,440
237	Smith	Smith Center	111	128	↑	17	13,826	25,794	11,968
490	Butler	El Dorado	112	96	↓	(16)	0	78,638	78,638
349	Stafford	Stafford	113	125	↑	12	3,432	9,769	6,337
203	Wyandotte	Piper-Kansas City	114	95	↓	(19)	0	162,149	162,149
352	Sherman	Goodland	115	146	↑	31	35,149	12,447	(22,702)
407	Russell	Russell County	116	56	↓	(60)	0	70,624	70,624
212	Norton	Northern Valley	117	115	↓	(2)	0	14,466	14,466
113	Nemaha	Prairie Hills	118	116	↓	(2)	0	72,950	72,950
494	Hamilton	Syracuse	119	85	↓	(34)	0	35,806	35,806
371	Gray	Montezuma	120	118	↓	(2)	1,778	11,333	9,554
511	Harper	Attica	121	88	↓	(33)	0	11,276	11,276
417	Morris	Morris County	122	107	↓	(15)	0	56,732	56,732
316	Thomas	Golden Plains	123	150	↑	27	0	0	0
343	Jefferson	Perry Public Schools	124	123	↓	(1)	17,225	40,849	23,623
393	Dickinson	Solomon	125	139	↑	14	11,915	34,489	22,574
438	Pratt	Skyline Schools	126	126	-	0	14,696	45,804	31,108
347	Edwards	Kinsley-Offerte	127	117	↓	(10)	0	37,583	37,583
312	Reno	Haven Public Schools	128	129	↑	1	32,469	98,997	66,528
382	Pratt	Pratt	129	130	↑	1	29,554	138,819	109,265
330	Wabaunsee	Mission Valley	130	120	↓	(10)	5,565	58,078	52,513
445	Montgomery	Coffeyville	131	119	↓	(12)	6,183	61,434	55,251
437	Shawnee	Auburn Washburn	132	110	↓	(22)	0	776,699	776,699
293	Gove	Quinter Public Schools	133	104	↓	(29)	0	36,505	36,505
327	Ellsworth	Ellsworth	134	143	↑	9	20,481	51,899	31,417
273	Mitchell	Beloit	135	136	↑	1	29,926	106,648	76,722
252	Lyon	Southern Lyon County	136	127	↓	(9)	18,344	68,601	50,257
102	Gray	Cimmaron-Ensign	137	159	↑	22	25,019	43,286	18,267
360	Sumner	Caldwell	138	162	↑	24	21,598	32,370	10,773
492	Butler	Flinthills	139	170	↑	31	11,825	17,450	5,625

USD#	County Name	USD Name	Est.		Rank Trend	2016-17	2016-17 Est.	Difference
			AVPP Rank	AVPP Rank		Block Grant Cap Outlay State Aid	HB 2731 Cap Outlay State Aid	
			SY 16-17	SY 14-16				
456	Osage	Marais Des Cygnes Valley	140	181	↑ 41	0	0	0
311	Reno	Pretty Prairie	141	171	↑ 30	23,022	35,886	12,863
355	Barton	Ellinwood Public Schools	142	67	↓ (75)	0	45,148	45,148
322	Pottawatomie	Onaga-Havensville-Wheaton	143	152	↑ 9	9,823	41,063	31,240
388	Ellis	Ellis	144	79	↓ (65)	0	63,307	63,307
381	Ford	Spearville	145	151	↑ 6	0	13,053	13,053
473	Dickinson	Chapman	146	140	↓ (6)	26,025	8,589	(17,436)
386	Greenwood	Madison-Virgil	147	144	↓ (3)	6,477	16,638	10,160
287	Franklin	West Franklin	148	145	↓ (3)	31,013	87,644	56,631
365	Anderson	Garnett	149	167	↑ 18	70,047	152,178	82,131
313	Reno	Buhler	150	138	↓ (12)	98,157	336,475	238,318
436	Montgomery	Caney Valley	151	241	↑ 90	86,154	108,212	22,058
380	Marshall	Vermillion	152	186	↑ 34	54,508	84,999	30,491
243	Coffey	Lebo-Waverly	153	193	↑ 40	24,589	33,057	8,467
378	Riley	Riley County	154	176	↑ 22	61,430	107,003	45,573
233	Johnson	Olathe	155	163	↑ 8	2,160,845	2,717,863	557,018
410	Marion	Durham-Hillsboro-Lehigh	156	148	↓ (8)	28,518	87,199	58,680
205	Butler	Bluestem	157	137	↓ (20)	22,255	79,868	57,613
331	Kingman	Kingman - Norwich	158	124	↓ (34)	19,038	132,537	113,499
429	Doniphan	Troy Public Schools	159	174	↑ 15	8,758	22,303	13,545
368	Miami	Paola	160	141	↓ (19)	93,298	325,197	231,900
416	Miami	Louisburg	161	147	↓ (14)	88,919	238,629	149,710
366	Woodson	Woodson	162	133	↓ (29)	15,459	18,107	2,648
211	Norton	Norton Community Schools	163	173	↑ 10	41,505	77,929	36,424
463	Cowley	Udall	164	198	↑ 34	26,797	41,485	14,687
101	Neosho	Erie-Galesburg	165	153	↓ (12)	0	42,938	42,938
369	Harvey	Burrton	166	103	↓ (63)	0	40,259	40,259
342	Jefferson	McLouth	167	172	↑ 5	25,106	47,387	22,281
493	Cherokee	Columbus	168	177	↑ 9	42,630	77,386	34,756
400	McPherson	Smoky Valley	169	156	↓ (13)	63,675	173,780	110,105
263	Sedgwick	Mulvane	170	132	↓ (38)	44,650	291,220	246,570
495	Pawnee	Ft Larned	171	188	↑ 17	92,311	18,064	(74,248)
289	Franklin	Wellsville	172	166	↓ (6)	58,134	130,043	71,910
232	Johnson	De Soto	173	180	↑ 7	664,094	1,159,574	495,480
484	Wilson	Fredonia	174	154	↓ (20)	12,342	32,531	20,189
309	Reno	Nickerson	175	165	↓ (10)	41,027	95,215	54,188
258	Allen	Humboldt	176	256	↑ 80	89,669	149,241	59,573
408	Marion	Marion-Florence	177	164	↓ (13)	0	0	0
204	Wyandotte	Bonner Springs	178	157	↓ (21)	177,019	458,162	281,143
345	Shawnee	Seaman	179	168	↓ (11)	288,969	643,720	354,751
267	Sedgwick	Renwick	180	179	↓ (1)	168,125	322,233	154,108
305	Saline	Salina	181	160	↓ (21)	368,231	929,079	560,848
379	Clay	Clay Center	182	187	↑ 5	90,182	11,521	(78,661)
239	Ottawa	North Ottawa County	183	189	↑ 6	29,753	0	(29,753)
247	Crawford	Cherokee	184	228	↑ 44	75,423	91,292	15,868
260	Sedgwick	Derby	185	161	↓ (24)	356,936	1,179,040	822,104
449	Leavenworth	Easton	186	196	↑ 10	41,201	69,500	28,299
282	Elk	West Elk	187	155	↓ (32)	10,333	31,295	20,962
446	Montgomery	Independence	188	203	↑ 15	102,648	172,924	70,276
348	Douglas	Baldwin City	189	183	↓ (6)	122,900	242,967	120,067
240	Ottawa	Twin Valley	190	216	↑ 26	50,706	80,374	29,667
440	Harvey	Halstead	191	212	↑ 21	42,674	67,614	24,940
450	Shawnee	Shawnee Heights	192	192	- 0	339,149	646,908	307,760
460	Harvey	Hesston	193	208	↑ 15	71,097	117,413	46,316
458	Leavenworth	Basehor-Linwood	194	190	↓ (4)	213,193	396,357	183,164
307	Saline	El-Saline	195	246	↑ 51	29,531	63,303	33,772
266	Sedgwick	Maize	196	194	↓ (2)	690,194	1,319,320	629,126
320	Pottawatomie	Warnego	197	200	↑ 3	77,634	139,422	61,788
259	Sedgwick	Wichita	198	191	↓ (7)	4,559,453	9,068,209	4,508,756
498	Marshall	Valley Heights	199	229	↑ 30	47,026	71,991	24,965
335	Jackson	North Jackson	200	236	↑ 36	39,144	42,867	3,723
431	Barton	Hoisington	201	142	↓ (59)	19,512	68,397	48,885
430	Brown	South Brown County	202	238	↑ 36	0	39,756	39,756
376	Rice	Sterling	203	205	↑ 2	49,431	98,620	49,189
389	Greenwood	Eureka	204	221	↑ 17	69,851	80,167	10,316
411	Marion	Goessel	205	225	↑ 20	16,107	25,521	9,414
323	Pottawatomie	Rock Creek	206	197	↓ (9)	0	0	0
333	Cloud	Concordia	207	217	↑ 10	110,505	178,352	67,847
264	Sedgwick	Clearwater	208	199	↓ (9)	119,984	219,224	99,239
385	Butler	Andover	209	219	↑ 10	644,036	1,089,605	445,569

USD#	County Name	USD Name	Est.		Rank Trend	2016-17	2016-17 Est.	Difference	
			AVPP Rank	AVPP Rank		Block Grant Cap Outlay State Aid	HB 2731 Cap Outlay State Aid		
114	Doniphan	Riverside	210	201	↓	(9)	0	0	0
471	Cowley	Dexter	211	202	↓	(9)	0	16,970	16,970
464	Leavenworth	Tonganoxie	212	206	↓	(6)	185,699	158,702	(26,998)
465	Cowley	Winfield	213	231	↑	18	255,897	420,523	164,626
286	Chautauqua	Chautauqua Co Community	214	149	↓	(65)	2,553	8,948	6,395
453	Leavenworth	Leavenworth	215	204	↓	(11)	381,495	608,370	226,875
397	Marion	Centre	216	182	↓	(34)	22,852	67,958	45,106
435	Dickinson	Abilene	217	207	↓	(10)	123,585	301,958	178,373
462	Cowley	Central	218	244	↑	26	37,511	54,791	17,280
461	Wilson	Neodesha	219	263	↑	44	84,600	130,931	46,331
290	Franklin	Ottawa	220	213	↓	(7)	254,826	454,259	199,433
421	Osage	Lyndon	221	223	↑	2	17,907	47,899	29,991
413	Neosho	Chanute Public Schools	222	185	↓	(37)	133,967	336,929	202,962
434	Osage	Santa Fe Trail	223	222	↓	(1)	109,643	144,313	34,670
428	Barton	Great Bend	224	215	↓	(9)	156,868	285,968	129,100
344	Linn	Pleasanton	225	269	↑	44	21,874	40,501	18,628
404	Cherokee	Riverton	226	214	↓	(12)	58,144	51,688	(6,456)
409	Atchison	Atchison Public Schools	227	210	↓	(17)	83,380	195,544	112,164
341	Jefferson	Oskaloosa Public Schools	228	220	↓	(8)	43,504	52,794	9,290
285	Chautauqua	Cedar Vale	229	184	↓	(45)	0	0	0
325	Phillips	Phillipsburg	230	218	↓	(12)	40,520	72,670	32,150
372	Shawnee	Silver Lake	231	239	↑	8	81,430	127,261	45,831
231	Johnson	Gardner Edgerton	232	234	↑	2	514,559	1,046,932	532,373
338	Jefferson	Valley Falls	233	252	↑	19	46,608	69,675	23,067
250	Crawford	Pittsburg	234	211	↓	(23)	152,274	282,593	130,319
288	Franklin	Central Heights	235	240	↑	5	0	39,054	39,054
373	Harvey	Newton	236	242	↑	6	409,929	646,089	236,161
230	Johnson	Spring Hill	237	224	↓	(13)	0	0	0
469	Leavenworth	Lansing	238	227	↓	(11)	141,162	250,309	109,147
405	Rice	Lyons	239	209	↓	(30)	39,970	110,811	70,841
509	Sumner	South Haven	240	169	↓	(71)	13,429	23,094	9,665
218	Morton	Elkhart	241	178	↓	(63)	48,441	200,011	151,571
265	Sedgwick	Goddard	242	230	↓	(12)	594,826	1,012,220	417,394
340	Jefferson	Jefferson West	243	233	↓	(10)	95,937	159,209	63,272
339	Jefferson	Jefferson County North	244	254	↑	10	38,311	58,382	20,071
501	Shawnee	Topeka Public Schools	245	232	↓	(13)	1,472,726	2,302,250	829,524
356	Sumner	Conway Springs	246	249	↑	3	37,717	87,129	49,413
308	Reno	Hutchinson Public Schools	247	247	-	0	289,370	452,516	163,146
457	Finney	Garden City	248	226	↓	(22)	415,641	708,679	293,038
262	Sedgwick	Valley Center Pub Sch	249	237	↓	(12)	252,117	428,987	176,871
487	Dickinson	Herington	250	235	↓	(15)	0	0	0
420	Osage	Osage City	251	243	↓	(8)	36,709	60,862	24,153
353	Sumner	Wellington	252	255	↑	3	122,956	287,409	164,453
503	Labette	Parsons	253	245	↓	(8)	71,150	115,449	44,300
367	Miami	Osawatomie	254	258	↑	4	134,155	212,830	78,675
234	Bourbon	Fort Scott	255	248	↓	(7)	180,299	151,981	(28,319)
268	Sedgwick	Cheney	256	250	↓	(6)	88,837	138,289	49,452
394	Butler	Rose Hill Public Schools	257	257	-	0	195,754	300,351	104,596
257	Allen	Iola	258	251	↓	(7)	147,316	236,637	89,321
246	Crawford	Northeast	259	268	↑	9	0	43,287	43,287
396	Butler	Douglass Public Schools	260	261	↑	1	79,963	127,507	47,544
253	Lyon	Emporia	261	253	↓	(8)	256,673	814,574	557,901
336	Jackson	Holton	262	264	↑	2	136,143	202,063	65,919
454	Osage	Burlingame Public School	263	265	↑	2	0	0	0
402	Butler	Augusta	264	260	↓	(4)	193,264	386,493	193,229
439	Harvey	Sedgwick Public Schools	265	275	↑	10	29,583	42,183	12,600
358	Sumner	Oxford	266	195	↓	(71)	33,171	79,127	45,956
337	Jackson	Royal Valley	267	277	↑	10	104,938	146,888	41,950
357	Sumner	Belle Plaine	268	267	↓	(1)	71,843	110,737	38,894
248	Crawford	Girard	269	266	↓	(3)	58,696	89,489	30,793
506	Labette	Labette County	270	270	-	0	177,087	269,011	91,923
491	Douglas	Eudora	271	262	↓	(9)	185,948	295,775	109,827
505	Labette	Chetopa-St. Paul	272	274	↑	2	53,650	78,061	24,411
235	Bourbon	Uniontown	273	273	-	0	0	0	0
480	Seward	Liberal	274	259	↓	(15)	0	0	0
443	Ford	Dodge City	275	271	↓	(4)	718,919	1,138,322	419,403
500	Wyandotte	Kansas City	276	272	↓	(4)	2,307,706	3,569,864	1,262,158
470	Cowley	Arkansas City	277	276	↓	(1)	211,203	262,711	51,508
202	Wyandotte	Turner-Kansas City	278	278	-	0	435,156	654,137	218,981
249	Crawford	Frontenac Public Schools	279	279	-	0	48,335	70,177	21,842

USD#	County Name	USD Name	Est.		Rank Trend	2016-17	2016-17 Est.	Difference
			AVPP Rank	AVPP Rank		Block Grant Cap Outlay	HB 2731 Cap Outlay	
			SY 16-17	SY 14-16		State Aid	State Aid	
475	Geary	Geary County Schools	280	283	↑ 3	421,447	266,846	(154,601)
447	Montgomery	Cherryvale	281	280	↓ (1)	0	44,627	44,627
504	Labette	Oswego	282	282	- 0	50,494	68,205	17,712
261	Sedgwick	Haysville	283	281	↓ (2)	544,649	519,987	(24,663)
508	Cherokee	Baxter Springs	284	284	- 0	25,900	109,223	83,323
499	Cherokee	Galena	285	285	- 0	0	26,348	26,348
207	Leavenworth	Ft Leavenworth	286	286	- 0	6,553	9,576	3,023
						27,290,456	50,780,296	23,489,840

USD#	County Name	USD Name	2015-16		2013-14		Rank Trend	2016-17	2016-17 Est.	Difference
			Est.	AVPP	AVPP	Block Grant		HB 2731		
			Rank	Rank	Rank	LOB		Est LOB		
			SY 16-17	SY 14-16	Rank	State Aid		State Aid		
244	Coffey	Burlington	1	1	-	0	0	0	0	
332	Kingman	Cunningham	2	4	↑	2	0	0	0	
275	Logan	Triplains	3	9	↑	6	0	0	0	
106	Ness	Western Plains	4	5	↑	1	0	0	0	
255	Barber	South Barber	5	3	↓	(2)	0	0	0	
321	Pottawatomie	Kaw Valley	6	10	↑	4	0	0	0	
291	Gove	Grinnell Public Schools	7	27	↑	20	0	0	0	
209	Stevens	Moscow Public Schools	8	8	-	0	0	0	0	
507	Haskell	Satanta	9	2	↓	(7)	0	0	0	
251	Lyon	North Lyon County	10	40	↑	30	0	0	0	
269	Rooks	Palco	11	6	↓	(5)	0	0	0	
217	Morton	Rolla	12	7	↓	(5)	0	0	0	
103	Cheyenne	Cheylin	13	37	↑	24	0	0	0	
476	Gray	Copeland	14	38	↑	24	0	0	0	
399	Russell	Paradise	15	11	↓	(4)	0	0	0	
387	Wilson	Altoona-Midway	16	68	↑	52	39,888	0	(39,888)	
241	Wallace	Wallace County Schools	17	42	↑	25	0	0	0	
362	Linn	Prairie View	18	29	↑	11	0	0	0	
474	Kiowa	Haviland	19	23	↑	4	0	0	0	
111	Doniphan	Doniphan West Schools	20	32	↑	12	0	0	0	
351	Stafford	Macksville	21	43	↑	22	0	0	0	
112	Ellsworth	Central Plains	22	16	↓	(6)	0	0	0	
482	Lane	Dighton	23	15	↓	(8)	0	0	0	
502	Edwards	Lewis	24	31	↑	7	0	0	0	
468	Lane	Healy Public Schools	25	14	↓	(11)	0	0	0	
374	Haskell	Sublette	26	13	↓	(13)	0	0	0	
292	Gove	Wheatland	27	34	↑	7	0	0	0	
216	Kearny	Deerfield	28	20	↓	(8)	0	0	0	
226	Meade	Meade	29	47	↑	18	0	0	0	
444	Rice	Little River	30	54	↑	24	0	0	0	
215	Kearny	Lakin	31	19	↓	(12)	0	0	0	
452	Stanton	Stanton County	32	21	↓	(11)	0	0	0	
300	Comanche	Comanche County	33	12	↓	(21)	0	0	0	
107	Jewell	Rock Hills	34	60	↑	26	21,459	0	(21,459)	
310	Reno	Fairfield	35	44	↑	9	0	0	0	
294	Decatur	Oberlin	36	66	↑	30	49,926	0	(49,926)	
422	Kiowa	Kiowa County	37	24	↓	(13)	0	0	0	
303	Ness	Ness City	38	18	↓	(20)	0	0	0	
227	Hodgeman	Hodgeman County Schools	39	28	↓	(11)	0	0	0	
254	Barber	Barber County North	40	46	↑	6	0	0	0	
284	Chase	Chase County	41	55	↑	14	4,647	0	(4,647)	
363	Finney	Holcomb	42	22	↓	(20)	0	0	0	
274	Logan	Oakley	43	25	↓	(18)	0	0	0	
459	Ford	Bucklin	44	30	↓	(14)	0	0	0	
361	Harper	Anthony-Harper	45	61	↑	16	80,374	0	(80,374)	
314	Thomas	Brewster	46	52	↑	6	0	0	0	
299	Lincoln	Sylvan Grove	47	81	↑	34	72,558	0	(72,558)	
401	Rice	Chase-Raymond	48	39	↓	(9)	0	0	0	
200	Greeley	Greeley County Schools	49	41	↓	(8)	0	0	0	
229	Johnson	Blue Valley	50	62	↑	12	2,407,372	0	(2,407,372)	
281	Graham	Graham County	51	35	↓	(16)	0	0	0	
256	Allen	Marmaton Valley	52	175	↑	123	400,146	0	(400,146)	
115	Nemaha	Nemaha Central	53	57	↑	4	15,619	0	(15,619)	
208	Trego	Wakeeney	54	49	↓	(5)	0	0	0	
210	Stevens	Hugoton Public Schools	55	26	↓	(29)	0	1,168	1,168	
220	Clark	Ashland	56	36	↓	(20)	0	1,352	1,352	
423	McPherson	Moundridge	57	76	↑	19	121,534	12,765	(108,769)	
390	Greenwood	Hamilton	58	58	-	0	7,136	4,239	(2,897)	
225	Meade	Fowler	59	87	↑	28	89,000	12,572	(76,428)	
512	Johnson	Shawnee Mission Pub Sch	60	63	↑	3	3,040,285	1,302,779	(1,737,506)	
364	Marshall	Marysville	61	73	↑	12	173,754	41,506	(132,249)	
283	Elk	Elk Valley	62	122	↑	60	156,179	14,466	(141,713)	
223	Washington	Barnes	63	92	↑	29	175,837	35,584	(140,253)	
412	Sheridan	Hoxie Community Schools	64	69	↑	5	64,249	52,652	(11,597)	
245	Coffey	LeRoy-Gridley	65	53	↓	(12)	0	44,381	44,381	
415	Brown	Hiawatha	66	71	↑	5	197,162	138,248	(58,914)	
467	Wichita	Leoti	67	83	↑	16	157,678	88,016	(69,661)	
242	Wallace	Weskan	68	64	↓	(4)	17,107	28,613	11,506	

USD#	County Name	USD Name	Est.			2016-17	2016-17 Est.	Difference
			AVPP Rank	AVPP Rank	Rank Trend	Block Grant LOB	HB 2731 Est LOB	
			SY 16-17	SY 14-16		State Aid	State Aid	
403	Rush	Otis-Bison	69	48	↓ (21)	0	57,129	57,129
384	Riley	Blue Valley	70	75	↑ 5	62,896	55,997	(6,899)
346	Linn	Jayhawk	71	158	↑ 87	660,809	147,908	(512,901)
334	Cloud	Southern Cloud	72	90	↑ 18	119,683	70,636	(49,047)
483	Seward	Kismet-Plains	73	50	↓ (23)	0	161,412	161,412
481	Dickinson	Rural Vista	74	89	↑ 15	141,353	109,052	(32,301)
496	Pawnee	Pawnee Heights	75	99	↑ 24	85,280	54,331	(30,949)
271	Rooks	Stockton	76	74	↓ (2)	80,629	108,078	27,449
383	Riley	Manhattan-Ogden	77	80	↑ 3	1,536,205	1,762,663	226,458
214	Grant	Ulysses	78	45	↓ (33)	0	487,259	487,259
489	Ellis	Hays	79	65	↓ (14)	317,906	805,864	487,958
432	Ellis	Victoria	80	33	↓ (47)	0	103,522	103,522
297	Cheyenne	St Francis Comm Sch	81	78	↓ (3)	92,022	112,944	20,922
350	Stafford	St John-Hudson	82	51	↓ (31)	0	148,413	148,413
270	Rooks	Plainville	83	17	↓ (66)	0	146,454	146,454
306	Saline	Southeast Of Saline	84	84	- 0	255,415	275,828	20,414
326	Phillips	Logan	85	70	↓ (15)	46,844	93,307	46,463
272	Mitchell	Waconda	86	101	↑ 15	197,983	144,171	(53,812)
398	Marion	Peabody-Burns	87	86	↓ (1)	125,290	156,003	30,713
219	Clark	Minneola	88	77	↓ (11)	84,689	124,388	39,699
109	Republic	Republic County	89	98	↑ 9	241,846	224,052	(17,794)
298	Lincoln	Lincoln	90	135	↑ 45	337,105	185,827	(151,278)
108	Washington	Washington Co. Schools	91	94	↑ 3	186,292	191,376	5,085
105	Rawlins	Rawlins County	92	111	↑ 19	237,401	177,092	(60,309)
377	Atchison	Atchison Co Comm Schools	93	112	↑ 19	468,385	325,758	(142,627)
466	Scott	Scott County	94	72	↓ (22)	197,992	416,125	218,133
329	Wabaunsee	Mill Creek Valley	95	109	↑ 14	341,464	260,902	(80,562)
359	Sumner	Argonia Public Schools	96	97	↑ 1	94,331	104,965	10,634
375	Butler	Circle	97	82	↓ (15)	471,561	759,907	288,346
224	Washington	Clifton-Clyde	98	100	↑ 2	166,479	168,058	1,579
477	Gray	Ingalls	99	59	↓ (40)	16,257	152,614	136,357
395	Rush	LaCrosse	100	91	↓ (9)	137,782	179,129	41,347
315	Thomas	Colby Public Schools	101	114	↑ 13	610,224	508,419	(101,805)
110	Phillips	Thunder Ridge Schools	102	134	↑ 32	258,803	181,685	(77,117)
419	McPherson	Canton-Galva	103	102	↓ (1)	268,640	272,857	4,217
479	Anderson	Crest	104	131	↑ 27	147,541	130,022	(17,519)
426	Republic	Pike Valley	105	121	↑ 16	206,973	168,788	(38,185)
497	Douglas	Lawrence	106	93	↓ (13)	4,241,179	5,737,769	1,496,590
448	McPherson	Inman	107	108	↑ 1	316,169	295,090	(21,078)
206	Butler	Remington-Whitewater	108	105	↓ (3)	322,369	332,931	10,562
418	McPherson	McPherson	109	106	↓ (3)	1,141,453	1,271,123	129,670
392	Osborne	Osborne County	110	113	↑ 3	234,927	215,967	(18,960)
237	Smith	Smith Center	111	128	↑ 17	395,743	317,364	(78,380)
490	Butler	El Dorado	112	96	↓ (16)	769,403	1,136,469	367,066
349	Stafford	Stafford	113	125	↑ 12	234,369	205,664	(28,705)
203	Wyandotte	Piper-Kansas City	114	95	↓ (19)	716,273	1,038,363	322,090
352	Sherman	Goodland	115	146	↑ 31	857,589	672,462	(185,127)
407	Russell	Russell County	116	56	↓ (60)	17,107	593,219	576,112
212	Norton	Northern Valley	117	115	↓ (2)	165,709	166,785	1,076
113	Nemaha	Prairie Hills	118	116	↓ (2)	706,679	711,156	4,477
494	Hamilton	Syracuse	119	85	↓ (34)	214,295	412,244	197,949
371	Gray	Montezuma	120	118	↓ (2)	204,764	207,318	2,554
511	Harper	Attica	121	88	↓ (33)	74,731	146,804	72,073
417	Morris	Morris County	122	107	↓ (15)	449,981	545,060	95,080
316	Thomas	Golden Plains	123	150	↑ 27	268,160	205,344	(62,815)
343	Jefferson	Perry Public Schools	124	123	↓ (1)	633,229	649,974	16,745
393	Dickinson	Solomon	125	139	↑ 14	303,448	283,071	(20,377)
438	Pratt	Skyline Schools	126	126	- 0	375,638	350,100	(25,538)
347	Edwards	Kinsley-Offerle	127	117	↓ (10)	297,329	336,325	38,995
312	Reno	Haven Public Schools	128	129	↑ 1	788,533	740,833	(47,699)
382	Pratt	Pratt	129	130	↑ 1	869,827	872,490	2,663
330	Wabaunsee	Mission Valley	130	120	↓ (10)	409,804	465,717	55,913
445	Montgomery	Coffeyville	131	119	↓ (12)	1,179,012	1,362,902	183,890
437	Shawnee	Auburn Washburn	132	110	↓ (22)	3,061,829	4,122,936	1,061,106
293	Gove	Quinter Public Schools	133	104	↓ (29)	205,974	310,576	104,602
327	Ellsworth	Ellsworth	134	143	↑ 9	527,985	542,941	14,956
273	Mitchell	Beloit	135	136	↑ 1	632,890	685,585	52,695
252	Lyon	Southern Lyon County	136	127	↓ (9)	444,165	497,153	52,988
102	Gray	Cimmaron-Ensign	137	159	↑ 22	612,781	524,976	(87,804)
360	Sumner	Caldwell	138	162	↑ 24	321,387	285,437	(35,950)

USD#	County Name	USD Name	Est.			2016-17	2016-17 Est.	Difference
			AVPP Rank	AVPP Rank	Rank Trend	Block Grant LOB	HB 2731 Est LOB	
			SY 16-17	SY 14-16		State Aid	State Aid	
492	Butler	Flinthilis	139	170	↑ 31	344,947	280,851	(64,096)
456	Osage	Marais Des Cygnes Valley	140	181	↑ 41	316,679	252,085	(64,595)
311	Reno	Pretty Prairie	141	171	↑ 30	347,846	288,137	(59,709)
355	Barton	Ellinwood Public Schools	142	67	↓ (75)	71,263	414,719	343,455
322	Pottawatomie	Onaga-Havensville-Wheaton	143	152	↑ 9	346,894	319,664	(27,230)
388	Ellis	Ellis	144	79	↓ (65)	128,881	330,090	201,209
381	Ford	Spearville	145	151	↑ 6	362,981	345,555	(17,426)
473	Dickinson	Chapman	146	140	↓ (6)	870,302	967,837	97,535
386	Greenwood	Madison-Virgil	147	144	↓ (3)	259,297	262,673	3,376
287	Franklin	West Franklin	148	145	↓ (3)	604,893	674,676	69,784
365	Anderson	Garnett	149	167	↑ 18	1,100,708	999,065	(101,643)
313	Reno	Buhler	150	138	↓ (12)	1,578,518	1,858,180	279,662
436	Montgomery	Caney Valley	151	241	↑ 90	718,988	694,695	(24,293)
380	Marshall	Vermillion	152	186	↑ 34	641,680	552,851	(88,829)
243	Coffey	Lebo-Waverly	153	193	↑ 40	641,490	540,541	(100,949)
378	Riley	Riley County	154	176	↑ 22	779,615	709,147	(70,468)
233	Johnson	Olathe	155	163	↑ 8	28,170,395	27,114,485	(1,055,910)
410	Marion	Durham-Hillsboro-Lehigh	156	148	↓ (8)	655,635	662,050	6,415
205	Butler	Bluestem	157	137	↓ (20)	490,267	614,435	124,168
331	Kingman	Kingman - Norwich	158	124	↓ (34)	740,864	1,010,889	270,026
429	Doniphan	Troy Public Schools	159	174	↑ 15	390,485	364,116	(26,369)
368	Miami	Paola	160	141	↓ (19)	1,383,034	1,861,779	478,744
416	Miami	Louisburg	161	147	↓ (14)	1,266,668	1,530,426	263,758
366	Woodson	Woodson	162	133	↓ (29)	424,763	547,224	122,461
211	Norton	Norton Community Schools	163	173	↑ 10	799,165	763,962	(35,203)
453	Cowley	Udall	164	198	↑ 34	494,127	403,255	(90,872)
101	Neosho	Erie-Galesburg	165	153	↓ (12)	642,776	668,953	26,178
369	Harvey	Burrton	166	103	↓ (63)	164,402	303,622	139,219
342	Jefferson	McLouth	167	172	↑ 5	609,626	585,082	(24,544)
493	Cherokee	Columbus	168	177	↑ 9	1,161,058	1,092,744	(68,315)
400	McPherson	Smoky Valley	169	156	↓ (13)	995,360	1,033,703	38,343
263	Sedgwick	Mulvane	170	132	↓ (38)	1,147,063	1,516,794	369,731
495	Pawnee	Ft Larned	171	188	↑ 17	1,128,043	1,033,231	(94,812)
289	Franklin	Wellsville	172	166	↓ (6)	811,863	827,179	15,316
232	Johnson	De Soto	173	180	↑ 7	6,580,982	6,249,687	(331,295)
484	Wilson	Fredonia	174	154	↓ (20)	725,091	786,036	60,945
309	Reno	Nickerson	175	165	↓ (10)	1,214,420	1,267,342	52,922
258	Allen	Humboldt	176	256	↑ 80	1,001,045	693,681	(307,364)
408	Marion	Marion-Florence	177	164	↓ (13)	593,090	619,732	26,642
204	Wyandotte	Bonner Springs	178	157	↓ (21)	2,272,857	2,504,267	231,411
345	Shawnee	Seaman	179	168	↓ (11)	3,330,695	3,496,998	166,303
267	Sedgwick	Renwick	180	179	↓ (1)	1,851,535	1,839,244	(12,291)
305	Saline	Salina	181	160	↓ (21)	6,499,785	7,087,583	587,798
379	Clay	Clay Center	182	187	↑ 5	1,406,655	1,364,986	(41,669)
239	Ottawa	North Ottawa County	183	189	↑ 6	834,184	809,091	(25,092)
247	Crawford	Cherokee	184	228	↑ 44	976,143	809,670	(166,473)
260	Sedgwick	Derby	185	151	↓ (24)	5,586,707	6,356,137	769,429
449	Leavenworth	Easton	186	196	↑ 10	893,861	845,859	(48,002)
282	Elk	West Elk	187	155	↓ (32)	439,852	519,732	79,880
446	Montgomery	Independence	188	203	↑ 15	2,229,386	2,066,062	(163,324)
348	Douglas	Baldwin City	189	183	↓ (6)	1,359,877	1,420,582	60,705
240	Ottawa	Twin Valley	190	216	↑ 26	911,180	833,504	(77,676)
440	Harvey	Halstead	191	212	↑ 21	1,045,439	967,363	(78,075)
450	Shawnee	Shawnee Heights	192	192	- 0	3,453,761	3,621,718	167,957
460	Harvey	Hesston	193	208	↑ 15	1,071,929	1,020,613	(51,316)
458	Leavenworth	Basehor-Linwood	194	190	↓ (4)	1,909,723	2,050,455	140,731
307	Saline	Ell-Saline	195	246	↑ 51	770,819	653,177	(117,641)
266	Sedgwick	Maize	196	194	↓ (2)	6,541,868	6,662,414	120,546
320	Pottawatomie	Wamego	197	200	↑ 3	1,618,722	1,614,826	(3,896)
259	Sedgwick	Wichita	198	191	↓ (7)	55,048,212	60,181,021	5,132,809
498	Marshall	Vailey Heights	199	229	↑ 30	678,070	636,974	(41,096)
335	Jackson	North Jackson	200	236	↑ 36	616,404	567,549	(48,855)
431	Barton	Hoisington	201	142	↓ (59)	618,480	957,839	339,358
430	Brown	South Brown County	202	238	↑ 36	1,008,948	923,705	(85,243)
376	Rice	Sterling	203	205	↑ 2	728,472	736,435	7,963
389	Greenwood	Eureka	204	221	↑ 17	959,523	950,192	(9,330)
411	Marion	Goessel	205	225	↑ 20	452,551	450,830	(1,721)
323	Pottawatomie	Rock Creek	206	197	↓ (9)	1,064,380	1,106,566	42,186
333	Cloud	Concordia	207	217	↑ 10	1,339,293	1,325,331	(13,962)
264	Sedgwick	Clearwater	208	199	↓ (9)	1,331,029	1,379,882	48,853

USD#	County Name	USD Name	Est.		Rank Trend	2016-17	2016-17 Est.	Difference
			AVPP Rank	AVPP Rank		Block Grant LOB	HB 2731 Est LOB	
			SY 16-17	SY 14-16		State Aid	State Aid	
385	Butler	Andover	209	219	↑ 10	5,480,737	5,176,895	(303,842)
114	Doniphan	Riverside	210	201	↓ (9)	791,270	979,667	188,397
471	Cowley	Dexter	211	202	↓ (9)	226,923	239,255	12,332
464	Leavenworth	Tonganoxie	212	206	↓ (6)	2,016,958	2,079,903	62,946
465	Cowley	Winfield	213	231	↑ 18	2,837,878	2,732,491	(105,386)
286	Chautauqua	Chautauqua Co Community	214	149	↓ (65)	426,464	495,426	68,962
453	Leavenworth	Leavenworth	215	204	↓ (11)	4,297,821	4,483,530	185,708
397	Marion	Centre	216	182	↓ (34)	367,631	437,171	69,540
435	Dickinson	Abilene	217	207	↓ (10)	1,690,715	1,805,864	115,150
462	Cowley	Central	218	244	↑ 26	565,082	523,017	(42,065)
461	Wilson	Neodesha	219	263	↑ 44	1,158,360	1,092,547	(65,813)
290	Franklin	Ottawa	220	213	↓ (7)	2,815,820	2,927,773	111,953
421	Osage	Lyndon	221	223	↑ 2	638,786	642,596	3,809
413	Neosho	Chanute Public Schools	222	185	↓ (37)	2,282,608	2,378,749	96,141
434	Osage	Santa Fe Trail	223	222	↓ (1)	1,468,105	1,494,207	26,102
428	Barton	Great Bend	224	215	↓ (9)	3,618,922	3,794,442	175,520
344	Linn	Pleasanton	225	269	↑ 44	676,857	576,664	(100,193)
404	Cherokee	Riverton	226	214	↓ (12)	1,035,688	1,093,448	57,760
409	Atchison	Atchison Public Schools	227	210	↓ (17)	1,976,688	2,105,310	128,622
341	Jefferson	Oskaloosa Public Schools	228	220	↓ (8)	894,446	928,289	33,842
285	Chautauqua	Cedar Vale	229	184	↓ (45)	183,772	214,152	30,380
325	Phillips	Phillipsburg	230	218	↓ (12)	855,375	911,121	55,746
372	Shawnee	Silver Lake	231	239	↑ 8	953,321	951,464	(1,857)
231	Johnson	Gardner Edgerton	232	234	↑ 2	6,243,754	6,618,463	374,709
338	Jefferson	Valley Falls	233	252	↑ 19	680,424	639,750	(40,674)
250	Crawford	Pittsburg	234	211	↓ (23)	3,528,590	3,858,824	330,234
288	Franklin	Central Heights	235	240	↑ 5	959,040	969,297	10,257
373	Harvey	Newton	236	242	↑ 6	4,283,802	4,207,270	(76,532)
230	Johnson	Spring Hill	237	224	↓ (13)	3,029,906	3,211,487	181,581
469	Leavenworth	Lansing	238	227	↓ (11)	2,841,642	2,989,022	147,380
405	Rice	Lyons	239	209	↓ (30)	1,048,804	1,257,329	208,526
509	Sumner	South Haven	240	169	↓ (71)	298,596	404,134	105,538
218	Morton	Elkhart	241	178	↓ (63)	609,411	792,708	183,297
265	Sedgwick	Goddard	242	230	↓ (12)	5,973,671	6,266,432	292,761
340	Jefferson	Jefferson West	243	233	↓ (10)	1,204,130	1,253,343	49,212
339	Jefferson	Jefferson County North	244	254	↑ 10	760,241	728,022	(32,219)
501	Shawnee	Topeka Public Schools	245	232	↓ (13)	18,003,092	19,035,398	1,032,306
356	Sumner	Conway Springs	246	249	↑ 3	796,874	779,234	(17,639)
308	Reno	Hutchinson Public Schools	247	247	- 0	6,318,368	6,431,755	113,387
457	Finney	Garden City	248	226	↓ (22)	9,235,555	10,006,757	771,202
262	Sedgwick	Valley Center Pub Sch	249	237	↓ (12)	3,160,561	3,322,955	162,394
487	Dickinson	Herington	250	235	↓ (15)	712,091	778,105	66,014
420	Osage	Osage City	251	243	↓ (8)	1,007,865	1,026,288	18,422
353	Sumner	Wellington	252	255	↑ 3	2,258,503	2,199,761	(58,742)
503	Labette	Parsons	253	245	↓ (8)	1,835,598	1,878,589	42,991
367	Miami	Osawatomic	254	258	↑ 4	1,979,284	1,936,335	(42,949)
234	Bourbon	Fort Scott	255	248	↓ (7)	2,449,992	2,337,478	(112,514)
268	Sedgwick	Cheney	256	250	↓ (6)	1,124,771	1,143,491	18,719
394	Butler	Rose Hill Public Schools	257	257	- 0	2,044,049	2,118,954	74,905
257	Allen	Iola	258	251	↓ (7)	2,016,747	2,083,608	66,862
246	Crawford	Northeast	259	268	↑ 9	946,934	917,675	(29,258)
396	Butler	Douglass Public Schools	260	261	↑ 1	1,112,704	1,213,235	100,531
253	Lyon	Emporia	261	253	↓ (8)	6,177,617	6,346,329	168,711
336	Jackson	Holton	262	264	↑ 2	1,720,775	1,695,925	(24,850)
454	Osage	Burlingame Public School	263	265	↑ 2	538,979	539,452	473
402	Butler	Augusta	264	260	↓ (4)	2,854,003	2,835,194	(18,809)
439	Harvey	Sedgwick Public Schools	265	275	↑ 10	719,889	767,542	47,653
358	Sumner	Oxford	266	195	↓ (71)	487,828	629,287	141,459
337	Jackson	Royal Valley	267	277	↑ 10	1,641,442	1,574,982	(66,459)
357	Sumner	Belle Plaine	268	267	↓ (1)	1,087,209	1,095,595	8,386
248	Crawford	Girard	269	266	↓ (3)	1,594,679	1,610,546	15,867
506	Labette	Labette County	270	270	- 0	2,308,341	2,340,024	31,683
491	Douglas	Eudora	271	262	↓ (9)	2,082,850	2,163,128	80,278
505	Labette	Chetopa-St. Paul	272	274	↑ 2	868,322	857,340	(10,982)
235	Bourbon	Uniontown	273	273	- 0	878,969	875,866	(3,103)
480	Seward	Liberal	274	259	↓ (15)	6,881,210	7,142,887	261,677
443	Ford	Dodge City	275	271	↓ (4)	11,193,952	11,512,413	318,461
500	Wyandotte	Kansas City	276	272	↓ (4)	34,985,011	35,955,854	970,843
470	Cowley	Arkansas City	277	276	↓ (1)	4,467,083	4,545,316	78,233
202	Wyandotte	Turner-Kansas City	278	278	- 0	6,550,500	6,710,106	159,606

USD#	County Name	USD Name	Est.		Rank	Trend	2016-17	2016-17 Est.	Difference
			AVPP	AVPP			Block Grant	HB 2731	
			Rank	Rank				LOB	Est LOB
			SY 16-17	SY 14-16				State Aid	State Aid
249	Crawford	Frontenac Public Schools	279	279	-	0	1,515,420	1,538,316	22,896
475	Geary	Geary County Schools	280	283	↑	3	13,470,371	13,290,320	(180,051)
447	Montgomery	Cherryvale	281	280	↓	(1)	1,513,264	1,531,264	18,001
504	Labette	Oswego	282	282	-	0	927,225	949,310	22,085
261	Sedgwick	Haysville	283	281	↓	(2)	8,392,482	8,633,056	240,573
508	Cherokee	Baxter Springs	284	284	-	0	1,753,959	1,836,554	82,595
499	Cherokee	Galena	285	285	-	0	1,692,517	1,709,082	16,565
207	Leavenworth	Ft Leavenworth	286	286	-	0	3,424,125	3,493,414	69,289
							450,491,513	465,003,991	14,512,479

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**Comprehensive Analysis of the Kansas Supreme Court Opinion in
Gannon v. State, issued February 11, 2016**

Gordon L. Self, Revisor of Statutes
Tamera Lawrence and Nick Myers, Assistant Revisors of Statutes

February 25, 2016

On February 11, 2016, the Kansas Supreme Court (Court) issued its opinion in *Gannon v. State*, Case No. 113,267 (*Gannon II*). This is the Court's second opinion in the *Gannon* litigation regarding the constitutionality of the school funding provisions enacted by the Legislature. On July 24, 2015, the Court stated that the equity and adequacy issues were in different stages of the litigation and that it "recognized the need for an expedited decision on the equity portion of the case."¹ The Court then separated the two issues of adequacy and equity and required the parties to brief and argue the issues separately beginning with equity.² The Court heard oral arguments regarding equity on November 6, 2015 and released the *Gannon II* equity opinion on February 11, 2016. This memorandum provides a comprehensive summary and analysis of the findings, conclusions and orders of the Court's equity opinion in *Gannon II*.

In *Gannon II*, the Court held that the district court Panel (Panel) had authority to review House Substitute for Senate Bill 7 (SB 7) beyond whether SB 7 simply complied the Court's prior equity orders set forth in the first *Gannon v. State* opinion (*Gannon I*)³ issued by the Court.⁴ The Court then clarified that the State ultimately has the burden to prove compliance with the *Gannon* orders because the party asserting compliance with court-ordered remedial action bears the burden of proof of establishing such compliance.⁵ The Court held that the State failed to show sufficient evidence that it complied with the Court's prior equity orders set forth in *Gannon I* and found that the amended supplemental general state aid and capital outlay state aid formulas failed to cure the unconstitutional wealth-based disparities in fiscal year 2015.⁶ The Court also held that because SB

¹ *Gannon v. State*, No. 113,267 (Kan. Sup. Ct. July 24, 2015).

² *Id.*

³ *Gannon v. State*, 298 Kan. 1107 (2014) (*Gannon I*).

⁴ *Gannon v. State*, No. 113,267 at 26 (Kan. Sup. Ct. February 11, 2016) (*Gannon II*).

⁵ *Id.* at 34.

⁶ *Id.* at 56.

Attachment 2

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7 froze such inequities for fiscal years 2016 and 2017, such unconstitutional inequities carry forward in those fiscal years.⁷ The Court stated that the State's evidence did not show that the changes in the formulas provided students with "reasonably equal access to substantially similar educational opportunity through similar tax effort."⁸

This memorandum will provide a comprehensive analysis and summary regarding: (1) The dismissal of certain state officials joined as defendants; (2) the Panel's authority to review SB 7; (3) the Panel's opinion concluding that the State failed to cure the inequities affirmed to exist in *Gannon I*; (4) the Plaintiff's claim for attorney fees; and (5) the Panel's remedy from June 26, 2015, and the Court's own remedy. A detailed history of the *Gannon* litigation and the events that led to the *Gannon II* decision follows the comprehensive analysis and summary of *Gannon II*.

GANNON II (FEBRUARY 11, 2016)

1. Dismissal of Certain State Officials Joined as Defendants

In the March 16, 2015, order, the Panel directed Plaintiffs to join the Director of Accounts and Reports in the Department of Administration and the Kansas State Treasurer as additional defendants in the case.⁹ Plaintiffs subsequently filed an amended petition to join Ron Estes, State Treasurer, and, Jim Clark, the Secretary of Administration, because the position of Director of Accounts and Reports no longer existed within the Department of Administration.

The Court found that the Panel's order to add Estes and Clark as additional defendants was unnecessary and ordered that Estes and Clark should be dismissed as parties to the litigation.¹⁰ In finding that the joinder of Estes and Clark was unnecessary, the Court analyzed whether complete relief could be granted among the existing parties without Estes and Clark.¹¹ The Court stated that these state officials could ultimately be bound by an injunction against the State whether such officials were parties to the litigation or not and, if such state official refused to comply with a

⁷ *Id.*

⁸ *Id.* at 44.

⁹ *Gannon v. State*, 2010CV1569 (Shawnee Co. Dist. Ct. Mar. 13, 2015). The Panel also directed Plaintiffs to join the Secretary of State and the Revisor of Statutes in their official and individual capacities but five days later the Panel modified this order and withdrew its directive for Plaintiffs to join the Secretary of State and the Revisor of Statutes as defendants.

¹⁰ *Gannon II*, at 24.

¹¹ *Id.* See K.S.A. 2015 Supp. 60-219(a)(1)(A) requiring joinder of a party if in "that person's absence, the court cannot accord complete relief among existing parties."

court order, the state official could be subject to a civil contempt proceeding.¹² Therefore, the Court dismissed Estes and Clark concluding that complete relief could be granted to the Plaintiffs without Estes and Clark as parties in the litigation.¹³

2. The Panel's Authority to Review SB 7

In the Panel's order issued June 26, 2015, the Panel found that the State failed to comply with the *Gannon I* orders and held that the supplemental general state aid and capital outlay state aid formulas as amended by SB 7 were unconstitutional. The State argued that the Panel lacked authority to consider SB 7 beyond its application to fiscal year 2015 and that the Panel only had authority to "evaluate and declare whether SB 7 substantially complied with *Gannon's* mandate as it concerned equity."¹⁴ The State also argued that the new school finance formula created by SB 7 represented a substantial shift in the financing of K-12 education such that the school finance formula at issue in *Gannon* was so fundamentally altered that it no longer exists.¹⁵

The Court concluded that the Panel did not exceed its authority by reviewing SB 7 beyond fiscal year 2015 for compliance with the equity requirement of Art. 6 § 6(b).¹⁶ In reaching this conclusion, the Court found that the State's arguments ignored the Court's guidance issued in *Gannon I*.¹⁷ The Court stated that such guidance clearly intended to grant the Panel broad authority to review future legislation and specifically directed the Panel to review any Legislative action that was taken in response to *Gannon I* for constitutional compliance.¹⁸ The Court also found that SB 7 was not a substantial shift from the school district finance and quality performance act (SDFQPA) because SB 7 essentially froze the funding under the SDFQPA, including the capital outlay state

¹² *Gannon II*, at 24.

¹³ *Id.*

¹⁴ *Id.* at 29.

¹⁵ *Id.* at 31.

¹⁶ *Id.* at 32.

¹⁷ *Id.* at 28-30. The Court in *Gannon I* issued guidance to Panel to determine whether Legislature has cured the inequities in the capital outlay state aid and supplemental general state aid funding. The Court's guidance consisted of four directives to the Panel regarding supplemental general state aid and four directives to the Panel regarding capital outlay state aid. The four directives upon each equalization formula were similar: Option (a) provided that if the Legislature provides full funding, the Panel need not take any additional action; Option (b) provided that if the Legislature acts to cure with less than full restoration of funding, the Panel must apply the equity test to determine whether such action cures the inequities; Option (c) provided that if the Legislature takes no action to cure, the Panel should enter appropriate orders to cure; Option (d) provided that the Panel must ultimately ensure that the present inequities in the equalization formulas are cured.

¹⁸ *Id.*

aid and supplemental general state aid, at fiscal year 2015 levels.¹⁹ In sum, the Court stated that SB 7 was "a mere extension of the fiscal year 2015 funding system."²⁰

3. The State Failed to Cure the Constitutional Inequities Found to Exist in *Gannon I*

In the Panel's order issued on June 26, 2015, the Panel concluded that the Legislature did not comply with the *Gannon I* order to cure the present inequities in the school finance system. The Panel also held that the Legislature, through SB 7, continued such unconstitutional inequities into the next two fiscal years.

The State has the Burden of Proof to Show Compliance with Gannon I

The State argued that any prospective application of SB 7, beyond the State's compliance with *Gannon I* in fiscal year 2015, should be entitled to a presumption of constitutionality and the burden of proof should be on the Plaintiffs to demonstrate otherwise.²¹ The burden of proof is a legal term of art used to distinguish which party to a lawsuit has the initial obligation to provide sufficient evidence to show all the facts necessary to prove a claim. The Court found that the State made a similar argument in the remedial phase of *Montoy III*.²² The *Montoy III* Court rejected the State's argument stating that, although the presumption of constitutionality normally applies to Legislative enactments, the presumption of constitutionality does not apply to Legislative remedies that are done in response to a court order.²³ The Court followed the precedent from *Montoy III* and restated the general rule that "a party asserting compliance with a court decision ordering remedial action bears the burden of establishing that compliance."²⁴

The Court held that the burden of proof is on the State and that no presumption of constitutionality applies to SB 7 in the remedial phase of this litigation.²⁵ Therefore, until the remedial phase of this litigation has ended, the Court will expect the State to show how any remedial action the Legislature takes in response to *Gannon II* meets the constitutional standard for equity.

¹⁹ *Id.* at 32.

²⁰ *Id.*

²¹ *Id.* at 33.

²² *Id.* at 34.

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

The Panel Applied the Proper Equity Test

In *Gannon I*, the Court cautioned the Panel against applying a zero-tolerance equity test when reviewing any remedial actions.²⁶ The *Gannon I* Court also directed the Panel to evaluate whether the Legislature made the wealth-based disparity constitutionally acceptable and not whether the Legislature restored equity funding to prior levels.²⁷ Accordingly, the *Gannon I* Court acknowledged that the State could cure the inequities in multiple ways and that one of such ways would be to fully fund the equalization formulas as provided in the SDFQPA.²⁸ The State argued that the Panel failed to adhere to the *Gannon I* Court's directives and failed to apply the proper equity test and instead, applied a zero-tolerance test and rendered unconstitutional anything below full funding of the prior equalization formulas.²⁹

The Court found that the Panel referred back to the *Gannon I* equity guidelines multiple times.³⁰ In *Gannon I*, the Court provided a set of four guidelines upon each equalization formula that instructed the Panel how it should evaluate any subsequent remedial action by the Legislature for constitutional compliance.³¹ The Court noted that at the end of the hearing on June 11, 2015, the Panel stated that it applied the equity test under "Option A" of the *Gannon I* order because Senate Substitute for House Bill No. 2506 (HB 2506) purported to provide full funding of the supplemental general state aid and capital outlay state aid formulas as they existed prior to SB 7.³² When the Panel later retracted its finding of full funding in early 2015, the Panel stated that it would now apply the equity test under "Option B" of the *Gannon I* order.³³ The Court held that because of these actions and because "the Panel quoted the language of the *Gannon I* equity test several times," the Court must presume that the Panel applied the correct equity test.³⁴

The State Failed to Show that it Cured the Capital Outlay Inequities for FY 2015

In its June 26, 2015, order, the Panel held that the amended capital outlay state aid formula in SB 7 failed to cure the wealth-based disparity in fiscal year 2015 and failed to comply with *Gannon I* because it reduced the total capital outlay state aid funding for those lower property

²⁶ *Id.* at 36.

²⁷ *Id.*

²⁸ *Id.* at 37.

²⁹ *Id.*

³⁰ *Id.*

³¹ *Id.* at 28-29.

³² *Id.* at 37.

³³ *Id.*

³⁴ *Id.* at 37-38.

wealth districts and left the districts with higher property wealth untouched.³⁵ The State contended that it cured the inequities because school districts received millions more dollars in capital outlay state aid than they had in previous years.³⁶

According to the Court, the evidence showed that the capital outlay formula as amended by SB 7 is structurally less equitable because it provides less capital outlay state aid than the previous formula would have provided.³⁷ As a result, the wealthier districts lost nothing and "every district entitled to capital outlay state aid suffered a loss . . . and 28 districts lost their entire amount."³⁸ The Court concluded that there is a remaining disparity between the districts entitled to capital outlay state aid and wealthier districts.³⁹ But, the Court stated that equity still must be measured by whether the Legislature's actions resulted in "reasonably equal access to substantially similar educational opportunity through similar tax effort."⁴⁰

The State argued that it was justified in altering the capital outlay formula to bring the amount of capital outlay state aid closer to the Legislature's financial expectations because there was no evidence showing the school districts' need for capital outlay state aid increased.⁴¹ The Court expressed disapproval with the Legislature changing the formula in the middle of the fiscal year. The Court stated that substantial competent evidence in the record shows that districts' need for capital outlay funds increased as districts budgeted for the fiscal year and raised their mill levies. The Court noted that districts were entitled by statute to levy up to 8 mills for capital outlay expenses pursuant to K.S.A. 2014 Supp. 72-8801 and many districts budgeted for capital outlay expenses and increased their mill levies expecting equalization revenue in fiscal year 2015 to enhance educational opportunities within the district.⁴² The Court found that the Panel reasonably inferred that the needs of district did not vanish after SB 7 was passed and that only "those less-wealthy districts would have to cut their budgets, raise their mill levy, or divert funds from other sources to pay for their educational needs resulting in a denial of reasonably equal access to substantially similar educational opportunities through similar tax effort."⁴³

³⁵ *Id.* at 40.

³⁶ *Id.* at 41.

³⁷ *Id.*

³⁸ *Id.*

³⁹ *Id.* at 42.

⁴⁰ *Id.*

⁴¹ *Id.* 42-43.

⁴² *Id.*

⁴³ *Id.*

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The Court refuted the State's argument that the districts' need for capital outlay did not increase and pronounced that "equity is not a needs-based determination."⁴⁴ The Court stated that "equity is triggered when the Legislature bestows revenue raising authority upon school districts through a source whose value varies widely from district to district."⁴⁵

The Court noted that the Plaintiffs provided evidence upon the equity issue even though they had no burden to show that the State failed to cure the wealth-based disparity from *Gannon I.*⁴⁶ Plaintiffs presented testimony that SB 7 negatively impacted a Plaintiff school district due to the reduced capital outlay state aid funding.⁴⁷ Plaintiffs also presented evidence that districts entitled to capital outlay state aid would ultimately receive less funding under the capital outlay state aid formula as amended by SB 7 and that wealthier districts with no state aid entitlement remained unaffected.⁴⁸

The Court analyzed whether the State presented sufficient evidence to show compliance with the *Gannon I* order for capital outlay state aid.⁴⁹ At oral argument, the State presented evidence showing a spreadsheet of the distributions of capital outlay state aid to school districts and that more total money was provided to equalize capital outlay state aid than was provided prior to SB 7.⁵⁰ The Court rejected the State's argument because the State's evidence showing an increase in total equalization funding "may have reduced dollar disparities between districts compared to the previous fiscal year but only because the State had completely eliminated funding for capital outlay state aid beginning in fiscal year 2010."⁵¹

Accordingly, the Court held that the State's evidence failed to show how the total increase in capital outlay state aid "provided students in districts entitled to capital outlay state aid with reasonably equal access to substantially similar educational opportunity through similar tax effort."⁵² Therefore, the Court concluded that "the State failed to carry its burden to show its alterations to the capital outlay state aid formula for fiscal year 2015 cured the unconstitutional wealth based disparity affirmed to exist in *Gannon I.*"⁵³

⁴⁴ *Id.*

⁴⁵ *Id.* at 44.

⁴⁶ *Id.* at 44-45.

⁴⁷ *Id.* at 45.

⁴⁸ *Id.*

⁴⁹ *Id.* at 44.

⁵⁰ *Id.*

⁵¹ *Id.* at 41.

⁵² *Id.* at 44.

⁵³ *Id.*

The Capital Outlay State Aid Inequities Persist into Fiscal Years 2016 and 2017

The Panel held that, because SB 7 froze the inequities present in the capital outlay state aid formula and carried such inequities forward for the next two years, the capital outlay state aid funding in fiscal years 2016 and 2017 failed to comply with the constitutional standard for equity.⁵⁴ In affirming the Panel's decision, the Court noted that under SB 7 districts are still authorized to levy up to 8 mills for capital outlay but districts that qualify for aid are still only entitled to the same amount of capital outlay state aid such school district received for fiscal year 2015.⁵⁵ The Court found that under this formula, a qualifying district would not receive any additional aid in subsequent years even if the district raises its capital outlay mill levy or property values increase in the district.⁵⁶

The Court again rejected the State's argument that SB 7 only resulted in a minimal change in state aid.⁵⁷ In rejecting this argument, the Court found that the Panel was not focused on the amount of funding lost by districts, but was focused on the fact that only property poor districts were affected by the losses.⁵⁸ The Court held, that even though data for fiscal years 2016 and 2017 was not yet available to the Panel, "the Panel reasonably inferred that by freezing that already inequitable funding and carrying it into the next 2 fiscal years, the equity test has not been met for those years either."⁵⁹

The State Failed to Show that it Cured the Supplemental General State Aid Inequities for FY 2015

The Panel held that the State failed to comply with the *Gannon I* order because the revised supplemental general state aid formula in SB 7 reduced the amount of money less wealthy districts would have been entitled to receive, which left an unconstitutional wealth-based disparity between wealthy districts and the districts entitled to such aid.⁶⁰ The State argued that SB 7 only marginally reduced the amount of funds that would have been due under the old formula and that the total amount of supplemental general state aid provided in fiscal year 2015 was greater than the funding in previous years.⁶¹

⁵⁴ *Id.* at 57.

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ *Id.* at 58.

⁵⁸ *Id.*

⁵⁹ *Id.* at 59.

⁶⁰ *Id.* at 49-50.

⁶¹ *Id.* at 50.

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The Court noted that local tax efforts became more similar after the Legislature provided the \$109 million dollar increase for supplemental general state aid in HB 2506.⁶² But the Court found that the new formula still deprived certain districts of expected supplemental general state aid funds while allowing other districts to remain the same which "made it more difficult for aid-receiving districts to provide substantially similar educational opportunities through tax efforts similar to their wealthier counterparts."⁶³

The State claimed that regardless of the decrease in supplemental general state aid between what was expected under the prior formula and what SB 7 provided, there was no evidence showing that the need for state aid increased.⁶⁴ Instead, the State contended that the additional aid that would have been required under the prior formula was artificially inflated due to a temporary spike in assessed valuation per pupil (AVPP) at the 81.2 percentile.⁶⁵ The Court noted that it was undisputed that rising property values caused an increase in the amount of supplemental general state aid due under the previous formula.⁶⁶ Still, the State has always been aware that property valuations have historically fluctuated up and down, which changes the requisite amount of state aid due.⁶⁷

The Court again expressed disapproval with amending an equalization formula in the middle of the fiscal year. The Court noted that districts assess their needs, adopt a budget and adopt a local option budget (LOB) at a certain percentage to fund all needs for the fiscal year.⁶⁸ As such, a wealthy district receiving no supplemental general state aid would have received all of the LOB funds from its local mill levy to address its needs while a district that is entitled to supplemental general state aid would have lost LOB funding.⁶⁹ These less-wealthy districts, with three months left in the fiscal year, would have been forced to reassess their needs and cut their budgets or divert funds from other sources to cover the losses.⁷⁰

As with capital outlay, the Court reasserted that equity is not a needs-based determination.⁷¹ Instead, the Court found that "fluctuating AVPPs substantially impact equity

⁶² *Id.* at 51.

⁶³ *Id.*

⁶⁴ *Id.*

⁶⁵ *Id.*

⁶⁶ *Id.*

⁶⁷ *Id.* at 52.

⁶⁸ *Id.* at 54.

⁶⁹ *Id.*

⁷⁰ *Id.* at 53-54.

⁷¹ *Id.* at 54.

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when the Legislature grants school districts revenue-raising authority via a local property tax."⁷² The Court stated that, in order to keep districts with lower property wealth at the 81.2 percentile level, supplemental general state aid must increase if the AVPP at the 81.2 percentile increases.⁷³ The Court held that by not providing this increased aid, the districts below the 81.2 percentile have dropped even further from the wealthier districts.⁷⁴

The Court found that Plaintiffs provided ample evidence to show that the State failed to cure the inequities identified in *Gannon I* even though the Plaintiffs had no burden to provide any evidence in the remedial phase of the litigation.⁷⁵ The Plaintiffs presented evidence that one of the Plaintiff school districts was forced to make budget cuts due to the reduction of supplemental general state aid in fiscal year 2015.⁷⁶ Plaintiffs also presented evidence that each district below the 81.2 percentile would receive less supplemental general state aid in fiscal year 2015 than they would have received under the previous formula and that the districts above the 81.2 percentile would be unaffected.⁷⁷

The Court acknowledged that absolute equality of funding among districts is not necessary, but found that by reducing the supplemental general state aid entitlements, the Legislature has widened the disparity between those districts with higher property wealth and districts with lower property wealth.⁷⁸ Therefore, the Court found that the State failed to carry its burden to show that it cured the inequities by failing to show that "districts had reasonably equal access to substantially similar educational opportunity through similar tax effort in fiscal year 2015."⁷⁹

The Supplemental General State Aid Inequities Persist into Fiscal Years 2016 and 2017

The Panel found that the Legislature reduced the amount of supplemental general state aid in fiscal year 2015 and froze such reduction for fiscal years 2016 and 2017.⁸⁰ The Panel held that the disparity found in fiscal year 2015 would continue into the next two fiscal years and would likely be worsened because tax-wealthy districts could increase their LOB authority and receive what such districts would have expected to receive prior to fiscal year 2015, but those districts

⁷² *Id.*

⁷³ *Id.*

⁷⁴ *Id.*

⁷⁵ *Id.* at 55.

⁷⁶ *Id.*

⁷⁷ *Id.*

⁷⁸ *Id.*

⁷⁹ *Id.* at 56.

⁸⁰ *Id.* at 60.

entitled to state aid would be burdened by increased and unsubsidized taxation in order to expand budget choices.⁸¹

The Court again rejected the State's argument that the decrease of supplemental general state aid funds was relatively minimal.⁸² The Court found that the "Panel made a reasonable inference that districts with 'no need for such aid are able to generate sufficient tax revenues with less tax levy while those needing such aid will require a greater tax levy to just stay even.'"⁸³ As such, the Court held that the freezing of supplemental general state aid at 2015 levels, which have already been deemed unconstitutional, only continued the unconstitutional supplemental general state aid disparities into fiscal year 2016 and 2017.⁸⁴ Moreover, the Court held that the Legislature's failure to provide additional aid to certain districts that increased their LOB before July 1, 2015, further exacerbates wealth based disparities between districts.⁸⁵

4. Attorney Fees

The Plaintiffs requested attorney fees during the initial litigation phase of *Gannon*. Such request was denied by the Panel in the first Panel opinion. In *Gannon I*, the Court affirmed the Panel's decision to deny the Plaintiffs' request for attorney fees. In *Gannon II*, the Plaintiffs again requested attorney fees.⁸⁶ The Court found that Plaintiffs failed to make a claim for attorney fees with the Panel on remand and that "matters not raised before the district court cannot be raised for the first time on appeal."⁸⁷ Accordingly, the Court stated that "this request is procedurally deficient and must be denied."

5. Remedies

In its June 26, 2015, order, the Panel entered a series of remedial orders on equity after finding that the Legislature failed to cure the inequities in *Gannon I*.⁸⁸ The Panel issued specific orders regarding capital outlay state aid and supplemental general state aid that would have

⁸¹ *Id.*

⁸² *Id.*

⁸³ *Id.* at 61.

⁸⁴ *Id.* at 61-62.

⁸⁵ *Id.* at 62.

⁸⁶ *Id.*

⁸⁷ *Id.* (citing *Wolfe Electric, Inc. v. Duckworth*, 293 Kan. 375 at 403 (2011)).

⁸⁸ *Id.*

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revived, reinstated and fully funded such formulas as each formula existed prior to SB 7.⁸⁹ On July 30, 2015, the Court stayed the Panel's remedial orders until further notice from the Court.

Courts have the Power to Enforce their Rulings

The Court analyzed the judiciary's power to review and impose remedies. In the Court's analysis, it affirmed the judiciary's power and duty to review Legislative enactments for constitutional compliance and to enforce its holdings.⁹⁰ Also, the Court reaffirmed the Legislature's constitutional duty to create a school funding system that complies with Article 6 §6(b).⁹¹

The Court stated it had previously recognized that "Constitutions are the work, not of Legislatures or of the courts, but of the people."⁹² Courts "must obey the will of the people as expressed in their constitution."⁹³ The judiciary has the power to review the law and determine its constitutionality, but this power is not limited to review. It also includes the "inherent power to enforce" the court's rulings.⁹⁴ To support its conclusion, the Court cited to several other state supreme court rulings that recognized the power to review public school funding systems for constitutionality and to order remedies in such cases.⁹⁵

Actual Remedies

The Court affirmed the Panel's holding that SB 7 fails to cure the inequities affirmed in *Gannon I*.⁹⁶ The Court then determined that the Legislature should be given an opportunity to develop a constitutional school funding system, and accordingly declined to affirm the Panel's orders or address the parties' specific arguments regarding such orders.⁹⁷ As a result, the Court continued the stay of the Panel's orders stating that such stay "remains in effect until further determination" by the Court.⁹⁸

The Court stated that the "constitutional infirmities 'can be cured in a variety of ways—at the choice of the Legislature."⁹⁹ However, the Court suggested the Legislature could comply with Article 6 §6 of the Constitution of the state of Kansas if the Legislature were to "revive the relevant portions of the previous school funding system and fully fund them within the current

⁸⁹ *Id.* at 65-67.

⁹⁰ *Id.* at 64.

⁹¹ *Id.*

⁹² *Id.* (quoting *Anderson v. Cloud County*, 77 Kan. 721 at 732 (1908)).

⁹³ *Id.* at 65.

⁹⁴ *Id.* at 67.

⁹⁵ *Id.* at 68-70.

⁹⁶ *Id.* at 71.

⁹⁷ *Id.*

⁹⁸ *Id.* at 72.

⁹⁹ *Id.* at 73 (quoting *Gannon I* at 1181).

block grant system."¹⁰⁰ The Court went on to say that if the Legislature rejects this solution, "any other funding system it enacts must be demonstrated to be capable of meeting the equity requirements of Article 6—while not running afoul of the adequacy requirement."¹⁰¹ The Court also suggested the State should demonstrate how any other proposed solution enacted by the Legislature complies with *Gannon I*.¹⁰²

The Court held that "if by the close of fiscal year 2016, ending June 30, the State is unable to satisfactorily demonstrate to this court that the Legislature has complied with the will of the people as expressed in Article 6 of their constitution through additional remedial legislation or otherwise, then a lifting of the stay of today's mandate will mean no constitutionally valid school finance system exists through which funds for fiscal year 2017 can lawfully be raised, distributed, or spent."¹⁰³ Without a constitutionally equitable school finance system, Kansas public schools will not be able to operate beyond June 30, 2016.¹⁰⁴ Any effort to implement a constitutionally invalid system can be enjoined by the courts.¹⁰⁵ The Court acknowledged that the Legislature's work to find a constitutionally equitable system creates uncertainty for school districts and could potentially disrupt the operation of public schools, but noted that the Court must heed its "duty to ensure Kansas students receive the education system guaranteed them by the Constitution" and any disruptions to the educational process will be because "the demands of the Constitution cannot be further postponed."¹⁰⁶

The Court indicated that the Legislature will ultimately determine whether the "schoolhouse doors will be open" for school year 2016-2017 and that "the sooner the Legislature establishes a constitutional funding system, the sooner this case can be dismissed."¹⁰⁷ The Court believes that the Legislature can reach constitutional compliance by June 30, 2016, because the Legislature has previously shown its "commitment and capability" by passing remedial legislation weeks after *Gannon I* during the 2014 Legislative session.¹⁰⁸

The Court stayed its own mandate to "give the Legislature a second, and substantial, opportunity to craft a constitutionally suitable solution and minimize the threat of disruptions of

¹⁰⁰ *Id.*

¹⁰¹ *Id.*

¹⁰² *Id.* at 74

¹⁰³ *Id.*

¹⁰⁴ *Id.* at 75.

¹⁰⁵ *Id.*

¹⁰⁶ *Id.*

¹⁰⁷ *Id.*

¹⁰⁸ *Id.* at 75-76.

funding for education.”¹⁰⁹ The Court found this remedy consistent with school finance litigation in other states.¹¹⁰ The Court maintained that it does not want to be a supervisor of the Kansas school funding system, but reiterated that it has a duty to the people of Kansas under their constitution to review the Legislature’s enactments and ensure its compliance with Article 6.¹¹¹ Rather than sending the case back to the Panel as the Court did in *Gannon I*, the Court retained jurisdiction over the case through June 30, 2016, to review possible remedial action by the Legislature.¹¹² Finally, the Court also stayed the adequacy portion of the appeal meaning no further action will be taken upon the adequacy issues until further notice from the Court.¹¹³

HISTORY OF THE GANNON LITIGATION

In January 2010, the *Montoy* Plaintiffs filed a motion with the Court requesting *Montoy* be reopened to determine if the State was in compliance with the Court’s prior orders in that case. This was done in response to reductions in the amount of base state aid per pupil (BSAPP) appropriated for fiscal year 2010 and reductions in funding for capital outlay state aid and supplemental general state aid. The Court denied this motion, which led to the filing of *Gannon*.¹¹⁴

The new lawsuit was filed in November 2010 by various Plaintiffs and contained several claims.¹¹⁵ Those claims included an allegation that the State violated Article 6, §6(b) by failing to provide a suitable education to all Kansas students, that the failure to make capital outlay state aid payments created an inequitable and unconstitutional distribution of funds, that Plaintiffs were denied equal protection under both the 14th Amendment to the U.S. Constitution and Sections 1 and 2 of the Kansas Bill of Rights, and that Plaintiffs were denied substantive due process under Section 18 of the Kansas Bill of Rights.¹¹⁶

First District Court Panel Decision (Jan. 11, 2013)

The Panel rejected the Plaintiffs’ claims of equal protection and substantive due process violations.¹¹⁷ However, the Panel held that the State had violated Article 6, §6(b) by inadequately

¹⁰⁹ *Id.* at 74.

¹¹⁰ *Id.*

¹¹¹ *Id.* at 76.

¹¹² *Id.* at 77.

¹¹³ *Id.*

¹¹⁴ *Gannon I*, 298 Kan. 1107, 1115 (2014).

¹¹⁵ Currently, the Plaintiffs consist of four school districts (U.S.D. No. 259, Wichita; U.S.D. No. 308, Hutchinson; U.S.D. No. 443, Dodge City; and U.S.D. No. 500, Kansas City).

¹¹⁶ *Gannon I*, at 1116-1117.

¹¹⁷ *Id.* at 1117-1118.

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funding the Plaintiff school districts under the SDFQPA.¹¹⁸ It also held that both the withholding of capital outlay state aid payments and the proration of supplemental general state aid payments created unconstitutional wealth-based disparities among school districts.¹¹⁹ As part of its order, the Panel imposed a number of injunctions against the State which were designed to require a BSAPP amount of \$4,492, and fully fund capital outlay state aid payments and supplemental general state aid payments.¹²⁰

All parties appealed the Panel's decision. The State appealed both the Panel's holdings as to the constitutionality of the State's duty to make suitable provision for finance of the educational interests of the state and the Panel's remedies. The Plaintiffs appealed the Panel's reliance on the BSAPP amount of \$4,492, arguing that cost studies indicated the BSAPP amount should be greater than \$4,492. At the request of the State, two days of mediation were conducted in April 2013, but those efforts were unsuccessful.¹²¹ In October 2013, the Kansas Supreme Court heard oral arguments from both sides.

Kansas Supreme Court Decision—Gannon I (Mar. 7, 2014)

On March 7, 2014, the Court reaffirmed that Article 6 of the Constitution of the State of Kansas contains both an adequacy component and an equity component with respect to determining whether the Legislature has met its constitutional obligation to "make suitable provision for finance of the educational interests of the state."¹²² First, the Court stated that the adequacy component test is satisfied "when the public education financing system provided by the Legislature for grades K-12—through structure and implementation—is reasonably calculated to have all Kansas public education students meet or exceed the standards set out in *Rose* [*v. Council for Better Educ., Inc.*, 790 S.W.2d 186 (Ky. 1989)] and presently codified in K.S.A. 2013 Supp. 72-1127."¹²³ The Court then remanded the case back to the Panel with directions to apply the newly established adequacy test to the facts of the case.

Second, the Court also established a new test for determining whether the Legislature's provision for school finance is equitable: "School districts must have reasonably equal access to substantially similar educational opportunity through similar tax effort."¹²⁴ The Court applied the

¹¹⁸ *Id.*

¹¹⁹ *Id.* at 1116.

¹²⁰ *Id.* at 1118.

¹²¹ *Id.*

¹²² *Id.* at 1163; *see also*, Kan. Const. art. 6 § 6(b).

¹²³ *Id.* at 1170 (citing *Rose*, 790 S.W.2d at 212).

¹²⁴ *Id.* at 1175.

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newly established equity test to the existing funding levels for both capital outlay state aid and supplemental general state aid, and found both were unconstitutional under the test. Based on these findings, the Court directed the Panel to enforce its equity rulings and provided guidance as to how to carry out such enforcement.

In response to the Court's decision, the Legislature passed HB 2506, which became law on May 1, 2014. First, the bill codified the *Rose* standards at K.S.A. 2014 Supp. 72-1127, which provides the educational capacities each child should attain from the subjects and areas of instruction designed by the Kansas State Board of Education.¹²⁵ Second, the bill appropriated an additional \$109.3 million for supplemental general state aid and transferred \$25.2 million from the state general fund to the capital outlay fund.¹²⁶

At a hearing on June 11, 2014, the Panel was provided estimates from the Kansas Department of Education about the additional appropriations in HB 2506. Based on such estimations, the Panel determined that HB 2506 fully funded capital outlay state aid and supplemental general state aid and complied with the Court's equity judgment.¹²⁷ The Panel did not dismiss the equity issue despite stating that no further action was necessary at that time.¹²⁸

Second District Court Panel Decision (Dec. 30, 2014)

On December 30, 2014, the Panel issued its second significant *Gannon* opinion. The Panel affirmed its prior equity ruling and held that the State "substantially complied" with the obligations to fund capital outlay state aid and supplemental general state aid.¹²⁹ The key decision by the Panel was that funding levels were constitutionally inadequate because "the Kansas public education financing system provided by the Legislature for grades K-12 – through structure and implementation – is not presently reasonably calculated to have all Kansas public education students meet or exceed the *Rose* factors."¹³⁰

In concluding that funding levels were constitutionally inadequate, the Panel made several findings. The Panel found that the *Rose* factors have been implicitly known and recognized by the Kansas judiciary and that the cost studies the Panel based its opinion upon were conducted with knowledge and consideration of the *Rose* factors.¹³¹ The Panel determined that, by adjusting the

¹²⁵ See K.S.A. 2015 Supp. 72-1127(c).

¹²⁶ L. 2014, ch. 93 §§ 6, 7, and 47; K.S.A. 2014 Supp. 72-8814.

¹²⁷ *Gannon v. State*, No. 2010CV1569, at 24-26 (Shawnee Co. Dist. Ct. June 26, 2015).

¹²⁸ *Id.*

¹²⁹ *Gannon v. State*, No. 2010CV1569, at 7 (Shawnee Co. Dist. Ct. Dec 30, 2014).

¹³⁰ *Id.* at 114-115.

¹³¹ *Id.* at 11-14.

cost studies' figures for inflation, the current BSAPP amount of \$3,852 is constitutionally inadequate.¹³² The Panel found that gaps in student performance were likely to continue due to inadequate funding.¹³³ The Panel also determined that federal funding, KPERS, capital outlay funding, bond and interest funding, and LOB funding cannot be included in any measure of adequacy of the school finance formula as it was currently structured.¹³⁴ Regarding the LOB funding mechanism, the Panel stated that LOB funding cannot be included in any measure of adequacy due to the fact that it is solely discretionary at the local level.¹³⁵

The Panel's opinion did not contain any direct orders to either party, but did provide suggestions as to how adequate funding could be achieved. Initially, the Panel suggested that a BSAPP amount of \$4,654 coupled with increases in certain weightings could be constitutional, provided the LOB funding scheme was adjusted to include both a minimum local tax levy and a fail-safe funding mechanism.¹³⁶ Alternatively, the Panel proposed a BSAPP amount of \$4,890 could be an adequate level of funding if the LOB were to remain strictly discretionary.¹³⁷ Finally, the Panel retained jurisdiction to review the Legislature's subsequent actions at a later time.

Subsequent Motions and Legislative Actions

Two post-trial motions were filed shortly after the Panel's December 30, 2014, decision. On January 23, 2015, the State of Kansas filed a motion to alter and amend the Panel's December 30, 2014, opinion arguing the Panel did not clearly identify which facts the Panel used to support its opinion. On January 27, 2015, Plaintiffs filed a motion to alter the previous judgment regarding equity claiming that the State was no longer in substantial compliance and that additional expenditures in fiscal year 2015 were necessary to fully fund equalization aid. Subsequent briefings and responses were then submitted to the Panel upon these two motions.

On January 28, 2015, the State appealed the case to the Kansas Supreme Court. On February 27, 2015, the State filed a motion with the Supreme Court to stay any further Panel proceedings until disposition of the State's appeal. On March 3, 2015, Plaintiffs filed a response to the State's motion arguing that the Court should deny the State's motion and instead remand the State's appeal to the Panel for resolution of the all pending post-trial motions with the Panel. On

¹³² *Id.* at 56.

¹³³ *Id.* at 20.

¹³⁴ *Id.* at 62-77.

¹³⁵ *Id.* at 76-77.

¹³⁶ *Id.* at 103.

¹³⁷ *Id.* at 105.

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March 5, 2015, the Kansas Supreme Court denied the State's motion to stay further Panel proceedings and remanded the case to the Panel for resolution of all post-trial motions.¹³⁸

On March 11, 2015, the Panel issued an opinion and order upon the State's motion to alter and amend the Panel's judgment in which the Panel granted in part the State's motion and withdrew a paragraph from the its December 30, 2014, opinion that the Panel deemed to be the source of the State's motion.¹³⁹ On March 13, 2015, the Panel issued an order setting a hearing date for May 7, 2015, upon Plaintiffs' motion to alter judgment regarding equity.¹⁴⁰ On March 16, 2015, the State appealed the matter to the Court. Plaintiffs' subsequently responded on March 19, arguing that the case should remain before the Panel until the remaining post-trial motions were resolved.

On March 16, 2015, the Legislature passed SB 7 which was signed by the governor and became law on April 2, 2015. The bill created the Classroom Learning Assuring Student Success Act. The first three sections of SB 7 appropriated funds to the department of education for fiscal years 2015, 2016 and 2017 in the form of block grants for school districts. The block grants are calculated to include: (1) the amount of general state aid a school district received for school year 2014-2015; (2) the amount of supplemental general state aid a school district received for school year 2014-2015; (3) the amount of capital outlay state aid a school district received for school year 2014-2015; (4) virtual school state aid, as amended by SB 7; (5) certain tax proceeds; and (5) KPERS employer obligations. The bill also establishes the extraordinary need fund to be administered by the State Finance Council. Finally, the bill repeals the SDFQPA.

The Legislature amended the supplemental general state aid formulas and capital outlay state aid formulas in SB 7 and applied the amended formulas to the 2014-2015 school year. The supplemental general state aid formula was amended so that state aid would be still be distributed to the districts with an AVPP under the 81.2 percentile with the eligible districts being divided into quintiles based on each district's AVPP. Under the amended supplemental state aid formula, the lowest property wealth districts would receive the most aid and the successively wealthier districts would receive less aid depending on the quintile that applied to the district. The capital outlay state aid formula was amended so that the lowest property wealth district would receive 75% of district's capital outlay levy amount with the state aid percentage decreasing by 1% for each \$1,000 increase in AVPP above the lowest district.

¹³⁸ *Gannon v. State*, No. 113,267 (Kan. Sup. Ct. Mar. 5, 2015).

¹³⁹ *Gannon v. State*, No. 2010CV1569 (Shawnee Co. Dist. Ct. Mar. 11, 2015).

¹⁴⁰ *Gannon v. State*, No. 2010CV1569 (Shawnee Co. Dist. Ct. Mar. 13, 2015).

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On March 26, 2015, Plaintiffs filed a motion for declaratory judgment and injunctive relief asking the Panel to hold SB 7 unconstitutional. On April 2, 2015, Plaintiffs filed a reply with the Kansas Supreme Court notifying the Court of its motion to declare SB 7 unconstitutional and asking the Court to remand the State's appeal on the issue of adequacy for the Panel's resolution of the entire case. On April 30, 2015, the Court issued an order giving the Panel jurisdiction to resolve all pending post-trial matters, including the Plaintiffs' motion to alter judgment regarding equity and Plaintiffs' motion to declare SB 7 unconstitutional.¹⁴¹

A hearing upon Plaintiffs' motions was held before the Panel on May 7-8, 2015.

Third District Court Panel Decision (June 26, 2015)

On June 26, 2015, the Panel issued its Memorandum Opinion and Order and Entry of Judgment on Plaintiffs' motion to alter judgment regarding equity and Plaintiffs' motion for declaratory judgment regarding the constitutionality of SB 7. In its opinion, the Panel examined whether SB 7 provided constitutionally adequate funding reasonably calculated to have every student meet or exceed the *Rose* factors. The Panel also examined whether the amendments made in SB 7 to capital outlay state aid and supplemental general state aid were constitutionally equitable by providing reasonably equal access to substantially similar educational opportunity through similar tax effort. The Panel held that "2015 House Substitute for SB 7 violates Art. 6 §6(b) of the Kansas Constitution, both in regard to its adequacy of funding and in its change of, and in its embedding of, inequities in the provision of capital outlay state aid and supplemental general state aid."¹⁴²

With regard to adequacy, the Panel reiterated its December 30, 2014, finding that the "adequacy of K-12 funding through fiscal year 2015 was wholly constitutionally inadequate." SB 7 froze such funding amounts for fiscal years 2016 and 2017, SB 7, thus it "also stands, unquestionably, and unequivocally, as constitutionally inadequate in its funding."¹⁴³ With regard to equity, the Panel stated that funding levels are inequitable because of the formulaic changes to capital outlay state aid and supplemental general state aid in SB 7 and because the bill does not account for any changes in "the number and demographics of the K-12 student population going forward, except in 'extraordinary circumstances.'"¹⁴⁴

¹⁴¹ *Gannon v. State*, No. 113,267 (Kan. Sup. Ct. Apr. 30, 2015).

¹⁴² *Gannon v. State*, No. 2010CV1569, at 6 (Shawnee Co. Dist. Ct. June 26, 2015).

¹⁴³ *Id.* at 54-55.

¹⁴⁴ *Id.* at 56.

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The Panel stated that by altering the capital outlay state aid formula, the amount of the entitlement for eligible districts was reduced and even eliminated, yet property wealthier districts will remain unscathed and any subsequent higher levy authorized by a school district would not be equalized.¹⁴⁵ In addition, "the Legislature has, rather, by not restricting the authority of wealthier districts to keep and use the full revenues for such a levy, merely reduced, not cured, the wealth-based disparity found...unconstitutional in *Gannon*."¹⁴⁶

The Panel found that for supplemental general state aid, SB 7 "reduced local option budget equalization funds that were to be due for FY 2015 and then freezes that FY 2015 state aid amount for FY 2016 and FY 2017."¹⁴⁷ "The new [supplemental general state aid] formula's reductions are not applied equally across the board in terms of the percentage of reduction...and still leaves a constitutionally unacceptable wealth-based disparity between USDs" who need such aid and those that do not.¹⁴⁸ The Panel found that the condition created overall—particularly its retroactive and carryover features—[represents] a clear failure to accord 'school districts reasonably equal access to substantially similar educational opportunity through similar tax effort.'"¹⁴⁹

The Panel issued a temporary order requiring "any distribution of general state aid to any unified school district be based on the weighted student count in the current school year in which a distribution is to be made."¹⁵⁰ The Panel also issued certain orders regarding capital outlay state aid and supplemental general state aid that would have reinstated and fully funded such aid as such state aid provisions existed prior to January 1, 2015, for FY 2015, FY 2016, and FY 2017.¹⁵¹

In addition, the Panel outlined and stayed an alternative order striking certain provisions of SB 7 and requiring distribution of funds pursuant to the SDFQPA, as it existed prior to January 1, 2015. The Panel stated that such stay would be lifted if any remedies or orders outlined fail in implementation or are not otherwise accommodated.¹⁵²

Subsequent Motions

In response to the Panel's opinion, on June 29, 2015, the State filed a motion to stay the operation and enforcement of the Panel's opinion and order and appealed the case to the Court. On

¹⁴⁵ *Id.* at 33-34.

¹⁴⁶ *Id.* at 35.

¹⁴⁷ *Id.* at 36.

¹⁴⁸ *Id.* at 48.

¹⁴⁹ *Id.* at 49.

¹⁵⁰ *Id.* at 57-58.

¹⁵¹ *Id.* at 65-67.

¹⁵² *Id.* at 79-83.

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June 30, 2015, the Kansas Supreme Court granted the State's motion to stay the operation and enforcement of the Panel's opinion and order.¹⁵³

On July 24, 2015, the Court stated that the equity and adequacy issues were in different stages of the litigation and that it "recognized the need for an expedited decision on the equity portion of the case."¹⁵⁴ The Court then separated the two issues of adequacy and equity and required the parties to brief and argue the issues separately beginning with equity.¹⁵⁵ The Court heard oral arguments regarding equity on November 6, 2015 and released the *Gannon II* equity opinion on February 11, 2016.

¹⁵³ *Gannon v. State*, No. 113,267 (Kan. Sup. Ct. June 30, 2015).

¹⁵⁴ *Gannon*, No. 113,267 (Kan. Sup. Ct. July 24, 2015).

¹⁵⁵ *Id.*

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Thursday, March 17, 2016, 112-N of the Capitol.

All members were present

Committee staff present:

Kathy Holscher, Kansas Legislative Committee Assistant
David Fye, Legislative Research Department
Jennifer Ouellette, Legislative Research Department
Jill Wolters, Office of Revisor of Statutes
Daniel Yoza, Office of Revisor of Statutes
J.G. Scott, Legislative Research Department
Melinda Gaul, Administrative Assistant

Conferees appearing before the Committee:

No conferees present

Others in attendance:

See Attached List

Possible action on bills previously heard

Chairman Ryckman called the meeting to order. A review of the meeting agenda followed.

Chairman Ryckman opened discussion on **HB 2731**.

J.G. Scott, Legislative Research Department, reviewed additional information, as requested by committee members, regarding school districts Local Option Budget (LOB) State Aid (Attachment 1). This information ranks the school district by Assessed Valuation Per Pupil (AVPP), the 81.2 percentile, adjustment to the LOB and percent used, and total mill levy per each district.

J.G. Scott responded to questions from committee members. He provided an explanation on the financial impact on school districts when there are changes in the LOB and mill levy. School districts would have the option to increase the mill levy to back fill LOB state aid reduction. Based on the calculations, approximately \$5.1 million would go back to the school districts and property tax relief would be approximately \$9.4 million. Districts with LOB state reductions that did not increase the mill levy, the property tax relief would be an appropriate reduction of \$27 million, and the state aid to schools would drop approximately \$12.5 million. Chairman Ryckman stated that this bill lapses \$17.5 million from the extraordinary needs fund to the State General Fund (SGF) and would have a fiscal note of \$20.5 million. It was noted that local boards would authorize adjustments for losses that could be made up by local efforts through increased property tax, as well authorize property tax reductions

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CONTINUATION SHEET

MINUTES of the Committee on Appropriations at 9:00 am on Thursday, March 17, 2016 in Room 112-N of the Capitol.

for those districts that experienced increases. Discussion followed regarding the components and impact of the bill. It was noted that four districts brought the lawsuit before the Supreme Court, and none of the four school districts appeared before the committee as proponents of the bill. The 1992 school funding formula and the changes that have occurred over this time frame was reviewed. Several suggestions were made during the discussion on the bill, which included the following: better record keeping of informal discussions; develop a funding formula based on scientific data to address adequacy and equity with stakeholders; and ensuring that money gets to the classrooms. Chairman Ryckman referenced KASB chart showing that the state spends \$900 more per pupil than the national average, and \$1500 less locally than the national average.

Chairman Ryckman noted that the ruling by the Supreme Court stated one of the ways to address the equity issue for funding schools would be to go back to the old formula. The goal is to keep the schools open, and to determine how to measure equal access to educational opportunities for all students.

It was noted that there were no conferees testifying as proponents or opponents on the bill, only conferees providing testimony in neutral positions on the bill. Several members expressed lack of support for the bill. No action was taken on the bill.

Chairman Ryckman stated that the priority is to provide certainty by keeping the schools open, as well as continued work on the school funding formula. It is evident by today's discussion, this bill is not going to move out of this committee. Without the support of this committee, the bill will not pass on the House floor. He expressed the need to find a way to create records reflecting sufficient evidence, as was requested by the Supreme Court.

Chairman Ryckman closed the discussion on the bill.

Possible Discussion on:

Representative Claeys, Chair, Transportation and Public Safety Budget Committee, reviewed the Alvarez and Marsal recommendations as was discussed in committee ([Attachment 2](#)). The committee did not take any action on the office consolidation recommendation. The Engineering Contractors recommendation included filling 7 vacant positions, prior to additional hiring consideration. It was noted that these positions would be at a higher cost, if outsourced. The sale of underutilized non-passenger equipment is an on-going process. Right of way access permits and driveway permit fees are at no cost to individuals presently, and of the committee recommended a review a fee schedule for this service. The Kansas Turnpike Authority (KTA) will review the increased sponsorship for rest stops, traveler assist hotline, roadside logo sign program and motorist assist program. Centralizing the human resources staff should be reviewed, as the importance of providing the best services and response to needs was emphasized. Regarding the sale of the state radio system, there are federal issues to work through in this process and options for leasing are underway. It was noted that the committee did not move forward on the Davis Bacon and Brooks Act, which deals with the lowest bidding contracts, as KDOT is using the best practices using quality based selection.

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CONTINUATION SHEET

MINUTES of the Committee on Appropriations at 9:00 am on Thursday, March 17, 2016 in Room 112-N of the Capitol.

Representative Claeys, Chair, Transportation and Public Safety Budget Committee, reviewed Alvarez and Marsal recommendations for the National Guard (See att. 2). Under general administration the committee determined that the department continues to be in compliance with federal regulations and continues to find realize savings.

Representative Claeys, Chair, Transportation and Public Safety Budget Committee, reviewed Alvarez and Marsal recommendations for the Department of Corrections. A bill was passed regarding prison-based program and credit expansion. State purchases that are done first from the Kansas Correctional Industries, have not been enforced and the committee recommended enforcement of this policy, when purchases are at cost or below cost by other suppliers. More discussion was requested by the committee regarding work release programs and the possible closure of a correctional facility. Most of the savings identified in the department was cost avoidance, he noted. There are bills in the Senate that address the expanded access to Substance Abuse Treatment and Community Corrections Transformation programs, he stated. The recommendation regarding strategic overtime reductions could be implemented according to to the department. The good time forfeiture and revocation process is a centralization issue for the department to evaluate and recommendations will be forthcoming. Reducing utilities cost through alternative energy pilot would require additional information for the committee's continued discussion, due to utility rates concerns. No action was recommended by the committee regarding leveraging Medicaid and private health insurance as a process is already in place. Regarding expanding on-site medical services, further study will be done by the department and the findings will be reported to the committee, he added.

Chairman Ryckman reviewed the agenda for the next committee meeting.

Meeting adjourned at: 10:40 a.m.

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USD#	County Name	USD Name	2015-16		2013-14		Rank Trend	2016-17		2016-17 Est.		2015-16		2015-16	
			Est. AVPP Rank	AVPP Rank	Block Grant LOB	State Aid		Est LOB	State Aid	LOB Percent Used	Total USD				
244	Coffey	Burlington	1	1	-	0	0	0	0	0	0	30.00%	28,527		
332	Kingman	Cunningham	2	4	↑	2	0	0	0	0	0	30.00%	28,000		
275	Logan	Triplains	3	9	↑	6	0	0	0	0	0	33.00%	38,896		
106	Ness	Western Plains	4	5	↑	1	0	0	0	0	0	30.00%	41,189		
255	Barber	South Barber	5	3	↓	(2)	0	0	0	0	0	30.00%	34,141		
321	Pottawatomie	Kaw Valley	6	10	↑	4	0	0	0	0	0	30.00%	36,500		
291	Gove	Grimmell Public Schools	7	27	↑	20	0	0	0	0	0	20.55%	32,651		
209	Stevens	Moscow Public Schools	8	8	-	0	0	0	0	0	0	33.00%	39,519		
507	Haskell	Satanta	9	2	↓	(7)	0	0	0	0	0	30.00%	29,237		
251	Lyon	North Lyon County	10	40	↑	30	0	0	0	0	0	30.00%	40,264		
269	Rooks	Palco	11	6	↓	(5)	0	0	0	0	0	24.72%	43,585		
217	Morton	Rolla	12	7	↓	(5)	0	0	0	0	0	30.00%	39,997		
103	Cheyenne	Cheylin	13	37	↑	24	0	0	0	0	0	30.00%	41,624		
476	Gray	Copeland	14	38	↑	24	0	0	0	0	0	30.00%	57,824		
399	Russell	Paradise	15	11	↓	(4)	0	0	0	0	0	30.00%	44,780		
387	Wilson	Altoona-Midway	16	68	↑	52	0	0	0	0	0	25.80%	35,581		
241	Wallace	Wallace County Schools	17	42	↑	25	0	0	0	0	0	30.00%	41,225		
362	Linn	Prairie View	18	29	↑	11	0	0	0	0	0	30.00%	46,880		
474	Kiowa	Haviland	19	23	↑	4	0	0	0	0	0	30.00%	44,636		
111	Doniphan	Doniphan West Schools	20	32	↑	12	0	0	0	0	0	30.00%	41,897		
351	Stafford	Macksville	21	43	↑	22	0	0	0	0	0	30.00%	39,384		
112	Ellsworth	Central Plains	22	16	↓	(6)	0	0	0	0	0	30.00%	45,501		
482	Lane	Dighton	23	15	↓	(8)	0	0	0	0	0	30.00%	64,026		
502	Edwards	Lewis	24	31	↑	7	0	0	0	0	0	30.00%	34,918		
468	Lane	Healy Public Schools	25	14	↓	(11)	0	0	0	0	0	33.00%	48,832		
374	Haskell	Sublette	26	13	↓	(13)	0	0	0	0	0	30.00%	48,421		
292	Gove	Wheatland	27	34	↑	7	0	0	0	0	0	30.00%	48,094		
216	Kearny	Deerfield	28	20	↓	(8)	0	0	0	0	0	30.00%	42,108		
226	Meade	Meade	29	47	↑	18	0	0	0	0	0	33.00%	33,701		
444	Rice	Little River	30	54	↑	24	0	0	0	0	0	30.00%	46,199		
215	Kearny	Lakin	31	19	↓	(12)	0	0	0	0	0	30.00%	42,771		
452	Stanton	Stanton County	32	21	↓	(11)	0	0	0	0	0	30.00%	38,950		

USD#	County Name	USD Name	Est.				2016-17			2016-17 Est.			2015-16		2015-16	
			AVPP		AVPP		Block Grant	HB 2731	Difference	LOB	Mill Levy	Total	USD			
			Rank	Rank	SY 16-17	SY 14-16	Rank Trend	State Aid		Est LOB				State Aid	Percent	Used
300	Comanche	Comanche County	33	12	↓	(21)	0	0	0	0	0	30.00%	42,921			
107	Jewell	Rock Hills	34	60	↑	26	21,459	0	(21,459)	0	23.80%	35,670				
310	Reno	Fairfield	35	44	↑	9	0	0	0	0	30.00%	47,244				
294	Decatur	Oberlin	36	66	↑	30	49,926	0	(49,926)	0	30.00%	43,151				
422	Kiowa	Kiowa County	37	24	↓	(13)	0	0	0	0	30.00%	38,196				
303	Ness	Ness City	38	18	↓	(20)	0	0	0	0	30.00%	40,584				
227	Hodgeman	Hodgeman County Schools	39	28	↓	(11)	0	0	0	0	30.00%	56,530				
254	Barber	Barber County North	40	46	↑	6	0	0	0	0	30.00%	45,278				
284	Chase	Chase County	41	55	↑	14	4,647	0	(4,647)	0	30.00%	49,262				
363	Finney	Holcomb	42	22	↓	(20)	0	0	0	0	29.14%	43,659				
274	Logan	Oakley	43	25	↓	(18)	0	0	0	0	30.00%	45,741				
459	Ford	Bucklin	44	30	↓	(14)	0	0	0	0	28.87%	45,439				
361	Harper	Anthony-Harper	45	61	↑	16	80,374	0	(80,374)	0	29.20%	51,836				
314	Thomas	Brewster	46	52	↑	6	0	0	0	0	27.00%	47,028				
299	Lincoln	Sylvan Grove	47	81	↑	34	72,558	0	(72,558)	0	23.13%	39,690				
401	Rice	Chase-Raymond	48	39	↓	(9)	0	0	0	0	30.00%	48,846				
200	Greeley	Greeley County Schools	49	41	↓	(8)	0	0	0	0	30.00%	58,294				
229	Johnson	Blue Valley	50	62	↑	12	2,407,372	0	(2,407,372)	0	33.00%	67,889				
281	Graham	Graham County	51	35	↓	(16)	0	0	0	0	30.00%	59,341				
256	Allen	Marraton Valley	52	175	↑	123	400,146	0	(400,146)	0	29.29%	36,768				
115	Nemaha	Nemaha Central	53	57	↑	4	15,619	0	(15,619)	0	23.76%	41,108				
208	Trego	Wakeeney	54	49	↓	(5)	0	0	0	0	30.00%	51,992				
210	Stevens	Hugoton Public Schools	55	26	↓	(29)	0	1,168	1,168	0	30.00%	59,917				
220	Clark	Ashland	56	36	↓	(20)	0	1,352	1,352	0	30.00%	49,173				
423	McPherson	Moundridge	57	76	↑	19	121,534	12,765	(108,769)	0	33.00%	57,696				
390	Greenwood	Hamilton	58	58	-	0	7,136	4,239	(2,897)	0	25.34%	49,585				
225	Meade	Fowler	59	87	↑	28	89,000	12,572	(76,428)	0	33.00%	63,085				
512	Johnson	Shawnee Mission Pub Sch	60	63	↑	3	3,040,285	1,302,779	(1,737,506)	0	33.00%	54,059				
364	Marshall	Marysville	61	73	↑	12	173,754	41,506	(132,249)	0	30.00%	47,217				
283	Elk	Elk Valley	62	122	↑	60	156,179	14,466	(141,713)	0	27.77%	48,652				
223	Washington	Barnes	63	92	↑	29	175,837	35,584	(140,253)	0	30.00%	47,573				
412	Sheridan	Hoxie Community Schools	64	69	↑	5	64,249	52,652	(11,597)	0	30.00%	44,901				

USD#	County Name	USD Name	Est.			2016-17 Est.			2015-16			2015-16	
			AVPP Rank	AVPP Rank	Rank Trend	Block Grant LOB	HB 2731 Est LOB	Difference	LOB Percent	Used	Total USD	Mill Levy	
			SY 16-17	SY 14-16		State Aid	State Aid						
245	Coffey	LeRoy-Gridley	65	53	↓	(12)	0	44,381	44,381	30.00%	51,150		
415	Brown	Hiawatha	66	71	↑	5	197,162	138,248	(58,914)	30.00%	60,113		
467	Wichita	Leoti	67	83	↑	16	157,678	88,016	(69,661)	30.00%	57,547		
242	Wallace	Weskan	68	64	↓	(4)	17,107	28,613	11,506	33.00%	58,796		
403	Rush	Otis-Bison	69	48	↓	(21)	0	57,129	57,129	29.10%	49,864		
384	Riley	Blue Valley	70	75	↑	5	62,896	55,997	(6,899)	33.00%	59,824		
346	Linn	Jayhawk	71	158	↑	87	660,809	147,908	(512,901)	30.00%	56,586		
334	Cloud	Southern Cloud	72	90	↑	18	119,683	70,636	(49,047)	30.00%	52,657		
483	Seward	Kismet-Plains	73	50	↓	(23)	0	161,412	161,412	18.28%	44,377		
481	Dickinson	Rural Vista	74	89	↑	15	141,353	109,052	(32,301)	30.00%	56,666		
496	Pawnee	Pawnee Heights	75	99	↑	24	85,280	54,331	(30,949)	33.00%	44,690		
271	Rooks	Stockton	76	74	↓	(2)	80,629	108,078	27,449	30.00%	59,687		
383	Riley	Manhattan-Ogden	77	80	↑	3	1,536,205	1,762,663	226,458	32.73%	55,960		
214	Grant	Ulysses	78	45	↓	(33)	0	487,259	487,259	30.00%	44,933		
489	Ellis	Hays	79	65	↓	(14)	317,906	805,864	487,958	30.00%	45,568		
432	Ellis	Victoria	80	33	↓	(47)	0	103,522	103,522	30.00%	61,505		
297	Cheyenne	St Francis Comm Sch	81	78	↓	(3)	92,022	112,944	20,922	30.00%	44,293		
350	Stafford	St John-Hudson	82	51	↓	(31)	0	148,413	148,413	31.00%	51,541		
270	Rooks	Plainville	83	17	↓	(66)	0	146,454	146,454	30.00%	44,744		
306	Saline	Southeast Of Saline	84	84	-	0	255,415	275,828	20,414	30.00%	47,710		
326	Phillips	Logan	85	70	↓	(15)	46,844	93,307	46,463	30.00%	51,693		
272	Mitchell	Waconda	86	101	↑	15	197,983	144,171	(53,812)	30.00%	47,507		
398	Marion	Peabody-Burns	87	86	↓	(1)	125,290	156,003	30,713	33.00%	57,610		
219	Clark	Minneola	88	77	↓	(11)	84,689	124,388	39,699	30.00%	65,653		
109	Republic	Republic County	89	98	↑	9	241,846	224,052	(17,794)	29.48%	49,727		
298	Lincoln	Lincoln	90	135	↑	45	337,105	185,827	(151,278)	30.00%	50,340		
108	Washington	Washington Co. Schools	91	94	↑	3	186,292	191,376	5,085	30.00%	58,047		
105	Rawlins	Rawlins County	92	111	↑	19	237,401	177,092	(60,309)	30.00%	49,033		
377	Atchison	Atchison Co Comm Schools	93	112	↑	19	468,385	325,758	(142,627)	30.00%	44,734		
466	Scott	Scott County	94	72	↓	(22)	197,992	416,125	218,133	30.00%	58,548		
329	Wabaunsee	Mill Creek Valley	95	109	↑	14	341,464	260,902	(80,562)	30.00%	58,449		
359	Sumner	Argonia Public Schools	96	97	↑	1	94,331	104,965	10,634	28.01%	47,474		
375	Butler	Circle	97	82	↓	(15)	471,561	759,907	288,346	30.00%	65,621		

USD#	County Name	USD Name	Rank Trend				2016-17 Est.			2015-16		2015-16	
			Est.	AVPP	AVPP	Rank	Block Grant	HB 2731	Difference	LOB	Total	Used	Mill Levy
			Rank	Rank	Rank	Rank	2016-17	Est LOB		Percent	USD	Percent	USD
224	Washington	Clifton-Clyde	98	100	↑	2	166,479	168,058	1,579	27.55%	40,356		
477	Gray	Ingalls	99	59	↓	(40)	16,257	152,614	136,357	30.00%	51,634		
395	Rush	LaCrosse	100	91	↓	(9)	137,782	179,129	41,347	28.25%	47,935		
315	Thomas	Colby Public Schools	101	114	↑	13	610,224	508,419	(101,805)	30.00%	45,248		
110	Phillips	Thunder Ridge Schools	102	134	↑	32	258,803	181,685	(77,117)	30.00%	52,174		
419	McPherson	Canton-Galva	103	102	↓	(1)	268,640	272,857	4,217	33.00%	63,384		
479	Anderson	Crest	104	131	↑	27	147,541	130,022	(17,519)	23.69%	34,695		
426	Republic	Pike Valley	105	121	↑	16	206,973	168,788	(38,185)	30.00%	52,296		
497	Douglas	Lawrence	106	93	↓	(13)	4,241,179	5,737,769	1,496,590	33.00%	56,906		
448	McPherson	Inman	107	108	↑	1	316,169	295,090	(21,078)	33.00%	58,653		
206	Butler	Remington-Whitewater	108	105	↓	(3)	322,369	332,931	10,562	30.00%	53,907		
418	McPherson	McPherson	109	106	↓	(3)	1,141,453	1,271,123	129,670	33.00%	50,787		
392	Osborne	Osborne County	110	113	↑	3	234,927	215,967	(18,960)	30.00%	51,255		
237	Smith	Smith Center	111	128	↑	17	395,743	317,364	(78,380)	33.00%	52,579		
490	Butler	El Dorado	112	96	↓	(16)	769,403	1,136,469	367,066	30.00%	60,835		
349	Stafford	Stafford	113	125	↑	12	234,369	205,664	(28,705)	30.00%	51,450		
203	Wyandotte	Piper-Kansas City	114	95	↓	(19)	716,273	1,038,363	322,090	31.00%	59,701		
352	Sherman	Goodland	115	146	↑	31	857,589	672,462	(185,127)	30.00%	49,661		
407	Russell	Russell County	116	56	↓	(60)	17,107	593,219	576,112	33.00%	50,328		
212	Norton	Northern Valley	117	115	↓	(2)	165,709	166,785	1,076	30.00%	57,790		
113	Nemaha	Prairie Hills	118	116	↓	(2)	706,679	711,156	4,477	30.00%	55,528		
494	Haskellton	Syracuse	119	85	↓	(34)	214,295	412,244	197,949	30.00%	58,163		
371	Gray	Montezuma	120	118	↓	(2)	204,764	207,318	2,554	30.00%	60,304		
511	Harper	Attica	121	88	↓	(33)	74,731	146,804	72,073	30.00%	49,199		
417	Morris	Morris County	122	107	↓	(15)	449,981	545,060	95,080	30.00%	55,394		
316	Thomas	Golden Plains	123	150	↑	27	268,160	205,344	(62,815)	30.00%	40,963		
343	Jefferson	Perry Public Schools	124	123	↓	(1)	633,229	649,974	16,745	30.00%	55,760		
393	Dickinson	Solomon	125	139	↑	14	303,448	283,071	(20,377)	30.00%	47,683		
438	Pratt	Skyline Schools	126	126	-	0	375,638	350,100	(25,538)	31.00%	47,524		
347	Edwards	Kinsley-Offenle	127	117	↓	(10)	297,329	336,325	38,995	30.00%	67,877		
312	Reno	Haven Public Schools	128	129	↑	1	788,533	740,833	(47,699)	31.00%	55,073		
382	Pratt	Pratt	129	130	↑	1	869,827	872,490	2,663	30.00%	49,757		
330	Wabaunsee	Mission Valley	130	120	↓	(10)	409,804	465,717	55,913	30.00%	61,393		

USD#	County Name	USD Name	SY 16-17			SY 14-16			Rank Trend	2016-17		2016-17 Est.		Difference	2015-16		2015-16	
			AVPP	Rank	AVPP	Rank	Block Grant	LOB		Est LOB	HB 2731	State Aid	State Aid		Used	LOB	Percent	Total
445	Montgomery	Coffeyville	131	119	↓	(12)	1,179,012	1,362,902	183,890	30.00%	30.00%	45,141	54,520					
437	Shawnee	Auburn Washburn	132	110	↓	(22)	3,061,829	4,122,936	1,061,106	30.00%	31.00%	104,602	56,918					
293	Gove	Quinter Public Schools	133	104	↓	(29)	205,974	310,576	104,602	29.99%	29.99%	14,956	52,473					
327	Ellsworth	Ellsworth	134	143	↑	9	527,985	542,941	14,956	30.00%	30.00%	52,695	47,803					
273	Mitchell	Beloit	135	136	↑	1	632,890	685,585	52,695	30.00%	30.00%	52,988	67,619					
252	Lyon	Southern Lyon County	136	127	↓	(9)	444,165	497,153	52,988	25.58%	25.58%	(87,804)	43,835					
102	Gray	Cimmaron-Ensign	137	159	↑	22	612,781	524,976	(87,804)	31.60%	31.60%	(35,950)	68,959					
360	Sumner	Caldwell	138	162	↑	24	321,387	285,437	(35,950)	30.00%	30.00%	(64,096)	58,838					
492	Butler	Flinthills	139	170	↑	31	344,947	280,851	(64,096)	23.72%	23.72%	(59,709)	38,262					
456	Osage	Marais Des Cygnes Valley	140	181	↑	41	316,679	252,085	(64,595)	30.00%	30.00%	343,455	65,693					
311	Reno	Pretty Prairie	141	171	↑	30	347,846	288,137	(59,709)	30.00%	30.00%	(27,230)	49,739					
355	Barton	Ellinwood Public Schools	142	67	↓	(75)	71,263	414,719	343,455	25.11%	25.11%	201,209	49,242					
322	Pottawatomie	Onaga-Havensville-Wheaton	143	152	↑	9	346,894	319,664	(27,230)	30.00%	30.00%	97,535	47,165					
388	Ellis	Ellis	144	79	↓	(65)	128,881	330,090	201,209	30.00%	30.00%	(17,426)	49,999					
381	Ford	Spearville	145	151	↑	6	362,981	345,555	(17,426)	27.19%	27.19%	3,376	48,549					
473	Dickinson	Chapman	146	140	↓	(6)	870,302	967,837	97,535	30.00%	30.00%	69,784	47,010					
386	Greenwood	Madison-Virgil	147	144	↓	(3)	259,297	262,673	3,376	30.00%	30.00%	279,662	59,768					
287	Franklin	West Franklin	148	145	↓	(3)	604,893	674,676	69,784	26.88%	26.88%	(24,293)	46,758					
365	Anderson	Garnett	149	167	↑	18	1,100,708	999,065	(101,643)	30.00%	30.00%	6,415	63,040					
313	Reno	Buhler	150	138	↓	(12)	1,578,518	1,858,180	279,662	30.00%	31.84%	6,415	63,040					
436	Montgomery	Caney Valley	151	241	↑	90	718,988	694,695	(24,293)	30.00%	30.00%	124,168	55,444					
380	Marshall	Vermillion	152	186	↑	34	641,680	552,851	(88,829)	30.00%	30.00%	270,026	59,343					
243	Coffey	Lebo-Waverly	153	193	↑	40	641,490	540,541	(100,949)	30.00%	30.00%	(70,468)	48,599					
378	Riley	Riley County	154	176	↑	22	779,615	709,147	(70,468)	30.00%	30.00%	6,415	67,764					
233	Johnson	Olathe	155	163	↑	8	28,170,395	27,114,485	(1,055,910)	31.84%	31.84%	6,415	63,040					
410	Marion	Durham-Hillsboro-Lehigh	156	148	↓	(8)	655,635	662,050	6,415	30.00%	30.00%	124,168	55,444					
205	Butler	Bluestem	157	137	↓	(20)	490,267	614,435	124,168	30.00%	30.00%	270,026	59,343					
331	Kingman	Kingman - Norwich	158	124	↓	(34)	740,864	1,010,889	270,026	30.00%	30.00%	478,744	58,640					
429	Doniphan	Troy Public Schools	159	174	↑	15	390,485	364,116	(26,369)	30.00%	30.00%	263,758	66,004					
368	Miami	Paola	160	141	↓	(19)	1,383,034	1,861,779	478,744	30.00%	30.00%	122,461	50,974					
416	Miami	Louisburg	161	147	↓	(14)	1,266,668	1,530,426	263,758	30.00%	30.00%	122,461	50,974					
366	Woodson	Woodson	162	133	↓	(29)	424,763	547,224	122,461	30.00%	30.00%	(35,203)	55,432					
211	Norton	Norton Community Schools	163	173	↑	10	799,165	763,962	(35,203)	30.00%	30.00%							

USD#	County Name	USD Name	Est.			2016-17			2016-17 Est.			2015-16		2015-16	
			AVPP	Rank	Rank Trend	Block Grant	LOB	State Aid	HB 2731	Est LOB	Difference	LOB	Percent	Total	USD
			SY 16-17	SY 14-16	Rank Trend	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2015-16	2015-16	2015-16	
463	Cowley	Udall	164	198	↑	494,127	403,255	403,255	(90,872)	30.00%	30.00%	57,241			
101	Neosho	Erie-Galesburg	165	153	↓	642,776	668,953	668,953	26,178	30.00%	30.00%	74,858			
369	Harvey	Burrton	166	103	↓	164,402	303,622	303,622	139,219	30.00%	30.00%	64,455			
342	Jefferson	McLouth	167	172	↑	609,626	585,082	585,082	(24,544)	30.00%	30.00%	49,332			
493	Cherokee	Columbus	168	177	↑	1,161,058	1,092,744	1,092,744	(68,315)	30.00%	30.00%	43,809			
400	McPherson	Smoky Valley	169	156	↓	995,360	1,033,703	1,033,703	38,343	33.00%	33.00%	46,744			
263	Sedgwick	Mulvane	170	132	↓	1,147,063	1,516,794	1,516,794	369,731	30.00%	30.00%	57,931			
495	Pawnee	Ft Larned	171	188	↑	1,128,043	1,033,231	1,033,231	(94,812)	30.00%	30.00%	57,890			
289	Franklin	Wellsville	172	166	↓	811,863	827,179	827,179	15,316	30.00%	30.00%	56,612			
232	Johnson	De Soto	173	180	↑	6,580,982	6,249,687	6,249,687	(331,295)	33.00%	33.00%	74,461			
484	Wilson	Fredonia	174	154	↓	725,091	786,036	786,036	60,945	30.00%	30.00%	51,913			
309	Reno	Nickerson	175	165	↓	1,214,420	1,267,342	1,267,342	52,922	30.00%	30.00%	48,490			
258	Allen	Humboldt	176	256	↑	1,001,045	693,681	693,681	(307,364)	30.00%	30.00%	52,691			
408	Marion	Marion-Florence	177	164	↓	593,090	619,732	619,732	26,642	30.00%	30.00%	52,412			
204	Wyandotte	Bonner Springs	178	157	↓	2,272,857	2,504,267	2,504,267	231,411	30.00%	30.00%	62,775			
345	Shawnee	Seaman	179	168	↓	3,330,695	3,496,998	3,496,998	166,303	30.00%	30.00%	52,106			
267	Sedgwick	Renwick	180	179	↓	1,851,535	1,839,244	1,839,244	(12,291)	33.00%	33.00%	59,430			
305	Saline	Salina	181	160	↓	6,499,785	7,087,583	7,087,583	587,798	30.00%	30.00%	56,120			
379	Clay	Clay Center	182	187	↑	1,406,655	1,364,986	1,364,986	(41,669)	30.00%	30.00%	43,514			
239	Ottawa	North Ottawa County	183	189	↑	834,184	809,091	809,091	(25,092)	33.00%	33.00%	53,353			
247	Crawford	Cherokee	184	228	↑	976,143	809,670	809,670	(166,473)	30.00%	30.00%	49,418			
260	Sedgwick	Derby	185	161	↓	5,586,707	6,356,137	6,356,137	769,429	30.00%	30.00%	55,166			
449	Leavenworth	Easton	186	196	↑	893,861	845,859	845,859	(48,002)	30.00%	30.00%	54,211			
282	Elk	West Elk	187	155	↓	439,852	519,732	519,732	79,880	30.00%	30.00%	52,270			
446	Montgomery	Independence	188	203	↑	2,229,386	2,066,062	2,066,062	(163,324)	30.00%	30.00%	41,202			
348	Douglas	Baldwin City	189	183	↓	1,359,877	1,420,582	1,420,582	60,705	30.00%	30.00%	65,717			
240	Ottawa	Twin Valley	190	216	↑	911,180	833,504	833,504	(77,676)	33.00%	33.00%	56,558			
440	Harvey	Halstead	191	212	↑	1,045,439	967,363	967,363	(78,075)	30.00%	30.00%	51,631			
450	Shawnee	Shawnee Heights	192	192	-	3,453,761	3,621,718	3,621,718	167,957	30.00%	30.00%	53,150			
460	Harvey	Hesston	193	208	↑	1,071,929	1,020,613	1,020,613	(51,316)	33.00%	33.00%	57,643			
458	Leavenworth	Basehor-Linwood	194	190	↓	1,909,723	2,050,455	2,050,455	140,731	30.00%	30.00%	61,298			
307	Saline	Ell-Saline	195	246	↑	770,819	653,177	653,177	(117,641)	30.00%	30.00%	50,188			
266	Sedgwick	Malze	196	194	↓	6,541,868	6,662,414	6,662,414	120,546	30.00%	30.00%	61,826			

USD#	County Name	USD Name	SY 16-17			SY 14-16			Rank Trend	2016-17			2016-17 Est.			2015-16			2015-16	
			AVPP Rank	AVPP Rank	AVPP Rank	State Aid	LOB	Block Grant		Est LOB	HB 2731	State Aid	Est LOB	Difference	LOB	Percent Used	Total USD	Mill Levy		
320	Pottawatomie	Wamego	197	200	↑	1,618,722		1,614,826		(3,896)	30.00%	55,445		55,445						
259	Sedgwick	Wichita	198	191	↓	55,048,212		60,181,021		5,132,809	30.00%	56,278		56,278						
498	Marshall	Valley Heights	199	229	↑	678,070		636,974		(41,096)	30.00%	55,474		55,474						
335	Jackson	North Jackson	200	236	↑	616,404		567,549		(48,855)	30.00%	53,181		53,181						
431	Barton	Holsington	201	142	↓	618,480		957,839		339,358	30.00%	59,164		59,164						
430	Brown	South Brown County	202	238	↑	1,008,948		923,705		(85,243)	30.00%	52,153		52,153						
376	Rice	Sterling	203	205	↑	728,472		736,435		7,963	30.00%	66,753		66,753						
389	Greenwood	Eureka	204	221	↑	959,523		950,192		(9,330)	30.00%	57,761		57,761						
411	Marion	Goessel	205	225	↑	452,551		450,830		(1,721)	31.14%	59,035		59,035						
323	Pottawatomie	Rock Creek	206	197	↓	1,064,380		1,106,566		42,186	27.11%	48,038		48,038						
333	Cloud	Concordia	207	217	↑	1,339,293		1,325,331		(13,962)	30.00%	48,936		48,936						
264	Sedgwick	Clearwater	208	199	↓	1,331,029		1,379,882		48,853	30.00%	58,187		58,187						
385	Butler	Andover	209	219	↑	5,480,737		5,176,895		(303,842)	31.00%	65,289		65,289						
114	Doniphan	Riverside	210	201	↓	791,270		979,667		188,397	30.00%	48,014		48,014						
471	Cowley	Dexter	211	202	↓	226,923		239,255		12,332	25.75%	51,978		51,978						
464	Leavenworth	Tonganoxie	212	206	↓	2,016,958		2,079,903		62,946	30.00%	60,402		60,402						
465	Cowley	Winfield	213	231	↑	2,837,878		2,732,491		(105,386)	30.00%	51,018		51,018						
286	Chautauqua	Chautauqua Co Community	214	149	↓	426,464		495,426		68,962	24.43%	45,424		45,424						
453	Leavenworth	Leavenworth	215	204	↓	4,297,821		4,483,530		185,708	30.00%	63,341		63,341						
397	Marion	Centre	216	182	↓	367,631		437,171		69,540	30.00%	44,535		44,535						
435	Dickinson	Abilene	217	207	↓	1,690,715		1,805,864		115,150	30.00%	53,762		53,762						
462	Cowley	Central	218	244	↑	565,082		523,017		(42,065)	30.00%	59,309		59,309						
461	Wilson	Neodesha	219	263	↑	1,158,360		1,092,547		(65,813)	33.00%	51,696		51,696						
290	Franklin	Ottawa	220	213	↓	2,815,820		2,927,773		111,953	30.00%	62,885		62,885						
421	Osage	Lyndon	221	223	↑	638,786		642,596		3,809	30.00%	45,421		45,421						
413	Neosho	Chanute Public Schools	222	185	↓	2,282,608		2,378,749		96,141	30.00%	54,515		54,515						
434	Osage	Santa Fe Trail	223	222	↓	1,468,105		1,494,207		26,102	30.00%	50,008		50,008						
428	Barton	Great Bend	224	215	↓	3,618,922		3,794,442		175,520	30.00%	45,866		45,866						
344	Linn	Pleasanton	225	269	↑	676,857		576,664		(100,193)	30.00%	42,605		42,605						
404	Cherokee	Riverton	226	214	↓	1,035,688		1,093,448		57,760	30.00%	59,165		59,165						
409	Atchison	Atchison Public Schools	227	210	↓	1,976,688		2,105,310		128,622	30.00%	56,938		56,938						
341	Jefferson	Oskaloosa Public Schools	228	220	↓	894,446		928,289		33,842	29.50%	47,941		47,941						
285	Chautauqua	Cedar Vale	229	184	↓	183,772		214,152		30,380	19.75%	39,522		39,522						

USD#	County Name	USD Name	Est.			2016-17 Est.			2015-16		2015-16	
			AVPP	AVPP	AVPP	Block Grant	HB 2731	Difference	LOB	Total	LOB	USD
			Rank	Rank	Rank Trend	LOB	Est LOB		Percent	Mill Levy	Percent	Mill Levy
			SY 16-17	SY 14-16		State Aid	State Aid		Used	Mill Levy		
325	Phillips	Phillipsburg	230	218	↓	855,375	911,121	55,746	30.00%	43.718		
372	Shawnee	Silver Lake	231	239	↑	953,321	951,464	(1,857)	30.00%	57.822		
231	Johnson	Gardner Edgerton	232	234	↑	6,243,754	6,618,463	374,709	31.53%	69.185		
338	Jefferson	Valley Falls	233	252	↑	680,424	639,750	(40,674)	30.00%	54.633		
250	Crawford	Pittsburg	234	211	↓	3,528,590	3,858,824	330,234	30.00%	50.875		
288	Franklin	Central Heights	235	240	↑	959,040	969,297	10,257	30.00%	54.389		
373	Harvey	Newton	236	242	↑	4,283,802	4,207,270	(76,532)	30.00%	54.833		
230	Johnson	Spring Hill	237	224	↓	3,029,906	3,211,487	181,581	30.00%	64.136		
469	Leavenworth	Lansing	238	227	↓	2,841,642	2,989,022	147,380	30.00%	59.844		
405	Rice	Lyons	239	209	↓	1,048,804	1,257,329	208,526	30.00%	55.866		
509	Sumner	South Haven	240	169	↓	298,596	404,134	105,538	31.81%	75.832		
218	Morton	Elkhart	241	178	↓	609,411	792,708	183,297	30.00%	31.216		
265	Sedgwick	Goddard	242	230	↓	5,973,671	6,266,432	292,761	30.00%	65.005		
340	Jefferson	Jefferson West	243	233	↓	1,204,130	1,253,343	49,212	30.00%	53.992		
339	Jefferson	Jefferson County North	244	254	↑	760,241	728,022	(32,219)	30.00%	49.187		
501	Shawnee	Topeka Public Schools	245	232	↓	18,003,092	19,035,398	1,032,306	30.00%	51.722		
356	Sumner	Conway Springs	246	249	↑	796,874	779,234	(17,639)	30.00%	57.004		
308	Reno	Hutchinson Public Schools	247	247	-	6,318,368	6,431,755	113,387	29.77%	55.954		
457	Finney	Garden City	248	226	↓	9,235,555	10,006,757	771,202	28.78%	52.027		
262	Sedgwick	Valley Center Pub Sch	249	237	↓	3,160,561	3,322,955	162,394	29.87%	62.281		
487	Dickinson	Herington	250	235	↓	712,091	778,105	66,014	30.00%	69.619		
420	Osage	Osage City	251	243	↓	1,007,865	1,026,288	18,422	30.00%	50.416		
353	Sumner	Wellington	252	255	↑	2,258,503	2,199,761	(58,742)	30.00%	58.853		
503	Labette	Parsons	253	245	↓	1,835,598	1,878,589	42,991	30.00%	58.453		
367	Miami	Osawatomie	254	258	↑	1,979,284	1,936,335	(42,949)	30.00%	59.558		
234	Bourbon	Fort Scott	255	248	↓	2,449,992	2,337,478	(112,514)	28.13%	53.072		
268	Sedgwick	Cheney	256	250	↓	1,124,771	1,143,491	18,719	30.00%	58.772		
394	Butler	Rose Hill Public Schools	257	257	-	2,044,049	2,118,954	74,905	31.21%	58.378		
257	Allen	lola	258	251	↓	2,016,747	2,083,608	66,862	30.00%	48.471		
246	Crawford	Northeast	259	268	↑	946,934	917,675	(29,258)	30.00%	49.722		
396	Butler	Douglas Public Schools	260	261	↑	1,112,704	1,213,235	100,531	33.00%	64.709		
253	Lyon	Emporia	261	253	↓	6,177,617	6,346,329	168,711	30.00%	53.614		
336	Jackson	Holton	262	264	↑	1,720,775	1,695,925	(24,850)	30.00%	58.796		

USD#	County Name	USD Name	Est.			2016-17 Block Grant	2016-17 Est. HB 2731	Difference	2015-16 LOB Percent Used	2015-16 Total USD Mill Levy
			AVPP Rank	AVPP Rank	Rank Trend					
			SY 16-17	SY 14-16						
454	Osage	Burlingame Public School	263	265	↑	538,979	539,452	473	28.86%	50,589
402	Butler	Augusta	264	260	↓	2,854,003	2,835,194	(18,809)	30.00%	63,413
439	Harvey	Sedgwick Public Schools	265	275	↑	719,889	767,542	47,653	28.00%	39,676
358	Sumner	Oxford	266	195	↓	487,828	629,287	141,459	29.98%	62,225
337	Jackson	Royal Valley	267	277	↑	1,641,442	1,574,982	(66,459)	30.00%	47,897
357	Sumner	Belle Plaine	268	267	↓	1,087,209	1,095,595	8,386	30.00%	58,768
248	Crawford	Girard	269	266	↓	1,594,679	1,610,546	15,867	30.00%	54,045
506	Labette	Labette County	270	270	-	2,308,341	2,340,024	31,683	30.00%	51,589
491	Douglas	Eudora	271	262	↓	2,082,850	2,163,128	80,278	30.00%	73,261
505	Labette	Chetopa-St. Paul	272	274	↑	868,322	857,340	(10,982)	30.00%	60,971
235	Bourbon	Uniontown	273	273	-	878,969	875,866	(3,103)	30.00%	43,970
480	Seward	Liberal	274	259	↓	6,881,210	7,142,887	261,677	27.37%	50,221
443	Ford	Dodge City	275	271	↓	11,193,952	11,512,413	318,461	30.00%	57,060
500	Wyandotte	Kansas City	276	272	↓	34,985,011	35,955,854	970,843	30.00%	49,309
470	Cowley	Arkansas City	277	276	↓	4,467,083	4,545,316	78,233	29.65%	60,401
202	Wyandotte	Turner-Kansas City	278	278	-	6,550,500	6,710,106	159,606	30.00%	61,802
249	Crawford	Frontenac Public Schools	279	279	-	1,515,420	1,538,316	22,896	30.00%	46,126
475	Geary	Geary County Schools	280	283	↑	13,470,371	13,290,320	(180,051)	30.00%	43,525
447	Montgomery	Cherryvale	281	280	↓	1,513,264	1,531,264	18,001	30.00%	41,613
504	Labette	Oswego	282	282	-	927,225	949,310	22,085	30.00%	56,895
261	Sedgwick	Haysville	283	281	↓	8,392,482	8,633,056	240,573	29.98%	56,073
508	Cherokee	Baxter Springs	284	284	-	1,753,959	1,836,554	82,595	28.34%	59,982
499	Cherokee	Galena	285	285	-	1,692,517	1,709,082	16,565	30.00%	59,665
207	Leavenworth	Fi Leavenworth	286	286	-	3,424,125	3,493,414	69,289	33.00%	42,920
						450,491,513	465,003,991	14,512,479		

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 2:30pm on Tuesday, March 22, 2016, 112-N of the Capitol.

All members were present except:

Representative Amanda Grosserode – Excused
Representative Daniel Hawkins – Excused
Representative Mark Kahrs – Excused

Committee staff present:

Kathy Holscher, Kansas Legislative Committee Assistant
David Fye, Legislative Research Department
Jennifer Ouellette, Legislative Research Department
Jill Wolters, Office of Revisor of Statutes
Daniel Yoza, Office of Revisor of Statutes
J.G. Scott, Legislative Research Department
Melinda Gaul, Administrative Assistant

Conferees appearing before the Committee:

No conferees present

Others in attendance:

No list available

Opening Remarks

Chairman Ryckman called the meeting to order.

Bill introductions

Representative Highland made a motion to introduce legislation regarding school finance.
Representative Rhoades seconded the motion. Motion carried.

Informational hearing: HB2740 — Amendments to the CLASS Act regarding supplemental general state aid and capital outlay state aid.

Chairman Ryckman opened the informational hearing on **HB 2740**. He stated that a court reporter will be preparing the transcript on the proceedings of this committee meeting.

Jason Long, Office of Revisor of Statutes provided the bill brief (Attachment 1). The bill addresses amendments to the CLASS Act, in regards to establishing a statutory formula for determining supplemental general state aid and capital outlay state aid.

Jason Long responded to questions from committee members.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on Appropriations at 2:30pm on Tuesday, March 22, 2016 in Room 112-N of the Capitol.

Discussion on the bill followed by committee members as related to equitable funding issues, legislative compliance as related to the Supreme Court's ruling, and the commitment to ensure the schools will remain open.

Dale Dennis, Commissioner of Education, Kansas State Department of Education, provided an overview on the effects of the proposed plan on supplemental general (LOB) state aid, capital outlay state aid and hold harmless state aid (Attachment 2).

Dale Dennis responded to questions from committee members.

Chairman Ryckman closed discussion on the bill.

Chairman Ryckman stated that a hearing on **HB 2740** is scheduled for tomorrow's committee meeting.

The transcript of this committee meeting, as prepared by a transcriptionist, has been included (Attachment 3).

Meeting adjourned at: 3:10 pm

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

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LEGISLATURE of THE STATE of KANSAS
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MEMORANDUM

To: Chairman Ryckman
Members of the House Committee on Appropriations

From: Jason B. Long, Senior Assistant Revisor

Date: March 22, 2016

Subject: HB 2740 – Amendments to the CLASS Act regarding supplemental general state aid and capital outlay state aid.

House Bill No. 2740 makes various amendments regarding school finance. The bill establishes a statutory formula for determining supplemental general state aid and capital outlay state aid. The statutory formula is the same for both forms of state aid. The bill also places the extraordinary need fund under the administration of the State Board of Education. Finally, the bill makes appropriations for equalization state aid and the extraordinary need fund for fiscal year 2017.

Under current law, as a portion of their block grant, school districts receive an amount equal to the supplemental general state aid the district received for school year 2014-2015. Supplemental general state aid is equalization assistance for school districts that levy a local option budget property tax. Section 2 of HB 2740 establishes a statutory formula for determining supplemental general state aid. Under this section the State Board of Education determines the AVPP of each school district and rounds each figure to the nearest \$1,000. Then, the State Board prepares a schedule listing the rounded AVPP amounts from lowest to highest. The median AVPP is then assigned a state aid computation percentage of 25%. For each \$1,000 increment above the median AVPP the computation percentage decreases by 1%. For each \$1,000 increment below the median AVPP the computation percentage increases by 1% with a maximum of 100%. The state aid computation percentage for a school district's AVPP on the schedule is then multiplied by the school district's local option budget. This section sunsets on June 30, 2017, at the same time as the CLASS Act.

Attachment 1

Office of Revisor of Statutes, Jason Long

KANSAS OFFICE of
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LEGISLATURE of THE STATE of KANSAS

Currently, as a portion of their block grant, school districts also receive an amount equal to the capital outlay state aid the district received for school year 2014-2015. This form of state aid is equalization assistance for school districts that levy a capital outlay property tax under K.S.A. 72-8801. Section 3 of HB 2740 reestablishes the formula for determining capital outlay state aid that was contained in K.S.A. 72-8814 prior to its repeal. This is the same formula used in Section 2 for determining the state aid computation percentage. The state aid computation percentage for a school district's AVPP on the schedule is then multiplied by the school district's capital outlay levy amount to determine the capital outlay state aid to be paid to such district. This section also sunsets on June 30, 2017, at the same time as the CLASS Act.

Section 4 of HB 2740 provides school district equalization state aid. This is a new form of equalization state aid available for certain eligible school districts. To be eligible for such state aid a school district's combined supplemental general state aid and capital outlay state aid for fiscal year 2017 must be less than what the school district received as supplemental general state aid and capital outlay state aid under the block grant for fiscal year 2016. If the school district is eligible for this additional equalization state aid, then the difference between the FY 2017 amount and the FY 2016 amount is the amount of state aid to be paid to the school district.

Section 6 amends K.S.A. 72-6465 to adjust the calculation of the block grant amount for each school district. Sections 2 and 3 provide for direct appropriations of the equalization state aid. Because of this the block grant amount for school year 2016-2017 must be calculated excluding those amounts.

Section 7 amends K.S.A. 72-6476 to shift the review and approval of extraordinary need funds from the State Finance Council to the State Board of Education. School districts must still submit an application for extraordinary need funding, and the State Board may approve or deny such application. In addition to the current extraordinary need considerations, the State Board may also consider whether the school district has reasonably equal access to substantially similar educational opportunity through similar tax effort. All proceedings of the State Board under this section are to be conducted in accordance with the Kansas Administrative Procedure Act, and all decisions of the State Board with respect to extraordinary need are subject to the Kansas Judicial Review Act.

Section 8 amends K.S.A. 72-6481 to add Sections 2 through 4 to the CLASS Act, and to make the CLASS Act severable.

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Section 9 amends K.S.A. 74-4939a regarding the payment of KPERS employer obligations for school districts. This is a conforming amendment that is needed due to the amendments to K.S.A. 72-6465.

If enacted the bill would become effective on July 1, 2016.



Division of Fiscal and Administrative Services

Kansas State Department of Education
Landon State Office Building
900 SW Jackson Street, Suite 354
Topeka, Kansas 66612-1212

(785) 296-3871
(785) 296-6659 - fax
www.ksde.org

March 22, 2016

FROM: Dale M. Dennis, Deputy
Commissioner of Education

SUBJECT: Proposed Plan

Attached is a computer printout (SF16-133) which summarizes the effects of a proposed plan on supplemental general (LOB) state aid, capital outlay state aid, and hold harmless state aid. Provisions of this bill include the following.

- Capital outlay state aid is the same as provided in House Bill 2731 (see computer printout SF16-117 for school district detail).
- Supplemental general (LOB) state aid using median assessed valuation per pupil (see computer printout SF16-126 for school district detail)

SUMMARY—STATE AID

Capital Outlay State Aid	\$ 23,489,840
Supplemental General (LOB) State Aid	(82,908,792)
Hold Harmless State Aid	61,792,947
Growth	2,000,000
TOTAL	\$ 4,373,995

Attachment 2

COLUMN EXPLANATION

Column	1 --	2016-17 Estimated capital outlay state aid increase/decrease (see computer printout SF16-117 for school district detail).
	2 --	2016-17 Estimated supplemental general (LOB) state aid increase/decrease (see computer printout SF16-126 for school district detail)
	3 --	2016-17 Estimated total increase/decrease (Columns 1 + 2)
	4 --	2016-17 Estimated hold harmless state aid

	3/22/2016		Col 1	Col 2	Col 3	Col 4
			Cap Outlay Aid	LOB Aid	Estimated	Estimated
			Inc / Dec	Inc / Dec	Inc / Dec	Payment
USD#	County Name	USD Name	SF16-117 Col 4	SF16-126 Col 4	(Cols 1+2+3)	Hold Harmless
256	Allen	Marmaton Valley	0	-400,146	-400,146	400,146
257	Allen	Iola	89,321	-189,235	-99,914	99,914
258	Allen	Humboldt	59,573	-485,907	-426,335	426,335
365	Anderson	Garnett	82,131	-429,918	-347,786	347,786
479	Anderson	Crest	0	-104,821	-104,821	104,821
377	Atchison	Atchison Co Comm Schools	4,289	-434,626	-430,337	430,337
409	Atchison	Atchison Public Schools	112,164	-223,242	-111,078	111,078
254	Barber	Barber County North	0	0	0	0
255	Barber	South Barber	0	0	0	0
355	Barton	Ellinwood Public Schools	45,148	190,623	235,771	0
428	Barton	Great Bend	129,100	-434,133	-305,033	305,033
431	Barton	Holsington	48,885	166,216	215,100	0
234	Bourbon	Fort Scott	-28,319	-429,972	-458,290	458,290
235	Bourbon	Uniontown	0	-93,554	-93,554	93,554
415	Brown	Hiawatha	0	-197,162	-197,162	197,162
430	Brown	South Brown County	39,756	-252,507	-212,752	212,752
205	Butler	Bluestem	57,613	-56,881	732	0
206	Butler	Remington-Whitewater	23,597	-201,860	-178,263	178,263
375	Butler	Circle	72,089	-293,716	-221,627	221,627
385	Butler	Andover	445,569	-1,224,162	-778,593	778,593
394	Butler	Rose Hill Public Schools	104,596	-179,755	-75,159	75,159
396	Butler	Douglass Public Schools	47,544	-52,688	-5,144	5,144
402	Butler	Augusta	193,229	-380,141	-186,912	186,912
490	Butler	El Dorado	78,638	-269,181	-190,544	190,544
492	Butler	Flinthills	5,625	-170,372	-164,747	164,747
284	Chase	Chase County	0	-4,647	-4,647	4,647
285	Chautauqua	Cedar Vale	0	-3,358	-3,358	3,358
286	Chautauqua	Chautauqua Co Community	6,395	-16,048	-9,653	9,653
404	Cherokee	Riverton	-6,456	-122,514	-128,970	128,970
493	Cherokee	Columbus	34,756	-387,249	-352,494	352,494
499	Cherokee	Galena	26,348	-102,278	-75,930	75,930
508	Cherokee	Baxter Springs	83,323	-40,859	42,465	0
103	Cheyenne	Cheylin	0	0	0	0
297	Cheyenne	St Francis Comm Sch	0	-92,022	-92,022	92,022
219	Clark	Minneola	0	-84,689	-84,689	84,689
220	Clark	Ashland	0	0	0	0
379	Clay	Clay Center	-78,661	-369,689	-448,351	448,351
333	Cloud	Concordia	67,847	-262,440	-194,593	194,593
334	Cloud	Southern Cloud	0	-119,683	-119,683	119,683
243	Coffey	Lebo-Waverly	8,467	-270,076	-261,609	261,609
244	Coffey	Burlington	0	0	0	0
245	Coffey	LeRoy-Gridley	0	0	0	0
300	Comanche	Comanche County	0	0	0	0
462	Cowley	Central	17,280	-129,589	-112,309	112,309
463	Cowley	Udall	14,687	-206,438	-191,751	191,751
465	Cowley	Winfield	164,626	-571,881	-407,256	407,256
470	Cowley	Arkansas City	51,508	-383,843	-332,335	332,335
471	Cowley	Dexter	16,970	-31,423	-14,453	14,453
246	Crawford	Northeast	43,287	-144,553	-101,266	101,266
247	Crawford	Cherokee	15,868	-369,680	-353,812	353,812
248	Crawford	Girard	30,793	-170,283	-139,490	139,490
249	Crawford	Frontenac Public Schools	21,842	-111,824	-89,982	89,982

	3/22/2016		Col 1	Col 2	Col 3	Col 4
			Cap Outlay Aid	LOB Aid	Estimated	Estimated
			Inc / Dec	Inc / Dec	Inc / Dec	Payment
USD#	County Name	USD Name	SF16-117 Col 4	SF16-126 Col 4	(Cols 1+2+3)	Hold Harmless
250	Crawford	Pittsburg	130,319	-282,583	-152,264	152,264
294	Decatur	Oberlin	0	-49,926	-49,926	49,926
393	Dickinson	Solomon	22,574	-145,883	-123,309	123,309
435	Dickinson	Abilene	178,373	-184,899	-6,527	6,527
473	Dickinson	Chapman	-17,436	-226,618	-244,053	244,053
481	Dickinson	Rural Vista	0	-141,353	-141,353	141,353
487	Dickinson	Herington	0	-47,114	-47,114	47,114
111	Doniphan	Doniphan West Schools	0	0	0	0
114	Doniphan	Riverside	0	12,411	12,411	0
429	Doniphan	Troy Public Schools	13,545	-136,658	-123,114	123,114
348	Douglas	Baldwin City	120,067	-258,149	-138,082	138,082
491	Douglas	Eudora	109,827	-164,977	-55,150	55,150
497	Douglas	Lawrence	656,309	-2,377,404	-1,721,096	1,721,096
347	Edwards	Kinsley-Offerle	37,583	-111,390	-73,807	73,807
502	Edwards	Lewis	0	0	0	0
282	Elk	West Elk	20,962	-36,436	-15,474	15,474
283	Elk	Elk Valley	0	-156,179	-156,179	156,179
388	Ellis	Ellis	63,307	91,079	154,386	0
432	Ellis	Victoria	0	0	0	0
489	Ellis	Hays	0	-317,906	-317,906	317,906
112	Ellsworth	Central Plains	0	0	0	0
327	Ellsworth	Ellsworth	31,417	-187,355	-155,937	155,937
363	Finney	Holcomb	0	0	0	0
457	Finney	Garden City	293,038	-595,555	-302,517	302,517
381	Ford	Spearville	13,053	-133,059	-120,006	120,006
443	Ford	Dodge City	419,403	-788,687	-369,283	369,283
459	Ford	Bucklin	0	0	0	0
287	Franklin	West Franklin	56,631	-147,513	-90,882	90,882
288	Franklin	Central Heights	39,054	-130,682	-91,628	91,628
289	Franklin	Wellsville	71,910	-206,772	-134,862	134,862
290	Franklin	Ottawa	199,433	-382,498	-183,065	183,065
475	Geary	Geary County Schools	-154,601	-1,363,276	-1,517,877	1,517,877
291	Gove	Grinnell Public Schools	0	0	0	0
292	Gove	Wheatland	0	0	0	0
293	Gove	Quinter Public Schools	36,505	-16,562	19,943	0
281	Graham	Graham County	0	0	0	0
214	Grant	Ulysses	0	0	0	0
102	Gray	Cimmaron-Ensign	18,267	-285,031	-266,764	266,764
371	Gray	Montezuma	9,554	-101,046	-91,492	91,492
476	Gray	Copeland	0	0	0	0
477	Gray	Ingalls	7,671	24,186	31,858	0
200	Greeley	Greeley County Schools	0	0	0	0
386	Greenwood	Madison-Virgil	10,160	-86,657	-76,497	76,497
389	Greenwood	Eureka	10,316	-183,480	-173,164	173,164
390	Greenwood	Hamilton	0	-7,136	-7,136	7,136
494	Hamilton	Syracuse	35,806	-15,072	20,734	0
361	Harper	Anthony-Harper	0	-80,374	-80,374	80,374
511	Harper	Attica	11,276	-2,523	8,754	0
369	Harvey	Burrton	40,259	51,513	91,772	0
373	Harvey	Newton	236,161	-689,770	-453,610	453,610
439	Harvey	Sedgwick Public Schools	12,600	-48,449	-35,849	35,849
440	Harvey	Halstead	24,940	-291,933	-266,992	266,992

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	3/22/2016		Col 1	Col 2	Col 3	Col 4
			Cap Outlay Aid	LOB Aid	Estimated	Estimated
			Inc / Dec	Inc / Dec	Inc / Dec	Payment
USD#	County Name	USD Name	SF16-117 Col 4	SF16-126 Col 4	(Cols 1+2+3)	Hold Harmless
460	Harvey	Hesston	46,316	-270,744	-224,427	224,427
374	Haskell	Sublette	0	0	0	0
507	Haskell	Satanta	0	0	0	0
227	Hodgeman	Hodgeman County Schools	0	0	0	0
335	Jackson	North Jackson	3,723	-160,826	-157,103	157,103
336	Jackson	Holton	65,919	-239,384	-173,465	173,465
337	Jackson	Royal Valley	41,950	-246,065	-204,116	204,116
338	Jefferson	Valley Falls	23,067	-141,638	-118,571	118,571
339	Jefferson	Jefferson County North	20,071	-139,362	-119,291	119,291
340	Jefferson	Jefferson West	63,272	-145,711	-82,439	82,439
341	Jefferson	Oskaloosa Public Schools	9,290	-111,831	-102,541	102,541
342	Jefferson	McLouth	22,281	-194,210	-171,929	171,929
343	Jefferson	Perry Public Schools	23,623	-289,101	-265,478	265,478
107	Jewell	Rock Hills	0	-21,459	-21,459	21,459
229	Johnson	Blue Valley	0	-2,407,372	-2,407,372	2,407,372
230	Johnson	Spring Hill	0	-293,948	-293,948	293,948
231	Johnson	Gardner Edgerton	532,373	-706,254	-173,881	173,881
232	Johnson	De Soto	495,480	-2,022,965	-1,527,485	1,527,485
233	Johnson	Olathe	557,018	-9,575,361	-9,018,343	9,018,343
512	Johnson	Shawnee Mission Pub Sch	0	-3,040,285	-3,040,285	3,040,285
215	Kearny	Lakin	0	0	0	0
216	Kearny	Deerfield	0	0	0	0
331	Kingman	Kingman - Norwich	113,499	-35,949	77,551	0
332	Kingman	Cunningham	0	0	0	0
422	Kiowa	Kiowa County	0	0	0	0
474	Kiowa	Haviland	0	0	0	0
503	Labette	Parsons	44,300	-218,717	-174,417	174,417
504	Labette	Oswego	17,712	-56,487	-38,775	38,775
505	Labette	Chetopa-St. Paul	24,411	-108,219	-83,808	83,808
506	Labette	Labette County	91,923	-215,501	-123,578	123,578
468	Lane	Healy Public Schools	0	0	0	0
482	Lane	Dighton	0	0	0	0
207	Leavenworth	Ft Leavenworth	3,023	9,108	12,132	0
449	Leavenworth	Easton	28,299	-235,822	-207,523	207,523
453	Leavenworth	Leavenworth	226,875	-587,559	-360,684	360,684
458	Leavenworth	Basehor-Linwood	183,164	-279,044	-95,880	95,880
464	Leavenworth	Tonganoxie	-26,998	-322,038	-349,035	349,035
469	Leavenworth	Lansing	109,147	-301,893	-192,746	192,746
298	Lincoln	Lincoln	-10,762	-327,143	-337,905	337,905
299	Lincoln	Sylvan Grove	0	-72,558	-72,558	72,558
344	Linn	Pleasanton	18,628	-192,875	-174,247	174,247
346	Linn	Jayhawk	-27,233	-660,809	-688,042	688,042
362	Linn	Prairie View	0	0	0	0
274	Logan	Oakley	0	0	0	0
275	Logan	Triplains	0	0	0	0
251	Lyon	North Lyon County	0	0	0	0
252	Lyon	Southern Lyon County	50,257	-133,607	-83,350	83,350
253	Lyon	Emporia	557,901	-633,906	-76,005	76,005
397	Marion	Centre	45,106	-8,485	36,621	0
398	Marion	Peabody-Burns	0	-125,290	-125,290	125,290
408	Marion	Marion-Florence	0	-134,098	-134,098	134,098
410	Marion	Durham-Hillsboro-Lehigh	58,680	-186,307	-127,627	127,627

SF16-133

	3/22/2016		Col 1	Col 2	Col 3	Col 4
			Cap Outlay Aid	LOB Aid	Estimated	Estimated
			Inc / Dec	Inc / Dec	Inc / Dec	Payment
USD#	County Name	USD Name	SF16-117 Col 4	SF16-126 Col 4	(Cols 1+2+3)	Hold Harmless
411	Marion	Goessel	9,414	-85,801	-76,387	76,387
364	Marshall	Marysville	0	-173,754	-173,754	173,754
380	Marshall	Vermillion	30,491	-260,333	-229,841	229,841
498	Marshall	Valley Heights	24,965	-161,729	-136,764	136,764
400	McPherson	Smoky Valley	110,105	-249,239	-139,135	139,135
418	McPherson	McPherson	148,145	-688,878	-540,733	540,733
419	McPherson	Canton-Galva	13,823	-188,068	-174,245	174,245
423	McPherson	Moundridge	0	-121,534	-121,534	121,534
448	McPherson	Inman	24,032	-220,421	-196,389	196,389
225	Meade	Fowler	0	-89,000	-89,000	89,000
226	Meade	Meade	0	0	0	0
367	Miami	Osawatomie	78,675	-313,930	-235,255	235,255
368	Miami	Paola	231,900	-47,738	184,162	0
416	Miami	Louisburg	149,710	-172,834	-23,125	23,125
272	Mitchell	Waconda	0	-197,983	-197,983	197,983
273	Mitchell	Beloit	76,722	-203,131	-126,409	126,409
436	Montgomery	Caney Valley	22,058	-239,531	-217,473	217,473
445	Montgomery	Coffeyville	55,251	-389,721	-334,470	334,470
446	Montgomery	Independence	70,276	-627,014	-556,737	556,737
447	Montgomery	Cherryvale	44,627	-103,575	-58,948	58,948
417	Morris	Morris County	56,732	-164,849	-108,118	108,118
217	Morton	Rolla	0	0	0	0
218	Morton	Elkhart	151,571	60,515	212,086	0
113	Nemaha	Prairie Hills	72,950	-383,134	-310,184	310,184
115	Nemaha	Nemaha Central	0	-15,619	-15,619	15,619
101	Neosho	Erie-Galesburg	42,938	-165,559	-122,621	122,621
413	Neosho	Chanute Public Schools	202,962	-319,215	-116,253	116,253
106	Ness	Western Plains	0	0	0	0
303	Ness	Ness City	0	0	0	0
211	Norton	Norton Community Schools	36,424	-253,864	-217,440	217,440
212	Norton	Northern Valley	14,466	-89,530	-75,064	75,064
420	Osage	Osage City	24,153	-131,009	-106,857	106,857
421	Osage	Lyndon	29,991	-105,099	-75,108	75,108
434	Osage	Santa Fe Trail	34,670	-212,642	-177,972	177,972
454	Osage	Burlingame Public School	0	-68,019	-68,019	68,019
456	Osage	Marais Des Cygnes Valley	0	-155,879	-155,879	155,879
392	Osborne	Osborne County	19,440	-150,376	-130,936	130,936
239	Ottawa	North Ottawa County	-29,753	-222,723	-252,476	252,476
240	Ottawa	Twin Valley	29,667	-258,276	-228,609	228,609
495	Pawnee	Ft Larned	-74,248	-389,566	-463,813	463,813
496	Pawnee	Pawnee Heights	0	-85,280	-85,280	85,280
110	Phillips	Thunder Ridge Schools	1,237	-205,051	-203,813	203,813
325	Phillips	Phillipsburg	32,150	-92,430	-60,280	60,280
326	Phillips	Logan	0	-46,844	-46,844	46,844
320	Pottawatomie	Wamego	61,788	-327,496	-265,708	265,708
321	Pottawatomie	Kaw Valley	0	0	0	0
322	Pottawatomie	Onaga-Havensville-Wheaton	31,240	-145,165	-113,925	113,925
323	Pottawatomie	Rock Creek	0	-164,492	-164,492	164,492
382	Pratt	Pratt	109,265	-373,782	-264,517	264,517
438	Pratt	Skyline Schools	31,108	-181,179	-150,071	150,071
105	Rawlins	Rawlins County	5,221	-218,936	-213,715	213,715
308	Reno	Hutchinson Public Schools	163,146	-762,972	-599,826	599,826

SF16-133

	3/22/2016		Col 1	Col 2	Col 3	Col 4
			Cap Outlay Aid	LOB Aid	Estimated	Estimated
			Inc / Dec	Inc / Dec	Inc / Dec	Payment
USD#	County Name	USD Name	SF16-117 Col 4	SF16-126 Col 4	(Cols 1+2+3)	Hold Harmless
309	Reno	Nickerson	54,188	-272,711	-218,523	218,523
310	Reno	Fairfield	0	0	0	0
311	Reno	Pretty Prairie	12,863	-164,188	-151,324	151,324
312	Reno	Haven Public Schools	66,528	-383,753	-317,224	317,224
313	Reno	Buhler	238,318	-331,796	-93,478	93,478
109	Republic	Republic County	0	-241,846	-241,846	241,846
426	Republic	Pike Valley	8,614	-152,081	-143,467	143,467
376	Rice	Sterling	49,189	-126,574	-77,386	77,386
401	Rice	Chase-Raymond	0	0	0	0
405	Rice	Lyons	70,841	19,028	89,869	0
444	Rice	Little River	0	0	0	0
378	Riley	Riley County	45,573	-292,576	-247,003	247,003
383	Riley	Manhattan-Ogden	0	-1,536,205	-1,536,205	1,536,205
384	Riley	Blue Valley	0	-62,896	-62,896	62,896
269	Rooks	Palco	0	0	0	0
270	Rooks	Plainville	0	0	0	0
271	Rooks	Stockton	0	-80,629	-80,629	80,629
395	Rush	LaCrosse	7,025	-90,382	-83,358	83,358
403	Rush	Otis-Bison	0	0	0	0
399	Russell	Paradise	0	0	0	0
407	Russell	Russell County	70,624	257,388	328,012	0
305	Saline	Salina	560,848	-1,248,914	-688,066	688,066
306	Saline	Southeast Of Saline	0	-255,415	-255,415	255,415
307	Saline	Ell-Saline	33,772	-252,817	-219,044	219,044
466	Scott	Scott County	21,880	-135,092	-113,212	113,212
259	Sedgwick	Wichita	4,508,756	-6,045,648	-1,536,892	1,536,892
260	Sedgwick	Derby	822,104	-735,024	87,080	0
261	Sedgwick	Haysville	-24,663	-422,672	-447,335	447,335
262	Sedgwick	Valley Center Pub Sch	176,871	-299,711	-122,841	122,841
263	Sedgwick	Mulvane	246,570	-55,372	191,198	0
264	Sedgwick	Clearwater	99,239	-194,003	-94,764	94,764
265	Sedgwick	Goddard	417,394	-680,851	-263,457	263,457
266	Sedgwick	Maize	629,126	-1,165,811	-536,684	536,684
267	Sedgwick	Renwick	154,108	-486,381	-332,273	332,273
268	Sedgwick	Cheney	49,452	-138,423	-88,971	88,971
480	Seward	Liberal	0	-495,290	-495,290	495,290
483	Seward	Kismet-Plains	0	0	0	0
345	Shawnee	Seaman	354,751	-714,134	-359,383	359,383
372	Shawnee	Silver Lake	45,831	-157,086	-111,255	111,255
437	Shawnee	Auburn Washburn	776,699	-622,735	153,964	0
450	Shawnee	Shawnee Heights	307,760	-596,977	-289,218	289,218
501	Shawnee	Topeka Public Schools	829,524	-1,804,935	-975,411	975,411
412	Sheridan	Hoxie Community Schools	0	-64,249	-64,249	64,249
352	Sherman	Goodland	-22,702	-568,624	-591,325	591,325
237	Smith	Smith Center	11,968	-274,626	-262,658	262,658
349	Stafford	Stafford	6,337	-145,450	-139,113	139,113
350	Stafford	St John-Hudson	0	0	0	0
351	Stafford	Macksville	0	0	0	0
452	Stanton	Stanton County	0	0	0	0
209	Stevens	Moscow Public Schools	0	0	0	0
210	Stevens	Hugoton Public Schools	0	0	0	0
353	Sumner	Wellington	164,453	-349,018	-184,565	184,565

	3/22/2016		Col 1	Col 2	Col 3	Col 4
			Cap Outlay Aid	LOB Aid	Estimated	Estimated
			Inc / Dec	Inc / Dec	Inc / Dec	Payment
USD#	County Name	USD Name	SF16-117 Col 4	SF16-126 Col 4	(Cols 1+2+3)	Hold Harmless
356	Sumner	Conway Springs	49,413	-135,100	-85,687	85,687
357	Sumner	Belle Plaine	38,894	-118,039	-79,145	79,145
358	Sumner	Oxford	45,956	67,172	113,128	0
359	Sumner	Argonia Public Schools	0	-73,925	-73,925	73,925
360	Sumner	Caldwell	10,773	-143,827	-133,054	133,054
509	Sumner	South Haven	9,665	44,602	54,267	0
314	Thomas	Brewster	0	0	0	0
315	Thomas	Colby Public Schools	44,730	-457,878	-413,148	413,148
316	Thomas	Golden Plains	0	-162,331	-162,331	162,331
208	Trego	Wakeeney	0	0	0	0
329	Wabaunsee	Mill Creek Valley	9,206	-290,683	-281,477	281,477
330	Wabaunsee	Mission Valley	52,513	-136,896	-84,383	84,383
241	Wallace	Wallace County Schools	0	0	0	0
242	Wallace	Weskan	0	-17,107	-17,107	17,107
108	Washington	Washington Co. Schools	3,908	-166,153	-162,245	162,245
223	Washington	Barnes	0	-175,837	-175,837	175,837
224	Washington	Clifton-Clyde	0	-127,159	-127,159	127,159
467	Wichita	Leoti	0	-157,678	-157,678	157,678
387	Wilson	Altoona-Midway	0	-39,888	-39,888	39,888
461	Wilson	Neodesha	46,331	-250,286	-203,955	203,955
484	Wilson	Fredonia	20,189	-140,475	-120,285	120,285
366	Woodson	Woodson	2,648	-33,810	-31,162	31,162
202	Wyandotte	Turner-Kansas City	218,981	-484,713	-265,733	265,733
203	Wyandotte	Piper-Kansas City	162,149	-269,147	-106,997	106,997
204	Wyandotte	Bonner Springs	281,143	-427,970	-146,826	146,826
500	Wyandotte	Kansas City	1,262,158	-2,502,864	-1,240,706	1,240,706
	TOTALS		23,489,840	-82,908,792	-59,418,952	61,792,947

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:30am on Wednesday, March 23, 2016, 112-N of the Capitol.

All members were present

Committee staff present:

Kathy Holscher, Kansas Legislative Committee Assistant
David Fye, Legislative Research Department
Jennifer Ouellette, Legislative Research Department
Jill Wolters, Office of Revisor of Statutes
Daniel Yoza, Office of Revisor of Statutes
J.G. Scott, Legislative Research Department
Melinda Gaul, Administrative Assistant

Conferees appearing before the Committee:

No conferees present

Others in attendance:

No list available

Discussion & possible action on: HB2734 — Establishing a budget stabilization fund in the state treasury; revenue and expenditures; review of risk-based practices by the legislative budget committee.

Chairman Ryckman called the meeting to order at 9:38 a.m., and reviewed the meeting agenda.

Chairman Ryckman opened continued discussion on **HB 2734**.

Jill Wolters provided a review on the bill brief. The bill establishes a budget stabilization fund in the state treasury; revenue and expenditures; and a review of risk-based practices by the legislative budget committee. She noted that the Senate has approved an amendment as referenced in **SB 509**. This amendment authorizes the Legislative Budget Committee (LBC) up to 10 days to hold meetings related to this issue, without requiring prior approval from the Local Coordinating Council.

Representative Rhoades made a motion for favorable passage of HB 2734, including the amendments in SB 509, which authorizes the LBC up to 10 days to hold meetings related to the budget stabilization fund, without prior approval from the Local Coordinating Council. Representative Claeys seconded the motion. Motion carried.

Meeting recessed at: 9:45 a.m.

CONTINUATION SHEET

MINUTES of the Committee on Appropriations at 9:30am on Wednesday, March 23, 2016 in Room 112-N of the Capitol.

Chairman Ryckman reconvened the committee meeting at 10:07 a.m. A copy of the transcript from the March 21, 2016 Joint Legislative Budget Committee has been distributed to committee members, he noted ([Attachment 1](#)).

Hearing on: HB2740 — Amendments to the CLASS Act regarding supplemental general state aid and capital outlay state aid.

Chairman Ryckman opened the hearing on **HB 2740**.

He stated that a transcriptionist will be preparing a transcript on the proceedings of this committee meeting.

Eddie Penner, Legislative Research Department, provided an overview on a scenario based on a 25 percent, if adopted, Local Option Budget (LOB) and the mills required to fund the non-state portion ([Attachment 2](#)).

Eddie Penner responded to questions from committee members.

Todd White, Incoming Superintendent, Blue Valley School District, presented testimony as a proponent of the bill ([Attachment 3](#)).

Dr. Jim Hinson, Superintendent, Shawnee Mission School District, presented testimony as a proponent of the bill ([Attachment 4](#)).

Mike O'Neal, CEO, Kansas Chamber, presented testimony as a proponent of the bill ([Attachment 5](#)).

Conferees, as proponents of the bill, responded to questions from committee members. Discussion followed by committee members.

Dr. Cynthia Lane, Superintendent, Kansas City Kansas Public Schools, presented testimony as an opponent of the bill ([Attachment 6](#)).

Jim Freeman, CFO, Wichita Public Schools, presented testimony as an opponent of the bill ([Attachment 7](#)).

Conferees, as opponents of the bill, responded to questions from committee members.

Dave Trabert, President, Kansas Policy Institute, presented testimony in neutral position of the bill ([Attachment 8](#)).

The committee also received written testimony on **HB 2740** from Dr. Julie Ford, Topeka Public Schools after the committee meeting concluded ([Attachment 9](#)). The written testimony was forwarded via email to committee members on March 25, 2016.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

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CONTINUATION SHEET

MINUTES of the Committee on Appropriations at 9:30am on Wednesday, March 23, 2016 in Room 112-N of the Capitol.

Chairman Ryckman closed the hearing on the bill.

The committee recessed at: 11:32 am

1:30 pm Hearing on: SB457 — Nursing home quality care assessment rate and sunset.

Chairman Ryckman called the meeting to order at 1:34 p.m.

Chairman Ryckman opened the hearing on **SB457.**

Amy Deckard, Kansas Legislative Research Department, presented an overview of the bill (Attachment 10). The bill would increase the maximum annual amount of the quality care assessment and extend its sunset date, and would also update and make changes to the membership of and reporting requirement on the Quality Care Improvement Panel.

Cindy Luxem, President & CEO, Kansas Health Care Association, presented testimony as a proponent of the bill (Attachment 11).

Rachael Monger, Director of Government Affairs, Leading Age Kansas, presented testimony as a proponent of the bill (Attachment 12).

Conferees responded to questions from committee members. The state funding portion is \$55 million, with a 43.57 percent federal match rate totaling \$127 million. Regarding the ability to pay issue, it was noted that there is a back log for Medicaid reimbursements. Discussion followed regarding reimbursement rates, which will be set in July 1, 2016. Provider payments are received between July 1st and October, and in January, 2017, the rates will reflect the provider assessments, it was noted.

Mitzi McFatrach, Kansas Advocates for Better Care, presented testimony in neutral position of the bill (Attachment 13).

Written testimony as a proponent of the bill was provided by April Holman, Kansas Adult Care Executives (Attachment 14).

Chairman Ryckman closed the hearing on the bill.

Possible action on bills previously heard

Chairman Ryckman asked committee members if there were any objections to continue work on **HB 2740**. As there were no objection by committee members, discussion continued on the bill. He stated that a transcriptionist will be preparing the transcript on the committee's continued work on the bill.

Representative Barker made a motion to suspend the rule and continue work on the bill. Representative Claeys seconded the motion. Motion carried.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on Appropriations at 9:30am on Wednesday, March 23, 2016 in Room 112-N of the Capitol.

Jason Long, Office of the Revisor of Statutes, provided an overview of amendments, as requested by Representative Lunn, which adds a section of law to the bill amending K.S.A 72-6474 (Attachment 15).

Representative Lunn made a motion to approve the amendments, as reviewed. Representative Grosserode seconded the motion.

Discussion on the motion followed.

Representative Lunn renewed the motion. Motion carried.

Jason Long reviewed amendments, as requested by Representative Barker (Attachment 16). The amendments include a preamble, new Section 2, and explains legislative intent with this bill, as well as finding of facts based on hearings in committee.

Representative Barker made a motion to approve the amendments, as reviewed. Representative Kleeb seconded the motion.

Discussion followed by the committee members regarding the amendments.

Representative Barker renewed the motion. Motion carried.

Chairman Ryckman closed discussion on the bill.

Chairman Ryckman opened discussion on **SB 59**.

Daniel Yoza, Office of the Revisor of Statutes, stated that the contents of the bill was passed and signed into law in the 2015 session, **HB 2111**.

Representative Schwartz made a motion to remove the contents of **SB 59** and replace with the contents of **HB 2740** as amended into **HSub SB59** and recommended favorable for passage. Representative Carpenter seconded the motion.

Discussion followed by committee members regarding the motion.

Representative Schwartz renewed the motion. Motion carried.

Committee members requesting their vote be recorded in opposition of the motion are as follows: Representative Ballard, Representative Carlin, Representative Finney, Representative Henry and Representative Wolfe-Moore.

Representative Highland made a motion to approve the minutes from the March 10, 11 and 14, 2016.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on Appropriations at 9:30am on Wednesday, March 23, 2016 in Room 112-N of the Capitol.

committee minutes. Representative Schwartz seconded the motion. Motion carried.

A transcript of this meeting, as prepared by a transcriptionist, has been distributed to committee members and is included (Attachment 17)

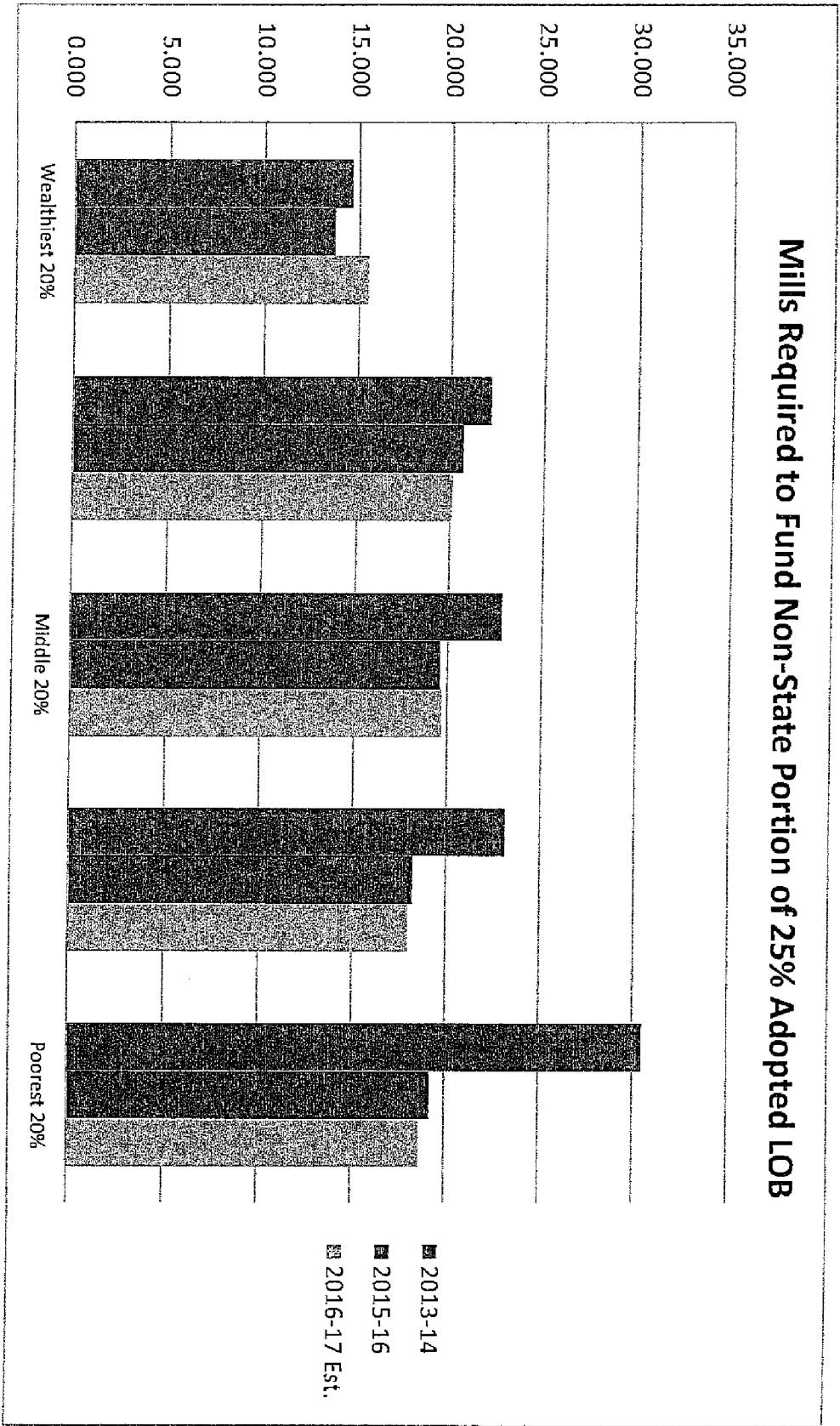
Testimony, as an opponent of HB 2725, was received from the Board of Commissioners of Coffey County after the hearing was held on March 11, 2016. The testimony was forwarded to committee members (Attachment 18) .

Chairman Ryckman stated that committee meetings for the remainder of the week are on call of the Chair.

Meeting adjourned at: 2:45 p.m.

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*State aid attributable to hold harmless included in State portion for analysis purposes

Mills Required to Generate Non-State Portion of 25% Adopted LOB

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17 Est.</u>
Wealthiest 20%	14.659	14.832	13.733	15.510
20%	22.160	20.802	20.673	20.125
Middle 20%	22.879	20.923	19.610	19.734
20%	23.169	18.238	18.213	17.999
Poorest 20%	30.514	19.058	19.190	18.658
Difference Between Poorest 20% and Wealthiest 20%	15.855	4.225	5.456	3.148

**House Appropriations Committee
Testimony: HB 2740
USD 229 Blue Valley
March 23, 2015**

Chairman Ryckman and Members of the Committee:

Thank you for the opportunity to appear before you today as a proponent of HB 2740. We are mindful of the challenge you are facing, as you seek an appropriate short-term solution that will allow us to continue our goal of offering a quality education to the students we serve.

We thank you for your hard work and the long hours you have spent on this legislation. We also want to thank you for listening to the concerns of those who have come before this committee previously, which is clearly demonstrated by providing that *all districts will be held harmless* and will not lose funding from their general operating budgets.

Further, we are grateful that you have honored the spirit of the CLASS Act, which was to provide *budget certainty* to school districts for two years while a new school finance formula is being developed.

The Blue Valley district remains committed to providing a quality education for our students and to being good stewards of taxpayer dollars. To that end, we want to work *with* you to develop a solid school finance formula that provides stability and appropriately accounts for the varying needs of students across our state.

We do appreciate the challenges you are facing and we continue to want to work *with* you to solve the K-12 challenges before us in a way that promotes the best outcomes for the students we serve.

We are happy to stand for any questions you may have at the appropriate time.

Presented by: Todd White, Incoming Superintendent

March 23, 2016

House Appropriations Committee

House Bill 2740

Chairman Ryckman and Members of the Committee,

I am Dr. Jim Hinson, Superintendent of the Shawnee Mission School District in Johnson County. I appear as a proponent on House Bill 2740. This bill appears to be one of the few solutions that has been proposed to the current school-funding situation that attempts to address the Court's demands and holds all districts harmless from loss.

The Shawnee Mission School District desire a solution to the short-term issues related to equity. In addition, we hope the Legislature is working toward addressing a long-term solution that will ultimately satisfy the Supreme Court with a new funding formula.

The bill as written funds the Shawnee Mission School District at a level we anticipated based on the block grants implement in House Substitute for Senate Bill 7 passed in 2015. House Bill 2740 seems to satisfy the equity issue by funding a fully equalized formula related to LOB equalization. Rather than the prior LOB equalization formula, House Bill 2740 uses the capital outlay equalization formula to fund LOB equalization. We are not plaintiffs in the current lawsuit but it appears fully funding this equalization formula addresses court concerns that there should either be no equalization or fully funded equalization to fulfill statutory obligations.

The equalization solution in House Bill 2740 may disappoint some who glimpsed brief hope of a windfall by some earlier potential solutions. This bill, however, appears to satisfy exactly what the block grant intended: to provide budget stability and funding as expected for one more year while a school finance formula is written. We support House Bill 2740 as a one-time, one-year solution to allow the Legislature time to draft a new formula. The principals of House Bill 2740 based on a more uniform formula for equalization, however, may be valuable to include in a new formula.

I am happy to stand for questions at the appropriate time.

Attachment 4



**THE KANSAS
CHAMBER**

UNITED FOR BUSINESS

835 SW Topeka Blvd.
Topeka, KS 66612
785.357.6321

**Testimony before House Appropriations
HB 2740 – K-12 Equalization response
Mike O’Neal, Kansas Chamber CEO
March 23, 2016
Testimony in support**

Mr. Chairman and members of the Committee

On behalf of the Kansas Chamber, I appreciate the opportunity to appear in support of HB 2740, a legislative response to the Court’s latest equity decision in *Gannon*. The Kansas Chamber has a strong Board approved Education agenda for 2016 that includes a call for increasing the quality of education for tomorrow’s workforce and the efficient use of tax dollars through policies that:

- Support a suitable school finance system for K-12 education that ensures taxpayer dollars are adequately and efficiently invested toward instruction in order to provide students and teachers with the resources needed to fulfill the mission of the Department of Education.

The necessity for this legislation derives solely from the Kansas Supreme Court’s Feb. 11, 2016 ruling on the equity phase of the pending *Gannon* school finance litigation and the Court’s less than subtle threat of court-ordered school closure if its articulated equity concerns were not addressed by June 30, 2016: The Court has essentially bifurcated the case and is dealing with the “equity” phase first and the “adequacy” phase later. While this is certainly the Court’s prerogative, and can be dealt with separately, our interpretation of the Legislature’s responsibility, as determined by the Court in recent school finance litigation, is to make suitable provision for the finance of the educational interests of the state. Once it is determined what resources will be provided to that end, it is then the responsibility of the Legislature to allocate or otherwise see to it that the resources are allocated in a manner that is equitable, i.e., such that school districts have reasonably equal access to substantially similar educational opportunity through similar tax effort. With the question of “adequacy” still to be determined, a response to the Court’s equity decision appears to put the proverbial “cart before the horse”.

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

“...to continually strive to improve the economic climate for the benefit of every business and citizen and to safeguard our system of free, competitive enterprise”. Attachment 5

That said, an equity response is due and we applaud this Committee's effort to make a good faith effort to divine from the Court's opinion an acceptable response on the equity phase such that the threat of school closure is averted. (Regarding school closure we would refer the Committee to KSA 2015 Supp. 72-64b03(d) which prohibits such school closures) As an elected body that works closely with its respective constituents, it is prudent to take the steps this Committee has taken to reduce risk to Kansas taxpayers, families and children who, as the Court has previously held, have a constitutional right to a public education. One way or another, schools must remain open in the fall.

It is also prudent to take steps to protect school districts and school children who were not parties to the litigation and/or who were not affected either way regarding the perceived equalization infirmity or who may have lost resources as a result of the Court's suggestions regarding the prior equity formula. While it would appear to make no sense to threaten these schools with closure when they were not involved in this dispute, we applaud this Committee for taking steps to avoid the risk to these districts and their patrons.

Turning to the Court's language in what we'll call *Gannon II*, the Court, while appearing to state a preferred method of compliance, did acknowledge that the equalization infirmity **"can be cured in a variety of ways – at the choice of the legislature."**

As to the Court's implied preference, the Court noted: **"One obvious way the legislature could comply with Article 6 would be to revive the relevant portions of the previous school funding system and fully fund them within the current block grant system."** Of significance is the fact that the Court is clearly open to continuation of the block grant system and with arriving at an equity response "within" the current block grant system.

A question was raised in the informational hearing about whether the Court will require new or additional funds. First, equity is not a math equation. It is, as the Court has stated: **"School districts must have reasonably equal access to substantially similar educational opportunity through similar tax effort."** In this regard, no witness who testified Monday before the joint Committee in response to questioning by legal counsel was able to articulate or knew of a metric for determining how this test is satisfied. This comes as no surprise since even the Court noted that: **"We acknowledge there was no testimonial evidence that would have allowed the panel to assess relative educational opportunities statewide."**

The Court did, however, speak to the issue of funding. First, the Court acknowledged that: **"equity does not require the legislature to provide equal funding for each student or school district."** The Court went on to say that the test of the funding scheme becomes a consideration of **"whether it sufficiently reduces the unreasonable, wealth-based disparity so the disparity then becomes constitutionally acceptable, not whether the**

cure necessarily restores funding to the prior levels. Finally, the Court made it clear that “need” is irrelevant. The Court held that **“equity is not a needs-based determination. Rather, equity is triggered when the legislature bestows revenue-raising authority upon school districts through a source whose value varies widely from district to district, such as with the local option mill levy on property.”**

Given what the Court said in *Gannon II*, it would have been perfectly acceptable to resurrect the capital outlay and LOB equalization formulae pre-SB7 and redistribute current funding accordingly. While that would have created so-called “winners” and “losers”, that is irrelevant to the Court since equity is equity and restoring prior funding is not required. Equity in its most basic form is illustrated by the example of sharing a bottle of pop with your kids. If you happen to pour more into one glass than another you equalize the glasses by pouring the contents of the one with more into the glass with less until they are equal. Equity does not require you to return to the refrigerator and open a new can. Unfortunately, the expectation with regard to school finance equalization has historically been that one is expected to always go back to the refrigerator for more, since a district that has been allocated funds now sees that as their entitlement. Any perceived reduction in an expectation is characterized as a “cut”. The concept of sharing, which we learned in Kindergarten, has been lost, even though, as the Court has ruled, “equity” is the law.

When this Committee considered a proposal (HB 2731) that would restore equalization to the presumably Court-preferred method, which created winners and losers, no district that would have benefitted showed up in support and no district that would have lost funds showed up in opposition. Only neutral testimony was received. It would be difficult to garner the votes necessary to pass such a measure and, notwithstanding a preferred course by the Court, passage of legislation by a majority of willing elected lawmakers would still be necessary.

Turning now to HB 2740, the bill, in our opinion, is a satisfactory response to the Court, given the Court’s own language and the bill’s response. Re-allocation of funds utilizing an approved method of calculating equalization (capital outlay formula) is proposed, with no district losing funds thanks to hold harmless provisions. Funds are included to cover minor changes in calculations due to actions taken subsequent to passage, and KSDE is given the balance of funds to allocate, as needed, in a manner consistent with the Court’s definition of “equity” and including the existing factors for approving additional funds for extraordinary needs.

As to the “hold harmless” provisions, testimony was presented to the Joint Committee Monday that these types or provisions are not uncommon and are part of the inherent nature of the political process by which school finance decisions are made. With regard to the KSDE provisions, given that the Legislature and this Committee are in session only part time, and

given that the Legislature relies on KSDE for equalization calculations and other technical data related to whatever formula may be in place, including block grants, it makes sense to have KSDE handle the “extraordinary needs” fund allocations.

Finally, HB 2740 provides what we’ve heard districts requesting: as much budget certainty as possible, one of the key advantages of the current block grant system. We urge the Committee’s favorable consideration of HB 2740.



**House Appropriations Committee
Testimony on HB 2740**

Dr. Cynthia Lane, superintendent
March 23, 2016

My name is Dr. Cynthia Lane, and I have the privilege of serving as the superintendent of the Kansas City, Kansas Public Schools. I am here to testify in opposition to HB 2740. This bill, which was printed yesterday afternoon, was ostensibly written to respond to the ruling of the Kansas Supreme Court on the *Gannon v. State of Kansas* school funding case. The Supreme Court found that SB 7 was unconstitutional, in that it did not meet the equity requirements of Article VI of the Kansas Constitution. The printout provided at the hearing on March 22 indicates that no district would receive less in Local Option Budget and Capitol Outlay equalization aid for FY 2017 than they received for the current fiscal year (a few districts benefited from the adjustments to the formula, and would collectively receive an additional \$2 million.)

To me, one of the first mathematical properties that we teach our students in Algebra, the Transitive Property, applies directly to this bill: If SB 7 is unconstitutional, and HB 2740 does the same thing as SB 7, then HB 2740 MUST be unconstitutional as well. Perhaps more importantly, HB 2740 does nothing to remedy the equity test put forth by the Court: "school districts must have reasonably equal access to substantially similar educational opportunity through similar tax effort." (*Gannon, p.2*) In fact, rather than remedying identified inequities, it creates the potential to widen the gap between property rich and property poor districts, by reducing equalization aid for LOB by \$82.9 million.

I applaud the fact that this bill attempts to "hold harmless" districts, so that they do not receive less than last year. Doing what is right for the children in Kansas City, Kansas should not come at the expense of children elsewhere in the state, who also deserve schools that are equitably and adequately funded. In fact, the notion of holding districts harmless during a change in the school funding formula has been a practice in Kansas for the past 20 years. However, in the past, the idea of "holding districts harmless" was only used AFTER legislation had been developed to remedy an identified deficiency in the formula. This bill, rather than fixing identified problems in SB 7, simply changes the formula in order to spend the amount of money the legislature is willing to spend, with no regard to the needs of individual students or districts. In doing so, it exacerbates the deficiencies contained in SB 7, which was found unconstitutional by the Shawnee District Court.

I recognize the difficult situation that this committee finds itself in. Creating equity in school finance will require additional resources, and finding those resources at a time when the state is missing already significantly lowered revenue projections is incredibly challenging. However, equity is the right thing to do for children, for families, for communities, and for the future of this state, and I would implore you to have the courage to recognize education's role as the primary economic driver of this state, and to fund it accordingly.



**House Appropriations
Chairman Ryckman**

March 23, 2016
Jim Freeman
Wichita Public Schools

Regarding HB 2740

Chairman Ryckman and members of the Committee:

Thank you for the opportunity to provide input on the issue before us to remedy equity. You have a significant challenge which is intensified by the challenges facing the State General Fund.

We know you are working to find a solution which meets the Court's test and does not close schools. I thank you for your efforts.

However we respectfully believe this plan — found in both Senate Bill 515 and House Bill 2740 — does not address the equity issue on two fronts:

- addresses Fiscal Year 17 only and not Fiscal Years 15 and 16;
- it is a redistribution of funds, without new funding, school are in essence self-funding this plan.

We believe the Gannon decision is clear in its finding that equity state aid was inadequate in fiscal years 2015 and forward. To quote from the Revisor of Statutes memo dated February 11, 2016:

“The Court held that the State failed to show sufficient evidence that it complied with the Court's prior equity orders set forth in Gannon I and found that the amended supplemental general state aid and capital outlay state aid formulas failed to cure the unconstitutional wealth-based disparities in fiscal year 2015. The court also held that because SB 7 froze such inequities for fiscal years 2016 and 2017, such unconstitutional inequities carry forward in those years.”

The inequity Senate Bill 7, the Block Grant bill, froze into place the FY 15 inequity and carried it forward. State aid proration has negatively impacted property taxes and operations. For the Wichita Public Schools the state aid loss is over -\$26.3 million:

LOB proration FY 15 -\$5.1m x 3 = **-\$15.3m**

Capital outlay aid: FY 15 -\$3.1m + FY 16 -\$3.4 + FY 17 -\$4.5m = **-\$11m**

Total state aid proration under SB 7, the Block Grant: **-\$26.3 million**

This is what we seek to remedy. The bill before us today does not solve the inequity, the loss of \$26 million for the Wichita Public Schools, frozen in by the Block Grant.

We always appreciate efforts to hold districts harmless, but in my memory first funding has added funding and then hold harmless provisions have been applied to protect the outliers. The hold harmless provision in this bill is a redistribution of funds without new funding.

Hold harmless provision in HB 2740 uses SB 7 funding as the base, which was found unconstitutional and is the reason we are here today. The bill redefines equalization to equal the current dollars being spent. Therefore with no new money and district's will still be held at an unconstitutional level. HB 2740 does not solve the issue at hand: equity.

The bill changes the LOB state aid calculation to the capital outlay formula which will provide less equalization aid to districts. The LOB is a key component of our current finance formula and we want to maintain that support for our schools. We do not support changing the LOB equalization formula.

Local Option Budget equalization is a key component in providing resources for schools, and we do not support changing the state aid formula. The Local Option Budget is a significant funding component for districts. Wichita is at the 30% lid, some districts are at the 33% max and some are lower. Statewide the LOB mill levy is 19 mills; total average mill levy is 56 statewide. LOB Equalization is on a significant portion of the total mill levy, compared to the 8 mills for capital outlay. The Local Option Budget supports classrooms and schools and should not be reduced.

Equity is the measure which allows the property poor district to provide similar services compared to wealthier districts. We believe equity is fundamental to providing educational opportunities to Kansas students regardless of their zip code.

Mr. Chairman – we do appreciate your efforts and we are all seeking solutions which will keep school doors open. However we do not support this bill which redefines equalization to equal current dollars; nor does it provide additional funding for districts harmed under the Block Grant. Thank you for your work and diligence on these issues. We understand the legislative process is a process and appreciate your efforts to find solutions.



Testimony to House Appropriations Committee
HB 2740 School Funding Equalization
March 23, 2016
Dave Trabert, President

Chairman Ryckman and members of the Committee,

We appreciate this opportunity to present neutral testimony on HB 2740. We're pleased to see the Legislature proactively responding to the Supreme Court ruling on equity in a manner that doesn't increase total funding; our testimony is neutral only because this is but one method of satisfying equity without spending additional money.

As noted in the attached article we published, the Court reaffirmed that constitutional infirmities "can be cured in a variety of ways—at the choice of the legislature" with the proviso that any adjusted funding must also meet a separate test of adequacy – i.e., whether districts are receiving 'enough.' We believe SB 71 introduced last year would be another appropriate response to the Court, whether as written – which would reduce LOB equity by \$3.3 million – or some modification that would spend the same amount.

The Court noted that spending less than would be provided by fully funding the old equity formula could create an 'adequacy' issue, but we believe there is ample evidence that HB 2740 or SB 71 would still provide more than adequate funding.

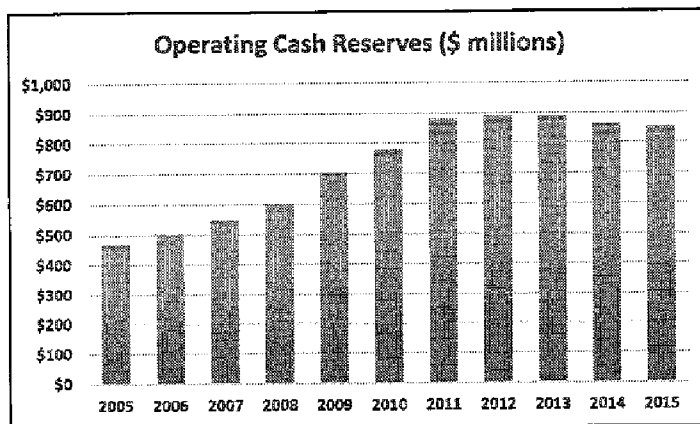
First of all, the Court upheld what we have constantly maintained – education is about outcomes rather than money. They specifically said "*...total spending is not the touchstone for determining adequacy.*"¹

Instead, the Court says adequacy "*...is met when the public education financing system provided by the legislature for grades K-12—through structure and implementation—is reasonably calculated to have all Kansas public education students meet or exceed the standards set out in Rose and presently codified in K.S.A. 2013 Supp. 72-1127. This test necessarily rejects a legislature's failure to consider actual costs as the litmus test for adjudging compliance with the mandates of Article 6. For example, even if a legislature had not considered actual costs, a constitutionally adequate education nevertheless could have been provided —albeit perhaps accidentally or for worthy non-cost-based reasons.*"²

Since school districts admit that they can neither define nor measure the Rose capacities, they have no legal basis for claiming to lack adequate funding to achieve the Rose capacities. This fact alone could be sufficient grounds for dismissal of schools' claims, but there is more.

Schools and their taxpayer-funded lawyers base their adequacy claims on *Montoy*, which relied on the findings of an Augenblick & Myers cost study recommending specific funding levels. However, the *Gannon* Supreme Court rejected the lower court’s reliance on that, saying “.... actual costs from studies are more akin to estimates than the certainties the panel suggested.”³

In distancing itself from the A&M cost study, the Court also said, “.... the strength of these initial statements was later diluted by our primary focus on cost estimates—a focus that evolved in the *Montoy* litigation because of how the issues were presented to us by the district court and due to the remedial nature of some of our decisions.”⁴ The A&M cost study was presented as rock-solid evidence in *Montoy* but later, then-KPI scholar Caleb Stegall (now Supreme Court Justice Stegall) discovered that A&M had deviated from its own methodology so as to produce deliberately inflated numbers.⁵



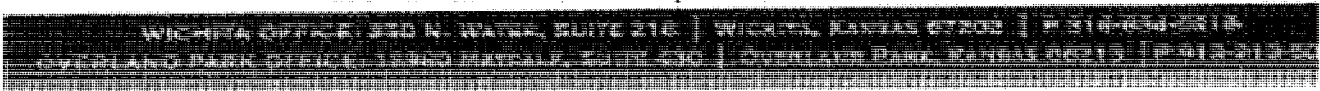
We further know that the funding provided under *Montoy*, which is the basis for school claims of inadequate funding, is more than schools actually need because they haven’t needed to spend it all. The \$385 million increase in districts’ operating cash reserves over the last ten years comes from state and local funding that wasn’t spent – and that’s in addition to the \$468 million accumulated through 2005.

Refuting KASB school funding claims

Last week the Kansas Association of School Boards (KASB) raised several adequacy issues in testimony on the House effort to resolve equity in HB 2731 and SB 512, so we offer the following thoughts in anticipation that the same claims will be made here today.

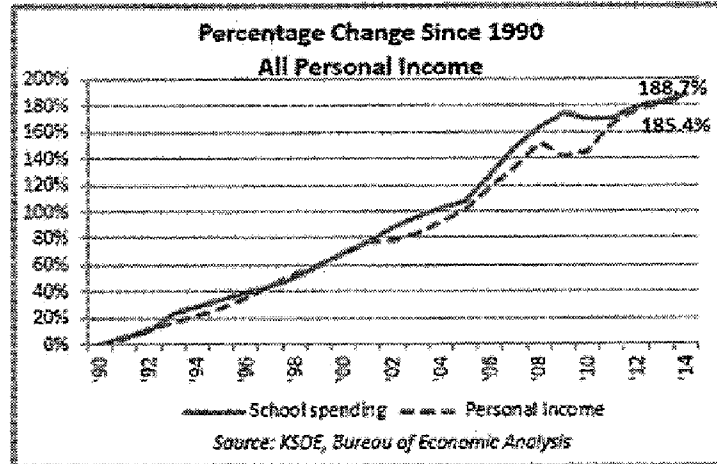
KASB implied that school funding is not adequate because it hasn’t kept up with the change in personal income growth, but that is a claim of entitlement, not adequacy. The Constitution does not say that adequacy is a percentage of personal income or any particular dollar amount. Indeed, if personal income declined for an extended period of time, it is unlikely that the Court or school districts would find a commensurate reduction in school funding to be acceptable and adequate.

As a matter of fact, school districts sued taxpayers for more money in November 2010 after Governor Parkinson reduced funding as a result of a recession. Personal income declined but schools didn’t accept that as an excuse to reduce funding.

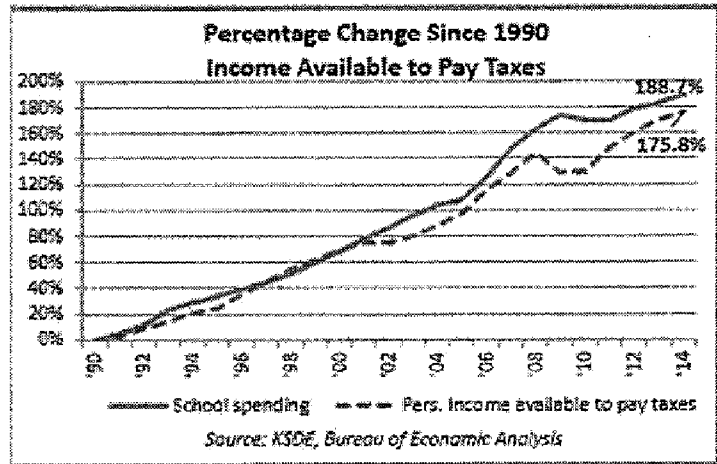


That said, school funding continues to run ahead of personal income growth, whether measured in its entirety or against the personal income components that are available to pay taxes.

School funding (adjusted upward for KPERs prior to 2005) increased by 188.7 percent between 1990 and 2014 (the last year for which annual Personal Income data is available) while Personal Income increased 185.4 percent.



However, Personal Income includes components that are not available to pay taxes, such as employer payments to retirement plans, health insurance and payroll taxes. Measuring school funding against Wages & Salaries, Proprietors' Income, Dividends, Interest, Rent less employee-paid payroll taxes shows an even wider gap from school funding.

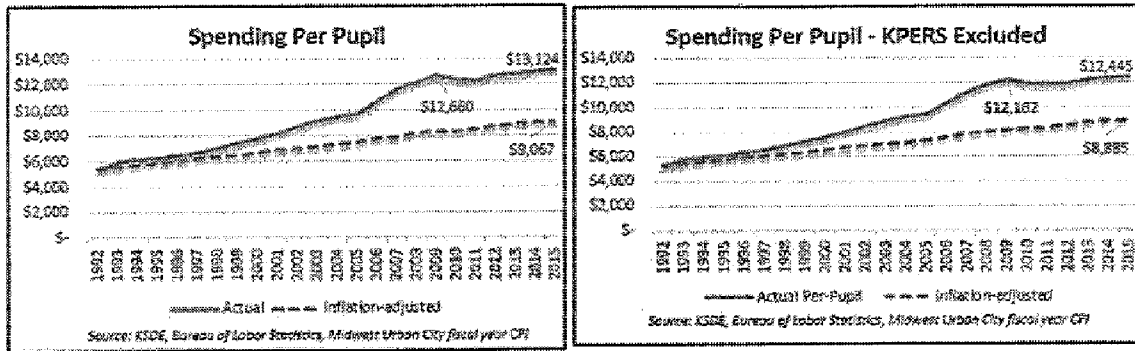


Personal income available to pay taxes increased 175.8 percent, or about 13 percentage points less than school funding.

Not that that matters from an adequacy viewpoint, but to demonstrate that the KASB claim simply doesn't stand up to scrutiny.

Inflation, on the other hand, is a legitimate consideration and here we see that per-pupil funding has far outpaced inflation over the course of the old school funding system. Had funding been increased for inflation since 1992, funding would have been \$1.88 billion less in 2015.

School funding also set another new record in 2015, at \$13,224 per pupil. Even with every dollar of KPERs removed, funding still would have set a record last year, and if non-KPERs funding had been increased for inflation each year, it would have been \$1.64 billion less.



Additional articles are attached that refute KASB claims on the correlation between spending and achievement and the levels of student achievement in Kansas. As for KASB's claim that no state spends less and achieves more, an honest review of the data shows that at least Texas and Florida spend considerably less but get slightly better results on the National Assessment of Educational Progress. Florida leads wins half of the eight measurements, Texas wins three and Kansas wins one. Florida has the highest composite score, Texas comes in second and Kansas is slightly behind Texas.

Kansas Spends More, Achieves Less on NAEP			
NAEP Grade, Subject and Demos	Kansas	Texas	Florida
4th Grade Reading Score 2015			
Low Income students	208.0	208.3	220.2
Not Low Income students	238.2	234.8	238.5
8th Grade Reading Score 2015			
Low Income students	255.8	251.8	256.6
Not Low Income students	277.5	272.2	274.5
4th Grade Math Score 2015			
Low Income students	250.9	255.1	235.2
Not Low Income students	253.1	259.9	254.3
8th Grade Math Score 2015			
Low Income students	271.8	273.7	265.5
Not Low Income students	294.8	296.0	291.7
Composite - all scores	2029.9	2031.7	2036.9
2013 Per-Pupil Spending (headcount)	\$ 11,496	\$ 10,313	\$ 9,420

Source: Census, NAEP

We'd be happy to work through the remainder of their claims at your convenience, as shown in the attached articles.

Conclusion

The equity issue must be resolved and we encourage the Legislature to do so without spending additional money, as the Court does not require more funding to satisfy equity and a large body of evidence shows that more money is not needed.

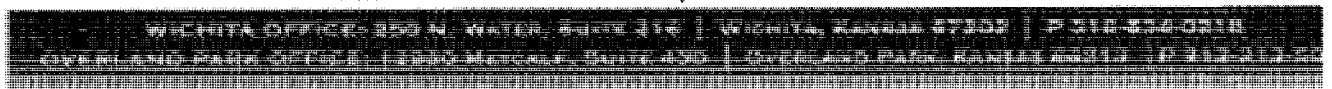
¹ Gannon v. State of Kansas, page 77 at <http://www.kscourts.org/Cases-and-Opinions/opinions/SupCt/2014/20140307/109335.pdf>

² Ibid, page 76.

³ Ibid

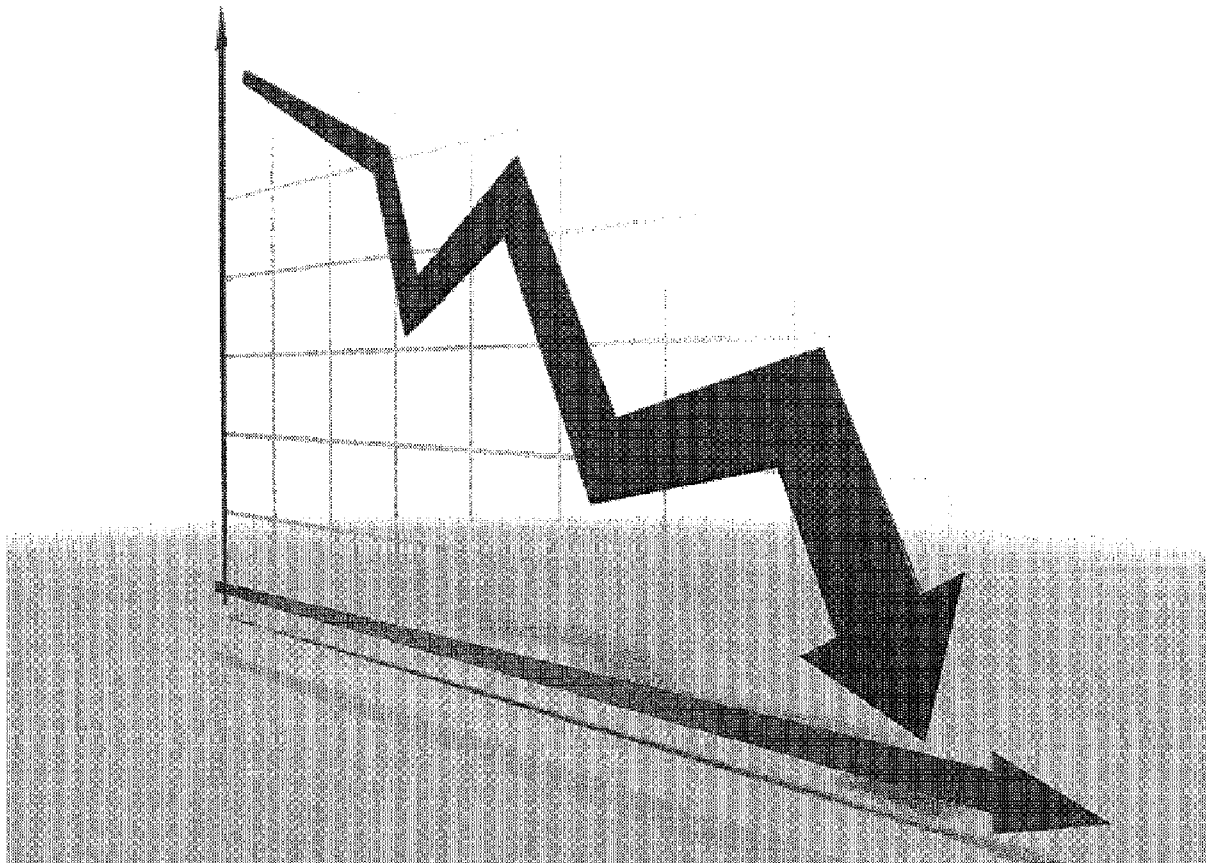
⁴ Ibid, page 75.

⁵ Caleb Stegall, "Analysis of Montoy vs. State of Kansas" <https://kansaspolicy.org/volume-ii-analysis-of-montoy-vs-state-of-kansas/>



Nationwide Report on Education Provides Evidence that Kansas Students Perform Poorly in a Nation of Mediocre Achievement

January 18, 2016



Education Week has released its 20th annual edition of Quality Counts, a report card that provides an overall letter grade for each state's education system. Kansas earned a C, with an overall score of 73.9 – slightly lower than the national average of 74.4 (also a C).

Quality Counts employs three indicators to establish an overall grade. Kansas earned a B- in the category called Chance for Success, defined as providing “a cradle-to-career perspective on the role that education plays in promoting positive outcomes throughout a person’s life.” For the School Finance indicator, Kansas earned a C. Unfortunately, Kansas' worst indicator is in K-12 Achievement, a category in which the state earned a D.

K- 12 Achievement

The achievement category is an amalgamation of 18 outcome measures that include (1) NAEP scores, (2) graduation rates and (3) performance in high school advanced placement classes. The report uses detailed NAEP data, including proficiency rates, achievement gains, poverty gaps and excellence achievement. It is of note that Quality Counts does NOT consider a score in the “Basic” category an achievement, which is the same way KPI

reports NAEP data. Here are a few lowlights regarding Kansas and the NAEP achievement gap data in the report:

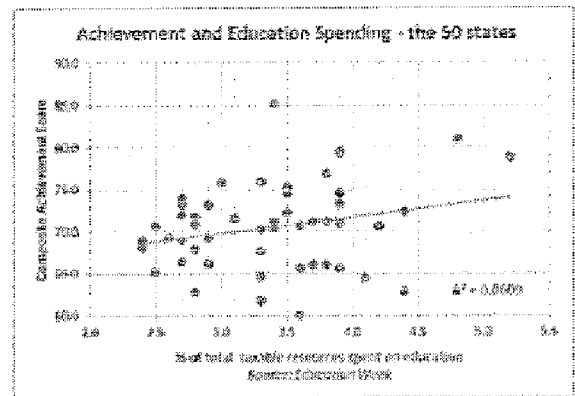
- Only Oregon, Washington and the District of Columbia had a larger increase in the 4th grade achievement gap than the Kansas gap increase of 6.8%.
- While 31 states actually reduced the achievement gap in either 4th grade, 8th grade or both, Kansas had an increase in the achievement gap in both grades.
- Overall, the nation decreased the achievement gap by 0.4% for 4th graders and 0.6% for 8th graders.
- But the most alarming stat is the revelation that Kansas is the ONLY state in which NAEP math scores for both 4th and 8th graders are lower in 2015 than they were in 2003.

Ouch.

And for those who want to blame it on some bogus claim that it all has to do with spending, consider this: data used by Quality Counts ranks Kansas 15th in spending and 41st in achievement.

Achievement & Spending

It is often argued, especially by education establishment groups in Kansas, that there is a high correlation between spending on education and achievement. That supposition is not supported by the data used in Quality Counts. The scatter-plot below is a graphic display of combining the composite achievement score with the percentage of total taxable resources states spend on education. The scatter-plot of the 50 states shows a virtual flat trend line, indicating almost no correlation between the two. The R2 value, which is a numeric representation of how close each plotted point is to the trend line, of 0.06 falls far short of even being considered a “weak” correlation. Furthermore, the single outlier on the graph, Vermont (the only state that spends more than 5% of its total taxable resources on education), drives most of the incline of the trend line. If Vermont is removed, the R2 value is 0.02. Another interesting note is that the highest achieving state (Massachusetts) spends a lower percentage of their taxable resources than the lowest achieving state (Mississippi).



The results of this report strengthens two fundamental propositions of Kansas Policy Institute regarding education: (1) that Kansas is doing about average in a nation that under-performs and (2) there is no correlation between spending and achievement.

No correlation between spending and achievement

November 16,
2015

The Kansas Association of School Boards produced a report recently which some are saying proves that spending more money leads to better outcomes, but even KASB says that is a misinterpretation. I asked Mark Tallman of KASB if that was the case and he replied, *"I specially [sic] said to the group of legislators we invited to lunch that we do NOT claim this report "proves" spending "causes" outcomes changes."*

Mr. Tallman went on to explain that *"...the data indicates that higher spending over time is more often than not a "predictor" of higher NAEP scores, and usually has a positive correlation with higher results. We do not say that correlation proves causation."*

Our review of the data says otherwise, as does that of many other respected school funding experts including Dr. Eric Hanushek of the Hoover Institution at Stanford University, who says, *"...the outcomes observed over the past half century – no matter how massaged – do not suggest that just throwing money at schools is likely to be a policy that solves the significant U.S. schooling problems seen in the levels and distribution of outcomes. We really cannot get around the necessity of focusing on how money is spent on schools."*

Bi-variate analysis

The KASB report takes only two variables into account – spending and achievement. It's called a bivariate analysis (two variables), which doesn't allow for meaningful conclusions. Dr. Benjamin Scafidi, Director of the Education Economics Center at Kennesaw State University, says, *"...they do not control for the many other factors that impact student achievement. Social scientists do not put much stock into bivariate relationships like the KASB [example] below."* Dr. Scafidi's remarks were directed at the 2013 KASB report that also only looked at changes in spending and achievement.

One such factor ignored by KASB is the impact of Common Core. When Kansas' NAEP scores dipped in 2013, the Kansas Department of Education told legislators that they couldn't identify a particular reason but did note that the transition from previous teaching methods to Common Core may have been a factor. They again honed in on the transition to Common Core to explain the 2015 NAEP decline to legislators this month. KSDE did not blame funding in 2013 or 2015.

Data refutes notion that spending predicts outcomes

This table lists 8 bi-annual changes in proficiency measurements for each of the last 6 NAEP reports, for a total of 48 total changes; proficiency levels for Low Income students and those who are Not Low Income are shown for two subjects (Reading and Math) for two grade levels (4th and 8th Grades). In the majority of comparative instances, changes in inflation-adjusted (real) spending did not correspond to changes in proficiency levels. That is,

1. In 31 of the 48 comparative instances, real spending increased while proficiency levels declined or failed to increase, or real spending declined while proficiency levels increased or failed to decline (RED).
2. In 9 of the 48 comparative instances, the increase in proficiency levels was less than the increase in real spending (YELLOW).
3. In 8 of the 48 comparative instances, the increase in proficiency levels was greater than or equal to the increase in real spending (GREEN)

Kansas Spending Per-Pupil and NAEP Percent Proficient										
School Year	\$ Per Pupil	Inflation Index	4th Reading		8th Reading		4th Math		8th Math	
			Low	Not Low	Low	Not Low	Low	Not Low	Low	Not Low
2003	\$ 8,894	176.81	18	42	22	42	24	53	19	41
2005	\$ 9,707	185.14	20	42	21	43	30	59	19	43
2007	\$11,558	195.10	21	46	20	44	34	63	23	50
2009	\$12,660	204.26	22	47	19	43	32	60	24	51
2011	\$12,283	211.10	23	50	22	46	33	63	24	54
2013	\$12,781	220.93	22	54	22	48	33	63	24	54
2015	\$13,124	224.61	20	54	22	47	27	58	19	46

Percent Change in Each Category										
School Year	\$ Per Pupil	\$ PP Net Inflation	4th Reading		8th Reading		4th Math		8th Math	
			Low	Not Low	Low	Not Low	Low	Not Low	Low	Not Low
2005	9%	4%	11%	0%	-5%	2%	25%	11%	0%	5%
2007	19%	14%	5%	10%	-5%	2%	13%	7%	21%	16%
2009	10%	5%	5%	2%	-5%	-2%	-6%	-5%	4%	2%
2011	-3%	-6%	5%	6%	16%	7%	3%	5%	0%	6%
2013	4%	-1%	-4%	8%	0%	4%	0%	0%	0%	0%
2015	3%	1%	-9%	0%	0%	-2%	-18%	-8%	-21%	-15%

Source: KSDI, National Assessment of Educational Progress (NAEP); BLS, Midwest Urban Cities fiscal year. Low and Not Low refer to student income levels based on eligibility for school lunch programs; Low Income + Not Low Income = All Students.

We performed the same analysis on changes in the national averages, although spending is only available through 2013, so there are only 40 comparative instances. Once again, spending is not a predictor of outcome changes; indeed, in 20 of those 40 instances, real spending increased while proficiency levels declined or failed to increase, or real spending declined while proficiency levels increased or failed to decline (RED). Most notably, real spending declined in 2011 and 2013, but proficiency levels increased in all 8 measurements both years!

United States Spending Per-Pupil and NAEP Percent Proficient										
School Year	\$ Per Pupil	Inflation Index	4th Reading		8th Reading		4th Math		8th Math	
			Low	Not Low	Low	Not Low	Low	Not Low	Low	Not Low
2003	\$ 9,522	182.09	15	42	16	40	15	45	11	37
2005	\$10,376	191.70	16	42	15	39	19	50	13	39
2007	\$11,557	204.11	17	44	15	40	22	53	15	42
2009	\$12,539	214.65	17	45	16	42	22	54	17	45
2011	\$12,351	221.06	18	48	18	45	24	57	19	47
2013	\$12,346	231.37	20	51	20	48	26	60	20	49

Percent Change in Each Category										
School Year	\$ Per Pupil	\$ PP Net Inflation	4th Reading		8th Reading		4th Math		8th Math	
			Low	Not Low	Low	Not Low	Low	Not Low	Low	Not Low
2005	9%	4%	7%	0%	-6%	-3%	27%	11%	18%	5%
2007	11%	5%	6%	5%	0%	3%	16%	6%	15%	8%
2009	8%	3%	0%	2%	7%	5%	0%	2%	13%	7%
2011	-1%	-4%	5%	7%	13%	7%	9%	6%	12%	4%
2013	0%	-5%	11%	6%	11%	7%	8%	5%	5%	4%

Source: Census, NAEP; BLS, fiscal year. Low and Not Low refer to student income levels based on eligibility for school lunch programs; Low Income + Not Low Income = All Students.

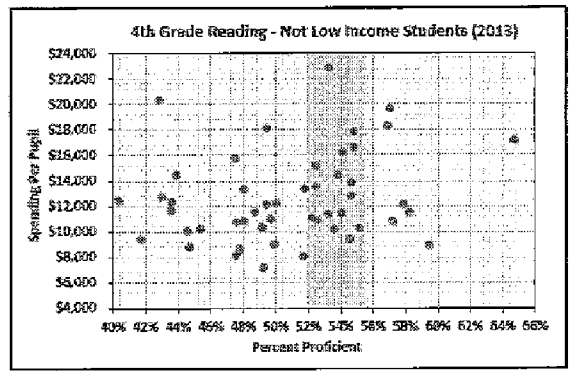
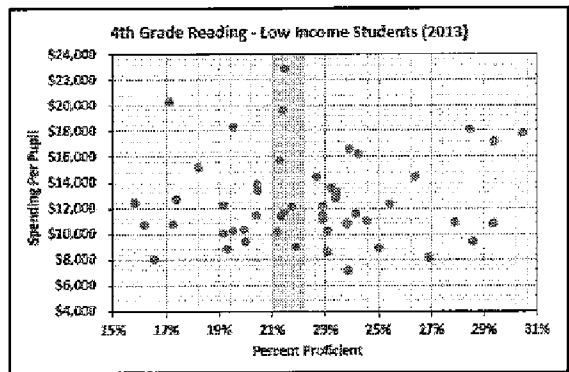
Our analysis is very straightforward; the changes in spending and every measurement of proficiency are examined separately. KASB based their findings on 8-year averages rather than individual years, which masks fluctuations by allowing gains to offset losses; the results are further skewed depending upon the starting point and length of the average. KASB also combines proficiency levels for 4th Grade Reading and Math as well as 8th grade Reading and Math by averaging those four disparate percentages into a single number, which again hides information. That methodology could present the appearance of improvement (especially by careful selection of the 8-year starting point) even though one or more grade levels and/or subjects could be in decline (which indeed happened). Such manipulation may allow KASB to justify more spending but it disregards the importance of understanding the true

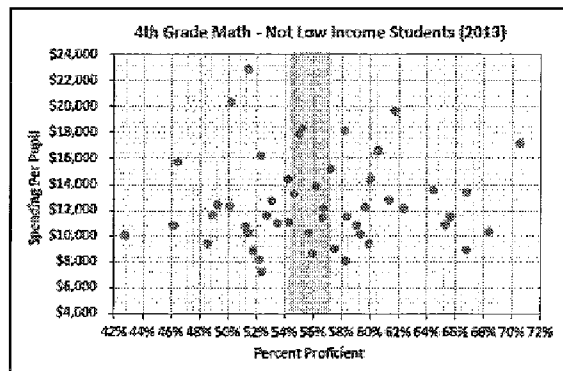
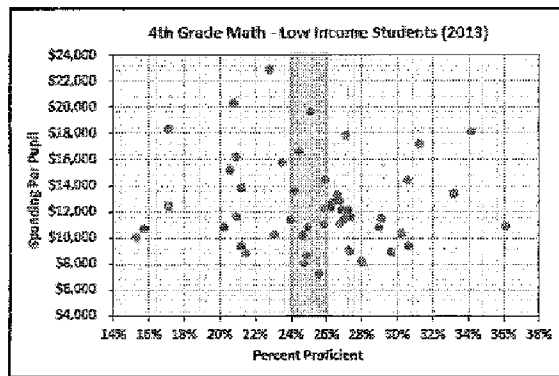
causes of student achievement.

It should be noted our explanation of their methodology is based on our reading of their report; KASB has not responded to requests for their underlying calculations.

KASB also claims that "higher spending states are more likely to have higher results" but once again, the data is contradictory. If spending more money was a "predictor" of higher outcomes, the points on these scatter plots of spending and proficiency levels would be grouped along a line of increasing slope but they are 'all over the map'.

New York schools spent the most at \$22,902 per-pupil and had 4th Grade Reading proficiency levels of 21% and 53%, respectively, for Low Income and Not Low Income students. North Carolina schools however, spent just \$8,879 per-pupil yet had proficiency levels of 25% and 59%, respectively. There are many other examples all across the proficiency ranges of grade levels, subject and student income groups where states achieved the same or relatively the same outcomes while spending significantly disparate amounts.





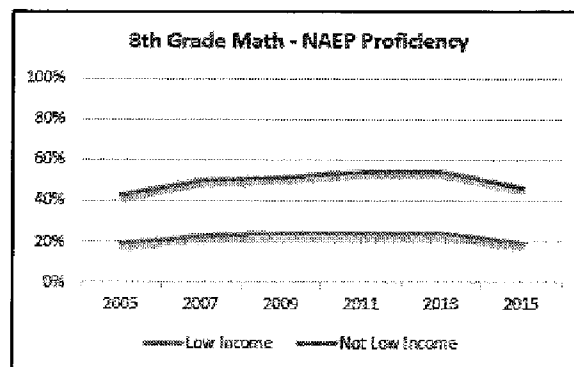
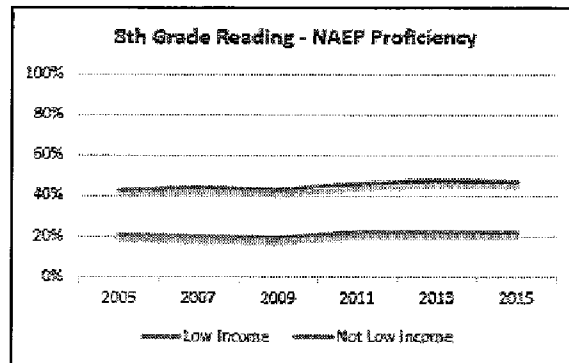
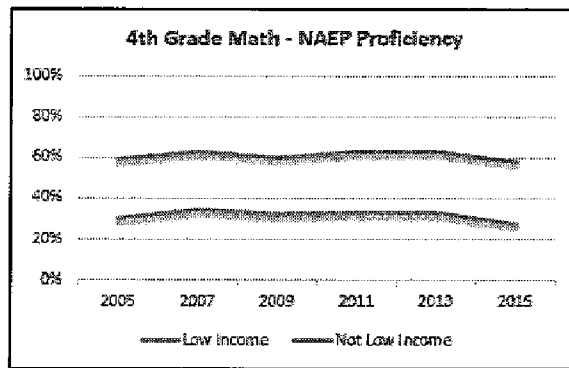
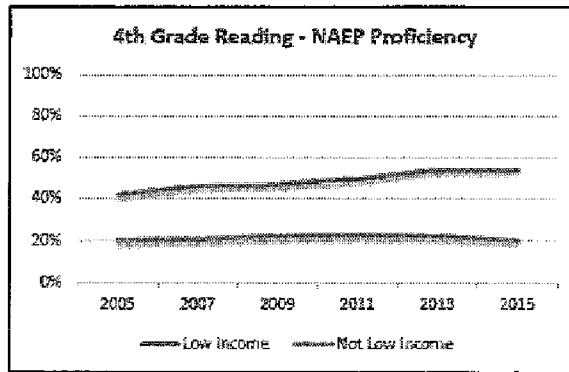
Higher spending would absolutely be a predictor of higher tax bills for citizens but there is no correlation between spending and achievement in the data.

Spending more money may create more opportunity to improve outcomes but only if the extra money is well-spent. As Dr. Hanushek notes, "it's absolutely true that if you spend money well, it has an effect," he said. "But just putting money into schools and assuming it will be spent well isn't necessarily correct and there is substantial evidence that it will not happen." And as has been documented time and time again over the years, there is certainly is evidence of money not being well spent in Kansas.

Achievement matters, not national rankings

KASB makes much of the fact that national rankings on NAEP declined ("Kansas has fallen from a national leader to merely an above average performer") and they use that emotional appeal to push for more money. But actual achievement should be the focus instead of national rankings, especially in a nation that doesn't perform very well. For example, Indiana is ranked #1 for 4th Grade Low Income students in Reading – at just 36% Proficient!

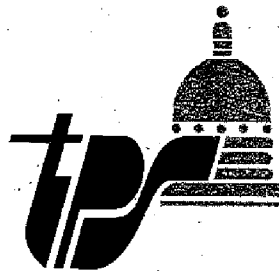
Kansas may have had higher national rankings in the past but look at these proficiency levels and decide for yourself: was achievement in any grade or subject ever at acceptable levels?



After nearly a \$2 billion funding increase over the last ten years, only a quarter or less of low income students and only about half of the rest are Proficient on NAEP Reading and Math exams. A “C” or a “D” may be one of the highest grades in the class but not scoring as badly as one’s classmates is no indication of acceptable outcomes. Attempting to justify pouring more money into the same system that produced these outcomes is simply about getting more money for the system; it most certainly is not student-focused.

The definition of insanity is doing the same thing over and over and expecting different results. We have tried dramatically higher real (inflation-adjusted) spending in Kansas public schools (43.5% per-pupil over the last 25 years) and in public schools around the nation. For Kansas, those increases in spending into the current education system have yielded the results just above. It is time for Kansas policymakers to call a new play. Our students deserve no less.

Post Script: We thank education economists Dr. Erick Hanushek and Dr. Benjamin Scafidi for their review and input on this analysis. For a teacher’s perspective on this subject, see David Dorsey’s thoughts on the Topeka Capital-Journal Blog.



March 23, 2016

Re: HB 2740

Chairman Ryckman, and Members of the House Appropriations Committee,

Thank you for the opportunity to respond to HB 2740. My comments are based upon our understanding of the bill as printed and the information presented yesterday afternoon when the bill was introduced. We are responding to this proposal to provide information for the record as to the disparate impact this bill will have on school districts like ours. If the measure is passed into law, the only option available to us is to raise the Local Option Budget, which is an increase in local property tax authority of four mills from our patrons.

Under the temporary block grant method for funding Kansas schools, our district endured decreases in funding totaling \$3.6 million. For the 2014-2015 school year, our budget had to be reduced by \$1.6 million, in 2015-2016 by \$1.3 million and for next school year, we will already experience a loss of \$665,000. In order to simply make up for this loss in revenue, it will be necessary for our School Board to base next year's budget on an increase in our Local Option Budget of three percent plus an additional one mill levy to balance the budget. A three percent increase in LOB will raise close to \$3 million, and the additional mill will raise about \$665,000, compared to the \$2 million that districts like Blue Valley can raise per mil. Where previous proposals were unsatisfactory because state money would have gone to local taxpayer relief, this proposal is nothing more but a tax increase on our local property, while other wealthier school districts are held harmless. The charts attached demonstrate the impact of this legislation on Topeka Public Schools.

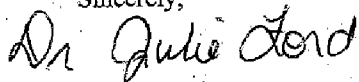
Topeka Public Schools educates students from a variety of different backgrounds, many of whom are faced with societal challenges that impact their educational progress. Before I continue, I should preface my comments with the hope that we are not still debating the reality that students impacted by poverty do not require additional support, and that the level of support is an economical factor when it comes to determining funding for education. The previous school finance formula, repealed in 2014, allowed for concessions for districts like ours that educate a disproportionate population of low income students. When it comes to equity, Kansas has looked at property values as the determinant, and we don't argue that that has been a reliable component of the school finance formula.

We are at a crossroads in this State when it comes to school finance. It is up to the members of this body to determine if the roadmap designed by previous legislators is the map you want to follow for Kansas' students. The repealed formula had been consistently modified to meet the political winds in past legislatures. We ask that you not perpetuate the situation with this bill. Concessions for wealthier, more powerful districts have been made year after year. This bill is once again based upon an arbitrary formula that reassigns winners and losers, and in doing so, furthers the inequity in funding for classrooms across the State.

The stark reality is that the State has purposefully placed itself in a dire financial situation at a time when school financing is and has been a major concern. Had the Legislature and Governor followed the law and invested the necessary funds, equitably, in our schools, we would not be grappling with this issue today. That reality is a consequence to the students currently in Kansas' public school system. There is no doubt that the State will have

to change course and deal with the destruction of the new income tax laws. If the only immediate option is to push the burden to the locals, equity in funding becomes all the more important--our students should be afforded an education that is equitable to any other student in the State.

Sincerely,

A handwritten signature in cursive script that reads "Dr. Julie Ford". The signature is written in black ink and is positioned to the left of the typed name.

Dr. Julie Ford

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Supreme Court Safe Harbor**

**SB 515
New LOB Formula and Hold Harmless**

USDF	County Name	USD Name	A			B			C			D			E			F			G			H			I
			Gain/Loss In Capital Outlay Aid	Gain/Loss in LOB Aid	Total Gain/Loss In Aid	Gain/Loss In LOB Aid	Gain/Loss Capital Outlay Aid	New Formula Gain/Loss In Aid	Hold Harmless Payment	Total Aid Gain/Loss In Aid	Difference Between Old Formulas and SB 515																
			SF16-126 Col 4	SF16-116 Col 4	Calculated (A+B)	SF16-128 Col 4	SF16-117 Col 4	Calculated (D+E)	SF16-133 Col 4	Calculated (F+G)	Calculated (H-I)																
259	Sedgwick	Wichita	4,508,756	5,132,809	9,641,565	-6,045,648	4,508,756	-1,536,892	1,536,892	0	-9,641,565																
500	Wyandotte	Kansas City	1,262,158	970,843	2,233,001	-2,502,864	1,262,158	-1,240,706	1,240,706	0	-2,233,001																
497	Douglas	Lawrence	656,309	1,496,590	2,152,899	-2,377,404	656,309	-1,721,096	1,721,096	0	-2,152,899																
501	Shawnee	Topoka Public Schools	829,524	1,032,306	1,861,830	-1,804,995	829,524	-975,411	975,411	0	-1,861,830																
437	Shawnee	Auburn Washburn	776,699	1,061,106	1,837,805	-622,735	776,699	153,964	0	0	-1,683,841																
260	Sedgwick	Derby	822,104	769,429	1,591,533	-735,024	822,104	87,080	0	87,080	-1,504,453																
305	Sallie	Salina	560,848	587,798	1,148,646	-1,248,914	560,848	-688,066	688,066	0	-1,148,646																
457	Finney	Garden City	293,038	771,202	1,064,241	-595,555	293,038	-302,517	302,517	0	-1,064,241																
231	Johnson	Gardner Edgerton	532,373	374,709	907,082	-706,254	532,373	-173,881	173,881	0	-907,082																
266	Sedgwick	Maize	629,126	120,546	749,672	-788,687	629,126	-536,684	536,684	0	-749,672																
443	Ford	Dodge City	419,403	318,461	737,865	-1,165,811	419,403	-369,283	369,283	0	-737,865																
253	Lyon	Emporia	557,901	168,711	726,613	-633,906	557,901	-76,005	76,005	0	-726,613																
285	Sedgwick	Goddard	417,394	292,761	710,154	-630,851	417,394	-263,457	263,457	0	-710,154																
308	Miami	Paola	231,900	478,744	710,644	-47,738	231,900	184,162	0	184,162	-526,482																
345	Shawnee	Seaman	354,751	166,303	521,054	-714,134	354,751	-359,383	359,383	0	-521,054																
313	Reno	Buhler	238,318	279,662	517,980	-331,796	238,318	-93,478	93,478	0	-517,980																
204	Wyandotte	Bonner Springs	281,143	231,411	512,554	-427,970	281,143	-146,826	146,826	0	-512,554																
489	Ellis	Hays	0	487,958	487,958	-317,906	0	-317,906	317,906	0	-487,958																
214	Grant	Ulysses	0	487,259	487,259	0	0	0	0	0	-487,259																
203	Wyandotte	Piper-Kansas City	162,149	322,090	484,239	-269,147	162,149	-106,997	106,997	0	-484,239																
450	Shawnee	Shawnee Heights	307,760	167,957	475,716	-596,977	307,760	-289,218	289,218	0	-475,716																
250	Gravford	Pittsburg	130,319	330,234	460,553	-282,583	130,319	-152,264	152,264	0	-460,553																
490	Butler	El Dorado	78,638	367,066	445,703	-269,181	78,638	-190,544	190,544	0	-445,703																
263	Sedgwick	Mulvane	246,570	369,731	616,301	-55,372	246,570	191,198	0	191,198	-425,103																
416	Miami	Louisburg	149,710	263,758	413,468	-172,834	149,710	-23,125	23,125	0	-413,468																
453	Leavenworth	Leavenworth	226,875	185,708	412,584	-587,559	226,875	-360,684	360,684	0	-412,584																
202	Wyandotte	Turner-Kansas City	218,981	159,606	378,587	-484,713	218,981	-265,733	265,733	0	-478,587																
375	Butler	Circle	72,089	288,346	360,435	-293,716	72,089	-221,627	221,627	0	-360,435																
262	Sedgwick	Valley Center Pub Sch	176,871	162,394	339,265	-299,711	176,871	-122,841	122,841	0	-339,265																
438	Leavenworth	Basehor-Linwood	183,164	140,731	323,896	-279,044	183,164	-95,880	95,880	0	-323,896																
407	Russell	Russell County	70,624	576,112	646,736	257,388	70,624	328,012	0	328,012	-328,396																
200	Franklin	Ottawa	199,433	111,953	311,386	-382,498	199,433	-183,065	183,065	0	-311,386																
331	Kingman	Kingman - Norwich	113,499	270,026	383,525	-35,949	113,499	77,551	0	77,551	-311,386																
478	Barton	Great Bend	129,100	175,520	304,620	-434,133	129,100	-305,033	305,033	0	-304,620																
433	Neosho	Chanute Public Schools	202,962	96,141	299,103	-319,215	202,962	-116,253	116,253	0	-299,103																
455	Dickinson	Abilene	178,373	115,150	293,523	-184,899	178,373	-6,527	6,527	0	-293,523																
418	McPherson	McPherson	148,145	129,670	277,814	-688,878	148,145	-540,733	540,733	0	-277,814																
308	Reno	Hutchinson Public Schools	163,146	213,387	376,533	-762,972	163,146	-599,826	599,826	0	-276,533																
480	Seward	Liberal	0	261,677	261,677	-495,290	0	-495,290	495,290	0	-261,677																
469	Leavenworth	Lansing	109,147	147,380	256,527	-301,893	109,147	-197,746	197,746	0	-256,527																

**RETURN TO
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**SB 515
New LOB Formula and Hold Harmless**

USD#	County Name	USD Name	Supreme Court Safe Harbor			SB 515				Difference Between Old Formulas and SB 515	
			A Gain/Loss in Capital Outlay Aid	B Gain/Loss in LOB Aid	C Total Gain/Loss in Aid	D Gain/Loss in LOB Aid	E Gain/Loss in Capital Outlay Aid	F New Formula Gain/Loss in Aid	G Hold Harmless Payment		H Total Aid Gain/Loss in Aid
			Calculated	Calculated	Calculated	Calculated	Calculated	Calculated	Calculated	Calculated	
			SF16-126 Col 4	SF16-116 Col 4	(A + B)	SF16-126 Col 4	SF16-117 Col 4	(D + E)	SF16-133 Col 4	(F + G)	(H - C)
409	Atchison	Atchison Public Schools	112,164	128,622	240,786	-223,242	112,164	-111,078	111,078	0	-240,786
466	Scott	Scott County	21,880	218,133	240,013	-135,092	21,880	-113,212	113,212	0	-240,013
445	Montgomery	Coffeyville	55,251	183,890	239,141	-389,721	55,251	-334,470	334,470	0	-239,141
383	Riley	Manhattan-Ogden	0	226,458	226,458	-1,536,205	0	-1,536,205	1,536,205	0	-226,458
261	Sedgewick	Haysville	-24,663	240,573	215,911	-422,672	-24,663	-447,335	447,335	0	-24,663
494	Hamilton	Syracuse	35,806	197,949	233,755	-15,072	35,806	-20,734	20,734	0	-215,911
491	Douglas	Eudora	109,827	80,278	190,105	-164,977	109,827	-55,150	55,150	0	-190,105
405	Rice	Lyons	70,841	208,526	279,367	19,028	70,841	89,869	293,948	0	89,869
230	Johnson	Spring Hill	0	181,581	181,581	-293,948	0	-293,948	293,948	0	-181,581
205	Butler	Bluestem	57,613	124,168	181,781	-56,881	57,613	732	0	732	-181,049
348	Douglas	Baldwin City	120,067	60,705	180,772	-258,149	120,067	-138,082	138,082	0	-180,772
394	Butler	Rose Hill Public Schools	104,596	74,905	179,502	-179,755	104,596	-75,159	75,159	0	-179,502
114	Doniphan	Riverside	0	188,397	188,397	12,411	0	-12,411	0	12,411	-179,502
402	Butler	Augusta	193,229	-18,809	174,421	-380,141	193,229	-186,912	186,912	0	-174,421
431	Barton	Hosington	48,885	389,358	388,243	166,216	48,885	215,100	0	0	-175,986
232	Johnson	De Soto	495,480	-331,295	164,185	-2,022,565	495,480	-1,527,485	1,527,485	0	-173,143
483	Seward	Kennett-Plains	0	161,412	161,412	0	0	0	0	0	-161,412
373	Harvey	Newton	296,161	-76,532	159,628	-689,770	296,161	-453,610	453,610	0	-159,628
257	Allen	Jolia	89,321	66,862	156,183	-189,235	89,321	-99,914	99,914	0	-156,183
355	Barton	Ellinwood Public Schools	45,148	343,455	388,603	190,623	45,148	235,771	0	0	-352,832
417	Morris	Morris County	56,732	95,080	151,811	-164,849	56,732	-108,118	108,118	0	-151,811
400	McPherson	Smoky Valley	110,105	38,343	148,447	-249,239	110,105	-139,135	139,135	0	-148,447
350	Stafford	St John-Hudson	0	148,413	148,413	0	0	0	0	0	-148,413
264	Sedgewick	Clearwater	99,239	48,853	148,092	-194,003	99,239	-94,764	94,764	0	-148,092
396	Butler	Douglas Public Schools	47,544	100,531	148,075	-52,688	47,544	-5,144	5,144	0	-148,075
270	Rooks	Plainville	0	146,454	146,454	0	0	0	0	0	-146,454
267	Sedgewick	Renwick	154,108	-12,291	141,817	-486,381	154,108	-332,273	332,273	0	-141,817
385	Butler	Andover	445,569	-303,842	141,727	-1,224,162	445,569	-778,593	778,593	0	-141,727
470	Gowley	Arkansas City	51,508	78,233	129,741	-383,843	51,508	-332,335	332,335	0	-129,741
273	Mitchell	Beloit	76,722	52,695	129,417	-203,131	76,722	-126,409	126,409	0	-129,417
287	Franklin	West Franklin	56,631	69,784	126,415	-147,513	56,631	-90,882	90,882	0	-126,415
366	Woodson	Woodson	122,461	122,461	125,109	-33,810	122,461	-31,162	31,162	0	-125,109
506	Laporte	Labette County	91,923	31,683	123,606	-215,501	91,923	-123,578	123,578	0	-123,606
508	Cherokee	Baker Springs	83,323	82,595	165,919	-40,859	83,323	42,465	0	0	-123,578
218	Morton	Elkhart	151,571	183,297	334,868	60,515	151,571	212,086	0	0	-47,465
293	Gove	Quinter Public Schools	36,505	104,602	141,107	-16,552	36,505	19,943	0	0	-123,606
340	Jefferson	Jefferson West	63,272	49,212	112,485	-145,711	63,272	-82,439	82,439	0	-121,782
477	Gray	Ingalis	7,671	136,357	144,028	-24,186	7,671	-264,517	264,517	0	-144,028
382	Pratt	Pratt	109,265	2,653	111,928	-373,782	109,265	-264,517	264,517	0	-111,928
388	Ellis	Ellis	63,307	201,209	264,516	91,079	63,307	154,386	0	0	-110,130

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OLD FORMULAS
Supreme Court Safe Harbor**

**SB 515
New LOB Formula and Hold Harmless**

USD#	County Name	USD Name	A		C Total Gain/Loss in Aid	D		E		F		G		H Total Aid Gain/Loss in Aid	I Difference Between Old Formulas and SB 515
			Gain/Loss in Capital Outlay Aid	Gain/Loss in LOB Aid		Gain/Loss in LOB Aid	Gain/Loss in Capital Outlay Aid	New Formula Gain/Loss in Aid	Hold Harmless Payment	Calculated (F + G)	Calculated (H - I)				
			SF16-126 Col 4	SF16-116 Col 4	Calculated (A + B)	SF16-126 Col 4	SF16-117 Col 4	Calculated (D + E)	SF16-133 Col 4	Calculated (F + G)	Calculated (H - I)				
330	Webster	Mission Valley	52,513	55,913	108,426	-136,896	52,513	-84,383	84,383	0	-108,426				
309	Reno	Nickerson	54,188	52,922	107,109	-272,711	54,188	-218,523	218,523	0	-107,109				
353	Sumner	Wellington	164,453	-58,742	105,711	-349,018	164,453	-184,565	184,565	0	-105,711				
432	Ellis	Victoria	0	103,522	103,522	0	0	0	0	0	0				
252	Lyon	Southern Lyon County	50,257	52,988	103,245	-133,607	50,257	-83,350	83,350	0	-103,245				
282	Elk	West Elk	20,962	79,880	100,842	-16,436	20,962	-15,474	15,474	0	-100,842				
325	Phillips	Phillipsburg	32,150	55,746	87,896	-62,430	32,150	-60,280	60,280	0	-87,896				
369	Harvey	Burrton	40,259	139,219	179,479	-218,717	40,259	91,772	0	91,772					
503	Labette	Parsons	44,300	42,991	87,291	-218,717	44,300	-174,417	174,417	0	-87,291				
289	Franklin	Wellsville	71,910	15,316	87,226	-206,772	71,910	-134,862	134,862	0	-87,226				
484	Wilson	Fredonia	20,189	60,945	81,135	-140,475	20,189	-120,285	120,285	0	-81,135				
473	Dickinson	Chapman	-17,436	97,555	80,099	-226,618	-17,436	-244,053	244,053	0	-80,099				
397	Marion	Centre	45,106	69,540	114,646	-8,485	45,106	36,621	310,184	36,621	-78,025				
113	Nemaha	Prairie Hills	72,950	4,477	77,427	-383,134	72,950	-310,184	73,807	73,807	-77,407				
347	Edwards	Kinsley-Officer	37,583	38,995	76,578	-111,390	37,583	-73,807	9,653	9,653	-76,578				
286	Chautauqua	Chautauqua Co Community	6,395	68,962	75,357	-16,048	6,395	-9,653	0	0	-75,357				
511	Harper	Atica	11,276	72,073	83,349	-2,523	11,276	8,754	0	8,754	-74,596				
358	Sumner	Okford	45,956	141,459	187,414	67,172	45,956	113,128	0	113,128	-69,115				
101	Neosho	Erle-Galesburg	42,938	26,178	69,115	-165,559	42,938	-122,621	122,621	0	-69,115				
268	Sedgewick	Cheney	49,452	18,719	68,171	-138,423	49,452	-88,971	88,971	0	-68,171				
487	Dickinson	Herrington	0	66,014	66,014	-47,114	0	47,114	0	47,114	-66,014				
410	Marion	Durham-Hillsboro-Elhigh	58,680	5,415	65,096	-186,307	58,680	-127,627	127,627	0	-65,096				
447	Montgomery	Cherryvale	44,627	18,001	62,628	-103,575	44,627	-58,948	58,948	0	-62,628				
509	Sumner	South Haven	9,685	105,538	115,203	-44,602	9,685	-34,267	0	54,267	-60,936				
434	Osage	Santa Fe Trail	34,670	26,102	60,772	-212,642	34,670	-177,972	177,972	0	-60,772				
439	Harvey	Sedgewick Public Schools	12,600	47,653	60,253	-48,449	12,600	-35,849	35,849	0	-60,253				
207	Leavenworth	F Leavenworth	3,023	69,289	72,312	9,108	3,023	12,132	0	12,132	-60,180				
465	Cowley	Winfield	164,626	-105,386	59,239	-571,881	164,626	-407,256	407,256	0	-59,239				
320	Pottawatomie	Wamego	61,788	-3,896	57,892	-327,496	61,788	-265,708	265,708	0	-57,892				
376	Rice	Sterling	49,189	7,963	57,152	-126,574	49,189	-77,386	77,386	0	-57,152				
403	Rush	Ole-Bison	0	57,129	57,129	0	0	0	0	0	-57,129				
333	Cloud	Canonville	67,847	-3,962	63,885	-262,440	67,847	-194,593	194,593	0	-63,885				
404	Cherokee	Riverton	-6,456	57,760	51,304	-122,514	-6,456	-128,970	128,970	0	-51,304				
288	Franklin	Central Heights	39,054	10,257	49,311	-130,682	39,054	-91,628	91,628	0	-49,311				
395	Rush	LaCrosse	7,025	41,347	48,372	-90,382	7,025	-83,358	83,358	0	-48,372				
357	Sumner	Belle Plaine	38,894	8,386	47,280	-118,039	38,894	-79,145	79,145	0	-47,280				
248	Crawford	Girard	30,793	15,867	46,660	-170,283	30,793	-139,490	139,490	0	-46,660				
326	Phillips	Logan	0	46,463	46,463	-46,844	0	46,844	0	46,844	-46,463				
327	Ellsworth	Ellsworth	31,417	14,956	46,373	-187,355	31,417	-155,937	155,937	0	-46,373				
249	Crawford	Frontenac Public Schools	21,842	22,896	44,739	-111,824	21,842	-89,982	89,982	0	-44,739				

Data from KSDE SF16-126, SF16-116, SF16-117, SF16-133

**RETURN TO
OLD FORMULAS
Supreme Court Safe Harbor**

**SB 515
New LOB Formula and Hold Harmless**

USD#	County Name	USD Name	Supreme Court Safe Harbor			SB 515			Total Aid Gain/Loss In Aid	Difference Between Old Formulas and SB 515	
			A Gain/Loss in Capital Outlay Aid	B Gain/Loss in LOB Aid	C Total Gain/Loss in Aid	D Gain/Loss in LOB Aid	E Gain/Loss in Capital Outlay Aid	F New Formula Gain/Loss in Aid			G Hold Harmless Payment
			SF16-126 Col 4	SF16-116 Col 4	Calculated (A+B)	SF16-126 Col 4	SF16-117 Col 4	Calculated (D+E)	SF16-133 Col 4	Calculated (F+G)	Calculated (H-C)
245	Coffey	Leroy-Gridley	0	44,381	44,381	0	0	0	0	0	-44,381
372	Shawnee	Silver Lake	45,831	-1,857	43,974	-157,086	26,998	-111,255	111,255	0	-43,974
341	Jefferson	Oakatoosa Public Schools	9,290	33,842	43,132	-111,831	78,675	-102,541	102,541	0	-43,132
499	Cherokee	Galena	26,348	16,565	42,914	-107,278	23,597	-75,930	75,930	0	-42,914
420	Ozage	Ozage City	24,153	18,422	42,575	-131,009	24,153	-106,857	106,857	0	-42,575
323	Pottawatomie	Rock Creek	0	42,186	42,186	-164,492	0	-164,492	164,492	0	-42,186
336	Jackson	Holton	65,919	-24,850	41,069	-239,384	65,919	-173,465	173,465	0	-41,069
343	Jefferson	Perry Public Schools	23,632	16,745	40,388	-289,101	23,632	-265,478	265,478	0	-40,388
504	Lafayette	Oswego	17,712	22,085	39,797	-56,487	17,712	-38,775	38,775	0	-39,797
219	Clark	Minneola	0	39,699	39,699	-84,689	0	-84,689	84,689	0	-39,699
464	Leavenworth	Tonganoxie	-26,998	62,946	35,948	-327,038	-26,998	-349,035	349,035	0	-35,948
367	Miami	Osawatomie	78,675	-42,949	35,726	-313,930	78,675	-235,255	235,255	0	-35,726
206	Butler	Remington-Wythwater	23,597	10,562	34,159	-201,860	23,597	-178,263	178,263	0	-34,159
421	Ozage	London	29,991	3,809	33,801	-105,099	29,991	-75,108	75,108	0	-33,801
356	Sumner	Conway Springs	49,413	-17,639	31,773	-135,100	49,413	-85,687	85,687	0	-31,773
398	Marion	Peabody-Burns	0	30,713	30,713	-135,290	0	-135,290	135,290	0	-30,713
285	Chautauqua	Cedar Vale	0	30,380	30,380	-3,358	0	-3,358	3,358	0	-30,380
471	Cowley	Dexter	16,970	12,332	29,302	-13,473	16,970	-14,453	14,453	0	-29,302
271	Rooks	Stockton	0	27,449	27,449	-80,629	0	-80,629	80,629	0	-27,449
408	Marion	Marion-Florence	0	26,642	26,642	-134,098	0	-134,098	134,098	0	-26,642
297	Cheyenne	St Francis Comm Sch	0	20,922	20,922	-92,022	0	-92,022	92,022	0	-20,922
306	Saline	Southeast Of Saline	0	20,414	20,414	-255,415	0	-255,415	255,415	0	-20,414
312	Renno	Haven Public Schools	0	18,829	18,829	-317,224	0	-317,224	317,224	0	-18,829
419	McPherson	Canon-Galva	13,823	4,217	18,040	-188,088	13,823	-174,245	174,245	0	-18,040
212	Norton	Northern Valley	14,466	1,076	15,542	-89,530	14,466	-75,064	75,064	0	-15,542
246	Crawford	Northeast	43,287	-29,258	14,028	-144,553	43,287	-101,266	101,266	0	-14,028
386	Greenwood	Madison-Virgil	10,160	3,376	13,536	-86,657	10,160	-76,497	76,497	0	-13,536
505	Greenwood	Chetopa St. Paul	24,411	-10,982	13,429	-108,219	24,411	-83,808	83,808	0	-13,429
371	Gray	Montezuma	9,554	2,554	12,108	-101,046	9,554	-91,492	91,492	0	-12,108
242	Wallace	Weskan	0	11,506	11,506	-17,107	0	-17,107	17,107	0	-11,506
359	Sumner	Argenta Public Schools	0	10,634	10,634	-66,153	0	-66,153	66,153	0	-10,634
108	Washington	Washington Co. Schools	3,908	5,085	8,993	-166,153	3,908	-162,245	162,245	0	-8,993
411	Marion	Goessel	9,414	-1,721	7,693	-85,801	9,414	-76,387	76,387	0	-7,693
438	Pratt	Skyline Schools	31,108	-25,538	5,570	-181,179	31,108	-150,071	150,071	0	-5,570
322	Pottawatomie	Onaga-Havensville-Wheaton	31,240	-27,230	4,009	-145,165	31,240	-113,925	113,925	0	-4,009
448	McPherson	Inman	24,032	-21,078	2,954	-220,421	24,032	-196,389	196,389	0	-2,954
393	Dickinson	Solomon	22,574	-20,377	2,197	-145,883	22,574	-123,309	123,309	0	-2,197
224	Washington	Cifton-Clyde	0	1,579	1,579	-127,159	0	-127,159	127,159	0	-1,579
220	Clark	Kahland	0	1,352	1,352	0	0	0	0	0	-1,352
211	Norton	Norton Community Schools	36,424	-35,203	1,221	-253,884	36,424	-217,460	217,460	0	-1,221

RETURN TO OLD FORMULAS Supreme Court Safe Harbor				SB 515 New LOB Formula and Hold Harmless				Difference Between Old Formulas and SB 515									
A	B	C	D	E	F	G	H		I								
Gain/Loss in Capital Outlay Aid	Gain/Loss in LOB Aid	Total Gain/Loss In Aid	Gain/Loss In LOB Aid	Gain/Loss in Capital Outlay Aid	New Formula Gain/Loss in Aid	Hold Harmless Payment	Total Aid Gain/Loss In Aid	Calculated (H - C)									
SF16-126 Col 4		SF16-116 Col 4		Calculated (A + B)		SF16-126 Col 4		SF16-117 Col 4		Calculated (D + E)		SF16-133 Col 4		Calculated (F + G)		Calculated (H - C)	
USD#	County Name	USD Name															
210	Stevens	Hugoton Public Schools	0	1,168	1,168	0	0	0	0	0	0	0	0	0	0	0	-1,168
389	Greenwood	Eureka	10,316	-9,330	986	-183,480	10,316	0	173,164	0	0	0	0	0	0	0	-986
392	Osborne	Osborne County	19,440	-18,960	481	-150,376	19,440	0	-130,936	130,936	0	0	0	0	0	0	-481
454	Osage	Burlingame Public School	0	473	473	-68,019	0	0	-68,019	68,019	0	0	0	0	0	0	-473
468	lane	Healy Public Schools	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
275	Logan	Triplains	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
291	Gove	Ghinnell Public Schools	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
474	Kiowa	Haviland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
476	Gray	Copeland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
292	Gove	Wheatland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
106	Ness	Western Plains	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
269	Rooks	Palco	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
502	Edwards	Lewis	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
399	Russell	Paradise	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
314	Thomas	Brewster	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
103	Cheyenne	Cheylin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
332	Kingman	Cunningham	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
401	Rice	Chase-Raymond	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
217	Morton	Rolla	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
209	Stevens	Moscow Public Schools	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
241	Wallace	Wallace County Schools	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
216	Kearny	Deerfield	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
351	Starford	Macksville	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
482	lane	Dighton	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
459	Ford	Bucklin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
255	Barber	South Barber	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200	Greely	Greely County Schools	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
303	Ness	Ness City	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
227	Hodgeman	Hodgeman County Schools	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
310	Reno	Fairfield	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
507	Haskell	Satanza	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300	Comanche	Comanche County	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
444	Rice	Little River	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
111	Doniphan	Doniphan West Schools	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
422	Kiowa	Kiowa County	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
281	Graham	Graham County	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
208	Trego	Graham County	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
226	Meade	Meade	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
274	Logan	Oakley	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
251	Lyon	North Lyon County	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Data from KSDOE SF16-126, SF16-116, SF16-117, SF16-133

**RETURN TO
OLD FORMULAS
Supreme Court Safe Harbor**

**SB 515
New LOB Formula and Hold Harmless**

USD#	County Name	USD Name	A		B		C		D	E	F	G	H	I
			Gain/Loss in Capital Outlay Aid	Gain/Loss in LOB Aid	Total Gain/Loss in Aid	Gain/Loss in LOB Aid	Gain/Loss in Capital Outlay Aid	New Formula Gain/Loss in Aid						
			SF16-126 Col 4	SF16-116 Col 4	Calculated (A + B)	Calculated (D + E)	Calculated (F + G)	Calculated (H - C)						
452	Stanton	Stanton County	0	0	0	0	0	0	0	0	0	0	0	0
374	Haskell	Sublette	0	0	0	0	0	0	0	0	0	0	0	0
254	Barber	Barber County North	0	0	0	0	0	0	0	0	0	0	0	0
112	Elsworth	Central Plains	0	0	0	0	0	0	0	0	0	0	0	0
215	Keamy	Lakin	0	0	0	0	0	0	0	0	0	0	0	0
244	Coffey	Burlington	0	0	0	0	0	0	0	0	0	0	0	0
362	Lincoln	Prairie View	0	0	0	0	0	0	0	0	0	0	0	0
363	Finney	Halcomb	0	0	0	0	0	0	0	0	0	0	0	0
321	Pottawatomie	Kaw Valley	0	0	0	0	0	0	0	0	0	0	0	0
436	Montgomery	Caney Valley	22,058	-24,293	-2,235	-239,531	217,473	0	0	0	0	0	0	2,235
342	Jefferson	Weld north	22,281	-24,544	-2,263	-171,929	171,929	0	0	0	0	0	0	2,263
390	Greenwood	Hamilton	0	-2,897	-2,897	-7,136	7,136	0	0	0	0	0	0	2,897
235	Bourbon	Uniontown	0	-3,103	-3,103	-93,554	93,554	0	0	0	0	0	0	3,103
381	Ford	Spearsville	13,053	-17,426	-4,373	-120,006	120,006	0	0	0	0	0	0	4,373
284	Chase	Chase County	0	-4,647	-4,647	-4,647	4,647	0	0	0	0	0	0	4,647
460	Harvey	Hesston	46,316	-51,316	-5,000	-224,427	224,427	0	0	0	0	0	0	5,000
384	Riley	Blue Valley	0	-6,899	-6,899	-62,896	62,896	0	0	0	0	0	0	6,899
412	Sheridan	Hoxie Community Schools	0	-11,597	-11,597	-64,249	64,249	0	0	0	0	0	0	11,597
339	Jefferson	Jefferson County North	20,071	-32,219	-12,148	-139,362	119,291	0	0	0	0	0	0	12,148
429	Doniphan	Troy Public Schools	13,545	-26,369	-12,824	-123,114	123,114	0	0	0	0	0	0	12,824
115	Nemaha	Nemaha Central	0	-15,619	-15,619	-15,619	15,619	0	0	0	0	0	0	15,619
479	Marshall	Valley Heights	24,965	-41,096	-16,132	-161,729	136,764	0	0	0	0	0	0	16,132
498	Anderson	Crest	0	-17,519	-17,519	-104,821	104,821	0	0	0	0	0	0	17,519
338	Jefferson	Valley Falls	23,067	-40,674	-17,607	-18,571	118,571	0	0	0	0	0	0	17,607
109	Republic	Republic County	0	-17,794	-17,794	-241,846	241,846	0	0	0	0	0	0	17,794
461	Wilson	Neodesha	46,331	-65,813	-19,482	-250,286	241,846	0	0	0	0	0	0	19,482
365	Anderson	Garnett	82,131	-101,643	-19,512	-429,938	347,786	0	0	0	0	0	0	19,512
449	Leavenworth	Easton	28,299	-48,002	-19,703	-235,822	207,523	0	0	0	0	0	0	19,703
107	Jewell	Rock Hills	0	-21,459	-21,459	-21,459	21,459	0	0	0	0	0	0	21,459
349	Starford	Starford	6,337	-28,705	-22,367	-145,450	139,113	0	0	0	0	0	0	22,367
337	Jackson	Royal Valley	41,950	-66,459	-24,509	-246,065	17,280	0	0	0	0	0	0	24,509
462	Cowley	Central	17,280	-42,065	-24,785	-129,589	112,309	0	0	0	0	0	0	24,785
378	Riley	Riley County	45,573	-70,468	-24,895	-292,576	247,003	0	0	0	0	0	0	24,895
360	Sumner	Caldwell	10,773	-35,950	-25,177	-143,827	10,773	0	0	0	0	0	0	25,177
426	Republic	Pike Valley	8,614	-38,185	-29,571	-152,081	143,467	0	0	0	0	0	0	29,571
496	Pawnee	Pawnee Heights	0	-30,949	-30,949	-85,280	85,280	0	0	0	0	0	0	30,949
481	Dickinson	Rural Vista	0	-32,301	-32,301	-141,353	141,353	0	0	0	0	0	0	32,301
493	Cherokee	Columbus	34,736	-68,315	-33,579	-387,249	352,494	0	0	0	0	0	0	33,579
387	Wilson	Altoona-Midway	0	-39,888	-39,888	-39,888	39,888	0	0	0	0	0	0	39,888
335	Jackson	North Jackson	3,723	-48,855	-45,132	-160,826	157,103	0	0	0	0	0	0	45,132

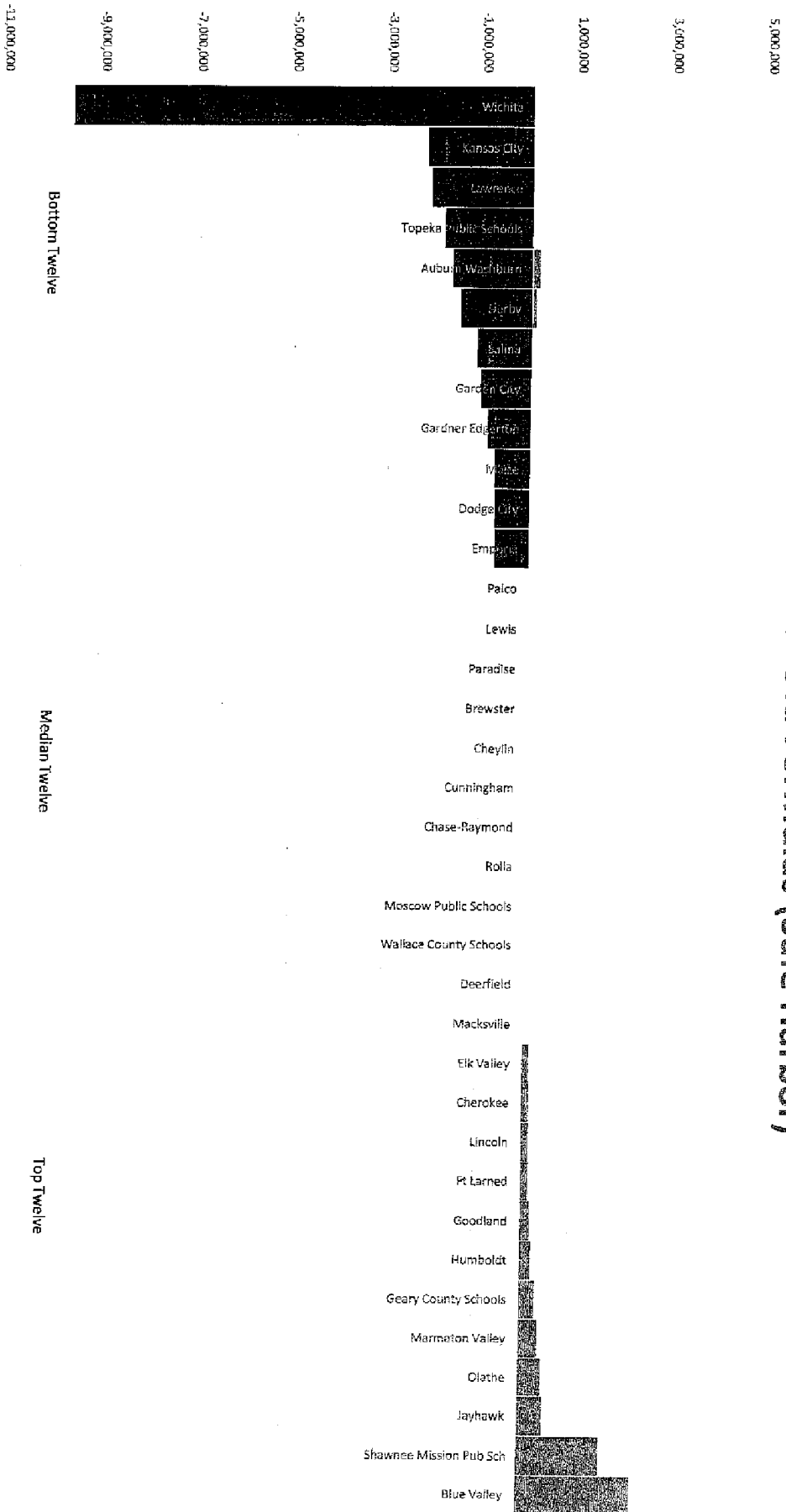
**RETURN TO
OLD FORMULAS
Supreme Court Safe Harbor**

**SB 515
New LOB Formula and Hold Harmless**

USD#	County Name	USD Name	A			B			C			D			E			F			G			H			I				
			Gain/Loss in Capital Outlay Aid	Gain/Loss in LOB Aid	Total Gain/Loss in Aid	Gain/Loss in LOB Aid	Gain/Loss in Capital Outlay Aid	New Formula Gain/Loss in Aid	Hold Harmless Payment	Total Aid Gain/Loss in Aid	Difference Between Old Formulas and SB 515																				
Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4	Col 4			
430	Brown	South Brown County	39,756	-85,243	-45,487	-252,507	39,756	-212,752	212,752	45,487																					
311	Reno	Pretty Prairie	12,863	-59,709	-46,845	-164,188	12,863	-151,324	151,324	46,845																					
240	Ottawa	Twin Valley	29,667	-77,676	-48,009	-258,276	29,667	-228,609	228,609	48,009																					
334	Cloud	Southern Cloud	0	-49,047	-49,047	-119,683	0	-119,683	119,683	49,047																					
294	Decatur	Oberlin	0	-49,926	-49,926	-49,926	0	-49,926	49,926	49,926																					
440	Harvey	Halstead	24,940	-78,075	-53,135	-291,933	24,940	-266,992	266,992	53,135																					
272	Mitchell	Waconia	0	-53,812	-53,812	-197,983	0	-197,983	197,983	53,812																					
239	Ottawa	North Ottawa County	-29,753	-25,092	-54,846	-212,723	-29,753	-252,476	252,476	54,846																					
105	Rawlins	Rawlins County	5,221	-60,309	-55,087	-457,878	5,221	-413,148	413,148	57,075																					
315	Thomas	Colby Public Schools	44,730	-88,829	-44,099	-260,333	44,730	-219,841	219,841	44,099																					
380	Marshall	Vermillion	30,491	-58,337	-27,846	-170,372	30,491	-164,747	164,747	27,846																					
492	Butler	Hawatha	5,625	-58,914	-53,289	-197,162	5,625	-191,537	191,537	53,289																					
415	Brown	Golden Plains	0	-62,815	-62,815	-155,879	0	-155,879	155,879	62,815																					
316	Thomas	Marais Des Cygnes Valley	0	-78,360	-78,360	-274,626	0	-266,766	266,766	78,360																					
456	Osage	Smith Center	11,968	-69,537	-57,569	-266,658	11,968	-254,690	254,690	57,569																					
237	Smith	Cimmaron-Ersigin	18,267	-69,661	-51,394	-157,678	18,267	-139,411	139,411	51,394																					
102	Gray	Leoti	0	-80,562	-80,562	-290,683	0	-281,477	281,477	80,562																					
467	Wichita	Mill Creek Valley	9,206	-72,558	-63,352	-157,678	9,206	-148,472	148,472	63,352																					
329	Wabunsause	Sylvan Grove	0	-77,117	-77,117	-205,051	0	-191,751	191,751	77,117																					
299	Lincoln	Thunder Ridge Schools	1,237	-90,872	-89,635	-206,438	1,237	-199,201	199,201	89,635																					
463	Phillips	Udall	14,687	-76,428	-61,741	-89,000	14,687	-74,313	74,313	61,741																					
225	Moade	Fowler	0	-80,374	-80,374	-192,875	0	-174,247	174,247	80,374																					
361	Harper	Anthony-Harper	0	-100,193	-100,193	-252,817	0	-219,044	219,044	100,193																					
344	Lincoln	Pleasanton	18,628	-117,641	-99,013	-270,076	18,628	-251,448	251,448	99,013																					
307	Saline	El-Saline	33,772	-83,869	-50,097	-157,678	33,772	-123,906	123,906	50,097																					
243	Coffey	Lebo-Waverly	8,467	-100,949	-92,482	-261,609	8,467	-253,142	253,142	92,482																					
446	Montgomery	Independence	70,276	-163,324	-93,048	-627,014	70,276	-556,737	556,737	93,048																					
423	McPherson	Moundridge	0	-108,769	-108,769	-121,534	0	-121,534	121,534	108,769																					
379	Clay	Clay Center	-78,661	-41,669	-120,330	-448,351	-78,661	-426,690	426,690	120,330																					
364	Marshall	Marysville	0	-132,249	-132,249	-173,754	0	-173,754	173,754	132,249																					
377	Atchison	Atchison Co Comm Schools	4,289	-142,627	-138,338	-434,626	4,289	-430,337	430,337	138,338																					
223	Washington	Barnes	0	-140,253	-140,253	-429,972	0	-429,972	429,972	140,253																					
234	Bourbon	Fort Scott	-28,319	-112,514	-140,833	-429,972	-28,319	-458,290	458,290	140,833																					
283	Elk	Elk Valley	0	-141,713	-141,713	-369,680	0	-369,680	369,680	141,713																					
247	Crawford	Cherokee	15,868	-151,278	-135,410	-389,566	15,868	-373,698	373,698	135,410																					
298	Lincoln	Lincoln	-10,762	-162,041	-172,803	-463,813	-10,762	-453,051	453,051	172,803																					
495	Pawnee	Fl Larned	-22,702	-185,127	-207,828	-568,624	-22,702	-545,922	545,922	207,828																					
332	Sherman	Goodland	-22,702	-307,364	-284,662	-885,907	-22,702	-863,205	863,205	307,364																					
258	Allen	Humboldt	59,573	-247,791	-188,218	-476,335	59,573	-416,762	416,762	188,218																					

RETURN TO OLD FORMULAS Supreme Court Safe Harbor				SB 515 New LOB Formula and Hold Harmless				Difference Between Old Formulas and SB 515			
USD#	County Name	USD Name	A Gain/Loss in Capital Outlay Aid	B Gain/Loss in LOB Aid	C Total Gain/Loss in Aid	D Gain/Loss in LOB Aid	E Gain/Loss in Capital Outlay Aid	F New Formula Gain/Loss in Aid	G Hold Harmless Payment	H Total Aid Gain/Loss in Aid	I Calculated { H - C }
USD#	County Name	USD Name	SF16-126 Col 4	SF16-116 Col 4	Calculated { A + B }	SF16-126 Col 4	SF16-117 Col 4	Calculated { D + E }	SF16-133 Col 4	Calculated { F + G }	Calculated { H - C }
475	Geary	Geary County Schools	-154,601	-180,051	-334,652	-1,363,276	-154,601	-1,517,877	1,517,877	0	394,652
256	Allen	Marratton Valley	0	-400,146	-400,146	-400,146	0	-400,146	400,146	0	400,146
233	Johnson	Clatke	557,038	-1,055,910	-498,892	-9,575,361	557,038	-9,018,343	9,018,343	0	498,892
346	Linn	Jayhawk	-27,233	-512,901	-540,133	-660,809	-27,233	-688,042	688,042	0	540,133
512	Johnson	Shawnee Mission Pub Sch	0	-1,737,506	-1,737,506	-3,040,285	0	-3,040,285	3,040,285	0	1,737,506
229	Johnson	Blue Valley	0	-2,407,372	-2,407,372	-2,407,372	0	-2,407,372	2,407,372	0	2,407,372
TOTALS			23,489,840	14,512,479	38,002,319	-82,908,792	23,489,840	-59,418,952	61,792,947	2,373,994	-35,628,324

Losers and Winners: SB 515 vs. Old Formulas (Safe Harbor)



HOUSE BILL No. 2740

By Committee on Appropriations

3-22

Ballroom Amendments for HB 2740 #2
Senate Committee on Appropriations
Prepared by Jason Long
Office of Revisor of Statutes
March 23, 2016

1 AN ACT concerning education; relating to the financing and instruction
2 thereof; making and concerning appropriations for the fiscal year
3 ending June 30, 2017, for the department of education; relating to the
4 classroom learning assuring student success act; amending K.S.A. 2015
5 Supp. 72-6463, 72-6465, 72-6476, 72-6481 and 74-4939a and repealing
6 the existing sections.

72-6474,

8 *Be it enacted by the Legislature of the State of Kansas:*
9 Section 1.

DEPARTMENT OF EDUCATION

10 (a) There is appropriated for the above agency from the state general
11 fund for the fiscal year ending June 30, 2017, the following:
12 Supplemental general state aid.....\$367,582,721

13 School district equalization state aid.....\$61,792,947
14 (b) There is appropriated for the above agency from the
15 following special revenue fund or funds for the fiscal year ending June 30,
16 2017, all moneys now or hereafter lawfully credited to and available in
17 such fund or funds, except that expenditures other than refunds authorized
18 by law and transfers to other state agencies shall not exceed the following:
19 School district capital outlay state aid fund.....No limit

20 (c) On July 1, 2016, of the \$2,759,751,285 appropriated for the above
21 agency for the fiscal year ending June 30, 2017, by section 54(c) of 2016
22 House Substitute for Senate Bill No. 161 from the state general fund in the
23 block grants to USDS account (652-00-1000-0500), the sum of
24 \$477,802,500 is hereby lapsed.

25 (d) On July 1, 2016, the expenditure limitation established for the
26 fiscal year ending June 30, 2017, by section 3(b) of chapter 4 of the 2015
27 Session Laws of Kansas on the school district extraordinary need fund of
28 the department of education is hereby decreased from \$17,521,425 to
29 \$15,167,962.

30 (e) On July 1, 2016, or as soon thereafter as moneys are available, the
31 director of accounts and reports shall transfer \$15,167,962 from the state
32 general fund to the school district extraordinary need fund of the
33 department of education.

34 New Sec. 2. (a) For school year 2016-2017, each school district that
35 has adopted a local option budget is eligible to receive an amount of
36

1 weighting for school year 2014-2015, an amount directly attributable to
 2 the school facilities weighting as would have been determined under
 3 K.S.A. 72-6415, prior to its repeal, for school year 2015-2016 shall be
 4 added to the amount of general state aid for such school district
 5 determined under subsection (a)(1) *or* (b)(1).

6 (3) For any school district which would have been eligible to receive
 7 school facilities weighting for school year 2016-2017 under K.S.A. 2014
 8 Supp. 72-6415b, prior to its repeal, but which did not receive such
 9 weighting for school year 2014-2015, and which would not have been
 10 eligible to receive such weighting for school year 2015-2016 under K.S.A.
 11 2014 Supp. 72-6415b, prior to its repeal, an amount directly attributable to
 12 the school facilities weighting as would have been determined under
 13 K.S.A. 72-6415, prior to its repeal, for school year 2016-2017 shall be
 14 added to the amount of general state aid for such school district
 15 determined under subsection (a)(1) *or* (b)(1).

16 ~~(f)~~ ~~(g)~~ (1) For any school district that received federal impact aid for
 17 school year 2014-2015, if such school district receives federal impact aid
 18 in school year 2015-2016 in an amount that is less than the amount such
 19 school district received in school year 2014-2015, then an amount equal to
 20 the difference between the amount of federal impact aid received by such
 21 school district in such school years shall be added to the amount of general
 22 state aid for such school district for school year 2015-2016 as determined
 23 under subsection (a)(1) *or* (b)(1).

24 (2) For any school district that received federal impact aid for school
 25 year 2014-2015, if such school district receives federal impact aid in
 26 school year 2016-2017 in an amount that is less than the amount such
 27 school district received in school year 2014-2015, then an amount equal to
 28 the difference between the amount of federal impact aid received by such
 29 school district in such school years shall be added to the amount of general
 30 state aid for such school district for school year 2016-2017 as determined
 31 under subsection (a)(1) *or* (b)(1).

32 ~~(g)~~ ~~(h)~~ The general state aid for each school district shall be disbursed
 33 in accordance with appropriation acts. In the event the appropriation for
 34 general state aid exceeds the amount determined under subsection (a) *or*
 35 (b) for any school year, then the state board shall disburse such excess
 36 amount to each school district in proportion to such school district's
 37 enrollment.

38 ~~(h)~~ (i) The provisions of this section shall be effective from and after
 39 July 1, 2015, through June 30, 2017.

40 Sec. 7. K.S.A. 2015 Supp. 72-6476 is hereby amended to read as
 41 follows: 72-6476. (a) Each school district may submit an application to the
 42 state ~~finance council~~ *board of education* for approval of extraordinary need
 43 state aid. Such application shall be submitted in such form and manner as

See attached insert

And by renumbering remaining sections accordingly

1 fiscal year commencing with fiscal year 2005, and each ensuing fiscal year
 2 thereafter, by any such appropriation act in that account or any other
 3 account for payment of employer contributions for school districts, shall
 4 be distributed by the department of education to school districts in
 5 accordance with this section. Notwithstanding the provisions of K.S.A. 74-
 6 4939, and amendments thereto, *for school year 2015-2016*, the department
 7 of education shall disburse to each school district that is an eligible
 8 employer as specified in K.S.A. 74-4931(1), and amendments thereto, an
 9 amount in accordance with K.S.A. 2015 Supp. 72-6465(a)(6), and
 10 amendments thereto, which shall be disbursed pursuant to K.S.A. 2015
 11 Supp. 72-6465, and amendments thereto. *Notwithstanding the provisions*
 12 *of K.S.A. 74-4939, and amendments thereto, for school year 2016-2017,*
 13 *the department of education shall disburse to each school district that is*
 14 *an eligible employer as specified in K.S.A. 74-4931(1), and amendments*
 15 *thereto, an amount in accordance with K.S.A. 2015 Supp. 72-6465(b)(4),*
 16 *and amendments thereto, which shall be disbursed pursuant to K.S.A.*
 17 *2015 Supp. 72-6465, and amendments thereto.* Upon receipt of each such
 18 disbursement of moneys, the school district shall deposit the entire amount
 19 thereof into a special retirement contributions fund of the school district,
 20 which shall be established by the school district in accordance with such
 21 policies and procedures and which shall be used for the sole purpose of
 22 receiving such disbursements from the department of education and
 23 making the remittances to the system in accordance with this section and
 24 such policies and procedures. Upon receipt of each such disbursement of
 25 moneys from the department of education, the school district shall remit,
 26 in accordance with the provisions of such policies and procedures and in
 27 the manner and on the date or dates prescribed by the board of trustees of
 28 the Kansas public employees retirement system, an equal amount to the
 29 Kansas public employees retirement system from the special retirement
 30 contributions fund of the school district to satisfy such school district's
 31 obligation as a participating employer. Notwithstanding the provisions of
 32 K.S.A. 74-4939, and amendments thereto, each school district that is an
 33 eligible employer as specified in K.S.A. 74-4931(1), and amendments
 34 thereto, shall show within the budget of such school district all amounts
 35 received from disbursements into the special retirement contributions fund
 36 of such school district. Notwithstanding the provisions of any other statute,
 37 no official action of the school board of such school district shall be
 38 required to approve a remittance to the system in accordance with this
 39 section and such policies and procedures. All remittances of moneys to the
 40 system by a school district in accordance with this subsection and such
 41 policies and procedures shall be deemed to be expenditures of the school
 42 district.

72-6474,

Sec. 10. K.S.A. 2015 Supp. 72-6463, 72-6465, 72-6476, 72-6481 and

Sec. 7. K.S.A. 2015 Supp. 72-6474 is hereby amended to read as follows: 72-6474. (a) The board of any school district to which the provisions of this subsection apply may levy an ad valorem tax on the taxable tangible property of the school district for school years 2015-2016 and 2016-2017 in an amount not to exceed the amount authorized by the state court of tax appeals for school year 2014-2015 pursuant to K.S.A. 72-6441, prior to its repeal, for the purpose set forth in K.S.A. 72-6441, prior to its repeal. The provisions of this subsection apply to any school district that imposed a levy pursuant to K.S.A. 72-6441, prior to its repeal, for school year 2014-2015.

(b) The board of any school district which would have been eligible to levy an ad valorem tax pursuant to K.S.A. 72-6441, prior to its repeal, for ~~school year 2015-2016 or 2016-2017~~ the operation of a school facility whose construction was financed by the issuance of bonds approved for issuance at an election held on or before June 30, 2015, may levy an ad valorem tax on the taxable tangible property of the school district each year for a period of time not to exceed two years in an amount not to exceed the amount authorized by the state board of tax appeals under this subsection for the purpose of financing the costs incurred by the school district that are directly attributable to ancillary school facilities. The state board of tax appeals may authorize the school district to make a levy which will produce an amount that is not greater than the difference between the amount of costs directly attributable to commencing operation of one or more new school facilities and the amount that is financed from any other source provided by law for such purpose.

(c) The state board of tax appeals shall certify to the state board of education the amount authorized to be produced by the

levy of a tax under subsection (a). The state board of tax appeals may adopt rules and regulations necessary to effectuate the provisions of this section, including rules and regulations relating to the evidence required in support of a school district's claim that the costs attributable to commencing operation of one or more new school facilities are in excess of the amount that is financed from any other source provided by law for such purpose.

(d) The board of any school district that has levied an ad valorem tax on the taxable tangible property of the school district each year for a period of two years under authority of subsection (b) may continue to levy such tax under authority of this subsection each year for an additional period of time not to exceed six years in an amount not to exceed the amount computed by the state board of education as provided in this subsection if the board of education of the school district determines that the costs attributable to commencing operation of one or more new school facilities are significantly greater than the costs attributable to the operation of other school facilities in the school district. The tax authorized under this subsection may be levied at a rate which will produce an amount that is not greater than the amount computed by the state board of education as provided in this subsection. In computing such amount, the state board shall:

- (1) Determine the amount produced by the tax levied by the school district under authority of subsection (b) in the second year for which such tax was levied;
- (2) compute 90% of the amount of the sum obtained under subsection (d)(1), which computed amount is the amount the

school district may levy in the first year of the six-year period for which the school district may levy a tax under authority of this subsection;

(3) compute 75% of the amount of the sum obtained under subsection (d)(1), which computed amount is the amount the school district may levy in the second year of the six-year period for which the school district may levy a tax under authority of this subsection;

(4) compute 60% of the amount of the sum obtained under subsection (d)(1), which computed amount is the amount the school district may levy in the third year of the six-year period for which the school district may levy a tax under authority of this subsection;

(5) compute 45% of the amount of the sum obtained under subsection (d)(1), which computed amount is the amount the school district may levy in the fourth year of the six-year period for which the school district may levy a tax under authority of this subsection;

(6) compute 30% of the amount of the sum obtained under subsection (d)(1), which computed amount is the amount the school district may levy in the fifth year of the six-year period for which the school district may levy a tax under authority of this subsection; and

(7) compute 15% of the amount of the sum obtained under subsection (d)(1), which computed amount is the amount the

school district may levy in the sixth year of the six-year period for which the school district may levy a tax under authority of this subsection.

(e) The proceeds from any tax levied by a school district under authority of this section shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury and shall credit the same to the state school finance fund. All moneys remitted to the state treasurer pursuant to this subsection shall be used for paying a portion of the costs of operating and maintaining public schools in partial fulfillment of the constitutional obligation of the legislature to finance the educational interests of the state.

(f) The provisions of this section shall be effective from and after July 1, 2015, through June 30, 2017.

HOUSE BILL No. 2740

By Committee on Appropriations

3-22

1 AN ACT concerning education; relating to the financing and instruction
2 thereof; making and concerning appropriations for the fiscal year
3 ending June 30, 2017, for the department of education; relating to the
4 classroom learning assuring student success act; amending K.S.A. 2015
5 Supp. 72-6463, 72-6465, 72-6476, 72-6481 and 74-4939a and repealing
6 the existing sections.

7 Be it enacted by the Legislature of the State of Kansas:

8 Section 1.

9 DEPARTMENT OF EDUCATION

10 (a) There is appropriated for the above agency from the state general
11 fund for the fiscal year ending June 30, 2017, the following:
12 Supplemental general state aid.....\$367,582,721
13 School district equalization state aid.....\$61,792,947
14

15 (b) There is appropriated for the above agency from the
16 following special revenue fund or funds for the fiscal year ending June 30,
17 2017, all moneys now or hereafter lawfully credited to and available in
18 such fund or funds, except that expenditures other than refunds authorized
19 by law and transfers to other state agencies shall not exceed the following:

20 School district capital outlay state aid.....No limit
21 (c) On July 1, 2016, of the \$2,759,751,285 appropriated for the above
22 agency for the fiscal year ending June 30, 2017, by section 54(c) of 2016
23 House Substitute for Senate Bill No. 161 from the state general fund in the
24 block grants to USDs account (652-00-1000-0500), the sum of
25 \$477,802,500 is hereby lapsed.

26 (d) On July 1, 2016, the expenditure limitation established for the
27 fiscal year ending June 30, 2017, by section 3(d) of chapter 4 of the 2015
28 Session Laws of Kansas on the school district extraordinary need fund of
29 the department of education is hereby decreased from \$17,521,425 to
30 \$15,167,962.

31 (e) On July 1, 2016, or as soon thereafter as moneys are available, the
32 director of accounts and reports shall transfer \$15,167,962 from the state
33 general fund to the school district extraordinary need fund of the
34 department of education.

35 New Sec. 2. (a) For school year 2016-2017, each school district that
36 has adopted a local option budget is eligible to receive an amount of

Ballot Amendments for HB 2740 #1
Senate Committee on Appropriations
Prepared by Jason Long
Office of Revisor of Statutes
March 23, 2016

WHEREAS, The people of Kansas, through article 6 § 6(b) of constitution of the state
of Kansas, declared that "the legislature shall make suitable provision for finance of the
educational interests of the state." According to the supreme court, this provision
contains both an adequacy and equity component. On February 11, 2016, the supreme
court ruled that funds provided to the school districts under the existing school finance
legislation for local option budget equalization and capital outlay equalization were not
equitably distributed among the school districts; and

WHEREAS, The supreme court issued an order directing the legislature to fairly
allocate resources among the school districts by providing "reasonably equal access to
substantially similar education opportunity through similar tax effort." The supreme
court warned that, if no action is taken by June 30, 2016, and because an unconstitutional
system is invalid, it may entertain a motion to enjoin funding the school system for the
2016-17 school year; and

WHEREAS, The legislature is committed to a avoiding any disruption to public
education and desires to meet its obligation; and
WHEREAS, After hearing evidence concerning varying proposals for this body to
continue providing an adequate public education while satisfying the supreme court's
equity issue, the legislature is acting on this bill in an expedited manner so that the
schools will open, as scheduled, for the 2016-17 school year; and

WHEREAS, This step, while important, is only the first of many; upon enactment of
this legislation, the legislature will immediately return to the task of finding a long-term
solution, based upon a broad base of stakeholders, that will continue to provide every
Kansas student the opportunity to pursue their chosen desires through an excellent public
education;

Now, therefore,

New Sec. 2. (a) The legislature hereby declares that the intent of this act is to
ensure that public school students receive a constitutionally adequate education
through a fair allocation of resources among the school districts and that the
distribution of these funds does not result in unreasonable wealth-based disparities
among districts. In particular, the legislature: (i) Has been advised of the
constitutional standard for equity as set forth in Supreme Court's ruling in Gannon
v. State, Case No. 113,267, ___ Kan. ___, 2016 WL 540725 (Feb. 11, 2016),
including preceding school finance decisions; (ii) endeavored to memorialize the
legislative evidence and deliberations conferees shared as the legislature
considered the best way to meet this constitutional standard; and (iii) arrived at the
best solution to discharge its constitutional duty to make suitable provision for
finance of the educational interests of the state. To this end, this legislation shall be
liberally construed so as to make certain that no funding for public schools will be
enjoined.

Insert continued on page 2

1 supplemental general state aid. A school district's eligibility to receive
2 supplemental general state aid shall be determined by the state board as
3 provided in this subsection. The state board of education shall:

4 (1) Determine the amount of the assessed valuation per pupil (AVPP)
5 of each school district in the state and round such amount to the nearest
6 \$1,000. The rounded amount is the AVPP of a school district for the
7 purposes of this section;

8 (2) determine the median AVPP of all school districts;
9 (3) prepare a schedule of dollar amounts using the amount of the
10 median AVPP of all school districts as the point of beginning. The
11 schedule of dollar amounts shall range upward in equal \$1,000 intervals
12 from the point of beginning to and including an amount that is equal to the
13 amount of the AVPP of the school district with the highest AVPP of all
14 school districts and shall range downward in equal \$1,000 intervals from
15 the point of beginning to and including an amount that is equal to the
16 amount of the AVPP of the school district with the lowest AVPP of all
17 school districts;

18 (4) determine a state aid percentage factor for each school district by
19 assigning a state aid computation percentage to the amount of the median
20 AVPP shown on the schedule, decreasing the state aid computation
21 percentage assigned to the amount of the median AVPP by one percentage
22 point for each \$1,000 interval above the amount of the median AVPP, and
23 increasing the state aid computation percentage assigned to the amount of
24 the median AVPP by one percentage point for each \$1,000 interval below
25 the amount of the median AVPP. The state aid percentage factor of a
26 school district is the percentage assigned to the schedule amount that is
27 equal to the amount of the AVPP of the school district, except that the state
28 aid percentage factor of a school district shall not exceed 100%. The state
29 aid computation percentage is 25%;

30 (5) determine the amount of the local option budget adopted by each
31 school district pursuant to K.S.A. 2015 Supp. 72-6471, and amendments
32 thereto; and

33 (6) multiply the amount computed under subsection (a)(5) by the
34 applicable state aid percentage factor. The resulting product is the amount
35 of payment the school district is to receive as supplemental general state
36 aid in the school year.

37 (b) The state board shall prescribe the dates upon which the
38 distribution of payments of supplemental general state aid to school
39 districts shall be due. Payments of supplemental general state aid shall be
40 distributed to school districts on the dates prescribed by the state board.
41 The state board shall certify to the director of accounts and reports the
42 amount due each school district, and the director of accounts and reports
43 shall draw a warrant on the state treasury payable to the treasurer of the

(b) The legislature has been advised that funding disruptions and uncertainty are counter-productive to public education and that the funding certainty of the classroom learning assuring student success act is critical to the effective operation of school districts. Furthermore, the evidence before the legislature confirms that the total amount of school funding meets or exceeds the Supreme Court's standard for adequacy. As a result, the legislature believes that it has enacted legislation that both fairly meets the equity requirements of Article 6 and does not run afoul of the already adequate funding as demonstrated by the excellent results of the public education system made known to the legislature.

(c) The legislature hereby finds and declares the following:

(1) That, based on testimony from the state department of education and other parties involved in the public education system, a hold harmless fund is necessary in light of the fact that many school budgets are set based upon the provisions of the classroom learning assuring student success act;

(2) that the prior equalization formulas used for capital outlay state aid and supplemental general state aid had no basis in educational policy, and that it is preferable to apply a single equalization formula to both categories of state aid;

(3) that this act fully complies with the supreme court's order, but that there is an untenable risk the act may be found to be unconstitutional and, as a result, all educational funding could be enjoined. The risk of disrupting education in this regard is unacceptable to the legislature, and as a result, the provisions of this act should be considered as severable; and

(4) that, based on testimony from the state department of education, the state board of education may be able to more quickly respond to and address concerns raised by the school districts, including, without limitation, emergency needs or a demonstrated inability to have reasonably equal access to substantially similar educational opportunities through similar tax effort.

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Ty Masterson at 10:30 am on Thursday, March 17, 2016, 548-S of the Capitol.

All members were present

Committee staff present:

Jill Wolters, Office of Revisor of Statutes
Scott Abbott, Office of Revisor of Statutes
David Wiese, Office of Revisor of Statutes
J.G. Scott, Legislative Research Department
Shirley Morrow, Legislative Research Department
Dezereé Hodish, Legislative Research Department
David Fye, Legislative Research Department
Dylan Dear, Legislative Research Department
Edward Penner, Legislative Research Department
Steven Wu, Legislative Research Department
Amy Deckard, Legislative Research Department
David Fye, Legislative Research Department

Conferees appearing before the Committee:

No conferees present

Others in attendance:

See Attached List

Point of personal privilege:

Senator Arpke introduced his intern, Claire Bransteader, from the University of Kansas.

Senator Kelly introduced a page from her district who is a senior at Seaman High School, Cassidy Harden.

Senator Tyson introduced her pages from her district #12, Rayna Schmidt and Joe Cool from Glasco High School in Glasco, Kansas.

Hearing on: SB509 — Establishing a budget stabilization fund in the state treasury; revenue and expenditures; review of risk-based practices by the legislative budget committee.

The Chairperson opened the hearing on **SB509**.

The Chairperson asked Jill Wolters, First Assistant Revisor, Office of Revisor of Statutes, to brief the committee concerning **SB509**. Ms. Wolters advised the committee that this bill establishes a budget

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CONTINUATION SHEET

MINUTES of the Committee on Ways and Means at 10:30 am on Thursday, March 17, 2016 in Room 548-S of the Capitol.

stabilization fund in the state treasury as of July 1, 2017. No money in the fund can be expended unless the expenditure has been approved by an appropriation or other act of the Legislature, or has been approved by the State Finance Council. She further explained, this bill stems from the Alvarez and Marsal efficiency study per Recommendation BP.01 ([Attachment 1](#)).

Senator Kelly commented that establishing a rainy day fund will take some time and needs to be discussed over the summer. She said **SB509** just authorizes a study for creating this fund, and if the fund is created, it wouldn't become effective until July 1, 2017. She also said she thought an amendment would be prudent because she questioned whether the Legislative Coordinating Council would grant enough days that would be necessary to properly work on the issues of creating the fund. She said it will take some time to properly cover all parameters of creating the fund.

No proponents appeared before the committee.

Opponents:

No opponents for **SB509** appeared before the committee.

Neutral:

No neutral conferee appeared before the committee.

Written neutral:

Annie McKay, Executive Director, Kansas Center for Economic Growth ([Attachment 2](#)).

Senator Francisco called the committee's attention to the written testimony from Annie McKay, and said she agrees the State needs to meet the State's requirement for the statutory ending balance before a rainy day fund is established.

When all of the questions from the committee were answered, the Chairperson closed the hearing on **SB509**.

Final action on: SB512 — Court ordered redistribution of district funds act.

Chairperson Masterson turned the committee's attention to **SB512**. He asked for discussion, questions or a motion for passage.

Senator Arpke made a motion to open discussion and to pass out of committee SB512. Senator Powell seconded the motion.

Senator Arpke said he thinks this is an opportunity to comply with the court order that was handed down in February, 2016 which issued a short deadline of June 30, 2016 to resolve this inequitable distribution of school district funding.

Senator Francisco stated her concern with the bill as it is written, because she said, all school districts

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Page 2

CONTINUATION SHEET

MINUTES of the Committee on Ways and Means at 10:30 am on Thursday, March 17, 2016 in Room 548-S of the Capitol.

would be required to contribute money to the fund. She said, in some cases, it would be taking money from a school that would use it to pay expenses and giving it to another district to lower their county taxes. She asked which school districts were being asked to pay into the fund and which districts have cash balances.

Chairperson Masterson responded that there are no school districts paying into the fund. He added that this is an attempt to do what the court says the Legislature must do, i.e., redistribution of the money in the way the court has ruled, not what the Legislature says should be done.

Senator Denning said he would not support **SB512** explaining that he doesn't like the court ruling that cites an "approved" formula which simply pulls a ruler up to an arbitrary 81.2% on a sorted Excel Worksheet stopping just below Johnson County. He said with this bill, the schools in Johnson County would get no equalization funding and lose \$5 to \$7 million while a school district in Wichita chooses to offer a very high- end healthcare benefits package supported by dollars taken from Johnson County and a few other districts that don't have a high-end healthcare benefit.

Chairperson Masterson told Senator Denning he understood his logic, but this bill does not address the legislature's logic, it simply tries to address the logic of the court.

Senator Francisco said since the discussion is centered on what funding the school districts receive, she asked if there was any further discussion about changing the spend down or use of ending cash balances.

Chairperson Masterson said ending balances are not included in this bill.

Senator Arpke corrected his earlier motion to pass out favorably SB512 to pass out favorably as amended (in reference to the technical amendment previously approved). Senator Powell seconded the motion.

Senator Fitzgerald stated his belief that this bill will, in fact, put us in compliance with the court order.

Chairman Masterson said this was an attempt to accomplish what the court ordered. He said he did not know if this would satisfy the court. Jill Wolters, Office of the Revisor, said it would not be prudent to offer an opinion on the court's response to this bill. The Chairperson said we will not know if this bill will make us compliant until we pass it, and the court reviews it.

The Chairman recalled the motion, a voice vote was taken and SB512 passed out of committee as amended.

Senators Kelly, Francisco and Kerschen voted no and asked to have their nay votes as a permanent record to the Senate Ways and Means minutes dated March 17, 2016.

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CONTINUATION SHEET

MINUTES of the Committee on Ways and Means at 10:30 am on Thursday, March 17, 2016 in Room 548-S of the Capitol.

The next Ways and Means Committee meeting is scheduled for Monday, March 21, 2016, at 1:00 p.m., in Room 548-S at the Capitol.

Chairperson Masterson adjourned the meeting at 11:00 a.m.

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MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Ty Masterson at 1:00 p.m. on Monday, March 21, 2016, 548-S of the Capitol.

All members were present

Committee staff present:

Jill Wolters, Office of Revisor of Statutes
David Wiese, Office of Revisor of Statutes
J. G. Scott, Legislative Research Department
Shirley Morrow, Legislative Research Department
Dezeree Hodish, Legislative Research Department
Dylan Dear, Legislative Research Department
Mark Dapp, Legislative Research Department
Debbie Luper, Chief of Staff
Dee Heideman, Committee Assistant

Conferees appearing before the Committee:

James Todd, Kansas State Representative, District 29

Others in attendance:

See Attached List

Bill introductions:

Senator Denning moved to rescind the proposed amendments to the CLASS Act regarding the distribution of equalization state aid that was introduced at the Rail on March 16, 2016. The motion was seconded by Senator Arpke and the motion to rescind was adopted on a voice vote.

Senator Denning moved to introduce legislation concerning school finance. The motion was seconded by Senator Arpke and the legislation was introduced on a voice vote.

Hearing on: HB2662 — Claims against the state.

Chairperson Masterson opened the hearing on **HB2662**.

Dezeree Hodish, Fiscal Analyst, briefed the committee on **HB2662**. She explained how many claims had been filed and heard in 2015, and the Joint Committee on Special Claims Against the State's recommendations for handling these claims (Attachment 1).

Proponents:

No proponents appeared before the committee.

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CONTINUATION SHEET

MINUTES of the Committee on Ways and Means at 1:00 p.m. on Monday, March 21, 2016 in Room 548-S of the Capitol.

Opponents:

No proponents appeared before the committee.

Neutral:

James Todd, Kansas State Representative, District 29, appeared before the committee as a neutral party. He explained a claim against the State that was pending for 22 years and said this claim was recently added on the House floor. He said an individual who had \$17,000 on his person, was stopped by the Highway Patrol. The Highway Patrol was convinced criminal activity was involved and seized the funds. He further stated that the Highway Patrol turned the money over to the Drug Enforcement Administration (DEA) because they had an interest in this individual, and then they started a civil forfeiture action against the funds. Representative Todd said the action for seizure by the DEA was successful. He said the parties that are involved have filed a claim against the State and the \$17,000 plus interest is included to be paid in **HB2662**. Representative Todd did not furnish the committee with written testimony.

After all questions were answered, the Chairperson closed the hearing on **SB2662**.

-

Final action on: SB509 — Establishing a budget stabilization fund in the state treasury; revenue and expenditures; review of risk-based practices by the legislative budget committee.

Chairperson Masterson opened **SB509** for discussion and final action.

Senator Kelly moved to introduce an amendment that added up to 10 days for the Legislative Budget Committee to study and review policy as determined by the Chairperson for establishing a budget stabilization fund. Senator Francisco seconded the motion and it was adopted (Attachment 2.

Written Testimony

Stephen Bailey, Senior Associate, State Fiscal Health and Economic Growth, The Pew Charitable Trusts, submitted to the committee written testimony supporting **SB509 Attachment 3**.

Senator Denning made a motion to pass SB509 favorably as amended, Senator Kelly seconded, and the bill passed out of committee on a voice vote.

The next Ways and Means Committee meeting is scheduled for Wednesday, March 23, 2016, at 10:30 a.m., in Room 548-S at the Capitol.

Chairperson Masterson adjourned the meeting at 1:27 a.m.

Meeting at the Rail:

The meeting was called to order by Chairperson Ty Masterson at 5:00 pm on Monday, March 21, 2016, Third Floor, Rail of the Rotunda of the Capitol.

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Page 2

CONTINUATION SHEET

MINUTES of the Committee on Ways and Means at 1:00 p.m. on Monday, March 21, 2016 in Room 548-S of the Capitol.

All members were present except: Senators Arpke, Francisco, Kelly, Melcher

Committee staff present:

Jill Wolters, Office of Revisor of Statutes

David Wiese, Office of Revisor of Statutes

Scott Abbott, Office of Revisor of Statutes

Shirley Morrow, Legislative Research Department

Dezeree Hodish, Legislative Research Department

Debbie Luper, Chief of Staff

Dee Heideman, Committee Assistant

Conferees appearing before the Committee:

No conferees present

Bill introductions:

Senator Denning moved to introduce Amendments to the CLASS Act regarding supplemental general state aid and capital outlay state aid. Senator Powell seconded the motion. The bill was approved for introduction.

Chairperson Masterson adjourned the meeting at 5:01 p.m.

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Page 3

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Ty Masterson at 1:00 p.m. on Tuesday, March 22, 2016, 548-S of the Capitol.

All members were present

Committee staff present:

Jill Wolters, Office of Revisor of Statutes
Scott Abbott, Office of Revisor of Statutes
David Wiese, Office of Revisor of Statutes
J. G. Scott, Legislative Research Department
Edward Penner, Legislative Research Department
Shirley Morrow, Legislative Research Department
Dezereé Hodish, Legislative Research Department
Dylan Dear, Legislative Research Department
Sharon Wenger, Legislative Research Department
Debbie Luper, Chief of Staff
Dee Heideman, Committee Assistant

Conferees appearing before the Committee:

Brad Miller, American Contractors Association & Midwest Crane & Rigging, LLC
Sheila Ohrenberg, President, Sorella Group, Inc. |

Others in attendance:

See Attached List

Hearing on: SB475 — Requiring performance and payment bonds for certain public construction contracts.

The Chairperson opened the hearing on **SB475**.

David Wiese, Assistant Revisor briefed the committee concerning **SB475**, which would require performance and payment bonds for certain public construction contracts (**Attachment 1**).

Brad Miller, American Subcontractors Association and Midwest Crane and Rigging, LLC supported the bill because it provides payment protection for contractors, subcontractors, and suppliers on private public partnerships(P3's) (**Attachment 2**).

Sheila A Ohrenberg, President, Sorella Group, Inc, encouraged the passage of **SB475**, because she said, with the lack of payment protections, by not legally being able to file a lien, and in case a financier or general contractor defaults on their contract, substantial risk is borne by the subcontractors and suppliers without the lien protection (**Attachment 3**).

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CONTINUATION SHEET

MINUTES of the Committee on Ways and Means at 1:00 p.m. on Tuesday, March 22, 2016 in Room 548-S of the Capitol.

After a short question and answer period, the Chairperson closed the hearing on **SB475**.

Hearing on: SB515 — Amendments to the CLASS Act regarding supplemental general state aid and capital outlay state aid.

Chairperson Masterson opened the hearing on **SB515**.

The Chairperson informed the committee a certified court reporter would be recording all of the proceedings concerning the hearing of **SB515** which concerns K-12 school funding and involves supplemental general state aid and capital outlay state aid.

Jason Long, Senior Revisor, Office of Revisor of Statutes, explained **SB515** and said it establishes a statutory formula for delivering supplemental general state aid and capital outlay state aid (Attachment 4).

Dale Dennis, Deputy Commissioner, State Board of Education, explained the information he distributed to the committee (Attachment 5).

The full transcript of the proceedings concerning **SB515** is attached electronically to these minutes and were recorded and transcribed by Barbara J Hoskinson, Certified Court Reporter, Appino and Biggs Reporting, Inc. All questions, answers, and comments concerning the bill hearing is also included in this transcript (Attachment 6).

Chairperson Masterson announced that the hearing on **SB515** would be held open and continued in the Senate Ways and Means Committee meeting scheduled for 8:00 a.m. on March 23, 2016.

Possible action on bills previously heard

No action was taken on any that were previously heard.

The next Ways and Means Committee meeting is scheduled for March 23, 2016, at 8:00 a.m., in Room 548-S at the Capitol.

Chairperson Masterson adjourned the meeting at 1:56 p.m.

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MEMORANDUM

To: Chairman Masterson
Members of the Senate Committee on Ways and Means

From: Jason B. Long, Senior Assistant Revisor

Date: March 22, 2016

Subject: SB 515 – Amendments to the CLASS Act regarding supplemental general state aid and capital outlay state aid.

Senate Bill No. 515 makes various amendments regarding school finance. The bill establishes a statutory formula for determining supplemental general state aid and capital outlay state aid. The statutory formula is the same for both forms of state aid. The bill also places the extraordinary need fund under the administration of the State Board of Education. Finally, the bill makes appropriations for equalization state aid and the extraordinary need fund for fiscal year 2017.

Under current law, as a portion of their block grant, school districts receive an amount equal to the supplemental general state aid the district received for school year 2014-2015. Supplemental general state aid is equalization assistance for school districts that levy a local option budget property tax. Section 2 of SB 515 establishes a statutory formula for determining supplemental general state aid. Under this section the State Board of Education determines the AVPP of each school district and rounds each figure to the nearest \$1,000. Then, the State Board prepares a schedule listing the rounded AVPP amounts from lowest to highest. The median AVPP is then assigned a state aid computation percentage of 25%. For each \$1,000 increment above the median AVPP the computation percentage decreases by 1%. For each \$1,000 increment below the median AVPP the computation percentage increases by 1% with a maximum of 100%. The state aid computation percentage for a school district's AVPP on the schedule is then multiplied by the school district's local option budget. This section sunsets on June 30, 2017, at the same time as the CLASS Act.

Currently, as a portion of their block grant, school districts also receive an amount equal to the capital outlay state aid the district received for school year 2014-2015. This form of state aid is equalization assistance for school districts that levy a capital outlay property tax under K.S.A. 72-8801. Section 3 of SB 515 reestablishes the formula for determining capital outlay state aid that was contained in K.S.A. 72-8814 prior to its repeal. This is the same formula used in Section 2 for determining the state aid computation percentage. The state aid computation percentage for a school district's AVPP on the schedule is then multiplied by the school district's capital outlay levy amount to determine the capital outlay state aid to be paid to such district. This section also sunsets on June 30, 2017, at the same time as the CLASS Act.

Section 4 of SB 515 provides school district equalization state aid. This is a new form of equalization state aid available for certain eligible school districts. To be eligible for such state aid a school district's combined supplemental general state aid and capital outlay state aid for fiscal year 2017 must be less than what the school district received as supplemental general state aid and capital outlay state aid under the block grant for fiscal year 2016. If the school district is eligible for this additional equalization state aid, then the difference between the FY 2017 amount and the FY 2016 amount is the amount of state aid to be paid to the school district.

Section 6 amends K.S.A. 72-6465 to adjust the calculation of the block grant amount for each school district. Sections 2 and 3 provide for direct appropriations of the equalization state aid. Because of this the block grant amount for school year 2016-2017 must be calculated excluding those amounts.

Section 7 amends K.S.A. 72-6476 to shift the review and approval of extraordinary need funds from the State Finance Council to the State Board of Education. School districts must still submit an application for extraordinary need funding, and the State Board may approve or deny such application. In addition to the current extraordinary need considerations, the State Board may also consider whether the school district has reasonably equal access to substantially similar educational opportunity through similar tax effort. All proceedings of the State Board under this section are to be conducted in accordance with the Kansas Administrative Procedure Act, and all decisions of the State Board with respect to extraordinary need are subject to the Kansas Judicial Review Act.

Section 8 amends K.S.A. 72-6481 to add Sections 2 through 4 to the CLASS Act, and to make the CLASS Act severable.

.....KANSAS OFFICE of.....
REVISOR of STATUTES
LEGISLATURE of THE STATE of KANSAS

Section 9 amends K.S.A. 74-4939a regarding the payment of KPERS employer obligations for school districts. This is a conforming amendment that is needed due to the amendments to K.S.A. 72-6465.

If enacted the bill would become effective on July 1, 2016.



Division of Fiscal and Administrative Services

Kansas State Department of Education
Landon State Office Building
900 SW Jackson Street, Suite 354
Topeka, Kansas 66612-1212

(785) 296-3871
(785) 296-6659 - fax
www.ksde.org

March 22, 2016

FROM: Dale M. Dennis, Deputy
Commissioner of Education

SUBJECT: Proposed Plan

Attached is a computer printout (SF16-133) which summarizes the effects of a proposed plan on supplemental general (LOB) state aid, capital outlay state aid, and hold harmless state aid. Provisions of this bill include the following.

- Capital outlay state aid is the same as provided in House Bill 2731 (see computer printout SF16-117 for school district detail).
- Supplemental general (LOB) state aid using median assessed valuation per pupil (see computer printout SF16-126 for school district detail)

SUMMARY—STATE AID

Capital Outlay State Aid	\$ 23,489,840
Supplemental General (LOB) State Aid	(82,908,792)
Hold Harmless State Aid	61,792,947
Growth	2,000,000
TOTAL	\$ 4,373,995

Attachment 5
Senate Ways and Means Committee
Date: 03-22-2016
Attachment #: 5

COMPUTER PRINTOUT SF16-133
March 22, 2016

COLUMN EXPLANATION

- | | | |
|--------|------|--|
| Column | 1 -- | 2016-17 Estimated capital outlay state aid increase/decrease
(see computer printout SF16-117 for school district detail). |
| | 2 -- | 2016-17 Estimated supplemental general (LOB) state aid
increase/decrease
(see computer printout SF16-126 for school district detail) |
| | 3 -- | 2016-17 Estimated total increase/decrease
(Columns 1 + 2) |
| | 4 -- | 2016-17 Estimated hold harmless state aid |

5.2

	3, 2,		Col 1	Col 2	Col 3	Col 4
			Cap Outlay Aid	LOB Aid	Estimated	Estimated
			Inc / Dec	Inc / Dec	Inc / Dec	Payment
USD#	County Name	USD Name	SF16-117 Col 4	SF16-126 Col 4	(Cols 1+2+3)	Hold Harmless
256	Allen	Marmaton Valley	0	-400,146	-400,146	400,146
257	Allen	Iola	89,321	-189,235	-99,914	99,914
258	Allen	Humboldt	59,573	-485,907	-426,335	426,335
365	Anderson	Garnett	82,131	-429,918	-347,786	347,786
479	Anderson	Crest	0	-104,821	-104,821	104,821
377	Atchison	Atchison Co Comm Schools	4,289	-434,626	-430,337	430,337
409	Atchison	Atchison Public Schools	112,164	-223,242	-111,078	111,078
254	Barber	Barber County North	0	0	0	0
255	Barber	South Barber	0	0	0	0
355	Barton	Ellinwood Public Schools	45,148	190,623	235,771	0
428	Barton	Great Bend	129,100	-434,133	-305,033	305,033
431	Barton	Hoisington	48,885	166,216	215,100	0
234	Bourbon	Fort Scott	-28,319	-429,972	-458,290	458,290
235	Bourbon	Uniontown	0	-93,554	-93,554	93,554
415	Brown	Hlawatha	0	-197,162	-197,162	197,162
430	Brown	South Brown County	39,756	-252,507	-212,752	212,752
205	Butler	Bluestem	57,613	-56,881	732	0
206	Butler	Remington-Whitewater	23,597	-201,860	-178,263	178,263
375	Butler	Circle	72,089	-293,716	-221,627	221,627
385	Butler	Andover	445,569	-1,224,162	-778,593	778,593
394	Butler	Rose Hill Public Schools	104,596	-179,755	-75,159	75,159
396	Butler	Douglass Public Schools	47,544	-52,688	-5,144	5,144
402	Butler	Augusta	193,229	-380,141	-186,912	186,912
490	Butler	El Dorado	78,638	-269,181	-190,544	190,544
492	Butler	Flinthills	5,625	-170,372	-164,747	164,747
284	Chase	Chase County	0	-4,647	-4,647	4,647
285	Chautauqua	Cedar Vale	0	-3,358	-3,358	3,358
286	Chautauqua	Chautauqua Co Community	6,395	-16,048	-9,653	9,653
404	Cherokee	Riverton	-6,456	-122,514	-128,970	128,970
493	Cherokee	Columbus	34,756	-387,249	-352,494	352,494
499	Cherokee	Galena	26,348	-102,278	-75,930	75,930
508	Cherokee	Baxter Springs	83,323	-40,859	42,465	0
103	Cheyenne	Cheylin	0	0	0	0
297	Cheyenne	St Francis Comm Sch	0	-92,022	-92,022	92,022
219	Clark	Minneola	0	-84,689	-84,689	84,689
220	Clark	Ashland	0	0	0	0
379	Clay	Clay Center	-78,661	-369,689	-448,351	448,351
333	Cloud	Concordia	67,847	-262,440	-194,593	194,593
334	Cloud	Southern Cloud	0	-119,683	-119,683	119,683
243	Coffey	Lebo-Waverly	8,467	-270,076	-261,609	261,609
244	Coffey	Burlington	0	0	0	0
245	Coffey	LeRoy-Gridley	0	0	0	0
300	Comanche	Comanche County	0	0	0	0
462	Cowley	Central	17,280	-129,589	-112,309	112,309
463	Cowley	Udall	14,687	-206,438	-191,751	191,751
465	Cowley	Winfield	164,626	-571,881	-407,256	407,256
470	Cowley	Arkansas City	51,508	-383,843	-332,335	332,335
471	Cowley	Dexter	16,970	-31,423	-14,453	14,453
246	Crawford	Northeast	43,287	-144,553	-101,266	101,266
247	Crawford	Cherokee	15,868	-369,680	-353,812	353,812
248	Crawford	Girard	30,793	-170,283	-139,490	139,490
249	Crawford	Frontenac Public Schools	21,842	-111,824	-89,982	89,982

SF16-133

5-3

	/22/2016		Col 1	Col 2	Col 3	Col 4
			Cap Outlay Aid	LOB Aid	Estimated	Estimated
			Inc / Dec	Inc / Dec	Inc / Dec	Payment
USD#	County Name	USD Name	SF16-117 Col 4	SF16-126 Col 4	(Cols 1+2+3)	Hold Harmless
250	Crawford	Pittsburg	130,319	-282,583	-152,264	152,264
294	Decatur	Oberlin	0	-49,926	-49,926	49,926
393	Dickinson	Solomon	22,574	-145,883	-123,309	123,309
435	Dickinson	Abilene	178,373	-184,899	-6,527	6,527
473	Dickinson	Chapman	-17,436	-226,618	-244,053	244,053
481	Dickinson	Rural Vista	0	-141,353	-141,353	141,353
487	Dickinson	Herington	0	-47,114	-47,114	47,114
111	Doniphan	Doniphan West Schools	0	0	0	0
114	Doniphan	Riverside	0	12,411	12,411	0
429	Doniphan	Troy Public Schools	13,545	-136,658	-123,114	123,114
348	Douglas	Baldwin City	120,067	-258,149	-138,082	138,082
491	Douglas	Eudora	109,827	-164,977	-55,150	55,150
497	Douglas	Lawrence	656,309	-2,377,404	-1,721,096	1,721,096
347	Edwards	Kinsley-Offerle	37,583	-111,390	-73,807	73,807
502	Edwards	Lewis	0	0	0	0
282	Elk	West Elk	20,962	-36,436	-15,474	15,474
283	Elk	Elk Valley	0	-156,179	-156,179	156,179
388	Ellis	Ellis	63,307	91,079	154,386	0
432	Ellis	Victoria	0	0	0	0
489	Ellis	Hays	0	-317,906	-317,906	317,906
112	Ellsworth	Central Plains	0	0	0	0
327	Ellsworth	Ellsworth	31,417	-187,355	-155,937	155,937
363	Finney	Holcomb	0	0	0	0
457	Finney	Garden City	293,038	-595,555	-302,517	302,517
381	Ford	Spearville	13,053	-133,059	-120,006	120,006
443	Ford	Dodge City	419,403	-788,687	-369,283	369,283
459	Ford	Bucklin	0	0	0	0
287	Franklin	West Franklin	56,631	-147,513	-90,882	90,882
288	Franklin	Central Heights	39,054	-130,682	-91,628	91,628
289	Franklin	Wellsville	71,910	-206,772	-134,862	134,862
290	Franklin	Ottawa	199,433	-382,498	-183,065	183,065
475	Geary	Geary County Schools	-154,601	-1,363,276	-1,517,877	1,517,877
291	Gove	Grinnell Public Schools	0	0	0	0
292	Gove	Wheatland	0	0	0	0
293	Gove	Quinter Public Schools	36,505	-16,562	19,943	0
281	Graham	Graham County	0	0	0	0
214	Grant	Ulysses	0	0	0	0
102	Gray	Cimmaron-Ensign	18,267	-285,031	-266,764	266,764
371	Gray	Montezuma	9,554	-101,046	-91,492	91,492
476	Gray	Copeland	0	0	0	0
477	Gray	Ingalls	7,671	24,186	31,858	0
200	Greeley	Greeley County Schools	0	0	0	0
386	Greenwood	Madison-Virgil	10,160	-86,657	-76,497	76,497
389	Greenwood	Eureka	10,316	-183,480	-173,164	173,164
390	Greenwood	Hamilton	0	-7,136	-7,136	7,136
494	Hamilton	Syracuse	35,806	-15,072	20,734	0
361	Harper	Anthony-Harper	0	-80,374	-80,374	80,374
511	Harper	Attica	11,276	-2,523	8,754	0
369	Harvey	Burrton	40,259	51,513	91,772	0
373	Harvey	Newton	236,161	-689,770	-453,610	453,610
439	Harvey	Sedgwick Public Schools	12,600	-48,449	-35,849	35,849
440	Harvey	Halstead	24,940	-291,933	-266,992	266,992

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	3/22,		Col 1	Col 2	Col 3	Col 4
			Cap Outlay Aid	LOB Aid	Estimated	Estimated
			Inc / Dec	Inc / Dec	Inc / Dec	Payment
USD#	County Name	USD Name	SF16-117 Col 4	SF16-126 Col 4	(Cols 1+2+3)	Hold Harmless
460	Harvey	Hesston	46,316	-270,744	-224,427	224,427
374	Haskell	Sublette	0	0	0	0
507	Haskell	Satanta	0	0	0	0
227	Hodgeman	Hodgeman County Schools	0	0	0	0
335	Jackson	North Jackson	3,723	-160,826	-157,103	157,103
336	Jackson	Holton	65,919	-239,384	-173,465	173,465
337	Jackson	Royal Valley	41,950	-246,065	-204,116	204,116
338	Jefferson	Valley Falls	23,067	-141,638	-118,571	118,571
339	Jefferson	Jefferson County North	20,071	-139,362	-119,291	119,291
340	Jefferson	Jefferson West	63,272	-145,711	-82,439	82,439
341	Jefferson	Oskaloosa Public Schools	9,290	-111,831	-102,541	102,541
342	Jefferson	McLouth	22,281	-194,210	-171,929	171,929
343	Jefferson	Perry Public Schools	23,623	-289,101	-265,478	265,478
107	Jewell	Rock Hills	0	-21,459	-21,459	21,459
229	Johnson	Blue Valley	0	-2,407,372	-2,407,372	2,407,372
230	Johnson	Spring Hill	0	-293,948	-293,948	293,948
231	Johnson	Gardner Edgerton	532,373	-706,254	-173,881	173,881
232	Johnson	De Soto	495,480	-2,022,965	-1,527,485	1,527,485
233	Johnson	Olathe	557,018	-9,575,361	-9,018,343	9,018,343
512	Johnson	Shawnee Mission Pub Sch	0	-3,040,285	-3,040,285	3,040,285
215	Kearny	Lakin	0	0	0	0
216	Kearny	Deerfield	0	0	0	0
331	Kingman	Kingman - Norwich	113,499	-35,949	77,551	0
332	Kingman	Cunningham	0	0	0	0
422	Kiowa	Kiowa County	0	0	0	0
474	Kiowa	Haviland	0	0	0	0
503	Labette	Parsons	44,300	-218,717	-174,417	174,417
504	Labette	Oswego	17,712	-56,487	-38,775	38,775
505	Labette	Chetopa-St. Paul	24,411	-108,219	-83,808	83,808
506	Labette	Labette County	91,923	-215,501	-123,578	123,578
468	Lane	Healy Public Schools	0	0	0	0
482	Lane	Dighton	0	0	0	0
207	Leavenworth	Ft Leavenworth	3,023	9,108	12,132	0
449	Leavenworth	Easton	28,299	-235,822	-207,523	207,523
453	Leavenworth	Leavenworth	226,875	-587,559	-360,684	360,684
458	Leavenworth	Basehor-Linwood	183,164	-279,044	-95,880	95,880
464	Leavenworth	Tonganoxie	-26,998	-322,038	-349,035	349,035
469	Leavenworth	Lansing	109,147	-301,893	-192,746	192,746
298	Lincoln	Lincoln	-10,762	-327,143	-337,905	337,905
299	Lincoln	Sylvan Grove	0	-72,558	-72,558	72,558
344	Linn	Pleasanton	18,628	-192,875	-174,247	174,247
346	Linn	Jayhawk	-27,233	-660,809	-688,042	688,042
362	Linn	Prairie View	0	0	0	0
274	Logan	Oakley	0	0	0	0
275	Logan	Triplains	0	0	0	0
251	Lyon	North Lyon County	0	0	0	0
252	Lyon	Southern Lyon County	50,257	-133,607	-83,350	83,350
253	Lyon	Emporia	557,901	-633,906	-76,005	76,005
397	Marion	Centre	45,106	-8,485	36,621	0
398	Marion	Peabody-Burns	0	-125,290	-125,290	125,290
408	Marion	Marion-Florence	0	-134,098	-134,098	134,098
410	Marion	Durham-Hillsboro-Lehigh	58,680	-186,307	-127,627	127,627

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/22/2016			Col 1	Col 2	Col 3	Col 4
USD#	County Name	USD Name	Cap Outlay Aid Inc / Dec SF16-117 Col 4	LOB Aid Inc / Dec SF16-126 Col 4	Estimated Inc / Dec (Cols 1+2+3)	Estimated Payment Hold Harmless
411	Marion	Goessel	9,414	-85,801	-76,387	76,387
364	Marshall	Marysville	0	-173,754	-173,754	173,754
380	Marshall	Vermillion	30,491	-260,333	-229,841	229,841
498	Marshall	Valley Heights	24,965	-161,729	-136,764	136,764
400	McPherson	Smoky Valley	110,105	-249,239	-139,135	139,135
418	McPherson	McPherson	148,145	-688,878	-540,733	540,733
419	McPherson	Canton-Galva	13,823	-188,068	-174,245	174,245
423	McPherson	Moundridge	0	-121,534	-121,534	121,534
448	McPherson	Inman	24,032	-220,421	-196,389	196,389
225	Meade	Fowler	0	-89,000	-89,000	89,000
226	Meade	Meade	0	0	0	0
367	Miami	Osawatomie	78,675	-313,930	-235,255	235,255
368	Miami	Paola	231,900	-47,738	184,162	0
416	Miami	Louisburg	149,710	-172,834	-23,125	23,125
272	Mitchell	Waconda	0	-197,983	-197,983	197,983
273	Mitchell	Beloit	76,722	-203,131	-126,409	126,409
436	Montgomery	Caney Valley	22,058	-239,531	-217,473	217,473
445	Montgomery	Coffeyville	55,251	-389,721	-334,470	334,470
446	Montgomery	Independence	70,276	-627,014	-556,737	556,737
447	Montgomery	Cherryvale	44,627	-103,575	-58,948	58,948
417	Morris	Morris County	56,732	-164,849	-108,118	108,118
217	Morton	Rolla	0	0	0	0
218	Morton	Elkhart	151,571	60,515	212,086	0
113	Nemaha	Prairie Hills	72,950	-383,134	-310,184	310,184
115	Nemaha	Nemaha Central	0	-15,619	-15,619	15,619
101	Neosho	Erie-Galesburg	42,938	-165,559	-122,621	122,621
413	Neosho	Chanute Public Schools	202,962	-319,215	-116,253	116,253
106	Ness	Western Plains	0	0	0	0
303	Ness	Ness City	0	0	0	0
211	Norton	Norton Community Schools	36,424	-253,864	-217,440	217,440
212	Norton	Northern Valley	14,466	-89,530	-75,064	75,064
420	Osage	Osage City	24,153	-131,009	-106,857	106,857
421	Osage	Lyndon	29,991	-105,099	-75,108	75,108
434	Osage	Santa Fe Trail	34,670	-212,642	-177,972	177,972
454	Osage	Burlingame Public School	0	-68,019	-68,019	68,019
456	Osage	Marais Des Cygnes Valley	0	-155,879	-155,879	155,879
392	Osborne	Osborne County	19,440	-150,376	-130,936	130,936
239	Ottawa	North Ottawa County	-29,753	-222,723	-252,476	252,476
240	Ottawa	Twin Valley	29,667	-258,276	-228,609	228,609
495	Pawnee	Ft Larned	-74,248	-389,566	-463,813	463,813
496	Pawnee	Pawnee Heights	0	-85,280	-85,280	85,280
110	Phillips	Thunder Ridge Schools	1,237	-205,051	-203,813	203,813
325	Phillips	Phillipsburg	32,150	-92,430	-60,280	60,280
326	Phillips	Logan	0	-46,844	-46,844	46,844
320	Pottawatomie	Wamego	61,788	-327,496	-265,708	265,708
321	Pottawatomie	Kaw Valley	0	0	0	0
322	Pottawatomie	Onaga-Havensville-Wheaton	31,240	-145,165	-113,925	113,925
323	Pottawatomie	Rock Creek	0	-164,492	-164,492	164,492
382	Pratt	Pratt	109,265	-373,782	-264,517	264,517
438	Pratt	Skyline Schools	31,108	-181,179	-150,071	150,071
105	Rawlins	Rawlins County	5,221	-218,936	-213,715	213,715
308	Reno	Hutchinson Public Schools	163,146	-762,972	-599,826	599,826

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	3/22,		Col 1	Col 2	Col 3	Col 4
			Cap Outlay Aid	LOB Aid	Estimated	Estimated
			Inc / Dec	Inc / Dec	Inc / Dec	Payment
USD#	County Name	USD Name	SF16-117 Col 4	SF16-126 Col 4	(Cols 1+2+3)	Hold Harmless
309	Reno	Nickerson	54,188	-272,711	-218,523	218,523
310	Reno	Fairfield	0	0	0	0
311	Reno	Pretty Prairie	12,863	-164,188	-151,324	151,324
312	Reno	Haven Public Schools	66,528	-383,753	-317,224	317,224
313	Reno	Buhler	238,318	-331,796	-93,478	93,478
109	Republic	Republic County	0	-241,846	-241,846	241,846
426	Republic	Pike Valley	8,614	-152,081	-143,467	143,467
376	Rice	Sterling	49,189	-126,574	-77,386	77,386
401	Rice	Chase-Raymond	0	0	0	0
405	Rice	Lyons	70,841	19,028	89,869	0
444	Rice	Little River	0	0	0	0
378	Riley	Riley County	45,573	-292,576	-247,003	247,003
383	Riley	Manhattan-Ogden	0	-1,536,205	-1,536,205	1,536,205
384	Riley	Blue Valley	0	-62,896	-62,896	62,896
269	Rooks	Palco	0	0	0	0
270	Rooks	Plainville	0	0	0	0
271	Rooks	Stockton	0	-80,629	-80,629	80,629
395	Rush	LaCrosse	7,025	-90,382	-83,358	83,358
403	Rush	Otis-Bison	0	0	0	0
399	Russell	Paradise	0	0	0	0
407	Russell	Russell County	70,624	257,388	328,012	0
305	Saline	Salina	560,848	-1,248,914	-688,066	688,066
306	Saline	Southeast Of Saline	0	-255,415	-255,415	255,415
307	Saline	Ell-Saline	33,772	-252,817	-219,044	219,044
466	Scott	Scott County	21,880	-135,092	-113,212	113,212
259	Sedgwick	Wichita	4,508,756	-6,045,648	-1,536,892	1,536,892
260	Sedgwick	Derby	822,104	-735,024	87,080	0
261	Sedgwick	Haysville	-24,663	-422,672	-447,335	447,335
262	Sedgwick	Valley Center Pub Sch	176,871	-299,711	-122,841	122,841
263	Sedgwick	Mulvane	246,570	-55,372	191,198	0
264	Sedgwick	Clearwater	99,239	-194,003	-94,764	94,764
265	Sedgwick	Goddard	417,394	-680,851	-263,457	263,457
266	Sedgwick	Malze	629,126	-1,165,811	-536,684	536,684
267	Sedgwick	Renwick	154,108	-486,381	-332,273	332,273
268	Sedgwick	Cheney	49,452	-138,423	-88,971	88,971
480	Seward	Liberal	0	-495,290	-495,290	495,290
483	Seward	Kismet-Plains	0	0	0	0
345	Shawnee	Seaman	354,751	-714,134	-359,383	359,383
372	Shawnee	Silver Lake	45,831	-157,086	-111,255	111,255
437	Shawnee	Auburn Washburn	776,699	-622,735	153,964	0
450	Shawnee	Shawnee Heights	307,760	-596,977	-289,218	289,218
501	Shawnee	Topeka Public Schools	829,524	-1,804,935	-975,411	975,411
412	Sheridan	Hoxie Community Schools	0	-64,249	-64,249	64,249
352	Sherman	Goodland	-22,702	-568,624	-591,325	591,325
237	Smith	Smith Center	11,968	-274,626	-262,658	262,658
349	Stafford	Stafford	6,337	-145,450	-139,113	139,113
350	Stafford	St John-Hudson	0	0	0	0
351	Stafford	Macksville	0	0	0	0
452	Stanton	Stanton County	0	0	0	0
209	Stevens	Moscow Public Schools	0	0	0	0
210	Stevens	Hugoton Public Schools	0	0	0	0
353	Sumner	Wellington	164,453	-349,018	-184,565	184,565

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MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Ty Masterson at 8:00 a.m. on Wednesday, March 23, 2016, 548-S of the Capitol.

All members were present

Committee staff present:

Jill Wolters, Office of Revisor of Statutes
Scott Abbott, Office of Revisor of Statutes
Jason Long, Office of Revisor of Statutes
J. G. Scott, Legislative Research Department
Shirley Morrow, Legislative Research Department
Dezere Hodish, Legislative Research Department
Dylan Dear, Legislative Research Department
Lauren Douglass, Legislative Research Department
Sharon Wenger, Legislative Research Department
Debbie Luper, Chief of Staff
Dee Heideman, Committee Assistant

Conferees appearing before the Committee:

Todd White, Incoming Superintendent, Blue Valley Schools, USD 229
Mike O'Neal, President and CEO, Kansas Chamber of Commerce
Dr. Jim Hinson, Superintendent, Shawnee Mission School District,
Dr. Cindy Lane, Superintendent Kansas City Public Schools.
Jim Freeman, Chief Financial Officer, Wichita Public Schools
Dave Trabert, President, Kansas Policy Institute

Others in attendance:

See Attached List

Hearing on: SB515 — Amendments to the CLASS Act regarding supplemental general state aid and capital outlay state aid.

Chairperson Masterson reopened the hearing on **SB515** that was held open from Senate Ways and Means on March 22, 2016. The Chairperson informed the committee the proceedings of this meeting and the one scheduled in the afternoon would be recorded by a certified court reporter.

The Chairperson introduced Edward Penner, Research Analyst, Legislative Research Analyst, who distributed and explained three spreadsheets concerning school funding:

- Mills Required to Fund Non-State portion of 25% Adopted LOB;
- Mills Required to Generate Non-State Portion of 25% Adopted LOB;
- Total K-12 State Funds (Attachment 1).

Proponents:

Todd White, Incoming Superintendent, Blue Valley Schools, USD229 supported this bill because of the hold harmless provision (Attachment 2).

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CONTINUATION SHEET

MINUTES of the Committee on Ways and Means at 10:30 am on Wednesday, March 23, 2016 in Room 548-S of the Capitol.

Mike O'Neal, President and CEO, Kansas Chamber of Commerce, is a proponent because he said the bill offers the districts as much budget certainty as possible, which is a key advantage of the current block grant system ([Attachment 3](#)).

Dr. Jim Hinson, Superintendent, Shawnee Mission School District in Johnson County, Kansas said this bill appears to be one of the few solutions that has been proposed to the current school-funding situation because it attempts to address the Court's demands and also holds all districts harmless from funding losses ([Attachment 4](#)).

Opponents:

Dr. Cynthia Lane, Superintendent, Kansas City, Kansas Public Schools opposes the bill because, she said it simply changes the formula in order to spend the amount of money the legislature is willing to spend, with no regard to the needs of individual students or districts ([Attachment 5](#)).

Jim Freeman, Chief Financial Officer, Wichita Public Schools said this bill addresses FY2017 only, and not FY2015 and FY2016. He also said it is a redistribution of funds, without new funding, and therefore, schools are in essence self-funding this plan ([Attachment 6](#)).

Neutral:

Dave Trabert, President, Kansas Policy Institute, stated he was neutral to this bill because it doesn't increase total spending and this is only one of several methods that would satisfy school equity without spending additional money ([Attachment 7](#)).

Written Proponent:

Daniel Brungardt, Superintendent, Bonner Springs/Edwardsville, USD204 ([Attachment 8](#)).

The complete transcript of proceedings of this Senate Ways and Means Committee meeting was recorded by Lora Appino, Certified Court Reporter, Appino and Biggs Reporting Service, Inc. A copy of the transcript of proceedings of the continuation hearing on **SB515** is attached to these minutes. All questions, answers, comments and all discussion is also included in the transcript ([Attachment 9](#)).

The next Ways and Means Committee meeting is scheduled for Wednesday, March 23, 2016, at 1:00 p.m., in Room 548-S at the Capitol.

Chairperson Masterson adjourned the meeting at 9:59 a.m.

The meeting was called to order by Chairperson Ty Masterson at 1:00 p.m. on Wednesday, March 23,

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CONTINUATION SHEET

MINUTES of the Committee on Ways and Means at 10:30 am on Wednesday, March 23, 2016 in Room 548-S of the Capitol.

2016, 548-S of the Capitol.

All members were present

Committee Staff present:

Jill Wolters, Office of Revisor of Statutes
David Wiese, Office of Revisor of Statutes
Scott Abbott, Office of Revisor of Statutes
J.G. Scott, Legislative Research Department
Edward Penner, Legislative Research Department
Shirley Morrow, Legislative Research Department
Dezeree Hodish, Legislative Research Department
Debbie Luper, Chief of Staff
Dee Heideman, Committee Assistant

Conferees appearing before the Committee:

No conferees present

Others in attendance:

No list available

Final action on: SB515 — Amendments to the CLASS Act regarding supplemental general state aid and capital outlay state aid.

Chairperson Masterson reported to the committee that the purpose of this afternoon's meeting was to take action on **SB515**.

Senator Denning made a motion for Amendment #1, which added language to SB515 that stated the legislative intent and the findings of fact by recording the hearing on this bill (Attachment 9).

Senator Francisco offered a motion to change language on Page 2, C2 of the bill, to say that different equal formulas have been used for capital outlay and supplemental state aid, and it is preferable to apply a single formula to both categories of state aid. Senator Kelly seconded the motion. The motion failed on a voice vote.

Senator Francisco made a motion to change the language on Page 2, C2 of the bill, to say that the prior equalization formulas used for capital outlay state aid and supplemental general state aid had no basis in educational policy and it is preferable to apply a single equalization formula to both categories of state aid that also has no basis in educational policy. Senator Kelly seconded the motion and the motion failed on a voice vote.

Senator Kelly made a motion to change the language on Page 2, Section b of the bill to read, "The

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CONTINUATION SHEET

MINUTES of the Committee on Ways and Means at 10:30 am on Wednesday, March 23, 2016 in Room 548-S of the Capitol.

legislature has been advised that funding disruptions and uncertainty are counter-productive to public education and that funding certainty and adequacy are critical to the effective operation of school districts." The motion was seconded by Senator Francisco and the motion failed on a voice vote.

Senator Francisco made a motion to strike the sentence that reads, "Furthermore, the evidence before this legislature confirms that the total amount of school funding meets or exceeds the Supreme Court's standard for adequacy." The motion was seconded by Senator Kelly and the motion failed on a voice vote.

Senator Francisco made a motion to strike the language that references standard for adequacy. The motion died for lack of a second.

Senator Denning renewed his motion to amend **SB515** with authorization given to the Revisor's Office to make all necessary technical corrections with the second by Senator Melcher and the amendment was adopted on a voice vote.

Senators Francisco and Kelly voted no and requested their nay votes be recorded in the permanent record of the Senate Ways and Means Committee.

Senator Denning made a motion for Amendment #2 to add back the ancillary school facilities tax which was in the block grant legislation but was not included in **SB515**. The motion was seconded by Senator Arpke and the amendment was adopted on a voice vote (Attachment 10).

Senator Denning made a motion for Amendment #3 which ensures legislative intent that would hold all the school districts harmless, be it general state aid or capital outlay state aid, and if an unforeseen shortfall arises, funds would be withdrawn from the extraordinary needs fund first, and if that fund is exhausted, the funds then would come from SGF. Senator Arpke seconded the motion and the motion carried on a voice vote (Attachment 11).

Senator Denning moved that all of the contents be deleted from **HB2655** and the provisions of **SB515**, including any amendments adopted by the committee be placed in the gutted **HB2655**, and that **Senate Substitute for HB2655** be passed out favorably as amended. The motion was seconded by Senator Arpke and the amended bill passed out of committee on a voice vote.

Senator Kelly issued a request to have her no vote recorded in the minutes of Senate Ways and Means in order to create a permanent record of her nay vote.

The complete transcript of proceedings of this Senate Ways and Means Committee meeting, recorded by Lora Appino, Certified Court Reporter, Appino and Biggs Reporting Service, Inc., is attached to these minutes. All questions, answers, comments, and all discussion is also included in the attached transcript (Attachment 12).

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CONTINUATION SHEET

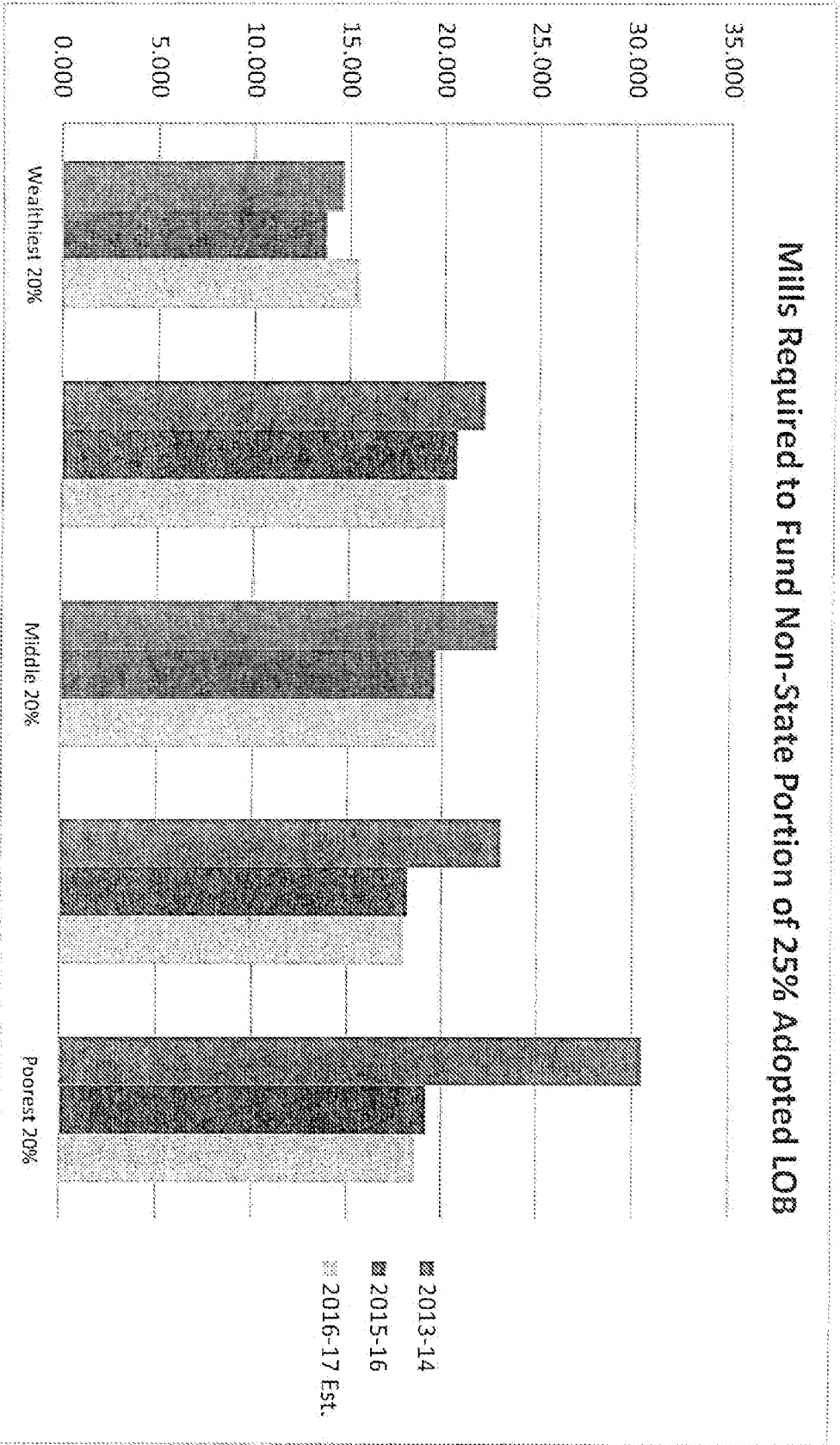
MINUTES of the Committee on Ways and Means at 10:30 am on Wednesday, March 23, 2016 in Room 548-S of the Capitol.

The next Ways and Means Committee meeting is scheduled for Wednesday, March 23, 2016, at 1:00 p.m., in Room 548-S at the Capitol.

Chairperson Masterson adjourned the meeting at 1:51 p.m.

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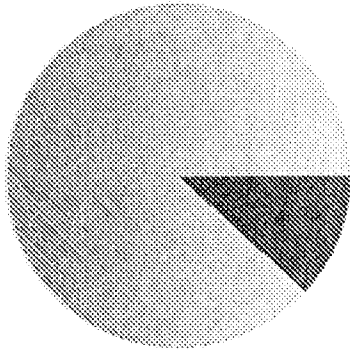
*State aid attributable to hold harmless included in State portion for analysis purposes

Mills Required to Generate Non-State Portion of 25% Adopted LOB

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17 Est.</u>
Wealthiest 20%	14.659	14.832	13.733	15.510
20%	22.160	20.802	20.673	20.125
Middle 20%	22.879	20.923	19.610	19.734
20%	23.169	18.238	18.213	17.999
Poorest 20%	30.514	19.058	19.190	18.658
Difference Between Poorest 20% and Wealthiest 20%	15.855	4.225	5.456	3.148

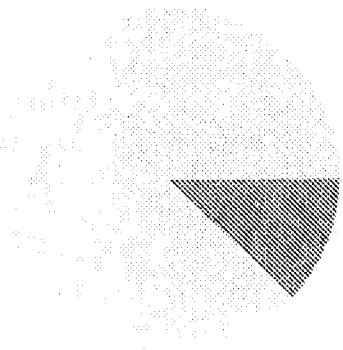
Total K-12 State Funds

FY 2016



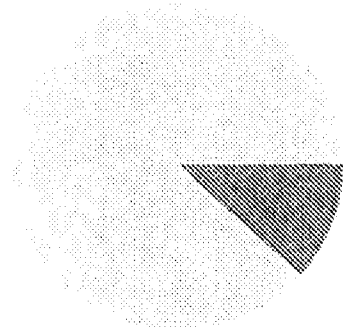
Equalization Amount
477,802,500
Non-Equalization Amount
3,564,835,500

FY 2017 Proposed



Equalization Amount
495,323,205
Non-Equalization Amount
3,585,682,795

FY 2017 Current Law



Equalization Amount
477,802,500
Non-Equalization Amount
3,603,203,500

Senate Ways and Means Committee
Testimony: SB 515
USD 229 Blue Valley
March 23, 2015

Chairman Masterson and Members of the Committee:

Thank you for the opportunity to appear before you today as a proponent of SB 515. We are mindful of the challenge you are facing, as you seek an appropriate short-term solution that will allow us to continue our goal of offering a quality education to the students we serve.

We thank you for your hard work and the long hours you have spent on this legislation. We also want to thank you for listening to the concerns of those who have come before this committee previously, which is clearly demonstrated by providing that *all districts will be held harmless* and will not lose funding from their general operating budgets.

Further, we are grateful that you have honored the spirit of the CLASS Act, which was to provide *budget certainty* to school districts for two years while a new school finance formula is being developed.

The Blue Valley district remains committed to providing a quality education for our students and to being good stewards of taxpayer dollars. To that end, we want to work *with* you to develop a solid school finance formula that provides stability and appropriately accounts for the varying needs of students across our state.

We do appreciate the challenges you are facing and we continue to want to work *with* you to solve the K-12 challenges before us in a way that promotes the best outcomes for the students we serve.

We are happy to stand for any questions you may have at the appropriate time.

Presented by: Todd White, Incoming Superintendent

Testimony before Senate Ways & Means Committee

SB 515 – K-12 Equalization response

Mike O’Neal, Kansas Chamber CEO

March 23, 2016

Testimony in support

Mr. Chairman and members of the Committee

On behalf of the Kansas Chamber, I appreciate the opportunity to appear in support of SB 515, a legislative response to the Court’s latest equity decision in *Gannon*. The Kansas Chamber has a strong Board approved Education agenda for 2016 that includes a call for increasing the quality of education for tomorrow’s workforce and the efficient use of tax dollars through policies that:

- Support a suitable school finance system for K-12 education that ensures taxpayer dollars are adequately and efficiently invested toward instruction in order to provide students and teachers with the resources needed to fulfill the mission of the Department of Education.

The necessity for this legislation derives solely from the Kansas Supreme Court’s Feb. 11, 2016 ruling on the equity phase of the pending *Gannon* school finance litigation and the Court’s less than subtle threat of court-ordered school closure if its articulated equity concerns were not addressed by June 30, 2016. The Court has essentially bifurcated the case and is dealing with the “equity” phase first and the “adequacy” phase later. While this is certainly the Court’s prerogative, and can be dealt with separately, our interpretation of the Legislature’s responsibility, as determined by the Court in recent school finance litigation, is to make suitable provision for the finance of the educational interests of the state. Once it is determined what resources will be provided to that end, it is then the responsibility of the Legislature to allocate or otherwise see to it that the resources are allocated in a manner that is equitable, i.e., such that school districts have reasonably equal access to substantially similar educational opportunity through similar tax effort. With the question of “adequacy” still to be determined, a response to the Court’s equity decision appears to put the proverbial “cart before the horse”.

That said, an equity response is due and we applaud this Committee's effort to make a good faith effort to divine from the Court's opinion an acceptable response on the equity phase such that the threat of school closure is averted. (Regarding school closure we would refer the Committee to KSA 2015 Supp. 72-64b03(d) which prohibits such school closures) As an elected body that works closely with its respective constituents, it is prudent to take the steps this Committee has taken to reduce risk to Kansas taxpayers, families and children who, as the Court has previously held, have a constitutional right to a public education. One way or another, schools must remain open in the fall.

It is also prudent to take steps to protect school districts and school children who were not parties to the litigation and/or who were not affected either way regarding the perceived equalization infirmity or who may have lost resources as a result of the Court's suggestions regarding the prior equity formula. While it would appear to make no sense to threaten these schools with closure when they were not involved in this dispute, we applaud this Committee for taking steps to avoid the risk to these districts and their patrons.

Turning to the Court's language in what we'll call *Gannon II*, the Court, while appearing to state a preferred method of compliance, did acknowledge that the equalization infirmity **"can be cured in a variety of ways – at the choice of the legislature."**

As to the Court's implied preference, the Court noted: **"One obvious way the legislature could comply with Article 6 would be to revive the relevant portions of the previous school funding system and fully fund them within the current block grant system."** Of significance is the fact that the Court is clearly open to continuation of the block grant system and with arriving at an equity response "within" the current block grant system.

A question was raised in the informational hearing about whether the Court will require new or additional funds. First, equity is not a math equation. It is, as the Court has stated: **"School districts must have reasonably equal access to substantially similar educational opportunity through similar tax effort."** In this regard, no witness who testified Monday before the joint Committee in response to questioning by legal counsel was able to articulate or knew of a metric for determining how this test is satisfied. This comes as no surprise since even the Court noted that: **"We acknowledge there was no testimonial evidence that would have allowed the panel to assess relative educational opportunities statewide."**

The Court did, however, speak to the issue of funding. First, the Court acknowledged that: **"equity does not require the legislature to provide equal funding for each student or school district."** The Court went on to say that the test of the funding scheme becomes a consideration of **"whether it sufficiently reduces the unreasonable, wealth-based disparity so the disparity then becomes constitutionally acceptable, not whether the**

cure necessarily restores funding to the prior levels. Finally, the Court made it clear that “need” is irrelevant. The Court held that **“equity is not a needs-based determination. Rather, equity is triggered when the legislature bestows revenue-raising authority upon school districts through a source whose value varies widely from district to district, such as with the local option mill levy on property.”**

Given what the Court said in *Gannon II*, it would have been perfectly acceptable to resurrect the capital outlay and LOB equalization formulae pre-SB7 and redistribute current funding accordingly. While that would have created so-called “winners” and “losers”, that is irrelevant to the Court since equity is equity and restoring prior funding is not required. Equity in its most basic form is illustrated by the example of sharing a bottle of pop with your kids. If you happen to pour more into one glass than another you equalize the glasses by pouring the contents of the one with more into the glass with less until they are equal. Equity does not require you to return to the refrigerator and open a new can. Unfortunately, the expectation with regard to school finance equalization has historically been that one is expected to always go back to the refrigerator for more, since a district that has been allocated funds now sees that as their entitlement. Any perceived reduction in an expectation is characterized as a “cut”. The concept of sharing, which we learned in Kindergarten, has been lost, even though, as the Court has ruled, “equity” is the law.

When this Committee considered a proposal (SB 512) that would restore equalization to the presumably Court-preferred method, which created winners and losers, no district that would have benefitted showed up in support and no district that would have lost funds showed up in opposition. Only neutral testimony was received. It would be difficult to garner the votes necessary to pass such a measure and, notwithstanding a preferred course by the Court, passage of legislation by a majority of willing elected lawmakers would still be necessary.

Turning now to SB 515, the bill, in our opinion, is a satisfactory response to the Court, given the Court’s own language and the bill’s response. Re-allocation of funds utilizing an approved method of calculating equalization (capital outlay formula) is proposed, with no district losing funds thanks to hold harmless provisions. Funds are included to cover minor changes in calculations due to actions taken subsequent to passage, and KSDE is given the balance of funds to allocate, as needed, in a manner consistent with the Court’s definition of “equity” and including the existing factors for approving additional funds for extraordinary needs.

As to the “hold harmless” provisions, testimony was presented to the Joint Committee Monday that these types or provisions are not uncommon and are part of the inherent nature of the political process by which school finance decisions are made. With regard to the KSDE provisions, given that the Legislature and this Committee are in session only part time, and

given that the Legislature relies on KSDE for equalization calculations and other technical data related to whatever formula may be in place, including block grants, it makes sense to have KSDE handle the “extraordinary needs” fund allocations.

Finally, SB 515 provides what we’ve heard districts requesting: as much budget certainty as possible, one of the key advantages of the current block grant system. We urge the Committee’s favorable consideration of SB 515.

March 23, 2016

Senate Ways and Means Committee

Senate Bill 515

Chairman Masterson and Members of the Committee,

I am Dr. Jim Hinson, Superintendent of the Shawnee Mission School District in Johnson County. I appear as a proponent on Senate Bill 515. This bill appears to be one of the few solutions that has been proposed to the current school-funding situation that attempts to address the Court's demands and holds all districts harmless from loss.

The Shawnee Mission School District desire a solution to the short-term issues related to equity. In addition, we hope the Legislature is working toward addressing a long-term solution that will ultimately satisfy the Supreme Court with a new funding formula.

The bill as written funds the Shawnee Mission School District at a level we anticipated based on the block grants implement in House Substitute for Senate Bill 7 passed in 2015. Senate Bill 515 seems to satisfy the equity issue by funding a fully equalized formula related to LOB equalization. Rather than the prior LOB equalization formula, Senate Bill 515 uses the capital outlay equalization formula to fund LOB equalization. We are not plaintiffs in the current lawsuit but it appears fully funding this equalization formula addresses court concerns that there should either be no equalization or fully funded equalization to fulfill statutory obligations.

The equalization solution in Senate Bill 515 may disappoint some who glimpsed brief hope of a windfall by some earlier potential solutions. This bill, however, appears to satisfy exactly what the block grant intended: to provide budget stability and funding as expected for one more year while a school finance formula is written. We support Senate Bill 515 as a one-time, one-year solution to allow the Legislature time to draft a new formula. The principals of Senate Bill 515 based on a more uniform formula for equalization, however, may be valuable to include in a new formula.

I am happy to stand for questions at the appropriate time.



**Senate Ways and Means Committee
Testimony on SB 515**

**Dr. Cynthia Lane, superintendent
March 23, 2016**

My name is Dr. Cynthia Lane, and I have the privilege of serving as the superintendent of the Kansas City, Kansas Public Schools. I am here to testify in opposition to SB 515. This bill, which was printed yesterday afternoon, was ostensibly written to respond to the ruling of the Kansas Supreme Court on the *Gannon v. State of Kansas* school funding case. The Supreme Court found that SB 7 was unconstitutional, in that it did not meet the equity requirements of Article VI of the Kansas Constitution. The printout provided at the hearing on March 22 indicates that no district would receive less in Local Option Budget and Capitol Outlay equalization aid for FY 2017 than they received for the current fiscal year (a few districts benefited from the adjustments to the formula, and would collectively receive an additional \$2 million.)

To me, one of the first mathematical properties that we teach our students in Algebra, the Transitive Property, applies directly to this bill: If SB 7 is unconstitutional, and SB 515 does the same thing as SB 7, then SB 515 MUST be unconstitutional as well. Perhaps more importantly, SB 515 does nothing to remedy the equity test put forth by the Court: "school districts must have reasonably equal access to substantially similar educational opportunity through similar tax effort." (*Gannon, p.2*) In fact, rather than remedying identified inequities, it creates the potential to widen the gap between property rich and property poor districts, by reducing equalization aid for LOB by \$82.9 million.

I applaud the fact that this bill attempts to "hold harmless" districts, so that they do not receive less than last year. Doing what is right for the children in Kansas City, Kansas should not come at the expense of children elsewhere in the state, who also deserve schools that are equitably and adequately funded. In fact, the notion of holding districts harmless during a change in the school funding formula has been a practice in Kansas for the past 20 years. However, in the past, the idea of "holding districts harmless" was only used AFTER legislation had been developed to remedy an identified deficiency in the formula. This bill, rather than fixing identified problems in SB 7, simply changes the formula in order to spend the amount of money the legislature is willing to spend, with no regard to the needs of individual students or districts. In doing so, it exacerbates the deficiencies contained in SB 7, which was found unconstitutional by the Shawnee District Court.

I recognize the difficult situation that this committee finds itself in. Creating equity in school finance will require additional resources, and finding those resources at a time when the state is missing already significantly lowered revenue projections is incredibly challenging. However, equity is the right thing to do for children, for families, for communities, and for the future of this state, and I would implore you to have the courage to recognize education's role as the primary economic driver of this state, and to fund it accordingly.

Attachment 5

Senate Ways and Means Committee
Date: 03-23-2016
Attachment #: 5



**Senate Ways and Means
Chairman Masterson**

March 23, 2016

Jim Freeman

Wichita Public Schools

Regarding SB 515

Chairman Masterson and members of the Committee:

Thank you for the opportunity to provide input on the issue before us to remedy equity. You have a significant challenge which is intensified by the challenges facing the State General Fund.

We know you are working to find a solution which meets the Court's test and does not close schools. I thank you for your efforts.

However we respectfully believe this plan --- found in both Senate Bill 515 and House Bill 2740 -- does not address the equity issue on two fronts:

- addresses Fiscal Year 17 only and not Fiscal Years 15 and 16;
- it is a redistribution of funds, without new funding, school are in essence self-funding this plan.

We believe the Gannon decision is clear in its finding that equity state aid was inadequate in fiscal years 2015 and forward. To quote from the Revisor of Statutes memo dated February 11, 2016:

"The Court held that the State failed to show sufficient evidence that it complied with the Court's prior equity orders set forth in Gannon I and found that the amended supplemental general state aid and capital outlay state aid formulas failed to cure the unconstitutional wealth-based disparities in fiscal year 2015. The court also held that because SB 7 froze such inequities for fiscal years 2016 and 2017, such unconstitutional inequities carry forward in those years."

The inequity Senate Bill 7, the Block Grant bill, froze into place the FY 15 inequity and carried it forward. State aid proration has negatively impacted property taxes and operations. For the Wichita Public Schools the state aid loss is over -\$26.3 million:

LOB proration FY 15 $-\$5.1m \times 3 = -\$15.3m$
 Capital outlay aid: FY 15 $-\$3.1m +$ FY 16 $-\$3.4 +$ FY 17 $-\$4.5m = -\$11m$
 Total state aid proration under SB 7, the Block Grant: $-\$26.3$ million

This is what we seek to remedy. The bill before us today does not solve the inequity, the loss of \$26 million for the Wichita Public Schools, frozen in by the Block Grant.

Attachment 6

Senate Ways and Means Committee
 Date: 03-23-2016
 Attachment #: 6



Testimony to Senate Ways & Means Committee
SB 515 School Funding Equalization
March 23, 2016
Dave Trabert, President

Chairman Masterson and members of the Committee,

We appreciate this opportunity to present neutral testimony on SB 515. We're pleased to see the Legislature proactively responding to the Supreme Court ruling on equity in a manner that doesn't increase total funding; our testimony is neutral only because this is but one method of satisfying equity without spending additional money.

As noted in the attached article we published, the Court reaffirmed that constitutional infirmities "can be cured in a variety of ways—at the choice of the legislature" with the proviso that any adjusted funding must also meet a separate test of adequacy – i.e., whether districts are receiving 'enough.' We believe SB 71 introduced last year would be another appropriate response to the Court, whether as written – which would reduce LOB equity by \$3.3 million – or some modification that would spend the same amount.

The Court noted that spending less than would be provided by fully funding the old equity formula could create an 'adequacy' issue, but we believe there is ample evidence that SB 515 or SB 71 would still provide more than adequate funding.

First of all, the Court upheld what we have constantly maintained – education is about outcomes rather than money. They specifically said "...total spending is not the touchstone for determining adequacy."¹

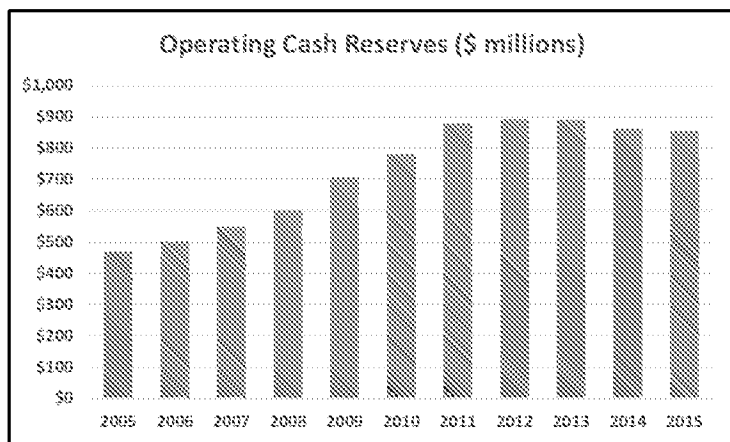
Instead, the Court says adequacy "...is met when the public education financing system provided by the legislature for grades K-12—through structure and implementation—is reasonably calculated to have all Kansas public education students meet or exceed the standards set out in Rose and presently codified in K.S.A. 2013 Supp. 72-1127. This test necessarily rejects a legislature's failure to consider actual costs as the litmus test for adjudging compliance with the mandates of Article 6. For example, even if a legislature had not considered actual costs, a constitutionally adequate education nevertheless could have been provided —albeit perhaps accidentally or for worthy non-cost-based reasons."²

Since school districts admit that they can neither define nor measure the Rose capacities, they have no legal basis for claiming to lack adequate funding to achieve the Rose capacities. This fact alone could be sufficient grounds for dismissal of schools' claims, but there is more.

Attachment 7

Schools and their taxpayer-funded lawyers base their adequacy claims on *Montoy*, which relied on the findings of an Augenblick & Myers cost study recommending specific funding levels. However, the *Gannon* Supreme Court rejected the lower court’s reliance on that, saying “.... *actual costs from studies are more akin to estimates than the certainties the panel suggested.*”³

In distancing itself from the A&M cost study, the Court also said, “.... *the strength of these initial statements was later diluted by our primary focus on cost estimates—a focus that evolved in the Montoy litigation because of how the issues were presented to us by the district court and due to the remedial nature of some of our decisions.*”⁴ The A&M cost study was presented as rock-solid evidence in *Montoy* but later, then-KPI scholar Caleb Stegall (now Supreme Court Justice Stegall) discovered that A&M had deviated from its own methodology so as to produce deliberately inflated numbers.⁵



We further know that the funding provided under *Montoy*, which is the basis for school claims of inadequate funding, is more than schools actually need because they haven’t needed to spend it all. The \$385 million increase in districts’ operating cash reserves over the last ten years comes from state and local funding that wasn’t spent – and that’s in addition to the \$468 million accumulated through 2005.

Refuting KASB school funding claims

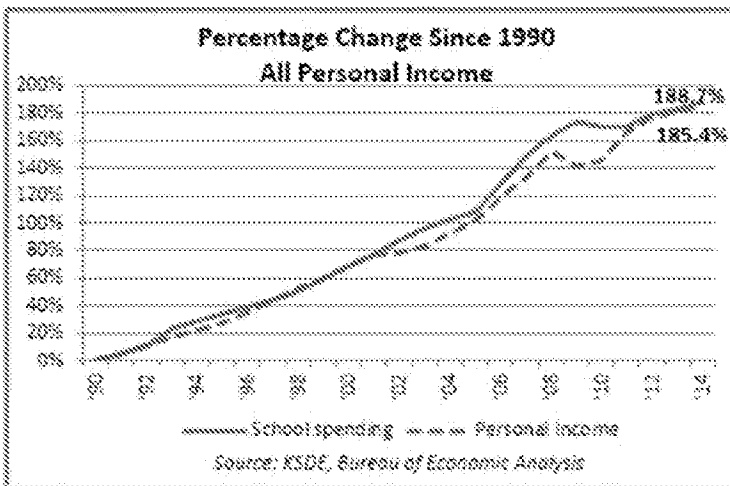
Last week the Kansas Association of School Boards (KASB) raised several adequacy issues in testimony on the House effort to resolve equity in HB 2731 and SB 512, so we offer the following thoughts in anticipation that the same claims will be made here today.

KASB implied that school funding is not adequate because it hasn’t kept up with the change in personal income growth, but that is a claim of entitlement, not adequacy. The Constitution does not say that adequacy is a percentage of personal income or any particular dollar amount. Indeed, if personal income declined for an extended period of time, it is unlikely that the Court or school districts would find a commensurate reduction in school funding to be acceptable and adequate.

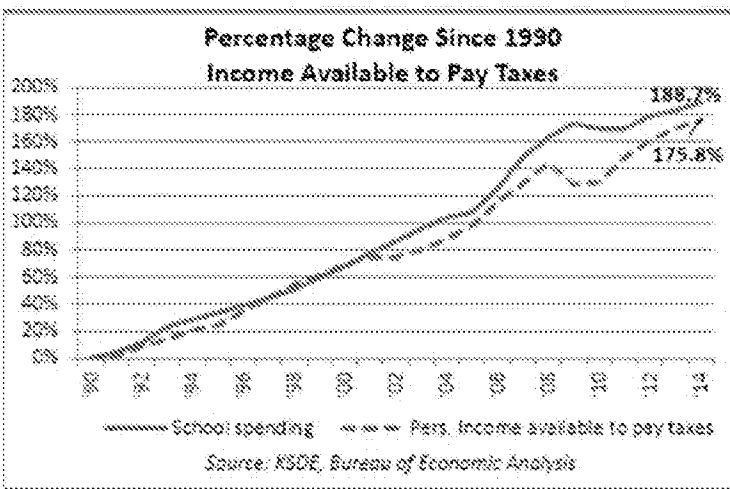
As a matter of fact, school districts sued taxpayers for more money in November 2010 after Governor Parkinson reduced funding as a result of a recession. Personal income declined but schools didn’t accept that as an excuse to reduce funding.

That said, school funding continues to run ahead of personal income growth, whether measured in its entirety or against the personal income components that are available to pay taxes.

School funding (adjusted upward for KPERS prior to 2005) increased by 188.7 percent between 1990 and 2014 (the last year for which annual Personal Income data is available) while Personal Income increased 185.4 percent.



However, Personal Income includes components that are not available to pay taxes, such as employer payments to retirement plans, health insurance and payroll taxes. Measuring school funding against Wages & Salaries, Proprietors' Income, Dividends, Interest, Rent less employee-paid payroll taxes shows an even wider gap from school funding.

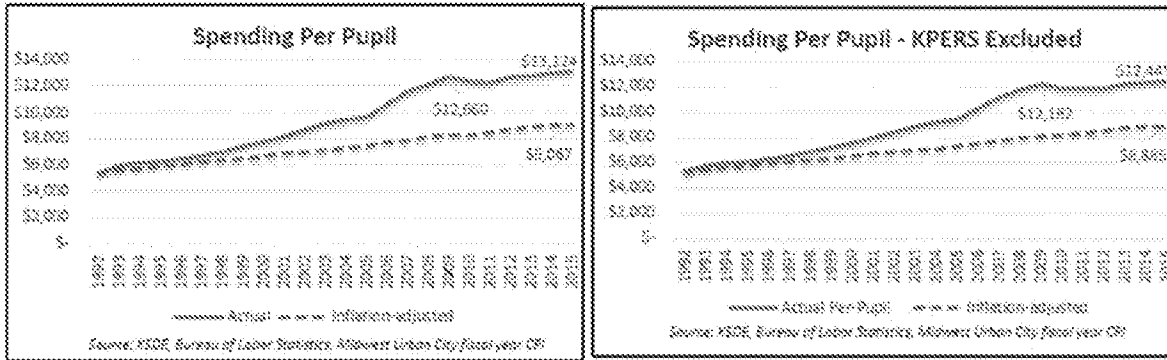


Personal income available to pay taxes increased 175.8 percent, or about 13 percentage points less than school funding.

Not that that matters from an adequacy viewpoint, but to demonstrate that the KASB claim simply doesn't stand up to scrutiny.

Inflation, on the other hand, is a legitimate consideration and here we see that per-pupil funding has far outpaced inflation over the course of the old school funding system. Had funding been increased for inflation since 1992, funding would have been \$1.88 billion less in 2015.

School funding also set another new record in 2015, at \$13,224 per pupil. Even with every dollar of KPERS removed, funding still would have set a record last year, and if non-KPERS funding had been increased for inflation each year, it would have been \$1.64 billion less.



Additional articles are attached that refute KASB claims on the correlation between spending and achievement and the levels of student achievement in Kansas. As for KASB’s claim that no state spends less and achieves more, an honest review of the data shows that at least Texas and Florida spend considerably less but get slightly better results on the National Assessment of Educational Progress. Florida leads wins half of the eight measurements, Texas wins three and Kansas wins one. Florida has the highest composite score, Texas comes in second and Kansas is slightly behind Texas.

Kansas Spends More, Achieves Less on NAEP			
NAEP Grade, Subject and Demos	Kansas	Texas	Florida
4th Grade Reading Score 2015			
Low income students	208.0	208.8	220.2
Not low income students	238.2	234.8	238.5
8th Grade Reading Score 2015			
Low income students	255.6	251.8	256.6
Not low income students	277.5	272.2	274.5
4th Grade Math Score 2015			
Low income students	230.9	235.1	235.2
Not low income students	252.1	259.9	254.3
8th Grade Math Score 2015			
Low income students	271.8	273.7	265.5
Not low income students	294.8	296.0	291.7
Composites - all scores	2029.8	2031.7	2036.5
2013 Per-Pupil Spending (headcount)	\$ 11,496	\$ 10,313	\$ 9,420

Source: Census, NAEP

We’d be happy to work through the remainder of their claims at your convenience, as shown in the attached articles.

Conclusion

The equity issue must be resolved and we encourage the Legislature to do so without spending additional money, as the Court does not require more funding to satisfy equity and a large body of evidence shows that more money is not needed.

¹ Gannon v. State of Kansas, page 77 at <http://www.kscourts.org/Cases-and-Opinions/opinions/SupCt/2014/20140307/109335.pdf>

² Ibid, page 76.

³ Ibid

⁴ Ibid, page 75.

⁵ Caleb Stegall, “Analysis of Montoy vs. State of Kansas” <https://kansaspolicy.org/volume-ii-analysis-of-montoy-vs-state-of-kansas/>

Nationwide Report on Education Provides Evidence that Kansas Students Perform Poorly in a Nation of Mediocre Achievement

January 18, 2016



Education Week has released its 20th annual edition of *Quality Counts*, a report card that provides an overall letter grade for each state’s education system. Kansas earned a C, with an overall score of 73.9 – slightly lower than the national average of 74.4 (also a C).

Quality Counts employs three indicators to establish an overall grade. Kansas earned a B- in the category called *Chance for Success*, defined as providing “a cradle-to-career perspective on the role that education plays in promoting positive outcomes throughout a person’s life.” For the *School Finance* indicator, Kansas earned a C. Unfortunately, Kansas’ worst indicator is in *K-12 Achievement*, a category in which the state earned a D.

K- 12 Achievement

The achievement category is an amalgamation of 18 outcome measures that include (1) NAEP scores, (2) graduation rates and (3) performance in high school advanced placement classes. The report uses detailed NAEP data, including proficiency rates, achievement gains, poverty gaps and excellence achievement. It is of note that *Quality Counts* does NOT consider a score in the “Basic” category an achievement, which is the same way KPI

reports NAEP data. Here are a few lowlights regarding Kansas and the NAEP achievement gap data in the report:

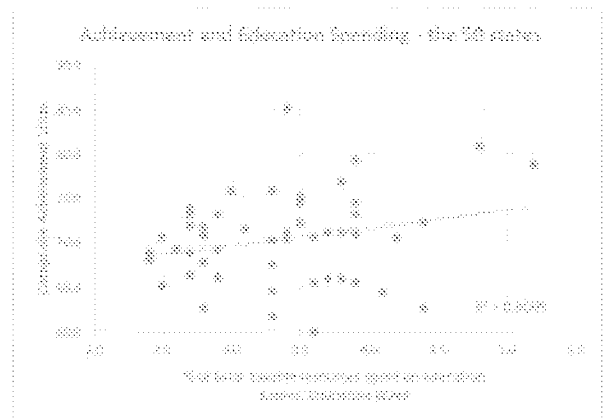
- Only Oregon, Washington and the District of Columbia had a larger increase in the 4th grade achievement gap than the Kansas gap increase of 6.8%.
- While 31 states actually reduced the achievement gap in either 4th grade, 8th grade or both, Kansas had an increase in the achievement gap in both grades.
- Overall, the nation decreased the achievement gap by 0.4% for 4th graders and 0.6% for 8th graders.
- But the most alarming stat is the revelation that Kansas is the ONLY state in which NAEP math scores for both 4th and 8th graders are lower in 2015 than they were in 2003.

Ouch.

And for those who want to blame it on some bogus claim that it all has to do with spending, consider this: data used by Quality Counts ranks Kansas 15th in spending and 41st in achievement.

Achievement & Spending

It is often argued, especially by education establishment groups in Kansas, that there is a high correlation between spending on education and achievement. That supposition is not supported by the data used in Quality Counts. The scatter-plot below is a graphic display of combining the composite achievement score with the percentage of total taxable resources states spend on education. The scatter-plot of the 50 states shows a virtual flat trend line, indicating almost no correlation between the two. The R2 value, which is a numeric representation of how close each plotted point is to the trend line, of 0.06 falls far short of even being considered a “weak” correlation. Furthermore, the single outlier on the graph, Vermont (the only state that spends more than 5% of its total taxable resources on education), drives most of the incline of the trend line. If Vermont is removed, the R2 value is 0.02. Another interesting note is that the highest achieving state (Massachusetts) spends a lower percentage of their taxable resources than the lowest achieving state (Mississippi).



The results of this report strengthens two fundamental propositions of Kansas Policy Institute regarding education: (1) that Kansas is doing about average in a nation that under-performs and (2) there is no correlation between spending and achievement.

No correlation between spending and achievement

November 16,
2015

The Kansas Association of School Boards produced a report recently which some are saying proves that spending more money leads to better outcomes, but even KASB says that is a misinterpretation. I asked Mark Tallman of KASB if that was the case and he replied, *"I specially [sic] said to the group of legislators we invited to lunch that we do NOT claim this report "proves" spending "causes" outcomes changes."*

Mr. Tallman went on to explain that *"...the data indicates that higher spending over time is more often than not a "predictor" of higher NAEP scores, and usually has a positive correlation with higher results. We do not say that correlation proves causation."*

Our review of the data says otherwise, as does that of many other respected school funding experts including Dr. Eric Hanushek of the Hoover Institution at Stanford University, who says, *"...the outcomes observed over the past half century – no matter how massaged – do not suggest that just throwing money at schools is likely to be a policy that solves the significant U.S. schooling problems seen in the levels and distribution of outcomes. We really cannot get around the necessity of focusing on how money is spent on schools."*

Bi-variate analysis

The KASB report takes only two variables into account – spending and achievement. It's called a bivariate analysis (two variables), which doesn't allow for meaningful conclusions. Dr. Benjamin Scafidi, Director of the Education Economics Center at Kennesaw State University, says, *"...they do not control for the many other factors that impact student achievement. Social scientists do not put much stock into bivariate relationships like the KASB [example] below."* Dr. Scafidi's remarks were directed at the 2013 KASB report that also only looked at changes in spending and achievement.

One such factor ignored by KASB is the impact of Common Core. When Kansas' NAEP scores dipped in 2013, the Kansas Department of Education told legislators that they couldn't identify a particular reason but did note that the transition from previous teaching methods to Common Core may have been a factor. They again honed in on the transition to Common Core to explain the 2015 NAEP decline to legislators this month. KSDE did not blame funding in 2013 or 2015.

Data refutes notion that spending predicts outcomes

This table lists 8 bi-annual changes in proficiency measurements for each of the last 6 NAEP reports, for a total of 48 total changes; proficiency levels for Low Income students and those who are Not Low Income are shown for two subjects (Reading and Math) for two grade levels (4th and 8th Grades). In the majority of comparative instances, changes in inflation-adjusted (real) spending did not correspond to changes in proficiency levels. That is,

1. In 31 of the 48 comparative instances, real spending increased while proficiency levels declined or failed to increase, or real spending declined while proficiency levels increased or failed to decline (RED).
2. In 9 of the 48 comparative instances, the increase in proficiency levels was less than the increase in real spending (YELLOW).
3. In 8 of the 48 comparative instances, the increase in proficiency levels was greater than or equal to the increase in real spending (GREEN)

Kansas Spending Per-Pupil and NAEP Percent Proficient										
School Year	\$ Per Pupil	Inflation Index	4th Reading		8th Reading		4th Math		8th Math	
			Low	Not Low	Low	Not Low	Low	Not Low	Low	Not Low
2003	\$ 8,894	176.81	18	42	22	42	24	53	19	41
2005	\$ 9,707	185.14	20	42	21	43	30	59	19	43
2007	\$11,558	195.10	21	46	20	44	34	63	23	50
2009	\$12,660	204.26	22	47	19	43	32	60	24	51
2011	\$12,283	211.10	23	50	22	46	33	63	24	54
2013	\$12,781	220.93	22	54	22	48	33	63	24	54
2015	\$13,124	224.61	20	54	22	47	27	58	19	46

Percent Change in Each Category										
School Year	\$ Per Pupil	\$ PP Net Inflation	4th Reading		8th Reading		4th Math		8th Math	
			Low	Not Low	Low	Not Low	Low	Not Low	Low	Not Low
2005	9%	4%	11%	0%	-5%	2%	25%	11%	0%	5%
2007	19%	14%	5%	10%	-5%	2%	13%	7%	21%	16%
2009	10%	5%	5%	2%	-5%	-2%	-6%	-5%	4%	2%
2011	-3%	-6%	5%	6%	16%	7%	3%	5%	0%	6%
2013	4%	-1%	-4%	9%	0%	4%	0%	0%	0%	0%
2015	3%	1%	-9%	0%	0%	-2%	-18%	-8%	-21%	-15%

Source: KSDE, National Assessment of Educational Progress (NAEP); BLS, Midwest Urban Cities fiscal year. Low and Not Low refer to student income levels based on eligibility for school lunch programs, Low Income + Not Low Income = All Students.

We performed the same analysis on changes in the national averages, although spending is only available through 2013, so there are only 40 comparative instances. Once again, spending is not a predictor of outcome changes; indeed, in 20 of those 40 instances, real spending increased while proficiency levels declined or failed to increase, or real spending declined while proficiency levels increased or failed to decline (RED). Most notably, real spending declined in 2011 and 2013, but proficiency levels increased in all 8 measurements both years!

United States Spending Per-Pupil and NAEP Percent Proficient										
School Year	\$ Per Pupil	Inflation Index	4th Reading		8th Reading		4th Math		8th Math	
			Low	Not Low	Low	Not Low	Low	Not Low	Low	Not Low
2003	\$ 9,522	182.09	15	42	16	40	15	45	11	37
2005	\$10,376	191.70	16	42	15	39	19	50	13	39
2007	\$11,557	204.11	17	44	15	40	22	53	15	42
2009	\$12,539	214.65	17	45	16	42	22	54	17	45
2011	\$12,351	221.06	18	48	18	45	24	57	19	47
2013	\$12,348	231.37	20	51	20	48	26	60	20	49

Percent Change in Each Category										
School Year	\$ Per Pupil	\$ PP Net Inflation	4th Reading		8th Reading		4th Math		8th Math	
			Low	Not Low	Low	Not Low	Low	Not Low	Low	Not Low
2005	9%	4%	7%	0%	-6%	-3%	27%	11%	18%	5%
2007	11%	5%	6%	5%	0%	3%	16%	6%	15%	8%
2009	8%	3%	0%	2%	7%	5%	0%	2%	13%	7%
2011	-1%	-4%	6%	7%	12%	7%	9%	6%	12%	4%
2013	0%	-5%	11%	6%	11%	7%	8%	5%	5%	4%

Source: Census, NAEP; BLS, fiscal year. Low and Not Low refer to student income levels based on eligibility for school lunch programs, Low Income + Not Low Income = All Students

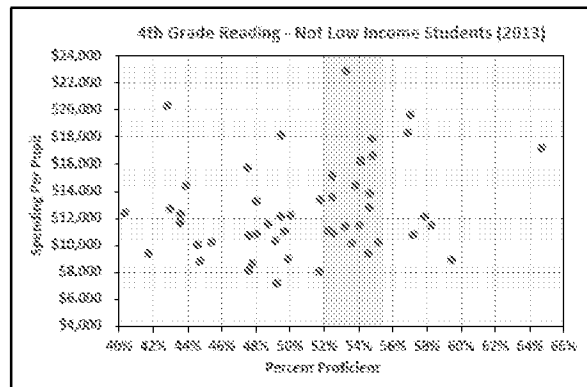
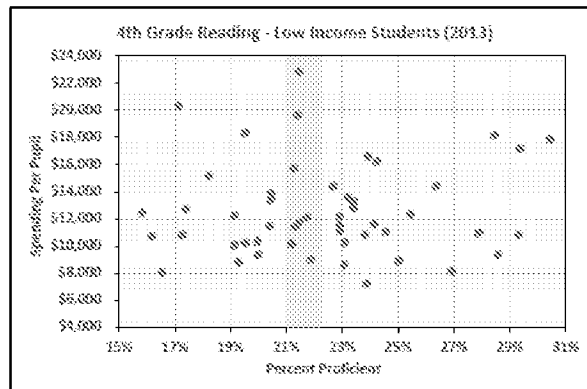
Our analysis is very straightforward; the changes in spending and every measurement of proficiency are examined separately. KASB based their findings on 8-year averages rather than individual years, which masks fluctuations by allowing gains to offset losses; the results are further skewed depending upon the starting point and length of the average. KASB also combines proficiency levels for 4th Grade Reading and Math as well as 8th grade Reading and Math by averaging those four disparate percentages into a single number, which again hides information. That methodology could present the appearance of improvement (especially by careful selection of the 8-year starting point) even though one or more grade levels and/or subjects could be in decline (which indeed happened). Such manipulation may allow KASB to justify more spending but it disregards the importance of understanding the true

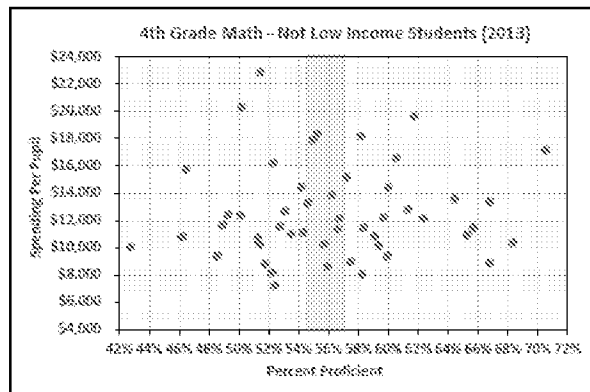
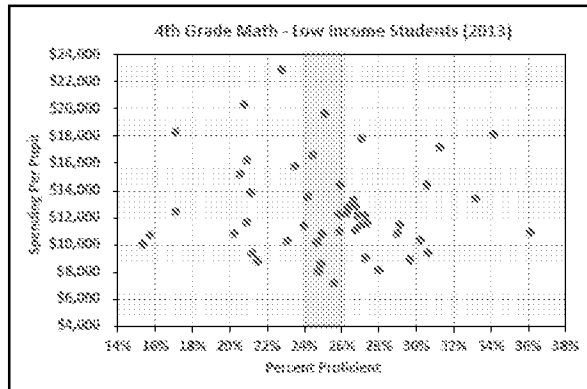
causes of student achievement.

It should be noted our explanation of their methodology is based on our reading of their report; KASB has not responded to requests for their underlying calculations.

KASB also claims that “higher spending states are more likely to have higher results” but once again, the data is contradictory. If spending more money was a “predictor” of higher outcomes, the points on these scatter plots of spending and proficiency levels would be grouped along a line of increasing slope but they are ‘all over the map’.

New York schools spent the most at \$22,902 per-pupil and had 4th Grade Reading proficiency levels of 21% and 53%, respectively, for Low Income and Not Low Income students. North Carolina schools however, spent just \$8,879 per-pupil yet had proficiency levels of 25% and 59%, respectively. There are many other examples all across the proficiency ranges of grade levels, subject and student income groups where states achieved the same or relatively the same outcomes while spending significantly disparate amounts.





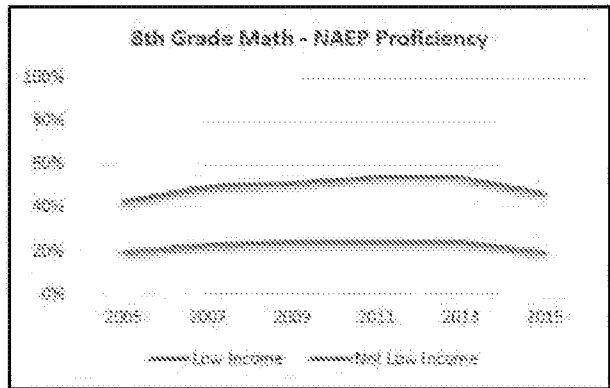
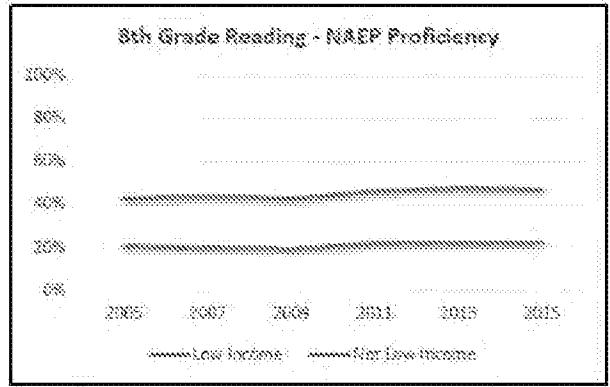
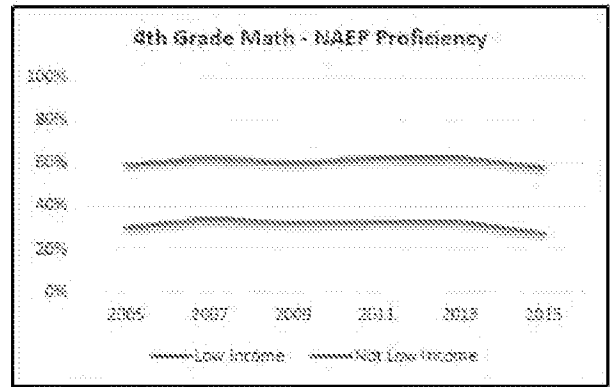
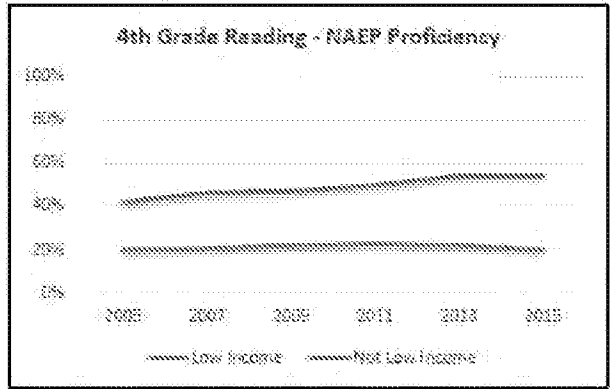
Higher spending would absolutely be a predictor of higher tax bills for citizens but there is no correlation between spending and achievement in the data.

Spending more money may create more opportunity to improve outcomes but only if the extra money is well-spent. As Dr. Hanushek notes, "It's absolutely true that if you spend money well, it has an effect," he said. "But just putting money into schools and assuming it will be spent well isn't necessarily correct and there is substantial evidence that it will not happen." And as has been documented time and time again over the years, there is certainly evidence of money not being well spent in Kansas.

Achievement matters, not national rankings

KASB makes much of the fact that national rankings on NAEP declined ("Kansas has fallen from a national leader to merely an above average performer") and they use that emotional appeal to push for more money. But actual achievement should be the focus instead of national rankings, especially in a nation that doesn't perform very well. For example, Indiana is ranked #1 for 4th Grade Low Income students in Reading – at just 36% Proficient!

Kansas may have had higher national rankings in the past but look at these proficiency levels and decide for yourself: was achievement in any grade or subject ever at acceptable levels?



After nearly a \$2 billion funding increase over the last ten years, only a quarter or less of low income students and only about half of the rest are Proficient on NAEP Reading and Math exams. A “C” or a “D” may be one of the highest grades in the class but not scoring as badly as one’s classmates is no indication of acceptable outcomes. Attempting to justify pouring more money into the same system that produced these outcomes is simply about getting more money for the system; it most certainly is not student-focused.

The definition of insanity is doing the same thing over and over and expecting different results. We have tried dramatically higher real (inflation-adjusted) spending in Kansas public schools (43.5% per-pupil over the last 25 years) and in public schools around the nation. For Kansas, those increases in spending into the current education system have yielded the results just above. It is time for Kansas policymakers to call a new play. Our students deserve no less.

Post Script: We thank education economists Dr. Erick Hanushek and Dr. Benjamin Scafidi for their review and input on this analysis. For a teacher’s perspective on this subject, see David Dorsey’s thoughts on the [Topeka Capital-Journal Blog](#).



**Bonner Springs/Edwardsville
Unified School District 204**

Teaching today's learners for tomorrow's challenges

Tuesday, March 22, 2016

The Honorable Ty Masterson
Kansas Senator, District 16

The Honorable Steve Fitzgerald
Kansas Senator, District 5

Dear Senator Masterson and Senator Fitzgerald,

I just returned to my office after attending the hearing on Senate Bill 515 this afternoon. I wanted to personally drop both of you a quick note and express my gratitude and appreciation for your efforts as well as the collective efforts of the Senate Ways and Means Committee members.

Based upon the manner in which Senate Bill 515 was crafted, the portion of the bill I appreciate the most is the fact that it has been structured in such a way that it holds all schools harmless from any potential future reductions in funding.

When compared to the other bills and potential options that have been developed thus far during the current legislative session, Senate Bill 515 is the most advantageous for Kansas school districts.

Thank you again for your efforts.

Sincerely,

Daniel J. Brungardt

Superintendent of Schools
USD 204 Bonner Springs / Edwardsville

*Superintendent – Dan Brungardt
Director of Business/Board Clerk – Eric Hansen*

2200 S. 138th St. P.O. Box 435 Bonner Springs, KS 66012-0435
Phone: (913) 422-5600 Fax: (913) 422-4193 www.usd204.net

Attachment 8

SENATE BILL No. 515

By Committee on Ways and Means

3-22

AN ACT concerning education; relating to the financing and instruction thereof; making and concerning appropriations for the fiscal year ending June 30, 2017, for the department of education; relating to the classroom learning assuring student success act; amending K.S.A. 2015 Supp. 72-6463, 72-6465, 72-6476, 72-6481 and 74-4939a and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1.

DEPARTMENT OF EDUCATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2017, the following:

Supplemental general state aid.....\$367,582,721

School district equalization state aid.....\$61,792,947

(b) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2017, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law and transfers to other state agencies shall not exceed the following:

School district capital outlay state aid fund.....No limit

(c) On July 1, 2016, of the \$2,759,751,285 appropriated for the above agency for the fiscal year ending June 30, 2017, by section 54(c) of 2016 House Substitute for Senate Bill No. 161 from the state general fund in the block grants to USDs account (652-00-1000-0500), the sum of \$477,802,500 is hereby lapsed.

(d) On July 1, 2016, the expenditure limitation established for the fiscal year ending June 30, 2017, by section 3(b) of chapter 4 of the 2015 Session Laws of Kansas on the school district extraordinary need fund of the department of education is hereby decreased from \$17,521,425 to \$15,167,962.

(e) On July 1, 2016, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$15,167,962 from the state general fund to the school district extraordinary need fund of the department of education.

New Sec. 2. (a) For school year 2016-2017, each school district that has adopted a local option budget is eligible to receive an amount of

Ballroom Amendments for SB 515 #1
Senate Committee on Ways and Means
Prepared by Jason Long
Office of Revisor of Statutes
March 23, 2016

WHEREAS, The people of Kansas, through article 6 § 6(b) of constitution of the state of Kansas, declared that "the legislature shall make suitable provision for finance of the educational interests of the state." According to the supreme court, this provision contains both an adequacy and equity component. On February 11, 2016, the supreme court ruled that funds provided to the school districts under the existing school finance legislation for local option budget equalization and capital outlay equalization were not equitably distributed among the school districts; and

WHEREAS, The supreme court issued an order directing the legislature to fairly allocate resources among the school districts by providing "reasonably equal access to substantially similar education opportunity through similar tax effort." The supreme court warned that, if no action is taken by June 30, 2016, and because an unconstitutional system is invalid, it may entertain a motion to enjoin funding the school system for the 2016-17 school year; and

WHEREAS, The legislature is committed to a avoiding any disruption to public education and desires to meet its obligation; and

WHEREAS, After hearing evidence concerning varying proposals for this body to continue providing an adequate public education while satisfying the supreme court's equity issue, the legislature is acting on this bill in an expedited manner so that the schools will open, as scheduled, for the 2016-17 school year; and

WHEREAS, This step, while important, is only the first of many, upon enactment of this legislation, the legislature will immediately return to the task of finding a long-term solution, based upon a broad base of stakeholders, that will continue to provide every Kansas student the opportunity to pursue their chosen desires through an excellent public education;

Now, therefore,

New Sec. 2. (a) The legislature hereby declares that the intent of this act is to ensure that public school students receive a constitutionally adequate education through a fair allocation of resources among the school districts and that the distribution of these funds does not result in unreasonable wealth-based disparities among districts. In particular, the legislature: (1) Has been advised of the constitutional standard for equity as set forth in Supreme Court's ruling in *Gannon v. State*, Case No. 113,267, ___ Kan. ___, 2016 WL 540725 (Feb. 11, 2016), including preceding school finance decisions; (ii) endeavored to memorialize the legislative evidence and deliberations conferees shared as the legislature considered the best way to meet this constitutional standard; and (iii) arrived at the best solution to discharge its constitutional duty to make suitable provision for finance of the educational interests of the state. To this end, this legislation shall be liberally construed so as to make certain that no funding for public schools will be enjoined.

Attachment #: 9
Date: 03-26-2016
Senate Ways and Means Committee

Insert continued from page 1

1 supplemental general state aid. A school district's eligibility to receive
2 supplemental general state aid shall be determined by the state board as
3 provided in this subsection. The state board of education shall:

4 (1) Determine the amount of the assessed valuation per pupil (AVPP)
5 of each school district in the state and round such amount to the nearest
6 \$1,000. The rounded amount is the AVPP of a school district for the
7 purposes of this section;

8 (2) determine the median AVPP of all school districts;

9 (3) prepare a schedule of dollar amounts using the amount of the
10 median AVPP of all school districts as the point of beginning. The
11 schedule of dollar amounts shall range upward in equal \$1,000 intervals
12 from the point of beginning to and including an amount that is equal to the
13 amount of the AVPP of the school district with the highest AVPP of all
14 school districts and shall range downward in equal \$1,000 intervals from
15 the point of beginning to and including an amount that is equal to the
16 amount of the AVPP of the school district with the lowest AVPP of all
17 school districts;

18 (4) determine a state aid percentage factor for each school district by
19 assigning a state aid computation percentage to the amount of the median
20 AVPP shown on the schedule, decreasing the state aid computation
21 percentage assigned to the amount of the median AVPP by one percentage
22 point for each \$1,000 interval above the amount of the median AVPP, and
23 increasing the state aid computation percentage assigned to the amount of
24 the median AVPP by one percentage point for each \$1,000 interval below
25 the amount of the median AVPP. The state aid percentage factor of a
26 school district is the percentage assigned to the schedule amount that is
27 equal to the amount of the AVPP of the school district, except that the state
28 aid percentage factor of a school district shall not exceed 100%. The state
29 aid computation percentage is 25%;

30 (5) determine the amount of the local option budget adopted by each
31 school district pursuant to K.S.A. 2015 Supp. 72-6471, and amendments
32 thereto; and

33 (6) multiply the amount computed under subsection (a)(5) by the
34 applicable state aid percentage factor. The resulting product is the amount
35 of payment the school district is to receive as supplemental general state
36 aid in the school year.

37 (b) The state board shall prescribe the dates upon which the
38 distribution of payments of supplemental general state aid to school
39 districts shall be due. Payments of supplemental general state aid shall be
40 distributed to school districts on the dates prescribed by the state board.
41 The state board shall certify to the director of accounts and reports the
42 amount due each school district, and the director of accounts and reports
43 shall draw a warrant on the state treasury payable to the treasurer of the

(b) The legislature has been advised that funding disruptions and uncertainty are counter-productive to public education and that the funding certainty of the classroom learning assuring student success act is critical to the effective operation of school districts. Furthermore, the evidence before the legislature confirms that the total amount of school funding meets or exceeds the Supreme Court's standard for adequacy. As a result, the legislature believes that it has enacted legislation that both fairly meets the equity requirements of Article 6 and does not run afoul of the already adequate funding as demonstrated by the excellent results of the public education system made known to the legislature.

(c) The legislature hereby finds and declares the following:

(1) That, based on testimony from the state department of education and other parties involved in the public education system, a hold harmless fund is necessary in light of the fact that many school budgets are set based upon the provisions of the classroom learning assuring student success act;

(2) that the prior equalization formulas used for capital outlay state aid and supplemental general state aid had no basis in educational policy, and that it is preferable to apply a single equalization formula to both categories of state aid;

(3) that this act fully complies with the supreme court's order, but that there is an untenable risk the act may be found to be unconstitutional and, as a result, all educational funding could be enjoined. The risk of disrupting education in this regard is unacceptable to the legislature, and as a result, the provisions of this act should be considered as severable; and

(4) that, based on testimony from the state department of education, the state board of education may be able to more quickly respond to and address concerns raised by the school districts, including, without limitation, emergency needs or a demonstrated inability to have reasonably equal access to substantially similar educational opportunities through similar tax effort.

SENATE BILL No. 515

By Committee on Ways and Means

3-22

Ballroom Amendments for SB 515 #2
Senate Committee on Ways and Means
Prepared by Jason Long
Office of Revisor of Statutes
March 23, 2016

1 AN ACT concerning education; relating to the financing and instruction
2 thereof; making and concerning appropriations for the fiscal year
3 ending June 30, 2017, for the department of education; relating to the
4 classroom learning assuring student success act; amending K.S.A. 2015
5 Supp. 72-6463, 72-6465, 72-6476, 72-6481 and 74-4939a and repealing
6 the existing sections.
7

72-6474,

8 *Be it enacted by the Legislature of the State of Kansas:*
9 Section 1.

DEPARTMENT OF EDUCATION

10 (a) There is appropriated for the above agency from the state general
11 fund for the fiscal year ending June 30, 2017, the following:

12 Supplemental general state aid.....\$367,582,721
13 School district equalization state aid.....\$61,792,947

14 (b) There is appropriated for the above agency from the following
15 special revenue fund or funds for the fiscal year ending June 30, 2017, all
16 moneys now or hereafter lawfully credited to and available in such fund or
17 funds, except that expenditures other than refunds authorized by law and
18 transfers to other state agencies shall not exceed the following:

19 School district capital outlay state aid fund.....No limit
20 (c) On July 1, 2016, of the \$2,759,751,285 appropriated for the above
21 agency for the fiscal year ending June 30, 2017, by section 54(c) of 2016

22 House Substitute for Senate Bill No. 161 from the state general fund in the
23 block grants to USDs account (652-00-1000-0500), the sum of
24 \$477,802,500 is hereby lapsed.
25

26 (d) On July 1, 2016, the expenditure limitation established for the
27 fiscal year ending June 30, 2017, by section 3(b) of chapter 4 of the 2015
28 Session Laws of Kansas on the school district extraordinary need fund of
29 the department of education is hereby decreased from \$17,521,425 to
30 \$15,167,962.

31 (e) On July 1, 2016, or as soon thereafter as moneys are available, the
32 director of accounts and reports shall transfer \$15,167,962 from the state
33 general fund to the school district extraordinary need fund of the
34 department of education.

35 New Sec. 2. (a) For school year 2016-2017, each school district that
36 has adopted a local option budget is eligible to receive an amount of

9

1 supplemental general state aid. A school district's eligibility to receive
2 supplemental general state aid shall be determined by the state board as
3 provided in this subsection. The state board of education shall:

4 (1) Determine the amount of the assessed valuation per pupil (AVPP)
5 of each school district in the state and round such amount to the nearest
6 \$1,000. The rounded amount is the AVPP of a school district for the
7 purposes of this section;

8 (2) determine the median AVPP of all school districts;

9 (3) prepare a schedule of dollar amounts using the amount of the
10 median AVPP of all school districts as the point of beginning. The
11 schedule of dollar amounts shall range upward in equal \$1,000 intervals
12 from the point of beginning to and including an amount that is equal to the
13 amount of the AVPP of the school district with the highest AVPP of all
14 school districts and shall range downward in equal \$1,000 intervals from
15 the point of beginning to and including an amount that is equal to the
16 amount of the AVPP of the school district with the lowest AVPP of all
17 school districts;

18 (4) determine a state aid percentage factor for each school district by
19 assigning a state aid computation percentage to the amount of the median
20 AVPP shown on the schedule, decreasing the state aid computation
21 percentage assigned to the amount of the median AVPP by one percentage
22 point for each \$1,000 interval above the amount of the median AVPP, and
23 increasing the state aid computation percentage assigned to the amount of
24 the median AVPP by one percentage point for each \$1,000 interval below
25 the amount of the median AVPP. The state aid percentage factor of a
26 school district is the percentage assigned to the schedule amount that is
27 equal to the amount of the AVPP of the school district, except that the state
28 aid percentage factor of a school district shall not exceed 100%. The state
29 aid computation percentage is 25%;

30 (5) determine the amount of the local option budget adopted by each
31 school district pursuant to K.S.A. 2015 Supp. 72-6471, and amendments
32 thereto; and

33 (6) multiply the amount computed under subsection (a)(5) by the
34 applicable state aid percentage factor. The resulting product is the amount
35 of payment the school district is to receive as supplemental general state
36 aid in the school year.

37 (b) The state board shall prescribe the dates upon which the
38 distribution of payments of supplemental general state aid to school
39 districts shall be due. Payments of supplemental general state aid shall be
40 distributed to school districts on the dates prescribed by the state board.
41 The state board shall certify to the director of accounts and reports the
42 amount due each school district, and the director of accounts and reports
43 shall draw a warrant on the state treasury payable to the treasurer of the

1 school district. Upon receipt of the warrant, the treasurer of the school
2 district shall credit the amount thereof to the supplemental general fund of
3 the school district to be used for the purposes of such fund.

4 (c) If any amount of supplemental general state aid that is due to be
5 paid during the month of June of a school year pursuant to the other
6 provisions of this section is not paid on or before June 30 of such school
7 year, then such payment shall be paid on or after the ensuing July 1, as
8 soon as moneys are available therefor. Any payment of supplemental
9 general state aid that is due to be paid during the month of June of a school
10 year and that is paid to school districts on or after the ensuing July 1 shall
11 be recorded and accounted for by school districts as a receipt for the
12 school year ending on the preceding June 30.

13 (d) If the amount of appropriations for supplemental general state aid
14 is less than the amount each school district is to receive for the school year,
15 the state board shall prorate the amount appropriated among the school
16 districts in proportion to the amount each school district is to receive as
17 determined under subsection (a).

18 (e) The provisions of this section shall be part of and supplemental to
19 the classroom learning assuring student success act.

20 (f) The provisions of this section shall expire on June 30, 2017.

21 New Sec. 3. (a) There is hereby established in the state treasury the
22 school district capital outlay state aid fund. Such fund shall consist of all
23 amounts transferred thereto under the provisions of subsection (c).

24 (b) For school year 2016-2017, each school district which levies a tax
25 pursuant to K.S.A. 72-8801 et seq., and amendments thereto, shall receive
26 payment from the school district capital outlay state aid fund in an amount
27 determined by the state board of education as provided in this subsection.
28 The state board of education shall:

29 (1) Determine the amount of the assessed valuation per pupil (AVPP)
30 of each school district in the state and round such amount to the nearest
31 \$1,000. The rounded amount is the AVPP of a school district for the
32 purposes of this section;

33 (2) determine the median AVPP of all school districts;

34 (3) prepare a schedule of dollar amounts using the amount of the
35 median AVPP of all school districts as the point of beginning. The
36 schedule of dollar amounts shall range upward in equal \$1,000 intervals
37 from the point of beginning to and including an amount that is equal to the
38 amount of the AVPP of the school district with the highest AVPP of all
39 school districts and shall range downward in equal \$1,000 intervals from
40 the point of beginning to and including an amount that is equal to the
41 amount of the AVPP of the school district with the lowest AVPP of all
42 school districts;

43 (4) determine a state aid percentage factor for each school district by

1 assigning a state aid computation percentage to the amount of the median
2 AVPP shown on the schedule, decreasing the state aid computation
3 percentage assigned to the amount of the median AVPP by one percentage
4 point for each \$1,000 interval above the amount of the median AVPP, and
5 increasing the state aid computation percentage assigned to the amount of
6 the median AVPP by one percentage point for each \$1,000 interval below
7 the amount of the median AVPP. The state aid percentage factor of a
8 school district is the percentage assigned to the schedule amount that is
9 equal to the amount of the AVPP of the school district, except that the state
10 aid percentage factor of a school district shall not exceed 100%. The state
11 aid computation percentage is 25%.

12 (5) determine the amount levied by each school district pursuant to
13 K.S.A. 72-8801 et seq., and amendments thereto; and

14 (6) multiply the amount computed under subsection (b)(5), but not to
15 exceed 8 mills, by the applicable state aid percentage factor. The resulting
16 product is the amount of payment the school district is to receive from the
17 school district capital outlay state aid fund in the school year.

18 (c) The state board shall certify to the director of accounts and reports
19 the amount of school district capital outlay state aid determined under the
20 provisions of subsection (b), and an amount equal thereto shall be
21 transferred by the director from the state general fund to the school district
22 capital outlay state aid fund for distribution to school districts. All transfers
23 made in accordance with the provisions of this subsection shall be
24 considered to be demand transfers from the state general fund.

25 (d) Payments from the school district capital outlay state aid fund
26 shall be distributed to school districts at times determined by the state
27 board of education. The state board of education shall certify to the
28 director of accounts and reports the amount due each school district, and
29 the director of accounts and reports shall draw a warrant on the state
30 treasury payable to the treasurer of the school district. Upon receipt of the
31 warrant, the treasurer of the school district shall credit the amount thereof
32 to the capital outlay fund of the school district to be used for the purposes
33 of such fund.

34 (e) The provisions of this section shall be part of and supplemental to
35 the classroom learning assuring student success act.

36 (f) The provisions of this section shall expire on June 30, 2017.

37 New Sec. 4. (a) For school year 2016-2017, the state board of
38 education shall disburse school district equalization state aid to each
39 school district that is eligible to receive such state aid. In determining
40 whether a school district is eligible to receive school district equalization
41 state aid, the state board shall:

42 (1) Determine the aggregate amount of supplemental general state aid
43 and capital outlay state aid such school district is to receive for school year

1 2016-2017 under sections 2 and 3, and amendments thereto, respectively;
2 (2) determine the aggregate amount of supplemental general state aid
3 and capital outlay state aid such school district received as a portion of
4 general state aid for school year 2015-2016 under K.S.A. 2015 Supp. 72-
5 6465, and amendments thereto;
6 (3) subtract the amount determined under subsection (a)(1) from the
7 amount determined under (a)(2). If the resulting difference is a positive
8 number, then the school district is eligible to receive school district
9 equalization state aid.
10 (b) The amount of school district equalization state aid an eligible
11 school district is to receive shall be equal to the amount calculated under
12 subsection (a)(3).
13 (c) The state board shall prescribe the dates upon which the
14 distribution of payments of school district equalization state aid to school
15 districts shall be due. Payments of school district equalization state aid
16 shall be distributed to school districts on the dates prescribed by the state
17 board. The state board shall certify to the director of accounts and reports
18 the amount due each school district, and the director of accounts and reports
19 shall draw a warrant on the state treasury payable to the treasurer
20 of the school district. Upon receipt of the warrant, the treasurer of the
21 school district shall credit the amount thereof to the general fund of the
22 school district to be used for the purposes of such fund.
23 (d) The provisions of this section shall be part of and supplemental to
24 the classroom learning assuring student success act.
25 (e) The provisions of this section shall expire on June 30, 2017.
26 Sec. 5. K.S.A. 2015 Supp. 72-6463 is hereby amended to read as
27 follows: 72-6463. (a) The provisions of K.S.A. 2015 Supp. 72-6463
28 through 72-6481, and sections 2 through 4, and amendments thereto, shall
29 be known and may be cited as the classroom learning assuring student
30 success act.
31 (b) The legislature hereby declares that the intent of this act is to
32 lessen state interference and involvement in the local management of
33 school districts and to provide more flexibility and increased local control
34 for school district boards of education and administrators in order to:
35 (1) Enhance predictability and certainty in school district funding
36 sources and amounts;
37 (2) allow school district boards of education and administrators to
38 best meet their individual school district's financial needs; and
39 (3) maximize opportunities for more funds to go to the classroom.
40 To meet this legislative intent, state financial support for elementary
41 and secondary public education will be met by providing a block grant for
42 school years 2015-2016 and 2016-2017 to each school district. Each
43 school district's block grant will be based in part on, and be at least equal

1 to, the total state financial support as determined for school year 2014-
2 2015 under the school district finance and quality performance act, prior to
3 its repeal. All school districts will be held harmless from any decreases to
4 the final school year 2014-2015 amount of total state financial support.
5 (c) The legislature further declares that the guiding principles for the
6 development of subsequent legislation for the finance of elementary and
7 secondary public education should consist of the following:
8 (1) Ensuring that students' educational needs are funded;
9 (2) providing more funding to classroom instruction;
10 (3) maximizing flexibility in the use of funding by school district
11 boards of education and administrators; and
12 (4) achieving the goal of providing students with those education
13 capacities established in K.S.A. 72-1127, and amendments thereto.
14 (d) The provisions of this section shall be effective from and after
15 July 1, 2015, through June 30, 2017.
16 Sec. 6. K.S.A. 2015 Supp. 72-6465 is hereby amended to read as
17 follows: 72-6465. (a) For school year 2015-2016 ~~and school year 2016-~~
18 ~~2017~~, the state board shall disburse general state aid to each school district
19 in an amount equal to:
20 (1) Subject to the provisions of subsections (b) (c) through (f) (g), the
21 amount of general state aid such school district received for school year
22 2014-2015, if any, pursuant to K.S.A. 72-6416, prior to its repeal, as
23 prorated in accordance with K.S.A. 72-6410, prior to its repeal, less:
24 (A) The amount directly attributable to the ancillary school facilities
25 weighting as determined for school year 2014-2015 under K.S.A. 72-6443,
26 prior to its repeal;
27 (B) the amount directly attributable to the cost-of-living weighting as
28 determined for school year 2014-2015 under K.S.A. 2014 Supp. 72-6450,
29 prior to its repeal;
30 (C) the amount directly attributable to declining enrollment state aid
31 as determined for school year 2014-2015 under K.S.A. 2014 Supp. 72-
32 6452, prior to its repeal; and
33 (D) the amount directly attributable to virtual school state aid as
34 determined for school year 2014-2015 under K.S.A. 2015 Supp. 72-3715,
35 and amendments thereto, plus;
36 (2) the amount of supplemental general state aid such school district
37 received for school year 2014-2015, if any, pursuant to K.S.A. 72-6434,
38 prior to its repeal, as prorated in accordance with K.S.A. 72-6434, prior to
39 its repeal, plus;
40 (3) the amount of capital outlay state aid such school district received
41 for school year 2014-2015, if any, pursuant to K.S.A. 2014 Supp. 72-8814,
42 prior to its repeal, plus;
43 (4) (A) an amount that is directly attributable to the proceeds of the

1 tax levied by the school district pursuant to K.S.A. 2015 Supp. 72-6473,
2 and amendments thereto, provided, the school district has levied such tax;
3 (B) an amount that is directly attributable to the proceeds of the tax
4 levied by the school district pursuant to K.S.A. 2015 Supp. 72-6474, and
5 amendments thereto, provided, the school district has levied such tax; and
6 (C) an amount that is directly attributable to the proceeds of the tax
7 levied by the school district pursuant to K.S.A. 2015 Supp. 72-6475, and
8 amendments thereto, provided, the school district has levied such tax, plus;
9 (5) the amount of virtual school state aid such school district is to
10 receive under K.S.A. 2015 Supp. 72-3715, and amendments thereto, plus;
11 (6) an amount certified by the board of trustees of the Kansas public
12 employees retirement system which is equal to the participating employer's
13 obligation of such school district to the system, less;
14 (7) an amount equal to 0.4% of the amount determined under
15 subsection (a)(1).
16 (b) For school year 2016-2017, the state board shall disburse
17 general state aid to each school district in an amount equal to:
18 (1) Subject to the provisions of subsections (c) through (g), the
19 amount of general state aid such school district received for school year
20 2014-2015, if any, pursuant to K.S.A. 72-6416, prior to its repeal, as
21 prorated in accordance with K.S.A. 72-6410, prior to its repeal, less;
22 (A) The amount directly attributable to the ancillary school facilities
23 weighing as determined for school year 2014-2015 under K.S.A. 72-6443,
24 prior to its repeal;
25 (B) the amount directly attributable to the cost-of-living weighting as
26 determined for school year 2014-2015 under K.S.A. 2014 Supp. 72-6450,
27 prior to its repeal;
28 (C) the amount directly attributable to declining enrollment state aid
29 as determined for school year 2014-2015 under K.S.A. 2014 Supp. 72-
30 6452, prior to its repeal; and
31 (D) the amount directly attributable to virtual school state aid as
32 determined for school year 2014-2015 under K.S.A. 2015 Supp. 72-3715,
33 and amendments thereto, plus;
34 (2) (A) an amount that is directly attributable to the proceeds of the
35 tax levied by the school district pursuant to K.S.A. 2015 Supp. 72-6473,
36 and amendments thereto, provided the school district has levied such tax;
37 (B) an amount that is directly attributable to the proceeds of the tax
38 levied by the school district pursuant to K.S.A. 2015 Supp. 72-6474, and
39 amendments thereto, provided the school district has levied such tax; and
40 (C) an amount that is directly attributable to the proceeds of the tax
41 levied by the school district pursuant to K.S.A. 2015 Supp. 72-6475, and
42 amendments thereto, provided the school district has levied such tax, plus;
43 (3) the amount of virtual school state aid such school district is to

1 receive under K.S.A. 2015 Supp. 72-3715, and amendments thereto, plus;

2 (4) an amount certified by the board of trustees of the Kansas public
3 employees retirement system which is equal to the participating employer's
4 obligation of such school district to the system, less;

5 (5) an amount equal to 0.4% of the amount determined under
6 subsection (b)(1).

7 (b) (c) For any school district whose school financing sources
8 exceeded its state financial aid for school year 2014-2015 as calculated
9 under the school district finance and quality performance act, prior to its
10 repeal, the amount such school district is entitled to receive under
11 subsection (a)(1) or (b)(1) shall be the proceeds of the tax levied by the
12 school district pursuant to K.S.A. 2015 Supp. 72-6470, and amendments
13 thereto, less the difference between such school district's school financing
14 sources and its state financial aid for school year 2014-2015 as calculated
15 under the school district finance and quality performance act, prior to its
16 repeal.

17 (b) (d) For any school district formed by consolidation in accordance
18 with article 87 of chapter 72 of the Kansas Statutes Annotated, and
19 amendments thereto, prior to the effective date of this act, and whose state
20 financial aid for school year 2014-2015 was determined under K.S.A.
21 2014 Supp. 72-6445a, prior to its repeal, the amount of general state aid
22 for such school district determined under subsection (a)(1) or (b)(1) shall
23 be determined as if such school district was not subject to K.S.A. 2014
24 Supp. 72-6445a, prior to its repeal, for school year 2014-2015.

25 (b) (e) For any school district that consolidated in accordance with
26 article 87 of chapter 72 of the Kansas Statutes Annotated, and amendments
27 thereto, and such consolidation becomes effective on or after July 1, 2015,
28 the amount of general state aid for such school district determined under
29 subsection (a)(1) or (b)(1) shall be the sum of the general state aid each of
30 the former school districts would have received under subsection (a)(1) or
31 (b)(1).

32 (b) (f) (1) For any school district that was entitled to receive school
33 facilities weighting for school year 2014-2015 under K.S.A. 2014 Supp.
34 72-6415b, prior to its repeal, and which would not have been eligible to
35 receive such weighting for school year 2015-2016 under K.S.A. 2014
36 Supp. 72-6415b, prior to its repeal, an amount directly attributable to the
37 school facilities weighting as determined for school year 2014-2015 under
38 K.S.A. 72-6415, prior to its repeal, for such school district shall be
39 subtracted from the amount of general state aid for such school district
40 determined under subsection (a)(1) or (b)(1).

41 (2) For any school district which would have been eligible to receive
42 school facilities weighting for school year 2015-2016 under K.S.A. 2014
43 Supp. 72-6415b, prior to its repeal, but which did not receive such

1 weighting for school year 2014-2015, an amount directly attributable to
 2 the school facilities weighting as would have been determined under
 3 K.S.A. 72-6415, prior to its repeal, for school year 2015-2016 shall be
 4 added to the amount of general state aid for such school district
 5 determined under subsection (a)(1) or (b)(1).

6 (3) For any school district which would have been eligible to receive
 7 school facilities weighting for school year 2016-2017 under K.S.A. 2014
 8 Supp. 72-6415b, prior to its repeal, but which did not receive such
 9 weighting for school year 2014-2015, and which would not have been
 10 eligible to receive such weighting for school year 2015-2016 under K.S.A.
 11 2014 Supp. 72-6415b, prior to its repeal, an amount directly attributable to
 12 the school facilities weighting as would have been determined under
 13 K.S.A. 72-6415, prior to its repeal, for school year 2016-2017 shall be
 14 added to the amount of general state aid for such school district
 15 determined under subsection (a)(1) or (b)(1).

16 (4) (g) (1) For any school district that received federal impact aid for
 17 school year 2014-2015, if such school district receives federal impact aid
 18 in school year 2015-2016 in an amount that is less than the amount such
 19 school district received in school year 2014-2015, then an amount equal to
 20 the difference between the amount of federal impact aid received by such
 21 school district in such school years shall be added to the amount of general
 22 state aid for such school district for school year 2015-2016 as determined
 23 under subsection (a)(1) or (b)(1).

24 (2) For any school district that received federal impact aid for school
 25 year 2014-2015, if such school district receives federal impact aid in
 26 school year 2016-2017 in an amount that is less than the amount such
 27 school district received in school year 2014-2015, then an amount equal to
 28 the difference between the amount of federal impact aid received by such
 29 school district in such school years shall be added to the amount of general
 30 state aid for such school district for school year 2016-2017 as determined
 31 under subsection (a)(1) or (b)(1).

32 (5) (h) The general state aid for each school district shall be disbursed
 33 in accordance with appropriation acts. In the event the appropriation for
 34 general state aid exceeds the amount determined under subsection (a) or
 35 (b) for any school year, then the state board shall disburse such excess
 36 amount to each school district in proportion to such school district's
 37 enrollment.

38 (4) (i) The provisions of this section shall be effective from and after
 39 July 1, 2015, through June 30, 2017.

40 Sec. 7. K.S.A. 2015 Supp. 72-6476 is hereby amended to read as
 41 follows: 72-6476. (a) Each school district may submit an application to the
 42 state finance-committee board of education for approval of extraordinary need
 43 state aid. Such application shall be submitted in such form and manner as

See attached insert

And by renumbering remaining sections accordingly

1 prescribed by the state ~~finance-estimate~~ board, and shall include a
2 description of the extraordinary need of the school district that is the basis
3 for the application.

4 (b) The state ~~finance-estimate~~ board shall review all submitted
5 applications and approve or deny such application based on whether the
6 applicant school district has demonstrated extraordinary need. As part of
7 its review of an application, the state ~~finance-estimate~~ board may conduct a
8 hearing and provide the applicant school district an opportunity to present
9 testimony as to such school district's extraordinary need. In determining
10 whether a school district has demonstrated extraordinary need, the state
11 ~~finance-estimate~~ board shall consider: (1) Any extraordinary increase in
12 enrollment of the applicant school district for the current school year; (2)
13 any extraordinary decrease in the assessed valuation of the applicant
14 school district for the current school year; and (3) any other unforeseen
15 acts or circumstances which substantially impact the applicant school
16 district's general fund budget for the current school year; and (4) in lieu of
17 any of the foregoing considerations, whether the applicant school district
18 has reasonably equal access to substantially similar educational
19 opportunity through similar tax effort.

20 (c) If the state ~~finance-estimate~~ board approves an application it shall
21 certify to the state board of education that such application was approved
22 and determine the amount of extraordinary need state aid to be disbursed
23 to the applicant school district from the school district extraordinary need
24 fund. In approving any application for extraordinary need state aid, the
25 state ~~finance-estimate~~ board may approve an amount of extraordinary need
26 state aid that is less than the amount the school district requested in the
27 application. If the state ~~finance-estimate~~ board denies an application, then
28 within 15 days of such denial ~~the state board~~ shall send written notice of
29 such denial to the superintendent of such school district. ~~The decision of~~
30 ~~the state finance-estimate shall be final. All administrative proceedings~~
31 ~~pursuant to this section shall be conducted in accordance with the~~
32 ~~provisions of the Kansas administrative procedure act. Any action by the~~
33 ~~state board pursuant to this section shall be subject to review in~~
34 ~~accordance with the Kansas judicial review act.~~

35 (d) There is hereby established in the state treasury the school district
36 extraordinary need fund which shall be administered by the state
37 department of education. All expenditures from the school district
38 extraordinary need fund shall be used for the disbursement of
39 extraordinary need state aid as approved by the state ~~finance-estimate~~ board
40 under this section. All expenditures from the school district extraordinary
41 need fund shall be made in accordance with appropriation acts upon
42 warrants of the director of accounts and reports issued pursuant to
43 vouchers approved by the state board of education, or the designee of the

1 state board of education. At the end of each fiscal year, the director of
 2 accounts and reports shall transfer to the state general fund any moneys in
 3 the school district extraordinary need fund on each such date in excess of
 4 the amount required to pay all amounts of extraordinary need state aid
 5 approved by the state finance council for the current school year.

6 (c) For school year 2015-2016 and school year 2016-2017, the state
 7 board of education shall certify to the director of accounts and reports an
 8 amount equal to the aggregate of the amount determined under K.S.A.
 9 2015 Supp. 72-6465(d)(7), and amendments thereto, for all school
 10 districts. Upon receipt of such certification, the director shall transfer the
 11 certified amount from the state general fund to the school district
 12 extraordinary need fund. All transfers made in accordance with the
 13 provisions of this subsection shall be considered to be demand transfers
 14 from the state general fund.

15 (f) The approvals by the state finance council required by this section
 16 are hereby characterized as matters of legislative delegation and subject to
 17 the guidelines prescribed in K.S.A. 75-2711(c) and amendments thereto.
 18 Such approvals may be given by the state finance council when the
 19 legislature is in session.

20 (g) The provisions of this section shall expire on July 1, June 30,
 21 2017.

22 Sec. 8. K.S.A. 2015 Supp. 72-6481 is hereby amended to read as
 23 follows: 72-6481. (a) The provisions of K.S.A. 2015 Supp. 72-6463
 24 through 72-6481, and sections 2 through 4, and amendments thereto, shall
 25 not be severable. If any provision of K.S.A. 2015 Supp. 72-6463 through
 26 72-6481, and sections 2 through 4, and amendments thereto, or any
 27 application of such provision to any person or circumstance is held to be
 28 invalid or unconstitutional by court order, all provisions the invalidity
 29 shall not affect other provisions or applications of K.S.A. 2015 Supp. 72-
 30 6463 through 72-6481, and sections 2 through 4, and amendments thereto,
 31 shall be null and void which can be given effect without the invalid
 32 provision or application.

33 (b) The provisions of this section shall be effective from and after
 34 July 1, 2015, through June 30, 2017.

35 Sec. 9. K.S.A. 2015 Supp. 74-4939a is hereby amended to read as
 36 follows: 74-4939a. On and after the effective date of this act for each fiscal
 37 year commencing with fiscal year 2005, notwithstanding the provisions of
 38 K.S.A. 74-4939, and amendments thereto, or any other statute, all moneys
 39 appropriated for the department of education from the state general fund
 40 commencing with fiscal year 2005, and each ensuing fiscal year thereafter,
 41 by appropriation act of the legislature, in the KPEPS — employer
 42 contributions account and all moneys appropriated for the department of
 43 education from the state general fund or any special revenue fund for each

1 fiscal year commencing with fiscal year 2005, and each ensuing fiscal year
2 thereafter, by any such appropriation act in that account or any other
3 account for payment of employer contributions for school districts, shall
4 be distributed by the department of education to school districts in
5 accordance with this section. Notwithstanding the provisions of K.S.A. 74-
6 4939, and amendments thereto, for school year 2015-2016, the department
7 of education shall disburse to each school district that is an eligible
8 employer as specified in K.S.A. 74-4931(1), and amendments thereto, an
9 amount in accordance with K.S.A. 2015 Supp. 72-6465(a)(6), and
10 amendments thereto, which shall be disbursed pursuant to K.S.A. 2015
11 Supp. 72-6465, and amendments thereto. Notwithstanding the provisions
12 of K.S.A. 74-4939, and amendments thereto, for school year 2016-2017,
13 the department of education shall disburse to each school district that is
14 an eligible employer as specified in K.S.A. 74-4931(1), and amendments
15 thereto, an amount in accordance with K.S.A. 2015 Supp. 72-6465(b)(4),
16 and amendments thereto, which shall be disbursed pursuant to K.S.A.
17 2015 Supp. 72-6465, and amendments thereto. Upon receipt of each such
18 disbursement of moneys, the school district shall deposit the entire amount
19 thereof into a special retirement contributions fund of the school district,
20 which shall be established by the school district in accordance with such
21 policies and procedures and which shall be used for the sole purpose of
22 receiving such disbursements from the department of education and
23 making the remittances to the system in accordance with this section and
24 such policies and procedures. Upon receipt of each such disbursement of
25 moneys from the department of education, the school district shall remit,
26 in accordance with the provisions of such policies and procedures and in
27 the manner and on the date or dates prescribed by the board of trustees of
28 the Kansas public employees retirement system, an equal amount to the
29 Kansas public employees retirement system from the special retirement
30 contributions fund of the school district to satisfy such school district's
31 obligation as a participating employer. Notwithstanding the provisions of
32 K.S.A. 74-4939, and amendments thereto, each school district that is an
33 eligible employer as specified in K.S.A. 74-4931(1), and amendments
34 thereto, shall show within the budget of such school district all amounts
35 received from disbursements into the special retirement contributions fund
36 of such school district. Notwithstanding the provisions of any other statute,
37 no official action of the school board of such school district shall be
38 required to approve a remittance to the system in accordance with this
39 section and such policies and procedures. All remittances of moneys to the
40 system by a school district in accordance with this subsection and such
41 policies and procedures shall be deemed to be expenditures of the school
42 district.

43 Sec. 10. K.S.A. 2015 Supp. 72-6463, 72-6465, 72-6476, 72-6481 and

72-6474.

[]

SB 515

13

- 1 74-4939a are hereby repealed.
- 2 Sec. 11. This act shall take effect and be in force from and after its
- 3 publication in the statute book.

Sec. 7. K.S.A. 2015 Supp. 72-6474 is hereby amended to read as follows: 72-6474. (a) The board of any school district to which the provisions of this subsection apply may levy an ad valorem tax on the taxable tangible property of the school district for school years 2015-2016 and 2016-2017 in an amount not to exceed the amount authorized by the state court of tax appeals for school year 2014-2015 pursuant to K.S.A. 72-6441, prior to its repeal, for the purpose set forth in K.S.A. 72-6441, prior to its repeal. The provisions of this subsection apply to any school district that imposed a levy pursuant to K.S.A. 72-6441, prior to its repeal, for school year 2014-2015.

(b) The board of any school district which would have been eligible to levy an ad valorem tax pursuant to K.S.A. 72-6441, prior to its repeal, for ~~school year 2015-2016 or 2016-2017~~ the operation of a school facility whose construction was financed by the issuance of bonds approved for issuance at an election held on or before June 30, 2015, may levy an ad valorem tax on the taxable tangible property of the school district each year for a period of time not to exceed two years in an amount not to exceed the amount authorized by the state board of tax appeals under this subsection for the purpose of financing the costs incurred by the school district that are directly attributable to ancillary school facilities. The state board of tax appeals may authorize the school district to make a levy which will produce an amount that is not greater than the difference between the amount of costs directly attributable to commencing operation of one or more new school facilities and the amount that is financed from any other source provided by law for such purpose.

(c) The state board of tax appeals shall certify to the state board of education the amount authorized to be produced by the

levy of a tax under subsection (a). The state board of tax appeals may adopt rules and regulations necessary to effectuate the provisions of this section, including rules and regulations relating to the evidence required in support of a school district's claim that the costs attributable to commencing operation of one or more new school facilities are in excess of the amount that is financed from any other source provided by law for such purpose.

(d) The board of any school district that has levied an ad valorem tax on the taxable tangible property of the school district each year for a period of two years under authority of subsection (b) may continue to levy such tax under authority of this subsection each year for an additional period of time not to exceed six years in an amount not to exceed the amount computed by the state board of education as provided in this subsection if the board of education of the school district determines that the costs attributable to commencing operation of one or more new school facilities are significantly greater than the costs attributable to the operation of other school facilities in the school district. The tax authorized under this subsection may be levied at a rate which will produce an amount that is not greater than the amount computed by the state board of education as provided in this subsection. In computing such amount, the state board shall:

- (1) Determine the amount produced by the tax levied by the school district under authority of subsection (b) in the second year for which such tax was levied;
- (2) compute 90% of the amount of the sum obtained under subsection (d)(1), which computed amount is the amount the

school district may levy in the first year of the six-year period for which the school district may levy a tax under authority of this subsection;

(3) compute 75% of the amount of the sum obtained under subsection (d)(1), which computed amount is the amount the school district may levy in the second year of the six-year period for which the school district may levy a tax under authority of this subsection;

(4) compute 60% of the amount of the sum obtained under subsection (d)(1), which computed amount is the amount the school district may levy in the third year of the six-year period for which the school district may levy a tax under authority of this subsection;

(5) compute 45% of the amount of the sum obtained under subsection (d)(1), which computed amount is the amount the school district may levy in the fourth year of the six-year period for which the school district may levy a tax under authority of this subsection;

(6) compute 30% of the amount of the sum obtained under subsection (d)(1), which computed amount is the amount the school district may levy in the fifth year of the six-year period for which the school district may levy a tax under authority of this subsection; and

(7) compute 15% of the amount of the sum obtained under subsection (d)(1), which computed amount is the amount the

school district may levy in the sixth year of the six-year period for which the school district may levy a tax under authority of this subsection.

(e) The proceeds from any tax levied by a school district under authority of this section shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury and shall credit the same to the state school finance fund. All moneys remitted to the state treasurer pursuant to this subsection shall be used for paying a portion of the costs of operating and maintaining public schools in partial fulfillment of the constitutional obligation of the legislature to finance the educational interests of the state.

(f) The provisions of this section shall be effective from and after July 1, 2015, through June 30, 2017.

SENATE BILL NO. 515

By Committee on Ways and Means

3-272

AN ACT concerning education; relating to the financing and instruction thereof; making and concerning appropriations for the fiscal year ending June 30, 2017, for the department of education; relating to the classroom learning assuring student success act; amending K.S.A. 2015 Supp. 72-6463, 72-6465, 72-6476, 72-6481 and 74-1979a and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1.

DEPARTMENT OF EDUCATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2017, the following:

Supplemental general state aid.....\$367,583,721

School district equalization state aid.....\$61,792,947

(b) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2017, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law and transfers to other state agencies shall not exceed the following:

School district capital outlay state aid fund.....No-fund

(c) On July 1, 2016, of the \$2,759,751,285 appropriated for the above agency for the fiscal year ending June 30, 2017, by section 54(c) of 2016 House Substitute for Senate Bill No. 161 from the state general fund in the block grants to L/S/Ds account (952-00-1090-0500), the sum of \$477,802,500 is hereby lapsed.

(d) On July 1, 2016, the expenditure limitation established for the fiscal year ending June 30, 2017, by section 3(f) of chapter 4 of the 2015 Session Laws of Kansas on the school district extraordinary need fund of the department of education is hereby decreased from \$17,521,425 to \$15,167,962.

(e) On July 1, 2016, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$15,167,962 from the state general fund to the school district extraordinary need fund of the department of education.

New Sec. 2. (a) For school year 2016-2017, each school district that has adopted a local option budget is eligible to receive an amount of

\$50,780,296

Provided, That if the amount of the demand transfer from the state general fund to the school district capital outlay state aid fund of the department of education pursuant to section 3(e), and amendments thereto, exceeds the expenditure limitation established pursuant to this subsection on the school district capital outlay state aid fund, then the expenditure limitation on the school district capital outlay state aid fund is hereby increased by the amount of moneys transferred from the school district extraordinary need fund of the department of education to the school district capital outlay state aid fund pursuant to subsection (e).

Provided, however, That if any transfer of moneys by the director of accounts and reports from the school district extraordinary need fund of the department of education is made pursuant to subsection (e), then the expenditure limitation established pursuant to this subsection on the school district extraordinary need fund is hereby decreased from \$15,167,962 to \$15,167,962 minus the amount of moneys certified by the state board of education to be transferred pursuant to subsection (e).

Provided, however, That if sufficient moneys are not available in the supplemental general state aid account of the state general fund to fully fund the provisions of section 2, and amendments thereto, then the state board of education shall certify the amount of moneys of such insufficient funds to the director of accounts and reports. And provided, That upon receipt of any such certification, the director of accounts and reports shall transfer the amount of such insufficient funds certified from the school district extraordinary need fund of the department of education to the supplemental general state aid account of the state general fund. And provided, however, That if the amount of the demand transfer from the state general fund to the school district capital outlay state aid fund of the department of education pursuant to section 3(c), and amendments thereto, exceeds \$50,780,296, then the state board of education shall certify the amount of moneys equal to the difference between \$50,780,296 and the amount of such demand transfer to the director of accounts and reports. And provided, That upon receipt of any such certification, the director of accounts and reports shall transfer the amount of such difference certified from the school district extraordinary need fund of the department of education to the school district capital outlay state aid fund of the department of education. And provided, further, That, at the same time as the state board of education transmits each such certification to the director of accounts and reports, the state board of education shall transmit a copy of such certification to the director of legislative research.

(f) During the fiscal year ending June 30, 2017, the total amount of transfers from the school district extraordinary need fund of the department of education pursuant to this section shall not exceed \$15,167,962.