



Testimony to Senate Ways & Means Committee  
SB 71 Amending the Supplemental General State Aid Formula  
February 3, 2015  
Dave Trabert, President

Chairman Masterson and members of the Committee,

We appreciate this opportunity to testify in support of SB 71, which would create a new formula for the calculating eligibility for Supplemental General State Aid (SGSA) and resulting in less funding being required.

The Legislature authorized \$109 million in additional SSGA this year for equalization based on KSDE's estimate; FY 2014 SGSA was \$339 million but the approved SGSA for FY 2015 is \$448 million. However, local districts increased property taxes more than anticipated and, in combination with changes in per-pupil valuation, the current SSGA equalization formula entitles districts to another \$36 million in state funding beyond the amount appropriated by the Legislature for this year. We believe that adjusting the formula is appropriate, as the extra \$36 million is based on entitlement rather than need.

The intention of SGSA is to offset wealth-based disparity among school districts, but calculations from the Kansas Department of Education has the current formula allocating \$54.8 million to districts in Johnson County – the state's wealthiest county. Every district in Johnson County is considered a 'property-poor' district under the current formula, including Blue Valley, which may be the most affluent district in Kansas.

Johnson County schools are being subsidized by taxpayers in far less affluent parts of Kansas under the current formula. One mill in the Blue Valley district raises \$2.3 million; one mill raises \$2.9 in Shawnee Mission and \$1.7 million in Olathe. But taxpayers in counties where 1 mill generates less than \$50,000 are being asked to subsidize property-rich districts; those counties include Cheyenne, Clark, Edwards, Ellis, Gove, Gray, Greeley, Kearny, Kiowa, Lane, Logan, Ness, Reno, Rice, Rooks, Rush, Russell, Stafford, Thomas, Trego and Wallace. One or more districts in those counties are considered ineligible for equalization aid by the current formula, but those districts' patrons are expected to subsidize urban districts in Johnson County, Sedgwick County, Shawnee County and Wyandotte County – just to name a few. We find this to be yet another example of a broken school funding formula.

The K-12 Commission on Student Achievement and Efficiency heard testimony from school districts, regional service centers and others recently, confirming that school districts could operate much more efficiently. However, school districts made it very clear that they are strongly opposed to being required to make efficient use of taxpayer money.

Legislative Post Audit also told the Commission that many findings of their efficiency audits are not acted upon by school districts. It should also be noted that every school efficiency audit conducted by Legislative Post Audit has contained multiple recommendations for school districts to operate more efficiently.

Finally, the State Supreme Court ruling on equity provides the Legislature with broad latitude in resolving wealth-based disparity, and does not require specific funding levels. *“We agree that the infirmity can be cured in a variety of ways—at the choice of the legislature. And the legislature should have an opportunity to promptly cure. Any cure will be measured by determining 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.”*<sup>i</sup>

We believe that the formula set forth in SB 71 conforms to the State Supreme Court ruling.

Accordingly, we support the change in calculating eligibility for Supplemental General State Aid and encourage the Committee to recommend it favorably.

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<sup>i</sup> Kansas Supreme Court ruling in *Gannon v. State of Kansas*, page 89.