



**House Appropriations Committee and Senate Ways and Means
Representative Ryckman and Senator Masterson, Chairs**

June 23, 2016

Presenter: Jim Freeman, CFO
Wichita Public Schools

Public Comment on Potential School Funding changes in Response to the May 27, 2016, Gannon Order

Chairman Masterson and Chairman Ryckman, members of the committees:

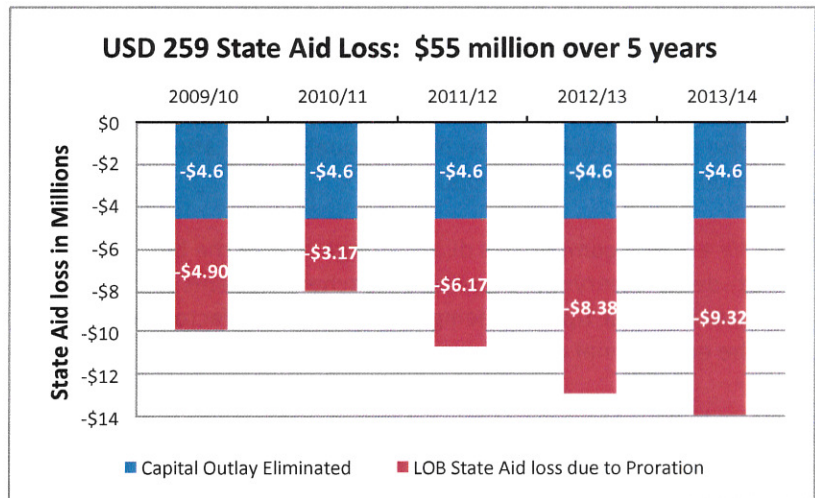
Thank you for the opportunity to provide comments on the Kansas Supreme Court’s May 27th *Gannon Order*. The legislature was successful in responding to the deficits found in the Capital Outlay state aid distribution. The Court found the Capital Outlay inequity was cured by HB 2655. The Court did not find the new local option budget (LOB) constitutional when the capital outlay aid formula was applied due to increased and exacerbated disparity among districts.

We are halfway through the month of June. We are all in agreement with the objective to keep our schools open and not disrupt the important behind the scenes work which take place during the summer to prepare for fall enrollment and the first day of classes.

Given the short timeframe and desire to provide Kansas schools and families with certainty, we support reinstating the former local option budget formula and fully fund state aid.

The issue of not providing equity for LOB and capital outlay aid has persisted since 2009. The Court found the combination of LOB aid proration and elimination of capital outlay aid created unconstitutional, wealth-based disparity among districts.

To offer the Committees a historical perspective on the magnitude of LOB state aid proration (underfunding), combined with Capital Outlay aid elimination, this chart illustrates the impact on the Wichita Public Schools. The chart illustrates state aid loss from 2009 to 2013 (prior to the block grant). LOB proration ranged from 8 percent reduction in 2010/11 to a high of 22% proration in 2013/14.



Loss of LOB state aid placed the Wichita Board of Education, along with Boards faced with proration, in the position of either increasing property taxes or cutting budgets. A sharp contrast compared to the property wealthy districts which did not experience reductions in state aid or LOB budgets.

Senate Ways and Means Committee
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