

Written Testimony SB 31: School District Capital Improvements state aid determination; excluding U.S.D. No. 207, Fort Leavenworth

To: Senate Select Committee on Education Finance

From: Dr. Cory Gibson, Superintendent of Valley Center School District, USD No. 262

Date: February 22, 2021

Positionality: PROPONENT (with recommended improvements)

Chair Baumgardner and members of the Select Committee on Education,

SB 31 is a step in the right direction in providing equitable distribution of funds to cover costs associated with bond issues.

Rationale:

Including Fort Leavenworth in the calculations for bond aid is disingenuous. USD 207 is a district that serves our honorable military families, but has very little property taxes and no ability to have a bond issue. The inclusion unfairly skews the bond state aid amounts for all districts who are eligible for state aid.

School bonds passed since 2015 will disproportionately increasing property taxes for those districts who are “property poor” per student.

If challenged in a court of law, tax payers would easily make the case that the ability to raise funds for the construction and remodel of schools is not equalized.

Specifics:

- **State Equalization Aide for Bond Issues:** There exists over a 32% difference in state resources for bonds passed prior to 2015 versus those passed after that date. For example, the 2009 USD 262 Bond is equalized at 60%, the 2016 USD 262 is at 28%. USD 262 taxpayers are picking up the difference, paying millions (2.5 mills more over the duration of the payments) more in property taxes than in previous bond issues.
- **Additional Examples:**

DISTRICT	PRE-2015 STATE EQUALIZATION AID	POST 2015 STATE EQUALIZATION AID	SB 31 AS PROPOSED STATE EQUALIZATION AID
Olathe	21%	0%	14%
Wichita	48%	16%	41%
Eudora	66%	34%	59%
Shawnee Heights	50%	18%	43%

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Louisburg	26%	0%	20%
Auburn Washburn	23%	0%	16%
Dodge City	73%	41%	67%

ENHANCEMENTS TO CONSIDER:

- Return back to the same formula as used prior to 2015. This is the same formula used for capital outlay, which was found reasonably calculated during the Gannon case.
- If approved as written, districts who are “caught in-between” the equalization years would be left out. An improvement would be to make the equalization amounts consistent and available for those bond issues passed between 2015-2021.

Due to Valley Center’s demographics and lower assessed valuation per pupil, our expenditures are near the bottom in the state. Counting every dollar that passed through our district last school year, from gate receipts to state funding, only eight of 286 school districts in the state spend less per pupil. (Source: expenditure per pupil report – KSDE). An adequate and equitable formula is critical to our student’s future success. As a growing district, this matters a lot to our district’s taxpayers and districts similar to us.

Respectfully Submitted,



OUR VISION:

To Be a Premier School District Known for Excellence in Education, Innovative Instruction, Outstanding Programs, and Dedication to Students.