



Our Schools Will Remain Open

Our schools will remain open on July 1, 2016. I have every confidence that all parties to the current funding dispute will resolve the matter in a way that permits our schools to continue their operations.

The Kansas Legislature budgets and spends approximately \$6 Billion annually in Local, State, and Federal money on our Kansas schools each year. With approximately 1.6 million Kansas taxpayers that comes to an annual amount of about \$3,750.00 from every taxpayer.

We are in the process of writing a new school finance formula to modernize it to the changing demographics of Kansas. We have developed a two (2) year bridge formula known as a "Block Grant" for school years 15-16 and 16-17. We are now in the second year of the block grant funding.

The legislature passed two bills with bipartisan support to adequately fund our schools through a Block Grant. Senate Bill 7 and House Bill 2655. Both were rejected by the Kansas Supreme Court. Four school districts; Kansas City Kansas, Wichita, Hutchinson, and Dodge City brought a law suit against the Block Grant formula. On May 27th the Supreme Court ruled against the state. The Kansas Supreme Court decided that \$5.94 Billion in State funding was distributed in a manner that was consistent with the Kansas Constitution, and \$40 Million was not. Specifically, the Court held that this \$40 Million was not distributed in an "equitable manner."

The Kansas Supreme Court has threatened to close our schools over a tiny 1% funding dispute.

Kansas Supreme Court ruling will take millions from Johnson County schools.

The Kansas Supreme Courts remedy is for the state to pay an additional \$40 million and distribute it by a method they have decided on is equitable. If the state does not do exactly as they say, they have threatened to close all the schools. To make matters worse they have given the State until June 30th to comply or they will order ALL monies withheld on July 1st and close schools.

Below is the Block Grant funding approved and set aside in those bills for our Johnson County schools.

Block Grant Funding					
District Name	2013-14	2014-15	2015-16 Estimate	2016-17 Estimate	2014-17 Change
Blue Valley	\$ 111,582,236	\$ 112,000,969	\$ 111,437,821	\$ 112,119,075	0.5%
De Soto	\$ 36,933,871	\$ 37,541,205	\$ 39,390,550	\$ 39,652,291	7.4%
Gardner Edgerton	\$ 28,914,547	\$ 32,637,959	\$ 32,261,853	\$ 31,879,588	10.3%
Olathe	\$ 161,249,057	\$ 160,341,339	\$ 174,450,563	\$ 175,240,436	8.7%
Shawnee Mission	\$ 134,063,961	\$ 128,433,405	\$ 136,730,386	\$ 137,812,023	2.8%
Spring Hill	\$ 16,563,628	\$ 18,522,524	\$ 19,141,807	\$ 19,227,187	16.1%

*General State Aid, 20 mill levy, LOB State Aid, Special Education State Aid, and Capital Outlay State Aid
(Excludes KPERS and Bond and Interest State Aid)*

Prepared by Legislative Research

As you can see the amount of funding is stable and guaranteed. **More importantly there were NO cuts to schools.** This has allowed the schools to do a two year budget during very uncertain budget conditions. The Supreme Court ruling disrupts this with the threat of telling the state it must withhold **ALL** funding if we can't comply with adding an additional \$40 million with just a few days' notice.

Let me speak just a bit more as to the Block Grants that were discussed above. A great deal of study,

time, and effort was devoted to constructing the Block Grants. I personally devoted many, many hours to working with our local school district professionals, senior officials of the Kansas Department of Education, and attorneys in an effort to make as certain as possible, that the Block Grants for the two year period, were consistent with sound education policy, and were consistent with the requirements of the Kansas Constitution. In the legislative process, it is very difficult to arrive at a consensus for action - but great effort was made to forge a consensus.

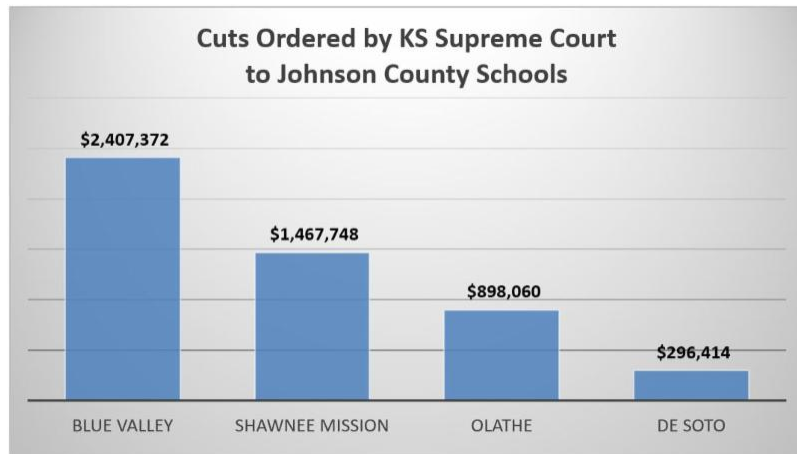
“... unfair to Johnson County schools.”

The determination of what is equitable and what is not, is certainly a matter that is open to many interpretations, and involves a consideration of the comparative levels of student enrollment,

appraised valuation of school districts, income levels of students, and much more. **In the case of the Johnson County School Districts, the Court determination of the equity issue, will result in a reduction in funding at four of our six districts.**

The Kansas Supreme Court's decision is particularly harsh and unfair to Johnson County Schools. The Kansas Supreme Court is demanding \$40 million in additional funding to schools. Should the legislature comply and add the funding, four Johnson County school districts would lose funding. This is the direct result of the way the Kansas Supreme Court is not only demanding more money but they have decided which schools receive it. Johnson County schools would receive none of the new money but would also have to give back \$5 million already budgeted to them by the block grant. **Here is the amount of funding, by district, the Supreme Courts formula will cut from Johnson County Schools. And remember, this is after the proposed \$40 million additional money is added.**

The Kansas Supreme Court opinion of the tiny 1% being unconstitutional has to be recognized and dealt with. However, the remedy of closing down schools by withholding ALL monies is a big and dangerous overreach. Several real life issues exist with the courts threat of closing down schools on July 1.



1. The State does not have an extra \$40 million to spend right now. We have a budget deficit as a result of tax estimates coming in much lower than expected.
2. Totally unnecessary to disrupt the entire system - kids and teachers - over a tiny 1% funding dispute.
3. The demand to come up with \$40 million immediately is like a typical Kansas household having to come up with \$1,000 to pay an unexpected bill. Most of us can't do that without borrowing on a credit card.
4. The state should keep all budgeted money going to pay for Children's Medicaid, pensions, and public safety. Redirecting any money from these programs will cause harm to many vulnerable people.
5. Schools have already completed their budgets for next year based on money provided by the Block Grant. All students are taken care of, all employees have jobs and health care, all at risk students have meals provided. Seems very unreasonable to disrupt all of this over a tiny 1% funding dispute.
6. If the Kansas Supreme Court orders public schools closed, the impact will fall heavily on poor students.
7. The approach will lead to more litigation, with the Kansas Supreme Court involving itself in an ever-increasing range of school finance issues.
8. There has to be a better solution from the Kansas Supreme Court rather than the harsh one being proposed to demand the State withhold all money from schools effective July 1, 2016.

The logic of the extra \$40 million demand payment is also questionable. Ninety-percent of the money will not go to the classrooms or teachers. Rather, by the method the Kansas

“Ninety-percent of money will not go to classrooms or teachers.”

Supreme Court has decided to allocate, 90% of the \$40 million will go towards reducing the amount of local monies provided to schools while increasing the amount of State monies. The net effect is the schools get same amount of money to operate on as is provided for in the Block Grant formula, not more. So why threaten to close schools? There has to be a better remedy from the Kansas Supreme Court.

I personally disagree with the Court's opinion in the equity area, and will continue to strongly advocate for more equitable, fairer, and more appropriate levels of State Aid for Johnson County Schools. The residents of Johnson County want the finest possible public schools - and Kansas Law must permit and foster this goal. I will do everything in my power as an elected official to help maintain and increase the excellence of Johnson County Schools.

And it should not ever be forgotten, that Johnson County Residents are paying far more in State Education funding, that the County receives in return in State aid for its school districts. This situation has existed for many years, and in its own way, is certainly quite "inequitable," to Johnson County residents.

Our schools will be open as usual on July 1, 2016.

Sincerely,

A handwritten signature in cursive script that reads "Jim".

Jim Denning
KS State Senator
8th District, Overland Park
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