March 24, 2025

We've been following a number of issues in the Kansas legislature with varying results last week:

- Not Good: Resolution SCR 1611 that seeks to amend our state constitution by replacing our <u>merit-based system for selecting Supreme Court justices</u> with partisan elections, has passed in both the House & Senate.
- **Not looking good:** The House & Senate passed budget bills with little to no additional funding for special education (SPED).
- Good, but caution is warranted: The House chose not to vote on Bill SB 87 that would expand the Tax Credit Scholarship voucher program. In theory, the bill is dead for the 2025 session. In practice, they often find ways to keep vouchers alive.
- **Watching:** Various tax cut proposals are being considered this week; some that could impact public school funding.

To follow are an Action Item for the week and quick summaries of the above items. Further down, the **Additional Information Section** provides more details for many of the issues.

ACTION ITEM FOR THE WEEK: Urge legislators to demand a budget with a meaningful increase in SPED funding and to reject attempts to use SPED funding as a bargaining chip to expand voucher programs that subsidize private school tuition. Find your state level legislators contact info at: ksleglookup.org/search or go bere to send a pre-populated email to all SMSD area legislators.

Supreme Court Change

Now that SCR 1611 has passed both chambers by the 2/3 majority needed (by just one vote in the House), the constitutional amendment will head to the ballot for Kansans to vote on.

Mark your calendars for August 4, 2026. Begin making your plan to vote now and spread the word. August primary elections have notoriously low turnout. Kansas PTA and other public education advocates encourage a NO vote. The courts have been an important line of defense in ensuring Kansas kids receive a quality education. We must keep them fair and impartial.

Vote Count for SMSD area legislators

A NO vote protected the integrity of the Supreme Court.

NO — Senators: Corson, Holscher, Pettey, Sykes; Representatives: Clayton, Featherston, Hoye, Meyer, Neighbor, Ousley, Poskin, S. Ruiz, Stogsdill, Vaughn, Woodard, Xu

YES — **Senators** Thompson, Warren; **Representatives** Stiens, L. Williams

SPED Funding in the K-12 Budget

The Senate passed a budget with no increase for SPED while the House's budget includes a mere \$10 million increase. Amendments to increase SPED proposed by SMSD area legislators, Senators Holscher & Sykes and Representative Ousley, failed.

Before the Senate voted last week, the <u>Shawnee Mission</u>, <u>Blue Valley</u>, and <u>Olathe school districts</u> <u>issued a joint statement urging lawmakers to increase SPED funding</u> (linked and included below). The statement showed the financial impact on their districts collectively and individually — \$60 million over the last three years for SMSD alone — and outlined how the shortfall in SPED impacts all Kansas students as districts must use general operating funds to cover the shortfall from the state.

NEXT UP: This week, select members from the House and Senate will meet in Conference Committee to negotiate differences between the budget each passed. They will come up with a final Conference Committee Report (CCR) for the full House and Senate to vote on. This will be another opportunity to encourage legislators to increase special education funding.

Expansion of the Tax Credit Scholarship voucher program

Bill SB 87 seeks to expand the Tax Credit Scholarship voucher program to divert more tax dollars to private schools that lack oversight and are allowed to discriminate in admissions.

As mentioned earlier, SB 87 wasn't voted on in the House last week. That was a good sign that there aren't enough representatives who support the bill. Technically, the bill is dead and we shouldn't have to worry about it until next year. However, because it did pass in the Senate, it is eligible to be part of the Conference Committee negotiations.

The Tax Credit Scholarship program at inception and every expansion since have yet to pass on their own merit. They have only become law after being bundled with the budget in an effort to attempt to force a yes vote from legislators. That is a concern, once again.

Tax Policy Under Consideration

After settling on a balanced tax cut last year, the legislature has been looking to further cut taxes this year. Some proposals are focused on ways to reduce property taxes while others would establish a flat income tax. We must carefully consider the impacts of each proposal to ensure the policy under consideration will not adversely affect public education funding. We will be watching the Conference Committee meetings this week to see where negotiations between the House and Senate land.

In Summary — Keep watching and stay engaged

SMAC PTA will continue to follow <u>Kansas PTA's</u> and <u>SMSD's</u> legislative priorities as we watch these issues move through the Conference Committee process. After votes are taken this week, the legislature will recess and return on April 10 to consider any bills vetoed by the Governor.

Follow SMAC PTA on <u>Facebook</u> and on <u>Instagram</u> for updates and action items and see the **Additional Information Section** and the joint letter from SMSD, BV, and Olathe, below.

Additional Information Section

Concerns about the change to the Supreme Court

Changing the state constitution is a big deal. Introducing money and partisan politics into our Supreme Court jeopardizes our fair and impartial courts that Kansans have relied upon to ensure the legislature constitutionally funds our schools.

Most recently, the Gannon case required the legislature to restore funding that was cut during the recession and Brownback tax cuts. The courts continued to maintain jurisdiction during the multi-year funding phase-in under Gannon to ensure the legislature abided by the ruling, as the legislature failed to abide by a ruling in an earlier case referred to as Montoy.

Since the Gannon ruling, there have been multiple efforts to change judicial selection, retention, and jurisdiction, as leadership has been unhappy with court rulings. This latest attempt is the first one to have passed out of the legislature.

Merit-based system

The <u>current nomination process</u> has been in place since 1958. A nominating commission reviews candidate qualifications, conducts public interviews, and decides on three nominees to recommend to the governor. The governor does further evaluation of the three nominees before appointing one to an open seat on the Supreme Court.

The nominating commission includes one lawyer and one nonlawyer from each of the state's four congressional districts, plus a lawyer who chairs the commission. Nonlawyers are appointed by the governor. Lawyers are elected by other lawyers within their congressional districts. The chair is elected by lawyers statewide.

Election process

Only 7 states hold partisan elections. In recent years, other states have seen millions of dollars pour into Supreme Court races while voters are subjected to attack ads that make it difficult to discern which candidate is the most qualified to hold a seat on our highest court. So far, \$76 million has been spent in the current Wisconsin Supreme Court race.

Concerns about Special Education Funding

The state has not been meeting its mandate to fund special education at 92% of excess special education costs since 2011. The shortfall has grown significantly over the years. **All students are impacted** as districts must cover the shortfall with money from their general operating budgets.

The legislature increased special education funding by about \$75 million last year, the first year amount of a five year phase-in plan proposed the Governor, to get the state back to funding SPED at the 92% level. This year the governor's proposed budget included \$72.6 million and the Kansas Department of Education included \$87 million in their proposed budget as part of their multi-year phase-in plan to fully fund special education. So far, only the Kansas House has included an increase for special education in their budget, but it is a mere \$10 million.

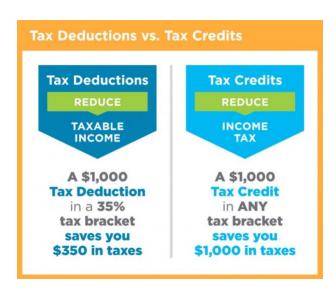
To understand the full impact of the special education shortfall on districts, students, and teachers, see the very <u>informative joint statement from the SMSD</u>, <u>Blue Valley</u>, <u>and Olathe school districts</u> linked here and included at the end of this update, and this explanatory graphic:



SB 87 details — Tax Credit Scholarship voucher program expansion

The Tax Credit Scholarship voucher program allows an individual or corporate "donor" to contribute up to \$500,000 to a scholarship fund to pay for private school tuition for eligible students. In return, the "donor" receives a lucrative 75% tax credit (e.g., \$375,000 reduction in taxes owed for a \$500,000 contribution). If the tax credit exceeds the taxpayers tax liability, the remaining tax credit can be carried forward to reduce their tax liability in future years.

Tax credits are much more beneficial than the tax deductions most of us receive for typical charitable donations. As an example:



The savings to the taxpayer (e.g., \$375,000 on a \$500,000 donation) also reduces the state revenues available for public schools, as the funds that would have been paid to the state are instead used to fund private school tuition. The aggregate cap for tax credits under the program (i.e., the maximum amount of public funds that can be diverted to private schools), is \$10 million. **SB 87 seeks to increase the cap (amount diverted to private schools) to \$25 million.**

At its inception, the Tax Credit Scholarship program was intended to provide private school scholarships for at-risk students (those qualified for free lunch) attending the 100 lowest performing schools. Despite its official name being the Low Income Tax Credit Scholarship, leadership in the legislature has continually pushed to expand the program beyond its original intent of helping low-income students.

The program is currently open to students attending any public school and to families with income at or below 250% of the Federal Poverty Level, or \$80,375 (family of 4) and \$94,125 (family of 5). Bill SB 87 seeks to further expand eligibility to certain categories of students without income limits.

Continuing to expand eligibility makes it less likely that private schools will choose one of the 230,000 eligible free or reduced lunch (low income) students the who apply. With an evergrowing pool of students to choose from, private schools can pass over the low income students who often have greater challenges to overcome.

Legislators should focus on fully funding special education and not diverting more of our tax dollars to private schools that lack oversight and are allowed to discriminate in admissions based on criteria of their choosing. Public tax dollars belong with our public schools that accept and education all children.

Joint Statement from SMSD, Blue Valley, and Olathe

Find the joint statement regarding the impact the current budget under consideration, that includes little to no increase in SPED funding, will have on Johnson County school districts, on the pages that follow.







HB 2007 and the Impact on Johnson County School Districts March 17, 2025

Submitted Jointly by: Dr. Tonya Merrigan, Blue Valley Schools

Dr. Brent Yeager, Olathe Public Schools

Dr. Michael Schumacher, Shawnee Mission School District

Greetings:

We represent the Blue Valley, Shawnee Mission and Olathe school districts, and we are joining together to address the impact of Sub. for House Bill 2007 on Johnson County schools. While each of our districts is unique, the challenges this legislation presents—and the significant and nearly identical impact on our students, staff and communities—demand a united response. Together, we serve tens of thousands of students and families, and we are deeply concerned about the consequences of this legislation on our ability to deliver high-quality education and support the needs of all learners.

Last year, the Legislature made a meaningful step forward by investing \$72 million in special education (SPED), moving closer to the statutory requirement of 92% funding. We are grateful for that support. Unfortunately, HB 2007 halts that progress by failing to provide adequate new SPED funding for the 2025-26 school year—leaving schools with growing financial obligations and little to no additional support.

This failure to adequately increase SPED funding forces our districts to make damaging choices: we must divert even more dollars away from general operations, core classroom instruction, and vital student programs to fulfill the obligation left by the unfulfilled commitment and budget shortfall. This is not sustainable.

Recently, there have been suggestions that other existing sources of revenue are filling the shortfall and new funds aren't needed. However, the suggestion that these existing sources can simply be "repurposed" to fill this gap is misleading and inaccurate.

 The Local Option Budget (LOB) is generated from local property taxpayers to meet local needs, often with voter approval. Shifting these funds does not fulfill the state's 92% funding obligation—it shifts the burden from the state to local taxpayers.

 Cash balances in SPED accounts fluctuate depending on deposits and spending. A periodic elevated cash balance does not mean extra or unused SPED funding. It reflects cash flow, not excess.

The magnitude of the shortfall is clear. Our districts have already been forced to make massive transfers to cover special education needs:

School Year	Blue Valley	Olathe	Shawnee Mission
2022-23	\$20.3M	\$36.2M	\$19.4M
2023-24	\$22.6M	\$32.1M	\$18.0M
2024-25	\$25.0M	\$34.1M	\$22.6M
Total	\$67.9M	\$102.4M	\$60.0M

Cumulative total transferred away from other student services: \$230.3 million.

This is not theoretical. These are real dollars, real impacts on students, teachers and classrooms.

Additionally, the budget also removes a variety of teacher-focused programs critical to quality education and specifically identified in the Gannon decision:

- · Professional Development
- Career & Technical Education (CTE) Transportation
- Mentor Teacher Program
- Teacher Excellence Program (cutting \$5 million this year and \$5 million next year)

Stripping these programs is a direct hit to teacher quality, recruitment, and retention—particularly in a time when districts are already grappling with workforce shortages and increasing student needs.

We do appreciate the inclusion of \$262 million to fund the consumer price index (CPI) increase. But let us be clear: these funds are not a windfall. They are necessary just to maintain current service levels and meet rising costs for staff, supplies, transportation, and other essentials. Without them, districts would fall behind, unable to fulfill commitments to students and staff.

As budget negotiations begin, the Legislature must not turn its back on students with disabilities, educators and Kansas families. We strongly urge legislators to:

- 1. Restore and increase SPED funding to meet the statutory 92% obligation.
- 2. Reject any suggestion that local dollars can substitute for state responsibility.
- 3. Reinstate crucial teacher support programs that directly affect student outcomes.
- 4. Protect the CPI increase to ensure schools can operate effectively in the face of rising costs.

Failure to act will force districts to make serious decisions as it relates to the future of programs, staff and services, shifting the burden to local communities and undermining educational quality across Kansas.

Now is the time to honor commitments. Our students, educators and families are counting on you.

Sincerely,

Dr. Tonya Merrigan,

Tonga Merrigan

Blue Valley Schools Olathe Public Schools

Dr. Brent Yeager, Dr. Michael Schumacher, Shawnee Mission School District