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**Comprehensive Summary of the Kansas Supreme Court Opinion in
Gannon v. State, issued March 2, 2017 (*Gannon IV*)**

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This memorandum provides a comprehensive summary of the Kansas Supreme Court's *Gannon IV* decision, and places the opinion in the context with other recent opinions regarding school finance. The Office of Revisor of Statutes has prepared memoranda on each of the Court's prior decisions in *Gannon v. State*, and a memorandum on the history of school finance litigation in Kansas. These documents can be obtained by contacting the Office of Revisor of Statutes, or through our website.¹

In its fourth decision in the ongoing *Gannon* school finance case, issued on March 2, 2017, the Kansas Supreme Court (Court) held that the Classroom Learning Assuring Student Success Act (CLASS Act) enacted in 2015 House Substitute for Senate Bill 7 (SB 7) does not fund public education at a constitutionally adequate level.² In its first decision, *Gannon v. State* (*Gannon I*), the Court reaffirmed that school funding must be adequate and equitable under Article 6, § 6(b) of the Constitution of the State of Kansas (Article 6).³ The adequacy requirement is satisfied "when the public education financing system provided by the Legislature for grades K-12—through structure and implementation—is reasonably calculated to have all Kansas public education students meet or exceed the [*Rose* standards]."⁴ In *Gannon IV*, the Court concluded that based on its analysis of the K-12 educational finance system, the CLASS Act does not meet the adequacy standard.⁵ The CLASS Act is already set to expire by legislative enactment on June 30, 2017, and the Court provided the Legislature until that date to enact a new

¹ Kansas Office of Revisor of Statutes, <http://www.ksrevisor.org/>.

² *Gannon v. State*, No. 113,267 at 7 (Kan. Sup. Ct. March 2, 2017) (*Gannon IV*).

³ *Gannon v. State*, 298 Kan. 1107, 1170 (2014) (*Gannon I*). The Court held that the dual requirements of Article 6, § 6(b) had previously been recognized by the Court in the *Montoy v. State* school finance litigation.

⁴ *Id.* The *Rose* standards are educational capacities first espoused by the Kentucky Supreme Court in *Rose v. Council for Better Educ., Inc.*, 790 S.W.2d 186 (Ky. 1989). They are currently codified in K.S.A. 2016 Supp. 72-1127(c), and a copy is attached as Appendix A.

⁵ *Gannon IV* at 76.

school financing system.⁶ The State must demonstrate that such financing system is "reasonably calculated to address the constitutional violations" of the adequacy requirement while also satisfying the equity requirement.⁷

RECENT PROCEDURAL HISTORY

The *Gannon v. State* series of cases began in November 2010 when a lawsuit was filed claiming the State violated Article 6, §6(b) of the Constitution of the State of Kansas by not constitutionally funding public K-12 schools in Kansas. Article 6 requires the Legislature "make suitable provision for finance of the educational interests of the state."⁸

Gannon I

In *Gannon I*, the Court reaffirmed that Article 6 requires both an adequacy and an equity component be satisfied for a school finance formula to be constitutional. The Court determined that the adequacy requirement is satisfied "when the public education financing system provided by the Legislature for grades K-12—through structure and implementation—is reasonably calculated to have all Kansas public education students meet or exceed the [*Rose* standards]."⁹ The Court did not apply the new adequacy test to the existing formula, but directed the District Court panel (Panel) to do so on remand.¹⁰ The Court also determined that the equity requirement is satisfied when school districts "have reasonably equal access to substantially similar educational opportunity through similar tax effort."¹¹ The Court applied the equity test to the current funding levels for capital outlay state aid and supplemental general state aid, and found both unconstitutional.¹² The Court then remanded the case to the Panel.¹³

School Finance Formulas in Kansas

When *Gannon* was filed in 2010, the School District Finance and Quality Performance Act (SDFQPA) was the existing school finance formula. Under the SDFQPA, the amount of state aid received by a district was determined by multiplying the base state aid per pupil (BSAPP) by the adjusted enrollment of the district. Adjusted enrollment used certain weightings to account for the particular demographics and characteristics of a district's student population.

⁶ *Id.* at 81.

⁷ *Id.*

⁸ Kan. Const. Art. 6 §6(b).

⁹ *Gannon I* at 1170.

¹⁰ *Id.* at 1199.

¹¹ *Id.* at 1175.

¹² *Id.* at 1197.

¹³ *Id.* at 1200.

The SDFQPA was repealed in 2015 by SB 7 and replaced by the current school finance system, the CLASS Act. It was enacted as a two-year "block grant" of funding for schools until the Legislature could create a new school finance system. Under the CLASS Act, districts receive a "block grant" of state financial aid based on the district's state aid under the SDFQPA with some adjustments. The CLASS Act is set to expire on June 30, 2017.

District Court Panel

In 2014 and 2015, the Panel issued two separate decisions on the constitutionality of both the adequacy and equity components of Kansas school finance funding formulas. In the Panel's first decision after *Gannon I*, the Panel found the SDFQPA to be unconstitutional under the new test for adequacy.¹⁴ The Legislature then repealed the SDFQPA and enacted the CLASS Act in response to the Panel's decision. The Panel subsequently issued a new decision finding the CLASS Act unconstitutionally inadequate and the supplemental general state aid and capital outlay state aid equalization formulas as amended by the CLASS Act were unconstitutionally inequitable.¹⁵

Bifurcation

On July 24, 2015, following the Panel's decision on the CLASS Act, the Court stated that the equity and adequacy issues were in different stages of the litigation and it "recognized the need for an expedited decision on the equity portion of the case."¹⁶ The Court then bifurcated adequacy and equity and required the parties to brief and argue the issues separately.¹⁷ The Court ruled on the equity issue in *Gannon II* and *Gannon III*, and on the adequacy issue in *Gannon IV*.

Gannon II and III

In *Gannon II*, the Court held that the State failed to show sufficient evidence that it complied with the Court's prior equity orders set forth in *Gannon I* and found that the amended supplemental general state aid and capital outlay state aid equalization formulas in SB 7 failed to cure the unconstitutional wealth-based disparities between districts.¹⁸ In response, the Legislature enacted Senate Substitute for House Bill No. 2655 amending both the supplemental general state aid and capital outlay state aid formulas. In *Gannon III*, the Court held that HB 2655 cured the capital outlay inequities, but failed to cure the supplemental general state aid

¹⁴ *Gannon v. State*, No. 2010CV1569 at 115 (Shawnee Co. Dist. Ct. Dec. 30, 2014).

¹⁵ *Gannon v. State*, No. 2010CV1569 at 7 (Shawnee Co. Dist. Ct. June 26, 2015).

¹⁶ *Gannon v. State*, No. 113,267 (Kan. Sup. Ct. Order July 24, 2015).

¹⁷ *Id.*

¹⁸ *Gannon v. State*, 303 Kan. 682, 720, 726 (2016) (*Gannon II*).

inequities.¹⁹ To address the supplemental general state aid inequities, the Legislature, in special session, passed Substitute for House Bill 2001. On June 28, 2016, the Court found HB 2001 cured the supplemental general state aid inequities.²⁰ Though the equity portion of the case was now resolved, the Court retained jurisdiction over the issue.

GANNON IV COMPREHENSIVE SUMMARY

On March 2, 2017, the Court issued its *Gannon IV* decision on adequacy. In its decision, the Court held that the CLASS Act inadequately funds public schools in Kansas.²¹ The Court determined that the CLASS Act is unconstitutional because it does not meet the structure or implementation requirements of the adequacy test.²² When reviewing the implementation of the CLASS Act, the Court examined the inputs to the K-12 educational system (the costs and funding sources of providing an adequate system)²³ and the outputs from the system (various student achievement measures).²⁴ Though affirming the Panel's conclusion that the CLASS Act is unconstitutional, the Court stayed all orders to give the Legislature the opportunity to enact a new school finance system prior to June 30, 2017, when the CLASS Act is set to expire.²⁵ The Court stated that the State must demonstrate that any new school financing system must be "reasonably calculated to address the constitutional violations" of the adequacy requirement while also satisfying the equity requirement.²⁶ If a constitutional school finance system is not enacted by that date, then the Court will lift its stay and issue an order holding the entire school finance system unconstitutional.²⁷

Threshold Rulings

The State made several arguments challenging the Panel's decision that the CLASS Act is unconstitutionally inadequate. The Court addressed three of these arguments at the outset of its adequacy analysis, ruling against the State in each instance.

First, the State argued that the Panel failed to afford the proper deference to the Legislature's authority to determine school finance policy and in conjunction argued that the

¹⁹ *Gannon v. State*, 304 Kan. 490, 493 (2016) (*Gannon III*).

²⁰ *Gannon v. State*, No. 113, 267 (Kan. Sup. Ct. Order June 28, 2016).

²¹ *Gannon IV* at 76.

²² *Id.*

²³ *Id.* at 52-61.

²⁴ *Id.* at 62-77.

²⁵ *Id.* at 81.

²⁶ *Id.*

²⁷ *Id.* at 82.

CLASS Act should be reviewed on a rational basis.²⁸ The State contended that under such rational basis test the CLASS Act would be constitutional as long as the Legislature acted reasonably and not arbitrarily in enacting the legislation.²⁹ The Court rejected both arguments. The Court reaffirmed its role to review legislation to ensure constitutional compliance.³⁰ It also noted that the Legislature is given "a proper amount of judicial deference" in its ability to consider all funding sources that may be utilized in a K-12 educational finance system.³¹ Additionally, the Court stated that while "almost all plaintiffs" would have difficulty meeting a rational basis test, the Panel would likely have still found the CLASS Act unconstitutional even under this standard.³²

Second, the State argued that the Panel improperly shifted the burden of proof to the State.³³ The Court rejected this argument and found that although the CLASS Act was enacted "in prompt response" to the Panel's 2014 decision, the Panel never expressly stated that the State had the burden to prove adequacy, therefore, the burden had not been improperly shifted to the State.³⁴

Third, the State argued that the Panel applied the wrong adequacy test.³⁵ The Court disagreed.³⁶ It found the Panel had cited and applied the appropriate adequacy test numerous times in its decisions.³⁷ The Court also observed that the Panel clarified that it applied the adequacy test throughout each of its decisions in its reference to the statutory standards at that time, which were very similar to the *Rose* capacities.³⁸

After disposing of the State's threshold arguments, the Court examined the constitutionality of the CLASS Act under its test for adequacy.

Adequacy Analysis of the Court

The test for constitutional adequacy under Article 6 is that the "public education financing system provided by the Legislature for grades K-12—through structure and implementation—is reasonably calculated to have all Kansas public education students meet or

²⁸ *Id.* at 38.

²⁹ *Id.* at 40.

³⁰ *Id.* at 41.

³¹ *Id.* at 43-44.

³² *Id.* at 43.

³³ *Id.* at 38.

³⁴ *Id.* at 45-46.

³⁵ *Id.* at 38.

³⁶ *Id.* at 47.

³⁷ *Id.* at 46.

³⁸ *Id.* at 46-47.

exceed the [*Rose* standards]."³⁹ In *Gannon IV*, the Court separated the adequacy test into two requirements: structure and implementation. After reviewing the Panel's application of the adequacy test, the Court held there was substantial competent evidence supporting the Panel's conclusions.⁴⁰ The Court affirmed the Panel's holding that the CLASS Act, in both its structure and implementation, is unconstitutionally inadequate.⁴¹

Structure

The Court held the CLASS Act violates Article 6 with respect to its structure. The Court found the CLASS Act "does not profess to be a school finance formula."⁴² The block grants provided by the Act are "a funding stopgap and merely freeze the K-12 funding levels for fiscal years 2016 and 2017 at the levels for fiscal year 2015."⁴³ Furthermore, the Court found that the CLASS Act was "only minimally responsive to financially important changing conditions, such as increased enrollment."⁴⁴ The structure of the CLASS Act is not reasonably calculated to have all public education students meet or exceed the *Rose* capacities.⁴⁵

Implementation

The Court held the CLASS Act also violates Article 6 with respect to its implementation. The Court determined that the implementation requirement of the adequacy test requires a review of "both the financing system's inputs, *e.g.* funding, and outputs, *e.g.* outcomes such as student achievement."⁴⁶ After examining both inputs and outputs, the Court affirmed the Panel's conclusion that the CLASS Act is unconstitutional in its implementation both as to the funding provided through the Act and the outcomes achieved.⁴⁷

Inputs

In reviewing the inputs of the CLASS Act, the Court examined the funding sources, the level of funding, and the impact of such funding on the K-12 education system.

The Court reiterated its prior direction to the Panel to consider all funding sources for the K-12 educational finance system.⁴⁸ The Court found the Panel "should have given greater

³⁹ *Gannon I* at 1170.

⁴⁰ *Gannon IV* at 52.

⁴¹ *Id.* at 76.

⁴² *Id.* at 49.

⁴³ *Id.*

⁴⁴ *Id.*

⁴⁵ *Id.* at 7.

⁴⁶ *Id.*

⁴⁷ *Id.* at 76.

⁴⁸ *Id.* at 52.

consideration and some value to the other various sources of funds and not rejected their applicability to the adequacy calculus," such as local option budget money, federal funds, and KPERS employer contributions.⁴⁹ In particular, the Court noted that local option budget funding accounted for "nearly one-fourth of the districts' basic operating expenses."⁵⁰ The Court also pointed out that federal funds should have been given value by the Panel and noted the plaintiffs' example of Emerson Elementary student achievement gains which were made possible by the infusion of federal grant moneys.⁵¹ Finally, the Court recognized the importance of KPERS employer contributions to creating "a competitive hiring environment for Kansas schools."⁵²

The Court then looked at the Panel's findings with respect to the level of funding. In particular, the Court examined the Panel's findings regarding BSAPP reductions. The Court noted the Panel's finding that the BSAPP had been reduced to \$3,780, and that the State Board of Education, the legislatively-created 2010 Commission, and both the Augenblick & Myers cost study and the Legislative Post Audit cost study had recommended a BSAPP above this amount.⁵³ The Panel also determined that demands on schools increased, but resources for schools declined.⁵⁴ In finding it was appropriate for the Panel to consider BSAPP reductions and cost studies, the Court reiterated its *Gannon I* statement that the "actual costs remain a valid factor to be considered during application of our test for determining constitutional adequacy under Article 6."⁵⁵

The remainder of the Court's inputs analysis examined the Panel's findings regarding the impact of the funding levels on the plaintiff school districts. The Court reviewed the Panel's findings that reductions in BSAPP resulted in the elimination of education programs and decreases in staffing, which impact certain *Rose* capacities. The Panel found that budget cuts to extracurricular staff and programs affected the "first *Rose* standard, 'sufficient oral and written communication skills to enable students to function in a complex and rapidly changing civilization'; the fourth standard, 'sufficient self-knowledge and knowledge of his or her mental and physical wellness'; and the fifth standard, 'sufficient grounding in the arts to enable each student to appreciate his or her cultural and historical heritage'."⁵⁶ The Panel also found that such

⁴⁹ *Id.* at 53.

⁵⁰ *Id.*

⁵¹ *Id.*

⁵² *Id.* at 54.

⁵³ *Id.* at 55.

⁵⁴ *Id.* at 55.

⁵⁵ *Id.* (quoting *Gannon I* at 1170).

⁵⁶ *Id.* at 58 (citing K.S.A. 2016 Supp. 72-1127(c)(1), (4), and (5)).

budget cuts impacted non-core curriculum, such as political science and social studies, which affected the second *Rose* standard, "sufficient knowledge of economic, social, and political systems to enable the student to make informed choices," and the third standard, "sufficient understanding of governmental processes to enable the student to understand the issues that affect his or her community, state, and nation."⁵⁷ Finally, the Panel found that budget cuts to technology and vocational education affected the sixth *Rose* standard, "sufficient training or preparation for advance training in either academic or vocational fields so as to enable each child to choose and pursue life work intelligently," and the seventh standard, "sufficient levels of academic or vocational skills to enable public school students to compete favorably with their counterparts in surrounding states in academics or in the job market."⁵⁸

After reviewing the inputs associated with the CLASS Act, the Court held that the Panel's findings on funding were supported by substantial competent evidence.⁵⁹ The Court noted the Panel relied on expert and lay testimony at trial, and reviewed "several years' worth of KSDE student achievement statistics."⁶⁰ The Court concluded that despite some noted infirmities in the Panel's findings even when considering all funding sources, the "legal conclusions derived from [the Panel's] findings remain ours."⁶¹

Outputs

In reviewing the outputs of the CLASS Act, the Court examined data for the years leading up to the trial of the case and those that came after it.⁶² Such data included statewide assessment test scores in both reading and math, National Assessment of Educational Progress (NAEP) scores, ACT benchmark scores, and high school graduation rates. The State argued that the data leading up to 2011-2012 showed consistent improvement in both overall student achievement and in the "achievement gaps" between all students and certain demographic subgroups.⁶³ The Court, however, disagreed and confirmed the Panel's conclusion that such improvement coincided with the increase in school funding during and subsequent to the *Montoy*

⁵⁷ *Id.* at 59 (citing K.S.A. 2016 Supp. 72-1127(c)(2) and (3)).

⁵⁸ *Id.* (citing K.S.A. 2016 Supp. 72-1127(c)(6) and (7)).

⁵⁹ *Id.* at 52.

⁶⁰ *Id.* at 51.

⁶¹ *Id.* at 61.

⁶² *Id.* at 62-66. The Court recognized that the Kansas State Department of Education did not publish the state standardized test data for school year 2013-2014 because of security issues.

⁶³ *Id.* at 62-63.

v. *State* school finance litigation.⁶⁴ Further, the Court noted that the data from subsequent years "appears to demonstrate a steady regression from the student improvements."⁶⁵

The Court specifically examined statewide assessment scores in both reading and math. On the test scores for reading, the Court found that overall the percentage of students scoring below grade level increased after the 2011-2012 school year, and there were widening achievement gaps in comparison to all students for certain subgroups of students, including African-American, Hispanic, English language learner, disabled, and free and reduced lunch students.⁶⁶ For math, the Court also found an increase in the percentage of students scoring below grade level in math and widening achievement gaps for those same subgroups of students.⁶⁷ The Court concluded that the State is failing to provide nearly one-fourth of all public school students in Kansas with basic skills in both reading and math.⁶⁸ The Court affirmed the Panel's finding that such assessment scores constitute a failure to meet the sixth and seventh *Rose* standards.⁶⁹

The Court also reviewed NAEP and ACT scores. The Court affirmed the Panel's findings regarding achievement gaps in NAEP and ACT testing. In reviewing the NAEP scores, the Court found there were achievement gaps between all students and certain subgroups of students scoring "below basic" on the assessment.⁷⁰ Such subgroups included African-American, Hispanic, and English language learner students. Similar achievement gaps were also found by the Court in the ACT benchmark scoring percentages.⁷¹

The Court found further evidence of achievement gaps in the graduation rate and college readiness data. The Court noted that while overall graduation rates have increased, a higher percentage of certain students, including African-American, Hispanic, English language learner, disabled, and free and reduced lunch students, were unable to graduate in four years.⁷² Taking judicial notice of KSDE's tracking of college readiness in the 2014-2015 and 2015-2016 school

⁶⁴ *Id.* at 63.

⁶⁵ *Id.* at 64-65. While the State argued that student assessment scores for 2014-2015 and 2015-2016 came after a change in school curriculum and testing standards, the Court found that such changes were to student achievement labels and that the overall design of the assessments was still a measure of student achievement against certain standards.

⁶⁶ *Id.* at 67.

⁶⁷ *Id.* at 68-69.

⁶⁸ *Id.* at 67, 69.

⁶⁹ *Id.* at 69.

⁷⁰ *Id.* at 71-72.

⁷¹ *Id.* at 73.

⁷² *Id.* at 73-74.

years, the Court found that the percentages of students who were college ready in both reading and math for all subgroups were lower when compared to the percentage of all students.⁷³

Based on the demonstrated inputs and outputs, the Court concluded that the CLASS Act was "not reasonably calculated to have all Kansas K-12 public school students meet or exceed the *Rose* standards" through its implementation.⁷⁴ The Court clarified that such conclusion was true even when considering all funding sources, including those discounted by the Panel.⁷⁵

Additional Rulings

Jurisdiction and Justiciability

In its June 26, 2015, decision, the Panel determined that it had jurisdiction to rule on the constitutionality of the CLASS Act.⁷⁶ The State challenged the Panel's exercise of jurisdiction over the CLASS Act and argued that the Legislature's enactment of the CLASS Act required the plaintiffs to amend pleadings and introduce new evidence in order to challenge the new law within the current *Gannon* litigation.⁷⁷ The Court rejected the State's argument and found that the Panel had jurisdiction to consider whether the CLASS Act was constitutional.⁷⁸ The Court noted that in *Gannon II* it had rejected a similar argument made by the State in which the Court found that "the Legislature essentially created CLASS as a mere extension" of the SDFQPA and that the CLASS Act was not a "substantial shift in the way funds are distributed for public education."⁷⁹ The Court also noted that prior school finance precedent confirms that a court possesses jurisdiction over new school finance legislation passed in response to an order declaring the preceding law unconstitutional.⁸⁰

The State also argued that the adequacy component of Article 6 presents a political question that is beyond the capacity or role of the courts to enforce, particularly with respect to the *Rose* standards.⁸¹ The Court rejected the State's arguments and continued to hold that claims arising under Article 6 are justiciable.⁸² The Court noted that in *Gannon I* it rejected a similar justiciability argument.⁸³ The Court then found that the State failed to show that the requirements

⁷³ *Id.* at 74.

⁷⁴ *Id.* at 76.

⁷⁵ *Id.*

⁷⁶ *Id.* at 13.

⁷⁷ *Id.*

⁷⁸ *Id.* at 15-16.

⁷⁹ *Id.* at 14-15.

⁸⁰ *Id.* at 15.

⁸¹ *Id.* at 17.

⁸² *Id.* at 21.

⁸³ *Id.* at 18.

of Article 6 were rendered less judicially manageable due to the adoption of the *Rose* standards.⁸⁴ The Court noted that, for the last 12 years, the Legislature has acknowledged that the State Board of Education is capable of understanding, measuring, and implementing the *Rose* standards, which undermines the State's argument that such standards are so nebulous and vague that they are not judicially discoverable or manageable.⁸⁵ In addition, the Court noted that the Legislature has adopted the *Rose* standards as one of the "guiding principles" for the development of subsequent school finance legislation.⁸⁶

Procedural Issues

After the Court remanded the case to the Panel in *Gannon I*, the Panel denied the State's request to reopen the record to allow new information and evidence to be presented.⁸⁷ The Court held that this was not an abuse of the Panel's discretion because the Panel thoroughly reviewed the State's additional information and found it unpersuasive or cumulative to what was already in evidence.⁸⁸

In addition, the State contended that the Panel improperly took judicial notice of the report card compiled by KSDE for school year 2012-2013.⁸⁹ Specifically, the State asserted that this data was subject to dispute by the parties because KSDE had issued a cautionary statement explaining that the tests during that year were not aligned to the new statewide curriculum and the results may not be a true indication of student progress.⁹⁰ The Court rejected this argument and held that the Panel did not abuse its discretion in taking judicial notice of such information and followed the proper procedures to take judicial notice of certain evidence.⁹¹ The Court found that the actual accuracy of the evidence was not in dispute.⁹²

The State also argued that the Panel failed to separately set out findings of fact in its December 2014 ruling as required by state law and by the Court in *Gannon I*.⁹³ The Court held that the State's argument was without merit because the Panel's decision sufficiently reflected the factual basis through which the December 2014 decision had been reached.⁹⁴

⁸⁴ *Id.* at 19.

⁸⁵ *Id.*

⁸⁶ *Id.*

⁸⁷ *Id.* at 23.

⁸⁸ *Id.* at 24-25.

⁸⁹ *Id.* at 25.

⁹⁰ *Id.* at 25.

⁹¹ *Id.* at 28.

⁹² *Id.* at 26.

⁹³ *Id.* at 29.

⁹⁴ *Id.* at 33.

Attorney Fees

The Court rejected the plaintiffs' request for attorney fees as procedurally insufficient since the required motion for such requests had not been submitted to the Court.⁹⁵

Remedy

The Court, noting that the CLASS Act is already set to expire by legislative enactment on June 30, 2017, stayed the order of the Panel and the Court's own mandate until that time to allow the Legislature the opportunity to create a new school finance system that complies with the State's Constitution and the Court's prior decisions.⁹⁶ The Court provided no specific recommendations as to the structure or implementation of a new school finance system. Once a new financing system is enacted by the Legislature, the State will bear the burden of establishing compliance with the Court's rulings regarding adequacy and equity by June 30.⁹⁷ The Court noted that the Legislature has demonstrated its ability to cure constitutional infirmities recognized by the court in two prior cases.⁹⁸ If the State fails to comply with the order, the financing system will be ruled constitutionally invalid and therefore void.⁹⁹ The Court also retained jurisdiction over the case.¹⁰⁰

CONCLUSION

In *Gannon IV*, the Court held that the CLASS Act does not meet the structure or implementation requirements of the adequacy test.¹⁰¹ After examining the Panel's findings with respect to the funding sources for the K-12 educational finance system, and the various student achievement measures, the Court affirmed the Panel's conclusion that the CLASS Act is constitutionally inadequate.¹⁰² The Court stayed all orders to give the Legislature the opportunity to enact a new school finance system prior to June 30, 2017, when the CLASS Act is set to expire.¹⁰³ The State must demonstrate that such financing system is "reasonably calculated to address the constitutional violations" of the adequacy requirement while also satisfying the

⁹⁵ *Id.* at 78.

⁹⁶ *Id.* at 81.

⁹⁷ *Id.* at 9.

⁹⁸ *Id.* at 82.

⁹⁹ *Id.* at 82.

¹⁰⁰ *Id.* at 83.

¹⁰¹ *Id.* at 7.

¹⁰² *Id.* at 76.

¹⁰³ *Id.* at 81.

equity requirement.¹⁰⁴ If a constitutional school finance system is not enacted by that date, then the Court will lift its stay and issue an order holding the entire school finance system unconstitutional.¹⁰⁵

¹⁰⁴ *Id.*

¹⁰⁵ *Id.* at 82.

APPENDIX A

Rose Standards

""[A]n efficient system of education must have as its goal to provide each and every child with at least the seven following capacities:

- (i) sufficient oral and written communication skills to enable students to function in a complex and rapidly changing civilization;
- (ii) sufficient knowledge of economic, social and political systems to enable the student to make informed choices;
- (iii) sufficient understanding of governmental processes to enable the student to understand the issues that affect his or her community, state, and nation;
- (iv) sufficient self-knowledge and knowledge of his or her mental and physical wellness;
- (v) sufficient grounding in the arts to enable each student to appreciate his or her cultural and historical heritage;
- (vi) sufficient training or preparation for advanced training in either academic or vocational fields so as to enable each child to choose and pursue life work intelligently;
- (vii) sufficient levels of academic or vocational skills to enable public school students to compete favorably with their counterparts in surrounding states, in academics or in the job market."¹⁰⁶

The *Rose* standards are currently codified in Kansas statute at K.S.A. 72-1127(c).

¹⁰⁶ *Rose v. Council for a Better Educ., Inc.*, 790 S.W.2d 186 at 212 (Ky. 1989).