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**Opinion of the Supreme Court in *Gannon v. State*  
(*Gannon IV*)  
Issued March 2, 2017**

**EXECUTIVE SUMMARY**

March 2, 2017

Article 6 of the Constitution of the State of Kansas requires the Legislature “make suitable provision for finance of the educational interests of the state.”<sup>1</sup> This requirement contains both adequacy and equity components that must be satisfied for a constitutional school finance formula.<sup>2</sup> In *Gannon v. State (Gannon I)*, the Kansas Supreme Court (Court) determined that the adequacy component 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*].”<sup>3</sup>

In its *Gannon IV* decision, issued on March 2, 2017, the Court held that the classroom learning assuring student success act (CLASS) enacted in 2015 House Substitute for Senate Bill 7 does not meet the structure or implementation requirements to be constitutionally adequate.<sup>4</sup> CLASS is already set to expire by legislative enactment on June 30, 2017, and the Court provided the Legislature until then to enact a new school financing system.<sup>5</sup> 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.<sup>6</sup>

KEY FINDINGS

**Structure**

- CLASS was intended as a “funding stopgap” until a new formula could be crafted and it is only minimally responsive to financially important changing conditions such as increased enrollment.<sup>7</sup>

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<sup>1</sup> Kan. Const. Art. 6 §6(b).

<sup>2</sup> In *Gannon II* and *III*, the Court in 2016 heard and ruled on the equity component.

<sup>3</sup> *Gannon v. State*, 298 Kan. 1107, 1170 (2014) (*Gannon I*).

<sup>4</sup> *Gannon IV* at 7.

<sup>5</sup> *Id.* at 9.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.* at 7.

## Implementation

- As implemented, CLASS is inadequate with regard to inputs (funding) and outputs (student achievement outcomes).<sup>8</sup>

### REMEDY

- The Court continued to stay the orders of the panel and its own mandate to provide the Legislature an opportunity to enact a new school finance formula by June 30, 2017.<sup>9</sup> The Court retained jurisdiction over the issue of adequacy.<sup>10</sup>
- The State will have the burden to demonstrate to the Court that any enacted school finance formula is constitutionally adequate.<sup>11</sup>

### ADDITIONAL ISSUES

In addition, the Court made findings on the following additional issues:

- The panel had jurisdiction to review CLASS as it is a “mere extension” of the school district finance and quality performance act.<sup>12</sup>
- The Legislature’s compliance with Article 6 is a justiciable and reviewable matter.<sup>13</sup>
- The panel did not abuse its discretion when it did not reopen the record on remand to formally accept additional evidence.<sup>14</sup>
- The panel’s order sufficiently reflected the factual determining and reasoning processes required by statute.<sup>15</sup>
- The plaintiffs are not entitled to attorney fees.<sup>16</sup>

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<sup>8</sup> *Id.*

<sup>9</sup> *Id.* at 81.

<sup>10</sup> *Id.* at 78.

<sup>11</sup> *Id.* at 82.

<sup>12</sup> *Id.* at 13.

<sup>13</sup> *Id.* at 16.

<sup>14</sup> *Id.* at 21.

<sup>15</sup> *Id.* at 29.

<sup>16</sup> *Id.* at 77.