

KANSAS SOCIETY OF PROFESSIONAL ENGINEERS
LEGISLATIVE REPORT

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***Note: the opinions expressed herein are those of the author
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**2010 Veto Session Preview
By Ron Gaches
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Preparation for Veto Session beginning on April 28th continued this past week, but without the progress anticipated by those hoping for a package of revenue enhancements to be approved by the Senate Ways and Means Committee.

The Consensus Revenue Estimating Committee updated its FY 2010 and FY 2011 revenue forecasts last Friday, April 16th. These are the official state numbers that direct legislative action when legislators return April 28th. As many anticipated, the numbers got worse: The CRE projects an additional shortfall of \$46.4 million for FY 2010 and an additional \$83.8 million for FY 2011. The increased shortfall over the two fiscal years totals \$130.2 million.

To be clear, Kansas remains in recession and it will be impossible to maintain the existing level of state funded services without a tax increase of some sort. The overall revised State General Fund estimate for FY 2010 is \$5.254 billion, 6.0% less than the final FY 2009 receipts. For FY 2011, SGF receipts are expected to continue to decline to a total of \$5.095 billion, a 3% reduction below FY 2010.

Legislators went home April 1st knowing that whichever way they go, cutting spending to match available funds, increasing taxes to maintain current spending levels, or some combination of both, they were going to upset many constituents. In that context, the decision to put off passage of a preliminary budget during the regular session seems reasonable. Why upset your constituents twice when you have the opportunity to upset them only once?

Expectations this past week were that the Senate Ways and Means Committee would meet and finalize a FY 2011 budget that protects education and social services from any further major cuts and formulate a plan to raise the necessary funds. The spending side was accomplished with little drama; leaving legislators with a \$411 million hole to fill

with new revenue. Unfortunately, discussions on Wednesday failed to produce any consensus about how to raise those funds and by 7 p.m. Chair Jay Emler adjourned the Committee until the 28th.

Efforts to pass a tax package in the Senate Committee were made more problematic when Senate Minority Leader Tony Hensley unveiled a new tax package, which included a new, more progressive individual income tax program that raised \$72 million in additional taxes from individuals with more than \$100,000 filing single or \$200,000 filing jointly, while providing those with lower taxable incomes a reduction totaling \$30 million. Hensley's proposal also included an increase in corporate franchise taxes and blocked the state pickup of a federal tax deduction for certain business production investments.

The House Appropriations Committee also met last week and updated its budget proposal by adding back \$85 million in K-12 education support and \$6.9 million for services to the developmentally and physically disabled community. Although it does not require any tax increases, the plan relies on \$131 million in ongoing federal Medicaid support not yet authorized by Congress and an additional \$68 million in new funds from a state contract to root out waste, fraud, abuse and bookkeeping errors from social service programs (a contract not yet awarded).

Although the Senate Ways and Means Committee was unable to reach consensus on a tax package to close their budget gap, there is still an expectation that they will do so when they return and that the final budget bill will eventually be somewhere between the current House and Senate positions. But there remains much uncertainty. The Kansas Republican Party leadership met this past week and adopted a platform opposed to any tax increase, increasing the pressure on moderate Republicans wanting to support additional revenue for education, social services, or a new comprehensive transportation plan.

This is likely to be a long and contentious Veto Session. All 125 state representative seats are up for election this year (senators are in the middle of their four year terms), and several state senators are running for Congressional seats or statewide offices. Elections have a powerful influence on politicians. Constituents have been vocal these past four weeks and legislators have been listening. Now they have to return to Topeka and make the tough votes to build a budget and wrap up the 2010 session.

To identify your legislators go to <http://www.kslegislature.org/legsrv-portal/redistricting.do>

To find your legislators' Statehouse phone number, email and Statehouse address go to <http://www.kslegislature.org/legsrv-portal/index.do> and look at the "Hot Items" at the bottom center of the page for "House Roster" and "Senate Roster."

Need a Copy of a Bill? For copies or status of bills, go to www.kslegislature.org. and use the “Quick Search” tools on the right hand side of the page. You can **Find Your Legislator** by using the link under Hot Items at the bottom of the www.kslegislature.org home page.

2010 Bill Deadlines -

January 11th – last day for individual bill requests

February 1st – last day for committee bill requests, except Exempt Committees

February 3rd – last day for individuals to introduce bills

February 5th – last day for Committees, except Exempt Committees, to introduce bills

February 21st – last day to consider bills in House of Origin, except “Exempt bills”

March 24th – last day for consideration of bills in second house, except “Exempt bills”

April 6th – anticipated end of Regular Session

April 28th – anticipated start of Veto Session

Kansas Legislature Website - Additional resources, including copies of other bills, roster of legislators, committee rosters, a link to identify your legislator and much more can be found at ... <http://www.kslegislature.org>