



KANSAS

Legislative Update #1, January 25, 2010

Just over 2 weeks in to the 2010 State Legislative Session it is easy to see that it is much too early for legislators (the majority of whom are up for re-election) to seriously consider taxes. We encourage you all to call your legislator and “wake them up” to the needs of our state. Going in to session, a \$400 million shortfall was projected. Still, poor economy or not, Governor Mark Parkinson made it clear in his State of the State Address that this budget crisis is but a “snapshot” to measure our State’s character by. The thing is, he has a responsible solution.

The Governor acknowledged the challenge that Labor knows all too well, our sagging economy. With a sagging economy comes sagging revenues. The Governor proposed an increase in cigarette tax from .79 per pack to \$1.34. Also, to temporarily raise the sales tax for a period of 36 months by 1 cent, then continuing that .2 (that’s 2/10 of a cent) for a moderate Highway Program. Remember, a highway plan has not been passed going forward after trying to do so the last two years. Previously we had 2 ten-year very successful highway plans dating back to 1989. This is critical to maintaining our infrastructure and puts union people to work.

This will be another year where budget balancing will dominate the legislative session. Two things are important here. First, state legislators will want to wait for the latest revenue projections. The budget bill is a work in progress and some dangerous legislators want cuts now. These numbers won’t come till April so it is foolish to cut now. We should get to work on discussing solutions to make sure we solve the budget woes. Second, state legislators will keep an eye on any possible federal help coming to states.

Our Sisters and Brothers at KOSE and KAPE have the most to lose when things are put on the chopping block for cuts. Beware of those legislators that say government is too big and we can always cut more out of state government. State employees provide valuable services at compensation levels proven to be below market. It makes no sense to cut part of our state’s infrastructure that works. When we think of the Department of Labor’s Unemployment Division, Social Services, KBI and Correctional Facilities. This is exactly the wrong time to hedge on safety nets such as unemployment benefit that put money right back into the economy. Likewise this is a terrible time to cut law enforcement, correctional staffing levels and shorten sentences as a remedy to incarceration costs. Public education is also one of the first areas of the budget ultra-conservative legislators will look to cut. Well excuse us for trying to get an adequate education for our kids! Call your legislator(s) to make sure we maintain valuable state agency budgets and services to the public.

In light of the budget it will be challenging to get legislators to look at other issues. Unemployment Benefits will likely demand much of our time this session as we will want to make certain that those who need access to this safety net can get it on in to the future.

Passing a Transportation Plan is another priority of ours, but that takes money. The good thing

here is that there is bi-partisan support on this issue. How it is funded and how many years of funding they will be willing to commit to a decent project will be the question. Three years of funding is the direction they are going and that just maintains. Legislative Committees are looking at 2 options to this point. The first would eliminate the sales tax exemption on fuel purchases while also reducing the fuels tax by 5 cents per gallon. The net result is a gain for a transportation plan. The second option would utilize a 7 cent increase in Motor Fuels tax (and increase as with the Consumer Price Index) with implementation delayed till 2013. Registration for cars and trucks would also increase in this option.

Watch for our next Legislative Update to see how a "Rainy Day" fund proposal could be utilized to save these headaches every year. But is it possible in the climate of our state legislature.
