



Capitol Briefing



My Committees
Taxation
Transportation
Education Budget

Room 49 Docking State Office Bldg. 10900 W. 104th Street
Topeka, KS 66612 Overland Park, KS 66214
Office: 785-296-7698 Home: 913-492-2253

2009 E-News
Volume 2 Issue 2
Gene Rardin
Representative 16th District

Session News Week 2: January 19-23, 2009

In This Issue (For easy navigation, press Ctrl and Click on desired link heading for more details)

- [This Week At The Statehouse](#) We're still getting "warmed up" in the Statehouse this week, especially due to the fact that Martin Luther King Day made this a shorter than usual week. Most committees began hearing testimony on various bills by Tuesday or Wednesday.
 - [Budget, budget, budget](#) The discussion this week again centered primarily on the state budget, although there was no major movement.
 - [House Energy Committee considers Renewable Portfolio Standard](#) A Renewable Portfolio Standard (RPS) is a regulatory policy that requires utility companies to increase production of renewable energy sources (such as wind or solar), thereby decreasing use of nonrenewable energy sources (such as gas, oil, and coal) to generate electricity.
 - [Tax Bill proposes to suspend phase out of corporate franchise tax](#) This week the House Committee on Taxation heard testimony regarding House Bill 2028, which proposes to suspend the phase out of the corporate franchise tax. Legislation passed in 2007 provided for the phase out of the tax, which was scheduled to be repealed in its entirety by 2011.
 - [House Democrats announce Working Kansans' Agenda](#) The House and Senate Democratic Caucuses this week unveiled a collaborative series of bills and priorities, all crafted specifically with the Kansas worker in mind.
 - [Governor names Task Force to Best Take Advantage of Federal Stimulus Money](#) Congressional Democrats have proposed an \$825 billion package of governmental investments and tax cuts called the American Recovery and Reinvestment Act that they have vowed to pass by mid-February. A preliminary analysis of the proposal by the National Conference of State Legislatures indicates Kansas could receive nearly \$1.7 billion in funding over the next two years under certain areas of the proposal.
 - [Commission established to streamline government](#) In an effort to identify new ways to save taxpayer dollars, Governor Kathleen Sebelius on Thursday announced that she has signed Executive Order 09-01, forming the Facilities Closure and Realignment Commission. The commission, whose majority shall be appointed by legislative leaders, will study the closure or realignment of state facilities.
 - [Local law enforcement receiving new training](#) To honor victims and promote January as Stalking Awareness Month, Kansas law enforcement officers are participating in extensive stalking law training sessions this week in locations across the state, including Colby, Salina, Johnson County, Independence, Hutchison, and Garden City.
- [How to retrieve unclaimed property](#) The office of State Treasurer Dennis McKinney works to locate the rightful owners and heirs to the over \$187 million in unclaimed assets currently being held by the State of Kansas.
- [Keep in Touch](#)
 - [Useful numbers](#)

This Week at the Statehouse

We're still getting "warmed up" in the Statehouse this week, especially due to the fact that Martin Luther King Day made this a shorter than usual week. Most



committees began hearing testimony on various bills by Tuesday or Wednesday. It is very clear that the budget will be the focus of the legislative session, and deciding where to make cuts will be the most heated source of debate. We're still working through possible solutions, but I will have more to report in coming weeks.

I hope you will stop by to visit me if you are ever in Topeka. Please be aware, however, that many legislators (myself included)

and committees are now located in Docking State Office Building, located directly west of the State Capitol. The Statehouse is a bit of a maze as a result of construction, so if you do intend to visit for an event please be sure to call so I can help you find your way.

Budget, budget, budget

The discussion this week again centered primarily on the state budget, although as of this writing, there was no major movement. Both the House and Senate have been working their respective appropriations bills all week, both trending toward "across the board" cuts.

As you know, across the board budget cuts are terribly inefficient in preserving high priority services and a good case can be made that they actually represent an abdication of responsibility and leadership.

When we are forced to cut back in our own homes, we don't put equal weight behind all of our expenses. There are always expendable items, like entertainment money or club memberships. But, there are always items that must take precedence, like the mortgage or prescription medication. For greatest effectiveness, the Legislature cannot use a different standard. If we can't pay the bills, we must carefully trim the budget in a manner that protects our most important investments. We cannot recklessly slash it without regard to consequences on our state's future. This irresponsible approach only costs the state more in the long run.

The Governor's proposed budget, which was introduced last week, could not account for new revenue estimates, which unfortunately proved to be much grimmer than the estimates she originally worked from. Senate proposals are aiming for \$100 million more in cuts than were included in the Governor's budget, for a total of \$300 million. As your legislator, I fully recognize the need for reductions in the state budget, but I pledge to fight for the investments that matter most to you and your family.

This debate will continue next week.

The House Energy and Utilities Committee began discussions on the implementation of a Renewable Portfolio Standard this week under House Bill 2013.

A Renewable Portfolio Standard (RPS) is a regulatory policy that requires utility companies to increase production of renewable energy sources (such as wind or solar), thereby decreasing use of nonrenewable energy sources (such as gas, oil, and coal) to generate electricity. House Bill 2013 calls for public utility companies to generate at least 10% of their nameplate capacity from renewable resources. Westar Energy, a large supplier of electricity in Kansas, has already voluntarily agreed to pursue this standard.

Kansas has a vested interest in pursuing renewable energy development as aggressively as possible. Wind is lower in cost than any other source of power and our state is ranked 3rd in the nation for wind energy potential. Currently, 28 states have enacted a mandatory RPS.

In terms of economic development, a mandatory RPS is the cornerstone of strong renewable energy policy because it indicates that our state is able to strongly facilitate the market. **By providing this regulatory certainty for renewable energy, we send a message to wind turbine manufacturers and developers that Kansas is open for business. In the long run, this offers the potential for thousands of new, green jobs across the state.**

Concerns were raised that a mandatory RPS limits the bargaining power of the consumer and could be unnecessary, as many utilities may reach the required limits on their own. Additionally, some felt that it is unfair to use a mandatory RPS as a means of providing potential manufacturers and developers with a “definite demand” for their product.

Ultimately, there will be a definite demand for renewable energy regardless of whether we enact a mandatory RPS this session, but a mandatory RPS will put Kansas ahead of the curve in terms of attracting outside investments in wind energy projects.

I expect other proposals regarding a mandatory RPS to appear in the Energy and Utilities committee over the next few weeks, but House Bill 2013 finally got the energy debate in Kansas where it needs to be: focused on developing long-term, clean, cheap energy sources that make Kansas stronger, protect our environment, and weaken our country’s dependence on foreign oil.

Bill proposes to suspend phase out of corporate franchise tax

This week the House Committee on Taxation heard testimony regarding House Bill 2028, which proposes to suspend the phase out of the corporate franchise tax. Legislation passed in 2007 provided for the phase out of the tax, which was scheduled to be repealed in its entirety by 2011. Yet, in this difficult budget year the Governor proposed that the Legislature suspend the phase out until our economic condition improves.

The corporate franchise tax is one of the oldest taxes of state history. The tax is levied on the net worth of corporations and limited liability partnerships. Suspension of the phase out of the tax will add \$14 million back into State General Fund without increasing taxes. This is one of many difficult recommendations the Governor was forced to make to help fill the tremendous budget gap we face this year.

Opponents of the proposal argued that suspending the phase out of the tax will discourage capital investment at a time when our economy needs it most. This argument is tempered by the fact that since 2004, the number of business entities paying this tax has been reduced by 91% from 80,000 to 7,000.

Page 3

As we work through a \$186 million deficit for this year’s budget and a \$1 billion deficit for next year’s budget, every state agency and every community must be prepared to make some sacrifices. **I will do everything in**

my power to protect interests within our district throughout this challenging time while ensuring that the needs of our most vulnerable citizens and students are safeguarded.

House and Senate Democrats unveil Working Kansans' Agenda

The House and Senate Democratic Caucuses this week unveiled a collaborative series of bills and priorities, all crafted specifically with the Kansas worker in mind. The "Working Kansans" agenda addresses a number of important issues facing the everyday people who contribute and invest in our great state, including:

- improved worker benefits
- fair wages
- promoting Kansas-made products
- guaranteeing health and safety in the workplace
- implementing new immigration reform
- expanding educational and training opportunities

Governor Sebelius Creates Task Force for Federal Stimulus Money

On Friday, Gov. Sebelius formed a group to plan for the use in Kansas of federal economic recovery funds in legislation that is being worked on in Congress. **The Governor cautioned that our state cannot rely on federal help to solve every challenge we face in Kansas, we must make sure our state has a "strategic and responsible approach to implementing new federal policies."**

Congressional Democrats have proposed an \$825 billion package of governmental investments and tax cuts called the American Recovery and Reinvestment Act that they have vowed to pass by mid-February. A preliminary analysis of the proposal by the National Conference of State Legislatures indicates Kansas could receive nearly \$1.7 billion in funding over the next two years under certain areas of the proposal. And not all funding levels have been identified.

Sebelius said that, although the timeline for enactment of the stimulus package is unclear, it is crucial for our state to begin planning for implementation now to ensure funds directed to Kansas can be used efficiently and effectively within the framework of the legislation. Much of the proposal's spending is expected to be targeted to infrastructure improvements and increasing aid to states to pay for health care for the poor. Because of the national recession, Kansas faces an immediate budget shortfall of \$186 million that could increase to \$1 billion next fiscal year.

The panel formed by Sebelius will be led by Lt. Gov. Mark Parkinson, and include Cabinet members, Kansas Education Commissioner Alexa Posny, Kansas Board of Regents President and Chief Executive Officer Reginald Robinson, State Treasurer Dennis McKinney and several other high-ranking officials. Sebelius has also asked legislative leaders to appoint members to the task force. The panel will communicate with Congress about how parts of the plan would affect Kansas, and advise state officials on implementing the package. The proposal introduced by House Democrats in Congress includes \$550 billion in government spending and \$275 billion in tax cuts. It includes increased federal dollars for Medicaid, unemployment insurance, infrastructure investments, such as highways, and general assistance to states to help them avoid harmful budget cuts.

Commission established to streamline government

In an effort to identify new ways to save taxpayer dollars, Governor Kathleen Sebelius on Thursday announced

that she has signed Executive Order 09-01, forming the Facilities Closure and Realignment Commission.

The commission, whose majority shall be appointed by legislative leaders, will study the closure or realignment of state facilities. The commission will consider the savings, impact to communities and feasibility of such actions, and make recommendations to the governor and the legislature on or before December 1, 2009.

Facilities to be considered include, but are not limited to: the Kansas School for the Deaf; the Kansas School for the Blind; the Beloit Juvenile Correctional Facility; the State Developmental Disability Hospitals; and the Rainbow Mental Health Facility.

Agencies were directed by Sebelius in 2003 to conduct a top to bottom review of state government. To date, those efforts have eliminated \$1 billion in wasteful spending and inefficiencies by selling off hundreds of unneeded state vehicles; consolidating the purchasing power of different levels of government; and collecting millions in delinquent taxes.

Governor Sebelius' budget recommendations for 2010 already identify \$8 million in savings by closing facilities and streamlining programs associated with the Juvenile Justice Authority; the Kansas Technology Corporation; Kansas, Inc.; and the Department of Commerce.

Kansas is facing unprecedented budgetary limitations, and we cannot afford to overspend on some state functions when we are cutting back on essential services for others. Unfortunately, closing some facilities is a necessary part of the long-term solution to our budget woes.

Executive Order 09-01 is available at: <http://www.governor.ks.gov/executive/Ordres/default.htm>

Local law enforcement receiving new training

To honor victims and promote January as Stalking Awareness Month, Kansas law enforcement officers are participating in extensive stalking law training sessions this week in locations across the state, including Colby, Salina, Johnson County, Independence, Hutchison, and Garden City.

Led by the efforts of Representative Ed Trimmer and former Senator Greta Goodwin, the Legislature last year approved a new law to help better protect victims of stalking. Named after Jodi Sanderholm, a 19-year-old Arkansas City student who was abducted and murdered by a stalker in January 2007, this law strengthened Kansas stalking regulations by allowing police and prosecutors to intervene sooner in cases of stalking.

Victims of stalking can call 1-888-END-ABUSE to obtain local advocacy services. Information for stalking victims is also available in the Victim Services section of the Attorney General's Web site

<http://www.ksag.org/>.

Unclaimed Property

Each year thousands of people lose track of their bank accounts, cash, stocks, bonds, refunds, royalties, safe deposit boxes and other property. People move and forget to furnish their bank, broker, employer or insurance company with a forwarding address. Losing sight of property can happen to anyone. The office of State Treasurer Dennis McKinney works to locate the rightful owners and heirs to the over \$187 million in unclaimed assets currently being held by the State of Kansas.

Examples of unclaimed property held by the State Treasurer's office include court deposits, dormant checking accounts, dormant savings accounts, insurance benefits, oil and gas royalties, safe deposit box contents, stock and cash dividends, utility deposits, and wages.

If you think you may have unclaimed property you can check for your name through one of the following:

- You can look up your name on the State Treasurer's website at <http://www.kansascash.com/>.
- Call the Kansas Cash Connection at 1-800-432-0386 or (785) 296-4165 and ask to check your name; or
- Lists of owners are located in most county courthouses in the State of Kansas.

There are no fees or charges assessed by the Kansas State Treasurer's Office to file a claim. All services performed are done so absolutely FREE.

Keep in Touch

It is a special honor to serve as your state representative. I value and need your input on the various issues facing state government. Please feel free to contact me with your comments and questions. My office address is Room 49, Docking State Office Building, Topeka, KS 66612. You can reach me at (785) 296-7698 or call the legislative hotline at 1-800-432-3924 to leave a message for me. Additionally, you can e-mail me at Gene.Rardin@house.ks.gov. You can also follow the legislative session online at www.kslegislature.org.

Useful State Numbers and Resources:

The following is a list of the numbers I receive the most requests for during the legislative session. You can find these as well as many others online at <http://da.state.ks.us/phonebook>. I hope you will find this information helpful.

Kansas Jobs
(785) 235-5627

Tax Refund Status Info
(800) 894-0318

Taxpayer Assistance
(800) 259-2829

Highway Road Conditions
(800) 585-7623

Unclaimed Property
(800) 432-0386

Governor's Constituent Svs.
(800) 748-4408

Crime Tip Hotline
(800) 572-7463

Driver's License Bureau
(785) 296-3963

Kansas Department on Aging
(800) 432-3535

KPERS
(888) 275-5737

Housing Hotline
(800) 752-4422

Vital Statistics
(785) 296-1400

Legislative Hotline
(800) 432-3924

Voter Registration
(800) 262-8683

Crime Victim Referral Service
(800) 828-9745

Child/Adult Abuse Hotline
(800) 922-5330

School Safety Hotline
(877) 626-8203

Kansas Lottery
(785) 296-5700

Welfare Fraud Hotline
(800) 432-3913

Consumer Protection
(785) 296-3751

Insurance Consumer Assistance
(800) 432-2484