



# Capitol Briefing



My Committees  
Taxation  
Transportation  
Education Budget

Room 49 Docking State Office Bldg.  
Topeka, KS 66612  
Office: 785-296-7698

10900 W. 104<sup>th</sup> Street  
Overland Park, KS 66214  
Home: 913-492-2253

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Gene Rardin

Representative 16<sup>th</sup> District

## Session News Week 4: February 2-6, 2009

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## This Week at the Capitol

The fourth week of the 2009 legislative session brought much needed action to the House floor. On Wednesday, the House spent five hours debating House Substitute for Senate Bill 23, also known as the rescission bill, which will revise the FY 2009 budget. The legislation formally passed on Thursday with a 74-48 vote (42 are needed to sustain any veto). I included more specific information about the bill below, but essentially the bill cuts \$305 million from the current budget against a \$200 million current shortfall and includes at 1% across-the-board cut throughout state government. **The bill is deeply flawed** in ignoring



proven economic principles which underline the critical importance of keeping as much money in our faltering economy as possible right now **and will have an unnecessarily devastating impact on the 447,755 K-12 students state wide (Shawnee Mission: 26,580 students; Olathe: 25,222) which is why I did not support it.**

Now that the House has voted on the bill (which was considered by the Senate last week), the legislation will go to conference committee, where I am

hopeful more productive compromise will take shape. The conference committee will work to merge both House and Senate proposals, after which the bill will return to both chambers for an up or down vote next week. Once it is approved, the bill will go to the Governor for her signature or veto (42 votes are needed to sustain any veto).

## House debates budget bill

This week the House focused on the fiscal year 2009 budget reconciliation bill. This bill would make cuts to the 2009 budget which is in effect until June 30<sup>th</sup> of this year. Last week the Senate passed a measure which would have made about \$335 Million in cuts to the current budget while making a \$33 per pupil cut in K-12 education funding. The House Appropriations Committee responded last Friday by making different cuts, totaling about \$321 Million and increasing the cuts to K-12 Education from \$33 per pupil to \$88 per pupil.

The entire House body took up the reconciliation bill on Wednesday. The first amendment offered was to decrease the cuts to K-12 education to a total of \$66/pupil, still twice what the Senate had passed and three times what the governor had initially offered in her budget proposal. Opponents argued that the cuts to education were entirely too severe with only 5 months left in the local school districts' budget year and most

expenses tied up in contracted services. This made the cuts total about \$305 Million. The proposal passed on a 75-47 vote and I didn't support it.

**Keep in mind that we are currently \$200 million short for the 2009 budget and by cutting state spending by over \$300 million before it is necessary we will actually make things worse than they would be otherwise.** Our economic difficulties now are marked by too little money in the system as consumers aren't spending and banks aren't lending. **By cutting state spending more than our balanced budget laws require, we are mirroring how Herbert Hoover's policies exacerbated the Great Depression.** The most accurate way to look at the budget process is to equate budget cuts with corresponding job losses which in turn means more money will be removed from the economy. **School districts, like Shawnee Mission District, are already planning on laying off teachers and other personnel as a direct result of our state budget cuts to education. This unnecessarily harms the state economy as well as reduces the quality of instruction our students receive.** And you cannot simply postpone funding quality education for a few years and easily catch up later, just as you cannot miss spring planting and then expect a bountiful fall harvest. **We reap what we sow in these matters and I will continue to advocate for minimizing unnecessary cuts to public education.**

I supported a fiscally more responsible compromise amendment offered to roll back the K-12 cuts to the \$33/pupil as passed by the Senate and make other adjustments such as fewer cuts in social services and public safety (corrections) for a final reduction total of about \$280 Million. The amendment failed on a 47-75 vote.

I also supported amendments to roll back the K-12 cuts to the \$33/pupil level and make further adjustments for a final reduction total of \$315.2 Million and to reduce the \$3.1 Million cut to the Children's Initiative Fund. Even though some of the amendments I favored provided greater cuts than the bill which passed, these amendments failed. **My priorities continue to be children, public safety, and social services.**

**On Thursday the budget bill passed by a final action vote of 74 to 48 and included an average \$66/pupil cut to education which equates to a \$100/pupil cut for Shawnee Mission District.** We hope now that a more reasonable approach that protects public education will be pursued in conference committee.

**A few important facts to understand about what will stimulate economic recovery...**

The national and state economies are currently shrinking. But that's the result of a slump in private spending. It makes no sense to add to the problem by cutting public spending more than we have to.

Our capacity hasn't been diminished; our workers haven't lost their skills; our teachers haven't lost the ability to teach; our students haven't lost the need to learn and our technological know-how is intact. And even though the Federal Government, not constrained by balanced budget requirements, is considering a massive spending plan to first help stop further job losses and eventually to create new jobs, **Kansas, like 37 other states, has a balanced budget law which requires us to think and act like Herbert Hoover at a time when just the opposite is needed.** Most of the time our balanced budget law is a good thing, but right now, the cuts we execute in Kansas will provide a negative stimulus which works against the Federal Government's plan to help the economy. **So why would we want to make things worse by cutting more state funding, sooner, than we need to? There is no good reason, and as I mentioned state spending cuts equate to lost jobs, just what we don't need.**

**A handy guide to determine the stimulative effects of various types of government actions**

Mark Zandi of Moody's, an advisor to the McCain campaign, has provided a "bang for the buck" table which shows the multipliers associated with each type of government budget actions. **You can see that, for the reasons I mentioned earlier, aid to State Governments is high on the efficiency list next to extending unemployment insurance benefits, increasing food stamps and increased infrastructure spending.**

<b>Table 1: Fiscal Stimulus Bang for the Buck</b>		
<i>Source: Moody's Economy.com</i>		
		<b>Bang for the Buck</b>
<b>Tax Cuts</b>		
	Non-refundable Lump-Sum Tax Rebate	1.01
	Refundable Lump-Sum Tax Rebate	1.22
Temporary Tax Cuts		
	Payroll Tax Holiday	1.28
	Across the Board Tax Cut	1.03
	Accelerated Depreciation	0.25
Permanent Tax Cuts		
	Extend Alternative Minimum Tax Patch	0.49
	Make Bush Income Tax Cuts Permanent	0.31
	Make Dividend and Capital Gains Tax Cuts Permanent	0.38
	Cut in Corporate Tax Rate	0.30
<b>Spending Increases</b>		
	Extending Unemployment Insurance Benefits	1.63
	Temporary Increase in Food Stamps	1.73
	General Aid to State Governments	1.38
	Increased Infrastructure Spending	1.59
Note: The bang for the buck is estimated by the one year \$ change in GDP for a given \$ reduction in federal tax revenue or increase in spending		

**The House Energy and Utilities Committee began discussions on House Bill 2127 this week.** This bill, composed of three parts, proposes to establish a Renewable Energy Standards Act, a Net-Metering and Easy Connection Act, and looks to set efficiency standards for state-owned buildings.

The Renewable Energy Standard Act is a regulatory policy which would require utility companies to increase production of renewable energy sources such as solar and wind, thus decreasing their use of nonrenewable energy sources such as gas and oil. House Bill 2127 requires these utility companies to generate at least 20% of their energy from renewable resources. Supporters of the bill, such as Westar Energy and the Climate and

Energy Project, reason that with the increased standard Kansas will “send a message” to businesses and developers that it is open for new business, thus creating new jobs across Kansas. Other supporters of the bill include Kansas City Power & Light, the Kansas Chapter of the Sierra Club and The Wind Coalition. During the hearing there were criticisms of the bill, some speculating that the rigidity of the standards is not in the interest of consumers. The Citizens’ Utility Ratepayer Board argues that because of the difference between different utility companies it is arbitrary to set such a stiff standard.

The Net-Metering and Easy Connection Act, mandating that each electric utility make net metering available to all customers, is also a part of House Bill 2127. Net metering is a system where an owner of renewable energy facilities such as wind, solar power, or home fuel cells to receive retail credit for the electricity they generate.

The third component of HB 2127 calls for energy efficiency standards to be set for state owned buildings. The standards in this portion of the bill are considerably more rigid than the standards introduced in any previous bill introduced regarding energy efficiency standards for state owned buildings. The Climate and Energy Project, a supporter of this bill, agrees that mandating such standards will protect citizens from rising electric rates.

The Energy and Utilities Committee has spent an expansive amount of time both listening and to discussing the options of bills such as House Bill 2127 being introduced in to the legislature. The bill was sent to sub-committee and will be discussed further there.

#### **Local Government committee considers annexation legislation**

This week the Local Government Committee held a hearing for House Bill 2029, which addressed annexation and de-annexation procedures for cities. The bill was produced from the Special Committee on Eminent Domain in Condemnation of Water Rights and focuses on land owner rights.

Two major amendments were offered to the existing bill. The first would require a city to provide the board of county commissioners with a copy of the plan for extension of services when an annexation takes place. The second would change the time regulation of when the county should call a hearing to consider whether the city has complied with all services’ promises. The current law says the county should consider this hearing in five years, the bill proposes to change to three years.

Those who opposed the bill were worried about annexation as a whole saying that with annexation there are no homeowner rights or no property rights. Those people also thought annexation could bring more costs to the city, it could raise the mil levy, and there would be too much up keep for the city to take care of. There was also fear that the content of the bill would be changed when it reached the House for consideration. Those in favor of the bill were pleased with the bill because it gave protection to the citizens. It was also stated that the plans that have to be submitted to the board of county commissioners would be a very helpful tool for them. There was another comment that stated all of the changes were “common sense” and “needed to be done.”

#### **House approves Guantanamo joint resolution**

This week the House approved a joint resolution to voice opposition to placing war/terrorist detainees from Gitmo at Fort Leavenworth. Specifically, the Resolution outlines reasons why the Leavenworth community is not appropriate for this serious duty.

If this becomes a mission of the Fort, our capable military will do it; but the damage to the international officer program and, as a result, international relations, and the negative impact upon the CGSC mission to

educate our military leaders and craft the military strategies for our nation will be a price paid for such a decision. We want the President, Vice President, our Congressional delegation and our Governor to know the particular problems with placing this mission in our midst.

The House approved the resolution unanimously. To view the resolution in its entirety:

[http://www.kslegislature.org/bills/2010/2009\\_1606.pdf](http://www.kslegislature.org/bills/2010/2009_1606.pdf).

### **Higher Education Committee considers legislation to attract out-of-state students**

The House Higher Education committee was again very busy this week. On Tuesday they heard testimony from a panel of University of Kansas officials, representing the Kansas Board of Regents Universities. They came as proponents of House Bill 2007, which would grant the Board of Regents the ability to offer discounts or waivers to out-of-state legacy high school graduates. Currently, all of our neighboring states- and many in the region- have incorporated “legacy” programs. In Iowa, the state pays the entire difference between out-of-state legacy students and in-state tuition. While House Bill 2007 does not go that far, it does give the Board of Regents authority to offer a discount.

Proponents of the bill believe the legislation is extremely important to future success of the state universities of Kansas. Within the next ten years, there are projections that the number of graduating high school seniors in Kansas will decrease significantly. State universities need programs that not only helps keep the best and brightest in Kansas but also helps incentivize some of the best minds in the country to pursue higher education in our state. The University of Kansas officials stated that this measure will be revenue neutral because they expect many more of the 90,000 alumni currently residing out of state will send their children to Kansas for college. Increased enrollment numbers will offset any cost to the state caused by the initial discount.

### **Tax Committee considers sales tax bills**

The Tax Committee held hearings on HB 2026 and HB 2071 (HB 2071 was later amended to be combined into HB 2026). HB 2026 would permit Lyon County to collect the 1% sales tax that the voters approved on August 5, 2008. The sales tax question was submitted by the board of county commissioners for Lyons County, and the revenue received from the tax would be expended for the purposes of ad valorem tax reduction and capital outlay. The bill provides for a five-year sunset after the commencement of the act. The County could not collect the tax approved by 62% of the voters, because the County already has a ½% sales tax to pay for a new courthouse.

Similarly, HB 2071 would permit Rawlins County to increase its sales tax by .75%, and the revenue would be used to finance the costs of a swimming pool. This sales tax increase was also approved by voters, but could not be implemented because the increase also put Rawlins County in excess of its 1% local sales tax permitted by K.S.A. 12-187.

There was much debate over the 60-day notice requirement in both bills; the bills were later amended to leave that requirement out of the bills. Proponents of HB 2026 included the County Counsel in Lyon County, Emporia City Manager, Rep. Hill, and Rep. Mast. They stated the purpose of the tax increase was to give property tax relief and to finance projects for Lyons County. The Rawlins County Attorney spoke as a proponent of HB 2071. He stated the citizens of the county wanted to construct a new swimming pool; the old one was built in the 1950s and had structural problems. There were no opponents to the bills.

## 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](mailto:Gene.Rardin@house.ks.gov). You can also follow the legislative session online at [www.kslegislature.org](http://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