

Get ready for an epic week!

Next week is last week of 2014 regular legislative session. Work is supposed to be done by Friday, April 4 after which the legislature will be in recess for about three weeks. They will return late in the month for the so-called "veto session."

The veto session was designed to allow a lapse of time between the finish of work and the last days so that the Governor could sign or veto bills passed. Legislators would then return to deal with any veto overrides. But today, more work is actually done in the veto session especially budget work.

The April consensus revenue estimates will inform the legislature about how much money is likely to be available to fund the budget, so the heavy lifting on the budget traditionally happens in the veto session.

Next week could turn into a budget battle as competing school finance plans take center stage. Hearings begin Monday on the House Appropriations school finance bill, HB 2774. There have also been two Senate Republican plans outlined, one by the Republican leadership team and another by Ways and Means Chairman Ty Masterson. One assumes these plans will be ready for discussion next week.

There is also the Democratic plan introduced in both the House and Senate. In this plan, the legislature simply funds the LOB and capital outlay equity provisions as called for in the Gannon decision. No other changes are made. The Republican House plan is loaded up with education policy changes while the Senate plans fund equity partly through reductions in other parts of the school finance formula.

Take action!

You can join the chorus of Kansas calling for a clean school funding bill! Add your name to the online petition at <http://changekansas.org/action/petition/pass-a-clean-education-budget-bill-now>^[1].

Contact your legislators today and urge them to drop policy from HB 2774 and pass a clean school finance bill. Use the KNEA legislative contact portal by clicking here^[2].

The following KPERS bills have previously passed the House and last week passed out of the Senate Select Committee on KPERS. These bills have now passed the Full Senate. Debate and a final action vote on all those measures were completed on Tuesday of this week. All measures passed.

KPERS review

HB 2533 is the House cash balance tweak bill which changes the benefits for Tier III employees. Currently there are no Tier III employees. The bill passed the Senate with a 39-1 vote on final action with no amendments attached. This bill will now go directly to the Governor.

HB 2564, a technical clean-up bill, requires a 60 day separation before a KPERS retiree can be reemployed by a KPERS entity and is a part of "working after retirement." The bill is meant to insure the Kansas working after retirement portion of KPERS passes muster with the IRS. Final action vote 39-1.No amendments added by the Senate. This bill will now go directly to the Governor.

HB 2602 which allows the KPERS agency unclassified percentage to go from 25-50% was passed out of the Senate committee after it was amended by Sen. Masterson to totally lift the agency unclassified cap. The Final action vote was 39-1 in favor of the bill. Since an amendment was added by the Senate committee a conference committee will most likely be appointed.

HB 2596 is the public employee "furlough protection" bill was passed out as amended by Sen. Kelly to remove the sunset provision which now will allow it to become permanent in statute. The final action vote was 33-7. Now for the bad news. An unfriendly floor amendment by Senator Greg Smith from Johnson County which targets employees and their KPERS benefits who take a leave of absence was added during the course of floor debate on a 17-11 division vote which is not a recorded roll call vote. Since the bill was altered by the Senate, a conference committee will likely be appointed. We will work with members of the House and Senate Conference Committees to address the amendment.

We will continue to monitor KPERS related conference committees regarding HB 2602 and HB 2596.

New research report warns states not to follow Kansas

A new report released by the Center for Budget and Policy Priorities (CBPP) reviews the impact of the Brownback tax plan on the economy and state service and the news for Kansas is not good.

In summary, the report found five troubling challenges caused by the Brownback "glide path to zero" under which the state has begun what the Governor hopes is a complete phase out of the state income tax:

- Deep income tax cuts caused large revenue losses.
- The large revenue losses extended and deepened the recession's damage to schools and other state services.
- The tax cuts delivered lopsided benefits to the wealthy.
- Kansas' tax cuts haven't boosted its economy.
- There's little evidence to suggest that Kansas' tax cuts will improve its economy in the future.

The study concludes that *"States considering deep tax cuts in hopes of sparking a surge of economic growth should look carefully at Kansas. That state's massive tax cuts have created a large and growing revenue loss and forced further cuts in funding for schools and other public services that the state had already cut because of the recession. The tax plan also has widened inequality and raised taxes on the lowest-income families. Finally, a year after the cuts first took effect, the state's economy is not performing particularly well, and there's no evidence to suggest that the tax cuts will cause the economy to take off in the years ahead."*

You can read the study yourself at <http://www.cbpp.org/cms/index.cfm?fa=view&id=4110>^[3].

1. <http://click.email.nea.org/?qs=048621b94b7a139cb626dc4db4616cefabc074433af30727711f216f6c10402880bf52061817fe79>
2. <http://click.email.nea.org/?qs=048621b94b7a139ca4fb14eddd4aa9ff77be3d795b1b4eea072cdbc5716c5c73e79c6b0a9e8908f9>
3. <http://click.email.nea.org/?qs=048621b94b7a139cee88fd19bd4a3c4c344d76a48cb40e38d4f28f8c4a74961e6e4fb0ee806e502f>

