

Happy birthday, Kansas!

Fiscal issues dominate

Money is the big issue under the dome as Kansas continues to get bad news on the effects of the Brownback tax cuts.

Budget Director Shawn Sullivan announced that Kansas would have a "cash flow" problem come February and that payments to school districts due in February would need to be held off until June.

The cost of last year's school finance equity provisions has come in higher than expected, causing a number of legislators to complain and openly advocate not meeting the equity need. This is a not unexpected event; every year there must be adjustments in school funding based on actual data that comes in the fall. Bills passed in the spring are best estimates but usually require adjustment in the form of a supplemental appropriations bill.

This has caused Schools for Fair Funding (SFF) to file a new motion with the Supreme Court to reopen the equity portion of the school finance lawsuit known as "Gannon." In their announcement, SFF said, *"In response to the Kansas Supreme Court's March decision, the Kansas Legislature adopted State's Senate Substitute for House Bill 2506 ("H.B. 2506"), purportedly restoring approximately \$129 million in funding to Kansas schools. Now, the State has revealed it is approximately \$63 million short of fully funding equalization aid for FY15. As seems to happen all too frequently in school finance litigation, the Legislature once again adopted legislation that would allow it to meet its constitutional obligations, but then chose to fund that legislation at unconstitutional levels."*

Senate Bill 71 which would change the way LOB aid (supplemental general state aid) would be calculated has raised alarms around the state as it would reduce aid for most school districts. The bill had been scheduled for a hearing in the Senate Ways and Means Committee today but the hearing was abruptly canceled.

Little is happening in the Legislature today and tomorrow as we move into the celebration of Kansas statehood.

The Blame Game

Governor Brownback loves his tax cutting. He hired Arthur Laffer - the architect of supply-side, trickle-down economics - to help him craft tax cuts and he campaigned on a tax cutting message. Once elected he called for massive tax cuts and set Kansas on his "glide path to zero" income taxes.

Brownback said we'd have a "real live experiment" and promised his tax plans would be like a "shot of adrenaline in the heart of the Kansas economy. Thousands of new jobs would be created and the state population would grow.

Unfortunately for Brownback, tax revenues began a rapid decline leading to mega-budget problems. But when the first evidence of revenue collapse came in, Brownback said it wasn't his policies, it was Barack Obama.

And now as the mess becomes ever bigger, Brownback breaks his campaign promises and puts out a budget cutting \$127 million from education. He boasted of how he put KPERS back on sound financial footing and then reneged on those promises.

He's not getting very good press and so this past weekend, he went back to his old standby: blame someone else.

This time, speaking to Topeka business leaders, he said the problems we are facing lie with the legislature.

Well, the legislature does share in the blame but they only passed what the Governor begged them to pass. It was Governor Brownback who came up with the idea of ending the income tax. When moderate Republicans joined with Democrats in the Senate to stop the madness, it was Governor Brownback who promised them the bill would be changed in conference if they would just change their votes and approve the bill.

A few of them believed Brownback's promises and changed their votes. The bill passed the Senate, went to the House where it was quickly approved unchanged, and dropped on Brownback's desk. The Governor lauded it, picked up a pen, and signed it into law. It was his idea; he persuaded the Senate to reverse course and pass it, his allies in the House handed it to him, and he signed it.

But today, he says it's not his fault schools will be cut, highway programs delayed, social services trimmed. The Legislature did it.

We wonder if anyone is buying it.

[Click here to read the report on Brownback's blame remarks in the Topeka Capital Journal](#)^[1]

[Click here to read what the Garden City Telegram had to say about this blame shifting.](#)^[2]

Senate Education Committee holds hearing on multi-year contract bill

The Senate Education Committee held a hearing on Senate Bill 2 which would allow school districts to grant 2-year contracts to teachers with 10 or fewer years of experience and 3-year contracts to those with more than 10 years of experience.

KNEA lobbyist Mark Desetti told the committee that while KNEA did not have any problem with the concept of multi-year contracts as they would give a modest level of job security to teachers, the devil is in the implementation.

If it is left to the individual principal to determine, what happens when a principal in one school gives multi-year contracts to all the teachers and the principal in a neighboring school gives none? What happens when there are arbitrary limits on how many teachers may have multi-year contracts? What happens when no one understands how individual teachers are chosen in the granting of multi-year contracts?

"These issues create morale problems that do tremendous harm," said Desetti.

KASB also brought forth a number of concerns about the implementation of the proposal.

Senator Jacob LaTurner (R-Pittsburg) proposed the bill No action was taken on the bill today.

Pensions discussions on-going

In House Pensions this week the topic was selling \$1.5 billion dollars of Pension Obligation Bonds. The hearing on this bill started today and will continue next week.

There are both up and down sides to bonding.

One important piece of information regards the state's bond rating. The Kansas bond rating has been downgraded since the passage of the Brownback income tax cuts by multiple rating agencies. The bond rating is re-evaluated when a state makes an application to sell bonds.

Kansas could face another downgrade in our bond rating if the legislature approves the sale and the Governor signs the bill and an application is made to sell bonds. The cost estimates take another downgrade into consideration given that the state has not addressed the reasons why the bond ratings were downgraded previously and the state would be taking on more debt with the sale of new bonds.

Look for us to report more on this issue as it moves forward.

Links

1. <http://click.email.nea.org/?qs=0af8b8ef9de6b96eda204a2fe0feeb22ae3b9c051caa3cb6de4fe1d2e1030f651bc12cd1ff469c2b>
2. <http://click.email.nea.org/?qs=0af8b8ef9de6b96e162e84bc9048bb72d975e2c778fb49b58af26b32a4517a9cebbc02e74178a58a>

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