

## **Appropriations Committee Meets; Reviews the Bad News**

The Appropriations Committee heard lots of bad news yesterday in a meeting leading up to the April 29 return of the full Legislature.

They reviewed the fiscal profile for the state for the 2015, 2016, and 2017 fiscal years as well as the April consensus revenue estimates and the Governor's resulting budget amendment.

The fiscal profile (click here to see the latest one<sup>[1]</sup>) shows the state ending FY 2015 with a \$69.3 million balance but then needing come up with \$131.4 million in FY 2016 and another \$80.5 million in FY 2016. The problem with the profile is that it looks better than it actually is. You see, the Research Department puts the profile together with the assumption that the Governor's revenue adjustments and tax increases as proposed in January will pass. And so far, the Legislature has expressed no interest in passing any of the Governor's tax increases - he has proposed liquor and tobacco increases as well as a tax on HMOs. All are getting enormous pushback from Legislators, trade organizations, and insurance providers. The Governor's usual allies have even gone on the air opposing his tax proposals.

The actual budget hole, after the consensus revenue estimating group examined the state's fiscal condition in detail last week, reveals an \$800 million shortfall - a shortfall courtesy of the Governor's reckless income tax cuts of 2012 and 2013. Read an excellent review of the issue in the Topeka Capital Journal by clicking here<sup>[2]</sup>.

When revenue comes up short, the Governor is supposed to issue a "Governor's Budget Amendment" to deal with the shortfall. Remember that, under the constitution, Kansas cannot have a budget deficit. Normally, the Governor would propose a combination of tax increases, money shifts, and budget cuts to balance the budget. But the GBA released by Governor Brownback does not include enough changes to actually balance the budget. The GBA manages to find only about \$72 million to put towards the problem.

Democratic Senator Laura Kelly, a member of the Senate Ways and Means Committee, put this action in perspective. As quoted in the Capital Journal, Kelly said, "'Surprise, surprise. He wants us to do it. He wants the Legislature to make the hard decisions, to take the tough votes. The only way to do this is by tax increases.'"

As we approach the start of the wrap-up session, it appears that the budget is in a deep hole,

the Governor is not proposing a solution to fill that hole, and the political allies of the Governor and conservative majority are on the attack demanding that there be no tax increases at all. This should make for a very lively wrap-up session!

### Links

1. <http://click.email.nea.org/?qs=7a701ca9c82e7727c6bbf156e47e89d2f7ab81a308ecff64cb63138b832e2f228f8402afce061ada>
2. <http://click.email.nea.org/?qs=7a701ca9c82e772709beca5b7e56c81f349fdb8a2d6b02bc3f5bbd43747d0d3902aa2d99098a6607>

Get a free Evernote account to save this article and view it later on any device.

Create account