



## **FROM THE CAPITOL MARCH 12, 2010**

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### **HOUSE PASSES EDUCATION BILL**

#### **House Bill 2704: School Consolidation**

The House passed House Bill 2704, dealing with consolidation. The bill would allow three or more districts to consolidate into two districts (essentially allowing one district to split itself among some others in consolidating) and keep the incentive funds for consolidation.

As it came out of the House Education Committee, the bill changed low enrollment weighting such that the cap on low-enrollment weighting which is at 100 students in current law would change to 200 students for any district with less than 200 square miles and fewer than 200 students.

### **Disabled Kansans visit Capitol**

Kansans with physical and developmental disabilities visited the Statehouse this week to lobby for home and community based services funding. Some groups placed 58 crosses on the Statehouse lawn to represent 58 disabled Kansans who have died while on waiting lists for services. Other groups highlighted the phrase “Invisible Kansans” and showed their “visibility” by visiting every legislative office to discuss the funding cuts.

Programs that serve those with disabilities in Kansas have been drastically cut recently because of the state’s budget problems. In December of 2008, the Kansas

Department of Social and Rehabilitation Services imposed a freeze on physically disabled waivers for the home and community based services list. The State waiting list for persons with developmental disabilities already exceeds more than 4,000 Kansans waiting receive help. In November of 2009, a 10% across the board cut to Medicaid services (which includes HCBS) was imposed.

We are all impacted by budget cuts, but these are some of the Kansans whose lives literally depend on state services. Advocates urged legislators to consider tax increases as a means of filling the budget gap and protecting them from further cuts.

## REVENUE/TAX DISCUSSIONS CONTINUE

The **House Taxation** Committee tabled HB 2593, which would increase taxes on **alcoholic beverages**. The discussion will likely resurface before the end of this legislative session. The increase in the wholesale tax on alcoholic beverages in HB 2593, which has not been changed since 1977, is aimed at helping to close the more than \$400 million dollar budget gap in the state's general fund, and would also shift increased revenue from the tax to programs that care for the developmentally and mentally disabled.

The tax increase is estimated to increase state revenue by about \$21 million in 2011, and would provide a great deal of relief for community mental health agencies who have experienced \$20 million in cuts recently.

This week the **Senate Tax Committee** also addressed legislation that would raise taxes on **tobacco** products and retail sales tax. SB 615 includes a measure that would raise the tobacco tax by \$0.55 to the national average of \$1.34. The same bill would also increase retail sales tax by 1% until 2013. The Department of Revenue estimates that SB 615 would raise approximately \$377 million dollars for the state's general fund. A similar measure regarding sales tax was addressed in the House Tax Committee earlier this year, but was unsuccessful. The Senate Tax Committee is expected to vote on this measure sometime next week.

Legislators are currently divided on these tax increases. Although legislators understand that taxes are generally unpopular, there is a growing consensus that at some point new taxes must be considered to bridge \$400 Million budget gap.

## CAMPAIGN FINANCE REFORM

This Wednesday, the House Elections Committee heard testimony on Senate Bill 423, which would allow an incumbent legislator to transfer campaign contributions from one political account to another account that is filed for a different office. For example, if a House member decides to run for Secretary of State, that candidate could transfer funds in his/her political House account to the Secretary of State account. Once transferred, the original political account would be terminated.

This bill has been introduced a number of times, usually during an election year. The bill would enable those legislators to jumpstart their new campaign fundraising operations by thousands of dollars. The Governmental Ethics Commission has issued

an opinion stating that the laws of the state do not allow such transfers. There are legitimate concerns about the donors' intent of their contributions. It is highly feasible that someone who gave to a candidate in one race may support a different candidate in another race.

## **NEW ENERGY EFFICIENCY PROGRAMS AVAILABLE TO LOCAL GOVERNMENTS**

As part of its statewide strategy to promote energy-efficiency retrofits in public buildings, the State Energy Office has established two new grant programs to assist cities and counties—the Public Projects Grant Program and the Energy Manager Grant Program.

The programs are funded with \$5.7 million in federal funds received from the Department of Energy as part of the American Recovery and Reinvestment Act (ARRA).

The **Public Projects Grants** are designed to supplement the existing Facility Conservation Improvement Program (FCIP) by focusing on energy efficiency projects in public buildings that are either too small for FCIP or include specific improvements that exceed FCIP's 30-year statutory payback period. Examples of improvements funded through these grants include lighting, heating and cooling equipment, energy management controls, and insulation or other envelope measures. The application deadline for this program is July 15, 2010. For eligibility requirements and additional information, see the State Energy Office web site

(<http://www.kcc.state.ks.us/energy/arra/publicproj.htm>) or contact Peter Armesto (785-271-3241; [p.armesto@kcc.ks.gov](mailto:p.armesto@kcc.ks.gov)).

The **Energy Manager Grants** provide coalitions of local governments (cities, counties, school districts) with an annual stipend of \$50,000 for up to two years to hire an energy manager. Energy managers will develop both short- and long-term plans for each of the coalition members, with the goal of reducing energy usage in both the public and private section. The application deadline for this grant is April 15, 2010. For eligibility requirements and additional information, see the State Energy Office web site ([www.kcc.ks.gov/energy/arra/energymgr.htm](http://www.kcc.ks.gov/energy/arra/energymgr.htm)), or contact Stuart Yoho (785-271-3352; [s.yoho@kcc.ks.gov](mailto:s.yoho@kcc.ks.gov)).

Please visit the State Energy Office website (<http://www.kcc.state.ks.us/energy/index.htm>) for more information about these new grant programs and all the programs administered by the State Energy Office.

## **KPERS**

Our Kansas Public Employee Retirement System (KPERS) offers an employee a benefit of 1.75% times the number of years of service times the average of the highest three year's salary for an employee who reaches retirement age. For example, a state employee who retires after 30 years of service would receive 52.5% (1.75% times 30 years) of his/her salary as a retirement benefit. State employees pay 4% of their salary into the system.

The KPERS fund, like other state retirement funds, was hit hard by the stock market drop two years ago. The market has rebounded, but the KPERS fund is still

alarmingly underfunded. The most recent report from the Pew Center on the States (issued in February) found that the Kansas retirement system was only 58.82% funded. This means that we only have 58.82% of the money we need in the system to fund our obligations to current and future state retirees.

The Government Accountability Office says 80% is the preferred benchmark funding level. The last time Kansas met that mark was in the late 1980's and early 1990's. The KPERS actuary told the Kansas Legislature that it needed to increase the employer contribution to keep the fund actuarially sound.

This is yet another example a critical service provided by state government that must be provided for in FY 2011. There are currently 268,000 Kansans impacted by KPERS funding. All of these Kansans depend on KPERS to survive and none of them have had a cost of living since the early 1990s. It is the Legislature's responsibility to take care of these retirees. We must reverse the trends of the past two decades and adequately fund our KPERS system so the hard working state employees – past and present – can count on a retirement system which will allow them to retire in dignity.

## KEEP IN TOUCH



### 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 451S, Docking State Office Building, Topeka, KS 66612. You can reach me at (785) 296-7657 or call the legislative hotline at 1-800-432-3924 to leave a message for me. Additionally, you can e-mail me at [Sydney.Carlin@house.ks.gov](mailto:Sydney.Carlin@house.ks.gov) You can also follow the legislative session online at [www.kslegislature.org](http://www.kslegislature.org). and review my website for updates from time to time at

[www.sydneycarlin.com](http://www.sydneycarlin.com)

*Rep. Sydney Carlin*