

Week 12 Newsletter (March 30-April 2)

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This Week at the Statehouse

After 12 weeks, we have reached First Adjournment and have completed the 2009 regular session. We will now break for a few weeks and return for Veto/Wrap Up Session on April 29th, during which the Legislature will take up items of unfinished business. Throughout the break, the Governor will review the bills that have been sent to her desk for signature or veto.

Many representatives are returning home frustrated with the lack of productivity in the House this session. We got off to a slow start, we had a significant number of “pro forma” Fridays (meaning we did not meet), and because legislative leadership has been continually reluctant to allow bills to be heard in committees- or to debate bills that came out of committees- there is a lot of productive policy that was never considered at all.

Now, conference committees are cramming Senate bills that were not heard into conference committee reports on a similar subject. You cannot amend a conference report, so a normal way of getting a bill heard before the House as an amendment to a Senate bill is not available. This has resulted in several bad proposals being folded into good bills- without the House receiving an opportunity to properly debate or amend them. This is not the way the legislative process is designed to work.

Civics 101: The Omnibus Bill

One of the primary tasks of the Wrap Up Session is to approve the Omnibus Bill. It is called the Omnibus Bill because it includes appropriations for a wide variety of purposes and for every agency requiring further appropriation action for the current or forthcoming fiscal year. The Omnibus Bill normally contains three basic types of items: technical adjustments to previous appropriations bills, financing for Governor’s budget amendments which were not considered as part of regular appropriations bills, and financing of substantive legislation that passed the Legislature earlier in the session.

Additionally, this bill sometimes includes various items of interest to individual legislators that are offered as amendments during either Appropriations/Ways and Means Committees or Committee of the Whole deliberations. The Omnibus Bill also differs from other appropriations bills in that the Omnibus Bill, as introduced, actually is prepared by a legislative committee. Most other Appropriations bills, while nominally authored by the Appropriations/Ways and Means Committees, actually begin as the Governor’s recommendations. The Omnibus Bill is one of the last bills passed each session.

FY 2010 Budget Update

Last week, the House and Senate came to an agreement on the FY 2010 Mega Budget Bill, which was officially approved by both chambers this week. I have a number of concerns about this budget, which is why I stood in opposition to the bill.

The \$13 billion budget may not take full advantage of federal stimulus dollars to protect higher education, but it includes \$58.3 more in spending than Governor Sebelius proposed. We did this while cutting public education- which is one of our most important investments and something we have worked to protect all session. Below are more specific descriptions of budget allocations and cuts.

It is important to remember that this budget has been created using a four-month-old financial forecast. The next forecast will come on April 17, two weeks after the end of the regular session. If tax collections continue to fall as short of expectations as they did November through February, the mega budget approved this week will not balance, and legislators will be forced to revise it during the veto session in late April. At that point, the mega bill will provide a blueprint which will be adjusted to create a balanced budget on Sine Die, the last official day of the legislative session. Once the session adjourns in May, the Governor can make adjustments during the interim to prevent the state from operating in the red.

K12 Education

Although K12 education cuts are being portrayed as a mere .7 percent reduction, the actual cuts are more like 2.7 percent. If we had continued with the K-12 financing plan, schools would have received a \$4,492 budget per pupil for 2010 fiscal year, more than \$180 million more than it will receive under this budget.

The major problem with cutting education is that the cut was unnecessary. There is currently \$50 million available to Kansas by virtue of casino proposals in Wyandotte County and in South Central Kansas (\$25 million each). Had these monies been utilized in this budget, cuts to K12 education could have been avoided altogether. Additionally, the \$25 million cut approved in this bill will fall disproportionately on rural school districts that rely heavily on base state aid per pupil finding.

Vulnerable Kansans

The Mega Budget bill has no money to fund developmental disability waivers. When it left the House, there was \$2.5 million in the bill which would draw down federal dollars (over \$7 million) and reduce the waiting lists for services.

The bill provides only \$4 million to fund physical disability waivers (drawing down over \$9 million in federal dollars). When the bill left the House, there was \$8 Million in the bill which would draw down over \$18 million in federal dollars and reduce waiting lists.

Earlier this year a freeze on services for waivers was instituted because of shortfalls in 2009 revenues. Nursing home admissions jumped by 303 persons in January 2009 and it was clear how a freeze- in addition to the waiting list- is not a long term, cost saving measure to the people of Kansas. Home and Community Based waiver programs could have served more than 600 persons for the cost of the 303 that went to nursing homes as result of the freeze on services.

State Employees

The bill provides a 1.0 percent base salary increase and longevity bonus payments for state employees; however, these salary increases would have to be self-funded by each of the agencies. These increases are highly unlikely since agency budgets are being slashed 5-10 percent.

WCGME

Funding for the Wichita Center for Graduate Medical Education (\$6.5 million) is to come from stimulus funding if available. No source has been identified for this funding.

Corrections

Public safety was cut \$17.6 million, or 6.4 percent. The budget eliminates 500 beds in our prison system, closes drug and alcohol programs, discontinues day reporting programs, and shuts down community correction beds in Johnson and Sedgwick County.

Unnecessary Expenditures

This budget continues Kansas, Inc. and Kansas Technology Enterprise Corporation as separate state agencies, rather than merging them with the Department of Corrections. This action would have saved the state about \$5 million annually.

In January, the Governor proposed folding KTEC into the Department of Commerce. I strongly support this position. In difficult budget years, there is no reason to fund different agencies to do overlapping, duplicate work. In the Mega bill, KTEC remains a free standing state agency and will receive a budget of about \$12.1 million for fiscal 2010. Their budget was cut by 6.5 percent, to about \$11.66 million.

A 2006 audit showed that Tracy Taylor, president and chief executive officer of KTEC, has a base salary of \$150,000 and was awarded a \$60,000 bonus and a \$52,000 payment for doing work for the Kansas Bioscience Authority and that KTEC paid its employees more than \$550,000 in additional compensation from 2004 to 2006, including nearly \$333,000 in annual bonuses and up to \$224,000 in supplemental payments for work done for the Kansas Bioscience Authority. Parts of the 2006 bonuses paid to three KTEC employees appear to have been contrary to State law because the bonuses were based on work done for a subsidiary of KTEC which is prohibited. And the Mid-America Manufacturing Technology Center, a KTEC subsidiary, also paid about \$437,500 in bonuses to its employees. The salaries at KTEC and Kansas, Inc. are set by their board of directors, not by the state legislature.

Cities and Counties

Cities and counties will split up to \$5 million in the Special City County Highway Fund, but they will receive no revenue sharing money from the state in the Local Ad Valorem Tax Reduction Fund. The slider was passed in order to help local governments adapt to the loss of revenue when the legislature eliminated all tax on business machinery and equipment. The big tax cut was phased in and the slider was provided so that local property taxes would not skyrocket in places where big industry would no longer pay taxes, like KCK and Wichita. The 2010 slider payments will not be made as promised.

Children's Health Insurance

The conference committee agreed to add \$1.2 million for expanding the state SCHIP HealthWave insurance for children whose families' income is 250% of poverty. The funding comes from the Children's Initiative Fund which was created from the flow of tobacco settlement funds to the state.

Driving age raised

Gov. Kathleen Sebelius signed a bill last Friday which will raise the minimum age for obtaining an unrestricted driver's license to 17 and impose more limits on the state's least experienced motorists. Kansas becomes the 49th state to adopt a graduated license program, leaving North Dakota as the lone state out of step. The bill applies to teens who enter the Kansas licensing system after Jan. 1, 2010. The new law also prohibits teen drivers' use of cell telephones until after completion of a six-month probationary period featuring restrictions on late-night driving and vehicle occupancy. An exception is made for reporting emergencies.

Privileges under these licenses now will be limited for six months; during the probationary period no more than one non-sibling passenger under 18 can ride with these teen drivers and the teens can drive only to or from work and school from 9 p.m. to 5 a.m. In most cases, a full, unrestricted license would only be available to teens after turning 17, although, for practical purposes, full privileges might be achieved as early as the age of 16 1/2 years old if the driver satisfactory completes all requirements.

The existing restricted driver's license statute in Kansas is not changed by House Bill 2143. Anyone completing a driver's education course can get a restricted license at age 15. Holders of a restricted license can drive unsupervised to and from work or school. These teens can transport siblings and adult passengers, but not non-siblings under age 18. A learner's permit is still available at age 14, and a learner/driver still will have to be accompanied by someone 18 years of age or older when driving. The new law requires a learner to drive with the permit for 12 months before obtaining a restricted or full license.

Under the new law, teen drivers who violate license restrictions will get a 30-day suspension on the first offense, 90-day suspension for the second infraction and one-year suspension on the third offense.

The Governor said that the legislation will make our roads safer and our teen drivers more prepared. Parents can, hopefully, feel a little bit better about handing over the keys to their offspring. The bill was endorsed by the Kansas Highway Patrol, Kansas Action for Children, State Farm, Kansas Department of Transportation, Safe Kids, and Kansas Department of Health and Environment. States adopting similar graduated licensing systems have experienced 20 to 50 percent declines in teen vehicle accidents.

Speedway back with casino proposal

The partnership of the Kansas Speedway and a Baltimore-based company, Cordish, have filed a new application with the Kansas Lottery for a casino at the race track in Wyandotte County. The Speedway was on the verge of approval to build a Wyandotte County casino when it withdrew in December because of the economy, saying it planned to reapply. Speedway President Jeff Boerger said the proposal will be the same the original proposal with a \$680 million resort, but this time around, the partnership wants to build it in phases rather than all at once.

March revenues down

Kansas's financial forecast continues to look grim, as reports from the Kansas Department of Revenue indicate that the state took in \$57 million less in tax-only revenues in March than previously estimated.

Several factors played into the below-estimated receipt, including individual income taxes, which came in nearly \$50 million below the \$190 million estimate, a nearly 25 percent loss. For the year-to-date, Kansas is down \$135 million in tax revenue from November 2008 estimates.

House bill will qualify Kansas for \$23 million in federal money

In March, the Kansas Department of Labor announced that the state's unemployment rate is the highest it has been in 25 years. To help struggling Kansans during this difficult economic time, Rep. Raj Goyle, D-Wichita, introduced legislation last month to bring nearly \$70 million in federal stimulus money to the state. The legislation contained two important provisions that strengthen the state's unemployment laws. Today, the House gave preliminary approval to the first provision that will draw down \$23 million from stimulus funds.

House Bill 2374 will modify the method of determining a worker's base wage period and increase the number of workers eligible for unemployment benefits.

"As we learned last month, a record number of Kansans find themselves out of work through no fault of their own," said Goyle. "Many are hardworking employees of Hawker Beechcraft, Cessna and other companies in south central Kansas. The passage of House Bill 2374 puts us one step closer to getting unemployed Kansans the help they need to stay afloat during this economic downfall."

Approval on Final Action is expected this afternoon or tomorrow morning. House Bill 2374 will then advance to the Senate for consideration.

Greensburg businesses aided in rebuilding through House Bill 2388

In an effort to help Greensburg businesses rebuild after a 2007 tornado devastated the town, the House overwhelmingly passed House Bill 2388 this week. The legislation will extend the deadlines associated with the Business Restoration Assistance Program.

The Business Restoration Assistance Program was created to assist businesses that were damaged or destroyed in the 2007 Greensburg tornado. Businesses in Greensburg have already been pre-approved to receive benefits from this program, however, this bill would extend the time when a pre-approved business would be required to repair, replace, or rebuild its facility to receive the benefits from this program.

The original program provided \$5 million in business restoration assistance for businesses in Kiowa County damaged by the May 4 storm. Qualifying businesses are eligible for payments of up to 10 percent of the investment made by June 30, 2008 to rebuild and up to \$3,500 for each full-time employee rehired by that date. Those businesses now have until June 30, 2010 to meet this deadline.

House Bill 2388 passed 125-0.

Legislature considers statewide smoking ban

Negotiators from the House and Senate continued meeting this week to iron out a compromise bill that would institute the Kansas Indoor Clean Air Act. Both the House and Senate have offered versions of the bill.

The Senate bill as amended will ban smoking in all public places – including restaurants; places of employment; public transportation; casinos; restrooms, lobbies, and common areas of public and private buildings; among others.

The House version would expand the list of exemptions to include all bars and restaurants that have physically separate smoking areas with their own ventilation systems. The House also wants the state mandate to override any stronger smoking ordinances previously approved by cities or counties.

In 2007, the Kansas Health Policy Authority (KHPA) made recommendations to the legislature to improve the health of Kansans and lay a framework for future reforms. As part of those recommendations, KHPA endorsed a statewide smoking ban.

Not only will a smoking ban protect innocent, nonsmoking Kansans from harmful second-hand smoke, but it will save our state millions of dollars. Tobacco-related diseases cost Kansas nearly \$200 million annually in Medicaid costs and are the number one cause of preventable death.

House Bill 2292 protects Kansas consumers

One positive bill we pushed forward this week was House Bill 2292, which will increase the consumer's ability to place a security freeze on credit reports. Currently, only victims of identity theft have the authority to freeze their consumer reports, but this legislation will expand the right to all consumers. Also, the bill would allow consumers who suspect that they are victim of identity theft to go to the police to file a report.

The freeze will prohibit credit reporting agencies from releasing the credit report or credit score of the consumer, allowing individuals to take control over who is allowed access to the personal and financial information. Within 10 days of placing a freeze, the agency must issue a personal identification number to use like a password if you choose to remove the security freeze from your file or authorize the temporary release of your credit report information. Each agency must place a security freeze on a consumer report no later than five business days after receiving your request. They must lift a freeze within three days if requested by mail and within 15 minutes when requested electronically.

You may qualify for Earned Income Tax Credits

The Earned Income Tax Credit (EITC) is a refundable federal income tax credit for low to moderate income working individuals and families. Congress originally approved the tax credit legislation in 1975 in part to offset the burden of social security taxes and to provide an incentive to work. When the EITC exceeds the amount of taxes owed, it results in a tax refund to those who claim and qualify for the credit.

To qualify, taxpayers must meet certain requirements and file a tax return, even if they did not earn enough money to be obligated to file a tax return. The EITC has no effect on certain welfare benefits. In most cases, EITC payments will not be used to determine eligibility for Medicaid, Supplemental Security Income (SSI), food stamps, low-income housing or most Temporary Assistance for Needy Families (TANF) payments.

The federal adjusted gross income limits for qualifying for the credit for tax year 2008 (which are adjusted annually for inflation) are as follows:

- For married filing jointly with more than one qualifying child, \$41,646
For single with more than one qualifying child, \$38,646
- For married filing jointly with one qualifying child, \$36,995
For single with one qualifying child, \$33,995
- For married filing jointly with no qualifying children, \$15,880
For single with no qualifying children, \$12,880

"Earned income" basically means salary income. A claimant cannot file "married filing separately" and get the EITC. A claimant cannot have investment income in excess of \$2950 and get the EITC. A claimant must be between the ages of 25 and 65 and cannot be claimed as a dependent by anyone to qualify for the EITC.

Detailed info on this credit is available on the IRC website, www.irs.gov The Kansas EITC is 17 percent of the federal EITC.

Tax preparation assistance available for low income families

April is officially upon us, which means that the deadline for filing 2007 tax returns is less than two weeks away. Though many people tend to put this deadline off until the last minute, I encourage you to get your tax forms completed now. Below are several resources and organizations who offer assistance for individuals who may need assistance with their tax forms, which can sometimes be confusing and overwhelming. All of these resources are available to Kansas residents.

[CompleteTax](http://www.completetax.com): Free federal tax preparation and e-file if your Adjusted Gross Income is \$32,000 or less. Extensions available. Website: www.completetax.com

[TaxSlayer Free Returns.com](http://www.taxslayerfreefederalandfreestate.com): Free federal online tax preparation and e-file if your Adjusted Gross Income is \$54,000 or less and you are 25 years old or younger or 68 years old or older or active military. Also, your return is free if you qualify for EITC or your AGI is \$10,000 or less. Extensions are also free. Includes Form 982 (Mortgage Forgiveness Debt Relief). Website: www.taxslayerfreefederalandfreestate.com

[TurboTax® Freedom Edition](http://www.taxfreedom.com): Free tax return preparation and e-file if your Adjusted Gross Income is \$30,000 or less or you will claim EITC, or you are active duty military with an AGI of \$54,000 or less. Includes Form 982 (Mortgage Forgiveness Debt Relief). Website: www.taxfreedom.com

[TaxSimple - Deluxe Version](http://www.taxesimple.org): Free federal online tax preparation and e-file if your adjusted gross income is \$54,000 or less and you are age 65 years old or younger. Website: www.taxesimple.org

[Online Tax Pros](http://onlinetaxpros.com): Free tax return preparation and e-file if your adjusted gross income is between \$11,000 and \$54,000. Also provided en Espanol. Website: <http://onlinetaxpros.com>

efiletaxreturns.net: Free federal tax preparation and e-file if your adjusted gross income is between \$5,000 and \$54,000. Website: www.efiletaxreturns.net

1040NOW.NET: Free federal tax preparation and e-file if your adjusted gross income is \$54,000 or less and you are age 72 or under. Website: www.1040freeonline.com

[eSmartTax By Liberty Tax Service](http://eSmartTaxByLibertyTaxService.com): Free federal online tax preparation and e-file if your adjusted gross income is \$54,000 or less and you are age 50 or under. Includes Form 982 (Mortgage Forgiveness Debt Relief). Website: www.esmarttax.com

[H&R Block's TaxCut Free File](http://H&RBlock.com/TaxCutFreeFile): Free federal online tax preparation and e-file if your adjusted gross income is \$54,000 or less and you are age 50 or under. Website: www.hrblock.com/taxes

[Online Taxes @ OLT.com](http://OnlineTaxes@OLT.com): Free tax return preparation and e-file if your Adjusted Gross Income is \$54,000 or less and you are age 50 or younger. Extensions available. Includes Form 982 (Mortgage Forgiveness Debt Relief). Website: www.olt.com

FileYourTaxes.com: Free Federal online tax preparation and e-File if you are age 25 and under with an Adjusted Gross Income between \$10,000 and \$50,000, or your Adjusted Gross Income is \$50,000 or less. Includes Form 982 (Mortgage Forgiveness Debt Relief). Website: www.fileyourtaxes.com.

[Free Tax Return](http://FreeTaxReturn.com): Free federal tax preparation and e-file if your adjusted gross income is \$54,000 or less. Website: www.free-tax-return.com

[Free TaxACT](http://FreeTaxACT.com): Free federal online tax preparation and e-file if your adjusted gross income is \$54,000 or less and you are age 19 through 54 years old. Extensions e-filed for free. Includes Form 982 (Mortgage Forgiveness Debt Relief). Website: www.freetaxact.com

[CitizenTax](http://CitizenTax.com): Free federal online tax preparation and e-file if your adjusted gross income is \$54,000 or less, and you are age 55 or under. Website: www.citizentaxfree.com

Free1040TaxReturn.com: Free Federal online tax preparation and e-File if your adjusted gross income is \$54,000 or less and you are age 76 or under. Website: <http://ffa.free1040taxreturn.com>

FreeTaxUSA.com: Free federal online tax prep and e-file if your adjusted gross income is \$54,000 or less. Website: www.freetaxusa.com.

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 L79, Docking Building, Topeka, KS 66612. You can reach me at 785.296-7677 or call the legislative hotline at 800.432.3924 to leave a message for me. Additionally, you can e-mail me at first.last@house.state.ks.us. You can also follow the legislative session online at www.kslegislature.org.

USEFUL STATE NUMBERS AND RESOURCES

The following list of numbers will lead you to a variety of state and federal resources. You can find these- as well as many others- online at <http://da.state.ks.us/phonebook>.

Adjutant General:

785.274.1001

Department on Aging:

800.432.3535

Attorney General:

785.296.2215

Better Business Bureau:

785.232.0454

Child/Adult Abuse Hotline:

800.922.5330

Child and Family Services:

785.296.4653

Commerce:
785.296.3481

Consumer Protection:
800.432.2310

Crime Tip Hotline:
800.572.7463

Crime Victim Assistance:
800.828.9745

Driver's License Bureau:
785.296.3963

Gov. Kathleen Sebelius:
800.748.4408

Kansas Health Wave:
800.792.4884

Highway Road Conditions:
800.585.7623

Housing Hotline:
800.752.4422

Insurance Hotline:
800.432.2484

Kansas Lottery:
785.296.5700

Legislative Hotline:
800.432.3924

Mental Health Services:
888.582.3759

Department of Revenue:
877.526.7738

School Safety Hotline:
877.626.8203

Social Security:
800.772.1213

State Capitol Tours:
785.296.3966

Taxpayer Assistance:
800.259.2829

Tax Refund Status:
800.894.0318

Teacher Certification:
785.296.2283

Unclaimed Property:
800.432.0386

Unemployment:
785.296.5074

Vital Statistics:
785.296.1405

Voter Registration:
785.296.4561

Welfare Fraud Hotline:
800.432.3913

Workers' Comp:
800.332.0353

Workforce Center:
785.235.5627