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Newsletter1 2010

Friends, this is my first Newsletter of the 2010 Kansas Legislative Session. While every year offers unique opportunities and problems, the 2010 and 2011 Sessions will be extremely painful for all of us – citizens and elected officials. Clearly the U.S. and Kansas economies are not recovering rapidly from the recession; unemployment remains high, tax revenues continue to be below previous years' levels, and the need for social safety net and public safety programs continues to increase. Educational opportunities at all levels are challenged and debate between those supporting increasing state revenues and reducing state program spending grows more strident.

My Newsletters will focus on some of the issues that do not attract media attention, but are relevant to the larger discussion of our State's present and future. As always, you are invited to comment about any issue important to you, to spend a day with me at the Capitol, and to provide me information that will better enable me to serve the long term best interests of our community and state.

Budget Facts: Under the Kansas Constitution, the state budget must always be balanced – unlike the Federal Government we are not permitted to deficit finance. Fiscal Year 2009 (July 1, 2008 – June 30, 2009) State General Fund expenditures totaled \$6.064 billion (\$340 million below the original budget after reductions to address the recession's impact).

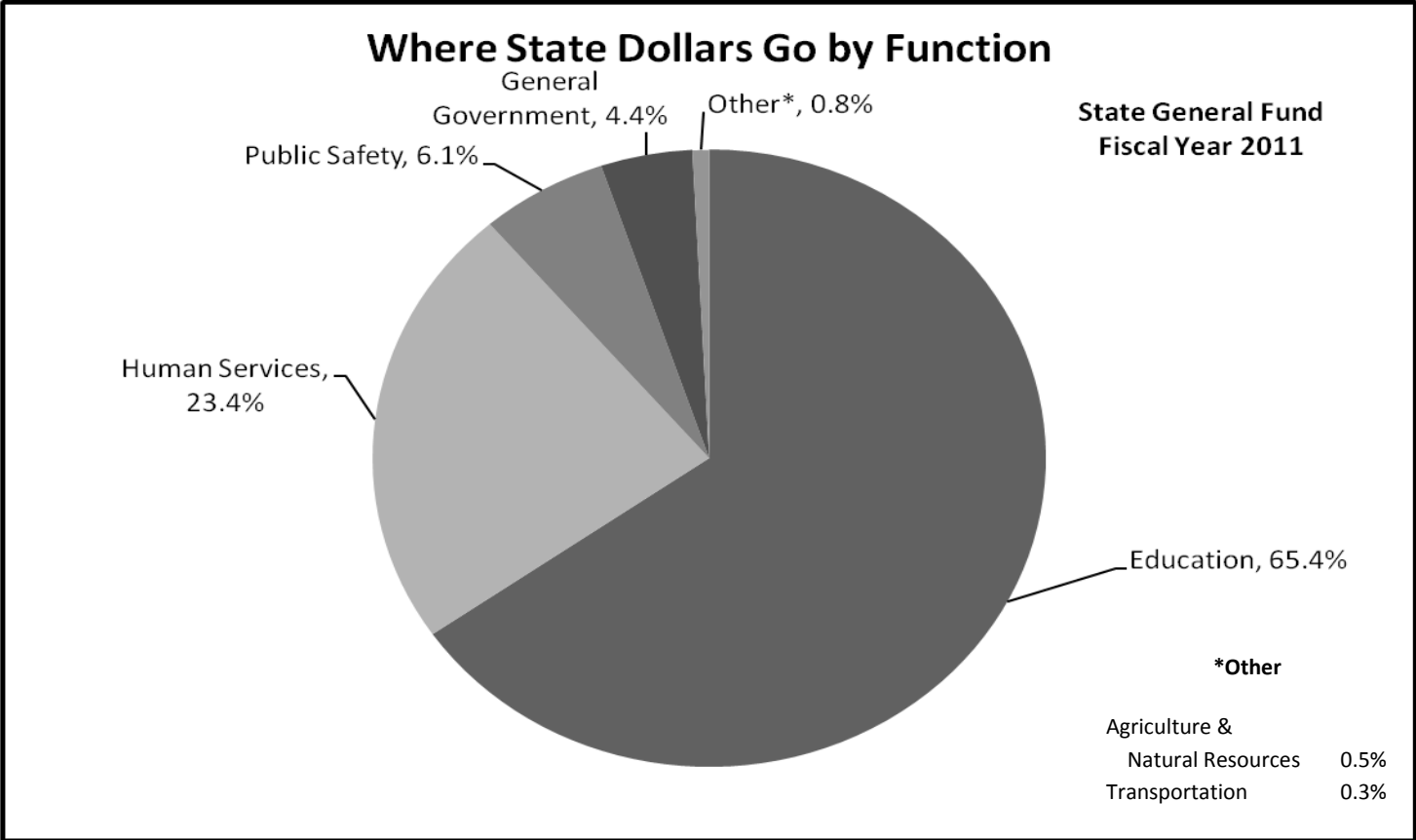
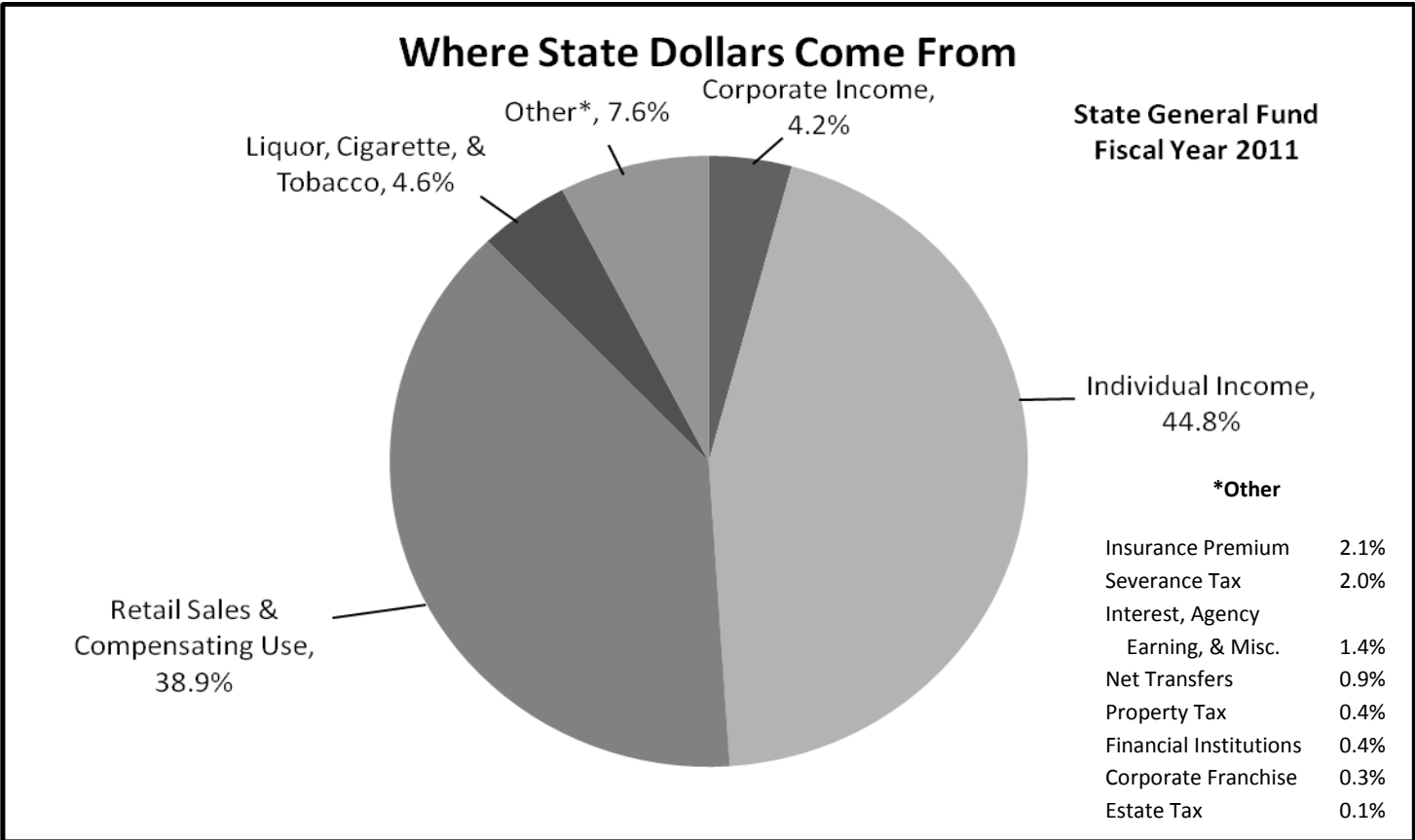
Fiscal Year 2010, the current budget, is \$5.451 billion after the Legislature and Governor made reductions of \$612 million from the FY 2009 expenditures (10.1%). FY 2010 spending is approximately \$1 billion less than FY 2008. The recession clearly is not over as the Consensus Revenue Estimate for FY 2011 is \$122.2 million below FY2010's significantly reduced estimates and the January 2010 receipts were \$18 million below even those projections.

Governor's Proposal: The Governor's proposed budget recommends some additional spending reductions, an increase in revenue by almost doubling tobacco tax rates and a three-year, 1% increase in the state sales tax, and changes in transfers to and from state programs. He also proposes the restoration of the 10% reduction in Medicaid reimbursement rates, a \$50 Base State Aid per Pupil increase in school aid, and a \$10 million increase for higher education.

Proposed Next Step Budget Cuts: Governor Parkinson states that if no revenue enhancements are enacted, some of the budget reductions necessary to balance the FY 2011 budget include:

Reduce State Aid to Schools	\$187.5 million
Additional 2% Reduction to Higher Education	25.0
Medicaid Reimbursement Rate Remains Cut	77.2
Reduce Mental Health Grants	4.0
Reduce Court Operations	3.0
Release Inmates Early, Close Cellblocks	7.4
Eliminate Market-based State Employee pay	8.5
Reduce Contamination Remediation	.2
Reduce Interstate Water Funding	.1
Eliminate KTEC	6.0

Total reductions necessary to balance budget: approximately \$400 million. Following are two charts that show state revenues and state expenditures. Please note that education and human service budgets account for almost 89% of the state's expenditures.



Legislation Proposed by Tom: HR 6005 – to establish energy production, conservation, utility rates, research investment, energy exports, transmission line construction, etc. targets for our state for the decade ending in 2010. I believe that the people and policy-makers should have clear ideas about what type of energy production and consumption objectives we want to achieve between 2010 and 2020.

HB 2419 – authorizes electric utilities and their customers to collaboratively install wind and solar generation and energy storage units on the customer’s premises to provide lower-cost renewable energy to the customer and his/her neighbors.

HB 2428 – to create the Drinking Water Sustainability program through which accurate studies of all drinking water supply lakes and reservoirs will be conducted to determine how quickly sediment will destroy their flood control, drinking water supply, drought protection, and

recreational capacities. Studies will also identify the composition of the sediment and determine how to address taste and odor problems.

HB 2424 and HB 2427 – both are related to insurance company reimbursement for telemedicine/telehealth monitoring services provided by qualified health care professionals. Tele- services involve the use of the Internet or telephone lines to permit health care providers to cost-effectively provide second opinions, monitor heart and other body functions on a daily basis, and other services to people many miles distant from the hospital, health care provider, and health care specialist.

HB 2430 – after a military veteran is convicted of a crime, authorizes judges to take into account whether Post-Traumatic Stress Disorder is a mitigating factor when considering whether to deviate from the Sentencing Guidelines. Some veterans would benefit from mental health support, rather than prison, and the bill permits judges to make the determination.

HB 2445 – requires military base commanders and cities/counties surrounding the bases to regularly exchange information regarding planned development that may adversely affect the other. Neither party has a veto over the other, but the exchange of information is designed to prevent civilian development from negatively affecting the military's ability to train and military development to create infrastructure problems for the civilian communities.

Tom's National Work: A neighbor recently asked me why I seek opportunities to serve on national committees when they take me away from home so often. She observed that unlike some state and federal elected officials who seek opportunities to serve on national committees as a means of demonstrating how important they are, I seem to have different motivations.

Although it can seem like a cliché, I truly seek opportunities to bring federal policy-makers to Kansas and for me to bring Kansas' common sense ideas to national audiences. In the past 7 years, the heads of 5 federal agencies have been in Kansas at my invitation 12 times to meet with our key stakeholders. Most federal policies are designed to serve the larger population coastal states; my work is to make Kansas' issues much more visible. Most of my travel to participate in these meetings and to meet with federal agency heads is not at the expense of Kansas taxpayers, instead being paid by the organization or from campaign and personal funds. Following is a list of some of the national committees on which I serve:

Council of State Governments (CSG) – Vice Chairman, Energy & Environment Task Force; Co-Chairman, Inter-State Transmission Line Siting Compact Committee;

National Conference of State Legislatures (NCSL) – Energy Supply Task Force; Military & Veterans Affairs Task Force; Environment Committee;

National Wind Coordinating Collaborative (NWCC) – Steering Committee;

U.S. Department of Energy (DOE) – Electricity Advisory Committee; Grid/Wise Architecture Council;

Assistant Secretary of the Army –Civil Works (ASA-CW) and U.S. Army Corps of Engineers (USACE) – Liaison, promoting a shared program between the Corps and Kansas water agencies to extend the productive lives of our drinking water lakes and large reservoirs.

My work in the Kansas Legislature to promote responsible energy and high voltage transmission line development, sustainable water policies, protection of natural resources, and universal access to high speed Internet/broadband services enable me to bring federal agency heads to Kansas (12 times and counting) to meet with our public officials and other key stakeholders. I bring best practices from Kansas to the nation and best national practices to Kansans.

State Budget/Revenues: Decisions about increasing taxes or removing tax exemptions OR further reducing funding for state and local government programs will be made by the Governor, Legislators, AND the public. It is very important that the public express informed opinions about what taxes should be raised, what exemptions removed, and what programs eliminated or reduced.

Many people consider taxes as government intrusion in their lives; others believe that governments collect tax money to provide services that we as individuals cannot provide for ourselves. Both perspectives have merit – all of us would like to retain more money in our pockets and all of us benefit from public safety, transportation, public health, water sustainability, energy supply, and other policies and programs. It is difficult for government to operate as a “business.” When the economy falls, government provides the safety net support to keep people from starving and living on the streets. When calls for government consolidation are made, offices may close (e.g., driver’s license renewal sites) or procedures may change (e.g., filing income taxes electronically), both of which can inconvenience citizens.

Balancing public demands for services versus willingness to pay for those services, short-term versus long-term infrastructure investment needs, and other contrasting positions is why it is particularly important this year for the public to become informed and let elected officials know what the state’s and local communities’ priorities should be. If you support increasing state revenues, please indicate which tax increases you support and/or which tax exemptions you support removing; if you support further reductions in state expenditures, please indicate which programs you wish to eliminate. In either case, please remember that your total actions must add up to at least \$400 million to resolve FY 2011’s revenue-expenditure difference. You may wish to also address the likelihood that 2011 will not see an end to the national recession and that FY 2012 may need additional budget reductions or revenue enhancements.

It is unlikely that the revenue enhancements versus program reductions debate will be concluded before the first week of May and the end of the 2010 Kansas legislative session.

New Office: A 12-year restoration/renovation of the State Capitol results in large numbers of state legislators being moved each session to accommodate construction workers. In the past few years, I have had four offices – one with windows, one in a converted closet, one in the Docking State Office Building, and now, in the “Garden Level” of the Capitol (we are discouraged from referring to it as the basement). I do not care where my office is located, so long as constituents are able to find it.

My current office has two walls comprised of the Capitol foundation stone blocks. One of the blocks is 9 ft x 3 ½ ft x 3 ft in size. Every time I look at the block I wonder how the workers handled it without modern cranes, bulldozers, and other equipment. That thought leads me to wonder how the Pyramids were constructed during an even earlier age. Clearly such thoughts are not related to adequately funding essential programs, but reflect my respect for the people who built the State Capitol (and Pyramids). The workers are restoring the building to its original character, while modernizing the electric, heating, and cooling systems, and increasing the number and size of Committee rooms to better accommodate the public. Approximately 3/4ths of the Capitol has been renovated and I encourage you to visit your State Capitol.

Closing Comments: Please contact me if you have questions about any state issue, wish to spend a day with me at the Capitol, or have an idea on how State government can better serve the long term best interests of our community and state. If you are receiving a printed copy and would prefer to receive this newsletter electronically, please contact my assistant at mary.koles@house.ks.gov or call 785-296-7654. Please share this newsletter with your family and friends and encourage them to contact me also whenever they have information that will better enable me to represent our citizens.

*Best wishes,
Tom*