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2010 Legislative Session Begins

Budget is the Issue

The 2010 session began Monday, January 11th. This session, like the 2009 session, will be focused on the budget. 2010 is also an election year for the House of Representatives and all statewide offices and political considerations will have a major impact on the outcome of many issues, especially the budget.

Governor Mark Parkinson gave his state of the state address Monday evening and it focused on closing the \$400 million budget hole for Fiscal Year 2011. Parkinson recommended increasing the sales tax by a penny for three years, which would raise \$300 million and increase tobacco taxes to raise almost \$70 million in FY 2011. His budget also recommends additional fee fund balance sweeps to the general fund of more than \$13 million.

Duane Goossen, the Governor's budget director has explained some budgetary history: "Two years ago the Legislature passed a state budget of \$6.4 billion dollars for fiscal year 2009 (Fiscal years are from July 1st to June 30th). By January of 2009 (which is halfway through the fiscal year) it was clear that there wasn't going to be enough revenue to make that budget work. As a result, then-Governor Sebelius and the Legislature cut about \$340 million from the 2009 budget. In late April, Governor Parkinson was sworn in; with just a few weeks left in the 2009 Session, Governor Parkinson and the Legislature worked together to pass a 2010 budget with about another \$360 million in cuts. Unfortunately, it became clear that even that lower number wouldn't work so by November we had cut the last \$260 million. Today the state budget sits at about \$5.4 billion dollars – down \$1 billion from last year." That is fiscal situation that the State of Kansas is facing during the session.

Speaker of the House Mike O'Neal gave a response to the state of the state address and the Republican House Leadership will oppose any tax increase or any effort to repeal any current tax exemptions. O'Neal states "A tax hike, despite its attractiveness in the short term, would in the long run cripple Kansas businesses and in turn undermine the long term fiscal health of our state government."

House Majority Leader, Representative Ray Merrick, R-Stilwell, took a more aggressive position opposing the Governor's proposal, calling it "unconstitutional" and saying "Since this administration has run out of tricks and one-time fee sweeps, it has now resorted to simply refusing to balance the budget responsibly."

The tax proposal has been introduced in the House Taxation Committee.



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Kansas Revenue Secretary Joan Wagon on Wednesday preached the benefits of closing sales tax exemptions to help solve the state's budget crisis. Wagon addressed a morning meeting of the House Republican caucus. Wagon has long pushed to close the long list of sales tax exemptions, of which there are dozens. As a member of the Kansas House in the 1990s, she unsuccessfully carried a bill on the floor that would have repealed most of them.

O'Neal said he doubted that many of Wagon's proposals would pass. House Taxation Committee Chairman Richard Carlson, R-St. Marys, said ending the exemption on residential utilities would be "a tough sell. I'm interested in hearing the testimony on that one." Rep. Arlen Siegfried, R-Olathe, announced that he would introduce a bill to create a 10-legislator tax commission to solicit public input on ways to eliminate some of the exemptions.

Wagon said the legislation proposed by the Kansas Advisory Council on Intergovernmental Relations' is separate from the three-year, one-cent sale tax increased proposed earlier this week by Gov. Mark Parkinson. "People think that because I'm chairing KACIR, I'm running the governor's traps. But I'm not," Wagon said. "But he's not opposed to this. He doesn't care how the revenue gets raised as long as the budget doesn't get cut any further — that's his bottom line."

A copy of the list tax exemptions that Secretary Wagon is proposing to repeal can be found [here](#).

Legislative "Furloughs" Proposed

The House and Senate Republican Leadership proposed legislators take 10 days of "furloughs" this session, starting as early as this past weekend, to cut the legislative budget in a manner good for a welter of press releases and probably campaign brochure bullet points.

The plan: furloughs on this past Friday, Saturday, Sunday and Monday (Martin Luther King Jr. Day), and the next two weeks not taking pay for Friday, Saturday and Sunday, for a total of 10 days without pay—which is \$88.66 a day and subsistence pay of \$109 a day. The salary hit for lawmakers: nearly \$2,000 apiece. Legislators receive pay and subsistence pay for weekends and days they don't work during the session.

It's uncertain what would happen to legislative staffers, secretaries and salaried employees of the Legislature.

The proposal would have cut the legislative budget by about \$330,000 if legislators went for the deal, but there was significant push-back by non-leadership members who complained that they were surprised, that they have rent to pay and that the cut is unexpected and severe. It would pencil out to about a 10% pay cut for lawmakers. Some lawmakers, who aren't fans of the flashy furlough program, are digging out and discreetly handing around records of House and Senate "leadership days" for which top legislative leaders can claim pay and subsistence.



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The furor over the furloughs was probably the biggest topic of conversation in the Statehouse this week, with a handful of committees meeting, mostly for staff introductions, receiving new bills and setting outlines for committee work in the next few weeks.

Session Deadlines

The following dates are the deadlines for introduction and consideration of bills for the 2010 session as contained in the Joint Rules of the Senate and the House of Representatives adopted February 12, 2009.

Monday, January 11th

First day of 2010 session; convene at 2:00 p.m.

Monday, January 25th

Last day for member or members to REQUEST to have bill drafted.

Thursday, February 4th

Last day for Committees, except House Appropriations, Calendar and Printing and Taxation, House and Senate Federal and State Affairs, Senate Ways and Means, or other select committee, when authorized, to REQUEST to have bills drafted.

Wednesday, February 10th

Last day for Individuals to INTRODUCE bills.

Friday, February 12th

Last day for Committees, except by committees listed above, to INTRODUCE bills.

Saturday, February 27th

Last day to CONSIDER BILLS IN HOUSE OF ORIGIN, except by House Appropriations, Calendar and Printing and Taxation, House and Senate Federal and State Affairs, Senate Ways and Means, or other select committee, when authorized.

Wednesday, March 31st

Last day to CONSIDER BILLS NOT IN HOUSE OF ORIGIN, except by committees listed above.

Saturday, April 10th

No bills considered after this date except BILLS VETOED BY GOVERNOR, OMNIBUS APPROPRIATIONS ACT AND OMNIBUS RECONCILIATIONS SPENDING LIMIT BILL. Veto session approximately two and one-half weeks after last day of regular session. Sine Die—to be announced.