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Testimony IN SUPPORT of HB 2237 Before the House Committee on Taxation Submitted by: Rebecca Proctor Executive Director, Kansas Organization of State Employees (KOSE) February 7, 2017

Chairman Johnson and Members of the Committee:

Thank you for allowing me to address you today. My name is Rebecca Proctor. I am Executive Director of the Kansas Organization of State Employees (KOSE). KOSE is a public employee union representing over 8,000 executive branch state employees. There are KOSE-covered employees in every single county and every single legislative district. On behalf of those employees, I encourage your support of HB 2237.

Some of you may be wondering why KOSE as a public employee organization is providing testimony on a tax/revenue bill. State employees have felt, first hand, the pain of the governor's failed experiment, in raises that didn't happen, in increased contributions for health benefits, in increased workloads due to unfilled positions, in tools, vehicles, and materials that are aging or broken. State employees have seen their retirement plan contributions increase while the state defers its contributions "to improve cash flows" and pay for irresponsible tax cuts for businesses.

State employees also know cuts aren't the solution. Three years ago a state employee told me, "We've already been cut to the bone. More cuts will go deep into the bone itself." Three years later, there is nothing left to cut without seriously impacting essential services. It is not an exaggeration to say many state agencies are in a staffing crisis, and services have already started to suffer. Salaries, benefits, and working conditions for state employees, and our state's ability to attract new employees, can only improve by restoring the revenue stream.

This bill provides a comprehensive, common-sense approach for moving forward. It closes the LLC loophole and stops the irresponsible march to zero. It restores a third tax bracket to the personal income tax structure. Through an increased gas tax, it provides protected, dedicated funding to the Highway Fund that can't be swept into the state general fund while also providing tax relief in the form of lower food sales tax.

There is no silver bullet to fix the budget, no one magic solution. We hear a lot about repealing the LLC exemption, but that alone is not sufficient, as it doesn't fix the system's larger structural problems. Please put us back on the road to stable, sustainable revenue and support HB 2237.