

March 15, 2017

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Senate Assessment and Taxation Committee

Subject: Written opposition testimony to SCR 1602

Dear Chairwoman Caryn Tyson and Members of the Senate Assessment and Taxation Committee;

I oppose SCR 1602 for the following reasons:

- Expenses of holding general elections to make adjustments in spending and revenue limits
- Timing of such elections and resulting legislative process to enact such law to increase fiscal year spending limitation would exacerbate an immediate need for increased spending at the detriment of other critical state services
- Legislative gridlock in obtaining a supermajority for new or increased taxes
- Restrictions by formula or timing that hampers ability to react and adjust to changes at the federal level (anticipated or unanticipated) that directly affects the state budget, for example:
 - Withholding of federal dollars for use in infrastructure building and repairs
 - Provision in pending American Healthcare Act that eliminates coverage for mental health services and returns that coverage decision to individual states. Kansas would be forced to address funding for these services, mandate health insurers provide those benefits in order for them to do business in the state or not cover mental health issues at all.
- In times of rapid population growth, adjustments that are allowed would not keep pace with changes in demand on public services
- Adjustment formula uses census data that is compiled every 10 years on both state and federal levels. An additional component is the population change during a calendar year. In absence of additional detail, determining a calendar-year change appears a potential additional expense for the state for a special census to determine the amount of the change.
- The cost to review, repeal and/or amend all laws in force at the time of the adoption that do not conform with the provisions of this article.

I am concerned how this legislation impacts the payback to the various funds that have been tapped or borrowed from, to cover the current deficits. I am concerned that enacting this legislation would “double down” on the current deficit crisis with the requirement that any temporary borrowing by the state must be repaid within the same fiscal year. School financing is behind by \$275 million already and appears it will be an on-going issue that will not be made whole by July 1, 2019. When all the IOU’s become due and payable, what other state services will bear the brunt of cuts needed to make up the repayment funds?

I see this legislation adding more complexity and expense to a system already in fiscal crisis by creating other impediments to hinder the legislators’ ability to create a workable solution to revenue shortfalls implemented in 2012.

Thank you for this opportunity to provide testimony on SCR 1602.

Linda Seiner