



Responsible Policy. Real Prosperity.

April 3, 2018

Heidi Holliday, Executive Director
Kansas Center for Economic Growth
Written only testimony in opposition to House Concurrent Resolution 5029
House Judiciary Committee

Chair Finch and Members of the Committee:

Thank you for the opportunity to **submit written testimony in opposition to House Concurrent Resolution 5029**. The Kansas Center for Economic Growth (KCEG) is a nonpartisan organization dedicated to promoting balanced budget and tax policies that help ensure all Kansans prosper.

Kansas courts and schools did not create the state's fiscal crisis. Failed tax policy did. The 2012 supply-side tax plan did not work, leading to serious budget challenges. During the 2017 legislative session, policymakers took a decisive step forward – ending the Kansas tax experiment in hopes of restoring programs and services that had experienced cuts over the four-year period. KCEG said at the time that more work remained to be done and that the road to economic recovery and stability would be a long one.

Kansas is strong when we invest in the foundation of our state: great schools, affordable health care, solid infrastructure, and thriving communities. And like a foundation, altering or limiting any one of these commitments undermines the entire structure. A constitutional amendment removing the judiciary's role in determining adequate levels of school finance would weaken that foundation.

KCEG supports adequately and equitably funding K-12 education -- along with the other services that our state's nearly 3 million residents expect and deserve. We can make those investments. Monthly revenues continue to exceed expectations for the year, and once the fiscal year has ended we will know how much additional revenue from Senate Bill 30 is available for our state's continued recovery from failed tax policy.

*To preserve our donor dollars and decrease our waste, we opted not to reprint our letterhead.
Please note our new address: 709 S. Kansas Ave, Suite 200, Topeka, KS 66603*

The list of investments our state must make as we recover from the 2012 tax experiment is long. We may be able to fund schools and begin to repair some of the damage of the Brownback tax plan with existing revenue, but long-term recovery for our state's foundational services will require policymakers to seek out sustainable and renewable sources of revenue. These may include applying our state's sales tax to online retailers ([HB 2756](#)), increasing tobacco taxes ([HB 2231](#), [SB 376](#)), and modernizing our tax code. We can also pay attention to where our state's money is going – for instance, tracking and evaluating the effectiveness of corporate tax incentives ([HB 2753](#) and [HB 2572](#)). We must also be mindful of our state's three-legged stool of tax policy – income, property, and sales taxes are all necessary, but overreliance on any leg can unbalance the whole. Lawmakers should make rebalancing our tax code a priority before rewriting the Constitution.

Lawmakers should reject calls for a constitutional amendment removing the judiciary's role in determining adequate levels of school finance. Kansas has the resources to support the foundation of our success, as long as we work together. KCEG stands ready to work with any legislator of any party to work toward identifying sustainable and renewable sources of revenue.

Thank you for the opportunity to submit testimony in opposition to House Concurrent Resolution 5029, and please do not hesitate to contact me (heidi@realprosperityks.com) if you have any questions.