POLICY BRIEF

BALANCED BUDGET PLAN:

By Michael Austin
January, 2021

Delivers Services, Saves Taxpayers to Make Economic Growth, Recession Resiliency, and Tax Reform Attainable

EXECUTIVE SUMMARY

COVID-19 has presented many challenges for Kansas policymakers. Under unprecedented public health and economic crisis, policymakers must take charge and guide the state to a robust recovery. To do that, they must first tackle the state budget shortfall that lays before them. While it may be daunting, the Kansas Policy Institute has a framework that does not cut quality services but maintains them at a better price, or tax, to Kansans.

The Kansas shortfall will grow to roughly $721 million by the end of FY 2022 if it follows state law. However, it also creates a great opportunity in the intervening years. Providing for the statutory ending balance, the shortfall turns into a surplus of roughly $600 million in fiscal years 2021 and 2022. Legislators have a vital role in ensuring state spending programs are providing core services efficiently and adequately. This is not a partisan issue; most Kansans want to ensure the government can provide better service at a better price. To improve government services and ensure there is money to pay for them, we need to closely examine how we allocate our resources. We considered education and discretionary savings together, along with the recently studied tax reform package. This framework shows that policymakers can provide relief to Kansans and protect the state budget from the next financial crisis. The table below shows the potential to save taxpayers $835 million and allows for tax reform of $85 million. Ultimately it leaves up to $750 million to shore up the state budget for the potential next emergency. This budget also means no more additional transfers from the highway fund and a maintained schedule for KPERS payments. A more holistic review of state spending would yield further opportunities to save money.

The budget can be balanced by making more effective use of existing resources. No tax increases or reductions in services are necessary. We know this because other states are already doing it. Remember, Kansas spent 40% more per-resident than the states without an income tax in 2018. Those states provided the same essential services as does Kansas. Just as the private industry makes a continuous improvement to its operating processes, so too must state government.

Spending and Tax Saving Opportunity Summary	
Description	Amount
Total Education Savings	-$623,264,170
Total Discretionary Savings	-$212,364,880
Total Tax Reform	$85,400,000
Total Saving Opportunities Less Tax Reform	**-$750,229,051**

Source: Kansas Department of Administration, Kansas Legislative Research, & Author's Calculations

INTRODUCTION

A healthy and sustainable budget must follow one fundamental value: spending cannot exceed current-year tax revenue. Kansas policymakers can achieve this without cutting services but, instead, delivering better service at a better price.Every state provides the same basic basket of services such as public education, social services, and highways. Some states find ways to provide better services at better prices. Data from the National Association of State Budget Officers shows that income-taxing states spent 55% more per-resident in 2018 than states without an income tax, as compiled in our annual Green Book. Similarly, remarkable spending differences exist between the ten states with the highest and lowest tax burdens. Some states may have a unique revenue source (i.e., tourism, oil revenue) but could still have an increased tax burden if it spent a lot more. The key to reducing taxes is to provide the same or better-quality government services and functions at a better price.

Table 1: 2018 Actual Spending Per Resident		
State Grouping	Amount	Difference (Percent)
No Income Tax	$2,883	
Income Tax	$4,477	55%
10 Lowest-Burden States	$3,078	
10 Highest-Burden States	$4,951	61%
Kansas	$4,040	

Source: 2020 Green Book

Moreover, many people conclude that reduced spending means a reduction in services. Purdue University President and former Indiana Governor Mitch Daniels says this is mistaken. As president, Daniels has controlled spending to such a degree that Purdue has had nine years of a tuition freeze. In this and state government, he says, “This place was not built to be efficient. [But] you’re not going to find many places where you just take a cleaver and hack off a big piece of fat. Just like a cow, it’s marbled through the whole enterprise.”

All Kansas government levels, including universities and school districts, should eliminate the marbled, unnecessary spending throughout each enterprise. A Better Service/Better Price mentality is an adequate foundation for spending tax dollars.

Lawmakers can balance the state general fund with the effective use of existing resources;

- No additional transfers from the highway fund.
- No re-amortization of KPERS pensions.[1]
- Use of existing law on performance-based budgeting.[2]

Allowing for;

- Restore legally-required ending balances of 7.5% of expenditures for fiscal stability.
- Reverse the state income tax increase imposed in 2017 because of changes in the federal Tax Cuts and Jobs Act.
- Follow SCOTUS guidance on taxing online marketplaces.

More than ever, legislators and Governor Kelly must follow Kansas families' example and adjust the budget to reflect economic reality. Kansans painfully adapted to life during the pandemic, but governments around the state have done little to no belt-tightening.[3] Governor Kelly and others have asked Kansans to sacrifice in light of the pandemic. However, they are seemingly unwilling to do the same when it comes to state budget discussions. Kansans must acknowledge that the state government's billion-dollar shortfall results from years of fiscal mismanagement, not COVID-19.

Learning from Bipartisan Fiscal Mismanagement

The Great Recession

The 2007/2008 "Great Recession" provided only the most recent lesson about how legislators could have avoided painful spending cuts with a BetterService/Better Price approach. In 2007, total state receipts were at a then-high of $5.8 billion, with an ending balance of 16.8%. An ending balance is built in good times to insulate core government functions during the bad. The crash of the Great Recession makes this clear. From 2009 to 2010, total receipts fell from $5,587.4 million to $5,191.3 million, a 7% decline. Total expenditures fell 13% over the same period. Under an economic recessions, state revenues plummet, budgets are supposed to adapt and use their ending balances to absorb the impact. As shown in Table 2, revenues began to drop in 2008, yet expenditures increased. Federal stimulus funds helped maintain higher spending as revenue plummeted in 2009 and 2010. Instead of using the ending balance of 2007 and the federal bailout to evaluate spending and protect core functions, the state government ensured a boom-and-bust leadership style.

Table 2: Kansas State General Fund During The Great Recession (millions)

Year	Total Receipts	Total Expenditures	Ending Balance	
			Number	% of Exp
2007	$5,809.0	$5,607.7	$935.0	16.8%
2008	$5,693.4	$6,101.8	$526.6	8.6%
2009	$5,587.4	$6,064.4	$49.7	0.8%
2010	$5,191.3	$5,268.0	-$27.1	-0.5%

Source: Kansas Legislative Research

"Brownback" Tax Reform Era

In 2012, the Kansas legislature passed an income tax reform package that decreased total receipts by $687.9 million. Total expenditures to the state general fund fell by $152 million. Take note of the difference in budget between the Great Recession and the Brownback Era. During the Great Recession, expenditures fell more in line with receipts. However, after the 2012 tax cuts, the legislature and administration used a series of budget gimmicks, transfers, and even raised sales taxes. Ultimately the legislature and administration missed a chance to focus on performance. They raised income taxes by nearly a billion dollars in 2017. In 2013, too many in Topeka welcomed the benefit of cutting taxes to spark economic growth. However, they lacked the discipline to bring spending in line with new revenue projections.[4]

FY 2019

If there is one silver lining to the record income tax hike of 2017, it was that the state budget was solvent. The tax hike left a billion dollars in the ending balance. Putting aside the fact that Kansas families had fewer dollars to spend, the Kansas legislature had an opportunity to start anew with responsible fiscal management. Instead, Governor Kelly came into office and proposed a budget that would ultimately set records for state spending, eat away at the reserves, and at the time, set up a $1.3 billion deficit by 2023. To keep her preferred spending initiatives afloat, the Governor employed several budget tricks.

The budget proposal only showed a one-year budget instead of the conventional two-year budget. The Governor denied a portion of the 2017 Federal Tax Cuts and Jobs Act to Kansans, raising their taxes, delayed public pension payments, and transferred more than $400 million from the State Highway Fund.

FY 2020

For fiscal year 2020, the Governor squandered another opportunity to build a balanced budget. Instead, Gov. Kelly proposed spending $600 million more than tax collections, hitting another record spending level of $7.8 billion. It would drain the state's ending balance to $533 million in that budget year, below the statutorily required 7.5% ending balance. Gov. Kelly proposed re-amortizing KPERS pension debt at a long-term cost of more than $4 billion and taking $633 million from the State Highway Fund in 2019, 2020, and 2021. The Governor also violated the U.S. Supreme Court ruling on online marketplaces and wanted to expand Medicaid to the tune of $70 million per year.

The legislature ultimately rejected pension re-amortization and Medicaid Expansion, but they approved the rest. Moody's Analytics reported later that year, Kansas was among the worst-prepared states in the nation to deal with emergencies.[5] They said Kansas and Illinois are the only two states that do not have a "rainy-day fund balance" to deal with emergencies.

COVID

As businesses and families responded to COVID-19, Governor Kelly took her steps. The Governor was the first in the nation to close schools, implemented a state shutdown of businesses her administration deemed "non-essential," and told Kansans to stay home. Not only were such measures ineffective in fighting COVID-19, they had dramatic economic consequences, and through it, worsened the state budget.[6] States that stayed open during COVID had much lower death tolls and unemployment rates than those shut down by their governors.[7] The U.S. Bureau of Economic Analysis reported that the Kansas economy fell 32.1% in the second quarter (annualized).[8] Of course, the global economy slowed considerably at the same time.

State forecasters estimated Kansas' total receipts would drop $540 million from 2019 to 2020, with the biggest hit seen on personal income tax receipts.[9] By June 2020, total state revenues fell 7.4% from the prior year, yet expenditures rose by 11.5% over the same time. The Governor made no allotments to state agencies but rather delayed loan payments. She pushed spending into the following fiscal year. The divergence in revenues and spending left Kansas with an ending balance of just $89.1 million. With updated tax revenue projections, the Kansas state budget will not balance unless the state finds an additional $121 million. Table 3 is the budget snapshot the legislature faces today.

Unfortunately, recovery from COVID itself and government public health mandates have stalled. While much of the country has haltingly improved and reopened, Kansas' continued policy uncertainty has had devastating consequences for families and businesses.[10]

- More Kansans relocated to states that did not implement lockdowns.[11]
- Roughly 25,000 Kansans stopped looking for work in September.[12]
- Full Kansas private jobs recovery pushed back to Fall 2021.
- Social and mental health impacts of continued uncertainty and shutdowns.[13]

The Real COVID Budget

The latest budget profile from Kansas Legislative Research Department (KLRD), in Table 3, provides the basis for understanding the real budget scenario facing legislators and Governor Kelly. The line "SGF Ending Balance" can be considered a checkbook for the state budget. For the budget to balance by 2022, $121.2 million must be adjusted to leave a zero balance in the account. Lawmakers can either reduce spending, increase taxes, or implement short-term gimmicks to eliminate the deficit.

Unfortunately, this profile assumes that the upcoming budgets will change state law and leave the state with a zero-ending balance and little room for budgetary or economic error. In other words, there is no room for a policy that delivers better service at a better price size of government or returns more resources to Kansans. As described in the Great Recession example, a 7.5% ending balance requirement prevents boom and bust budgeting and should serve as the starting point for legislative deliberations in 2021.

Table 4 represents the same SGF profile from KLRD with one minor adjustment; it follows existing law requiring a 7.5% ending balance.[14] Following this statutory requirement, the state's shortfall grows to roughly $721 million by the end of FY 2022. However, it also

Table 3: KLRD State General Fund Profile FY 2018 - FY 2022 (millions)

Description	Actual FY2018	Actual FY2019	Actual FY2020	Approved FY2021	Estimated FY2022
Beginning Balance	$108.5	$761.7	$1,105.1	$495.0	$396.7
Revenue	$7,302.3	$7,376.2	$6,912.4	$7,707.7	$7,483.6
Total Available Revenue	**$7,410.8**	**$8,137.9**	**$8,017.5**	**$8,202.7**	**$7,880.3**
Expenditures	$6,649.1	$7,032.8	$7,522.5	$7,806.1	$8,001.5
Total Adjusted Spending	**$6,649.1**	**$7,032.8**	**$7,522.5**	**$7,806.1**	**$8,001.5**
SGF Ending Balance	**$761.7**	**$1,105.1**	**$495.0**	**$396.6**	**-$121.2**
as % of Expenditures	11.5%	15.7%	6.6%	5.1%	-1.5%

Source: Kansas Legislative Research (11/19/2020)

Table 4: KLRD State General Fund Profile with Ending Balance FY 2018 - FY 2022 (millions)

Description	Actual FY2018	Actual FY2019	Actual FY2020	Approved FY2021	Estimated FY2022
Beginning Balance	$108.5	$761.7	$1,105.1	$495.0	$585.5
Revenue	$7,302.3	$7,376.2	$6,912.4	$7,707.7	$7,483.6
Needed for 7.5% End. Bal.	$0.0	$0.0	$0.0	$188.9	$532.6
Total Available Revenue	**$7,410.8**	**$8,137.9**	**$8,017.5**	**$8,391.6**	**$8,602.6**
Expenditures	$6,649.1	$7,032.8	$7,522.5	$7,806.1	$8,001.5
Total Adjusted Spending	**$6,649.1**	**$7,032.8**	**$7,522.5**	**$7,806.1**	**$8,001.5**
SGF Ending Balance	**$761.7**	**$1,105.1**	**$495.0**	**$585.5**	**$601.1**
as % of Expenditures	11.5%	15.7%	6.6%	7.5%	7.5%

Source: Kansas Legislative Research (11/19/2020)

Table 5: Fiscal Impact of Tax Reform Packages (millions)		
Description	Approved FY2021	Estimated FY2022
Individual Itemized Deductions	-$60.3	-$60.9
Repatriation	-$0.4	-$0.2
GILTI	-$24.7	-$24.2
Total Tax Windfall	**-$85.4**	**-$85.3**
De Minimis Threshold on Online Sales	**-$27.7**	**-$28.2**
Total Fiscal Impact	**-$113.1**	**-$113.5**
Source: Fiscal Note for SB 22, 03/19/2019		

creates a great opportunity in the intervening years. Providing for the statutory ending balance turns the shortfall into a surplus of roughly $600 million in fiscal years 2021 and 2022. Why is following this statute important? One reason is that it creates opportunities for tax relief and growing the Kansas economy.

In 2019, the Governor vetoed efforts to return 100% of the 2017 federal tax cuts to Kansas families. This veto resulted in a tax increase for 90,000+ Kansas taxpayers.[15] Additionally, every year the windfall isn't returned, Kansan sees another tax increase for 5,000+ Kansas tax filers.[16] In 2019, the Governor unilaterally created a tax on out-of-state sellers against the U.S. Supreme Court's guidance, thereby raising taxes on Kansas families.[17] Finally, in 2020 the Governor vetoed property tax reform that would have held local leaders accountable for raising property taxes without adequately informing the public.[18]

Table 5 outlines the fiscal impact on the budget from the state-level tax changes. According to KLRD, the tax windfall's and online seller's adjustment would reduce state general fund tax by $113 million in fiscal years 2021 and 2022. In other words, those funds would return to taxpayer pockets.[19] Policymakers owe it to Kansans to make a recovery as easy as possible. That means driving performance in government spending and providing those resources to Kansans' wallets. This sort of tax relief would help Kansas families and businesses emerge from the pandemic more quickly and more robustly than before.

Reducing the Real Budget Deficit

Legislators have a vital role in ensuring state spending programs are providing core services efficiently and adequately. This is not a partisan issue; most Kansans want to ensure the government can provide better service at a better price. To improve government services and ensure there is money to pay for them, we need to closely examine how we allocate our resources. Tables 6 and 7 highlight pathways for policymakers to create a more efficient and effective state budget.

Table 6: Taxpayer Savings From Education Spending	
Description	Amount FY2019
Draw Down School Cash Reserves to 2006 Carryover Ratios	$317,998,198
Revise the Funding Formula to count FTEs from the previous year only*	$116,265,972
No increase in funding per student	$189,000,000
Total Education Saving Opportunities	**$623,264,170**
**Source: Kansas State Department of Education, $116 million savings to fund actual students is only BASE aid; weighting savings would also occur.*	

In Table 6, total state budget savings from education spending could free up over $600 million to use elsewhere. These changes utilize unspent money, remove "ghost" students from the rolls, and ask schools to realize they are part of a larger state enterprise.

The first option noted is to draw down school cash reserve funds to 2006 carryover ratios. District operating cash reserves increased from $468 million in 2005 to $942 million in 2019.[20] The carryover ratio is the operating cash on hand at the beginning of the year as a percentage of that year's operating expense. Operating cash for expenses exclude KPERS and federal spending. The legislature could determine each school district's amount in reserve if it maintained its 2006 carryover ratio. Then the legislature could deduct the excess from next year's funding. Based on 2019's cash and spending levels, this would generate a one-time savings of $318 million in the state budget.[21]

Another opportunity is to revise the school funding calculation only to provide funding for students currently enrolled. As it stands, the school funding formula looks back two years and takes the higher number of full-time equivalent (FTE) enrollment as a baseline for funding. The Kansas Department of Education is estimating a decline in FTE enrollment of 25,447 students this year. However, districts are still getting paid for those students.[22] Funding current-year enrollment would save taxpayers $116 million in BASE aid plus applicable weightings for students who left. Reversing next year's scheduled increase in school funding could save up to $189 million as calculated by KLRD, including an estimated enrollment increase that will impact the actual savings. Also, the potential savings from these two adjustments are influenced by each other, so as one changes, the savings of the other could change.[23]

Table 7: Discretionary Spending Review		
Description	Amount FY2019	All Funds (except State General Fund
Other Fees and Services	$113,565,089	$696,177,474
Other Grants	$56,382,620	$90,996,230
Meals/Lodging/Travel	$24,640,322	$29,318,291
Office/Household Furniture & Space Rental	$11,579,118	$36,924,598
Dues and Subscriptions	$2,082,448	$18,993,614
Postage	$1,268,385	$14,054,809
Cellular Phones	$1,263,472	$2,586,201
Printing and Copying	$1,252,944	$9,643,796
Advertising/Marketing	$159,349	$15,728,740
Honorariums	$152,975	$3,470,026
Recreation and Equipment	$18,159	$131,807
Total Discretionary Saving Opportunities	**$212,364,880**	**$918,025,585**
Source: Kansas Department of Administration		

Table 7 highlights a few examples from the state's vendor payments that legislators do not review as part of the current budget process. It breaks down spending by state general fund expenditures and all funds (not including the state general fund). Kansas legislators should examine these and other discretionary expenditures to determine which are truly necessary to provide a specific service. For example, legislators should ask how much of the $24.6 million in General Fund travel could be eliminated without reducing the amount or quality of services. State agencies spent more than $113 million on "Other" fees and services out of the General Fund in FY 2019. And no one looks at things like this as part of the budget process.

Savings in the All-Other Funds column could also impact General Fund spending and reduce the deficit. For example, universities are receiving more than $800 million from the General Fund this year; their discretionary spending is in the All-Other column, and savings there could 'pay for' a reduction in General Fund aid sent to them without impacting service.

Putting the education, discretionary savings together along with recently considered tax reform packages means policymakers can both provide relief to Kansans and protect the state budget from the next financial crisis.

Table 8: Spending and Tax Saving Opportunity Summary

Description	Amount
Education Saving Opportunites:	
Draw Down School Cash Reserves to 2006 Carryover Ratios	-$317,998,198
Revise the Funding Formula to count FTEs from the previous year only*	-$116,265,972
No increase in funding per student	-$189,000,000
Total Education Savings	**-$623,264,170**
Discretionary Saving Opportunities:	
Other Fees and Services	-$113,565,089
Other Grants	-$56,382,620
Meals/Lodging/Travel	-$24,640,322
Office/Household Furniture & Space Rental	-$11,579,118
Dues and Subscriptions	-$2,082,448
Postage	-$1,268,385
Cellular Phones	-$1,263,472
Printing and Copying	-$1,252,944
Advertising/Marketing	-$159,349
Honorariums	-$152,975
Recreation and Equipment	-$18,159
Total Discretionary Savings	**-$212,364,880**
Tax Reform Opportunities:	
Individual Itemized Deductions	$60,300,000
Repatriation	$400,000
GILTI	$24,700,000
Total Tax Reform	**$85,400,000**
Total Saving Opportunities Less Tax Reform	**-$750,229,051**

Source: Kansas Department of Administration, Kansas Legislative Research, & Author's Calculations,

**Kansas State Department of Education, $116 million savings to fund actual students is only BASE aid; weighting savings would also occur.*

Table 8 shows the potential to save taxpayers $835 million and allows for tax reform of $85 million. Ultimately it leaves up to $750 million to shore up the state budget for the potential next emergency. This budget also means no more additional transfers from the highway fund and a maintained schedule for KPERS payments.

As it currently stands, a performance-based-budgeting is theoretically in place. However it is not being enforced by the Governor, the Division of Budget, or the Legislature. Legislators should force compliance with proper performance-based budgeting, requiring agencies to evaluate each program or service for efficiency and effectiveness.[24]

Performance-based budgeting prompts agencies to answer questions like, "Are we getting what we paid for?" or in this COVID environment, "How much is essential to deliver service?" It is a process that develops transparent and accountable budgets. If followed correctly, it will decrease deficits, grow the state's economy, and potentially lead to higher approval ratings from constituents. Here is how it works;

1. Assign a measurable public benefit to each tax dollar spent.
2. Insist state agencies assign measures to ensure they meet such public goals.
3. Review performance to assess whether changes in public benefit is meeting expectations.
4. Use performance reviews to determine the next year's appropriation.
5. The entire process must be open and available to the public.

For example, funding homeless programs should have the public benefit of decreasing the homeless population. A measure assigned to that public benefit can be moving more individuals from welfare to work. Or from temporary shelters to more stable living conditions. Suppose a performance review uncovers that appropriated funds are helping people look for and obtain work. In that case, the legislature should maintain, if not increase, next year's appropriation. Suppose the review reveals appropriated funds are not improving a pathway for folks to get off the streets. In that case, the legislature should redesign the program. What's more, it is likely to find one of the other homeless programs in the state and invest in the highest performing program.

Far too often, political consideration on the budget is whether they are saving money (conservative) or spending more (progressive). Neither cutting nor raising spending guarantees success nor ensures effective core government functions. By focusing on spending money effectively, both sides of the aisle and the taxpayer can come out on top. Effective programs get a stronger case to see an increase in funds. Struggling programs are opportunities to save taxpayer dollars. Performance-based-budgeting guarantees a benefit to the public.

CONCLUSION

The legislature will need to make some structural changes to its spending process to balance the budget. However, the budget can be balanced by making more effective use of existing resources. No tax increases or reductions in services are necessary. We know this because other states are already doing it. Remember, Kansas spent 40% more per-resident than the states without an income tax in 2018. Those states provided the same essential services as does Kansas.

Just as the private industry makes a continuous improvement to its operating processes, so too must state government.

Finding efficiency opportunities will not be a problem; the challenge is finding the courage to implement them. The biggest obstacle in saving taxpayer money will be beating back the bureaucratic and special interests that live off taxpayer dollars. Fiscal discipline is understandably difficult, but it is the right path to take. Protecting state services while cutting the state budget is feasible. Matching spending to tax revenue is the pathway for policymakers to control the state budget. In return, policymakers can eliminate the current deficit, structurally balancing the budget, improve Kansans' prosperity, and hedge against the next recession.

END NOTES

[1] Kansas Shouldn't Push Pension Debt Into Future So It Can Spend More Today, Ryan Frost & Michael Austin, 03/13/2020, https://reason.org/commentary/kansas-shouldnt-push-pension-debt-into-future-so-it-can-spend-more-today/

[2] Performance-based-budgeting eliminates the deficit & puts Kansans first, Kansas Policy Institute, 12/7/2020, https://kansaspolicy.org/performance-based-budgeting-puts-kansans-first/

[3] As COVID-19 triggers financial hardship, Gov. Kelly spares government the pain, Kansas Policy Institute, 7/2/2020, https://kansaspolicy.org/covid-19-triggers-pain-kelly-spares-government/

[4] A Thousand Flowers Blooming: Understanding Job Growth and the Kansas Tax Reforms, Kansas Policy Institute, 01/05/2017, https://kansaspolicy.org/job-growth-and-kansas-tax-reforms/

[5] Stress-Testing States 2019, Moody's Analytics, 10/2019, https://www.moodysanalytics.com/-/media/article/2019/stress-testing-states-2019.pdf

[6] COVID cases growing faster in counties with mask mandates, 10/05/2020, The Sentinel, https://kansaspolicy.org/lockdown-made-kansans-poorer/

[7] AIER: States that stayed open during COVID fare better, 08/26/2020, The Sentinel, https://sentinelksmo.org/aier-states-that-stayed-open-during-covid-fare-better/

[8] It's Official: Lockdown made Kansans poorer, 10/07/2020, Kansas Policy Institute, https://kansaspolicy.org/lockdown-made-kansans-poorer/

[9] State General Fund Revenue Estimate for FY 2020 and FY 2021, 04/20/2020, Kansas Legislative Research Department, http://www.kslegresearch.org/KLRD-web/Publications/CRE/2020_CRE_ShortMemo_4-20-2020.pdf

[10] Post-COVID Recovery Plan, Kansas Policy Institute, 04/13/2020, https://kansaspolicy.org/covid-recovery-plan/

[11] COVID policy backlash, Kansans relocate to No-Lockdown states, 10/2/2020, Kansas Policy Institute, https://kansaspolicy.org/kansans-relocate-to-no-lockdown-states/

[12] In one month, 25,000 Kansans quit job hunting, 10/21/2020, Kansas Policy Institute, https://kansaspolicy.org/in-one-month-25000-kansans-quit-job-hunting/

[13] In-person learning restrictions tied to depression, suicide, 10/07/2020, The Sentinel, https://sentinelksmo.org/in-person-learning-restrictions-tied-to-depression-suicide/

[14] Kansas Statute Annotated 75-6702, Kansas Office of Revisor of Statutes, http://www.ksrevisor.org/statutes/chapters/ch75/075_067_0002.html

[15] Poor feel the bite of Gov. Kelly's windfall veto, Kansas Policy Institute, 09/03/2019

[16] Will thousands more Kansans fall into the 2020 windfall veto trap? Kansas Policy Institute, 11/18/2019

[17] Debate Over 'Other Taxes and Fees' in Kansas Marketplace Bill, Bloomberg Tax 05/14/2020

[18] Governor Laura Kelly takes action on final bills of regular 2020 session, 06/01/2020, https://governor.kansas.gov/governor-laura-kelly-takes-action-on-final-bills-of-regular-2020-session/

[19] Fiscal Note on SB 22, Kansas Legislature, 03/19/2019, http://www.kslegislature.org/li/b2019_20/measures/documents/summary_sb_22_2019

[20] Carryover Cash by District, KS OpenGov, http://www.kansasopengov.org/kog/databank#report_id=24

[21] School budgets: savings opportunities abound, Kansas Policy Institute, 05/11/2020, https://kansaspolicy.org/school-budgets-savings-opportunities-abound/

[22] KSDE: per-pupil funding estimated at $16,216 this year, Kansas Policy Institute, 10/30/2020, https://kansaspolicy.org/ksde-per-pupil-funding-estimated-at-16216-this-year/

[23] State General Fund Revenue Estimate for FY 2021 and FY 2022, Division of Budget and Kansas Legislative Research Department, 11/06/2020, http://www.kslegresearch.org/KLRD-web/Publications/CRE/Short_Memo_with-KLRD-profile_11-06-2020.pdf

[24] Solving the Kansas Budget Crisis, Kansas Policy Institute, 03/07/2019, https://kansaspolicy.org/solving-the-kansas-budget-crisis/

■ ABOUT THE AUTHOR

Michael Austin is the Director of the Sandlian Center for Entrepreneurial Government at the Kansas Policy Institute. In this role he is responsible for educating public organizations and the public on taxes and budget, using economic research to turn government inefficiencies into effective policy solutions. Before joining the Sandlian Center, Michael served as an economist in various roles of Kansas state government. As an adviser to former Kansas Governor Sam Brownback, Michael's work made him the first to discover the drop in commodity and energy prices that plagued Kansas and the region, later termed “The Rural Recession.” Most recently as Chief Economist in the Kansas Department of Revenue, his research and presentation on the Federal Tax Cuts and Jobs Act, and its effects on Kansans jumpstarted discussions ensuring it will be a key concern in the upcoming Kansas legislative session.

KANSAS POLICY INSTITUTE

KPI is an independent think-tank that advocates for free market solutions, limited government, and the protection of personal freedom. Our work centers on state and local economic policy with primary emphasis on education, tax and fiscal policy, and transparency. We empower citizens, legislators, and other government officials with objective research and creative ideas to promote a low-tax, pro-growth environment that preserves the ability of governments to provide high quality services.

Wichita Office: 250 N. Water St., Suite 216 | Wichita, KS 67202 | 316.634.0218
Overland Park Office: 12980 Metcalf Ave., Suite 130 | Overland Park, KS 66213 | 913.213.5038

KansasPolicy.org | KansasOpenGov.org | KansasJusticeInstitute.org | SentinelKS.org