

TESTIMONY OF CHRISTINA OSTMEYER ADVOCATE

KANSAS APPLESEED CENTER FOR LAW AND JUSTICE BEFORE THE KANSAS SENATE ASSESSMENT AND TAXATION COMMITTEE

IN OPPOSITION TO SENATE CONCURRENT RESOLUTION NO. 1602

MARCH 15, 2017

Chair Tyson and Members of the Committee:

My name is Christina Ostmeyer; I am an advocate at the Kansas Appleseed Center for Law and Justice, a nonprofit, nonpartisan organization that advocates for systemic solutions to the problems facing vulnerable or disadvantaged Kansans. Thank you for the opportunity to testify.

Kansas Appleseed strongly opposes Senate Concurrent Resolution No. 1602. Kansas currently faces a fiscal crisis caused by a failed tax experiment, and the implementation of SCR No. 1602 would exacerbate this problem.

By only allowing state spending to increase by no more than what is determined by differences in inflation and population from the preceding year, Kansas will not be able to adequately fund programs that families rely on, which would threaten their health, safety and success. If passed, the inflexible spending and revenue limits proposed by SCR No. 1602 will take away the legislature's ability to meet its financial obligations such as adequately funding Kansas schools. In addition, the legislature would not be able to respond to situations of crisis like natural disasters, and the enactment of this resolution would make it impossible to invest in new programs that could bolster the Kansas economy.

There is a lack of evidence that shows that placing strict caps on revenue and spending will help Kansas's economy, and according to a report in the journal *Public Budgeting and Finance*, the enactment of laws similar to SCR No. 1602 could actually make Kansas's economy less stable. This would leave Kansas ill-equipped to respond to a recession and would make it impossible to balance the budget without using detrimental, short-term fixes. States that have similarly strict caps on their budgets have low credit ratings, and as Kansas's credit rating continues to fall, this is something that Kansas cannot afford.

Thank you, Christina Ostmeyer Summer Meals Advocate Kansas Appleseed Center for Law and Justice

¹ See Tucker Staley, 2015. "The Effect of TELs on State Revenue Volatility: Evidence from the American States." *Public Budgeting & Finance*, Vol. 35, Issue 1. Abstract available online: http://onlinelibrary.wiley.com/doi/10.1111/pbaf.12054/abstract

² See Judith I. Stallman, et al., 2012. "Tax and Expenditure Limitations and State Credit Ratings." *Public Finance Review*, Vol. 40, Issue 5. Abstract available online: http://journals.sagepub.com/doi/abs/10.1177/1091142112446844