



Responsible Policy. Real Prosperity.

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Kansas Center for Economic Growth
Senate Bill 188, Senate Committee on Assessment and Taxation

Chairman Tyson and Members of the Committee:

Thank you for the opportunity to speak with you today. My name is Duane Goossen and I served as state budget director for 12 years under Governors Graves, Sebelius, and Parkinson. Currently, I work as a senior fellow for the Kansas Center for Economic Growth. Last December, KCEG convened a coalition called "Rise Up, Kansas" to offer a comprehensive tax reform plan. **Senate Bill 188 achieves the same fundamental objectives as the Rise Up proposal, which is why I am pleased to testify in support.**

This is a complex debate, but it ultimately boils down to a simple question: *Does Kansas spend too much money or generate too little revenue?*

I'm here to offer a bit of historical context as someone who used to oversee state spending, which I hope can help answer this question in no uncertain terms.

In January 2011, Kansas had just endured seven rounds of budget cuts in the previous 18 months. These cuts totaled over \$1 billion. They were painful, unprecedented cuts that had been necessitated by a global economic meltdown. At that time, Kansas had never before experienced four consecutive years of projected revenue shortfalls. When Governor Parkinson left office, he had cut more state spending than any other governor in Kansas history.

We made it through...but just barely (with only \$876.05 to spare, as some have pointed out).

When Governor Brownback took office, the worst of the recession's aftershock had faded and he was well-positioned for growth. Instead, he pushed his signature tax plan through the Legislature. It immediately threw the budget out of structural balance and inflicted more damage to state finances in one year than the entire Great Recession. In other words, the unprecedented pain of the recession quickly became "the good old days." Nine more rounds of budget cuts followed and, as you know, there is no end in sight.

So as we approach our **17th round of budget cuts since 2008**, I hope it is clear that claims about Kansas' "spending problem" are, at best, misleading and oversimplified. This problem was not created by out-of-control spending. Nor can it be solved by deeper cutting.

And therein lies the answer to that simple question: Kansas does not generate enough revenue to meet the needs of its citizens. Comprehensive tax reform is the only responsible path forward. Senate Bill 188 puts our budget back into structural balance and produces sufficient revenue to

truly end the irresponsible (and exhausting) cycle of borrowing money, cutting programs, delaying bills, and shifting the tax burden onto those who can least afford it. I urge you to vote "yes."

Thank you again for the opportunity to speak with you. I would be pleased to stand for questions at the appropriate time.