

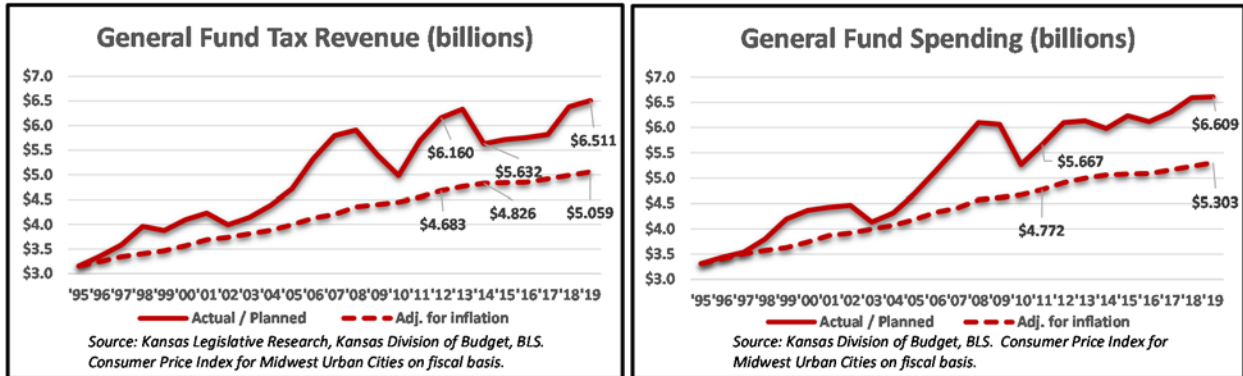
**HB 2419 Proponent Testimony – written only**  
**Senate Ways and Means Committee**  
**Budget stabilization fund**  
**Dave Trabert – President**  
**March 14, 2018**



Chairperson McGinn and Members of the Committee,

We appreciate this opportunity to submit written testimony in support of HB 2419, which would create a budget stabilization fund and provide rules for disbursements from the fund.

Stabilization funds help control spending and also avoid having to make emergency cuts when economic conditions reduce revenue. The charts below show spending was dramatically increased between 2003 and 2008 during strong economic conditions but then dropped precipitously when the recession hit. A statutory requirement to place money in a budget stabilization eliminates the temptation to spend more in good times, only to be forced to make more dramatic cuts in bad times; those bad times often create a higher caseload demand for social services, which only exacerbates the effect on other spending.



Kansas has a long-standing tradition of spending more than its tax revenue; in fact, spending exceeded tax revenue eight times in the sixteen year span between 1993 and 2008. And having a statutory ending balance requirement of 7.5 percent has been easily modified over the years, we suggest you consider adding a super majority vote requirement to ensure the integrity and purpose of the budget stabilization fund.

Accordingly, we encourage the committee to support HB 2419 and thank the Members for their consideration.