



KANSAS SOCIETY OF
PROFESSIONAL ENGINEERS



TESTIMONY

TO: SENATE ASSESSMENT AND TAXATION COMMITTEE
FROM: AMERICAN COUNCIL OF ENGINEERING COMPANIES OF KS
KANSAS SOCIETY OF PROFESSIONAL ENGINEERS
RE: SCR 1620
DATE: MARCH 10, 2022

Madame Chair, members of the Committee, thank you for the opportunity to submit this testimony on behalf of the American Council of Engineering Companies of Kansas (ACEC KS) and the Kansas Society of Professional Engineers (KSPE).

ACEC KS is the trade association representing private consulting engineering companies doing work in the State of Kansas. KSPE represents licensed professional engineers across the State of Kansas.

Both organizations join in submitting this testimony in opposition to SCR 1620.

The idea of exercising great caution in raising new taxes or increasing existing tax rates is a laudable endeavor. A competitive tax structure is a key component of the health of any state. But for several reasons, the higher hurdles put in place for such actions under SCR 1620 would have a disproportionate impact on infrastructure investment in Kansas. Quality infrastructure is, of course, another critical piece of the health of any state.

Education and human service caseloads make up a very significant part of the Kansas budget. Those spending levels are protected, which means the remaining expenditures, although much smaller, would be over-exposed in a scenario where state revenues at their current levels fall short of what is needed to fully fund those state services. We have seen in many jurisdictions this almost inevitably leads to infrastructure taking a significant (if not the largest) cut to help balance the budget in those lean times. Infrastructure in Kansas has only recently come out of a multi-year period where it saw funds diverted to cover other spending responsibilities. It is true that the Legislature would still retain the authority under SCR 1620 to raise taxes to protect infrastructure funding in those situations, but it is extraordinarily difficult to meet a 2/3 threshold in both legislative chambers.

It is also worth noting that transportation funding is already more at risk than many other state priorities due to its dependence in large part of a funding source (fuel tax) which is likely to be in long-term decline. The advent of more fuel-efficient vehicles as well as the growth in electric cars and other technological changes mean transportation funding is already at risk of decline in coming years. SCR 1620 would make it extremely difficult to react to such a situation by raising new revenue streams or increasing existing revenue sources.

We thank you for the opportunity to share these concerns with you today, and we ask you to oppose adoption of SCR 1620.