



KANSAS

OFFICE OF THE GOVERNOR

KATHLEEN SEBELIUS, GOVERNOR

For Immediate Release
April 17, 2009

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Sebelius repeats call for budget savings, changes
Money left on the table can help close deficit gap, governor says

In light of revised consensus revenue estimates, Governor Kathleen Sebelius reiterated her call for the Legislature to take action on additional savings and changes within Kansas' 2010 budget.

"Just a few months ago, we reduced the 2009 budget. State agencies eliminated programs, closed facilities, froze new hires and reduced spending. The 2010 budget which I signed just days ago, has further reductions in state expenditures, including K-12 education and higher education.

"Thankfully, the additional resources provided to Kansas through the American Recovery and Reinvestment act have prevented us from making devastating cuts to public schools and safety net programs while creating much needed jobs and helping out-of-work Kansans.

"But as I said earlier this week when I signed the 2010 budget – it's been clear that state revenues would continue to decline dramatically as a result of the national economic recession. That's why my budget, and its subsequent budget amendments, proposed millions of dollars in additional savings. Unfortunately, the legislature chose not to take action on a number of these cost saving measures," Sebelius said.

"Now, with the official projection that our revenues leave a deficit gap of \$328 million, I hope the Legislature enacts my recommendations before they propose more cuts in essential services for vulnerable citizens or further cuts in education."

Revenue changes recommended by Governor Sebelius but not adopted by the Legislature include:

Tax Policy Changes

Suspend Phase-out of Corporate Franchise Tax	\$14M
Suspend Phase-out of Estate Tax	\$5M
Eliminate Community Service Tax Credit	\$4M
Accelerate Severance Tax Due Date	\$10M
Attribute all Liquor Taxes to State General Fund	\$27.2M

Transfers into the State General Fund

Transfer Amount of Reductions Made to Non-SGF Agencies-FY 2009	\$2.2M
Transfer Amount of Reductions Made to Non-SGF Agencies-FY 2010	\$2.9M
Transfer Other Special Revenue Fund Balances	\$23.6M
Transfer KSIP Balances	\$4.2M
Transfer Gaming Revenue	\$50M

Limit Transfers Out

Special City County Highway Fund	\$5M
Health Care Stabilization Fund	\$2.8M
Water Plan Fund	\$3.3M
2nd Half FY 2009 Slider Transfer	\$25M

Total	\$179.6M
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Additionally, it is estimated that Kansas could save \$77 million by decoupling from Federal Tax Code. The Legislature reconvenes on April 29, 2009.

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