



SCHOLARS
STRATEGY NETWORK



**Kansas
Action
for Children**

January 28, 2021

Dear Governor Kelly, House Speaker Ryckman, and Senate President Masterson:

Kansas is facing enormous health and economic challenges fighting the COVID-19 pandemic, along with revenue shortfalls from the ongoing economic recession. We write to you as experts in economics, education, public health, finance, infrastructure, and public administration to urge you to heed the overwhelmingly clear economic history and research and not pursue counterproductive spending cuts to balance the state budget.

We recognize that Kansas, unlike the federal government, must run a balanced budget. Unfortunately, while other states have a median of 28 days of outlays in their rainy day funds, Kansas' current rainy day fund wouldn't allow for a single day. In addition, while federal direct aid to states could be used to fill budget gaps, additional aid has yet to come through. We recognize this will make balancing next year's operating budget exceptionally difficult.

We are therefore concerned that the state will pursue counterproductive spending cuts to balance its budget.

Kansas spends most of its budget on health, education, public safety, public transportation, and safety net programs. Large cuts in these critical areas would erode the health and infrastructure needed to continue combatting COVID-19, increase an already high level of inequality, and exacerbate the economic downturn.

Cutting local aid to cities and towns for police and fire protection, parks, and public works weaken public safety and infrastructure. Reducing funding for early learning, K-12 schools, and higher education diminishes the state's long-standing investment in human capital, creating long-term consequences for worker productivity and economic growth.

Kansas has been here before, having experienced significant revenue declines during former Gov. Sam Brownback's administration. That loss of revenue led to three credit downgrades and four years of budget shortfalls. Kansas policymakers chose to balance the budget with nine rounds of budget cuts. Those cuts led to public schools ending the school year early, transportation projects and repairs being postponed, delayed KPERs payments for public employees, and paltry investments in education and human services.

This time, instead of budget cuts, the state should maintain spending levels for schools, public safety, infrastructure, and health by increasing taxes.

For example, a modest increase in the income tax rate for Kansans could raise between \$120 and \$240 million per year, depending on how the income brackets and tax rates are set.

As the leaders of our state government, all of you have the responsibility for setting priorities and making the difficult choices that lie ahead.

In a recession, our professional recommendation is that balancing the budget by cutting spending to specific programs has a more negative effect on economic growth than balancing the budget through targeted tax increases on Kansas income earners. We therefore encourage you to raise revenue rather than cut the social and physical infrastructure that will be necessary to protect the health and economic well-being of our fellow Kansans, our communities, and our state.

NOTE: Institutions (and titles) are listed for identification purposes and should not be viewed as signatories to the letter.

Shawn Leigh Alexander

Professor
University of Kansas

Elizabeth Asiedu

Professor of Economics
University of Kansas

William A. Barnett

Oswald Distinguished Professor of
Macroeconomics
University of Kansas

Alice Bean

Distinguished Professor
University of Kansas

Monica Biernat

Distinguished Professor of Psychology
University of Kansas

George Bittlingmayer

Professor Emeritus of Finance
University of Kansas

Hannah E. Britton

Professor
University of Kansas

Joyce Castle

University Distinguished Professor of Voice
University of Kansas

Bernard Cornet

Oswald Distinguished Professor of
Microeconomics
University of Kansas

Dorothy Daley

Professor of Public Affairs & Administration
and Environmental Studies
University of Kansas

David Darwin

Distinguished Professor and Chair
University of Kansas

Sarah Deer

University Distinguished Professor
University of Kansas

Alesha Doan

Professor of Public Affairs & Administration
and Women, Gender & Sexuality Studies
University of Kansas

Dietrich Earnhart

Professor of Economics
University of Kansas

Michael S. Engel

University Distinguished Professor & Senior
Curator
University of Kansas

Charles Epp

University Distinguished Professor
University of Kansas

Vincent T. Francisco

Professor and Senior Scientist
University of Kansas

Alan Grant

University Professor of Economics
Baker University

Michael Hageman

Distinguished Professor Pharmaceutical
Chemistry
University of Kansas

Michael Hoeflich

Distinguished Professor
University of Kansas

Rachel Krause

Associate Professor of Public Affairs &
Administration
University of Kansas

Bradley W. Lane

Associate Professor of Urban Planning
Undergraduate Director
School of Public Affairs & Administration
University of Kansas

Robert H. Lee

Professor of Population Health
University of Kansas Medical Center

Ward Lyles

Associate Professor of Public Affairs &
Administration
University of Kansas

Thomas M. Skrtic

Williamson Family Distinguished Professor of
Special Education
University of Kansas

Kirk McClure

Professor Emeritus of Public Affairs &
Administration
University of Kansas

Shannon O'Lear

Professor and Interim Director of
Environmental Studies
University of Kansas

Berl R. Oakley

Distinguished Professor
University of Kansas

William Picking

Foundation Professor
University of Kansas

Kevin Pisciotta

Assistant Professor of Finance
University of Kansas

Shannon Portillo

Associate Professor of Public Affairs
University of Kansas
County Commissioner
Douglas County, KS

Mabel L. Rice

Fred & Virginia Merrill Distinguished Professor
of Advanced Studies
University of Kansas

Kimber Richter

Professor
School of Medicine
University of Kansas

David Randall Roediger

Foundation Professor
University of Kansas

Jarron Saint Onge

Associate Professor of Population Health and
Sociology
University of Kansas

Prakash Pundalik Shenoy

Ronald G. Harper Distinguished Professor of
Artificial Intelligence
University of Kansas

David Slusky

De-Min and Chin-Sha Wu Associate Professor
of Economics
University of Kansas

Steven Warren

University Distinguished Professor
University of Kansas

Thomas Weiss

Professor Emeritus of Economics
University of Kansas

Stacey Swearingen White

Professor and Director, Social of Public Affairs
& Administration
University of Kansas

Yiran John Zhu

Assistant Professor of Economics
University of Kansas