

STATE OF KANSAS

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GOVERNOR LAURA KELLY

April 24, 2020

The Honorable Pat Roberts
United States Senate
Washington, DC 20510

The Honorable Jerry Moran
United States Senate
Washington, DC 20510

The Honorable Roger Marshall
United States House of Representatives
Washington, DC 20515

The Honorable Ron Estes
United States House of Representatives
Washington, DC 20515

The Honorable Sharice Davids
United States House of Representatives
Washington, DC 20515

The Honorable Steve Watkins
United States House of Representatives
Washington, DC 20515

Dear Honorable Kansas Senators and Congressional Delegation:

I extend my sincere appreciation for your support of federal coronavirus relief funds in recent weeks, including the Families First Coronavirus Response Act, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and supplemental packages. These funds will make over \$2 billion in aid available to Kansas small businesses, hospitals, and unemployed workers.

Although federal aid made available up to this point will enhance Kansas' immediate coronavirus response efforts, it lacks the flexibility necessary to adequately meet the needs of Kansas communities for the duration of this pandemic. COVID-19 will continue to impose unprecedented economic and public health challenges for at least another 12 to 18 months, and I write to urge your support for additional relief in the form of direct state aid.

On Monday, April 20, the Kansas Consensus Revenue Estimating (CRE) Group convened its bi-annual meeting to revise state revenue projections for the remainder of Fiscal Year 2020, in addition to Fiscal Year 2021. They projected a stunning state revenue decline of \$1.27 billion for the combined 2020-21 fiscal years.

For historical context, the CRE group forecasted a series of devastating revenue dips throughout the Great Recession, ranging between \$200 million and \$500 million. In total, this necessitated seven rounds of budget cuts between 2008 and 2010, totaling over \$1 billion. Prized investments, including Kansas public schools and universities, endured cuts so severe that they were only fully restored to pre-recession levels within the last year.

It is critical to understand that, although the \$1 billion worth of cuts made throughout the Great Recession were brutal, they occurred gradually. This gave communities time to adapt and prioritize, so they could limit the damage to Kansas families as much as possible. That is not the situation Kansas faces today. Never before has the state confronted such a rapid, steep fiscal drop due to unforeseen and uncontrollable circumstances.

I had hoped the \$1.25 billion in direct state aid included in the CARES Act would provide the flexibility Kansas needs to sustain investments essential to economic recovery, like public education and infrastructure. I am gravely concerned that states are prohibited from using COVID-19 relief funds to supplant lost general fund revenue.

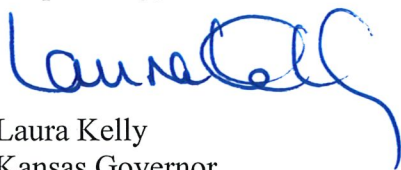
Recent suggestions that states pursue bankruptcy is not a reasonable or responsible option for Kansas. As governor, I have diligently worked to put Kansas' fiscal house in order. Throughout my first two years in office, I offered structurally balanced budgets that left the largest ending balance in two decades. I advocated for paying off debt and I made politically difficult decisions to veto unaffordable tax cuts. I also denied funding enhancements for a number of programs I strongly support – all in an effort to ensure Kansas would be positioned to weather an unexpected, economic downturn. But no one – not even the federal government – anticipated a downturn of this scale, or at this speed.

Kansans rightfully expect state government to fund public education, a strong public health system, public safety, a safety net for seniors, and a durable technology infrastructure to ensure that public resources can be accessed in a timely manner...among other things. Coronavirus has impacted every facet of our lives and, therefore, every line item of the state budget. Without flexible federal aid, Kansas will find itself unable to fulfill these obligations when they are needed most.

We all share the common goal of supporting our local communities. That means ensuring state and local governments can provide critical public services at times of crisis. I urge your support for robust, flexible direct aid for state and local governments in the next federal COVID-19 response.

Thank you again for your work on behalf of the people of Kansas. I have sincerely valued our open communication and bipartisan collaboration throughout this ordeal. As we continue to navigate these uncharted waters, my administration will remain in close communication with you and your respective staffs. Please do not hesitate to contact me should you require additional information as you negotiate the next round of emergency relief.

Respectfully,



Laura Kelly
Kansas Governor