



KENTUCKIANS FOR THE COMMONWEALTH

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Action for Justice

Partnership Statement Framework, GA 2013

I. Who you are and what you want to see for Kentucky. (This could be a place to lift up the pension link, as well.)

- I'm a [describe yourself] and I want to see _____.
- But instead this is what I see:

II. What's in the way

- Our current taxes are **not fair**. Low- and middle-income Kentuckians pay about 11% of their income in state and local taxes, while the wealthiest pay about 6%. This isn't fair.
- Our current tax structure is **inadequate**.
 - We can be a more **competitive** state for good jobs by investing in our people and our commonwealth, with good schools, excellent higher education, and a first-class infrastructure.
 - But the \$1.6 million in budget cuts over the last 5 years sacrifice our quality of life, short our schools, keep people on waiting lists for mental health care or Meals on Wheels, make college less affordable, provide fewer state police on the road, etc., etc.

III. Comprehensive Tax Reform is the solution

- Now, with the growing pension problem and cuts that are impacting all of us, now is the time to reform our tax system. As the economy recovers, we need to have a tax system that is best suited for our current economy, not a system that was created in the 1950s.
- Of course people are reluctant to pay more to maintain the status quo. But give people a vision they can get excited about, and then our taxes become an investment in making that vision a reality.
- With reforms that raise revenue that enables us to invest in ourselves, and that are fair to working families, Kentucky can be great again.

Impact of Our State Budget Cuts

(Jan. 2012)

On Tuesday (February 5), the governor's Cabinet Secretary (and former state budget director) Mary Lassiter testified about the dire outlook for the state budget and the programs and people who depend on state funding. She told members of the House and Senate Appropriations & Revenue Committees that:

- Budget cuts in the last 5 years have taken \$1.6 billion from essential state programs and services, representing about 38% of these agencies' budgets
- Legislators have provided no money for textbooks in last five years.
- Tuition is up over 200 percent at state universities and community colleges since 1998
- Two-thirds of students who qualify for need-based financial aid – about 73,000 students – are being denied this assistance because of a lack of funds
- There are more than 7,000 fewer state employees than there were in 1974, doing more work but without a raise in 4 years)
- There has been no increase in funding to Kentucky's community mental health centers since 1998; support for Kentucky's behavioral health services was once tops in the nation and now we're ranked 45th. We're also losing school nurses, who are often the front line of ensuring that our children are healthy.
- Environmental laws not enforced due to inadequate staffing
- 300,000 fewer Meals on Wheels will be served this year than in 2010
- We have fewer state police on the road than we've had in a generation
- School safety programs have been cut by 60%.
- There's a moratorium on applications for the Child Care Assistance Program in April and a reduction in eligibility for FY 14
- Moratorium on applications for Kinship Care Program
- About 100 additional children entered the foster care system instead of receiving intensive services that would keep them in the family home as a direct result of the elimination of Diversion services in Community Based Services
- Without new revenue, there will be a \$300 million revenue deficit in the first year (FY 2014-15) of the next biennial budget, and a \$1 billion shortfall by 2020