Governor proposes raiding children’s fund to help pay for tax cuts

TOPEKA – Access to high-quality early education opportunities for Kansas kids hangs in the balance as Gov. Sam Brownback yesterday proposed a second amendment to his budget that would transfer $9.5 million from the Kansas Endowment for Youth (KEY) Fund to the State General Fund.

“The proposed budget amendment represents a complete about-face on the part of the governor,” said Shannon Cotsoradis, president and CEO of Kansas Action for Children. “The governor’s amendment side steps the law and will ultimately hurt our youngest and some of our poorest Kansas children. If the governor wants to achieve his goals of improving literacy and reducing childhood poverty, now isn’t the time to divert money from the KEY Fund, which supports programs designed to do both.”

Under the system created by the Legislature, payments to the state from the master tobacco settlement agreement go directly to the KEY Fund, which serves as a long-term endowment for children’s programs. Each year, money is transferred from the KEY Fund to the Children’s Initiatives Fund (CIF) to support high-quality early childhood programs like Parents as Teachers and Early Head Start. This year, Kansas received $68 million in tobacco payments but had budgeted $55.8 million for the CIF.

“The remaining $12.2 million should be deposited in the KEY Fund and should remain there, not be swept into the State General Fund,” said Cotsoradis. “Tax cuts shouldn’t come at the expense of access to high-quality early education opportunities for Kansas children.”

Since the establishment of the KEY Fund in 1999, more than $146 million has been diverted to the State General Fund.

The tax plan signed by the governor last year is expected to cost $4.5 billion by Fiscal Year 2018. In addition, the governor has proposed another $1.8 billion in income tax cuts in the next five years.