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Editorial: What "economic freedom" is costing Kansas

Cato Institute's new report doesn't matter to suffering Kansans

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The Cato Institute — a libertarian think tank founded by Murray Rothbard, Ed Crane and Charles Koch — just released its "Freedom in the 50 States" index, and Kansas ranked 16th overall (an improvement of nine spots since 2012). The report states, "In 2013-14, Kansas reversed a long-standing trend toward less freedom. Time will tell whether the reversal will hold." In both the "fiscal freedom" and "economic freedom" categories, Kansas ranked higher than it did four years ago (by six spots and four spots, respectively).

But Kansans aren't celebrating their newfound "freedom."

A few days before the Cato report was issued, Gov. Sam Brownback told state agencies to demonstrate how they would cope with a 5 percent budget cut — a contingency the administration is taking seriously, given the state's deteriorating fiscal health. The director of the Kansas Organization of State Employees, Rebecca Proctor, worries that such substantial cuts will have "ugly" consequences: "State agency budgets have already been pretty well cut to the bone."

The Kansas Children's Cabinet met on Aug. 12 to discuss whether it should reject Brownback's request for an attenuated budget proposal (it didn't). If the cabinet's funding is reduced by 5 percent, three of the programs it administers (including one that focuses on diagnosing autism) will lose $833,000. Cabinet member LeEtta Felter thinks the state would be "robbing from the most vulnerable children and families among us in Kansas" if it enacts the cut — a sentiment many of her colleagues share.

Brownback will send a budget to the Legislature in January, and it's no surprise that he's asking agencies to prepare for drastic reductions. In November 2014, the Consensus Revenue Estimating Group underestimated the amount of tax revenue Kansas would bring in this fiscal year by $241 million. The CRE was forced to revise its last four revenue projections when it became clear (again and again) that the state wasn't bringing in enough money. While Brownback admits that Kansas "had a very difficult budget year," he hopes the state is moving in "a better direction."

Brownback administration spokeswoman Eileen Hawley said it's "a common practice to ask agencies to think about reduced budgets." This may be so, but it's also a common practice for states to consider raising taxes when they face crippling revenue crises and cuts to everything from early childhood programs to universities to Medicaid reimbursement. The connection between the 2012 tax cuts and the state's depleted revenue is unmistakable — in fiscal year 2016, Kansas brought in $683 million less than it did in FY 2013.

As Duane Goossen (of the Kansas Center for Economic Growth) observes, 2016 was "the third year in a row in which a huge hunk of general fund tax receipts simply disappeared." The tax policy that caused our state's budget disaster may have given us a bump on Cato's "freedom" index, but for Kansans who are losing access to critical social services, falling deeper into debt to pay for college, etc., this couldn't be any less important.