

Spotlight:

Boys and Girls Club

10,000 young boys and girls attend the Club each year. Economically, racially, and ethnically diverse range of families who have no other childcare alternatives utilize out of school care through the Club at low-cost or no-cost.

Programs Offered:

- Education and Career Development
- Character and Leadership Development
- Cultural Arts
- Physical Education
- Health and Life Skills
- Substance Abuse Prevention
- Service Learning Programs

Total budget of the Club:

\$1.1 million

Reduction in budget under proposed recommendations:

\$95,991 or 90% of alcohol tax funds

Funding from the City in liquor tax funds allows the Club to keep open all their sites, many of which are located in low-income areas of Lawrence.

Proposed Governor's Budget: How Does It Impact Local Communities?

Summary

In order to generate additional revenue for the State General Fund, the Governor's recommended 2010 budget eliminates the distribution of liquor taxes to the local governments. The Governor proposed to use 100% of the local liquor tax dollars for state purposes beginning July 2009. Her proposals could cost local governments a total of \$160 million during the state's current fiscal year and fiscal 2010, which begins July 1.

While failing to solve the state's fiscal problems, this approach would devastate local communities, decimate programs that serve critical needs, and create new problems that, ultimately, Kansas would have to address.

Impact on Lawrence

In 2009, the revenue generated from the Liquor Tax is anticipated to total \$1.7 million in Lawrence. The City's General Operating, Special Alcohol and Special Recreation funds each receive a third of total collections. The full year impact to each fund is estimated at \$594,228. The Governor's recommended budget for 2010 suggest withholding 100% of Liquor Tax revenue from local communities.

Programs Impacted in Lawrence

- Ballard Community Center
- Boys and Girls Club
- Douglas County CASA, Inc.
- Health Care Access
- Jayhawk Area Agency on Aging
- Lawrence Community Shelter
- Salvation Army
- The Shelter, Inc.
- Van Go Mobile Arts
- Women's Transitional Care Services
- Lawrence Cultural Arts Commission

Spotlight:

Van Go Mobile Arts

Van Go is the only arts-based social service agency in Kansas and is the largest employer of at-risk youth in Lawrence. The JAMS (Jobs in the Arts Make Sense) program serves at-risk youth *only* and specializes in their development.

Programs Offered:

- Uses art as the vehicle to help youth gain protective factors such as job skills, life skills and economic resources needed for success.
- Van Go interviews and hires youth year-round to create works of art purchased or commissioned by the public

Program Budget:

\$575,000

Reduction in budget under proposed recommendations: \$33,200

Van Go receives a large amount of funds from the City from the Liquor Tax. Losing this money would severely impact their ability to provide services to at-risk youth.

Policy Alternatives

The social programs that are funded through the Liquor tax provide services to people who are in need. Withholding money from these agencies will have serious implications for low-income families in local communities, especially during this time of economic hardship. Although the state is facing serious fiscal challenges we must acknowledge that the number of families who need these services is likely to increase over the next few years and we must ensure that our communities can provide adequate and affordable services.

- **Raise Liquor Tax**

The Liquor Tax in the State of Kansas has not been raised since 1983. The extra revenue generated from the tax increase could go towards decreasing the budget shortfall and will provide additional state revenue throughout the years.

- **Raise Tobacco Tax**

The State can continue to increase taxation on tobacco products. The State can use the extra revenue generated to go towards the State coffers.

Raising the Liquor Tax and Tobacco Tax are not the only sources to make up the budget shortfall. The Governor must look into alternate ways to reduce the budget shortfall that will not have serious implications for Kansans in need.

Specific Recommendations

The Proposal has severe implications for local social service providers. If the proposal passes, local social service providers will have to decrease or eliminate needed programs that mainly aim to provide safety nets for children, women, and families in need. In many cases, the preventative programs provided with these local dollars help to avoid later state expenditure by reducing delinquency, violence, poverty, unemployment, teenage pregnancy, and truancy.

It is also important to recognize that these programs bring in significant private dollars which stretch state dollars further. However, without state money local programs may need to cut or eliminate services, which may cause them to lose their private funding sources.

If this proposal is passed needy Kansans will face severe challenges and will not have local programs to turn to for support. We recommend that the Governor and the State Legislators find other ways to decrease the budget shortfall without jeopardizing local social service programs during this time of economic hardship.

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