

May 19, 2017

The Honorable Jim Denning

Chair, Senate Select Committee on Educational Finance

Reference: – Opposition to Adding Surcharge/Tax on Utility Bills. Sub HB 2410

Good morning Chairman Denning and members of the Senate Select Committee on Educational Finance. My name is Judy Bellome and I am a member of the AARP Kansas Executive Council, Chair of the Capital City Task Force and a retired registered nurse with over 45 years of practice in hospitals and long term care facilities. Until 2013, I served as the Chief Executive Officer of a visiting nurses home care and hospice. I am here today to ask that this committee oppose Sub HB2410, adding any surcharge fees on water, gas and electricity utility bills.

AARP Kansas is a nonprofit, nonpartisan organization. We are dedicated to enhancing the quality of life for all as we age. With more than 320,000 members across Kansas, we advocate for re-balancing of long-term care allowing Kansas residents to remain in their homes as long as they chose. To make this possible, we advocate for affordable and accessible utilities.

We are very concerned about proposals by some in the legislature to impose additional fees on residential gas, water and electric utility services. Home energy costs have increased significantly in recent years and already make up a sizable portion of household budgets in Kansas. Increases in utility fees will impact all Kansans, but the greatest burdens will fall on Kansas' older population, many of whom have low- and fixed incomes, or are minorities, women, and live alone. These Kansans will not see an increase in their Social Security benefits this year, but their cost of living will continue to rise. Too often older adults with low-incomes already must choose between heating their homes and purchasing other necessities, like food and life-saving medications. We all know that the vast majority of older Kansans want to live in their own homes as they age. We urge the legislature to support policies that sustain families and communities by helping family and friends remain in their own homes and out of costly institutions. Increases in utility costs will not support this effort.

Utility costs are projected and continue to rise. For example, the 2017 proposed Lawrence KS budget suggests that there should be a \$60 dollar per year increase in the typical household city utility bill. From Lawrence Journal World: **“City manager’s recommended budget includes tax increase for police station, staff cuts.** Under the recommended budget, residents would see an increase in their utility bills. If adopted, city utility bills for the typical household would go up about \$60 per year”

Also in reviewing the residential impact of electric rate increases posted on the Citizens’ Utility Ratepayer board (CURB) website, A KCPL 1500 kWh (July) customer saw an electric rate increase of 88.63 % between 2006 and 2016 or from \$116.18 to \$219.15 per month. Similarly, for the same 1500 kWh Westar customer saw 43% to 64 % increases in their residential monthly electric bills from 2009 to 2015.

We understand that our state faces troubling budgetary times. However, continuing efforts should be made to protect Kansans who are older and have low-incomes by maintaining safety net programs and affordable utilities. Amendments that attempt to add surcharges to utilities and taxes challenges utility affordability. Utility rates should not be a substitute for tax reform or funding. Utilities are essential services and should be exempt from such attempts.

AARP strongly believes that the legislature should reexamine the income tax as a preferred method of raising revenue in the state. It is the most equitable and will provide the revenue our state needs to invest in all Kansans and help our economy grow. We do not believe our state should balance its budget on those residents who can least afford it – Kansans and their families who are older and with low-income and families.

Energy affordability is a serious and pressing concern for our members. For these reasons, we oppose efforts to increase fees on all residential gas, water and electric utility services. We urge the legislature to find a more equitable means of securing the revenue our state needs to thrive.

Respectfully,
Judy Bellome