

Public Life Foundation of Owensboro

Results of STATE BUDGET Community Forum

January 24, 2006

Kentucky Wesleyan College

Background

On Tuesday, January 24, 2006, the Public Life Foundation hosted a community forum to examine financial issues and options facing state government in light of the legislature's challenge to adopt a budget for fiscal years 2007 and 2008 during the current General Assembly.

An issue brief developed by our foundation (attached) was used as a dialogue guide. Participants devoted more than two hours to learn about state government finances. They engaged in small group dialogue and were exposed to diverse points of view.

The results of this forum are significantly more meaningful than surveys and polls in which respondents are forced to answer questions immediately. Through this forum, participants took time to listen, learn and deliberate with others prior to coming to an informed judgment.

Participation

The forum was free and open to the public. The event was promoted through newspaper advertisements, news release, email and direct mail. Fifty-seven people participated and 49 completed questionnaires. Not all questions were answered.

Age:

45-64 years of age	35 (76%)
65 or more years of age	8 (17%)
30-44 years of age	3 (7%)

Gender:

Men	29 (66%)
Women	15 (34%)

Residence:

City of Owensboro	27 (64%)
Outside the city (in Daviess Co.)	14 (33%)
Outside Daviess County	1 (2%)

Family Income:

\$50,000-\$74,999	15 (33%)
Over \$100,000	14 (30%)
\$75,000-\$100,000	12 (26%)
\$30,000-\$49,999	2 (4%)
Under \$15,000	2 (4%)
\$15,000-\$29,999	1 (2%)

Race:

White	43 (93%)
African American	3 (7%)

Education:

Postgraduate work	30 (61%)
College graduate	8 (16%)
Voc/Tech graduate	4 (8%)
Some college	3 (6%)
High School/GED graduate	3 (6%)
Some high school	1 (2%)

Political Party:

Democrat	33 (75%)
Republican	6 (14%)
Other	5 (11%)

Responses to State Budget Issues

Participants were presented with background information about the state budget, tax modernization, and other relevant developments and data connected with state government finances, the budget and Gov. Fletcher’s budget proposal. They were also presented with points supporting and opposing the following options for dealing with state financial pressures:

- 1. Cut the bureaucracy**
- 2. Increase taxes**
- 3. Eliminate exemptions and loopholes**
- 4. Allow more gaming**

Following the presentations and two discussion periods, participants completed a questionnaire. The results are as follows:

- Rank your support of each option in dealing with state government budget challenges (1 – disagree strongly, 2 – disagree somewhat, 3 – not sure, 4 – agree somewhat, 5 – agree strongly)

Cut the bureaucracy

Agree somewhat	18 (38%)
Agree strongly	11 (23%)
Not sure	7 (15%)
Disagree somewhat	7 (13%)
Disagree strongly	4 (9%)

Increase cigarette taxes

Agree strongly	28 (60%)
Agree somewhat	11 (23%)
Not sure	4 (9%)
Disagree strongly	3 (6%)
Disagree somewhat	1 (2%)

Increase taxes on services

Not sure	14 (30%)
Agree strongly	11 (24%)
Agree somewhat	12 (26%)
Disagree strongly	7 (15%)
Disagree somewhat	2 (4%)

Increase income taxes on the wealthy	
Agree somewhat	16 (34%)
Agree strongly	14 (30%)
Not sure	9 (19%)
Disagree somewhat	5 (11%)
Disagree strongly	3 (6%)
Increase corporate net profits taxes	
Agree somewhat	18 (38%)
Agree strongly	9 (19%)
Not sure	7 (15%)
Disagree strongly	7 (15%)
Disagree somewhat	6 (13%)
Other suggestions for tax increases:	
<i>“Tax earnings and consumption”</i>	
<i>“Estate taxes”</i>	
<i>“Property taxes”</i>	
Eliminate loopholes and exemptions	
Agree strongly	21 (44%)
Agree somewhat	11 (23%)
Not sure	10 (21%)
Disagree strongly	4 (8%)
Disagree somewhat	2 (4%)
Allow more gaming	
Not sure	14 (30%)
Disagree strongly	12 (26%)
Disagree somewhat	9 (20%)
Agree somewhat	6 (13%)
Agree strongly	5 (11%)
Allow the public to vote on gaming	
Agree strongly	22 (48%)
Not sure	11 (24%)
Disagree strongly	7 (15%)
Agree somewhat	6 (13%)
Disagree somewhat	0 (0%)
Other options suggested:	
<i>“for elected officials to be statesmen”</i>	
<i>“progressive income tax”</i>	
<i>“eliminate loopholes – however, exemptions which are offered to improve education and business are good”</i>	

- Do you think that state government has
 - ...more of a revenue problem than a spending problem 27 (60%)
 - ...more of a spending problem than a revenue problem 18 (40%)

- Do you think the “no new tax pledge” taken by Gov. Fletcher and many legislators is
 - ...a responsible action that sends an important message about public aggravation with excessive taxation 3 (7%)
 - ...an irresponsible action that could result in state government having inadequate resources for vital government services such as education, health care, corrections, environmental protection and more 43 (93%)

- Do you think the “tax modernization” plan proposed by Gov. Fletcher and adopted during the 2005 General Assembly should
 - ...generate no new overall tax revenue for state government 12 (31%)
 - ...generate additional tax revenue for state government 27 (69%)

- Do you support adjustments in House Bill 44 that, since 1979, has decreased property tax rates from 31 cents to 13 cents per \$100 valuation?
 - ...yes 25 (56%)
 - ...no 20 (44%)

- Other comments/suggestions about state government budget issues and choices:
 - “eliminate waste”*
 - “The governor has budgeted money he does not have”*
 - “We must have honesty – the governor should be truthful and the legislature should pass a balanced budget instead of borrowing from the general fund”*
 - “Invest in our citizens – their health care and education”*
 - “Require a percentage of additional revenue to be placed in reserves and not ‘raided.’ Implement a more balanced approach to taxation incorporating more variety and equity”*

“How can we increase legislative disclosure and ethics regarding budget issues?”

“Honest accounting – example: shortfall in retirement fund is off budget”

“The legislature should not leave Frankfort until budget is approved. It is their primary function.”

“Vision and innovative leadership must become a part of our budget plan when setting about to keep Kentucky for our children and grandchildren. Perhaps our great state’s economics professors and professionals should play a part in the planning process – how refreshing it would be to ask the experts.”

Forum Analysis

Prior to this forum, did you consider yourself

...well informed about state government budget issues and choices	12 (29%)
...somewhat informed about state government budget issues and choices	21 (50%)
...not very informed about state government budget issues and choices	9 (21%)

As a result of your participation in this forum on the state budget, do you now consider yourself

...better informed	38 (90%)
...about as informed as before	4 (10%)
...less informed	0 (0%)

Did the forum present balanced points of view?

...yes	39 (98%)
...no	1 (3%)

Was information presented in a clear and understandable manner?

...yes 41 (100%)

...no 0 (0%)

Did the information presented during the forum

...not have enough detail 1 (3%)

...have about the right amount of detail 37 (95%)

...have too much detail 1 (3%)

Did the forum help you come to judgment about state government budget issues and choices?

...yes 31 (76%)

...no 10 (25%)

Was the discussion format effective?

...yes 38 (90%)

...somewhat* 3 (7%)

* not offered as a choice; added as a remark

...no 1 (2%)

Do you feel that it is important for citizens to express their views about the state government budget?

...yes 38 (100%)

...no 0

Would you recommend that others participate in a similar forum?

...yes 40 (98%)

...no 1 (2%)

Other comments/suggestions about the forum:

“was limited to a small group and would have liked to hear from other groups”

“Great!”

“Great – more time and possibly more opportunities for ‘open microphone’ time?”

“Excellent forum. I thoroughly enjoyed it. Great job PLFO staff and Rodney.”

“Great program. Thanks!”

“Honestly balance budget”

“Not enough time”

“Excellent job! Informative, educational.”

“Still frustrated. No easy answers. Need forward thinkers steering our state. Proactive not reactive. Look to effective models throughout country to guide and inform.”

“Would like to have heard further presentation.”

“Excellent ground rules and formatting!”