Some GOP legislators still hope to avoid higher taxes

By JOHN HANNA

AP Political Writer TOPEKA (AP) — Some key legislators smelled good financial news for state government in the spring air last week.

For example, House Speaker Doug Mays saw a favorable omen in corporate income tax collections that have exceeded expectations over the past nine months. And Senate Ways and Means Committee Chairman Steve Morris said that with commodity prices higher this year than last year, the agricultural economy looks better and Kansans are more confident.

Mays, R-Topeka, and Morris, R-Hugostate officials and university economists meet in Topeka to issue a new revenue forecast for the state.

The Legislature uses the forecasts to set budgets for state agencies.

Mays, Morris and other legislators hope the next forecast will be more optimistic than the current version, which was issued more money to spend.

And Mays wants to spend the bulk of any

Analysis

additional projected revenues on public schools. Like other Republicans, he still hopes legislators can end their session hav-without a general tax increase.

"It all goes into education, I imagine," Mays said last week, contemplating additional revenues to plug into the budget. "It takes some pressure off to raise taxes, I guess — I hope.'

Legislators already have approved a ton, were looking ahead to April 20, when \$10.2 billion budget for the fiscal year beginning July 1, following most of Gov. Kathleen Sebelius' spending recommendations and trimming overall spending by three-tenths of 1 percent.

However, legislators consider that budget incomplete, in part because they haven't resolved school finance issues. Lawmakers are to return from their annual spring in November. If it is, legislators will have recess April 28 to wrap up business for the year.

The House has approved two competing districts, currently \$2.6 billion.

school finance proposals.

One, from GOP leaders including Mays, would put an additional \$28.5 from existing revenues into teacher mentoring, bilingual education and programs for children who are at risk of dropping out of school. Sixteen school districts with relatively high costs of living could raise an additional \$23.5 million with local property taxes.

But the House also voted for a plan drafted by Rep. Bill Kassebaum, R-Burdick, that would raise sales and income taxes by \$155 million. The new revenue would raise base state aid per pupil by \$100 and put more money into bilingual education, special education and programs for poor and minority students.

Kassebaum's bill would also let school districts raise local property taxes by a combined \$120 million.

Meanwhile, the Senate rejected six proposals, some relying on higher taxes, others only on existing revenues.

Mays said he expects the final package to add anywhere from \$40 million to \$80 million to the state's annual aid to school

If the state's fiscal forecasters conclude on April 20 that revenues next year will probably be 1 percent higher than the \$4.47 billion now expected, that change would give legislators an additional \$45 million to plug into their budget.

If the forecasters go 2 percent higher, legislators have an additional \$89 million to appropriate.

"That possibility was not lost on us," said Sen. Derek Schmidt, R-Independence.

Schmidt said some senators want to avoid a tax increase this year because they are thinking ahead to next year.

In December, a Shawnee County district judge ruled that the state's school finance formula is constitutionally flawed and that Kansas spends too little on its schools to ensure that each child receives a "suitable" education. The judge's decision came in a lawsuit filed in 1999 by parents and administrators in the Dodge City and Salina school districts.

The state has appealed to the Kansas Supreme Court. Schmidt said he and some of his colleagues worry about raising taxes this year, only to face another increase next

year, after a Supreme Court ruling.

"There's a limit to the number of times that taxpayers will let us go to that well for schools," Schmidt said.

Of course, relying on a new and more optimistic fiscal forecast to fund a school finance plan has its own problems.

First, the forecasters have repeatedly shown that their main concern is accuracy, not budgeting. They've not hesitated in the past - the spring forecasts of 2001 and 2002 are examples - to issue estimates that blow a hole in the budget.

Senate President Dave Kerr believes the new forecast will be close to the existing one.

"I'm not counting on some big windfall," said Kerr, R-Hutchinson.

And, even if the estimators conclude the state will collect \$4.5 billion or even \$4.6 billion in general revenues, they could turn out to be wrong.

But Mays and some of his colleagues are worried most about muddling through the current session, and that is why they're hoping the new fiscal forecast will be sunnier than the existing one.

Shaky truce largely holds for second day in Fallujah Bridge

FALLUJAH, Iraq (AP) — Gun- ments and Iraqi police. fire was largely silenced Monday in the second day of a truce in Fallujah, where Iraqi doctors said 600 people were killed. The top U.S. military spokesman said about 70 Americans and 700 insurgents had been killed since April 1.

Additional U.S. forces have been maneuvering into place, and the military has warned it will launch an all-out assault on Fallujah if talks there between pro-U.S. Iraqi poli- jah. ticians and city officials fall through.

U.S. Brig. Gen. Mark Kimmitt released the first full casualty statistics since widespread fighting erupted on April 4.

"The coalition casualties since April 1 run about 70 personnel. ... The casualty figures we have received from the enemy are somewhere about 10 times that amount, what we've inflicted on the enemy," Kimmitt told a Baghdad press conference.

About 600 Iraqi dead were recorded by the main hospital and four clinics in Fallujah, hospital director Rafie al-Issawi told The Associated Press.

About 880 Iraqis have been killed, according to an AP count, based on statements by Iraqi hospital officials, U.S. military state-

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President Bush prepared Americans for the possibility of more U.S. casualties

"It was a tough week last week and my prayers and thoughts are with those who pay the ultimate price for our security," Bush said.

The top U.S. commander in Iraq, Lt. Gen. Ricardo Sanchez, acknowledged that a battalion of the Iraqi army refused to fight in Fallu-

Asked about the battalion's refusal on NBC's "Meet The Press," Sanchez said, "This one specific instance did in fact uncover some significant challenges in some of the Iraqi security force structures ... We know that it's going to take us a while to stand up reliable forces that can accept responsibility."

Some 900 members of the Iraqi Civil Defense Corps are with three battalions of Marines. U.S. forces on Sunday examined a captured insurgent cache of suicide belts.

Bush held out hope for the Fallujah talks, saying the United States was "open to suggestions" on reducing the violence.

Seven Chinese civilians were abducted by insurgents in central Iraq Sunday evening, China's government said.

On Monday, Beijing urged Iraq's any sort of conflict."

leaders to help free the hostages. kidnapped at least 28 civilians from 11 countries.

Still unknown was the fate of an American hostage, Thomas Hamill, whose captors threatened to kill him unless the Marines withdraw from Fallujah by early Sunday. Other insurgents promised to release three Japanese by Sunday, but the Japanese Embassy in Baghdad said Monday they had not been freed.

In the south, members of the Iraqi Governing Council have reportedly held talks with followers of radical Shiite cleric Muqtada al-Sadr.

His militia raised a bloody revolt last week and still controls three holy cities, Karbala, Kufa and Najaf.

Karbala, for Sunday's al-Arbaeen ceremonies, one of the holiest days Monday morning.

Senor would not comment on Iraqi talks with al-Sadr's followers but said, "I would say that our goal is to minimize bloodshed and to head off

In the last week, militants have requirement that any military action has to occur in Najaf," Brig. Gen. Mark Kimmitt told reporters.

The goal of the separate talks in Fallujah and the south was unclear. U.S. commanders demand that control of Iraqi police and U.S.-led coalition forces in the cities be restored and that insurgents in Fallujah lay down their arms and hand over Iragis who killed and mutilated four American civilians on March 31.

Iraqi Governing Council members, who have harshly criticized the U.S. offensive, are seeking a way to extend the truce and resolve the violence.

U.S. troops retook the city of Kut from al-Sadr followers in the past three days, in the first major foray in months by the American military

"We don't see it as a necessary into southern Iraq. Military action to retake the other cities could require fighting near some of Shiite Islam's holiest shrines, raising the possibility of inflaming Shiite anger at the U.S.-led occupation.

> In Fallujah, hardly a shot was heard Monday morning, more than 36 hours after insurgents in the city said they were calling a cease-fire. The Marines have halted offensive operations since Friday.

Guerrillas overnight made sporadic attacks, said Lt. Col. Brennan Bvrne.

Marines killed two insurgents setting up a machine gun near a patrol and others were fired on by gunmen hiding in a school, he said.

The bodies of 11 Iragis were seen brought to a makeshift clinic in a city mosque Sunday.

Colby Country Club Bridge results from April 6 are first place -Helen Roulier; second place tie between Helen Donelan and Joy Davis and Margarte Deneler took third.

Markets

Quotes as of close of previous business day Hi-Plains Co-op	
Wheat	\$3.81
Corn	\$3.15
Milo	\$5.17
Soybeans	\$9.28



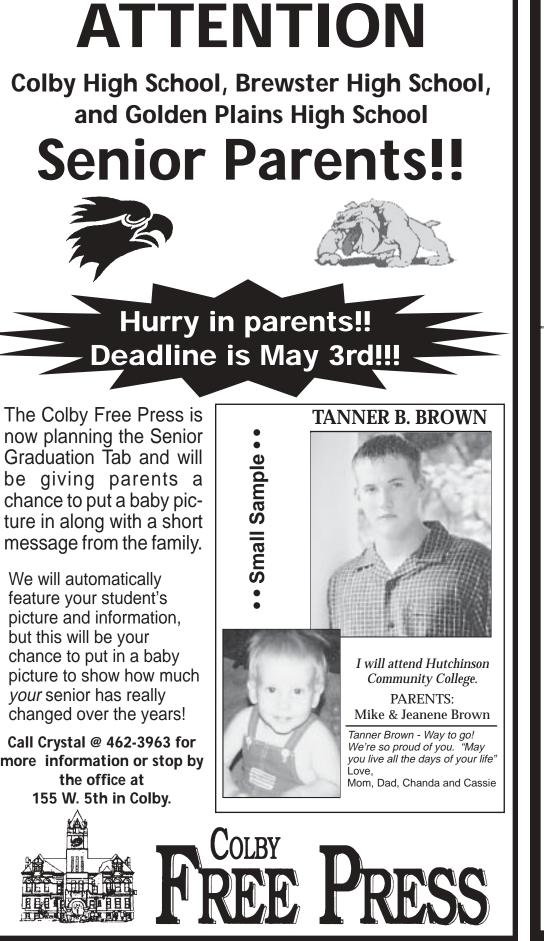


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One factor that has held off U.S. action to uproot al-Sadr's al-Mahdi Army militia was the presence of up to 1.5 million Shiite pilgrims in

of the Shiite religious calendar. Most pilgrims had left the city by

U.S. coalition spokesman Dan

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