

OUTLOOK



Comment by
**Ed
Ryan**

Courier-Journal
Frankfort
bureau chief

Needed push for new funds lacks a leader

FRANKFORT, Ky. — Virtually half of the 1982 General Assembly's session is over, and there's a strong sense that the legislature is rolling along, taking care of its business — and carefully avoiding the critical issue that all 138 legislators knew faced them before they got here in January.

That issue is how to adequately finance essential state programs, chiefly education and human services, during a time of sluggish revenues and severe federal cutbacks.

Now that they are here, the lawmakers have found it easy to be immersed in such matters as legislative redistricting, which has little interest to anyone except the elected senators and representatives themselves; the rather arcane Jefferson County re-organization bill, and the seemingly private business of whether big-city banks can buy up country banks.

What about new revenue to pay for school programs and social needs?

There's a five-letter dirty word called "taxes" that hardly ever passes the lips of the likes of House Speaker Bobby Richardson and Senate President Pro Tem Joe Prather.

"You're not going to see any taxes in this session," Prather, D-Vine Grove, said knowingly on Friday.

Richardson, D-Glasgow, echoed that sentiment in the House chamber at the other end of the hall on the third floor.

On the first floor, in the governor's office, there is talk of new revenue sources, but so far tax increases are viewed as being somewhat heretical, something akin to tagging Gov. John Y. Brown Jr. as a liberal in the 1984 presidential sweepstakes.

Meanwhile, bills are being approved weekly by the legislature that have additional price tags.

In short, there seems to be no leadership from either the top legislative officials or the governor on the issue of raising new revenues from modest tax increases.

W. Terry McBrayer, the Lexington attorney who ran for governor in 1979, said that without leadership from the first and third floors, the special-interest lobbyists could take over and deliberately confuse the issue.

Then, McBrayer added, nothing is likely to happen in the session, and the governor and the legislative leaders will get their wish of not being imprinted with the Big Red T for Taxes.

The ironic aspect of all this dodging and outright stonewalling on the tax issue is that the two most knowledgeable men in the legislature on the matter favor tax increases that would bring in from \$100 to \$150 million yearly in new revenue.

They are Sen. Michael R. Moloney, D-Lexington, and Rep. Joe Clarke, D-Danville, the respective chairmen of the Senate and House appropriations and revenue committees.

For weeks, they have sat through hours and hours of review on the governor's no-new-tax budget, with agency head after agency head trotting in and testifying.

Independent of each other, Clarke and Moloney have consistently said the Brown budget is underfunded. They say there's a need for at least \$100 million in new revenue each year.

Moloney, who has been a close ally of Brown, went on the floor of the Senate Friday to say, in effect, that the governor's budget, described as bare-bones, is worse than that — some of the bones are missing.

Unless there are added sources of revenue, Moloney said, "We will be doing substantial damage to two areas of government that can't afford it, education and human resources."

The Lexington senator went further and introduced a bill to repeal his pet uniform juvenile code (approved by the 1980 legislature) because there is no money in the governor's budget to implement it. Moloney had spent five years drafting the law.

When Moloney speaks, a number of skeptical legislators believe it's the word from the governor's office.

But the senator said he hasn't talked with Brown since 2½ weeks ago when he proposed a three-part tax increase, and Brown rejected it.

Moloney's and Clarke's basic tax proposals are similar: Increases in the coal severance tax and the cigarette tax.

Moloney also has recommended a 10 percent surcharge on the wholesale price of distilled spirits.

"I believe the votes are there (in the legislature) for a compromise tax package," Moloney said last week, even though the leadership and the governor aren't exactly racing each other to be first to sponsor any such legislation.

Last week, the governor began publicly toying with the idea of raising user and permit fees to boost state revenues.

However, Brown, as is his regular habit these days, failed to provide many specifics and continued to keep his options open.

Estimates on new revenue from increased fees ranged from \$30 to \$50 million.

In Moloney's opinion, that would be far from sufficient to take up the slack that he sees after his budget reviews.

(Naturally, Brown doesn't look upon an increase in fees as new taxes. "It's just good government," is the way he puts it.)

As the last half of the General Assembly session starts, there appears to be a leadership vacuum on the crucial matter of new revenues.