

# Kansas Rural Center Legislative Policy Watch

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#### **Legislative Policy**

Watch is a weekly online publication of the Kansas Rural Center (KRC) during the State of Kansas legislative session. KRC is a private, nonprofit organization that promotes the long term health of the land and its people, through education, research and advocacy that advance an ecologically sound, economically viable, and socially just agriculture.

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## **Kansas State Budget - House Version**

Substitute for HB 2273 is the Kansas House version of the State Budget, except that funding for K-12 public education (along with numerous policy riders) was separated and put in House Substitute for Senate Bill 387. The floor debate on Sub. for HB 2273 was held on Tuesday March 19 with the final vote on Wednesday March 20 – and it passed 91 to 32. Now a conference committee will be formed of three House members and three Senators to find that compromise. The school funding bill has passed out of the House Committee on K-12 Education Budget but has yet to be debated on the House floor and should be debated early next week. The Senate's budget does not separate out K-12 funding so that must be sorted out to finalize the State Budget.

The House budget comes in at \$25.3 billion with \$10 billion from the State General Fund (SGF). For this exercise, the Governor's budget for K-12 was used and does not include any of the adjustments made by any House committee. On the floor, the House Democrats offered an amendment to replace the House budget bill with the Governor's recommendation for Medicaid expansion and the addition of \$75 million for K-12 special education. This amendment spent \$380 million less than the House version and has a proposed creation of a \$1.2 billion state fund dedicated exclusively to reducing residential property taxes. It was voted down 38 to 78. Rep. Will Carpenter offered an amendment that would double the tax assessed on Kansas hospital inpatient and outpatient services to 6% for the purpose of qualifying for extra federal funding. The current 3% tax raises \$180 million and brings in \$315 million in federal aid. As with the Senate's budget - various provider rates for health services were increased instead of expanding Medicaid along with this hospital amendment for extra federal funds.

The House budget put in \$45 million to offer disability services to 500 more persons on both programs. Presently there is a waiting list of 5,300 for intellectually disabled Kansans and 2,300 for physically disabled Kansans. The House put in \$10 million for 2026 to support hosting the World Cup soccer games in 2026 (and earmarked an additional \$18 million in future funding if warranted). \$17 million was added to support housing and retail development in northwest Kansas. \$20 million appropriated to upgrade facilities at the state's law enforcement training facility in Salina. \$75 million is authorized for a cancer research and treatment building at KU-Med in Kansas

**League of Women Voters** of Kansas

www.lwvk.org



**Kansas Natural Resource Council** 



Climate & Energy Project

www.climateandenergy.org



**Kansas Farmers Union** 

www.kansasfarmersunion.com



**Audubon of Kansas** 

www.audubonofkansas.org



**Lawrence Bird Alliance** 

https://www.jayhawkaudubon.org/

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City. \$40 million is set aside to build a new Kansas Bureau of Investigation laboratory at Pittsburg State University. The 5% salary increase for state employees costs \$175 million. \$3.4 million is allocated to the Kansas judicial branch to cover costs incurred by a ransomware attack on the court system's computer network. \$2 million was added for a statewide program to encourage women to give birth rather than have an abortion. \$5 million added for the Kansas State University Kansas Water Institute. \$4.4 million SGF and 30 positions were included for the 'Fight Against Fentanyl' effort. This House budget will leave an ending balance of \$2.59 billion in FY 2025 and a 'rainy day' fund balance of \$1.738 billion.

https://www.kslegislature.org/li/b2023\_24/measures/documents/bil l\_exp\_hb2273\_01\_0000.pdf

(The House school funding bill – **House Sub. for SB 387** – provides the funding for K-12 while rewriting the school aid formula and establishes the Education Funding Task Force to determine Special Education funding. This bill comes at a time when the Kansas Supreme Court has ended its jurisdiction over education funding.)

https://www.kslegislature.org/li/b2023\_24/measures/documents/supp\_note\_sb387\_02\_0000.pdf

#### 2022 USDA Agriculture Census for Kansas - Part 2

In comparing the 2017 version and the 2022 USDA Agriculture Census, there is far more detailed information on farms with young producers, new and beginning producers, organics, specialty crops and irrigation. The historical insights are most revealing in regards to depicting the consolidation and concentration of Kansas agriculture. It would behoove the Kansas legislature to discuss this 2022 Census in regards to the future of farming in Kansas and the role that beginning farmers may or may not play. It is clearer that the divergence of owned and rented/leased land is near parity with 20.4 million acres owned and 24.3 million acres rented or leased. This speaks to farming opportunities in the future and options for longer term protection of soil health on leased land.

Table 52 lists selected producer characteristics comparing 2022 to 2017. There are 100,656 producers in 2022 compared to 96,352 in 2017. 9,700 of these producers (9.7%) are age 35 or younger. Male producers comprise 66% with female producers at 34%. Farming is the primary occupation for just 41% with 59% other occupations. 58% of the producers are 'on farm' operated with 42% not on farm. Days of work off farm shows that 42% of producers are 200 or more days off farm. 70% of the producers have been on their present farm 10 years or more with the average being 22 years. 72% have been operating any farm 11 years or more. 98% of the producers are white.

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Table 69 has selected farm characteristics for farms with new and beginning producers – comparing 2022 to 2017. There are 18,063 farms (out of 55,734 Kansas farms) on 9.5 million acre (out of 44.7 million total acres). 4.3 million acres are owned land in farms with 5.1 million acres leased. The size of these farms is fairly balanced from 1-9 acres to farms with 500 acres or more. These 18,063 farms had sales of \$5.97 billion (of the \$23.98 billion total) with crops accounting for \$1.7 billion and livestock for \$4.1 billion. 7,043 of these farms received government payments totaling \$100 million. 4,945 farms were oilseed and grain while 265 grew vegetables and melons and 226 were fruit and tree nut farmers. 4,888 were beef cattle ranching and farming while 54 had dairies. 14,791 were family or individual operated with 1,345 in partnerships and 1,305 corporate-operated.

Table 48 depicts selected characteristics of farms by North American Industry Classification System for 2022. This chart lays out in detail crop production in oilseed and grain, vegetable and melon farming, fruit and tree nut, greenhouse and nursery, and animal production. It breaks these categories into fine detail for the grains, the specialty crops, and animal production. Total market value was \$23.9 billion with \$8.4 billion in crops and \$15.5 billion in livestock. Table 36 lists the vegetables, potatoes and melons for sale in incredible detail from asparagus to cabbage to musk melons to fresh herbs to potatoes to tomatoes by number of farms and acres. Table 51 spells out organic agriculture for 2022 and 2017. There were 167 farms with sales of \$70 million with the average per farm at \$419,000. In 2022, there were 238 male producers and 109 female producers. The average number of years on the present farm was 17.8. The average age was 53.9. 109 of the 167 farms had sales over \$50,000 accounting for \$69.3 million of the \$70 million in sales. In terms of specialty crops in Kansas, we import 90-95% of the fruits and vegetables consumed in the state. Through research by Dr. Rhonda Janke, 100% of the primary fruits and vegetables for Kansans could be grown on 300,000 acres (There are 20 million acres of cropland in Kansas and spending on fruits and vegetables tops \$800 million in Kansas.)

https://www.nass.usda.gov/Publications/AgCensus/2022/Full\_Report/Volume\_1,\_Chapter\_1\_State\_Level/Kansas/

## **Electric Grid Challenges**

A trade group – Advanced Energy United – representing clean energy businesses has published a first-of-its-kind scorecard grading how well the seven regional transmission organizations - which coordinate the flow of electricity for roughly two-thirds of American electric customers - are doing at getting new projects approved to connect to their grids. Two systems – Electric Reliability Council of Texas and the California Independent System Operator – got B's while the other five got grades of C- or lower. Last summer, the Federal Energy Regulatory Commission issued new rules to help clear the backlogs of more than two million megawatts of potential new power sources (primarily solar, wind and batteries) that are languishing awaiting interconnection studies. Southwest Power Pool (SPP) – our regional transmission organization serving an area over half a million square miles in 14 member states with 18 million customers – processed new interconnection applications very slowly – taking two to four years to move through the queue. SPP got a C-grade. SPP is now stepping up with a FERC-approved generator interconnection backlog mitigation plan. Last year SPP exceeded its annual record by 250%, with 93 interconnection agreements signed totaling 17 gigawatts. SPP is on track to clear the

backlog by the end of 2024.

#### Mexico's GMO Corn Tortillas Battle

Last February, Mexico imposed restrictions on genetically modified (GM) corn in tortillas as a precautionary measure to protect public health and corn biodiversity. The U.S. claims that Mexico's policy is not based in science. Mexico has now filed a 199-page response that documents scientific evidence pointing to various negative effects on health, on native corn, and on the environment which is derived from the cultivation and consumption of GM corn.

Initial Written Submission of the Mexican Government <a href="https://www.iatp.org/documents/initial-written-submission-mexican-government">https://www.iatp.org/documents/initial-written-submission-mexican-government</a>

The U.S. has until March 26 to respond concretely to the science presented by Mexico. Mexico has 13 pages of evidence that GM corn - particularly insect-resistant BT varieties poses potential health to humans through damage to the intestinal tract and other organs. 16 pages of evidence on the elevated risks to Mexican consumers from glyphosates residues on GM corn. It is illegal to grow GM corn in Mexico and Mexico produces nearly all of its own white and native corn for tortillas - but glyphosate residues have been found. Mexico highlights 33 sources - cited by the U.S. - that are not peer-reviewed or academic sourced. Sixteen of the U.S. studies are more than 10 years old. Many of the U.S. studies show conflicts of interest, indicating funding by biotech companies or researchers associated with biotech interests. U.S. regulatory standards are weak since they do not require animal studies or other safety assessments before a new GM variety is approved. The U.S. cannot produce a single academic study that shows that the long-term consumption of large quantities of minimally processed GM corn treated with glyphosate is safe to eat. Mexico's restriction on GM corn in tortillas affects a tiny share of U.S. corn exports to Mexico – perhaps 1% - because some 97% goes to animal feeds and industrial uses. Mexico is largely self-sufficient in white and native corn for tortillas. Mexico presents extensive evidence of the risks to native corn varieties from cross-pollination by GM corn. Mexicans are among the largest consumers of corn, especially through tortillas.

Mexico defends GM corn restrictions with science https://www.iatp.org/mexicos-science-based-defense-gm-corn-restrictions

## Farm Animal, Field Crop and Research Protection Act

**HB 2816** amends the Farm Animal and Field Crop and Research Facilities Act (passed in 1990) to remove references to a person's 'intent' to damage or destroy property and allow the Act's prohibitions to apply to all persons, regardless of intent. This bill would add provisions prohibiting persons from knowingly making false statements on an employment application to gain access to an animal facility, field crop production area, or research facility. Consent of the property owner is required to avoid violations. Violations would include flying an aircraft within the airspace above the property area but below the minimum safe altitude prescribed by federal regulations. This bill is a direct response to the 10th Circuit Court of Appeals ruling that struck down subsections (b), (c), and (d) of the Act, citing constitutional concerns of speech due to the intent of action requirement. This bill passed the House 99 to 24.

## Tax Cut Saga

**House Bill 2844** is the latest House tax bill to emerge. This bill has 2 income tax brackets as opposed to the one flat tax. It increases the standard deductions for all filers and has a cost-of-living adjustment for these deductions in 2025 and 2026. It first lowers the state income tax on Social Security in 2024 thru 2026 and eliminates it completely in 2027. The statewide mill rate to fund public education is lowered from 20 to 18 and increases the exempt residential property appraised value from \$42,049 today to \$80,000. There are other changes to taxes on financial institutions and the Local Ad Valorem Tax Reduction Fund and the County and City Revenue Sharing Fund. The fiscal cost for three years of tax changes to the SGF and lower property taxes for schools is right at \$1.3 billion.

https://www.kslegislature.org/li/b2023\_24/measures/documents/fisc\_note\_hb2844\_00\_00 00.pdf

#### Farm Bill Update

U.S. Senator Jerry Moran took to the Senate floor rebuking congressional colleagues for lack of progress toward a compromise on a new Farm Bill that would adjust agriculture commodity programs, food aid and measures to combat inflation in production costs. A political malaise is taking root in Washington D.C. that could postpone an updated five-year Farm Bill till after the 2024 elections. The 2018 Farm Bill expires on September 30 after Congress extended the deadline for one year last fall. Net farm income hit record highs in 2022 but declined 16% in 2023 and USDA projects a 25.5% drop in 2024. This situation was a blend of eroding demand for U.S. commodities following the COVID-19 pandemic and escalation in production costs tied to labor, pesticides, fertilizer and livestock prices.

## **Upcoming Events**



During the legislative session, the <u>League of Women Voters of Kansas</u> (<u>LWVK</u>) hold weekly zoom calls at **4pm on Fridays** with their policy observers. The League has offered to open up these calls for interested Policy Watch readers. Cille King is the policy coordinator for the League.

You will need to email Cille at advocacy@lwvk.org to be added to the notice list. Agendas come out a day or so before the call.



The Dole Institute series, "Obstacles and Opportunities: Tackling Sustainability in Kansas," will be held Tuesdays this spring at the Dole Institute. This four-part series will be moderated by our Spring 2024 Dole Fellow, and KRC board member, Karen Willey.

Some of the most refreshing events are weekly discussion groups at the Dole Institute. Hosted by Dole Fellows, each weekly discussion focuses on a specific topic or issue and features an expert in that field. These events are oriented toward KU students, but are

also open to the public. All presentations will be hybrid. These small discussion groups provide hands-on knowledge and direct interaction with experts.

Learn more here

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#### See Previous Editions of Policy Watch

Contributors to KRC are automatically on the Policy Watch e-list, if they provide an e-mail address. KRC provides Updates to the sponsoring organizations including League of Women Voters of Kansas, Kansas Natural Resource Council, Kansas Farmers Union, Climate and Energy Project, Audubon of Kansas, and Lawrence Bird Alliance, who make the Updates available to their memberships.

If you are receiving KRC Policy Watch through one of these organizations and have questions, contact the organization directly.

If you wish to be removed from the KRC list, contact <u>info@kansasruralcenter.org</u>

For questions about Policy Watch content, contact Paul Johnson at <a href="mailto:pdjohnson@centurylink.net">pdjohnson@centurylink.net</a>

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