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RURAL
CENTER**

FOR THE HEALTH OF THE LAND AND ITS PEOPLE

Kansas Rural Center Legislative Policy Watch

Issue No. 4, January 26, 2024

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, non-profit 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 DEPARTMENT OF AGRICULTURE (KDA) TESTIMONY

The Kansas Secretary of Agriculture, Mike Beam, gave an overview of key issues for KDA to the Senate Agriculture and Natural Resources committee on January 22. Agriculture continues to be the largest industry and economic driver in Kansas with 72 agriculture, food, and food processing combining for almost \$57 Billion in direct output. If you include the indirect economic factors, the contribution is \$81 Billion and supports over 253,000 jobs (13% of the workforce). KDA has generated county-by-county economic reports. Kansas ranks 5th in the nation in total value of ag production. Beef cattle ranching and farming ranks as the top sector of output (\$10 Billion) with grain farming coming in second (\$8.3 Billion) and pet food coming in 5th (\$3.7 Billion).

KDA holds an Ag Growth Summit annually, and the two overarching issues this year were workforce and water. Workforce availability is seen as a barrier to growth for Kansas agriculture. The shortage of trained workers cuts across many sectors, from equipment manufacturing to ag technology to meat processing. There is a need for federal immigration reform with a focus on long-term visas for agricultural workers. In terms of water, the economic viability of Kansas agriculture and rural communities depends on prolonging the life of groundwater resources of the state.

Since 2022, the U.S. poultry industry has been struggling through the largest outbreak of highly pathogenic avian influenza (HPAI) ever seen. More than 81 million domestic birds have been affected, along with countless wild birds. More than 450 commercial flocks and 600 backyard flocks have been impacted. In December 2023 and January 2024, Kansas confirmed 15 new cases of HPAI with an emphasis on egg-laying facilities in McPherson & Rice counties and gamebird



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facilities in Mitchell County. The result was a large loss of birds. KDA must depopulate affected flocks and safely dispose of all depopulated birds. Lessons learned will be instrumental in making continual improvements to the animal disease response plan.

Wildfires have become an increasingly destructive threat to Kansas. Governor Kelly appointed a Wildfire Task Force in July 2022 to exchange expertise and submit a report with findings and recommendations. The final report was shared in November of 2023 and organized into three sections: Mitigation and Prevention, Response, and Recovery.

The Task Force examined the efforts in place to monitor fire risk and the work underway to mitigate that risk. The Response section examined response plans and systems in place locally and statewide and how they can be strengthened. The Recovery section examined the plans for long-term recovery following a wildfire event. This report also includes a summary of financial support that would be necessary to put the recommendations into practice. The Governor's Wildfire Task Force report can be found on the KDA website at: www.agriculture.ks.gov/WildfireTaskForce

In 2022, Kansas was awarded a \$2.5 million cooperative agreement with USDA to maintain and improve food and agricultural supply chain resiliency. KDA developed a program to purchase and distribute Kansas-grown/processed food to underserved communities and families through the existing distribution network of food banks: Harvesters, Kansas Food Bank and Second Harvest Community Food Bank. Distribution of food began in 2023, as the food banks were able to purchase locally grown food from 22 Kansas producers. The three food banks have distributed \$2.388 million worth of local food to 413 local pantries and mobile sites serving 186 cities across 97 counties. In the summer, KDA was awarded an additional \$2.5 million to extend the program through December 2024. In March 2023, From the Land of Kansas celebrated 45 years of being the state's trademark program for specialty crops and local food. This program has grown to include over 440 members and farmers' markets – including 70 new members and 7 new farmers' markets in 2023. In 2023, KDA completed a comprehensive report on the farm winery industry in Kansas – as requested by the House Commerce, Labor, and Economic Development Committee.

KANSAS DEPARTMENT OF AGRICULTURE BUDGET

The Kansas Department of Agriculture (KDA) is made up of a variety of divisions and programs that perform different administrative, marketing, regulatory and other services. The divisions are: Administrative Services, Agricultural Business Services, Agricultural



Audubon of Kansas

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formerly known as Jayhawk Audubon Society

Lawrence Bird Alliance

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In the Governor's budget, each division has its purpose defined, goals & objectives listed, and the statutory history (such as the 1979 law ensuring the continuation of the agricultural statistical compilation by the Department). Each division has a separate budget listing expenditures (such as salaries, contractual services, commodities), expenditures by fund (SGF, State Water Plan, other funds) and employee count. Agricultural Business Services is not a program, but an umbrella description of a number of programs (Dairy, Food safety, grain warehouse, agricultural laboratory, plant protection, weights/measures) that operate independently from one another. The write-up explains the different programs and responsibilities along with statutory history. Performance measures for the last four years are listed.

Animal Health ensures that infectious disease in livestock is eradicated in the state while also increasing participation in the Brand Identification program, which inspects livestock markets. The Conservation program works with 105 conservation districts, 75 organized watershed districts, plus state & federal entities to administer programs to improve water quality, reduce soil erosion, conserve water, reduce flood potential and provide local water supply. The Division of Water Resources administers 30 statutes related to Kansas water resources. The Kansas Water Appropriations Act governs how water is allocated. Statutes regulate the construction of dams, levees, and other changes to streams. This Division handles the state's four interstate river compacts as well as the Kansas Groundwater Management District Act. In summary, this Division administers water appropriations, water management services and the water structures program.

The Governor's Budget Report (KDA – pages 467-479)

LEGISLATIVE NOTES

Flat Tax Update: The Republican's flat tax bill (HB 2284) has now been signed by leadership and sent to the Governor for her expected veto. The Governor has ten days to act. The Institute on Taxation and Economic Policy (from Washington D.C.) analyzed this tax plan and found that 70% of the tax cuts go to the top 20% of income earners. Residents in the group of \$60,300 a year will receive only 30% of the promised benefits of reductions in income, sales and property taxes. Their average tax reduction is \$89. The Division of the Budget compared the Governor's tax plan with House Bill 2284. It breaks down the fiscal effects over the next five years. The SGF ending balance after five years under the Governor's proposal would be a positive \$677.5 million – while under HB 2284, it would be a negative \$514.6 million. That is a \$1.192 Billion dollar difference.

Speed Budgeting: The Kansas Legislature is now speeding through the Governor's budget on steroids. There is little if any, opportunity for public input or formal testimony. Take the Kansas Corporation Commission budget that had the budget hearing on January 24 for the KCC and the Citizen's Utility Ratepayer Board (CURB – represents residential and small business customers in KCC rate hearings). It was scheduled to make final budget deliberations the next day, but fortunately, this was canceled. Next week, the Senate Agriculture and Natural Resources Committee will have one-day hearings on KDA, Kansas Water Office, and Kansas Department of Health and Environment (Environment Division only) with final budget recommendations the following day. There is no time for the public to testify once the Departments have presented their budgets and responded to the Senator's questions.

Census Data Update: KU's Institute for Policy and Social Research (IPSR) is the Kansas State Data Center for the U.S. Census. They have just posted the 2020 DP1 profiles for Kansas, Kansas counties, cities and United School Districts (USDs). DP1 contains the basics from the 2020 Census: age, sex, race, Hispanic origin, as well as household relationship, type, occupancy, and tenure. IPSR formatted these similarly to the profiles from 2000 and 2010 for comparisons. The 2020 Census does not use the 'family' household definition used in the past and includes same-sex households in both the married- and unmarried-partner households. <https://ipsr.ku.edu/ksdata/county.php>

KS County Level Data

Kansas Oil and Gas Production: Oil and particularly natural gas have been key economic drivers for decades in Kansas, but that is dramatically declining. The Hugoton natural gas field in SW Kansas was the 3rd largest natural gas reservoir in the world. Starting after WW II, interstate gas pipelines were constructed to carry the gas easterly toward Chicago, and a good portion of this field has been pumped. Gas production - which was nearly 300 million Mcf (thousand cubic feet) in 2015 - is now expected to be 135 million Mcf in 2025. Severance taxes from this gas are now exempted for 45% of the natural gas produced, dropping the tax from \$20.8 million in 2023 to \$6.9 million in 2025. Oil production in 2023 was 27.1 million barrels, while the forecast for 2025 is a decline to 25.5 million barrels. This is a two-day oil supply for the United States. 52% of this oil production will be exempt from the severance tax, with the oil severance tax dropping from \$37.2 million in 2023 to a projected \$26 million in 2025.

2022 Kansas Agricultural Exports: In 2022, Kansas exported \$5.459 Billion in agricultural products to 95 countries (39% of Kansas exports - \$13.9 billion). The top export was meat & edible offal (at \$2.1 billion), with cereals second (at \$1.3 billion) and oil seed third (at \$683 million). The top agricultural exports went to Mexico (at \$2.1 billion), with Japan second (at \$781 million) and Canada third (at \$594 million). South Korea, China, and Taiwan were the next three. For Mexico, the top items were cereals, oilseed, and meat & edible offal. For Canada, it was beverages & vinegar and residues & wastes followed by meat and edible offal.

Upcoming Events



WEALTH Day at the Capitol

February 5 - 9am - 4pm

KS State Capitol

SW 8th & SW Van Buren St

Topeka, KS 66612

Join organizations, advocates and legislatures to connect on water, energy, air, land, transportation, and health.

[More Info Here](#)



During the legislative session, the [League of Women Voters of Kansas \(LWVK\)](#) 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.

Follow us on social media to stay up-to-date Kansas Rural Center's news and reflections from the Capitol!



Enjoy this video of Zack Pistora discussing HB 2541. This video was taken during Kansans for Conservation Day at the Capitol.

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 info@kansasruralcenter.org.

For questions about Policy Watch content, contact Paul Johnson at pdjohnson@centurylink.net

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