



2018 Legislative & Policy Watch Weekly E-Update

Issue No. # 17, May 18, 2018

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About Policy Watch E- Updates

The Legislative and Policy Watch
Weekly E-Update is a project of the
Kansas Rural Center.

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Issue #17 is the last regular issue for
the State Legislative Session. We will
issue periodic updates as needed.

BUDGET STABILIZATION FOR KANSAS

by Paul Johnson

The Kansas State budget has finally been stabilized after several years of tax cuts, costly transfers, and numerous rounds of budget reductions. The question going forward in this 2018 election year is whether stabilization will move towards restoration of essential programs or will Kansas experiment with another round of tax cuts?

Thanks to the Kansas income tax increase in 2017 and increased state revenue from the federal tax cut changes, state general fund (SGF) revenue increases from \$6.34 billion in 2017 to \$7.10 billion in 2019 and up to \$7.44 billion in 2022. (For years 2020 -2022, the assumption is a 3% income tax increase and 1.9% sales tax increase.) What starts on May 22 is the review by the Kansas Supreme Court of the adequacy and equity of the new school funding formula. Will the Supreme Court decide that increased funding is needed? and if so, how soon must that happen?

The State Budget for 2018 & 2019 has been signed by the Governor. The largest adjustment for 2018 was \$40.5 from the State General Fund (SGF) to fund the updated estimates for human services caseloads. For 2019, the adjustment for human services caseloads is \$76.9 million from SGF.

Special Farm Bill Watch Updates and Alerts will continue to be issued.

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The Kansas Rural Center promotes the health of the land and its people through research, education and advocacy that advance an ecologically sound, economically viable, and socially just agriculture. For more information about KRC go to www.kansasruralcenter.org.



Kansas Natural Resource Council

The Kansas Natural Resource Council (KNRC) promotes environmentally responsible practices and sustainable natural resource policies to ensure the quality and abundance of these resources for future generations. For more information about our organization and programs, or how to become a member, please visit knrc.weebly.com.



Audubon of Kansas (AOK) is a statewide non-profit organization established to promote appreciation and stewardship of Kansas' natural ecosystems, with special emphasis on conservation of prairies, birds, other wildlife, and habitat. For more information go to www.audubonofkansas.org.



Kansas Farmers Union is the state's oldest active farm organization working to protect and enhance the economic interests & quality of life for family farmers, ranchers & rural communities. For more information go to: www.kansasfarmersunion.com.

The Board of Regents receives an additional \$15 million for a combined restoration of \$21.7 million of the \$30 million cut in 2016. \$57.3 million for Department of Education transportation needs now comes from SGF instead of being taken from the State Highway fund (although the overall transfer from the State Highway Fund to SGF is still \$280 million).

\$56 million is transferred from SGF to the KPERS Trust Fund. \$5.2 million is transferred from the Children's Initiatives Fund (tobacco settlement) to the Pre-K Pilot (\$4.2 m) and Parents as Teachers (\$1 m). \$1 million from SGF is directed to the Tiny-K program.

\$22.1 million of all funds are added for nursing facility reimbursement rates that were cut 4% in 2016. \$5.5 million of all funds added to increase foster care kinship payments from \$3 to \$10 dollars a day. The State Water Plan gains \$2.75 million from SGF and \$500,000 from lottery receipts for water-related projects. \$27.7 million from all funds provides salary increases for many state employees including judicial branch employees, correction officers and judges.

The SGF profile out to 2022 is sobering. On the revenue side - 3% income growth and 1.9% sales tax growth may well happen, but nationally this is one of the longest periods of growth without a recession. Kansas could be seriously impacted by a trade war. The federal tax adjustment impact on Kansas is estimated as a plus \$150 million annually, but it will take at least two years for the IRS to write all of these new regulations. On the expenditure side, the promised transfers to city/county government for property tax relief and roads are ignored along with just partial payment to the State Water Plan and the \$280 million continues to come out of the State Highway Fund.

The ending balance for 2019 is \$375 million but falls to \$143 million in 2020 as required KPERS payments are finally made, and by 2021 - just to reach a zero ending balance - there will have to be \$127 million in cuts or revenue increases. For 2022 to reach zero balance the number is \$196 million in cuts or revenue increases.

The budget debate is far from over in Kansas. With this economic scenario, there would be no option to restore staffing shortages, provide essential salary increases or respond to emergencies caused by recessions or natural disasters. This is the essential economic and political debate that Kansans deserve in 2018.

Contact Paul Johnson at



League of Women Voters of Kansas is a grassroots volunteer political organization with nine local chapters across Kansas. For nearly 100 years, LWVK has encouraged the informed and active participation of citizens in government. For more information, contact lwk.org.



Climate and Energy Project (CEP) is a Kansas-based non-partisan non-profit working to find practical solutions for a clean energy future. For More information go to: www.climateandenergy.org.



Women for Kansas is a grassroots initiative of like-minded women whose mission is to return moderation to the Statehouse. Fifteen chapters welcome you! For more information, go to <http://womenforkansas.org>.

Stay Up-to-Date

For live audio streaming, information, calendars, schedules and Bills, go

to:
<http://kslegislature.org/li/>

Find Your Legislator

ELECTORAL EXPECTATIONS

by Paul Johnson

2018 is a critical election year. The voters of Kansas deserve and should expect a substantive debate on the future direction of our state. Elections do matter and candidates should strive to present their vision on solving the economic and political challenges facing Kansas. The big issues center around the solvency of the State budget and state services, the future of agriculture in Kansas, the provision of medical services, the affordability of housing, the crisis with water management, and electoral engagement by many more Kansans.

The filing deadline is June 1 so there is still time for motivated Kansans to participate. Of the 125 Kansas House races, nearly 50 will have only one candidate. There are thousands of unregistered Kansans with voting rates under 30% for the August primary and under 60% in the November election.

The State budget is barely stabilized at this time. The 2017 tax increases restored just two-thirds of the 2012 tax cuts so restoring 9 rounds of budget cuts and limiting program transfers will take time.

The privatized child welfare system is finally being comprehensively analyzed and will need greater resources. The privatized Medicaid system - KanCare - (that serves over 400,000 residents) has incredible problems with enrollment and auditable payments to providers. Over 150,000 low-income working Kansans would be covered by expanding Medicaid while assisting many rural health providers who are struggling to survive.

Mental health services could be increased with an expanded Medicaid program as State support of community mental health centers has declined. Public school funding was cut 15% in 2009 and has lost ground to inflation in the last 10 years. While still 10th of the 50 states in education outcomes, Kansas is slipping in the rankings behind states who are increasing their state support.

Kansas is truly an agricultural state. So far, no candidates are offering a vision on the future of farming. Consolidation seems inevitable. While Kansas has 60,000 farms, the largest 10% account for 75% of all farm sales. Kansans import 95% of all the fruits and vegetables consumed in the state. While consumer demand for local, naturally

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Contact Your Legislator

2017-2018 KS House of Representatives Roster - [Click Here.](#)

2017-2018 KS Senate Roster - [Click Here.](#)

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raised meats increases, Kansas has only 75 small meat processors left that might be able to supply 10% of that local meat demand.

From 5,600 dairies in 1980, today there are less than 400 with 50 mega-dairies accounting for two-thirds of the dairy herd. Kansas government actively recruits that next mega-dairy, or courts a billion dollar corporation for vertically controlled poultry production. There is no vision of expanding regional food systems where farmers and community processors can earn a living wage while being partners in the ownership of this system.

The average age of the Kansas farmer is almost 60 and the transfer of farmland will increase, but there is no effort to promote beginning farmer loans and provide specialized business training to niche agricultural enterprises. The demand for organic food continues to skyrocket with consumer demand, but there are no organic courses offered or any concern over the expanding chemical war on controlling weeds. Kansas is primarily a beef state with a beef packing market monopolized by four corporations of which two are now Brazilian owned. There is no vision of a competitive, regional meat market that believes in a free, fair market.

The debate over affordable housing has been silenced in Kansas. Under Governor Bill Graves in the 1990's, there was a Governor's Commission on Affordable Housing along with a Housing Division within the Kansas Department of Commerce & Housing. In 2003, the Housing Division was moved out of Commerce and became the Kansas Housing Resources Corporation (KHRC) - a semi-public entity in conjunction with the Kansas Development Finance Authority (KDFA - Kansas' bonding authority).

As a semi-public agency that exists on federal grants and fees, KHRC does not report annually to the Kansas Legislature. KHRC has the weatherization program, the Community Services Block Grant, emergency shelter funds and the multi-family rental unit construction program. Kansas has around 1.2 million housing units with 2/3rds (800,000) owner-occupied and 1/3rd (400,000) rental. 40% of the renters (160,000) are cost burdened paying over 35% of income on housing.

Kansas now has 86 rural counties who have lost population over the decades and affordable housing is a key challenge. Rural economic developers site housing as a barrier to landing new manufacturing. Small communities lose the possibility of returning youth due to lack of housing. There needs to be a new vision to bring private, state,

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federal, non-profit, realtor and financial players to create a new comprehensive housing affordability strategy.

The water debate has received greater attention by policymakers and citizens, but few new resources. Western Kansas is truly dependent on the Ogallala aquifer. 40% has already been drained and that number will climb to 70% by 2050 at present rates of crop irrigation. Since the 1950's, Kansas has issued too many groundwater permits - some 35,000. These permits are now considered property rights so Kansas would be forced to spend tens of millions of dollars to retire some of these permits.

There are some efforts by a few farmers to voluntarily set conservation goals to extend the life of their groundwater rights. There is more exploration of water saving tools to closely monitor soil moisture and maximize crop yields using less water. In eastern Kansas, the water battle is over surface water and public water supply storage in several federal reservoirs. These reservoirs are silting in from streambank erosion and soil run-off. Kansas has started dredging John Redmond Reservoir plus limiting soil run-off up stream at a cost of over \$20 million.

As the new federal Farm Bill is debated, key conservation programs like the Conservation Reserve Program (CRP - 10 year land retirement) and the Conservation Stewardship Program (CSP - for working farms) are being downsized. CRP has 2 million acres in Kansas and many existing contracts are not being renewed while CSP has 500,000 acres in Kansas but only half of eligible CSP applicants last year were funded. There needs to be a coordinated vision of connecting these federal conservation programs with the plans of the Kansas Water Authority to improve water supply and quality. There is still no resolution on adequately funding the State Water Plan.

Kansas needs to improve election laws to encourage greater voter participation. Kansas should repeal election laws that mandate the proof of citizenship. Kansas could implement same day voter registration at the polls as many states have done. Kansas could follow states that automatically register residents to vote when they apply for driver's licenses. Kansas could expand early voting opportunities and voter education campaigns with greater outreach efforts. Kansas needs to establish voter participation goals and research what works to meet increased participation.

Contact Paul Johnson at pdjohnson@centurylink.net

FINAL SUPPLEMENT ON LEGISLATION PASSED- 2018 KANSAS LEGISLATURE

The Final Supplement on bills passed by the 2018 Kansas Legislative Session is now available at: <http://www.kslegresearch.org/KLRD-web/Publications/SummaryofLegislation/PreliminarySummaries/2018-preliminary-summary-supp-II.pdf>

KCC HEARING ON PROPOSED WESTAR RATE INCREASES

From the Climate and Energy Project May 18, 2018

Join us at the KCC hearing!

When: 6 p.m., Tuesday, May 22

**Where: Washburn Institute of Technology
5724 SW Huntoon St. Topeka, Ks.**

The Kansas Corporation Commission (KCC) will have a public hearing at 6 p.m. Tuesday, May 22, on Westar Energy's proposed rate increases.

This is your opportunity to share your thoughts with the KCC about proposed increases in monthly service fees as well as electric rates. Westar also has requested a new tariff for solar customers that could increase their bills by as much as 50%.

The KCC hearing will include information about the rate case (docket 18-WSEE-328-RTS) and an opportunity for customers to share their thoughts with commissioners. Public comment also will be accepted by mail, by phone at 1-800-662-0027, or online through 5 p.m. July 18. (Go to Climate and Energy website for more information: <http://www.climateandenergy.org/blog.1050397.kcc-to-consider-westar-rate-increases-share-your-thoughts?act=view>)

The Climate + Energy Project works to find practical solutions for a clean energy future. Energy efficiency and increased renewable energy further this goal while also saving money and increasing energy security. Increased fees could negatively impact energy efficiency and renewable energy in Kansas.

EDITOR'S NOTE:

This is the last regular Policy Watch for the 2018 Kansas State Legislative session. We will issue periodic updates as needed.

We will also continue issuing periodic "Farm Bill Watch" updates and alerts. (See below!)

Thank you for your support! And Stay tuned!

Mary Fund, Executive Director KRC

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FEDERAL FARM BILL BREAKING NEWS HOUSE FARM BILL VOTED DOWN

The House leadership and House Ag committee chair failed to get enough votes to pass its version of the Farm Bill this morning, due to the conservative Freedom Caucus' refusal to support it unless a vote on immigration legislation was held first. At this time, it is not clear if the House will try another vote, or wait for a more bi-partisan Senate version.

The Farm Bill is usually bipartisan legislation but this year the House attempted to include reform to the nutrition title that would impose stricter work requirements on 5 to 7 million SNAP recipients (Supplemental Nutrition Program formerly known as food stamps.) Democrats refused to support this, and were joined by enough Republicans voting no for different reasons (primarily the Freedom Caucus attempting to leverage an immigration vote) to stop passage. According to Politico and others, the stricter work requirements have no chance of passage in the Senate, so even if passed in the House, some kind of compromise would need to be worked out. The Senate Agriculture Committee may release its version of the Farm Bill as early as next week.

The House version also included \$800 million in cuts to conservation programs, eliminated local and regional food system and organic programs, and refused to reform commodity subsidy and crop insurance programs, even creating more loopholes to allow millions more in subsidies to be claimed by a steadily shrinking number of non-farm interests, while enacting stricter work requirements on poor people for food assistance.

Kansas Congressional Delegation Vote on Farm Bill:

Voting Yes: Jenkins, Marshall and Estes

Not Voting: Yoder

Read Politico's Farm Bill release by clicking
<https://www.politico.com/story/2018/05/18/farm-bill-fails-597661>

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In 2018, KRC is partnering with the Kansas Natural Resource Council (KNRC), Audubon of Kansas (AOK), Kansas Farmers Union (KFU), League of Women Voters of Kansas (LWVK), Climate and Energy Policy (CEP), and Women for Kansas to send Policy Watch to their members. We thank them for their support.

To opt out of receiving Policy Watch as a member of one of these organizations, see the following:

If you are receiving Policy Watch because you are an Audubon of Ks. member or want more information about AOK, or to be removed, you need to contact Ron Klataske at ron_klataske@audubonofkansas.org.

If a member of KNRC, contact Joanna Voigt at jvoigt@kansasruralcenter.org.

If a member of KFU, contact Mercedes Taylor-Puckett at kfu.mercedes@gmail.com.

If a member LWVK, contact lww.kansas@gmail.com.

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To learn more about the Kansas Rural Center, please visit our website at www.kansasruralcenter.org.



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