



# 2019 Legislative Policy Watch Weekly E-Update

Issue No. # 3, January 25, 2019

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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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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](http://www.kansasruralcenter.org).

## GOVERNMENT INANITY?

by Paul Johnson

Governor Laura Kelly has laid her priority cards on the desk. She has requested the full funding of public schools to take Kansas out of endless court litigation. She has requested the expansion on Medicaid to cover 150,000 uninsured Kansans and rescue several financially troubled rural hospitals. She has requested additional staffing and funding to fix a broken child welfare system. She has requested patience to rectify ten years of budget cuts in an orderly, predictable timetable. She has requested 2 to 3 years to sort out the revenue picture in regards to tax changes and the possibility of another national recession. She has to hope that there are enough prudent and responsible legislators to embrace a more hopeful direction for our State.

The conservative Republican leadership in the Kansas House and Kansas Senate has little regard for cooperation. To them, bipartisanship appears to be another word for selling out. The previous underfunding of the Kansas Public Employees Retirement System (KPERS), the raiding of the highway fund, the spending down of all reserves, the underfunding of public education and the systematic gutting of staffing for State services were accommodated to provide unaffordable tax cuts to the wealthiest tax filers in Kansas. Now with a new moderate Democrat Governor, the political climate has darkened, and the budget battles must begin to put Kansas back in the ditch.

First out of the gate will be a tax bill to return the 'federal tax windfall' back to Kansans. There is still no solid estimate on what this tax bill will really cost on the individual or corporate side. The prudent approach would be to wait till April when the Department of Revenue has actual tax filings to assess the actual cost and the Consensus Revenue Estimators can crunch the numbers to give all lawmakers a professional estimate. The January, February and March tax revenues would provide further evidence of the stability of the economy.



**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](http://knrc.weebly.com).



**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](http://www.kansasfarmersunion.com).



**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 [lwvk.org](http://lwvk.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](http://www.climateandenergy.org).



**Friends of the Kaw (FOK)**

Of course the Republican leadership has no concern over the cost and a possible impact on curtailing state services and wrecking ending balances.

Next week will start the public dialogue on a new ten year transportation plan that must also deal with the unfunded highway projects under T-Works - Kansas' existing transportation plan. Over the last 10 years, \$2 Billion dollars was raided from the State Highway Fund (SHF) for those excessive tax cuts and essential state services.

Now this Governor will be expected to cover those shortfalls promptly and risk budget cuts to other programs. T-Works was over 90% highway construction/maintenance and funded solely by taking a greater share of the state sales tax that is the essential revenue source along with the income tax to fund state government. There was no increase in the fuels tax - a true user fee. With gas now at \$2 a gallon and lower diesel costs, a fuels tax should be considered first over the sales tax and a tonnage per mile tax considered since the weight of trucking is largely responsible for highway degradation.

Funding KPERS has now suddenly ascended to the top of the demand list of the Republican leadership. After a decade of missed payments to, once again, pay for excessive tax cuts, this Governor must address the unfunded liability of KPERS in short order. The unfunded liability started with absorbing the school employees in 1971 and increasing benefits in 1993 while also putting a cap on the contributions made by the State thus guaranteeing an increasing unfunded liability.

Today KPERS has a trust fund of \$19 Billion and has 151,687 active accounts paying into the system with 99,807 retirees. (For school and governmental retirees, the average annual KPERS benefit is around \$14,000.) Today the unfunded liability is \$9.77 Billion with a funded ratio of 68% that is in the yellow caution spectrum assessed by accountants. The safe spot starts at 80% and KPERS is now on target to pay off the unfunded liability by 2033.

The Governor has proposed pushing this target of paying off the unfunded liability by 2049 thus lowering the State's contributions by \$160 million a year but adding much greater interest costs over the additional 16 years (2033 to 2049). There would still be progress in the KPERS funded ratio moving past the 80% towards 100% but the 'paid in full' curve flattens.

works to protect and preserve the Kansas River for present and future generations.

**Friends of Policy Watch:  
Kansas Interfaith Action**

## Stay Up-to-Date

**For live audio streaming, information, calendars, schedules and Bills, go to:**

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

## Find Your Legislator

*Don't know your legislative district number?*

Click [Here](#) to find your district and identify your legislator.

## Contact Your Legislator

For Kansas House 2019 members click [HERE](#)

For Kansas Senate 2019 members click [HERE](#)

## Contribute to KRC

In 1993, the plan was 40 years (to 2033) to end the unfunded liability, so like a mortgage the first 20 years are more interest than principle and Kansas is now paying more on the principle. With a pledge not to raise taxes, the Governor is quite concerned over the flexibility to fund and restore essential state services from education to infrastructure to social services plus prepare for a possible recession.

To change this amortization schedule date from 2033 to 2049 will require legislation that looks very unlikely today. This battle over KPERs contributions by the State never ends and can be changed from one budget year to the next. What is certain is that any payment made to KPERs is in a locked box that cannot be withdrawn for any purpose but retirement payments.

### NATURAL RESOURCES

Where does the debate over water go in Kansas now? The House's Water and Environment Committee has been eliminated and replaced by the new 'Rural Revitalization' Committee in the House that meets daily at 9 am. The Governor's budget proposes an increase in state funding for the State Water Plan (SWP). While Kansas is supposed to fund the SWP with \$6 million from the State General Fund (SGF) and \$2 million from Lottery receipts, this has not been done since 2011.

In 2018, \$1.4 million from SGF was put in the SWP but no lottery funds. For 2019 and 2020, the Governor proposes \$2.75 million from SGF and \$.5 million from the lottery. Agency expenditures of the SWP moves from \$11.2 million in 2018 to \$16.4 million in 2019 to \$14.8 million in 2020 while the ending balances fall from \$2.1 million in 2018 to \$300,000 in 2020. The details on expenditures from the SWP by agency can be found on pages 55-62 of Volume 1 of the Governor's Budget at [budget.kansas.gov](http://budget.kansas.gov).

The Kansas Department of Agriculture SWP funding drops \$1.1 million from 2019 while the Division of Environment stays the same and the Kansas Water Office drops \$500,000. The revenue fees from water use, fertilizer, pesticides, sand royalties and clean drinking water change little from \$12.78 million in 2019 to \$12.62 million in 2020. These are projections and another drought could impact both water use fees along with agricultural fees. The Water Vision plan to find \$55 to \$60 million for the SWP remains very illusive.

On the federal side, the Conservation Reserve Program payments last year to Kansas were \$94 million covering 2 million acres. The CRP forecast in 2020 is for contracts on 500,000 of CRP acres to expire. The

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## Contact Information

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**Rep. Roger Marshall,**  
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**Rep. Steve Watkins**  
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DC Ofc: 202-225-6601

**Rep. Sharice Davids**  
3rd Dist.  
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**Rep. Ron Estes**  
4th Dist.  
DC Ofc.: 202-225-6216

Conservation Stewardship Program (CSP) - for working farm lands - now totals \$40 million covering 1 million acres in Kansas. Due to limited CSP funding, only 50% of the qualified applicants were funded last year. The 2018 Farm Bill made certain reductions to CSP.

Kansas needs a federal/state discussion on conservation funding and its direct impact on the SWP in terms of soil siltation to the federal reservoirs and water conservation in the Ogallala aquifer.

Contact Paul Johnson at [pdjohnson@centurylink.net](mailto:pdjohnson@centurylink.net)

**Mark Your Calendar  
WEALTH Day  
at the State Capital  
March 12, 2019**

**(Water, Energy, Air, Land, Transportation  
and Health)**

**Join Kansas environmental and conservation  
organizations to share information, learn  
about key issues, and visit with your  
legislators.  
Details coming soon.**

## Energy- Climate & Energy Project Update

Inclement weather forced the cancellation of the Senate Utilities committee meetings this past week. This coming Tuesday the Senate Utilities committee will hear from KCP&L on their rate review. Clean Energy Business Council (CEBC), the Citizen Utility Ratepayer Board (CURB), and others will offer their remarks on Wednesday. In the House, the committee heard from the KCC and will hear from KCP&L on Tuesday as well. Chairman Seiwert has not scheduled a response to the rate review at this time. Organizations supporting a comprehensive rate study held a press conference on Thursday to outline the need for a study and solutions to address increasing utility rates.

## LEGISLATIVE MONITORING

By looking at the Kansas Legislature's website at <http://www.kslegislature.org/li/> you can track the planned committee meetings for next week by looking at the 'Calendars' tab for the House and Senate that are released on Thursday and Friday.

For next week, there are more informational hearings along with the start of actual hearings on a few bills. There are now 48 bills filed in the Senate and 86 bills filed in the House. By going to the "Bills and Laws" tab on the website, you can click on either House or Senate bills. You can read through the title of each bill and click on the bill that interests you. By clicking on "Legislators" you can click on a given House or Senate member and it will list under 'Bills and Resolutions' on their site the legislation sponsored by that lawmaker.

## CALENDAR FOR WEEK OF JANUARY 28, 2019

Below are a few committee highlights for the coming week:

### **House Appropriations Committee 10 a.m. Room 112-N**

**Monday Jan. 28** Informational Briefing by Legislative Post Audit  
and Informational briefing by Ks. Housing Resources Corporation

**Thursday Jan. 31** Informational Briefing by Dept. of Commerce Urban & Rural  
development

### **House Rural Revitalization Committee 9 a.m. Room 582- N.**

**Monday Jan. 28** Property Tax Impact

**Tues. Jan. 29 and Weds. Jan. 30** High Speed Broadband

### **House Energy, Utilities & Transportation 9 a.m. Room 281- N**

**Tues. Jan. 29** Westar/KCPL (Evergy) Rate Study

### **House Agriculture 3:30 p.m. Room 582-N**

**Tues. Jan. 29** Informational Hearing on Harvesting Opportunities by Marlin Bate Douglas  
County Extension

### **Senate Ethics, Elections and Local Government 9:30 a.m. Room 142-S**

**Tues. Jan. 29** Briefing on 2018 Elections by Ks. Secretary of State Office

**Weds. Jan. 30** Presentation by Ks. County Clerks and Elected Officials Association

### **Senate Utilities 1:30 p.m. 548-S**

**Tues. Jan. 29** Briefing on Evergy (KCPL & Westar) Internal Rate Study

**Weds. Jan. 30** Responses to KCC Rate Study by CURB

## Kansas WEALTH Policy, Civic Engagement and YOU

Curious about what's going on in the Kansas legislature this year and how you can make a difference? Tune in to the Climate + Energy Project's CEP LIVE on Facebook every week for the latest!

Throughout the 2019 Kansas legislative session, CEP will host live interviews with organizations whose mission includes one of the WEALTH topic areas: Water, Energy, Air, Land, Transportation, and Health. Leading advocacy organizations will provide updates on

current WEALTH policy priorities, offer tips for civic engagement in Kansas, and answer all of your pressing questions!

On Tuesday, January 29<sup>th</sup> at 2PM CST Climate and Energy Project will talk with the Moti Reiber, Kansas Interfaith Action. If you miss it, check back on CEP's Facebook event page for a link to the recording. Here are links for first two broadcasts:

CEP Live with Cille King of League of Women Voters

KS <https://www.facebook.com/CEPheartland/videos/237109557191264/>

CEP Live with Jessica Lucas of Clean Energy Business

Council <https://www.facebook.com/CEPheartland/videos/978651145663277/>

Date	Guest(s)	Organization	Topic
1/15	Jessica Lucas	Clean Energy Business Council cleanenergyforbusiness.com	Energy
1/22	Cille King & Teresa Briggs	League of Women Voters lwvk.org	Voter Engagement
1/29	Moti Rieber	Kansas Interfaith Action kansasinterfaithaction.org	Social Justice & Health
2/5	Zack Pistora	Kansas Sierra Club kansas.sierraclub.org	Environment
2/12	Mary Fund	Kansas Rural Center kansasruralcenter.org	Agriculture
2/19	Shaun Rojas	Kansas Leadership Center kansasleadershipcenter.org	Civic Engagement
2/26	Christie Appelhanz	Children's Alliance of Kansas childally.org	Health & Children
3/5	Dawn Buehler	Friends of the Kaw kansasriver.org	Water
3/12	WEALTH DAY		

## About Policy Watch and Sponsors

Contributors to KRC are automatically on the Policy Watch list, if they provide an e-mail address; or you can subscribe just for the Updates for \$25. KRC will send complimentary copies to non-contributors for several issues upon request. To get information on how to support Policy Watch, click [HERE!](#)

In 2019, KRC is partnering with the Kansas Natural Resource Council (KNRC), Kansas Farmers Union (KFU), League of Women Voters of Kansas (LWVK), Climate and Energy Policy (CEP), and Friends of the KAW 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 a member of KNRC, contact Joanna Voigt at [jvoigt@kansasruralcenter.org](mailto:jvoigt@kansasruralcenter.org).

If a member of KFU, contact Mercedes Taylor-Puckett at [kfu.mercedes@gmail.com](mailto:kfu.mercedes@gmail.com).

If a member LWVK, contact [lww.kansas@gmail.com](mailto:lww.kansas@gmail.com).

If you are on KRC's mailing list, and would like to opt out of receiving KRC Weekly Updates, please contact Joanna Voigt at [jvoigt@kansasruralcenter.org](mailto:jvoigt@kansasruralcenter.org).

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To learn more about the Kansas Rural Center, please visit our website at [www.kansasruralcenter.org](http://www.kansasruralcenter.org).