LEGISLATIVE POLICY LEADERSHIP: Must all issues be Partisan?

by Paul Johnson

Kansas residents who decide to run for legislative seats do so voluntarily. If they are successful in their campaigns they enter the world of ‘public service’. Were these candidates recruited for their demographic attributes and properly educated? How were some of these campaigns funded? Were these campaigns scripted from the start with the “correct” platforms prepared by those with bigger agendas, thus prompting the avalanche of questionable post cards that fill our mailboxes? In today’s politics - where elections have become auctions - what better investment than a few thousand dollars on various legislative campaigns across Kansas to reap tens of millions annually in tax cuts? Investigative reporters never seem to connect the dots of ‘dark money’ campaign contributions, or maybe the trail is too difficult to discern from campaign expense reports.

When these elected legislators make it to Topeka a month after the general election, the first primary task is to elect legislative leadership for the coming session. What role has the potential leadership had in recruiting candidates and facilitating the funding of given campaigns? What promises of committee chairmanships or committee assignments were made, especially to members who ran unopposed, to garner votes on leadership that are never public? Is there another legislative policy agenda outside of accommodating the campaign funders? Has ‘public service’ as a legislative leader turned into a sport of running over or just ignoring the “enemy”?

Since the Legislature is a co-equal branch of the government with the executive branch, is there a stated legislative policy agenda by the Republicans or the Democrats? Is it as simple as the Democrats echoing the Governor’s priorities? and the Republicans automatically trashing the Governor’s proposals with vague policy platitudes? Given this kind of environment for governing, how will fundamental, generational issues of infrastructure, water, housing, energy, and rural depopulation ever be confronted?

In Kansas, can there be another path of common sense where partisanship gives way to problem solving? Where ‘public service’ is seen as shared governing that benefits the entire state? Must all issues be viewed as primarily partisan? For example, Kansas has not had a statewide housing plan for twenty-five years. The Governor has announced a ‘statewide housing needs assessment’ that will update housing data and explore the best housing options found in other states. The Legislature must be a key player in assessing the optimal housing options for Kansas and accompanying potential statutory actions. An interim legislative committee this summer and fall could track the housing assessment and debate policy options in preparation for the 2022 Session.

Another example is last session’s proposed independent energy office. The Governor proposed an executive order to create an independent energy office and the development of a state energy plan which Kansas does not now have. The Republicans voted down the Governor’s executive order but cited a need for further discussion. A bi-partisan debate is now needed in the Kansas Legislature to decide the future of the energy office (which now resides at the Kansas Corporation Commission) and the development of a state energy plan, which a legislative mandated London Economics study stated was vital to control utility costs.

Housing and energy planning is just a start on key infrastructure issues that will define future quality of life and economic prosperity in Kansas. Water supply and quality is also on that list along with agricultural opportunities for a regional, sustainable farm and food system.
SALES TAX ISSUES

In the early 1990’s, Kansas fundamentally changed the tax laws by lowering the inequitable dependence on local property taxes (especially for schools) and increasing state income taxes and state sales tax. The idea was to find an equitable balance between property tax, income tax and sales tax. This policy would be fairer to most residents and better resistant to the economic gyrations of a market economy. Income tax is more progressive while sales tax is more regressive, and property tax somewhere in the middle. Governor Brownback’s tax experiment of dramatically lowering individual and business income taxes was sold as paying for itself with dramatic economic growth that did not materialize. The internal borrowing (such as the highway fund) deficit and arbitrary budget cuts still plague Kansas today as pandemic economic forecasts are uncertain at best.

Sales tax issues are constantly debated in the Kansas Legislature. Special interests find ways to justify the 100+ exemptions now on the books. There have been proposals to put a five year sunset provision on these exemptions to review and justify the continuation but no such proposal has passed. One axiom in sales tax policy is not to double tax a product so, for example, if I buy flour to make bread to sell I should not pay sales tax on the flour and the finished bread product.

Kansas has the highest combined state and local sales tax rate on groceries in the country. Of the $3.4 Billion in state and local sales tax, 15% involves groceries so replacing over $500 million could only be done by phasing down over a few years. Of the 100+ exemptions just a handful have the greatest impact (outside food) such as no sales tax on residential utility bills or exempting all used and new farm machinery from the sales tax. The revenue debate will never end in Kansas, but keeping the totality of taxes as equitable as possible is vital.

Senate Bill 112 provides for a sales tax exemption of farm products sold at farmers’ markets. In looking at this bill, one has to proceed to page 37 of this 37-page bill to read the details of this bill (listed in italics). This exemption comes in at ‘nnnn’ as the number of exemptions has cycled through the alphabet three full times before this fourth round. ‘Farm products’ are defined and includes food items that have been processed by the farmer such as baked goods as one example. ‘Farmers’ markets’ are defined to include traditional farmers’ markets as well as subscription services such as ‘community supported agriculture – CSA’s’. This proposal has been introduced and debated in the Kansas Legislature for a few years. To this point – the cost of this bill (known as a Fiscal Note (FN) - has not been calculated by the Budget Office but previous proposals have been in the $200,000 to $300,000. Sales tax revenue is $3.4 Billion.


SOUTHWEST POWER POOL (SPP) UPDATE

Kansas is one of 14 states in the Midwest (from west Texas and Arkansas to Montana) that belongs to the Southwest Power Pool (SPP) which manages the transmission of high-voltage electricity from the 792 power plants in the SPP. In 2020, SPP was the first of the seven regional transmission organizations (RTO’s) in the country to have renewables (primarily wind) the greatest source of electricity over coal and natural gas.

With this renewable wind resource, that will keep increasing, the SPP has the lowest electricity prices of all the RTO’s. Looking out 25 years from power plant proposals by the SPP states, wind continues to expand and solar options dramatically increase while commercial-scale battery storage expands to back up the intermittent renewable power.

A key back-up to balance out the renewables are fast start natural gas turbines (150 units) that reach full power in 10-50 minutes. Most of the coal plants in the SPP came on line in the 1970’s & 1980’s so their useful life is on the decline. Who pays – between investors and ratepayers - to retire the older less efficient coal power plants will be a struggle across the states. Kansas does have higher electricity costs than surrounding states but the SPP plays no role in ratemaking.

On February 1, the SPP expanded its sales to certain Western states. In the attached SPP testimony, the map will show that the eastern parts of the country - including the SPP - are tied together in a transmission grid. California has its own transmission grid
as does most of Texas. It is the other Western states that have not built out a coordinated transmission grid. The SPP is now expanding to fill some of that void. This is especially helpful to Kansas in that Kansas now has 53,000 megawatts (MW’s) of installed generating capacity but a demand in Kansas of only 43,000 MW’s so Kansas is now a net exporter of electricity in the SPP and more so in the future to the west. Through better power needs forecasting and wind forecasting, the SPP is now able to handle a wind load of 70% on the grid, and solar power is projected for even faster growth.

The first link below is the power point of the SPP committee presentation; and the second is the You Tube video of the presentation.

http://www.kslegislature.org/li/b2021_22/committees/ctte_s_utils_1/misc_documents/download_testimony/ctte_s_utils_1_20210203_01_testimony.html

https://www.youtube.com/watch?v=ycUUPU4cKAI

LEGISLATIVE NOTES

BUDGETARY MODIFICATIONS
Normally in the Kansas Senate, the State budget has been handled in committee solely by the Senate Ways and Means committee. The Senate Ways and Means committee members are assigned to sub-committees that listen to testimony and make recommendations to the full committee. This year the process has changed so that other standing committees are assigned portions of the State budget to deliberate and make budgetary recommendations.

This coming week, the Senate Agriculture and Natural Resources committee will have hearings on the Kansas Department of Agriculture and the Kansas State Fair budgets on Tuesday – February 9 at 8:30 am and then proceed to final deliberations & action on Wednesday – February 10 - as well as holding a budget hearing on the Kansas Water Office. Final deliberations and action on the Kansas Water Office budget will occur on Thursday – February 11 – as well as holding the budget hearing for the Kansas Department of Health and Environment – Division of the Environment. Two days to hear a budget and make final decisions seems pretty similar to ‘speed dating’.

Why the rush given this 2021 Session is only 19 days along? Why not wait a week to comprehend these important budgets? One can watch these proceedings on line and the testimony and research reports will also be on line at the Senate Agriculture and Natural Resources committee site.

FEDERAL FARM AND FOOD NOTES

Big Boost in Funding Available to Support the Next Generation of Farmers
February 2, 2021 (From National Sustainable Agriculture Coalition News)
The U.S. Department of Agriculture (USDA) recently announced the availability of $16.5 million in grant funds to help launch new and expand existing programs to train beginning farmers and ranchers. These federal grants will be awarded through the Beginning Farmer and Rancher Development Program (BFRDP), which was reauthorized in the 2018 Farm Bill. To date, BFRDP remains the only USDA program specifically dedicated to training the next generation of America’s farmers and ranchers. USDA’s National Institute of Food and Agriculture (NIFA), which administers BFRDP, formally released the Requests for Application (RFA) for fiscal years (FY) 2021 and 2022 in late December. Organizations interested in applying for grant funding must submit an electronic application through Grants.gov by 5:00pm EST on Thursday March 25, 2021 (for FY21 projects) and Thursday March 24, 2022 (for FY22 projects). For more information click HERE

COVID 19 UPDATED RESOURCES
(From National Sustainable Agriculture Coalition) Feb. 5, 2021
The coronavirus pandemic has presented enormous challenges to farmers, farm and food system workers, and consumers. The work of NSAC to help others continues to develop rapidly. NSAC has compiled all of the resources they have received and will be updated on an ongoing basis as we learn about new available resources. Find comprehensive CFAP-2 information in the Farmers'
Guide to Coronavirus Food Assistance Program 2, recently published by our colleagues at the Farmers’ Legal Action Group (FLAG). For more information and links, click HERE.

HOW TO ACCESS STATE COMMITTEE HEARINGS, SCHEDULES, BILLS

To access House and Senate Calendars:
Published daily; and on Thursdays, calendars are published for the next week. They provide Committee Schedules, list bills or informational hearings to be heard, and possible votes.
Go to http://kslegislature.org/li

To access copies of bills introduced:
Go to the Kansas Legislature’s homepage at http://kslegislature.org/li/ and on the right side of the page click on the House and Senate pre-filed bills.

To view and listen to a committee hearing:
Go to the very top of the Legislature’s homepage http://kslegislature.org/li/ and click on the Audio-Visual tab and scroll down to ‘Statehouse Live & Archive’. There will be a listing of the committees for that day and the start time. In order to testify on a bill before a given committee, you will need to contact the ‘committee assistant’ (listed in the Calendar) a day or so before the hearing to be able to testify in person or virtually.

To view Senate & House Chambers in session:
Go to http://kslegislature.org/li/ Audio/Video Broadcast and click on House or Senate.

The Legislative Policy Watch Update is a project of the Kansas Rural Center. KRC 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.
If you have any questions about Policy Watch, contact Mary Fund, Editor at mfund@kansasruralcenter.org, or contact Paul Johnson, Policy Analyst, at pdjohnson@centurylink.net.
If you are on KRC’s list and wish to opt out of receiving the Updates, contact Joanna Will at jwill@kansasruralcenter.org

2021 Co-Sponsors

www.kansasfarmersunion.com

www.kansansnaturalresourcemc.org
DONATE TO KRC

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, and Audubon of Kansas, 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.

Kansas Rural Center
www.kansasruralcenter.org
866-579-5469
info@kansasruralcenter.org