Announcement: Gov. Kelly has announced that the Statehouse will be closed to the public next week due to security concerns. See below for virtual access.

BUDGETARY UNCERTAINTY
by Paul Johnson

Governor Laura Kelly has released her budget that finishes off Fiscal Year (FY) 2021 (that ends June 30, 2021) and proposes her FY 2022 State budget, starting July 1, 2021. The Kansas Legislature will now research the specifics of the budget plans and make revisions accordingly. Constitutionally - the Kansas Legislature is mandated to pass a balanced budget since Kansas cannot deficit finance. ‘Uncertainty’ is the operative term since no one can predict the exact economic impact of the COVID-19 pandemic. State revenue projections from April 2020 to November 2020 improved significantly but there is no revenue projection model for the severity of this pandemic going forward. The next State revenue projection will come in April that will impact the final State budget.

With a new federal administration coming next week and the possibility of more pandemic relief from Congress for the State of Kansas, such extra funding could be a significant factor in assembling the State budget. Now that the legislative community has assembled from all parts of Kansas and masks have not been deemed mandatory for lawmakers, it is possible that this pandemic could cause the legislative session to be shortened, or even postponed to the summer waiting for more vaccinations.

The Governor’s budget plan is back to the basics in terms of proposals made in previous budgets. The Governor starts with the promise of no increase in individual or corporate income taxes - but also warns against costly income tax reductions in these uncertain pandemic times. The Governor does recommend sales taxes on certain exempt ‘on-line’ sales. The Governor decreases the transfer to the State General Fund (SGF) from the highway fund (so called KDOT bank) to $133.7 million in 2021, $66.8 million in 2022 and zero in 2023.

The Governor proposes the ‘reamortization’ of payments to the Kansas Public Employees Retirement Fund (KPERS) to 25 years (from the present 15-year plan) thus lowering the State’s contribution in 2022 from $658.5 million to $499.8 million. The Governor proposes expanding Medicaid in 2022 to an estimated 165,000 Kansans at a cost of $19 million from the SGF that draws in $541 million in federal funding.
The Governor restores some of the $374 million in allotments (cuts) made July 1, 2020 but not all. The Governor fully funds public schools in line with the Kansas Supreme Court ruling and makes some new investments in information technology such as the computer system at the Department of Labor. If the Governor’s proposals were completely adopted - the SGF ending balance for FY 2021 would be $767.5 million (10.1%) while for FY 2022 the ending balance would be $601 million (7.5%).

Over the next month as the Kansas Legislative Research Department explains the budget details to the budget committees, the debate will start over the Governor’s recommendations. Medicaid expansion seems less likely given the results of the 2020 legislative elections. Senate leadership has been direct publicly in saying this was not on their agenda and Kansas cannot afford it - especially in future years. Time will tell if the impact of the pandemic and greater survival pressure on rural hospitals and rural health care providers will force consideration of Medicaid expansion.

The Kansas Legislature has turned down lowering the payments to KPERS so this proposal has little chance given the extra interest to be paid by Kansas over the extra 10 years. The real budgetary battles will come with agreements on acceptable ending balances and the revenue lost with lowering corporate and individual income taxes.

While the Kansas Legislature has always preached a good game of having a 7.5% ending SGF balance, over the last 10 years those targets have only been met a couple times. Quite honestly - if there is a federal gift of pandemic assistance to Kansas - a sizeable share could be quickly ushered out the door in tax cuts to the wealthiest. For now the Governor has her proposals and prayers to find that reasonable compromise with the super majorities in the House and Senate.

To view the Governor’s proposed budget go to: https://budget.kansas.gov/budget-report/

STATE HOUSING NEEDS ASSESSMENT
On December 27, the Governor awarded RDG Planning & Design out of Omaha funding to do the first in 27 years ‘State Housing Needs Assessment’ for Kansas. Housing is vital to economic development across Kansas from urban areas to rural communities. RDG will compile the latest housing data from the U.S. Census for the state as a whole as well as individual communities and counties. In addition to data collection, there will be discussions with stakeholders across Kansas and a listing of best housing development/policy practices in other states that Kansas could consider. RDG has worked on housing issues in several Kansas counties including Ford County and Johnson County. The plan is to spend 2021 gathering housing data, meeting with stakeholders across Kansas and developing housing policy proposals that can be brought to the 2022 Kansas Legislative session.


According to the latest census housing data from the 2015-2019 American Community Survey, Kansas has 1,129,227 occupied housing units with 748,123 (66%) owner-occupied and 381,104 (34%) rentals. For owners
with a mortgage, 20.5% are cost burdened (over 30% gross income for housing costs) and owners without a mortgage 11.4% are cost-burdened. 40% of all renters are cost burdened.


LEGISLATIVE NOTES

HOUSE/SENATE RULES:
The process to adopt rules for the House and Senate are different. In the House, the rules from the previous session are adopted at the start of the new session while proposals for rule changes are sent to the House Committee on Rules and Journal. Resolutions to change the House Rules are introduced as resolutions (such as HR 6005, HR 6006) and debated in the committee before being brought to the House floor for consideration, debate and a final vote.

The Senate has a Senate Committee on Organization, Calendar and Rules but any proposed changes from the previous session’s Senate Rules will be debated on the Senate floor. SR 1703 – which adopts the previous session Senate Rules - was introduced on Jan. 11 and adopted on Jan. 12. SR 1704 will establish the Senate Rules for the 2021 Session. SR 1704 has been introduced and assigned to the Committee of the Whole. So early next week there will be a debate and any proposed amendments discussed on the Senate floor in General Orders with final action coming the following day.

VIRTUAL LAWMAKING:
In this pandemic session, there are different virtual meeting rules in the House and Senate. In the House, committee members can attend virtually, ask questions, participate in committee discussions and vote on amendments plus final action. There are no standard ‘committee rules’ so it is mostly left to the committee chairperson in the House and Senate.

To this point the Senate has adopted more restrictive procedures. Committee members can attend remotely and in some committees can ask questions but final action on committee bills must be done in person. Legislators are not under any mandatory mask mandates while any public members in the audience must wear masks. Some committee rooms have no space available for public seating. The recently adopted House Rules states that to accommodate 125 House members safely for floor debate and final votes the public galleries on the east and west side will be utilized by House members and thus closed to the public.

REDISTRICTING
Redrawing Congressional, legislative districts and State Board of Education districts takes place every 10 years. The process can change from the last redistricting in 2011-12, so today this process is a work in progress. If the Kansas Legislature follows the process from 10 years ago, a Senate/House ‘Redistricting Advisory Committee’ – made up of legislative leaders from both parties – will decide on the guidelines used to draw districts and a schedule for public hearings this coming summer and fall.

Maps will be developed during 2021 and presented to the 2022 Kansas Legislative session and sent to the Governor. There will be two standing committees – House Committee on Redistricting and a Senate Committee on Redistricting (in 2011 it was called Reapportionment). The House committee members have been selected but so far the Senate committee members have not. These committees meet ‘on call’ as opposed to having a set schedule.

As I stated this whole process is still evolving and there may not be that ‘Redistricting Advisory Committee’ but legislative guidelines will be developed. In 2011 and 2012, the Kansas Legislature was unable to agree on Congressional or legislative districts so the task was sent to a Federal District Court. The decision by this Court
is most revealing in how law dictates district drawing and how the legislative guidelines influence the process. The Court drew the Congressional and legislative districts using the various proposed maps debated in the House and Senate. This decision came down on June 7, 2012 – just four days before the Congressional mandate for federal office filings on June 11, 2012. The scramble was on to line up candidates for various different districts. This decision is indeed worth reading to appreciate the challenges in store for the Legislature and the Governor in 2021 and 2022.

https://scholar.google.com/scholar_case?case=11650826924123670085

HOW TO ACCESS COMMITTEE HEARINGS, SCHEDULES, BILLS

VIRTUAL LEGISLATIVE SESSION:
http://kslegislature.org/li/

The above website for the Kansas Legislature is the key to accessing information about how to contact your legislators, committee assignments, schedules, bills introduced, and most importantly in the time of Covid - how to access hearings etc. remotely. Kansas has spent a few million of the federal CARES Act funds on upgrading on-line visual and audio systems at the Capitol. Given the uncertainty of the pandemic and improving public access remotely, each of the 13 committee rooms now have improved sound quality and three cameras to view the committee and presenters. There will be three monitors in each committee room to facilitate virtual links for staff and testimony remotely. The internet speed has been upgraded for clearer visual and audio production.

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.

FARM AND FOOD NEWS

Report says consolidation creates dangerous and fragile food systems

Last fall, a report, commissioned by the Family Farm Action Alliance, presented information on the dangers of consolidation of food production into fewer and fewer corporate hands. From COVID-19 supply chain disruptions to inflated food prices, rural sociologist Mary Hendrickson, University of Missouri, and her co-
authors argue that our consolidated food system vests too much decision-making power in a few private actors who do not have the public interest at heart.

Find the 28 page study at:

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.

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If you are on KRC's list and wish to opt out of receiving the Updates, contact Joanna Will at jwill@kansasruralcenter.org

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