STATE OF THE STATE ADDRESS REVIEW

Governor Laura Kelly’s 2022 State of the State address cemented her reputation as a moderate, Kansas ‘common sense’ leader that offers a sound fiscal policy, fully supports public education, expands affordable health care, and rectifies struggles with certain life-saving social services. Now the full policy debates begin with a super majority Republican legislature intent on denying her any credit for restabilizing the Kansas budget and bringing some national respect back to our state. The pandemic has been an incredible unique challenge but with the expanded federal pandemic resources, Kansas has new opportunities to rebalance budgets and formulate future directions.

State of the State addresses are of limited time and can capture just so much public and lawmaker attention to given priorities. With the largest budget surplus in 40 years, the options are real to pay down State debts, establish a serious rainy-day fund, and reduce certain regressive taxes such as the grocery sales tax. The Governor proposed a total freeze on college tuition increases. The State Water Plan will be fully funded after a 15-year delay. The Highway Plan (known as the Kansas Department of Transportation Bank) will no longer transfer funds to the State General Fund (SGF). For the Governor, ‘medicaid expansion is the quickest, the easiest, and most common-sense way to help Kansans’ by providing care to 150,000 lower-income Kansans while saving teetering rural hospitals and rural communities. Foster care reform and additional funding for mental health services were highlighted.

She ended the address with a plea for civility and compromise by turning down the existing political temperature. There have been many bi-partisan bills passed (187) from public education to highways to natural disaster relief. This should be the balanced bi-partisan public policy discourse going forth.

Read the Governor’s State of the State address in the House Journal for Jan. 11 at

STATE OF THE JUDICIARY ADDRESS

At 1:30 pm on January 11 before a joint session of the Kansas Senate and House of Representatives, Kansas Supreme Court Chief Justice Marla Luckert gave the State of the Judiciary address. Because of the pandemic, the courts have been challenged the last two years with staffing and providing virtual court proceedings. Chief Justice Luckert remarked that ‘for more than a decade, stagnant and under-market pay plagued the judicial branch by hindering our ability to attract and retain employees’. The Legislature responded by committing to bring pay of every employee position to last year’s market rate by July 1, 2022. Judicial pay will be increased by five percent in fiscal years 2022 and 2023. Kansas still ranks among the lowest of all 50 states in salaries for judges.

Online access to services and court hearings have increased significantly over
the last two years. Online hearings have allowed many Kansans to attend court without needing to take a day off work. There is now on-line access via a web portal to allow Kansans to apply for protection from abuse orders. A popular web-based innovation allows couples to apply online for marriage licenses. Grant funding was acquired for hardware and software to increase use of remote conferencing to assist Kansans. Working with public health departments, in-person jury trials resumed in late 2020 with more than 31,000 criminal cases resolved in 2021. All told, 300,000 a year cases impact the lives of all Kansans.

Chief Justice Luckert concluded with three budgetary requests. The first is to eliminate the judicial branch’s dependence on volatile and unpredictable fee funding. Since most of the judicial budget is workforce, any budget shortfall in fees results in staffing issues. The request is for the court fees to be placed in the State General Fund (SGF) and for the Legislature to designate a specific judicial budget amount.

The second request is for 13 new district court justices along with staff and 10 new district magistrate judge positions. New judge positions have not been added since 2008. Neighboring states pay trial judges, on average, over $30,000 more per year than Kansas. The third request is to continue the commitment to maintain judicial branch employees at market wages by implementing the second year of pay increases. (Read the Chief Justice’s and Governor’s addresses at: http://www.kslegislature.org/li/b2021_22/chamber/documents/daily_journal_hous e_202201111112240.pdf

Kansas Legislature Website for Legislative Committee and Hearing Information, and how to contact your legislator. Go to: http://www.kslegislature.org/li/

Committee hearings and the House and Senate sessions can be viewed remotely. Click on Audio-Video broadcast box links on right side of home page of above link.

THE GOVERNOR’S BUDGET REPORT Fiscal Year 2023
The Kansas Director of the Budget, Adam Proffitt, gave his director’s report to the joint committee of Senate Ways & Means and the House Appropriations members on January 12. There are adjustments to the existing 2022 State Budget and Fiscal Year 2023 recommendations. It includes one-time investments in expanding the rainy-day fund and paying down debt. Meaningful, sustainable tax relief is offered without jeopardizing future budgets. There is core funding for programs to provide services for those in need and to invest in the future.

Tax relief includes zeroing out the state sales tax on groceries starting July 1, 2022 and having no impact on local grocery sales tax policy (of 1-2%). There is a one-time direct tax rebate of $250 per resident ($500 for married/filing jointly). In 2022, the establishment of a $600 million rainy-day fund would provide 25 days’ worth of operating cash. The retirement of $586 million in debt includes KPERS, National Bio and Agro-defense Facility (NBAF), John Redmond Reservoir dredging, and KU Med Health Education Building thus saving $252 million of State General Funds (SGF) over the next 16 years. There is debt avoidance of $224 million for the Docking State Office Building, KDHE Laboratory, State Defense Building Remodel, and the Hays Armory by funding these projects directly in 2023 and not resorting to long-term bonding.

At present - the State of Kansas moves the June payment ($194 million) for public education to July (the next fiscal year) to artificially increase SGF’s ending balance. This budgeting maneuver would be eliminated. Extraordinary transfers from the State Highway Fund of $66.8 million to other programs would end in 2022.

The statutory contribution of $8 million to the State Water Plan would be restored after a delay of 15
years. K-12 public education funding in 2023 would be in full compliance with the Kansas Supreme Court Gannon decision. University funding is restored to pre-pandemic levels and tuition increases frozen by adding $45.7 million in 2023. Two-year colleges and technical education are given a one-time $15 million appropriation for student recruitment and program development.

The budget includes a one-time $20 million grant for moderate income housing. $29.3 million is added to increase mental health services across the state. The budget also includes funds to
*Extend Medicaid coverage for pregnant women from 2 months currently to 12 months.
*Expand Medicaid (KanCare) services to 150,000 Kansans with extra assistance from the federal government. Kansas is one of 12 states not to expand and all surrounding states have now expanded.
*Increase wages for law enforcement and corrections staff.
*Provide a 5% pay increase for the 38,000 state employees. This has only happened 3 times since 2012 while state employee health care costs have increased 6 times in that time period.

For 2023, this budget leaves the SGF with an ending balance of $671 million (7.5%) and combined with the rainy day fund, an ending balance of 14.3%. The Governor’s fundamental understanding of the State Budget for the short and long-term is on full display.

(https://budget.kansas.gov/budget-report/)

REDISTRICTING PROGRESS REPORT

The House and Senate Redistricting committees have started meeting this session to draw up Congressional districts, State legislative districts and the Kansas State Board of Education (KSBoE) districts. The House and Senate committees have now adopted the technical rules for submission of maps and the legislative guidelines.

To submit maps, they have to be statewide covering the 4 Congressional seats, the 40 State Senate seats, the 125 House seats and the 10 KSBoE districts. They first must be sent to Kansas Legislative Research Department (KLRD) for technical review that includes the right formatting and population count per district. If maps are proposed by outside groups, they must be sponsored by a legislator. For Congressional districts the population count has to be less than a 50-person difference. The Congressional district number now is 734,470 persons. State legislative districts can vary 5% plus or negative. The House district number is 23,504 so the variance can be 1,375 + or (-).

The House and Senate committees adopted the legislative guidelines from 2011 with the numerical changes that now has a Kansas population at 2,937,830 (that has grown 84,000 persons since 2010). The legislative guidelines direct district maps to be as compact and contiguous as possible. Minority voting rights should not be diluted. (Defining minority voting rights beyond just a racial standard is still possible). ‘Communities of interest’ (social, cultural, racial, ethnic, and economic) should be considered. Contests between incumbents for state legislative districts should be avoided whenever possible. Districts should be easily identifiable and understandable by the voters.

Next Tuesday (January 18) the House committee will start considering possible Congressional district maps. The 3rd Congressional District in Johnson, Wyandotte and Miami counties is 7.85% (57,816) over the ideal while the Big 1st is 4.59% (33,697) under and the 2nd is under 2.97% (21,463). The 2011 Legislative guidelines can be found at this link:

BILLS INTRODUCED
(Look for more on these bill in next week’s Policy Watch)
SB 339- Elimination of food sales tax. See hearing listing below.

SB 342- Elimination of food sales tax but includes farmers markets
http://www.kslegislature.org/li/b2021_22/measures/sh342/

SB 325 Establishing requirements for zoning for wind and solar facilities.
HEARINGS Week of January 18  
*(Legislature is not in session on January 17, Martin Luther King Day)*

*Note: Calendars are set by committee chair discretion so are subject to change. Check the daily calendar at* [http://www.kslegislature.org/li/](http://www.kslegislature.org/li/)

*Hearings are also available remotely. See same website for audio/visual links.*

**House Water Committee**  9 a.m. Room 152-S  
Wednesday January 19, Update on The Nature Conservancy

**Financial Institutions and Rural Development Committee**  9 a.m. Room 218-N  
Wednesday January 19, Presentation on Rural Prosperity

**House Children and Seniors Committee, 1:30 p.m. Room 152-S**  
Wednesday Jan. 19, Presentation on Food Assistance Programs from Department of Children and Families, Harvesters, Kansas Appleseed, and Kansas Food and Farm Coalition

**Senate Assessment & Taxation**  9:30 a.m. 548- S.  
Wednesday, January 19 Hearing on **SB 339** – Elimination of food sales tax.

**Senate Utilities Committee,1:30 p.m.  548 S**  
Tues Jan 18 Information briefing on Feb. 2021 Natural Gas Supply and Price Issues  
Weds. Jan. 19 Information briefing: Renewables, Natural Gas, and Fragilization of US Electric Grid

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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

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