

# State Representative

# Don Hineman

## Don's Legislative Update

January 17, 2014

### 2014 Legislative Session Begins

The 2014 Kansas Legislative Session convened on Monday of this week, and committees have begun to meet. Once again I am a member of Tax, General Government Budget, and Vision 2020 committees. I am also Chair of the House Rural Caucus, which meets weekly to consider issues of special importance to rural Kansas.

This session begins with an air of anticipation, as everyone waits for a ruling from the Kansas Supreme Court regarding [school funding](#). That ruling could come as soon as today, January 17. It could be released later during the legislative session, or the Supreme Court could even delay a ruling until sometime later in the year. No one knows at this point, but in the absence of that ruling, the business of state government continues.

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### 2014 State of the State Message and Budget

On Wednesday Governor Brownback delivered the [State of the State message](#), and declared that Kansas is open for business, citing both recent job growth and a decline in the unemployment rate. During the speech he outlined several new initiatives that he is proposing. These include moving toward full funding of all-day kindergarten, additional funding for rural workforce housing initiatives (see my [12/13/2013 newsletter](#)), and expanded commitment to technical education and training.

On Thursday, Interim Budget Director Jon Hummell produced detail on these items and others when he presented the [Governor's Budget Recommendations](#) for fiscal years 2014 and 2015. Here are a few of the highlights:

- \$16 million to move kindergarten funding from 50% to 60%.
- \$7.5 million to restore funding to the Oil & Gas Depletion Trust Fund. See remarks below.
- \$2 million to fund Rural Workforce Housing grant program.
- Full funding of K-12 Base State Aid per Pupil of \$3838 in FY 2014 and \$3852 in FY 2015.
- \$9.3 million for Technical Education Initiative
- Additional funding for the Department of Corrections in FY 2015.

At first glance this appears to be a frugal but reasonable budget, and I appreciate Governor Brownback's initiative regarding the above-named



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[Hineman for Kansas](#)

### Useful Phone Numbers

Department On Aging  
800-432-3535

Child/Adult Abuse Hotline  
800-922-5330

Child & Family Services  
888-369-4777

Consumer Protection  
800-423-2310

items. However upon closer examination there is something ominous happening with the state's finances. If the governor's recommendations were adopted, the state would be spending \$179 million more in FY 2014 than it is receiving in revenues. In FY 2015 we would be spending \$283 million more than we would take in. That is only possible because we started the current fiscal year with a carryover balance of \$709 million. A long term strategy of spending more than we are taking in is obviously not sustainable.

I would argue that the proposed budget is not extravagant, and does a reasonably good job of providing the essential governmental services that Kansas citizens deserve and expect. The problem is that state revenues are down significantly following the substantial income tax cuts that were adopted in 2012. When that law was passed we were told that cutting income taxes would stimulate the economy, grow jobs, and eventually lead to additional state revenues, primarily through the state sales tax. But even if that theory is correct, it will take several years before the stimulus effect leads to a larger state economy and restoration of lost revenues. In recognition of that reality, Governor Brownback is proposing that we draw down ending balances while we wait for the expected economic growth to kick in.

But what does the future hold for Kansas if it doesn't happen? The theory that cutting taxes can grow a state economy and at the same time actually create larger state revenues is not universally accepted by economists. In fact there is growing evidence that the theory is flawed. And either way, we really won't have an answer to that question for a few more years. So in the meantime we draw down our reserves and wait. People on both sides of the controversy are nervously watching every economic datapoint and milestone, to get a hint of whether the tax cut will in fact produce the intended economic growth and whether that growth will adequately restore the revenues lost by the tax cut.

I must admit to being nervous. I hope it works, but I remain a skeptic. The final verdict is several years in the future, but if we eventually conclude that it was a failed experiment then some very, very difficult decisions await future Kansas legislatures and governors.

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## **Brownback Proposes Restoration of Oil and Gas Funds**

On Tuesday Governor Brownback [announced](#) that he would include \$7.5 million additional funding for the Oil and Gas Depletion Trust Fund in his FY 2014 Supplemental Budget request. These funds will restore the money that was intended for Oil and Gas producing counties last fall but was never delivered due to a misunderstanding over the enabling legislation.

I have been [engaged in this issue](#), not only in negotiating the original compromise, but also in communicating with the governor's staff the need for a clarification of the issue and restoration of the intended funds. I am pleased that we were able to reach agreement with the Governor, and I will continue to press for adoption by the House and Senate. The trust fund is an important mechanism for protecting county budgets when the day comes that oil and gas production starts declining.

<http://hutchnews.com/Todaystop/Gov-proposes-paymenst-to-counties--oil-gas--1>

**Crime Tip Hotline**  
800-252-8477

**Crime Victim Assistance**  
800-828-9745

**Gov- Brownback**  
800-748-4408

**Highway Road Conditions**  
511 (in Kansas)

**Housing Hotline**  
800-752-4422

**KanCare Assistance**  
866-305-5147

**Kansas Lottery**  
800-544-9467

**Legislative Hotline**  
800-432-3924

**Mental Health Services**  
888-582-3759

**School Safety Hotline**  
877-626-8203

**Social Security**  
800-772-1213

**Taxpayer Assistance**  
785-368-8222

**Tax Refund Status**  
800-894-0318

**Unclaimed Property**  
800-432-0386

**Unemployment Insurance**  
800-292-6333

**Vital Statistics**  
785-296-1400

**Voter Registration**  
800-262-8683

**Welfare Fraud Hotline**  
800-432-3913

**Worker's Comp**  
800-332-0353

## Lesser Prairie Chicken



This is a photo of a specimen of the Lesser Prairie Chicken (LPC), on display in the Statehouse. A beautiful bird and a species native to western Kansas, it is a part of our natural heritage. Its range also extends over parts of Colorado, Oklahoma, New Mexico, and Texas. Its population numbers have reportedly been declining in recent years, and this has caught the attention of the U.S. Fish and Wildlife Service. They are currently in the process of determining whether it might be appropriate for the LPC to be listed as an endangered species. That would be truly unfortunate, and would work significant hardship on the economy of western Kansas, including large portions of the 118th District.

Kansas Wildlife and Parks personnel, in concert with representatives from the other affected states, have developed a plan to hopefully enhance LPC habitat and populations. Their intention is to head off an endangered species listing by the federal government. Unfortunately, the plan that they are proposing also imposes very significant cost for new economic activities in the affected areas. The effect would essentially be a tax on economic growth in Western Kansas! It may be, however, that this is the lesser of two evils, and my hope is that Kansas Wildlife and Parks personnel continue working to minimize the negative impacts.

There are multiple reasons for the decline in LPC numbers. One of the short-term causes has been drought, which has had a huge effect on the populations of all upland game bird species. But the other problem, and the one that the plan is intended to address, is habitat destruction. It seems that the LPC is rather particular about the type of habitat that it calls home. Perhaps what we need is a genetically-modified Lesser Prairie Chicken that isn't quite so picky...

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## Renovation of the Capitol Building



In 2001 the Kansas legislature concluded that much-needed repairs to the Statehouse had been put off long enough. A major renovation project was begun, and now, thirteen years later, the work is finally finished.

Total cost of the renovation is nearly \$330 million... a tremendous sum of money. But anyone who has remodeled their home can attest that remodel projects typically expand once the work begins and the budget grows.

<http://hutchnews.com/Todaystop/BC-KS--Statehouse-Renovation-1st-Ld-Writet-20140101-17-12-26>

<http://cjonline.com/news/2014-01-04/visitor-center-touts-kansas-its-people-its-stories>

We can gripe and grouse about the cost, and most of us would have preferred a more modest approach. But now that the work is completed I can tell you this: the result is spectacular. From the new Visitor's Center in the basement to the gleaming new copper sheathing on the dome, the Statehouse is a magnificent structure. All Kansans should take pride in the final product; after all, it is "the people's house". I encourage everyone to take a tour of the Statehouse whenever you get the opportunity. I know you will be impressed. If you can arrange a visit while I am in Topeka, I would be happy to give you a personal tour.

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### Cowboy Logic

"Sometimes life gives you the test before you've had time to learn the lesson."

### Quote of the week

"Adversity is the state in which a man most easily becomes acquainted with himself, being especially free of admirers then". – Coach John Wooden

### Sermon in a sentence

"None are so empty as those who are full of themselves."

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## **Representative Don Hineman**

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