

# State Representative

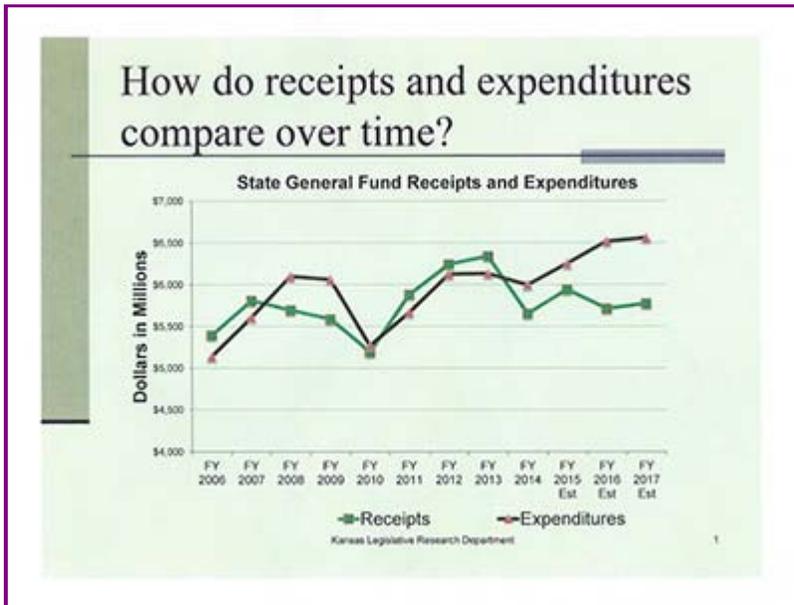
# Don Hineman

Don's Legislative Update  
June 3, 2015

## Where Should We Cut?

Last week's newsletter about the budget/tax dilemma triggered several responses from people who asked why we didn't just cut our expenses, as any family or business would do when income falls short.

First I want to point out that the State General Fund (SGF) is the fund into which flow all revenue streams (primarily income tax and sales tax) which are not dedicated to a particular purpose. It does not include Kansas Department of Transportation, which is primarily funded with motor fuel taxes and vehicle registration fees. It does not include other funds with dedicated funding streams, most notably federal funds for highways, education, and Medicaid.



Note on this chart how revenues began to slip at the start of the Great Recession in 2008, and bottomed out in 2010. They began to rebound in 2011, partly because the economy was beginning to recover but more importantly because the legislature enacted a temporary three-year increase in the sales tax from 5.3% to 6.3%. Simultaneous with that effort, spending was also curtailed dramatically to get spending and revenues in line. They continued on that parallel path until 2014, when the effects of the 2012 tax cut were fully implemented. Revenues dropped severely, and are projected to basically plateau at that reduced level at least through 2017.

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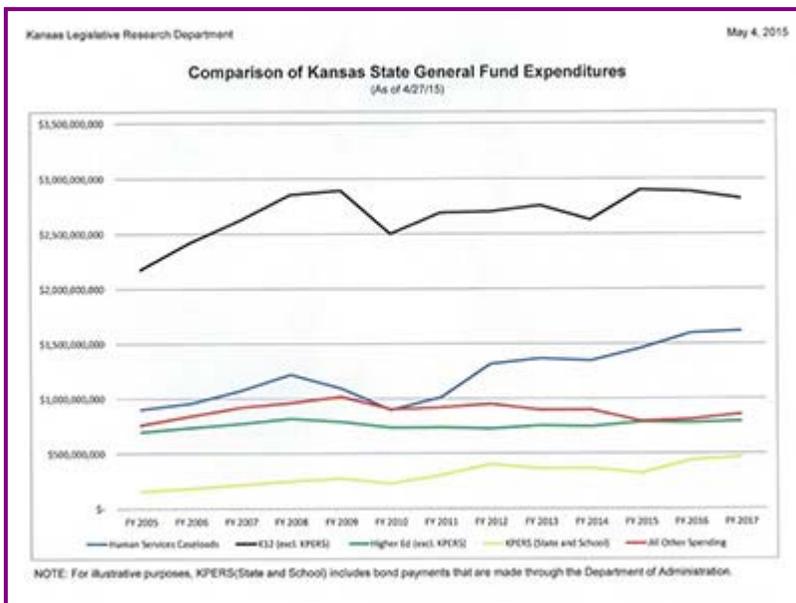


## Useful Phone Numbers

Department On Aging  
800-432-3535

Child/Adult Abuse Hotline  
800-922-5330

Child & Family Services



Why, then, have expenditures continued to grow while revenues have dropped? This chart breaks down SGF funding into five main categories. One of them, Higher Education, has remained relatively flat from 2005 until now, and that is projected to continue until at least 2017. Another category, All Other Spending, is also basically flat, and I will talk more about that shortly. The other three categories have increased dramatically since 2005, for quite valid reasons.

Spending for KPERs had to increase because the retirement system has an unfunded actuarial liability of several billion dollars, primarily due to the reluctance of past legislatures to adequately fund the system. We are now playing catch-up by increasing our contributions over time. This will eventually lead to fiscal soundness for KPERs, but at a cost of increased annual expenditures.

K-12 education spending has increased due to court cases which have mandated more money for schools, both in 2005 and again last year. And human services caseloads continue to increase due to more Kansans becoming eligible, primarily under Medicaid, and due to increasing health care costs. This is in spite of the fact that Kansas Medicaid has some of the tightest qualification requirements in the country. Kansas started partnering with the federal government on medicaid in 1974 and it continues to consume an ever-larger portion of SGF revenues. The upward-trending line demonstrates the necessity of controlling costs, and we should all hope that the managed care system begun under the name KanCare can eventually deliver that bending of the cost curve.

So here is the dilemma: The legislative appropriators have done an excellent job of holding the line on spending in those categories over which they have a great deal of control, and the increases are almost entirely in categories which are difficult or impossible to control without severe consequences.

So where do we cut? The most obvious is the All Other Spending Category, but most line items in this group have been cut repeatedly since 2008. The large increases in a few line items are due to other programs being merged into the department or agency to achieve greater efficiencies. Past budget cuts are having a negative impact on some of these entities. Larned, Parsons, and Osawatome State Hospitals are woefully understaffed due to

888-369-4777

**Consumer Protection**  
800-423-2310

**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

tough work environment and inadequate pay scales. The same can be said for Kansas Highway Patrol and the Department of Corrections.

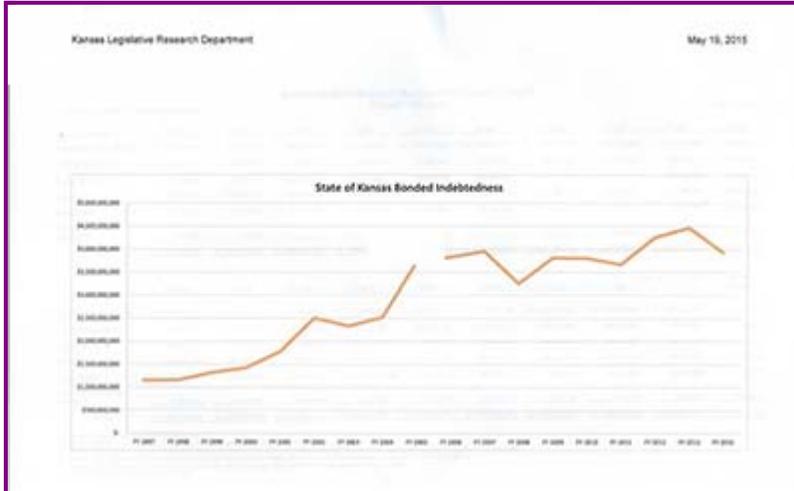
Kansas Legislative Research Department		Expenditures Included in All Other Spending Includes KPERS		
Agency		FY 2015 Conference	FY 2016 Conference	FY 2017 Conference
<b>General Government</b>				
Attorney General*		\$ 6,110,151	\$ 5,629,806	\$ 5,797,095
Board of Indigents Defense Services		26,423,141	25,746,091	26,666,783
Court of Tax Appeals*		835,504	808,214	800,168
Department of Administration*		35,184,141	68,762,006	99,317,862
Department of Revenue*		14,111,911	13,602,236	15,186,883
Governmental Ethics Commission		378,756	371,205	384,086
Judiciary		97,544,305	95,807,475	94,933,471
Legislative Coordinating Council*		543,678	541,854	540,429
Legislative Division of Post Audit*		2,093,713	2,057,415	2,355,277
Legislative Research Department*		3,642,211	3,593,073	3,593,034
Legislature*		17,641,548	20,450,880	17,222,663
Office of the Governor*		7,039,540	6,712,832	6,751,944
Revisor of Statutes*		3,100,292	3,064,400	3,063,332
<b>Subtotal Gen. Government</b>		<b>\$ 214,954,951</b>	<b>\$ 247,447,467</b>	<b>\$ 276,611,923</b>
<b>Education</b>				
Department of Education*		\$ 12,437,511	\$ 13,139,631	\$ 13,329,717
Department of Labor*		375,900	318,470	314,476
Historical Society*		4,499,717	4,354,076	4,405,720
School for the Blind		5,372,738	5,324,206	5,458,529
School for the Deaf		8,783,160	8,714,041	8,894,893
State Library*		4,155,742	4,048,523	4,037,207
<b>Subtotal Education</b>		<b>\$ 35,574,668</b>	<b>\$ 31,892,947</b>	<b>\$ 36,436,732</b>
<b>Human Services</b>				
Commission on Veterans Affairs		\$ 7,020,008	\$ 7,028,542	\$ 6,871,895
Department for Aging & Disability Services*		30,646,270	63,197,932	59,971,045
Kansas Neurological Institute		11,630,478	9,423,993	10,271,487
Larned State Hospital		42,637,229	43,949,764	47,315,765
Christiana State Hospital		12,835,130	12,788,879	13,809,065
Parsons State Hospital & Training Center		11,298,196	10,785,886	11,420,016
Department for Children & Families*		95,372,132	100,053,350	99,624,804
Health & Environment-Health*		24,980,114	23,852,952	24,170,317
Kansas Guardianship Program*		1,142,051	1,162,300	1,162,300
Kansas Human Rights Commission		1,067,091	1,052,000	1,083,703
<b>Subtotal Human Services</b>		<b>\$ 238,389,699</b>	<b>\$ 273,295,638</b>	<b>\$ 276,500,434</b>
<b>Agriculture and Natural Resources</b>				
Department of Agriculture*		\$ 9,893,583	\$ 9,389,613	\$ 9,792,433
Health & Environment-Environment*		(19,130,141)	(49,602,027)	(51,020,939)
Kansas State Fair		847,200	845,950	848,550
Kansas Water Office*		1,519,460	1,128,539	1,143,095
<b>Subtotal Ag. and Nat. Resources</b>		<b>\$ (7,428,020)</b>	<b>\$ (38,242,720)</b>	<b>\$ (89,216,861)</b>
<b>Public Safety</b>				
Department of Corrections		\$ 166,346,335	\$ 168,480,903	\$ 170,380,701
E Dorado Correctional Facility		28,479,208	27,723,902	28,397,054
Ellsworth Correctional Facility		14,470,227	14,102,543	14,368,063
Hutchinson Correctional Facility		30,853,954	30,276,417	31,096,032
Kansas Juvenile Correctional Complex		14,613,373	14,378,392	14,606,712
Larned Correctional Facility		40,251,117	39,805,973	40,815,549
Larned Correctional Mental Health Facility		10,659,273	10,427,070	10,653,005
Larned Juvenile Correctional Facility		8,474,714	8,334,685	8,492,754
Norton Correctional Facility		15,509,621	15,194,478	15,604,568
Tapoka Correctional Facility		14,942,720	14,568,179	14,898,127
Winfield Correctional Facility		12,947,217	12,723,326	13,023,164
Adjutant General*		9,180,479	7,382,437	6,643,925
Kansas Bureau of Investigation		16,306,028	22,937,889	23,544,341
Sentencing Commission		7,013,332	7,410,390	7,403,121
<b>Subtotal Public Safety</b>		<b>\$ 392,077,497</b>	<b>\$ 393,746,604</b>	<b>\$ 399,777,079</b>
<b>Grand Total</b>		<b>\$ 871,547,615</b>	<b>\$ 912,139,854</b>	<b>\$ 950,108,284</b>

\* Received a 4.0 percent operating reduction.

n 2008 total SGF expenditures were \$6.102 billion. In 2015 they will be \$6.253 billion. So over the past eight years SGF expenditures have increased by only 2.5%. I find that remarkable given the upward trend of K-12, KPERS, and human services caseloads, and that is a credit to the appropriators over those years. We can continue to cut and produce smaller government, but there will be consequences. Smaller government is not user-friendly, and that affects both the citizens and the businesses within the state. When one experiences delays in filing a legal case and receiving a legal hearing, that is what smaller government looks like. When one discovers that vehicle registration renewal forms will no longer be mailed, that is what smaller government looks like. When the number of commercial driver's license examining locations is reduced, that is what smaller government looks like. When one discovers their child is suddenly in a class of thirty instead of 23, that is what smaller government looks like. When one learns that their grandchild no longer has access to programs that kept them interested in school, that is what smaller government looks like. When convicted criminals are released from prison early due to lack of corrections personnel or bedspace, that is what smaller government looks like.

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## Borrow and Spend Government



This chart is quite disturbing, and I believe it demonstrates a serious flaw in our political system. I mentioned in my last newsletter the intense pressure from outside sources on legislators to never raise taxes. Those who dare violate that admonition are quickly labeled a tax-and-spend politician, and are targeted by those well-funded special interest groups for defeat in the next election cycle, without any regard for how well or faithfully they may have represented their district.

That puts politicians in a difficult spot, as the Kansas legislature is finding this year. Difficult-to-control expenditures collide with declining revenues and something must give. Unfortunately, in an effort to avoid having to raise taxes, past and present governors and legislatures have turned to increased debt to fill the gap. That is neither fiscally prudent nor conservative. When state bonded indebtedness nearly quadruples over the eighteen years from 1997 to 2015, I think it is accurate to label those responsible as borrow-and-spend politicians. By following this path the governor and legislators are deceiving themselves and the Kansas public about the true cost of government in Kansas. We push off the cost on to future legislators and future generations of Kansans, and that is truly unfortunate. I believe that the no-tax special interest groups are responsible for at least part of that outcome. Unfortunately this trend does not appear to be at an end. The 2015 legislature has authorized issuing \$1 billion in bonds to shore up KPERS. I voted no.

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## Hoxie Women's Basketball Team Recognized



On April 29 the Hoxie High School women's basketball team was honored on the floor of the Kansas House of Representatives. Here are my remarks during that event:

This body frequently recognizes sports teams but seldom do we have the opportunity to recognize a team from far western Kansas due to the travel time involved. So when a team travels four hours to Topeka to be recognized you can be assured there are special circumstances.

This spring the Hoxie High School women's basketball team won the Kansas State High School Athletics Association Class 1A State Championship for the fourth time in a row. The team is currently riding a win streak of 95 consecutive wins, eclipsing the previous state record of 91 consecutive wins established by Little River from 1995 to 1998. Last fall the University of Connecticut women's basketball team and the Hoxie High School women's basketball team both began the 2014-2015 season with identical consecutive win streaks of 73. Connecticut women lost their first game and their streak ended at 73. The Hoxie women went through the season undefeated and carry their remarkable string forward into 2015-2016.

USA Today awarded the Hoxie team the title of Best Women's Basketball Program for 2015, beating out Louisiana's Friendship Capitol and Oklahoma's Deer Creek. These accomplishments are truly special but perhaps the most impressive of their accomplishments is this: the team gpa is 3.87. The following team members have received numerous league honors as well as recognition by Wichita Eagle and Topeka Capital Journal: seniors Carly Heim and Lexi Schamberger, junior Terran Hoyt, and sophomores Erin Carter and Brynn Niblock. Other team members are juniors Lara Stephens, Serena McCown, and Kelsey Geerdes, sophomore Nicole Heim, and freshmen Rebekah Castle, Lilly Schamberger, and Brooke Dorencamp. Coach of the team is Shelly Hoyt and assistant coach is Emily Bogue. Coach Hoyt has also achieved individual honors, having received Coach of the Year recognition from Wichita Eagle, Topeka Capital Journal, Kansas Basketball Coaches Association, and Sports in Kansas.

I once again congratulate this team of remarkable student-athletes, and extend best wishes as they look toward extending the streak into next season.

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This newsletter is primarily intended for the residents of the 118th District (all of Wichita, Scott, Lane, Logan, Gove, Trego, and Sheridan Counties and portions of Thomas and Graham Counties). However it is available to anyone who finds it of interest. Please forward to your friends, or if you are not now receiving a FREE subscription to my newsletter, [click here to sign up](#).

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### Cowboy Logic

When in deep water, keep your mouth shut.

### Quote of the day

"Most people do not listen with the intent to understand; they listen with the intent to reply." - **Stephen R. Covey**.

### Sermon in a sentence

An unusual amount of common sense is sometimes called wisdom.

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### Representative Don Hineman

Visit My Website at <http://www.hinemanforkansas.org/>

116 S. Longhorn Road	Room 50A, State Capitol Building
Dighton, Kansas 67839	300 SW 10th Street
Phone: 620-397-2504	Topeka, Kansas 66612
Fax: 620-397-755	Phone: 785-296-7636
Email: <a href="mailto:dhineman@st-tel.net">dhineman@st-tel.net</a>	Email: <a href="mailto:don.hineman@house.ks.gov">don.hineman@house.ks.gov</a>

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