

State Representative

Don Hineman

Don's Legislative Update
November 11, 2017

2018 Campaign Season Starts Early

In recent weeks, registered voters in the 118th district have received four different postcards from Americans for Prosperity (AFP), telling them what a jerk I am for voting to raise Kansas income tax rates last spring. I take comfort in knowing that I am certainly not their only target. Dozens of other Kansas House members, including Speaker Ron Ryckman, have also been targeted with identical postcards into their districts.

AFP's source of funding is impossible to track, but it is widely reputed that they are primarily funded by the Koch Brothers of Wichita. They advocate for lower taxes and smaller government, but in their single-minded pursuit of those goals they ignore the fact that those of us who hold public office have a duty to ensure that government continues to deliver essential governmental services. The structural imbalance between Kansas state revenues and expenditures has been a persistent problem ever since the Brownback tax experiment was passed in 2012. Finally, the legislature passed comprehensive tax reform. It closed the LLC loophole, halted the march to zero, and restored several key deductions. The measure raised income tax rates, but **not so high as they had been** prior to the 2012 tax cut.

Recent legislatures have worked hard to cut costs and make government more efficient. In fact, there are only two functions of state government where expenditures are greater today than they were in 2011. Those are human services caseloads, which are a function of enrollments and medical costs, and KPERs, which had to be beefed up due to inadequate contribution levels in the past. In every other area of state government expenditures were either flat during that time (K12 education) or substantially less than six years ago. Where it was possible to cut, the legislature has acted responsibly and done exactly that.

But for AFP and the Koch brothers, enough is never enough. They want less taxes and more downsizing. Their assertion that "we have a spending problem, not a revenue problem" rings hollow when they and other smaller government advocates cannot present any reasonable suggestions for further budget cuts. Evidently that irresponsible approach is OK when you are a well-funded dark money special interest group. They don't actually have to govern. They don't have to concern themselves whether funding for schools is adequate to prepare Kansas school children for life and career. They don't have to worry about whether college students can afford to continue their education. They evidently aren't bothered by turmoil in the state's prison and foster care systems, the deteriorating condition of Kansas roads and bridges, or whether the KPERs retirement system is adequately



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Useful Phone Numbers

Department On Aging
800-432-3535

Child/Adult Abuse Hotline
800-922-5330

Child & Family Services

funded. In fact, it is easy to conclude that AFP really does harbor the intent to “shrink government down to a size that it can be drowned in a bathtub”.

The general election is still eleven months away, and AFP has already dropped postcards into dozens of House districts, at an estimated cost of \$3000 to \$5000 per postcard per district. Incredibly, they are also mailing out postcards against Kansas senators, who do not stand for re-election until 2020. It is apparent that AFP intends to continue spending their dark money freely in attempt to **buy a legislature** which will do their bidding. And when four members of legislative leadership (myself as House Majority Leader, Speaker Ron Ryckman, Senate Majority Leader Jim Denning and Senate Vice President Jeff Longbine) are on their hit list, you can be sure these political terrorists are quite serious.

We can expect a steady barrage of postcards, social media ads and even radio spots over the coming months from AFP and other dark money groups. Their hope is that a steady stream of misleading mailers will create doubt in the minds of the voters. I respectfully urge you to not fall for their tactics, and instead contact me with whatever questions you may have at 620-397-3242. And when those postcards arrive, ask yourself whether the senders really care about the 118th district and the people who live there. My guess is they would have to use their GPS to even locate the 118th.

Those of us who have been targeted for defeat by AFP can never hope to match their dark money expenditures. But a healthy campaign war chest will be critically important to stand up to their continual misleading attacks prior to the 2018 elections. The anti-government forces at AFP and their allies would consider defeating me, a member of House leadership, a major victory. I am determined to fight back, and I expect to win. But I cannot succeed without your help, and I respectfully ask for your support now. Contributions may be made online: <http://www.hinemanforkansas.org/donate/>. Contributions may also be sent to Hineman for Kansas, 116 S. Longhorn Road, Dighton, KS 67839.

Smaller Government: A Case Study

The 2017 tax bill eliminated the small business income tax exemption which the 2012 tax cut had granted to small businesses, partnerships, LLCs, and other pass-through entities. There was widespread support for doing so, because the exemption was perceived as unfair and much too broad and untargeted. But there is something about that course-reversal which should be a concern to us all. It now appears that the Brownback administration’s singular focus on the pass-through exemption as an economic driver led at least indirectly to elimination or significant reduction in other initiatives to grow the Kansas economy. Consider the following:

1. The Kansas Bioscience Authority, once considered the bright shining light of Kansas economic development initiatives, has been totally dismantled because the resources once dedicated to it were needed to shore up the State General Fund (SGF).
2. The [Economic Development Initiative Fund \(EDIF\)](#) was established in 1986 following creation of the Kansas Lottery. It is funded annually with \$42,432,00 from lottery net revenues, to be used for promoting and assisting economic development within Kansas. However more than \$130 million has been transferred from EDIF to the SGF since 2010, once again because revenues were insufficient to meet the general obligations of the state.

888-369-4777

Consumer Protection

800-432-2310

Crime Tip Hotline

1-800-KSCRIME

(1-800-572-7463)

Crime Victims' Information Referral

800-828-9745

Disability / Social Security Fraud Hotline

800-269-0271

Edler Abuse Hotline

800-842-0078

Governor Brownback Constituent Services

800-748-4408

Highway Road Conditions

1-866-511-5638

In-State Dial 511

Housing Hotline

800-752-4422

KanCare Clearinghouse

800-792-4884

Kansas Lottery

800-544-9467

Legislative Hotline

800-432-3924

Mental Health Services

888-582-3759

National Suicide Prevention Lifeline

800-273-8255

School Safety Hotline

877-626-8203

Taxpayer Assistance

785-368-8222

3. From 2011 to 2016 the employee headcount at the Department of Commerce has been reduced by 21.6% and the department's budget has been slashed by 33.5%.

As state's revenues declined, partly because of the tax break granted to small businesses, the state has been forced to downsize or eliminate essential programs designed to help business and grow the economy. Now that the tax break has been eliminated we must turn our attention to other tools in the eco devo toolbox and ensure that they are up to the task of growing jobs and expanding the economy of Kansas.

Incredibly, as the Department of Commerce was being downsized, Secretary Antonio Soave was using his position to reward his friends and business associates at taxpayer expense: <http://www.kansascity.com/news/politics-government/article182419146.html>

Less Business-Friendly?

It has been observed that a business-friendly government is an important component of economic development. To the extent that governmental agencies are difficult or expensive to deal with, that impacts business profits, growth and recruitment. The Department of Commerce is not the only state agency which businesses regularly interact with, and many of them have been similarly downsized from 2011 to 2016. Here are some examples:

1. Kansas Corporation Commission employment reduced 14.7%
2. Department of Revenue employment reduced 8.0%
3. Board of Tax Appeals employment reduced 25.1%
4. Kansas Real Estate Commission employment reduced 17.0%
5. Department of Labor employment reduced 32.6%
6. Secretary of State employment reduced 22.6%
7. Insurance Department employment reduced 14.9%
8. Kansas Water Office employment reduced 11.0%
9. Department of Transportation employment reduced 18.0%

No doubt there are instances where efficiencies have been found and unneeded employees have not been replaced, and that is a very good thing. But the consistent trend of fewer employees across most all state departments and agencies raises the possibility that for many businesses and individuals, interacting with state government is now more burdensome, time-consuming, and costly. Messages I receive from constituents seem to confirm that this is true.

Cowboy Logic

A barn can build you a house but a house will never build you a barn.

Quote of the Week

"Courage is knowing it might hurt and doing it anyway. Stupidity is the same. And that's why life is hard." – *Jeremy Goldberg*

Tax Refund Status
800-894-0318

Unclaimed Property
800-432-0386

Unemployment Insurance
800-292-6333

Voter Registration
800-262-8683

Welfare Fraud Hotline
800-432-3913

Workmans Compensation
800-332-0353

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