

2015 Legislative Update No. 17 from Ron Highland, Representative of the 51st District

The longest session in Kansas history is finally over. As I have explained before, the various groups within the Legislature differed on how to solve the revenue shortage that made finding an acceptable solution difficult. In the end, the Governor is responsible for the budget but the law requires the Legislature to come up with a balanced budget to present to the Governor for his signature. The Governor made it clear that he would veto any budget proposal that contained any tax changes affecting businesses. If the Legislature had passed a budget with the changes he did not want or a budget that did not balance, the Governor would have used his veto power and the result would have been a special session. This would have been devastating to many people. No checks could be written for state workers or the agency's commitments to their projects or the people they serve. I voted yes on the bill that the Governor agreed to sign.

Turning our state toward a more fiscally sound direction has not been easy. Kansas was in last place of all the states in private sector job growth and losing population. Our government became so bloated that we ranked 48th in the nation with the number of public employees (696.3 per 10,000 population). In addition to this, Kansas ranked 49th place for the unfunded liability in the state pension fund, KPERS. Since 85% of all workers work for a small business with 10 or fewer employees, it was time to support this backbone of the Kansas economy and become competitive with our surrounding states. Of the ten states with the most economic growth, nine of them have no state income tax. Our state is headed in this direction.

So where are we today in the midst of this turnaround? Since Governor Brownback took office there has been an increase of 49,400 private sector jobs as of 2014. Kansas is now ahead of its surrounding states, except Oklahoma, with an economic outlook ranking of 18th in the nation. Payments to KPERS have almost doubled to address the decades of pension benefit increases without the necessary increases in funding.

The budget bill does several things. First it raises the sales tax from 6.1 to 6.5% on all sales. To lessen the burden on those of lower income, the bill included provisions for eliminating any tax payments from many more citizens. According to Kansas Department of Revenue Office of Policy and Research, in Pottawatomie County 2,806 previous lower income tax payers will not have to pay any income taxes in the future. The numbers are 4,766 for Lyon County, 6,732 for Riley County, 25,971 for Shawnee County, and 954 for Wabaunsee County. Also, the food tax rebate remains in effect for taxpayers meeting the requirements. The cigarette tax was increased by 50 cents to discourage smoking as the primary reason.

The bill also contains a provision for an outside agency to evaluate the departments within Kansas government. We know that a simple budget cut across the board results in the cutting of the front line employees and cutting of programs that bring emotional responses from the citizens. The purpose of the audit is to identify where waste and/or inefficiencies are located that can be dealt with responsibly. Many have expressed displeasure with the budget and its passage because they wished the budget had taken more cuts of government. This audit moves us in that direction based on careful and accurate evaluations.

We worked hard to develop the Block Grant for schools, and also passed Senate Substitute for HB 2135 that protects the money budgeted for the Dept. of Education and employer contributions to KPERS from being used in any budget transfers. The Block Grant bill gives the school districts more money than they received last year and each of the next two budget cycles. While KPERS is now included in the education accounting, the money allocated is more than the previous year even without including KPERS funds. Did they receive as much of an increase as they wanted? No, but it did give them more local control and flexibility over their funds coming in and unencumbered cash they each had on hand. The Dept. of Education web site shows in-depth accounting for you to look at the finances for the schools. We all should remember that the State Constitution and current law places the control of schools at the local level with the Kansas Board of Education's oversight.

Tax policy is always in flux, and there will be opportunities in the upcoming sessions to remedy negative or missing parts of the tax bill. In the past, I have mentioned that there needs to be an evaluation of all of the many sales tax exemptions in Kansas. Why should renewable energy sources not be paying their share of sales tax, especially while much of this energy produced in Kansas is sent out of state? There is a great deal of revenue tied up in these exemptions that could help to reduce the general sales tax rate to a lower level. But, as with all decisions, they need to be made after careful research and deliberation.

This session was productive. Changing all elections to November was a big step toward including more voter involvement in all elections. The conceal carry law was to protect our second amendment rights, the prohibition of dismemberment abortions was for life, and the requirement for voter approval for property tax increases by taxing authorities was seen as an improvement in voter involvement in their government.

My time away from Topeka has been busy with several interviews, radio shows, forums, chamber meetings, and I am trying to catch up on duties neglected at home. I was honored to be asked to judge the Kansas Cowboy Poetry Contest, but due to another late night session Linda filled in for me and thoroughly enjoyed the event. This week I have been invited to attend two meetings with teachers. I am interested in hearing what they say about the hindrances they encounter, and I also want to hear how they feel the system can be improved. I look forward to meeting with many of you during the summer and autumn months ahead.

We return to the Capitol on Friday, June 26th for Sine Die, the official end to the session. This usually is only a formality but an error was discovered in a bill that must be corrected so we will have one bill to vote on that day. That error was making the law for voter approval of property tax increases to go into effect this July instead of Jan. 2018 as the Legislature intended.

If you wish to review the list of bills the Governor has signed into law, you can go to his web site, <https://governor.ks.gov/media-room/media-releases>.

My email address is working and I check it several times a day at ron.highland@house.ks.gov. Thank you for the honor and privilege to serve you.