

The train has left the station. However, there is a struggle in the locomotive as to who will be driving the train. The first week was ceremonial at first with the swearing in of all newly elected members of the Legislature and the official ceremony for the new Governor. That was followed by the Inaugural Ball on Monday evening. The President of Emporia State University invited Linda and I to sit at their table for the ball. We enjoyed visiting with President Garrett and her husband and other faculty members.

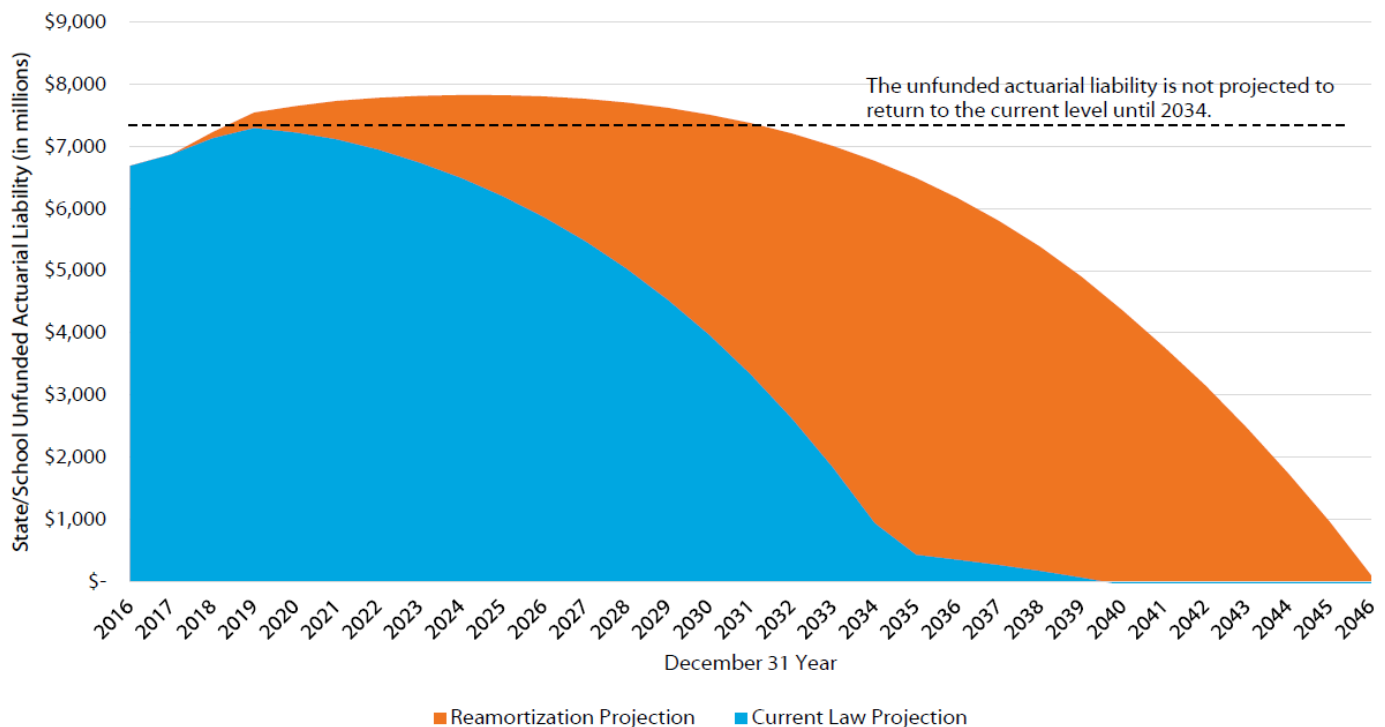
The Governor gave her State of the State on Wednesday evening, and listed her priorities for the upcoming session. She concentrated on three major areas that included, K-12 education funding, the Foster Care system, and Medicaid expansion. She proposed an unusual request that the K-12 budget be approved separately and be done by the end of March to comply with the Supreme Courts demands for the State to come before them in April to report.

On Thursday the Budget Director presented an “overview” of the one-year budget proposal. It was within that overview we learned of the startling method for funding the requests. The proposal calls for re-amortization of the current KPERS unfunded liability. This one recommendation does make the one-year budget look pretty good. But, at what cost. A closer look reveals the cost to the State and future taxpayers, not to mention the difficulties it poses for future legislators in upcoming years.

The KPERS re-amortization essentially passes on paying existing debt by incurring new debt. The calculations show that this will increase debt by \$7,000,000,000. I consider this irresponsible. We have worked very hard in recent years to reduce that debt by making large payments into the KPERS fund to make it fully funded in about 2038. This would be like you or I maxing out one credit card in our children’s name, and then getting a new credit card in our grandchildren’s name and maxing it out as well. If this plan is passed, the fund will not be fully funded until about 2046. The graph below illustrates the effect of the Governor’s re-amortization plan.

Reamortizing KPERS Unfunded Actuarial Liability

New 30-year, Closed Period (FY 2018 - FY 2020) Projection
State/School Unfunded Actuarial Liability



This presents an interesting situation. If the large K-12 legislation is passed and signed, and the KPERS plan fails; the only solution for funding all the Governor's planned expenditures is to raise taxes. The ride may get a little bumpy going forward.

The committees basically spent the week organizing and members introducing themselves to each other and the public. In the Ag Committee we did hear the commodities reports. These are required by law to be given to the committee on an annual basis and they were the first of several to come this session. The major bill yet to appear in the committee is the Industrial Hemp Bill. The Congress passed the new Farm Bill late last year and it contained legislation that removed Hemp from the controlled substance list enforced by FDA. This is a game changer for those farmers interested in planting Hemp for production. We passed a bill last year establishing a research project to be administered by the Kansas Dept of Ag that all parties, to include law enforcement, agreed upon. That law has now been made obsolete, and the House and Senate Committees will rapidly be developing a new law to cover all the changes. Our goal will be to have the bill on the Governor's desk by the middle of March to make the April planting season for the crop. I will keep you apprised of the progress on this bill as we move along.

The Rural Revitalization Committee will review programs and ideas for how to help the rural areas of our state. Our first meeting was of special interest. Professor Sanderson of Kansas State University gave a sobering overview of rural Kansas population trends. We all know that Kansas population is not keeping up with the rest of the nation. The reasons include, death rate, net migration away from the rural area, and decreased birth rates. If this continues, we will see the rural areas resemble the "frontier" days when there were few inhabitants and few towns. We discussed the ways to affect the trend. We cannot alter any of the factors appreciably except the migration factor; by encouraging a net migration inward instead of outward. This is an uncomfortable subject and will be discussed for years to come. The professor ended his presentation with this statement following a question from a legislator, "You will have to decide what you want to save."



Class members of the Flint Hills Regional Leadership Program shadowed me on Thursday and I really enjoyed spending time with them all. The members are Adam Clark, Janelle Dobbins, Tom Fulmer, Calley Hoffman, Allana Parker, and Brandon White.

I am looking forward to my new assignments and chairing the Ag and Joint Administrative Rules and Regulations Committees. If this week is any indication, I expect to be very busy. There have been numerous interviews, I was asked to film a public service commercial, and last week attended the Lyon County Republican meeting.

I was reassigned to a new office, 458W, but my seat on the House Floor remains the same. You can reach me at ron.highland@house.ks.gov and 785-296-7310. If you call my office you will be speaking to John Willey, my assistant who schedules all my appointments and keeps me on the run. At my website, www.ronhighland.com, you can find a syllabus that explains in detail how to get the legislative information you need

It is an honor to represent you and keep you informed with my newsletters.

With kind regards,

Ron