

We were off for a week for turn around. However, I was busy with legislative updates at coffees, radio interviews, and several meetings with individual constituents. The topics discussed in order of frequency were: taxes, revenues, school funding, senior care, Medicaid expansion, easements, water plans, KDOT, etc. Part of my week was spent preparing as chair for the lengthy meetings on March 6 and 7 in the Joint Administrative Rules and Regulations Committee.

#### Revenues and Tax Plans:

Although much has been said by media outlets concerning the revenue estimates over the last few years, the fact is we as a state have collected more revenue each year. The increases have not been robust but they have steadily increased. For more detailed information please go to my web site to view the presentations given by the Kansas Budget Director. This growth has happened even with the decline in farm commodity prices. Startling for me is the information provided by KSU Ag Economists on how far the farm income across the state has fallen. In 2014, the average net farm income was \$128,731 and in 2015 it fell to \$4,586. They also warned us that expectations are that it will not rebound for two or more years. The KS Dept. of Agriculture estimates that for every 1% decrease in agriculture prices there is a corresponding \$7.7 million decrease in sales tax receipts.

From January 2011 to November 2016, total job growth was 64,000. These represent new jobs in our state. The intent of the tax plan for businesses was to hopefully grow more jobs, and it appears to have worked. New businesses (new entity filings) rose from 13,646 in 2011 to 17,298 in 2015. I know the argument is that many of the new filings were single person entities such as an attorney or physician. But, if that were true, the number of new jobs would not have increased. New jobs are defined as a new individual filing for the first time in our state.

Many of the proposed tax plans before the committees include a removal of the business tax plan referred by many as the LLC loop hole. The problem I am having with totally removing the incentive is that it places our state at a distinct disadvantage. We gained many new businesses from surrounding states, primarily Missouri, in the last few years. If we eliminate the incentive, many businesses will move over to Missouri especially since the neighboring state is working diligently in their legislature to offer a similar plan. Since a large percentage of our state's income and sales tax revenue comes from the counties bordering Missouri we need to be very careful with any changes that could have long term detrimental effects on our state. I will agree that the single entity, without employees, should pay. I believe we can design a tax plan that will offer incentives for businesses that grow and hire more employees, and I have offered such a bill in the Tax Committee.

#### School Funding:

The Kansas Supreme Court issued their opinion and said the current block grant funding was unconstitutional. We expected that. What they did not do was specify any dollar amount they felt the legislature should spend to adequately fund K-12 Education. They did comment heavily on the lack of progress with elevating educational outcomes for the less fortunate students in our society. That group of students is dramatically behind the other students academically. The figures the court used were 25% of our students are not able to read proficiently and 26% are not proficient in math. This is not a new problem, it has been going on for many years, and it is unacceptable! I view this as a moral issue. There is more than one way to reverse this situation. One way is for the public to get involved through churches, organizations, etc. to bring light on this situation and to volunteer to help these students. If we do nothing, it will be left for future generations to deal with unemployment and other social issues that accompany poor academics. Another plan is to allow the parents to choose the schooling that best fits their child's needs. It could be another public school or other opportunity. The education establishment claims that children must remain accounted in their designated schools, and more money is needed to deal with the issue. If money were the only solution, then this disparity would have been

eliminated long ago. Why did the situation continue when more money each year was dedicated to at risk students as a weighting parameter?

The four years I was involved on the Education Committee and listened to hour upon hour of testimonies on education issues, two factors became obvious for student success: a good teacher and being able to read by the third or fourth grade. We need to place more emphasis on our teachers. The good teachers need to be rewarded for their efforts, and with sufficient salary to justify them staying in the classroom instead of looking to administrative positions to further their careers. This suggestion is met with resistance from the education establishment. They tell me that it would be unfair to raise teachers and their union also objects to these suggestions. The teachers are told that the legislature determines teacher salaries and that we are not adequately funding our schools. This is untrue. Funding is sent to the local school districts where the local school boards determine salaries during negotiations with the teacher's negotiating teams. The negotiating team is normally made up of union members, although twelve Kansas school districts (Rock Creek being the latest) have decertified, whereby the KNEA no longer is involved in teacher salary negotiations. All legislators want to support student success, and teacher success as well. With increasing mandates by the federal and state education departments, the implementation burden lies upon the teachers to give increasing numbers of state assessments, deal with new curriculums, and oftentimes to spend their own money for classroom materials. All the while, the budgets for administration, facilities, and other segments of the budget grow out of proportion to that for teachers. I have done enough teaching in my career to recognize the importance of professional teachers.

I have worked with former Senator Steve Abrams, the research department, revisors, and others to develop a funding mechanism for schools. The work took over a year to complete with the result being HB 2347, The School District Finance and Student Success Act. We were given a hearing last month when Dr. Abrams and I went over the contents of the bill for an hour in the K-12 Education Budget Committee. The bill was developed after gathering factual information through the Interim Joint Student Success Committee, visiting with state school board representatives, superintendents, and teachers. I am confident that before the session is over the bill will be given thoughtful consideration. Some want to return to the old formula with all its problems. If the courts continue to have problems with its inadequacy why not go in a new funding direction. Our plan demonstrates that success can be accomplished with the existing level of funding. Another idea is to establish a new "school tax" on the income tax return that covers the needed expenditure. This would then allow other taxes to decline and give all taxpayers the opportunity to contribute to education.

#### Kansas Debt (taxpayer debt):

Currently, the debt as reported by the Kansas Treasury Department (<https://www.kansasstatetreasurer.com>) is \$24.887 billion. This does not include the unfunded liability of KPERS that is more than \$9 billion. Last summer I asked legislative research to look at the effect of local school district bonds on their county property taxes. I was startled to learn that across the state, 35% of the county debt and mill levy is due to school bonds being issued.

It is my opinion that until we get a better understanding and some controls on spending, along with plans to reduce our debt, we will be handing off a government to our successors that could become a very serious problem. Many deny there is waste in our state government, but many know we can do more with less. The first step is to identify the priorities for state government. Groups, with the most lobbyists and most visibility at the state house and at gatherings where legislators appear, get the best treatment at funding time. Unfortunately, some of those groups are funded with your taxpayer dollars. The KNEA and Kansas Association of School Boards (KASB) are two examples where money funneled through the local school districts is used to lobby for school law suits, ever increasing school funding, and to support only those political candidates who go along with their initiatives and funding plans. \$1.9 million taxpayer dollars was spent suing the state for more money. That money could have stayed in the local communities to support our teachers. Another \$2.4 million taxpayer dollars, in the form of dues, is being used to pay for lobbying efforts on a yearly basis.

If we would simply prioritize government functions, I am convinced we would find areas that could better be handled locally or even by a private service provider at a reduced rate. Because of this inequity among groups and their funding, I am seeing friction developing between the elderly, such as myself, and other recipients of state funding, i.e. education. Total education funding receives more than 60% of the budget; social services, KDOT, and other groups have been cut to maintain that level of education funding. Kansas ranks very high among all the states in the percentage of our state budget that goes toward education. Priorities must be determined. It will be difficult, but it is my view that until we do set some priorities, the situation will only get worse. Borrowing is not the answer, nor is raising taxes on those with fixed or declining incomes.

#### Committee Activity:

The Senate did not pass many bills off to the House for consideration. The result is that my committees saw limited activity during the week.

##### Federal and State Affairs:

- HB 2313 – Kansas lottery; permit lottery ticket vending machines; repealing lottery sunset.
- HB 2201 – Taxpayer empowerment, accountability and transparency in state contracting act.
- HB 2273 – Kansas no-call act; restrictions on use of automatic dialing-announcing devices.
- HB 2280 – Adding a minority party member to the state rules and regulations board and designating a ranking minority party member on the joint committee on administrative rules and regulations.
- HB 2220 – Prohibiting certain regulations concerning the carrying of concealed handguns at postsecondary educational institutions.

Transportation: No hearings

##### Agriculture: (hearings and worked)

- SB 60 – Extending the sunset of certain department of agriculture fees.
  - SB 61 – Relating to fees for dairy businesses and the processing of paper documents by the Kansas secretary of agriculture.
- Both bills were heard and passed out of the committee. The bills were combined into one bill before passing. The contents of SB 61 were inserted into and added to the contents of SB 60.

##### Joint Administrative Rules and Regulations:

We held meetings Monday late afternoon and early Tuesday morning to go through the rules and regulations promulgated by different agencies. They do this when a law is passed to develop new regulations or when old regulations need to be updated. The process is complicated in that each new rule must be reviewed by the Department of Administration, the AG's office, and the Secretary of State. Once they all sign off, it is brought before our committee for final review. Our job is to ask questions to determine if the rules accurately reflect the legislature's intent and to watch for inconsistencies.

The major highlight of the week for me was to honor the Rossville Bulldawg Football Team with a proclamation in the House of Representatives. They are state 3A champions for the third straight year. The team, coaches, and school administrators were on hand to accept the certificates and a resounding standing ovation for their accomplishments. Great job Dawgs!



This week's visitors were Dr. Kyler Knobbe, Vision Source, representing the Kansas Optometric Association. Martin Seay, KSU Financial Planning Dept., Brian Harrod, and Karen Lystrom represented the Financial Planning Association. Pastor Michael Tomson-DeGreeff, Teresa Weixelman, and David and Janette Mize visited representing the Wamego United Methodist Church. I was pleased to recognize the Wamego United Methodist Church on the occasion of the 150<sup>th</sup> anniversary of the congregation serving as a community of faith in Wamego.

At my website, [www.ronhighland.com](http://www.ronhighland.com), you can find a syllabus that explains in detail how to get the legislative information you need. I am also placing on the web site information I have gathered in the last year. My contact information is: Rm 561 W, State Capitol, Topeka, Kansas, 66612; and [ron.highland@house.ks.gov](mailto:ron.highland@house.ks.gov). My office assistant Lisa can take a message or arrange an appointment by calling [785-296-7310](tel:785-296-7310). It is an honor and a privilege to serve you.