



HOUSING HIGHLIGHTS



2023 Legislature Week 4

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Facing The Worst Teacher Shortage Kansas has ever known, the Board of Regents created a task force to develop workable solutions for filling the 1,620 vacancies that school districts have reported. This committee, made up solely of educators, has presented the Legislature with several recommendations:

- Appropriate 9 million annually to pay 1,800 student teachers \$5K each, with the state funding 75% and local districts 25% of the stipends.
- Approve participation in the Interstate Teacher Mobility Compact that creates reciprocity among states to reduce barriers to license portability and employment.
- Create a common set of 60 transferable credit hours from community colleges to state universities for an elementary education degree.
- Expand the scholarship program for education majors who commit to teaching math, science, or special education in underserved areas to \$20 million over the next three years.
- Improve poor workplace conditions for and community perceptions of teachers with a public campaign promoting respect and appreciation for the work they do.
- Mandate incremental bonuses for teachers who earn advanced degrees, credentials, and/or certificates.

The Kansas Department of Education announced the graduation rate for all public school students rose from 88.1% to 89% in the 2021-22 term. The state's graduation rate has risen by slightly more than 8% since 2010 when the current record-keeping quotient calculations were adopted. The data specifically for special needs students, for example, those with disabilities, those living in poverty, or where English is their second language shows an even greater increase with a 14.6% improvement since 2010.

The Senate Assessment & Taxation Committee is currently considering three different bills all aimed at creating a 2-to-4-day period each August when all back-to-school necessities would be free of sales tax. Lawmakers hope this will keep Kansas families and teachers shopping at in-state businesses instead of crossing state lines for tax relief in Missouri or Oklahoma already have such a plan in place. Early estimates suggest a four-day sales tax exemption might cost as much as \$9.5 million in state revenue. Nevertheless, the idea has bipartisan support and an endorsement from Governor Kelly.

The Kansas House Committee on Elections has advanced a bill to the House floor that eliminates the three-day grace period to count ballots returned by mail, allowing mailed ballots to be counted only if they arrive by 7 pm on Election Day. Currently, ballots returned through the mail are counted if they are postmarked by Election Day and received within three days after polls close. The legislation would also limit the number of ballot drop-off boxes to 1 per every 30K registered voters in each county. Counties with fewer than 30K voters would be allowed only a single box no matter how widespread their population is. And county election officials would be required to continuously monitor all boxes they erect with – as yet – no indication of how this should be accomplished or who would pay for it.

Expanded Amtrak Passenger Service in Kansas may be a real possibility now that billions in federal infrastructure funds have become available. One such proposal that has garnered the attention of state legislatures is an extension into Wichita of the Fort Worth TX - Oklahoma City OK Heartland Flyer line. Currently, the only passenger train that runs through Kansas is Amtrak's Southwest Chief, a long-distance train that runs between Chicago IL and Los Angeles CA.

Kansas' January 2023 Tax-Only Collections have been reported as \$1.05 billion. That is 5.7% or \$56.2 million more than estimated and \$102.4 million or 10.8% more than was collected in January 2022. Corporate income tax collections were \$166.1 million, which is \$131.1 million, a whopping 4 times more than the same period last year. However, individual income tax collections last month were 8.7% less than in January 2022.

The Emergency Rental Assistance Program which was established to prevent evictions and utility disconnections during the Covid-19 pandemic has ended. The Federal funds provided \$290 million in assistance to more than 82,000 Kansans who were at risk of homelessness or housing instability. The funds were paid directly to housing and service providers covering their operating costs, maintenance, repairs, and payments for essential services such as water and electricity.

The Kansas Attorney General has sent letters to the U.S. Secretary of the Interior and the U.S. Fish and Wildlife Director serving as his notice of intent to file litigation for their failure to follow Section 4 of the Endangered Species Act in regard to a new protected status for the greater prairie chicken. The order is currently on postponement but has been rescheduled to take effect on March 27th.

The House General Government Budget Committee will hear from the Attorney General this week in regard to the staffing shortage in his office. The AG's criminal division is authorized to employ ten prosecutors but is currently down to only three. He plans to ask lawmakers to use a portion of the state's budget surplus to restore the \$650K that was cut from the office's budget two years ago to make salaries for his team of lawyers more competitive. There will also be a request for an additional \$375K to hire attorneys for the fraud and abuse litigation division specifically to investigate and if necessary prosecute crimes related to sports wagering.

The Annual State-Of-The-State Address Highlights:

- Given on the Governor's 73rd birthday, the gathered joint session opened the proceedings by serenading her with "Happy Birthday," followed by applause.
- The Governor asked the legislators to refrain from pursuing public K-12 school policies that will turn parents against teachers and communities against their schools noting that students historically do better when all involved mutually focus on giving them both the resources and the support they need to be well educated.
- The Governor proposed a series of tax cuts, including the elimination of the state's 4% grocery sales tax.
- The Governor made it clear she will oppose any measures taken to allow parents to claim tax dollars previously earmarked for public schools to cover the costs of private or home-schooling.
- The Governor wholeheartedly advocated for the legalization of medical marijuana this session.
- The Governor once again called on legislators to expand Medicaid as encouraged by the federal Affordable Care Act, noting Kansas is one of only 11 states to have not done so.

KHA & KHRC Joint Presentation - Representatives from KHA and KHRC will appear before the House Rural Caucus on February 7th to provide an update on the housing industry and how the recently enacted and expanded programs are working in Kansas. This is a great opportunity to demonstrate our combined efforts and commitment to support housing in the State.

The Senate Agriculture & Natural Resources Committee heard from the Kansas Department of Wildlife and Parks Director concerning Kansas' lack of public land, noting that only 2 states have less. He asked the members to throw their support behind a plan to purchase a 264-acre tract that is for sale on the west end of Lovewell Reservoir in Jewell County that would become available for public hunting, fishing, bird watching, mushroom hunting, and wildlife habitats. KDWP land acquisitions over 160 acres require the passage of specific legislation by lawmakers.

Housing Investor Tax Credit modifications will be considered by the Senate Committee of Financial Institutions on February 8th. Senate Bill No. 37 expands the transferability of tax credits issued under the new Kansas Housing Investor Tax Credit Act. If adopted, any portion of the tax credit that is carried forward can also be transferred to another taxpayer. The bill among other things would also remove the current requirement that a qualified investor cannot have a current tax liability at the time of their investment in a qualified housing project or reasonably believe that they will not owe taxes in the current taxable year to be able to transfer the tax credits to another taxpayer. The measure permits all or a portion of the tax credit to be transferred by a qualified investor or any subsequent transferee, and there would be no limit on the number of times a tax credit or any portion of a tax credit could be transferred.

Rural Housing Incentive District uses considered for expansion in Senate Bill No 34. In addition to the existing permitted uses any city or county that has established a rural housing incentive district may use the proceeds of special obligation bonds for renovation or construction of residential dwellings, multi-family units or buildings or other structures exclusively for residential use located on existing lots if the infrastructure, including streets, sewer, water and utilities, has been in existence for at least 10 years; or the existing lot has been subject to any tax assessment because such lot is located in an improvement district. The Senate Committee of Financial Institutions will slo conduct a public hearing on this legislation at their meeting on February 8th.

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