

**March 30, 2017, interview with Don Hill, conducted by Jan Huston, talking about his career in the Kansas House of Representatives, representing the 60<sup>th</sup> district.**

*[This transcript contains three separate interviews: March 16, April 6, April 13.]*

JH: This is our 4th interview. So Don, we're beginning with 2010 which was the year that Brownback was voted in as governor. I wondered how you saw that election year as different, perhaps the money that was coming in.

DH: We've talked about the pendulum swinging, perhaps not in this audio, but you and I have seen, and during the time that I was in office the pendulum definitely did swing, and there were other forces that came to be more prominent or emerged during that time. A notable event in that swing was that in 2010 we were finishing the governorships of Gov. Sebelius and Parkinson. Mark Parkinson chose not to run. He could have, so it was an open seat.

Gov. Brownback had been a Senator for 12 years. He announced that he didn't intend to seek reelection. He was term-limiting himself after two terms which made that announcement a pretty popular move. It was not typical in that regard. Basically he had been running for governor for at least a couple of years. He was a candidate for President in 2008 and was considered a viable candidate in the run up to the Iowa caucuses. His track, if you will, was taken by Governor Mike Huckabee. That came along pretty quickly. In the aftermath of that, Senator Brownback dropped out of that Presidential race. I think almost immediately he started focusing on coming back to Kansas as Governor. So he had momentum. Obviously he was quite well-known, not unpopular, and he had the opportunity to be building up a bank account. Also working with others, prospective candidates, donors, including people with substantial resources. It was all kind of brewing for two years leading up to the 2010 election.

The 2010 session which happens in January, February, March ending in May before the November election, that was the cycle where we were out of money. We had spent down reserves in the aftermath of the 2008 recession, and we were left with the very difficult choices of reducing spending or raising revenue.

Governor Parkinson was a good leader in those circumstances and conditions. The Legislature ended up doing both: that is, tightening the budget and the Legislature also raised sales tax by 1 cent with a three-year sunset. That ended up passing by a very very narrow margin. There were only two votes to spare. There might have been only one vote to spare in the House. It might not have been quite as close in the Senate. I think it passed by a little wider margin.

The Governor's race was on for 2010. The House was up for election as it is every two years. In the 2010 cycle the Senate was not up for election, but you had virtually all of the House Democrats, which at that time were 46 or 47, who had voted for a tax increase, and there was opposition to that. The conservative Republicans were very opportunistic and had an astute political strategy. Those Republicans who voted for the tax increase were targeted. There was opposition research done on them. And certainly the vote on tax and spend was key. But the opposition, the Republican Party, looked at other votes on guns, abortion issues, or other social issues. Only one moderate Republican lost in the August primary, but the Democrats were in the cross-hairs of the ultra conservatives. There weren't many Republican primaries. It was very conservative candidates, many of whom had no previous elected experience and no experience or resume as far as civic engagement, who had been recruited through very conservative circles. It was kind of a tsunami.

When the general election ramped up, we started seeing for the first time a barrage of postcards, well-produced attacks on candidates because of their stance on policy and most prominent, their vote on tax increase. We also started seeing for the first- time slick post cards which linked, in some cases it was a moderate Republican but far more commonly is, was the Democrat linked with President Obama who'd been elected in 2008. These photo-shopped cards showed the Democrat candidate with President Obama side-by-side. "We have a tax and spender, we have a liberal" - just attacks like that. And the majority of those attacks weren't coming from the candidates themselves, but from third parties, and the third parties that were prominently involved were Americans for Prosperity. If they had had a significant spend before 2010, it was far far less.

They may have been involved earlier, but it was barely on the radar. I don't know if they spent anything in 2008 or 2006. Americans for Prosperity, Club for Growth, and the Kansas Chamber of Commerce.

JH: Were you aware of these groups?

DH: I'd begun hearing about Americans for Prosperity. They'd send mail to everybody saying "We're for limited government, individual freedom, and personal responsibility. Would you like to join?" I mean, I don't know who they sent that to, maybe it was just Republicans, but I had seen that and actually they began a little public relations effort. They were doing some radio ads. Do you remember hearing the radio ad on a K-State football or basketball game. Americans for Prosperity is an educational organization, organized under the IRS code as a 501c-4. It's a not-for-profit. By law they are not allowed to be involved in candidate support, but rather, they're educational. Since then we've seen an absolute explosion of 501c-4s. 501c-4's allow donors to those entities to maintain their anonymity, so what the postcard look like is, not " vote for candidate X," but rather it's an attack on the incumbent. Did you know that your representative...their name and picture is there. " Did you know that Don Hill voted for an 18% sales tax increase? Call Don Hill and tell him..."

JH: You actually had some of them? in 2010?

DH: I did. In 2010 in the primary. They targeted moderate Republicans in the House primaries. Interestingly, they were not successful in Republican primaries. There was only one moderate Republican that lost in the 2010 primary election. The Americans for Prosperity, Club for Growth, and Kansas Chamber used exactly the same tactics to come after moderate Republicans in August as they later used in November with one very very significant difference: and that was tying the Democrat candidates to Obama.

JH Why do you suppose it worked?

DH: Well, it was more difficult to tie Don Hill to President Obama than it was to tie the Democrat because of the partisan part of it. 16 House Democrats lost. So

we ended up over the 2010-2012-2014 cycles going from 47 Democrats down to 27 Democrats. By far and away the biggest part, 16, were lost in 2010. By that point the House coalition of moderate Republicans and Democrats was long lost, and they selected Mike O'Neill as speaker. We had House leadership that was aligned with the Governor. That whole trend continued into the 2012 cycle when the Senate was up for re-election. These interest groups were successful of doing a purge of moderate Republicans in the Kansas Senate. There were 8 that lost in primaries, and it was the same source of money that opposed those candidates as it had been opposing Democrats in the House in 2010. The difference was that there was even more money, and their methods became even more aggressive in their attack ads. We arrived at a place after the 2012 election and the next 4 years where there were overwhelming majorities of very conservative Republicans in the House and Senate. One change indicator that was evident in the House was where the first signs that the pendulum had reached its furthest point to the conservative side was in 2014 election when there was a huge turnover in the House of Representatives. There were 57 new House members and only one Democrat was elected in that new group. That group was pretty evenly divided between moderate and more conservative Republicans. At that point the issue of the tax cuts that were enacted in 2012 was starting to become evident. Policy does make a difference. One would hope at least; I do.

One thing is that by 2014, I'd hoped to see it earlier, the "Dark Money" just wasn't effective. By "dark money" I mean money that the source is unknown. The source is anonymous. We started to see more "dark money" on all sides. The moderate candidates and the Democrats also had "dark money" that was utilized to balance the equation.

JH: "Balance the equation"? You mean some of it was being used for them?

DH: It started to proliferate after the decision by the Supreme Court on Citizens United which basically opened the door to corporations giving more, having the same freedom an individual would to make donations to these organizations, the 501C-4s. For better or worse, I believe it's for the worse, that's the norm today.

It's sort of, If you can't beat 'em, join 'em. You have to do what you have to do. That's a sad commentary.

JH: Which ends up with us not knowing election information.

DH: It has all contributed to that path. And how do you turn it around? It's an issue and a problem. There is less information and unfortunately, it's coming from unknown sources.

JH: Let's talk about policy. The tax policy????

DH: You know I like to talk about the good things. And I'm contemplating what Sam Brownback's legacy will look like. As we speak, we have part of a session and all of another session yet to go. I believe it's likely that the Governor will be overridden on some tax or other policy and, not off the subject, as we speak, we're speculating that he may not be here for his last year. He may go to work for the Trump administration. The Governor, throughout his history, one of the things he has had an understanding of, and appreciation for is ag. issues and water issues. I think he has done a pretty good job, especially given our diminishing resources financially on water issues. We have, by virtue of his leadership, some long-term water policies that recognize the importance of conservation. He deserves some credit for Kansas staying on the path that Kansas had already been on as far as energy production of alternative resources. It isn't a law, the future is somewhat uncertain, but he deserves some credit for enacting, preserving, leveraging the value of the Flint Hills region. We don't want wind turbines in the Flint Hills region. Hats off to him about that. The production oil wells, the fracking, I don't know.

So the Governor began pushing for a tax cut as we recovered from the 2008 recession. As we saw the beneficial results of the one cent tax increase and the revenue growth that that created, the state budget, the state treasury was really recovering quite nicely after the Governor was elected in 2010, so that we actually had achieved the 7 1/2% statutorily required ending balance, or it was projected that we would. So the Governor hired Art Laffer, the supply side

economist of some renown, credited with some of the Reagan tax policies. Mr. Laffer along with others of his colleagues recommended that we needed to substantially reduce or eliminate our income tax, using Texas as a primary model. There are 7 states that have no income tax, and Texas is one of those. Others include Florida and Washington state who have a lot of other things going for them or have substantially higher tax rates on sales tax and destination tourism. The tax policy was put in as a policy priority in the 2012 legislative session. Long story short, we ended up passing a tax bill that eliminated income tax on small businesses, limited liability companies, partnerships, proprietorships. The personal income tax rates were decreased - we went from having 3 brackets down to 2 brackets. The rates on all of those were decreased in terms of personal income. Part of that legislation also included provisions for a continued ratcheting down of income tax. There was no way that it made any sense in the world in terms of a balanced budget, but advocates clung to it.

What made this work from the standpoint of the advocates, Governor and the proponents of this tax reduction, was what they called dynamic scoring. It was recognized that they were going to lose this much money based upon having a lower rate for income tax, but it was going to be made up for and more by virtue of the stimulative effect that it is going to have on the economy. They were going to bring all of these new businesses to Kansas because of our lower tax rate or our no tax on small business. All of these new employees were going to be hired, people would be moving here, they'll spend more money on consumables, our sales tax revenue will go up and we're going to end up net ahead. It was a huge stretch. It is not that there isn't some merit to dynamic scoring. We're hearing that, and that's something that supply siders always rely on. We're hearing it today in terms of what President Trump is proposing. Cut here and cut there, and the growth is more than going to make up for it. Those policies were advanced. They ended up passing by one vote.

Well, it's complicated. What happened was that the Senate... Let's back up one more step. The Governor proposed this package. He did propose these reductions, but he also proposed making some other changes which would have

possibly helped pay for the cuts, and what he proposed along with the dynamic scoring and the growth. He came up with a balanced budget, at least conceptually. The Senate took that bill up, starting with the Governor's proposal, and they didn't adopt his pay for's. And it ended up in the Senate, opening a Senate floor debate, amending the bill with the intention that it would be what we refer to as Christmas treeing it up, and it had no chance of becoming law. It was sort of a political exercise. Sadly, that bill passed. It was an awful bill. It had these cuts the Governor had proposed. It didn't have any of the "pay for's".

JH: Pay for's? What is that word?

DH: To pay for the income tax rate reduction or the elimination of the tax on LLCs, you do some things over here like you wouldn't allow for interest mortgage reduction or you wouldn't allow for charitable deductions. You would be raising money over here by not allowing these deductions. Well, the Senate didn't adopt what the Governor proposed as a way to pay for it.

JH: Was this partially because of...

DH: When that happened, it was 2012, it was a seasoned group of Senators that included the moderate leadership of the Senate: Steve Morris, president, John Vratl, vice president. It was kind of a high stakes game of chicken. They ended up passing that bill. Meanwhile negotiations were continuing between the House and Senate tax committee chairs and the conference committee, and they weren't making any progress. And so what happened very suddenly and somewhat unexpectedly the House leadership, Mike O'Neal, speaker of the House, brought that terrible bill, that the Senate had produced, before the House called a Motion to Concur. It was elimination of small business taxes. The elimination of their income tax.

JH: Was this procedure uncommon?

DH: It's fairly uncommon. Instead of the House debating the full bill, its nuances, and policy implications, it was, "Well, the Senate did this. They debated it. We're not going to; we're going to concur with the changes they made." In effect, it's

taking one chamber out of the equation. We're just going to accept what they did. This is not a good way to make policy.

JH: There's no way to avoid it?

DH: Well, you vote it down. Sometimes by virtue of pressure of time or circumstance, sometimes it can be negotiated behind the scenes, "let's do it - a motion to concur. You folks across the rotunda have done a decent job of this." Politically, and this was the case, the House, well, it was a bad deal. If you're a proponent of getting the tax cuts, this was the vehicle to do it. So it came up for a Motion to Concur in the House, and there was an extended debate. In the meantime at that very moment, across the rotunda, the Senate was trying to pass a different, better, more responsible bill. Literally they were having that debate at the same time the House was considering a Motion to Concur with the earlier worse bill that the Senate had passed. And that's all pretty complicated. It was complicated and it was pretty high drama at that time. The House leadership was pushing to concur, debate was going on. Frankly, some of us were deliberately trying to slow things down on the House side, so the Senate could get a better product passed, at least get it on the table. I was involved, as much as I could be, trying to slow it down. Ultimately, there were procedural things that were done, depending on your perspective, devious things, that short-circuited things in the House. It passed by one vote. There were 27 Republicans that voted against concurrence. It wasn't enough because by that point, we're talking about the extent of how much the Democrats were diminished in the 2010 election cycle.

So the Governor has this bill. It's worth noting and important in the broader context that there was money available in the state budget to pass responsibly a tax reduction. Taxes should be as low as possible, should be as simple as possible. They also should be adequate to satisfactorily fund the essential function of state government.

We talked about the funding of K-12 after the special session of 2005. The Legislature agreed to add funding to K-12. That was going to be done over 3 years after the fiscal year of 2007 and 2008. In 2008 we were approaching that last

step to get school funding sufficiently financed when the recession hit. School funding was still not where it needed to be to be constitutional. That's where we were at when we were in the middle of this debate to lower taxes. We had money. We could have lowered taxes to make us more competitive, to make us more responsive and responsible, and still had money to invest to complete the commitment to K-12. It was a choice. Are we going to spend our money on school funding or other funding, or on lowering taxes? The argument has been, and I've maintained throughout, along with a growing number of colleagues, the 2012 tax reduction went too far and too fast, and I believe was irresponsible. Now we have a bill that the Senate has passed, the House has passed it, and it goes to the Governor's desk. I was involved at that point, not directly with the Governor, but with his senior advisers; Tim Shallenberger was my contact. I can remember conversations with him where I was pleading with him that the Governor not sign that bill. The Governor conceded and the people around him conceded that the tax cut went beyond what they had intended originally. I'll always remember Tim Shallenberger saying, "We agree that this was 'suboptimal'." If you're in a hospital and have a diagnosis or prognosis that is suboptimal, that is not a good thing. This was not a good thing in this tax policy. The Governor signed it, setting off a saga which, and I don't know whether, if looking back he would do it a different way. I have no idea.

It was the forces strongly dominated by some of those people who had been involved in the campaigns in 2010, the Kansas Chamber of Commerce, the American for Prosperity, by that point in time we had seen the beginning of the Kansas Policy Institute. There were plenty of voices and plenty of resources to reinforce the tendencies or inclinations of the members of the Legislature who were more conservative. They were being reinforced, they were being pushed in some cases. In fact, on the vote of the House in 2012 there were several of my colleagues who immediately wished they hadn't voted for it. Several colleagues, perhaps partly because of that vote, didn't run again in the next cycle. There are some who have been defeated because of that issue being the central issue with this being waged against them as they were the incumbents. Very consequential

tax policy leading to huge budget structural imbalance, leading to lower investments in infrastructure, most notably our highways, resulting in cuts to education at least relative to inflation leading to higher tuition and larger class sizes. On and on, substantial impact on mental health, public safety, Kansas state employees have not had a raise since that tax bill was passed and most had not received a raise before that because of the 2008 recession. Kansas is growing more slowly than our neighbors, more slowly than the nation. Promises that were made regarding that dynamic scoring and economic growth certainly have not been realized.

In 2013, the following year, we had an interesting situation. Maybe this is a good illustration of politics, I don't know, but we were short on money because we lowered income tax, and so when we still had a little bit of reserve in 2013, the trajectory was quite evident, They would make their assumptions and their estimates.

JH: So you were seeing it almost immediately.

DH: Yes, and our consensus revenue estimate, we were on a trajectory that was going to have us running out of money. So the question was, and those projections included the one cent sales tax would go away. The one cent sales tax passed in 2010 was to be sunsetted in three years. Many of us, myself included, thought that probably that sunset was what made the vote to increase the tax palatable. The question in 2013 became, "Should we allow that one cent tax to sunset, or should we keep it?" Of course by that point in time the Governor was pushing to keep that sales tax. We had a budget that quite frankly was friendly to especially higher education. There weren't many cuts in that 2013 budget, and there had been some enhancements. One of the most notable enhancements in the Regents budget was for Emporia State. There was a million dollar enhancement to create the honors college, and Emporia State had been not treated kindly in the 2012 budget. It had been a disproportionate loser in this really complicated stuff having to do with some accounting, but the long story short was that Emporia State and K. State had come out being hurt more than the

other institutions. Of course, I was advocating that that not happen. One of the things that I was promised when it didn't materialize was that we will make this up next year.(2013) We'll see that Emporia State is treated right, and I've always had the attitude and I've said it many times that we only have one Governor at a time. Part of my job as a Representative of the 60<sup>th</sup> District was to have a constructive relationship with the Governor, and I did with Kathleen and I did with Mark, and I sought to with Governor Brownback as well, and that includes the Governor himself and includes his senior staff and his cabinet. There are things that come up, not uncommonly, that you need a question resolved or need some help with, or maybe a constituent raised issue. Maybe the question of the safety of the intersection of highway 50 and the Americus Road. So I was in that mode. I certainly did have a good relationship with the Governor's advisors. Including I mentioned Tim Shallenberger and his chief of staff was Landon Fulmer, and the various cabinet secretaries. But at the end of 2012, in the budget, Emporia State took a hit. Promises were made, "We'll work with you, and we'll make this right in the next budget year." So 2013 comes, and it's obvious we're running out of money, but on the spending side Emporia State had been taken care of. It was taken care of in the Governor's budget recommendation. Appropriations in the House and Ways and Means in the Senate had kept that intact.

So we come up at the end of the session, and it was a tax issue. The issue was that we needed this sales tax to be extended. I had voted for the sales tax in 2010 conditioned upon its three-year sunset. I voted against the 2012 tax bill, and my inclination was to be not supportive of the 2013 tax bill. It raised the sales tax, or kept the one-cent sales tax, but it also had additional measures within it that kept the additional ratcheting down of the income tax rates. All of that resulted in that moment, an encounter with the Governor and the Governor's chief of staff who said, "We need you. We need you on this tax bill, and if it doesn't pass, we're going to have to look at cuts." There was no specific threat, but I knew exactly what button of mine they were pushing. "You got a nice enhancement for Emporia State. In fact, you got a disproportionate enhancement compared to other institutions. We need you. We need you on this vote." And I ended up

voting to support that 2013 tax bill. That's my most regrettable feeling, that feeling that you've sold out, you've succumbed to pressure. You've helped to pass some bad policy. But the benefit that year and the years since for Emporia State have been unmistakable. It's hard to know whether there would have been other resources found, or whether the ESU honors college might have not been funded. Would we have it or not? I don't know.

The other thing I want to mention now and backtrack a little bit because it was a highlight that had to do with higher education. A highlight of the Sebelius administration, a highlight for me personally, something I had been interested in from the time I was elected, was the new pharmacy school at KU. During the 2008 session the legislature approved, and Governor Sebelius signed into law funding for a new school of pharmacy at KU. This project was started years earlier before I was elected to the legislature in 2002. I had been involved with the pharmacy school as the Chairman of the Pharmacy School Advisory Council and as an adjunct faculty member (field instructor). We only have one pharmacy school in Kansas, and the number of graduates was not keeping up with growing demand in the state. The pharmacy school was in Mallott Hall on the Lawrence campus, and space limitations would not allow expansion of the school. During those days the Kansas Board of Regents had a process that the six universities in the system submitted their respective enhancement projects ranked by priority on their campus. Given that information, the Regents then went through their process of discernment and prioritizing, looking at all the projects that the universities submitted. A new pharmacy school had been in the mix for several sessions. It was a very ambitious project, and resources were limited after the 2000 recession.

It had been a couple of decades since a pharmacist served in the legislature. I was elected to the House in 2002, and another pharmacist, Vickie Schmidt, was elected to the Senate in 2004. Substantial planning had been done, and things started coming together. Some special work was done, and success realized in mobilizing pharmacists across Kansas in a grass roots support effort. This was led by the pharmacy organizations – Kansas Pharmacists Association, Kansas

Association of Hospital Pharmacists, Kansas Independent Pharmacy Service Corporation – and was very broad-based. It included community retail pharmacists, hospital pharmacists, chain pharmacists, consultant pharmacists, pharmacy educators...you get the point. There was a significant shortage of pharmacists, and it was growing worse. Several Kansas counties did not have pharmacies. During 2006, the effort intensified with the focus on the Board of Regents during the summer, and then later, after it was clear KBOR was making pharmacy school their number one priority, focusing on Governor Sebelius. At that point the grass roots efforts expanded beyond pharmacists as pharmacists themselves energized their communities and started reaching out to their area legislators.

The Pharmacy School plan that emerged during the 2007 legislative session had the full support of Governor Sebelius as well as legislative leadership. It was helpful that House Speaker Melvin Neufeld and Senate President Steve Morris were very receptive. They both represented predominately rural areas in southwest Kansas. The final plan included a new building on the West Campus in Lawrence and a new satellite campus in Wichita, co-located with the University of Kansas Medical School – Wichita. Twenty students would attend in Wichita, and the new Lawrence facility would significantly increase capacity for students. In total, the number of pharmacy graduates would more than double from approximately 90 each year.

The amount included in the budget for this project was \$50,000,000. This would be the last appropriation included in the state general fund budget for the new building on any campus. Ground was broken on the new building in May 2009. The KU Pharmacy School is a real gem. It is world class and a source of great pride. Senator Schmidt and I certainly worked hard and played a role, but we were only a very small part of the team that helped push it across the finish line. Key players included Pharmacy School Dean Ken Audus and his colleagues at the school, KU Chancellor Bob Hemenway, Provost Richard Lariviere, Vice-Provost Don Steeples, Government Relations Liaison Kathy Damron, Regents Jill Docking, Donna Shank, Gary Sherrer, and KBOR President Reggie Robinson and others.

At the same time the pharmacy school project was coming to fruition, the effort to create and elevate the Cancer Center at KU Medical Center was developing. These were great times indeed. These initiatives have both continued to provide greater and greater value to the health care of Kansans.

**April 6, 2017 interview with Don Hill conducted by Jan Huston talking about his career in the Kansas House of Representatives, representing the 60<sup>th</sup> District.**

JH: Last week we discussed 2012 and that big tax reduction bill that passed the House by a Motion to Concur by just one vote. And then the Governor went ahead and signed it. That was also a redistricting year.

DH: Yes, the tax bill passed by a sort of comedy of circumstances. What I believe has had devastating effects for the last four, going on five years for our state budget. But probably the other big notable thing for 2012 was redistricting. We redistrict every ten years based upon the ten-year census, so the census for 2010 provided the data for redrawing lines for House districts for the US House, and then also at the state level for the 40 Senate districts and the 125 House districts. We have a situation where there has been trend that has continued of depopulation of our more rural parts of the state with growing population primarily in Johnson County.

Based upon the shifts in population, in the big big picture we knew that there were going to be 3 House districts lost to the more rural areas of Kansas. The Big 1st lost two Kansas House seats, and the southeast area lost one, and Johnson County picked up three. Kansas redistricting is a political process. It's done by the Legislature. The parameters briefly include that the districts should be as like as possible in terms of their characteristics, they should be as regular geometrically as possible, but most important and really what drives everything, they should have roughly within a couple of percentage points in having an equal number of citizens living in their districts. So with this population shift, there had

to be changes. I talked about my friend Don Hineman who represents, I believe, the 118<sup>th</sup> District. Don lives in Dighton which is in Lane County. Don has, I believe, parts of 9 or 10 counties in his district. They are fairly large counties, but in order for him to get up to his approximately 25,000 voters/citizens, it's a big landmass. Don's landmass, his House district is actually larger than the state of Rhode Island. Then you have urban districts which may literally only be a mile square or a couple miles square. So there is a special committee during each redistricting cycle, a joint committee, that met early in the session on trying to get new boundaries drawn, and of course, politically, there is an interest on the part of everyone to protect as many of their party members as possible, and there's interest in gaining advantage where one could, and that effort to redistrict ultimately was unsuccessful. It came to a stalemate. That happens occasionally. I don't know when the last time it was that happened in Kansas history, but it's been a while. Typically the parties involved could do some trading and compromise and that did not happen. So it was left to the court to do that redistricting, and the Court's redistricting had absolutely no consideration for politics, and I would argue that was for the better, but it made it very interesting. What it did was, after the redistricting occurred, it left a number of districts where there were two sitting incumbent legislators, and in one case there were three incumbents.

So it was in our 76<sup>th</sup> district here in Lyon County. There wasn't any other district where there ended up being 3 incumbents running against one another for one seat. In our case it was Peggy Mast who lives just barely outside of my District, she lives in south Lyon County actually just west of the highway, K-99. But in that district also was Bill Otto who lives in south Coffey County, and Willie Prescott who lives in Osage County. The new district wasn't changed all that much. In the previous district Peggy had more of Lyon County, more of rural Lyon County and not so much into Osage County and not so far into Coffey. The new district includes all of Coffey County. She has less than she previously did of Lyon County, and then Osage. So, as the districts were announced, we were literally at the filing deadline. It made for a very interesting time. Obviously all three incumbents ran

for 76<sup>th</sup> District. There were at least a half dozen other examples where there were two incumbents pitted against each other.

The upshot of that is that you had a number of incumbents that were not coming back, and it meant for a very significant, far more so than normal, turnover for the Legislature after the dust settled after the elections. There were a number of retirements that year, notably several House members who had supported the tax bill, ill-advised in my opinion. There were two House members, one from Pittsburg, Terry Calloway, and one from Garden City, Ray Meza, who were only there for one term. They were there and ended up being loyal to the Governor, and then they didn't run again. So a number of retirements, incumbents running against incumbents, and then there were a fair number of moderate Republicans who ran in primaries against incumbents and won. There were 27 Republicans who voted against the tax bill, and after the election, there were 10 more solidly moderate Republicans, if that's a good description and I'm not sure it is, but in the freshman class, there were 57 new legislators, and there was a net gain of 1 new Democrat. There were freshman Democrats, but they replaced other Democrats. A lot of freshmen, and that was happening on the House side.

On the Senate side, of course the 2012 election resulted in the great purge, and we talked about that last week. The redistricting impacted our local area. We went from having, in Lyon County, having two representatives to three. You could argue how could that be a bad thing. Well, the nature of the shape of those districts was such that our new representative from NE Lyon County lives in Pottawatomie County, which is a long way away. The NE part of Lyon County doesn't have that many voters when you compare it to Pottawatomie County. He also has Wabaunsee County. We've only had one representative fill that seat, and that's Ron Highland. Ron would even concede that Lyon County does not get much attention from him.

The method used to redistrict was they, the legislative research staff approved by the Supreme Court, they started in the four corners and sort of just made squares and rectangles and moved in from the four corners. If you look at the four

corners, those are the most regular of all of the districts, in terms of shape, obviously they are different sizes because of the density of population. Lyon County is the population center of Kansas, if you think of it in those terms. There is about an equal number of people west of Lyon County and east of Lyon County and the same north and south. Our area, especially the 17<sup>th</sup> Senate district was what was left after everything was done, whereas previously our 17<sup>th</sup> Senate district was Emporia-centric. It went west to Chase and Marion County, went to the north to Morris County, went to the south with Emporia in the middle.

In the new Senate district, Emporia is in the south end of a district that includes Junction City in Geary County, making things more challenging and difficult for Senator Longbine who had been the senator before redistricting and was successful in running for re-election in 2012, although he did have a primary opponent from Junction City. Jim Faucett, who had been a House member, ran against Jeff, and he also had a general election, although he had an opponent, Susan Moran, but she really didn't campaign. Part of the 57 new House members, most of the Senators, the moderate senators who were defeated were defeated by House members who were more conservative and challenged the incumbent Senators. Of course, that left those 7 or 8 House seats empty as well. But we went from 27 Republicans in the House who voted against the tax bill, and after the election, closer to 40 more centrist Republicans. But the Democrats made no inroads at all after the 2010 election when they lost 16 seats, and only picked up 1 in 2012.

From the 2012 election on there was a huge majority of Republicans, and the more conservative factions were in control. Susan Wagle was elected Senate President, Jeff King was the vice-president, Terry Bruce was the majority leader, all far more conservative than the people they replaced. In the House Ray Merrick was the Speaker, a conservative, Gene Vickery was the majority leader, and actually Representative Mast was the Speaker Pro-Tem. Those were the 3 top positions in the House. Very very conservative leadership but not the votes to do much of anything. They couldn't pass anything, and it was pretty uncommon for anything to be blocked. From a centrist or moderate perspective, which is the

perspective I have, it was not a good situation, and I'm going to actually back up. No, that's when we changed Speakers. Mike O'Neill had been the Speaker, and he retired. Soon he became Chief Executive and President of the Kansas Chamber of Commerce.

There was legislation that was passed in 2013 and 2014 that was run, and it was passed because it could. It was a good day and a good time for interests who favored smaller government, and it was a good time for interests who favored more gun rights. It was a good time for those that in general favor smaller government, lower budgets, and it was a challenging time as we began to see budget cuts that were necessary beginning in 2013-2014. Increasingly, the casualties were public safety, infrastructure, education. We were at the place as early as 2014 where we had to start taking money away from where it had previously been promised by earlier legislators. The highway plan is a 10-year highway plan passed in 2010. It was a big pot of money, but certainly the biggest casualty. We were still not in a situation where education had been constitutionally funded. Everyone knew that. After the 2005 special session and two years of adding money to K-12, the Great Recession took place, and finally we were back to a place in 2012 where we had a surplus budget and could have finished the earlier promised K-12 funding, but instead of doing that, the legislature completely ignored that and spent the money instead on tax-reduction.

As the revenues shrank, revenues failed to meet the projections. When the tax cuts ended up delivering even less than was projected, and they initially were projected to be not as severe and difficult because those who sold the policy of reducing taxes sold it on the basis that we could expect growth as a result of the tax decrease. The tax decrease would be stimulative to the economy, we were promised. There'd be more growth in business, there'd be more hiring, there'd be more people moving to Kansas, and thus more tax revenue through the consumption taxes and more people working, and, of course, those claims, those promises didn't turn out to work at all so there were big disappointments on the revenue side.

What was good about that time, I think maybe I had mentioned Gov. Brownback's interest in ag and his interest in water. I support doing what you can with limited resources. There was really good planning done and some meaningful, mostly voluntary efforts done on water resources and water conservation. The legislature and the governor had a hand in that and probably deserve some credit. That's good and there's some credit due.

Our KPERS, our employees retirement system became a prominent issue, and the legislature went to work on that. That work started in 2012 and continued. There were some political differences on a fix, and we desperately needed to decrease our actuarially unfunded liability. Basically, we weren't putting enough into the system, and over time the risk to the system and the demands to the system were growing. They grew partly because the retirees were living longer and drawing more out of the system than what had historically been the case or what had historically been projected. The market risk after the set-backs that the stock market took in 2000 and then again in 2008\ 2009 caused us to question whether we could expect the kind of returns that historically we had had

and that were projected. There was about 8% return on our annual assets. That had to be revisited and it was.

The Governor actually favored a complete change from a defined benefit plan to a defined contribution plan. That's where most of business is going. That was seriously studied and considered, and ultimately it was rejected by the Legislature, too expensive to implement initially. I was actually on the pensions committee that came up with a plan called a hybrid plan. It would increase the amount the employer, which would be the state, the county, the school district, or whoever the employer might be to public employees in Kansas that are part of the KPERS system, guarantees a benefit, a benefit that is modestly below what the current benefit had been. Over a period of 15 years, we will substantially resolve the problem we had with our unfunded liability. So that is an example of when we ended up not doing what the Governor preferred. He did play a role in that and our conservative Republican legislature was part of that. You're at a

point where you had to do something, and we were at that point.

Having said that, we got more and more into trouble with the budget. In the last year just a couple of things were done, one of which was issuing pension bonds; basically borrowing money and investing it in the KPERS pool, and as we sit here, that's worked out pretty well. It had been done once before, and the time it was done before was in Gov. Sebelius's administration. I supported it then; I didn't support the most recent borrowing. But when interest rates are so so low as they had been, you can sell bonds and pay an interest rate of maybe two or three percent. You invest that and anything that's made over that, actually closer to four percent, when you include the cost of issuing the bonds, if you make 5 or 6%, or anything above 4, theoretically, you're ahead of the game. So, only over time do you really know if that's been a good plan or not. But that's something that has been done, and hopefully it will work out.

The other thing that's more problematic and distressing for me is that the state general fund has borrowed money from KPERS and/or has delayed payments into KPERS to spare state general fund resources, and that's very perilous, and Governor Brownback and the legislature have done that over the last 3 or 4 years again because they could, and they weren't going to raise taxes. So we've ended up basically running government on a credit card, borrowing money from KPERS and sweeping money from agencies. I am a pharmacist. I pay a license fee to the state board of pharmacy as all pharmacies and pharmacists do. That's a fee-funded agency, and there are many many of those in Kansas. As part of the last budget cycle there was \$700,000 swept from the pharmacy fee fund just as one example. That's something that it takes a law to do. During the current legislature, they've begun to address that, creating or working to creating laws that prohibit that, that is, sweeping funds from agencies.

I've sort of lumped the post 2012 into 2014 notable because Gov. Brownback stood for re-election. There was a very credible Democrat challenger in Paul Davis who had been House minority leader. He was elected to the legislature in 2002. He and I were classmates. I consider Paul as a good friend, as well as Jill

Docking who was his running mate. Governor Brownback ended up winning that election. He was pretty consistently behind in most of the polls. That election was about turn-out as often-times elections are. That Republicans did a better job of turning people out to the polls. A lot of Democrats who had voted in previous elections didn't so much turn out. Coincidentally, that election cycle Senator Roberts was up for election. He was being challenged by an independent, Greg Orman, as well as there was a Democrat, Chad Taylor. That was interesting because the Democrat basically dropped out after the primary, and Greg Orman had a strong campaign, and he was shown in early polls as winning that challenge over Pat Roberts.

About a month before the election, the Republican party and probably, more so, other interest groups that favored the more conservative incumbent candidate really focused on Kansas. There was a lot of money from outside Kansas that flowed in and it was focused on turning out the Roberts supporters. Of course, Roberts ended up winning fairly handily which was a big turn-around from what polls six weeks earlier had shown. There's no doubt that turn-out effort made a big difference in getting Governor Brownback more support than he might not have had. Gov. Brownback won, but it was a close election.

With no opponent in 2014, we made some additional changes in my campaign. I've historically had at least one or two challengers. Actually in 2014 I didn't have an opponent. Bill Ballard challenged me in 2012. Mike Dorsey challenged me in 2010. Then I've had several Republican challengers. The most notable was Barbara Nichols who ran against me in the primary in 2010. She was well-resourced. She had the support of Americans for Prosperity and had the support of the pro-life folks and some resources and Barbara really worked hard in that campaign. Barbara passed away. She had lived in Nebraska. She was originally from here, but when she lived up there she had run for office in Nebraska and had come close to defeating the incumbent. I believe they call them Senators up there even though they have a unicameral legislature.

I was probably as busy in 2014 as I had been if I had run my own election. I was

involved in other campaigns. I was mentoring candidates, helping folks, some of whom were running for reelection, and a number of whom were running for the first time. Those efforts were worthwhile. I had a lot of success. We were protecting or working to protect incumbent moderates. We were completely successful for people who were being challenged in primaries. We also had success in the general election picking up wins state-wide.

**April 13, 2017, interview with Don Hill, former Kansas House of Representatives member from the 60th District, conducted by Jan Huston**

JH: Last week we discussed the growing power of the conservative Republicans in the state legislature and their struggles to live within the constrictions of the 2012 tax reduction bill. You also detailed your unopposed run for your seat in 2014 which enabled you to mentor other moderate Republicans who would soon enter the legislature.

DH: 2014 saw more of the same following Governor Brownback's reelection in the state of Kansas. The Speaker of the House had been Ray Merrick who was seeking reelection. Discussion among moderates who were seeing their numbers increasing provoked thought that there might be a challenge possible to Merrick's position. There were 98 Republicans in the legislature at that time, very evenly split between conservatives and moderates. Moderates would need a solid 50 to gain back the Speaker's position. The decision was to play nice for a while longer and just support Merrick. Instead, a challenge came from the right. The "Just Say No" group sponsored by the national Freedom Caucus encouraged seeking an even more conservative Speaker. Merrick had been reaching out to moderates saying he'd be more inclusive after denying moderates chairmanships or vice-chairmanships in 2013.

Merrick did retain his Speakership in 2015, and did live up to his promises to moderates. I was appointed to the appropriations committee, a good new

experience. I was also appointed back on pensions, and the insurance and finance committees. I had been taken off of the health committee in 2013 and was now back on that committee. An issue before that committee was that the Supreme Court said states could not be mandated to expand Medicaid (Kan Care). I advocated it strongly, differing with Merrick and Susan Wagle who were blocking hearings and any consideration of Medicaid Expansion.

During the 2015 session conservatives were being pressured by the health-care alliance of the Kansas Association of Medically Underserved, AARP, Kansas Hospital Association, and the Kansas Medical Society - all advocates for Medicaid Expansion. During Kansas House Health committee meetings in 2015, I continued working to encourage the health committee to have a vote on the issue. I may have been a pain in the patoozy. KanCare, a Kansas answer to containing Medicaid Expansion, continued in this state.

The session wrapped up that year as a historically long session. Notably, they did away with historic school funding, putting in place block grants. This decision was rushed through by those supportive of the Governor. Since then, the block grants have been challenged and determined unconstitutional. Frustrated, hopeless, helpless, I saw this policy as wrong, but I'd seen enough of these policies that I had become hardened, numb. Behind the scenes, I continued to work with school funding advocates.

As House members were readying to return to the legislature in 2016, I received a call from the Speaker of the House Merrick telling me he was being removed from the health committee along with vice-chair Susan Concannon and physician Barbara Bollier, three health-care professionals. The obvious ramifications of the Speaker's move made state-wide news. I was also removed from the appropriations committee. Initially, I felt angry, but I got over it. In the end, this move by the Speaker gave the Medicaid Expansion cause great attention. We would never have found the votes to move the state toward Medicaid Expansion, but our removal from the health committee was so obviously political that it gave our cause great attention. Negative press spewed from the public toward the

Speaker. His motive was that he felt we were not "on the team" and were a source of aggravation, needing to be squelched.

There might have been some regret afterwards on the part of the Speaker's allies. Dan Hawkins, Health Committee chair maintained respect for the three removed from the committee. Appropriations Chairman Ron Ryckman, Jr., apologized and thought the move was regrettable. Ryckman was not an ideologue, but a man with some perspective. He had been one of many who were appointed to committee chairmanships with little experience, sometimes serving double duty just to keep conservatives in power and moderates at bay. As numbers changed in the next election, more moderates were elected and twelve Democrats were elected in the House.

The pendulum is swinging. I survived fourteen years in the state legislature, experiencing a balance between fulfillment and frustration. Doing such public service work takes commitment and some sacrifice. Fulfillment has won the day!

I filed for reelection in the fall of 2015 for the 2016 election which would have been for my eighth term. When I first ran for the House in 2002, my frame of mind was that I would like to serve for ten years, so I had obviously gone past that timeframe. I do not believe in term limits, but I do believe turnover is healthy. In Kansas the average tenure of a legislator is between 7 and 8 years. I was prepared to run in 2016 and excited by the number of new, exceptionally talented moderate Republicans who were elected in 2014. We were also having good success in recruiting candidates for the 2016 cycle. Things were looking better for sure, and I was confident in prospects for the future. Having said that, I also knew that a turn-around would not be accomplished in just a couple of years. My wife, Robbie, and I had a conversation in February during the 2016 session. I was ready, willing, and able to run and serve another term. I was also ready, and Robbie agreed, to retire if I could find a successor v l  
I was excited about. I then purposely reached out to three friends who, over the years, had made known their possible interest in running for the House. Within a couple of weeks, I visited with Mark and Angie Schreiber, and soon after that

Mark shared that he was interested in running if I decided to retire. In early May, I withdrew my name from the ballot, and Mark filed to run. I am excited and believe he will be an exceptional legislator.

Since my retirement, I have been blessed to have new opportunities. I have been engaged as a consultant and advisor on health policy and leadership by the Sunflower Foundation. I have also started service as a member of the Board of Directors of the Kansas Health Foundation. In the 2018 session, I was retained by Emporia State University as the Government Relations Liaison. This is a part-time contract position which I have really enjoyed, and I believe has been a good fit.

I will be forever grateful to Robbie and our family, to my staff at the pharmacy, to my friends and constituents in the 60<sup>th</sup> District and to my colleagues in service to Kansas. I have been blessed!