All of Kansas: Building the Rural Kansas Economy
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As I’ve travelled through Kansas, I’ve been impressed by the lengths that individuals throughout the state have gone to keep their communities together. Despite decades long trends of Kansans leaving rural parts of the state, there is a deep sense of pride in our heritage and a willingness to work hard to preserve it. The state of Kansas needs to support these community based efforts with a real plan for ensuring that all of Kansas thrives.

The success of rural Kansas is critical to the whole state. Many of the individuals who provide the leadership for our businesses and institutions throughout Kansas learned the value of hard work on the farms and the small businesses of rural Kansas. Without their efforts, the Kansas economy would sputter.

Rural Kansas is the backbone of our economy. 47% of our economy is agriculture based which is led by our rural communities. Many of our manufacturing plants are also located in rural Kansas. Driven by the work ethic and commitment to community that rural Kansans exhibit, many of these manufacturing companies have thrived. Rural Kansas has also been a champion of the family culture in Kansas, offering an unmatched quality of life to our citizens.

“All too often the voice of rural Kansas has been drowned out in Topeka. When I announced my running mate, Sen John Doll from Garden City, I made it clear that rural Kansas would be fully represented in an Orman/Doll Administration. Focusing on the success of rural Kansas has been my promise from Day 1 and will remain so for as long as I am lucky enough to serve.

Unfortunately, parts of rural Kansas have struggled in recent years. As the price of grain has dropped, costs, including property taxes, have increased. This is a classic cost-price squeeze that threatens agribusiness in Kansas, particularly Kansans focused on production agriculture.
We’ve also seen a significant out-migration of people. Between 1960 and 2016, the population of rural counties in Kansas (6 to 19.9 persons per square mile) decreased by 22.2 percent (66,046) and the population of frontier counties (less than 6 persons per square mile) decreased by 41.1 percent (75,705). Kansas has more frontier counties, by US Census Bureau definition, today than it did at the end of the nineteenth century. More recently, between 2000 and 2016, 82 of the 105 counties in Kansas, most of them rural, experienced a loss of population. This migration is threatening the financial stability of rural areas as it becomes increasingly difficult to sustain basic services as population levels drop.

These problems will not be solved by merely defaulting to the typical political “fixes” of tax cuts and subsidies which are very blunt instruments. Nor will they be fixed by career politicians focused only on creating solutions with urban areas in mind and then just extending them to rural Kansas. They also won’t be solved exclusively with coffee shops and artist lofts. Rural Kansas needs – and deserves – a focused strategy to complement the efforts of its citizens.

That strategy includes:

- Expanding markets and opportunities for agriculture, including the development of “internal” markets for our products
- Investing in the infrastructure necessary for Western and rural Kansas to thrive
- Building the tools to allow the digital economy to thrive throughout Kansas
- Creating strategies to mitigate and reverse population decline
- Leveraging technology to preserve rural Kansas

For Kansas to prosper, all of Kansas needs to succeed!

My Plan
If we are to succeed economically as a state, we need to support economic development in rural Kansas and to do that, we also need to improve basic services to protect the way of life there. Many of our statewide plans related to Healthcare and Education will lead to positive results for rural Kansas, as we support our critical access and regional hospitals and invest in public education.

The plan that follows is specific to rural Kansas with the goal of allowing rural Kansans to prosper in our changing economy while also maintaining the quality of life and values that make it unique.
Expanding Markets and Opportunities for Kansas Agriculture

We must support farmers in the production of industrial hemp which uses half the water of other crops at four times the profit. The legislature made substantial progress in launching a pilot program. However, market opportunities in industrial hemp will be lost if we continue to drag our feet. We need to pass enabling legislation immediately that ensures there are no barriers in state law to the production of industrial hemp as soon as the federal prohibition is repealed. In addition to the reduced water usage, industrial hemp offers further benefit because it must be processed for oil extraction and fiber within a couple days of harvest, so processing must take place close to the field. Kansas farmers will only realize the available opportunities if we aggressively commercialize the industrial hemp industry immediately.

Kansas State University is the nation’s leading authority in value-added agricultural processing technologies. Kansas must be at the cutting edge of finding new and innovative processing applications for beef, wheat, sorghum, corn and soy. To take advantage of the processing opportunities with hemp and other value-added agriculture, we have proposed a new financing mechanism targeted specifically at value-added agriculture. This will effectively create an “internal” market for our production agriculture products, which should lead to an increase in the local price for grain. A slight increase in the local commodity price basis can make the difference between a profitable and unprofitable year for Kansas farm and ranch families. The financing mechanism will rely on this increase in local profitability as a contributor to repaying the debt related to installing new processing capacity.
We have also proposed entering into local regulatory compacts with local divisions of government to ensure that the permitting and regulatory process does not put Kansas at a competitive disadvantage to other states. These compacts would require local governmental bodies to agree to a streamlined regulatory process in order to receive certain state aid. The goal is to make sure investments in processing capacity become financially viable as soon as it becomes practical.

We must focus on developing new markets for our agricultural products with support from the Kansas Department of Commerce led by Lt. Gov. Doll. Agriculture is the economic engine for the State of Kansas. The agricultural economy is inherently commodity-based, susceptible to the whims of global market trends and changes in trade policy. While we cannot totally insulate ourselves from these forces, Kansas can take a leadership role in influencing policy that affects commodity prices. Kansas must advocate for free market positions that open and expand export opportunities. As Governor, I will see that Kansas is at the forefront of any trade policy debate. We cannot allow Washington DC to continue to make decisions that hurt our farmers and ranchers. The Orman-Doll administration will demand results from the Kansas Congressional delegation, and we won’t be shy in voicing our opinions on the national stage. We still start by fighting against the trade war with China and fighting for a Cuban trade deal.

The Kansas Department of Commerce must identify emerging market opportunities for agriculture. This role is not just limited to raw commodity exports. We don’t just export beef, wheat, sorghum, corn and soy. We can export all those products that can be made from beef, wheat, sorghum, corn and soy. Finding new trade opportunities overseas for value-added agricultural products is critical to the future of the Kansas economy.

Additionally, the Kansas Department of Commerce, assisted by Board of Regents institutions, must provide technical assistance in accommodating export opportunities. There’s more than a little red-tape involved in moving products all over the world. Smaller businesses need help in managing the complicated compliance requirements. The mission of Kansas farmers is, quite simply, to feed the planet. Burdensome import-export regulations will not deter us from that purpose. Kansas agriculture can and will compete globally.
Investing in the Infrastructure Necessary for Western and Rural Kansas to Thrive

The Ogallala Aquifer is our most economically valuable resource. For Western Kansas to thrive long term, we need to preserve that resource. As I’ve travelled through Western Kansas, every water rights owner that I’ve spoken with has indicated a willingness to curtail their water usage as part of a collaborative plan. While the Brownback administration made progress with the development of the 50-year water plan, implementation of that plan was incomplete.

We need to bring together all the stakeholders, including water rights owners, and develop a collaborative plan for preserving the Ogallala Aquifer. To be successful that plan will require innovation, funding, and shared sacrifice. The state of Kansas should be prepared to lead by providing farmers with incentives for conservation measures, including loan guarantees for farmers who voluntarily adopt best practices and deploy updated irrigation and control technologies. As Governor, I will also have the Kansas Department of Agriculture and the Cooperative Extension Service at Kansas State University continue to identify and promote low water usage crops.

We will invest in our roads and bridges to make sure our farmers can get their products to market efficiently. Kansas is in a unique position. We are at the geographic center of the lower 48 states. We should be able to ship our products efficiently to anywhere in the United States, including the ports from which we export our products across the world. We need to make sure that we aren’t squandering that advantage by not investing in our own infrastructure. We have proposed an additional $80 million annually to our road maintenance and construction needs.
We need to support the development of new technologies such as precision agriculture. Technology and innovation are revolutionizing agriculture and making it more efficient and productive at an amazing rate. Areas such as precision agriculture that can combine robotics, remote sensor technology and artificial intelligence to perfectly customize the water and nutrients that every parcel of land receives has the potential to further improve performance dramatically for years to come. Given the dominance of Kansas in agriculture, it makes sense that there will be technologies such as this where Kansas has the potential to become a global industry leader in improving agriculture far beyond the confines of the state. The Cooperative Extension Service at Kansas State University must become a clearinghouse for training and technical assistance in utilizing new field management technologies.

**Building the Tools that Allow the Digital Economy to Thrive Throughout Kansas**

The digital economy offers a unique opportunity for rural Kansas since it opens the door for work to be performed remotely. Individuals who want the lifestyle of Western and rural Kansas, but want to take advantage of the growing digital economy should be able to do that. We need to ensure that we are fully equipped to take advantage of this opportunity and encourage new businesses in these areas. If we do that, given the low cost of living and the high quality of life in rural Kansas, we have the potential to become an alternative choice for people in the digital economy.

To do this, I am proposing the following:

**First, we must build our rural fiber hub network.** Connectivity is the absolute core foundational element of successfully operating in the digital economy. We must ensure that we have the fiber network in rural Kansas in place that current and new industries alike there can use to build their businesses. I want every Kansan to live within 40 miles of a high-speed fiber hub. We can leverage the funds available in the Universal Service Fund and its e-Rate program to help facilitate the buildout of the rural fiber network in Kansas. Coupling fiber hubs with other high-speed technologies, such as microwave and wireless transmitters, we can also provide in-fill service to the rest of Kansas.

**We must support the development of co-working centers.** As the digital economy has accelerated, co-working facilities that house and incubate new businesses have grown rapidly across most major cities in the United States. Pittsburg State recently included a co-working facility in its new Block 22 development. These centers allow entrepreneurs to tap into resources and expertise that can help them accelerate the growth of their businesses. They promote collaboration by bringing together different disciplines, for example, app developers, video companies, and coders. Helping facilitate the development of these centers in areas served directly by our high-speed fiber network will be a critical enabler to supporting the creation of 21st century digital jobs.
We will also develop a collaborative capital network to invest in Kansas companies. This is something we announced as part of our Economic Development Plan, and it applies equally to rural opportunities. Historically, start-up businesses looking for venture capital have had to look outside of Kansas to get funded. When they approached venture capitalists in Boston, New York, and San Francisco, funding came with strings. The companies had to leave Kansas to be closer to the venture capitalists. By building our own collaborative capital network in Kansas, we will be able to keep those companies and jobs in our community.

Finally, we will create rural opportunity challenges to reward innovation. Business innovation challenges that encourage and reward compelling new concepts have been becoming more prevalent in urban areas across the country. There is no reason why these challenges must be in the sole domain of cities. By encouraging the development of new innovations across Kansas, we could become the catalyst for Kansas developing an innovation economy.

Creating Strategies to Mitigate and Reverse Our Population Decline

Expanding value-added agriculture and helping build the infrastructure to allow Western and rural Kansas to participate in the digital economy will help address population decline. To fully answer these declines, however, we need to go further.

In several western communities, jobs go unfilled simply because there’s no place to live. The existing housing stock is aging, and there’s not enough new construction to meet the demand. This is more than a rural housing shortage, it’s a rural housing crisis. Rural Kansas must quickly address housing issues or else emerging economic development opportunities will be lost. New housing construction will stimulate local economies in the short term, and accommodate regional economic growth in the long term.

To encourage and support housing development in rural Kansas, we propose the following:

We need to expand the availability of low-income housing tax credits for rural communities. On an annual basis, the State of Kansas loses more affordable rural housing units than it creates. As Governor, I will see that the Kansas Housing Resource Corporation will increase the availability of Low-Income Housing Tax Credits set aside for affordable rural housing construction and rehabilitation. Additionally, a new set aside for Farm Labor Housing projects will be incorporated into the future tax credit allocation plan.

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There is also very little new construction in rural Kansas for single family homes. The existing housing stock is aging, and relocating firms complain about the lack of single-family housing opportunity. Rural Housing Improvement Districts are an invaluable tool in incentivizing new construction. However, transactional expense make the program cost prohibitive for smaller projects. The Kansas Housing Resource Corporation must create a grant program for rural municipalities to encourage new development. Additionally, the Moderate Income Housing Program needs to be expanded with additional loan and guarantee programs for rural counties.

The Kansas Board of Regents has some the nation’s finest architecture, city planning and construction management academic programs. These programs offer some community outreach but they could do so much more. Faculty, staff and graduate students must become a resource in supporting housing development, community development and city planning programs for rural communities.

**We need to create programs for workforce housing.** The oilfields of rural Kansas face challenges in meeting workforce housing needs. During the development of the Mississippian Lime play in the past decade, oilfield workers were commuting from as far away as Oklahoma City due to the lack of temporary housing opportunities. Workforce housing is generally a short-term need for companies making a long-term investment. The Kansas Department of Commerce needs to evaluate this problem and develop a strategy to make more temporary housing available.

**We need to create better pathways for technical and career education.** In my Economic Development Plan, we laid out a plan for making it easier for high school graduates to earn certificates for various skills. Students that get technical degrees tend to get jobs within fifty miles of the school they attend. This is not only a strategy to deal with workforce needs, but also to retain young adults in Western and Rural Kansas.

**Finally, we can’t drive our immigrant communities out of Kansas.** Immigrants make up 9% of the Kansas workforce. Many of our industries are absolutely dependent on immigrant labor. If we pursue policies that are hostile to immigrants, we run the risk of destabilizing those industries. This is particularly an issue for our feedlots, dairies, service industry, and manufacturing. Policies hostile to immigrants will only increase population decline in Western and rural Kansas, destroy the Western Kansas economy, and lead to significant reductions in the tax base throughout the state.
Preserve and Protect the Rural Quality of Life

If we cannot sustain and improve the quality of life in rural Kansas, then we will not have the workforce needed to capture the economic development opportunities that it has before it. We need to create solutions in a number of areas ranging from fixing rural infrastructure to exploring new technologies to support the efficient delivery of basic services such as education and healthcare. By doing this, we can ensure that rural Kansas never has to forego opportunities for lack of talent to pursue them. It is critical that we ensure rural Kansans get the services they need for their quality of life.

We need to encourage innovation in rural healthcare by leveraging new technologies such as telemedicine. Many critical access hospitals don’t have access to the full range of medical professionals that they need. By incorporating telemedicine, they can offer their patients a more complete service and eliminate the need for time consuming trips to other facilities. The state of Kansas can help lead the adoption of these technologies by ensuring that telemedicine is fully reimbursed for Medicaid eligible interventions and within the State of Kansas health plans.
Distance learning should also be encouraged to broaden the curriculum available to rural students. As an example, many school districts aren’t able to offer the full range of AP programs. Students who excel in school shouldn’t be limited in their progress by where they live. As Governor, I will incent school districts to participate in a distance learning consortium so that any school in Kansas can offer the full range of curriculum that’s available to kids in other parts of the state.

We should also level the playing field between urban and rural areas of our state in the distribution of economic development dollars. There is tremendous waste in the costly “border war” for jobs and businesses along the Kansas-Missouri border in the Kansas City metropolitan area. This is a zero sum game where businesses cross back and forth across the state line to collect incentives without creating any real economic growth. Those economic dollars would be better spent relocating businesses to rural communities. The Hall Family Foundation estimates that for every net new job created in the Kansas City area we pay $301,000. This is absolutely unacceptable. As Governor, I will see that this can and will change. Economic development policy for Kansas must serve the interests of the entire state, from Johnson County to Johnson City, from Bird City to Baxter Springs.

Rural Kansas is part of what makes Kansas a great place to live and raise a family. In rural Kansas, you know your neighbors and can fully participate in building your community. You can enjoy nature and hunt and fish when you want. Your kids can ride their bikes in the neighborhood. In short, rural Kansas is a treasure that offers people the ability to build a special life for themselves and their families. In addition, rural Kansas is a major economic engine for the state. Unfortunately, rural Kansas has also seen significant displacement in recent years which has helped cause population migration and put stress on the delivery of the basic services that it needs to support the way of life there. Luckily, that does not need to be the case. I firmly believe that, with the right plan and leadership, we can build new industries in Western and rural Kansas to compete in the digital age, while also accelerating growth of our traditional industries.

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