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& ASSOCIATES

LEGISLATIVE REPORT



KANSAS LEGISLATIVE REPORT

MARCH 15, 2019

OVERVIEW

This week saw significant activity under the dome as the regular session nears its end. Committees met throughout the week to hold hearings and work bills. The remaining days of regular session are scheduled in stages. Next week is the last week committees will meet to consider approving bills. The last week of March is dedicated to action on the House and Senate floor while the first week of April is set for conference committees.

The Senate and House moved closer to forming their budget positions. The House Appropriations Committee and the Senate Ways & Means Committee both started discussions on their budget bills that will eventually be worked on the House and Senate floor, respectively. Once both budgets pass, the committee leaders will meet in conference committee to negotiate the differences.

CONFIRMATION HEARINGS

The Senate voted 40-0 this week to confirm Governor Laura Kelly's appointment of Dr. Lee Norman as Kansas Secretary of Health and Environment. Norman is the first Cabinet secretary confirmed in the Kelly administration.

The confirmation hearing of Mark Burghart- Secretary, Department of Revenue was Thursday in the Senate Assessment and Taxation Committee. Next Monday, Julie Lorenz will have her confirmation hearing in Senate Transportation. And Wednesday will be the confirmation hearing of David Toland – Commerce Secretary in Senate Commerce Committee.

SENATE CONCURS WITH TAX BILL

Tax policy moves further down the road with the Senate taking action on SB 22, which is the revised tax package passed by the House last week. On Thursday, the Senate considered a motion to concur on the House bill, which now includes the original language from the Federal Tax bill, reduced food sales tax from 6.5% to 5.5% on October 1, and an internet sales tax component to be applied to online vendors with at least \$100,000 of annual in-state sales. The Senate concurred on the bill 24-16. This sends SB 22 to Governor Kelly's desk where there is speculation she may veto the bill.

SCHOOL FINANCE PASSES SENATE

School finance generated discussion with the Senate's consideration of SB 142 on the floor. This bill is one half of Governor Kelly's recommendation for school finance. SB 142 only addresses the inflation issue, which adds \$360M of total new money to school finance over the next four school years. The Senate ultimately passed the bill on a bipartisan vote of 32-8, sending the bill to the House. The House K-12 Budget Committee is scheduled to spend four days next week on its own education bill (HB 2395).

MEDICAID APPROPRIATION REMOVED

The House Appropriations Committee the upcoming fiscal year \$14.2 million in state funds and \$409 million in estimated federal funds for expansion of Medicaid in Kansas. The Senate Ways and Means Committee also removed the \$14.2 and shifted the funds to pay medical doctors in the KanCare program.

REPAYMENT OF KPERS SIGNED BY GOVERNOR

SB 9, known as the KPERS Repayment that would repay KPERS payments delayed from 2016 in the amount of \$115 million was sent to the Governor. The Governor has signed the bill, thus taking the amortization issue off the table.

TRANSPORTATION PLAN BILLS HEARD

The first of many transportation task force recommendation bills were passed by Senate Transportation this week. SB192, which would authorize the secretary of transportation to designate toll projects on new and existing highways and changing fully funded tolling projects to being funded by a portion of tolling was passed out of Committee on Friday. On Tuesday, the Senate Transportation Committee heard SB189, which would add fees on electric and hybrid vehicles and in Senate Ways and Means, they heard the transportation planning bill, SB186, as well as address funding for for transportation in FY2020 in the subcommittee.

On the House side, the House Taxation Committee heard two fuel tax increase bills – one for three cents and one for six cents. They will also heard the bill to add fees for electric and hybrid vehicles; a bill to allow counties to plan for construction of a road or improvement of a bridge and utilize local ad valorem tax reduction for the approved projects; a bill to increase fees for oversize vehicles; and a bill that would allow cities and counties to spend increased property tax revenues on expenses relating to transportation projects without requiring a resolution to be approved by an election.

The KC Chamber testified in favor of SB186 last week in Senate Ways and Means. They will be doing the same for the House bill this week in House Transportation.

AO-K CAREER PATHWAY PASSES SENATE

SB 199 would establish the AO-K to Work Program and will be heard in the House Education Committee this week. The bill would require KBOR to award a Kansas high school equivalency credential to any qualified student who is recommended and approved to participate in an AO-K career pathway approved by KBOR for college credit and meets other KBOR requirements. The KC Chamber plans on testifying in support of this bill this week.

QUESTIONS?

If you have questions or need additional information, please contact me at:
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