



LEGISLATIVE REPORT



GREATER KANSAS CITY CHAMBER

MARCH 19, 2020

OVERVIEW

The Kansas Legislature has adjourned until April 27. In order to protect legislators, legislative staff and stakeholders, the April 3 regular session adjournment date was expedited by almost three weeks. A handful of committees met on Monday to recommend bills before they were cancelled for the rest of the week to limit large group meetings to just session floor debates.

The primary focus of the Senate and House was to pass their budget bill. Once the Senate passed its version in SB 386, the Budget Conference Committee met several times to negotiate the differences between the two versions. On Thursday, the Senate and House voted to approve the final compromise version of the budget in SB66, that will now go to Governor Kelly's desk. A handful of budget items will still be discussed when legislators return next month.

The Veto Session schedule will be very fluid, as well as committee rules. There is speculation committees may be able to meet when the Legislature returns, which logistically keeps many bills and issues alive.

COVID-19 UPDATE

Governor Laura Kelly and many local jurisdictions have established Executive Orders this week in response to the concerns of the coronavirus. Governor Kelly began by declaring a state of local disaster emergency until March 12. The legislature has passed a resolution to extend the declaration until May 1 and can be extended by a vote of the Finance Council or LCC if the legislature is not in session.

Other Executive Orders prohibits gatherings of 50 or more; suspending disconnects for utilities and internet; suspending the initiation of mortgages foreclosure efforts and commercial and residential property evictions; and suspending operations of schools for the school year ending May 29. Here is a link to the orders: <https://governor.kansas.gov/newsroom/executive-orders/>

Governor Kelly also announced that beginning on Monday, most state employees would be put on paid leave for two weeks in an effort to help contain the spread of the virus. The governor's order applies only to agencies under her control, such as the Kansas Department for Children and Families and the Department of Administration. Cabinet agency heads, boards, and commissions will identify which employees can work remotely and which need to be put on administrative leave.

The House and Senate passed and the Governor signed an extension of unemployment benefits from 16 to 26 weeks. She also signed a bill to protect judicial branch staff from exposure to the coronavirus and adjusted school funding in light of school's being closed for the rest of the year.

EISENHOWER LEGACY KANSAS TRANSPORTATION PLAN

As previously noted, the Senate passed SB 375, known as KDOT's Forward Transportation Bill, 37-2. The House passed its version (SB 173) 103-16. The bills' biggest differences included alternative delivery, project distribution and the name of the new program. The conference committee met several times to negotiate the differences and ultimately agreed to a version that was approved by the Senate and House.

The negotiated version of SB 173 names the new program the "Eisenhower Legacy Transportation Program" with language to say "alternative delivery may be used on three projects utilizing toll revenues for construction and maintenance of the project. One project utilizing toll revenues may be let to construction once every three years and not more than 3% of dollars spent in Eisenhower Legacy Transportation Program transportation program shall be used for alternative delivery" but allows an additional 2% starting in 2023. The language also stipulates "any project utilizing alternative delivery shall equal or exceed \$100,000,000 in costs." The bill is on its way to the Governor. The budget that was passed also funds the plan at the Governor's recommendation plus an extra \$25 million.

SCR1601, a constitutional amendment that would prevent transfers and limit expenditures from the state highway fund to fund only items listed in the amendment, was worked in the Senate Transportation Committee, but not recommended for passage.

MEDICAID EXPANSION

Medicaid Expansion is still on the minds of many legislators but the lost momentum from earlier in the session and condensed session schedule's impact from COVID-19 offers narrow chances of passage this year. The \$17.5 million in the budget allocated from Medicaid expansion to the Coronavirus Prevention Fund of the State Finance Council if Medicaid expansion is not passed into law.

WORKFORCE AND ECONOMIC DEVELOPMENT

The workforce development and economic development bills below are in various states of passage, and presumably, will be available to work at veto session. None have been sent to the Governor.

- HB 2506, which allows new Kansas residents or military spouses who are licensed in another state to have their license be transferred to Kansas.
- HB2507, which will expand work-based learning programs for all Kansas high school students by protecting employers and business from liability when hosting students for work-based learning programs.
- HB 2496, which authorizes court services officers and community corrections officers to provide a certification of identification to offenders will be heard in Senate Judiciary next week.
- HB2529 would extend the STAR Bonds program and make reforms to the program. The bill will be worked in House Commerce on Wednesday. A proviso has been placed in the budget to extend STAR Bonds, if not worked during veto, to June 30, 2021.
- HB 2702, which would decouple the KIT and KIR workforce training programs from the high-performance incentive fund program (HPIP) and enhancing the workforce training tax credit.
- HB2689, which would extend the angel investor tax credits another 5 years.
- SB255, which would provide \$10 million for the University of Kansas Medical Center Cancer Center Research Fund. \$5 million was added to the budget, but will lapse if SB255 passes.
- SB492, which would allow utilities to develop energy efficiency plans.
- Tax bills, such as internet sales, digital goods, decoupling or net operating loss extension

Until Veto Session, stay safe and healthy!

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