



KANSAS LEGISLATIVE UPDATE



Week of January 8th, 2024

The Kansas Legislature reconvened for the 2024 session this Monday with both chambers passing resolutions in support of Israel. Most committees were canceled Tuesday because of the weather, and Wednesday many committees met to review legislation that was left from last year. The Governor also gave her annual State of the State address and Thursday her office released the 2024 Governor's Budget. As Monday is Martin Luther King Jr. Day, the Legislature will be back in session on Tuesday, January 16th.

Governor Kelly's Tax Plan

As you may remember, last session the Legislature tried to pass a "flat tax" plan that would create a single income tax rate of 5.15%. The Governor vetoed that 2023 legislation and the Legislature failed to override her veto. During the summer Republican leadership traveled across the state to discuss their "single-payer rate" tax proposal and declared the tax policy as their number one issue for the 2024 session

Monday, before the House and Senate gave in for the 2024 session, Governor Kelly gave a press conference to release her bipartisan tax plan. The Governor was joined by many Democrat state representatives and senators and was notably joined by two Republican and one Independent senators. The group also released a joint op-ed which you can see linked here: <https://www.kansascity.com/article283972128.html>.

The Governor's tax proposal includes the following:

- Increase the standard deduction for single Kansans from \$3,500 to \$5,000 and married filing jointly from \$8,000 to \$10,000
- Exempt the first \$100,00 in property taxes
- Eliminate the state income taxes on Social Security
- Eliminate the state's sales tax on groceries
- Introduces a four-day back to school sales tax holiday every August
 - This would be for school supplies, computers, and clothing
- Doubles the child and dependent care tax credit

The KC Chamber/KC Civic Council will continue to follow the tax policy debates and keep you informed as they move through the process.

Governor Kelly's Sixth State of the State Address

Governor Kelly delivered her sixth State of the State Address to the Kansas Legislature on Wednesday. While she highlighted key items in her 2024 budget, she specifically focused on rural Kansas in her speech. She stated that "when rural Kansas is strong, Kansas is strong." She also called out two pieces of legislation that would be vetoed if they made it to her desk. The "single rate/flat tax" and school vouchers/school choice. She compared the flat tax to the Brownback tax plan from 2012 and stated she would once again veto the legislation. Vouchers were also called out as an automatic veto and the Governor warned that it would devastate K-12 schools and damage rural communities. She used the current situation in Arizona as a cautionary tale. Arizona adopted a flat

tax in 2021 and expanded school choice in 2022, they are now dealing with a \$900 million budget shortfall. The Governor also highlighted Medicaid expansion, state investment in early childhood, and water conservation.

To watch the Governor's speech in its entirety visit: <https://www.youtube.com/watch?v=jCygt4XeBCA&t=2s>

Speaker of the House Dan Hawkin's Response

As is tradition, the Republicans offered their response to the Governor's State of the State Address and Speaker Dan Hawkins delivered this year's response. Speaker Hawkins discussed what Republicans would be focusing on this session. The Speaker discussed cutting taxes to offer relief from inflation, guarding against Chinese espionage, and prioritizing K-12 schools. He also discussed Medicaid expansion and why he believes that it would increase welfare for able-bodied adults. Instead of expansion he said Republicans would work to create higher medical reimbursement rates, and work to eliminate wait times for disability services.

To watch Speaker Hawkin's response in its entirety visit: <https://www.youtube.com/watch?v=LG7j-wUJA18>

Governor's 2024 Budget

Following the Governor's State of the State, her budget was released on Thursday to a Joint House/Senate Budget Committee. Below are some highlights of the Governor's 2024 Budget:

Community Investment

- \$20 million for the upcoming World Cup to be hosted in greater Kansas City with impact throughout the state
- \$ 40 million in emergency housing to help address the homelessness crisis
- \$75 million to the KU Cancer Research Center

The **KC Chamber/KC Civic Council** are very pleased to see these three key 2024 legislative priorities being funded in the Governor's budget.

Tax Relief

- As discussed above, the Governor's tax proposal will provide \$439.5 million in direct savings to Kansas taxpayers in FY 2025.

Childcare

- \$56.4 million to fund coordinated efforts for child care and early education to ensure there are adequate available spots
- \$30.0 million for child care capacity accelerator grants

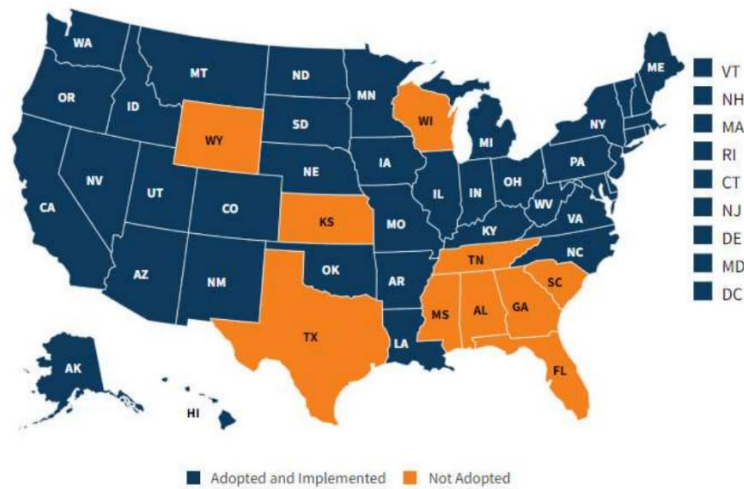
Education

- Fully funding K-12 at constitutional levels for the 6th year in a row
- \$3.0 million to expand the Mental Health Intervention Team Pilot Program to cover over 100 districts
- \$74.9 million each of the next five years to fully fund Special Education by FY'2029

Medicaid Expansion

- Expansion will include a hospital surcharge, this along with the federal dollars will make it revenue neutral.
- The proposal also includes a work requirement and will provide much needed mental health services.

Below are the current states that have expanded Medicaid and the ten who have not. The **KC Chamber/KC Civic Council** continue to have expansion as a top priority for the 2024 session. A recent survey shows around 80% of Kansas citizens favor Medicaid expansion and every state that borders Kansas has expanded Medicaid.



Hearings

The hearing schedule for next week is linked below. Reminder committees will not be meeting Monday.

House:

http://www.kslegislature.org/li/b2023_24/chamber/documents/daily_calendar_house_20240111134048.pdf

Senate:

http://www.kslegislature.org/li/b2023_24/chamber/documents/daily_calendar_senate_20240111164010.pdf

To view House/Senate Legislative Hearings please visit the Kansas Legislature's YouTube channel:

https://www.youtube.com/channel/UC_0NO-Pb96CFABvxDwXAq8A

Key Upcoming Dates

January 29th – Last Day for Individuals to request Bill drafts

February 5th – Last Day for Non-Exempt Committees to request bill drafts

February 7th – Last Day for Bill Introductions by Individuals

February 9th – Last Day for Non-Exempt Committee Bill Introductions

February 23rd – Turn Around (Last Day for Non-Exempt Bills in House of Origin)

March 28th – Last Day for Non-Exempt Bills in Either House

April 5th – Drop Dead Day – First Adjournment

April 29th – Veto Session Begins

KC Chamber Kansas State Affairs Committee Meeting February 16th, 12-1:15 p.m.

The University of Kansas Clinical Research Center

4350 Shawnee Mission Pkwy, Ste. 20 , Fairway KS 66205

Joining us this month: Senate Minority Leader Dinah Sykes and House Majority Leader Chris Croft