

This Week *in Topeka*

Overland Park Chamber

*Business, Economic Development & Local Government News
from the Legislative Session Week of February 25 – March 1, 2019*

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Week seven, marking the half-way point of the session, has drawn to a close with little fanfare. There've been only a few minor dustups over legislation, but perhaps that is a good thing. No one ever said we had to measure the success or failure of a session based on the volume of bills progressing through the system or the number of philosophical battles waged in committee and on the floor.

With that said, there is still quite a bit to be accomplished this year and not surprisingly most of it hinges on finances. It's been widely reported that the State of Kansas faces significant challenges. Our transportation system is in dire need of attention, our foster care and health care systems have struggled to protect our most vulnerable, our prison system faces serious challenges and education has lived with years of uncertainty.

Fixing these challenges will take time and money and figuring out how to prioritize the challenges while apportioning out the resources to address those challenges is on the top of everyone's mind in the capitol.

Look for the tone of things to change as the legislature moves closer to crafting a final budget and assessing the tax implications of that budget. With the number of challenges and a priority list that varies depending on your point of view it is clear there will be serious debates waiting for lawmakers when they return to action next Wednesday. Until then, lawmakers and statehouse regulars will enjoy the short break and relative calm.

Meanwhile, here's a brief roundup of a few key issues occupying lawmakers...

Economic Development Incentives (HB 2006) This is a bill that has been mentioned quite a bit in previous reports. After a lot of work with the bill's author, the committee chair and other stakeholders, a much-improved bill was advanced to the House floor where Wednesday, with a

unanimous vote, the bill was approved and sent to the Senate for their consideration. SB 204, addressing similar issues, was introduced late in the process and is cued up for its initial hearing next week. At present we are in full support of HB 2006 and will work to see it through to the Governor's desk.

Transportation (SB 192) - Several bills enacting recommendations of last year's Transportation Task Force were introduced in both chambers but action on them has been non-existent until now. SB 192 authorizes the Kansas Turnpike Authority to work with local communities, when appropriate and requested, to consider possible tolling solutions with road projects. The bill does not require tolling with any project. It simply opens the door for various forms of tolling to be considered as an option as communities contemplate projects. Innovations in electronic tolling have made the options more affordable and palatable as more and more communities consider options like "hot lanes" and express lanes.

KanCare – Advocates for KanCare (Medicaid) expansion have continued to press for action this session. To date there has been very little opportunity to advance the issue. Next week the House Health Committee will hold roundtable discussions with stakeholders to help lawmakers understand the pros and cons of expansion. The roundtable discussions will provide for more conversation with lawmakers rather than the more traditional hearing process which allows for conferees to present an argument and then only respond to lawmaker questions. It's impossible to say if this will produce an opportunity to advance expansion, but continued conversation and learning is never a bad thing.

Health Care – One issue that has not been quiet this year is health insurance. Several bills are being advanced that would allow associations to offer their members qualified health plans from insurers who are authorized to provide coverage in the state. A related, and far more controversial plan, is one being promoted by Kansas Farm Bureau. Their plan (SB 32), if approved, would fall outside the formal definition of health insurance. As such, their plan would not fall under the purview of the state's Insurance Commissioner and would not have to comply with coverage mandates required by the Affordable Care Act including coverage for pre-existing conditions. The key benefit to their members would be reduced-cost coverage. Critics of the plan are concerned this could draw healthy people away from more traditional plans and increase costs. The bill passed the Senate and is scheduled for a hearing next week in the House.

K-12 Education – Lawmakers continue to wrestle with K-12 funding. Last year's ruling from the Kansas Supreme Court is weighing heavily on this debate and the clock is ticking toward an April 15 deadline. Most believe an additional \$90 million per year would satisfy the Court and Governor Kelly proposed that amount in her budget. While there has been a lot of discussion on the topic there has been little formal action save for an attempt earlier this week in the Senate to

amend the Governor's proposal into another education funding bill being debated. Opponents rejected the amendment and argued the issue needs to be fully vetted. Committee action to do just that is ongoing and key lawmakers in this debate have said they will have legislation passed in enough time to meet the Court's deadline.

Taxation (SB 22) One area that has been in the spotlight all session has been SB 22 – the bill commonly referred to as the “tax windfall.” Previous editions of this report have elaborated on this bill, so I won't go into the details of the underlying bill. This week the House Taxation Committee amended the bill to add in a food sales tax reduction – from 6.5% to 5.5% - while adding sales taxes to internet purchases. The combined impact of the amendments is projected to bring the fiscal note to approximately \$207 million. House members are actively discussing the implications of the bill while leadership begins to count heads for an upcoming vote.

Budget – Legislative subcommittees have completed a lot of their work on individual budgets and lawmakers are now compiling their reports into a more comprehensive budget package. The budget will be the major focus for lawmakers upon their return. We will soon see how much the legislature supports the Governor's ideas in her proposed budget or if they prefer to go their own route. Look for the latter on major drivers of the budget like education. Follow this link (http://www.kslegresearch.org/KLRD-web/Publications/SGF/FY2019/FY2019_SGF_07January_Receipts.pdf) for the most recently posted revenue summary from the Kansas Legislative Research Department. On or about March 4th the same site will have the February summary posted.

Upcoming Events

Legislative Breakfast Series. Breakfast #3 in our series held in conjunction with the Johnson County Public Policy Council begins at 7:30 a.m. on Saturday, **March 23**. Panelists will be: Senator Dinah Sykes; Representative David Benson; Representative Tom Cox; Representative Jerry Stogsdill; Representative Sean Tarwater and Representative Brandon Woodard. To register, [click here](#).

Public Policy Committee Meeting. The next meeting of the **Public Policy and Advocacy Committee** will be noon-1:30 p.m. on **Friday, March 8** at the Chamber. Featured guests will be Senator Julia Lynn and Representative Sean Tarwater who chair their respective chamber's Commerce Committees. To register, [click here](#).