

This Week **in Topeka**

Overland Park Chamber

*Business, Economic Development & Local Government News
from the Legislative Session Week of March 11 – March 15, 2019*

Written by Kevin Walker, Vice President of Public Policy and Advocacy

Like a freight train pulling out of the station, the session started slowly but the tempo is gaining steam. Week #9 is in the books and we've finally seen action on key issues. That said, there is still a LOT of work to be done as we approach the April break. Committees are scrambling to debate bills in advance of the March 27 deadline to have non-exempt bills moved out of committees and major issues are starting to take shape.

Transportation – The package of transportation bills has finally started to see movement with most of them finally having hearings this past week. Proposals to increase the motor fuels tax received a frosty reception with lawmakers showing little interest in raising taxes. Of most interest is SB 186 and HB 2372 – identical bills creating parameters for a new, long-term transportation program. The Senate held two days of hearings on their version of the proposal and the House will address theirs early next week. The Chamber provided testimony in support of both bills.

These bills address major themes the Task Force recommended be part of any new transportation plan:

- **T-WORKS** – the old plan has a few projects still not completed. These bills call for all T-WORKS projects to be authorized before new modernization or expansion projects can begin. There is a proviso included that would allow new projects to begin if non-state funding was part of the new project. This allows the state to be responsive to projects that have alternative sources of funding.
- **Project selection** – refine selection criteria to emphasize priority corridors such as U.S. Highway 69 and projects that include local participation.
- **Alternative project delivery** – commonly referred to as “design-build,” this allows for projects to be completed with an accelerated timeline.

- **Emerging transportation technology** – this allows KDOT to study and implement new transportation technology to ensure our infrastructure can meet future technological advancements in transportation.
- **County spending guarantee** – the bill calls for a minimum of \$8 million in transportation expenditures per county be allocated to ensure that all corners of the state benefit.
- **Local bridge program** – this is an important element to many communities and ensures that aging bridges are equipped to handle heavier, wider loads that are becoming more commonplace throughout the state.

The Chamber also provided testimony in support of SB 192 and HB 2369. These identical bills would allow KDOT, the KTA and local municipalities to study the viability of tolling on certain projects. The bill includes key provisions that are important to understand:

- It does not authorize tolling on existing roads – only new projects that increase capacity
- It does not require tolling – it simply authorizes stakeholders to study the feasibility. It is projected that very few projects will meet the standards that make tolling a viable option so residents should not fear a proliferation of tolled roads popping up around the state.
- It requires local input and rigorous study to ensure community support of a possible tolling project before any decisions can be made.
- It would authorize tolling only on the newly added capacity. This means the use of innovative concepts like HOT lanes and express lanes would be tolled to allow for expedited traffic flow while still giving drivers the option of using the non-tolled portion of the road. No one would be required to use the tolled portion of the road if they choose not to.

After years of KDOT funding being diverted to non-transportation projects, it is critical that communities look for alternative methods of funding critical construction projects. Innovative tolling – when it makes sense and is embraced by the community – can be a viable option to accelerate construction.

K-12 Education – Earlier in the week the Kansas Senate Select Committee on Education Finance passed out SB 142 to the full Senate with the full Senate approving the bill 32-8 just last night. The bill authorizes approximately \$90 million in new funding for the next four years to account for inflation – a flaw the Kansas Supreme Court said the legislature must address to potentially bring an end to the long-standing legal battle over school funding.

The House is taking a different approach in its attempt to satisfy the Court order with HB 2395. Critics of the bill, who testified yesterday, say it includes too little to adequately address the Court ruling and brings in a host of policy changes not supported by the education community. According to KNEA, the bill includes only \$42 million in new funding, an amount it believes is far less than what is needed to satisfy the court. Further, it argues the bill enacts a voucher

program, cuts funding for bilingual students and puts restrictions on at-risk spending. Proponents will testify in favor of the bill during a hearing scheduled for Monday.

The competing bills could be on a collision course as the clock ticks down toward a court-ordered deadline of April 15. Opponents to HB 2395 are urging House members to adopt the Senate bill and send it to Governor Kelly for her signature.

Medicaid Expansion – Lawmakers on the House Appropriations Committee stripped funding for Medicaid expansion from Governor Kelly’s proposed budget on a razor-thin 12-11 committee vote. In a similar move, the Senate Ways and Means Committee also stripped the proposed \$14 million from expansion and instead reallocated the funding to a program supporting physicians who treat Medicaid patients. The moves are another major hurdle for expansion prospects this year.

Taxation (SB 22) – One area 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. Before turnaround the House Taxation Committee amended the bill to add in a food sales tax reduction – from 6.5% to 5.5% - while also adding sales taxes to Internet purchases before sending it to the Senate for consideration. The combined impact of the amendments is projected to bring the fiscal note to approximately \$207 million. Last night the Senate, after a debate with strong words about fiscal responsibility, concurred with the House amendments on a 24-16 vote. The bill now goes to Governor Kelly where most observers expect a veto. Neither chamber passed the bill with a veto-proof majority so the future of the bill is unclear.

Budget – work on developing the budget for the next two fiscal years has hit full stride as subcommittees have reporting to their respective full committees with their recommendations. Lawmakers on the House and Senate budget committees are now compiling the reports and preparing budget packages for consideration by their respective chambers. The budget will take center stage through the remainder of the session as the two chambers identify their priorities based on their spending recommendations. Additionally, a mid-April meeting of the Consensus Revenue Estimating Group - representatives from the Division of the Budget, the Department of Revenue, Legislative Research and one economist from KU, KSU and WSU - gather to project how much revenue lawmakers can expect to have available to them for budgeting purposes.

Nominations – Confirmation hearings for two of Governor Kelly’s nominees for state agency secretaries will be held next week. Both nominees are supported by the Chamber.

- Monday, March 18 – Julie Lorenz, Secretary of Transportation
- Wednesday, March 20 – David Toland, Secretary of Commerce

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, April 12** at the Chamber. Featured guests will be a media panel including KCUR's Jim McLean and Sunflower State Journal's Brad Cooper who will provide their insights on the session and what to expect when lawmakers return for veto session. To register, [click here](#).