



KDHA

Kansas Legislative Report

April 7, 2017

The 2017 Legislature has reached the First Adjournment deadline. This is considered to be the end of the regular session, which sends legislators home for a three week break until veto session. Veto session, scheduled to start May 1, is designated to wrap-up unresolved issues and respond to vetoes issued by the Governor, if any. There is no set schedule for veto session and it is common for meetings to run into the late hours of the night and carry into weekends.

Among the major headlines of the week was the House's failed attempt to override the Governor's veto of Medicaid Expansion. Proponents of Medicaid Expansion spent the weekend trying to gain support but the motion to override only generated 81 votes, three short of the required 2/3 majority. This will most likely end Medicaid Expansion discussion for the year.

On the budget front, the Senate and House gave its final approval of the Rescission Budget Bill conference committee report (HB 2052). An agreement was made last week but the House insisted the report make an \$85M to payment to the KPERS system. The new agreement was overwhelming passed by the two chambers Thursday evening. The bill cuts enough expenditures to put the state's ending balance back in the black for the current fiscal year that ends June 30.

Last week the Senate passed its mega budget for the next two fiscal years (FY 2018 and FY 2019). The House has its version approved by the Appropriations Committee but it has not been debated on the House floor. This will most likely occur in early May.

Exploration of different tax policy methods continue. Last week, both tax committees approved similar bills that change income tax brackets from a two-tier system to a single bracket at 5% for all income levels. Neither bill was formally considered by the full House or Senate. This week, the Senate Tax Committee created a single bracket bill that is set at 4.6% with sales tax on food dropping to 5.5% in FY 2019. This bill (SB 214) also repeals the March to Zero Income Tax Plan implemented in 2012. Opponents of the bill stated it is not a viable option because it does not cover the projected state deficit. SB 214 was killed on the Senate floor 3-37.

On Wednesday, the House K-12 Budget Committee met to review the revised draft of HB 2410, as amended last week. The committee added a handful of additional amendments and then discussed the base state aid funding of the bill. In the original version of the bill, the state funded base aid is \$4,169. Representative Melissa Rooker successfully added an amendment to lower the first-year aid with an aggressive \$200 per year stair step increase over the next five school years. This would set base state aid at \$4,006 for School Year 2017-2018, \$4,206 for School Year 2018-2019, \$4,406 for School Year 2019-2020, \$4,606 for School Year 2020-2021, \$4,806 for School year 2021-2022. This would increase K-12 spending by \$150M each school year. The committee is allowing state attorneys to review the bill over the April break to ensure the bill will pass constitutional muster. If so, the committee plans to approve the bill on the first day of veto session (May 1). The action taken by the House on school finance exceeds most spectator's expectations on the session's timeline.

Thank you and please let me know if you have any questions.

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Bill Number and Sponsor	Bill Subject	Current Status	Last Action
SB 228 Senate Ways and Means Committee	Enacting the Kansas Medicaid Reform Act	In Senate Public Health and Welfare	03/15/2017 - Senate Referred to Public Health and Welfare
HB 2023 House Taxation Committee	Determination of Kansas adjusted gross income; sunseting certain modifications	In House Taxation	01/20/2017 - House Scheduled Hearing (cont.) in Taxation: Monday, 1/23, 3:30 PM, Rm 346-S
HB 2044 House Health and Human Services Committee	Establishing the KanCare bridge to a healthy Kansas program and providing medicaid reimbursement for clubhouse rehabilitation services	Veto sustained	04/03/2017 - House Motion to override veto failed; Yeas 81, Nays 44; veto sustained
HB 2064 House Health and Human Services Committee	Establishing the KanCare bridge to a healthy Kansas program	In House Health and Human Services	02/22/2017 - House Motion to withdraw from Committee withdrawn
HB 2119 House Health and Human Services Committee	Establishing non-covered services for dental benefits under health insurance	In House Health and Human Services	01/25/2017 - House Scheduled Hearing in Health and Human Services: Wednesday, 2/1, 1:30 PM, Rm 546-S
HB 2139 House Health and Human Services Committee	Licensure of dental therapists	In House Health and Human Services	02/08/2017 - House Scheduled Hearing in Health and Human Services: Tuesday, 2/14, 1:30 PM, Rm 546-S