



KDHA

Kansas Legislative Report

March 24, 2017

March Madness has reached the 2017 Legislative Session. This is the last official week of the session that is dedicated to committee meetings. There are two full weeks left before the first adjournment deadline of April 7. Next week the Senate and House will be on the floor all day debating bills with the first week of April planned for conference committees. Some committees with major tasks can still meet intermittently if scheduled by the chairman.

School finance stole the week's headlines as the House K-12 Budget Committee leadership unveiled its comprehensive plan for a new school finance formula. The plan, contained in HB 2410, has several notable changes from the formula that was repealed two years ago. For example, HB 2410 actually calls for a higher base state aid and fewer weightings. The bill prescribes a "base aid for student excellence", known as the "BASE aid", of \$5,212 for school year 2017- 2018, when factoring in local support and \$5,320 for the next school year. There will also be an inflation adjustment for each year moving forward. The bill is estimated to produce a \$72M net increase to spending. HB 2410 is in the middle of three day's worth of hearings that will continue Monday. The committee is planning to take action on the bill Tuesday, Wednesday and Thursday. There will likely be numerous amendments offered when they work the bill.

This week each chamber chipped away at their state budget to-do list. The Senate Ways & Means Committee had hearings on their version of a two-year budget (SB 189). The budget will leave a shortfall in both of its fiscal years. The state intends to backfill this with a new tax package. After several amendments, the bill passed out of committee. The House Appropriations Committee similarly held hearings on its version contained in HB 2364 and began working the bill. Many on the committee want to wait until April to see the latest state revenue numbers to help determine the ending balance target. The committee will resume work next week.

The Rescission Bill work started in budget conference committee where leaders of the two budgets committee whittled down the differences between their respective versions. The conference committees will resume on Monday.

Tax policy is still up in the air. The Senate Tax Committee is considering a reduction in sales tax on food in 2019 and 2020 to an eventual 2%. Different income tax plans are being considered. Some aim to move state income tax for individuals from the two-bracket system to a three-bracket system, such as the concept vetoed last month. Others advocate for a flat tax system with one-bracket. There are also different proposed rates on the different bracket proposals, cementing the lingering question of which bracket will be victorious through the March Madness season.

Medicaid Expansion (HB 2044) was considered in the Senate Public Health & Welfare Committee over two days of hearings. The committee took action on the bill on Thursday and passed it out of committee after a divided vote.

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

Travis Lowe
Gaches, Braden & Associates

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
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	On General Orders in Senate	03/23/2017 - Senate Committee Report recommending bill be passed by Public Health and Welfare
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