



KDHA

Kansas Legislative Report

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The Legislature has concluded the second week of its overtime period, known as veto session. This week had a similar feel to last week in that legislative leaders are desperately working to find a solution for a major tax package with no apparent luck. Progress is, however, being made in designing a new school finance plan. There is no set schedule or deadline for veto session; it will simply end once the Legislature completes the task of approving a school finance plan, biennial budget and major tax package to close the forecasted budget shortfall. For perspective, 2015 was the longest session in the state's history, which lasted until the middle of June. In constant, last session was the shortest in state history ending on May 3rd. There is still hope the 2017 session can end in the next couple of weeks. If the session goes past Memorial Day, tensions will quickly rise as it is very rare to be working in June.

The House K-12 Budget Committee continued work on its school finance plan. This plan, enclosed in HB 2410, received another week's worth of scrutiny as it was subject to technical amendments and fixes to remedy unintended consequences. Despite how one feels about the proposed plan, the House committee has done a very thorough job all session reviewing different proposals and soliciting stakeholder input. The committee's proposed plan has been vetted for almost two full months. The House could take action on the plan next week but it is anyone's guess how well it will fare. The fiscal note is the biggest hurdle as the plan calls for an increase of \$2.25B over the next five years.

The Senate is now trying its hand at school finance by holding committee meetings to be briefed on various aspects of school finance requirements. It appears the Senate will wait to work off the House's plan. A new school finance formula must be signed into law by July 1.

Tax policy is perhaps the most daunting task as leaders must design a plan that can cater to the different factions within the Senate and the House. Most of the tax plans considered so far do not appeal to Governor Brownback, forcing the reality that the package must be able to withstand a veto. This week the Senate took a shot at a three-tax bracket system that only garnered 16 votes, which is five votes short of a majority and eleven short of overriding a veto. Tax leaders are expected to meet next week to go back to the drawing board.

Budget discussions are essentially on hold until the Legislature approves a tax package and school finance plan. Once the House and Senate have an idea of how much they have spent on education and raised in new tax revenue, they can finalize their budgets for the next two fiscal years.

Next week will likely see a more active schedule with late nights and through the weekend.

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

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