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January 26, 2018 Legislative Update

The third week of the 2018 Kansas Legislature continued the slow pace of the first two with committee work dominated by economic briefings, agency updates and a few bill hearings. In the next few weeks, the Legislature will begin the heavy lifting of the session, but that has yet to begin.

Governor Brownback

On Wednesday, the United States Senate confirmed Governor Brownback to the role of Ambassador for Religious Freedom. On Thursday, Brownback sent a letter to Secretary of State Kobach announcing his resignation as Governor effective January 31st. His resignation makes way for Lieutenant Governor Colyer's to officially step into the role Governor with the swearing in ceremony will be held on Wednesday at 3 p.m. Statehouse advocates now await the announcement of who will serve as Colyer's Lieutenant Governor and likely running mate for the crowded 2018 Governor's race.

Transparency

An issue below the radar before the beginning of the session became the main talking point this week with many legislators offering changes to make Kansas government more transparent.

Senate President Susan Wagle announced her intention to introduce a bill requiring anyone meeting with administration agencies or members to register as lobbyists. Currently, only those who lobby the legislature are required to register in Kansas.

House Speaker Ron Ryckman and House Majority Leader Don Hineman announced a change in how Chairpersons in the House would handle the introduction of bills in committee by requiring the bill have a Revisor number and that the person or persons introducing the bill be easily identifiable and recorded in the minutes. This change does not need legislation and House Leadership believes it will be a quicker path to transparency.

On Tuesday, House and Senate Democrats held a press conference to announce their intention to introduce a number of bills to increase transparency. These bills include a prohibition against outside employment of state office holders, a requirement that all votes in committees be recorded, and ending the practice commonly referred to as "gut-and-go" where the contents of a bill are stripped and another bill, with germane language, is inserted, essentially changing everything about the bill except the number. They also proposed ending expenditures on meals and drinks by lobbyists unless they are provided to the entire legislature, i.e. no more dinners with individual members, but sponsorship of the entire legislatures would be allowed. Finally,

the group proposed a measure prohibiting any elected state officer or lawmaker from contract lobbying within a year of resignation or the end of their term in office.

KDOR Subpoena Power

The Kansas Department of Revenue is seeking to expand its current subpoena authority for income tax collections for sales tax collections. HB 2493, which proposes to give the director of taxation or his authorized agent the power to issue subpoenas in sales tax collection investigations, was the subject of a hearing on Wednesday in House Taxation. The bill provoked many questions from the committee. The Committee Chair will determine if the bill will move forward in coming weeks.

Unemployment

This week, Kansas Department of Labor provided briefings on the record low unemployment rate of 3.4% which is making for a very tight labor force. Only two counties in Kansas experienced an increase in their overall unemployment rates in 2017. As such, many legislators are interested in looking at programs to retain and attract workers to the state and fill the skills gap for Kansas employers. On a positive note, after years of rebuilding the Kansas Trust Fund for unemployment and instilling reforms to protect the integrity of the fund, KDOL reported Kansas employers paying into the UI trust fund could receive \$40 million in discounts next year.

Budget Committees

Both budget committees continued with informational hearings in the third week of the session.

The House Appropriations Committee reviewed the report from a Legislative mental health initiative set up in last year's budget bill. The report is an effort by the Legislature to gather information and set up another channel of communication with legislators, agencies, and mental health service providers.

While the State Hospitals have recently been the focus of much of the Governor and Legislature's attention, other long standing mental health issues continue to require attention. Look for more mental health action by House Appropriations this session.

Senate Ways and Means held hearings on SB 285, a bill establishing a new transportation centered group to study the needs for various highway, rail, and air transport issues that Kansas will face in the future. Various groups testified in favor the bill; cities, chambers, engineers, trucking interests, rail interests from across the state. There were no opponents.

Some Senators want to start the process of developing a new transportation plan while discussing the state and federal funding issues. State highway funds have played an integral part of the budget debates in recent years and this effort is geared toward a more "pro highway plan" and not using highway funds for other state purposes. Highway funding will likely be a component of this year's budget debate, either way.

House Appropriations Chair Waymaster has said that that committee will likely start moving on budget subcommittees next week but didn't release a schedule. yet. Senate Ways and Means Chair McGinn hasn't discussed budget subcommittees in great detail, yet.

Abandoned Housing

On Tuesday, House Local Government once again took up the task of addressing concerns of abandoned properties in the state and the concerns of local units of government and neighboring land owners. HB 2506 allows cities to petition the district court for temporary possession of abandoned property while adding notice

and pleading requirements for cities and nonprofit housing corporations seeking to obtain possession of abandoned properties. The bill is scheduled for possible action next Thursday.

Lansing Prison

On a 6-3 vote Wednesday, the plan for CoreCivic to build a new facility was finally approved by the State Finance Council. There was some concern over the financing of the proposal that resulted in a series of delays before ultimately being resolved and approved. The new facility will be built on the grounds of the soon to be demolished Lansing State Penitentiary.

KanCare 2.0

Governor Brownback also announced this week the plan to update KanCare is now in question. The administration will continue the procurement process, but the legislature will also examine the issue and could possibly override the new KanCare 2.0 RFP by legislative action and extend the current MCO contracts. SB 300, which extends the current MCO contracts for one more year, was introduced this week and is already set for hearing next week in Senate Ways and Means Committee.

Greg Orman

Olathe businessman Greg Orman officially announced this week, his intention to run for Governor as an Independent Candidate. This announcement is not a surprise since he has raised nearly \$500,000.00 for his campaign. Orman last ran for the Senate in 2014, seeking to unseat Republican Senator Pat Roberts, who ultimately defeated him. In that election, the Democratic nominee Chad Taylor, bowed out of the race to clear the way for Orman and to make it a two-person race. The Democratic Party of Kansas has already announced this time no one would be stepping aside, and Party Chairman John Gibson had some harsh words about Orman entering the race.

Next Week

With a new Governor in the state and Brownback off to his ambassadorship, we expect to see the 2018 session begin to ramp up. The issue of school finance remains the key issue for the 2018 Session, with a study on funding expected by March 15th.