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February 19, 2016 Legislative Update

Much earlier than usual, the House and Senate budget conference committee came to a compromise budget agreement this week. Each Chamber passed the bill, and it's now awaiting the Governor's signature. The rest of the week was spent hearing final reports on the state's efficiency study and committees working and debating bills before the Turnaround deadline that has been moved up to next Tuesday.

Session Calendar Adjusted

In an attempt to prevent a repeat of the 114-day legislative session of 2015 and to show constituents that their elected leaders are making the best use of their time, the session calendar has officially been adjusted and all deadlines moved up.

Turnaround day – when all bills must be passed out of their respective House of origin – is on Tuesday and the first major deadline that looms three days earlier than originally planned. After Tuesday, the legislature will take a week break and return on March 2. First adjournment will now be on March 25 (originally April 1), giving legislators an entire month off between first adjournment and Veto session. Veto session will still begin on April 27, but it will only be day 69 of the legislative session. The goal is to adjourn before using the statutorily approved full 90-day window.

Senate Passes Bill to Shorten Session

Staying consistent with the theme, the full Senate on Thursday passed by a vote of 25-11 a bill that would limit the number of days in the legislative session to 100 in odd-numbered years and 60 days in even-numbered years. In a biennial budget process, a full two-year budget is written and approved in the odd year and balanced in the even year.

As previously reported, the House Appropriations committee approved a similar bill – only it contained a 75-day limit every year, should the Governor move to an annual budget process – but it has yet to be debated by the full House of Representatives.

Budget Bill to Governor

The House and Senate budget conference committee began their meetings on Monday afternoon, and by 7:00 p.m. that night had come to a compromise budget package. On Wednesday, the House accepted the conference committee report by a vote of 68-53 and the Senate by a vote of 22-16. The bill is now on its way to the Governor's desk for his signature. It leaves an ending balance of \$6.5 million for fiscal year 2016 and \$89 million

for fiscal year 2017. However, it may need amending during the Veto session when the Consensus Revenue Estimating Group comes out with their revenue numbers in April.

The most contentious items during negotiations and amongst some legislators included the provision to allow the Governor to delay the \$100 million fourth quarter payment to the Kansas Public Employee Retirement System (KPERS) to balance the budget for this fiscal year if necessary. Other hot button topics included the STAR bond prohibition that halts the moving of the American Royal to Kansas from Missouri, and whether or not the funding source for Parents as Teachers will restrict the program to lower income families only.

Efficiency Study Experts Propose Top 21 Recommendations

The staff at Alvarez & Marsal (A&M), the chosen consulting company by the legislature in 2015 to conduct an all agency efficiency study of Kansas government, presented their final report to the House and Senate budget committees on Tuesday. They narrowed down their 105 total recommendations into three categories: highest value, transformational and long term impact. The highest value group of their top 21 recommendations would represent 87% of the total cost efficiency opportunities and where the legislature plans to spend most of their time studying the remainder of the session. Their report also included an implementation schedule and timeline.

A&M's top recommendation to the state was to hire 54 additional tax collection agents to fill current vacancies, which could potentially produce \$54 million in collections annually. Another top recommendation was to use excess cash reserves in certain school districts to offset future education funding over a five-year period. Other key recommendations revolved around consolidation of administrative services and K-12 benefits, changes to the state employee health plan, and the creation of a Governor's Grants Office to maximize the amount and use of federal funds available to the state.

House Tentatively Approves Resolution for Constitutional Convention

The House on Thursday approved by a vote of 77-44 a concurrent resolution that requests of Congress to call a convention for the purpose of proposing constitutional amendments and imposes limits on the federal government. Supporters of the resolution want to be the sixth state to send this message to Washington that Kansans are tired of the federal government's overreach. The measure needs 84 votes to be adopted on final action.

Religious Freedom Rally Draws Large Crowd to the Statehouse

On Wednesday a large crowd gathered at the Statehouse to hear several speakers discuss the importance of religious freedom. The event, organized by the newly organized Faith Family Freedom Alliance of Kansas, drew supporters from all over Kansas, including several high school students. In addition to the rally, an information hearing was held in the House Federal and State Affairs committee. While no legislation addressing religious freedoms has been introduced this year, lobbyists do expect proponents to continue to push the issue as we move into the 2016 election cycle.

Looking Ahead

With the budget completed before Turnaround, the Legislature can spend the rest of the session working through the efficiency study recommendations – paying closest attention to the ones that require legislative action – and evaluating their next move to address the Kansas Supreme Court's ruling last week regarding equitable funding for schools. After next Tuesday, Legislators will head home and not report back until Wednesday, March 2nd.