



2017 Senate Scene Week Ten

March 27, 2017

This week, the budget process moved along a bit further with the near-agreement on two important budget packages – one at the House-Senate Conference level (probable finalization Monday) for the remainder of the current Fiscal Year 2017 and the other at the Senate Committee (Ways and Means) level for the longer, two-year period FY 2018 and 2019. The first part is key because it means we should have a positive-ending-balance measure to send to the Governor for signature in a matter of days; the second has significance because it provides a basis for Floor consideration and amendment of a spending blueprint prior to the undertaking of a tax and revenue proposal to pay for it.

SENATE FLOOR ACTION

KANCARE REFORM (Sub. For SB 69): In 2011, Governor Brownback’s administration began the process of privatizing Kansas’ Medicaid program, and ultimately created what is now known as KanCare. Medical providers and patients have requested that the legislature consider some updates and reforms to the program. Sub SB 69, allows for KanCare updates and improvements. These include standardizing provider credentialing and payment processing which will reduce the number of procedures needing prior authorization – among other modifications.

STATE HIGHWAY RIGHT-OF-WAY USE (HB2066): HB 2066 would require the Secretary of Transportation to reimburse a public wholesale water supply district for the cost to relocate water pipelines in a state highway right-of-way, excluding those water lines that cross a highway and have 90 percent or more of its water lines on private right-of-way.

REINSTATEMENT OF FORFEITED BENEFITS UNITS (HB 2080): HB 2080 would require boards of rural water districts to reinstate any benefit unit that has been forfeited due to delinquent payments upon payment of all unpaid fees and charges due to the district, in addition to any fees and charges that would have accrued since the date of forfeiture and any benefit unit reinstatement fee in an amount limited to no more than 20 percent of the water district’s current fee to establish a new benefit unit. The bill also would clarify language regarding who could

serve as a director on the board of a rural water district. Any individual, firm, partnership, association, or corporation that is a participating member of the rural water district would be eligible to hold office as a director.

JURISDICTION OF SECURITIES COMMISSIONER UNDER INSURANCE COMMISSIONER AND CONSOLIDATION OF CERTAIN PROSECUTIONS FOR FRAUD (SB 23): SB 23 would establish the Office of the Securities Commissioner of Kansas as a division under the jurisdiction of the Insurance Commissioner and amend law by consolidating certain prosecutorial functions of the Attorney General.

SENATE COMMITTEE WORK

HB 2044: Medicaid Expansion Committee Hearing and Vote

On Monday and Tuesday of this week, the Senate Committee on Public Health and Welfare held hearings on HB 2044 – Establishing the KanCare Bridge to a Healthy Kansas program and providing Medicaid reimbursement for clubhouse rehabilitation services. This bill, a Medicaid expansion bill, passed the House with a vote of 81-44 earlier this month. Monday, the Health committee heard testimony from proponents of the bill. Verbal testimony included representatives from the Kansas Hospital Association, The Alliance for A Healthy Kansas, the Wichita Chamber of Commerce, the Kansas Medical Society, and the Kansas Academy of Family Physicians, among others. Written testimony was submitted by numerous hospitals from around the state, health and community foundations, business interests, and many other Kansas residents with a vested interest in expanded Medicaid services. Proponents of the bill argued that the benefits outweigh the cost of expansion, and cited the roughly 150,000 Kansans who would be eligible for this program, should the bill pass the legislature and be signed into law by Governor Brownback. Tuesday, the Committee heard from opponents of the bill, including the Kansas Department of Health and Environment, the Kansas Policy Institute, Americans for Prosperity and the Foundation for Government Accountability. Written testimony was submitted by the CATO Institute. Opponents of the bill argued that the program is too costly, and the state cannot afford to implement the program at this time, given our current \$350 million budget deficit. Another major concern regarding Medicaid expansion is tied to current momentum on the Federal level to change healthcare policy.

We are closely monitoring Congress's actions and Senate leadership is regularly in touch with our Kansas Congressional representatives to ensure that we have all of the information necessary before voting on this bill.

Update on Senate Select Committee on Education Finance

This week, the Senate Select Committee on Education Finance began meeting to determine the best path forward regarding the creation and implementation of a new school finance formula.

As you may know, the Kansas Supreme Court ruled last month on the Gannon v. Kansas case, regarding the constitutional equity and adequacy of K-12 public education funding. The Court ruled that K-12 education funding is unconstitutional, and noted that 25 percent of all Kansas students are not meeting Rose Standards, a series of targets students must meet to be considered

at “grade level.” While the Court did not specify how much, if any, additional money must be funneled into public schools to meet its standards of constitutional funding, the Court did mandate that the legislature create a new, equitable and adequate school finance formula by June 30, when the current block-grant funding formula expires. It’s important to note that at the beginning of the year, the Kansas Senate set a self-imposed deadline to pass a structurally balanced budget that would, in turn, help create and fund an equitable school finance formula – all by the end of this legislative session. We feel confident that we’ll finalize a new school finance formula prior to the end of session, led by this diverse Committee of passionate and intelligent school advocates.

Tax Committee

SB 189 passed out of committee by a vote of 11-2 calls for new tax revenue of \$874 million over the next two years and will likely be considered by the full Senate this coming week. The bill would among other things make full scheduled payments to the state pension system, provide a two percent across-the-board pay raise to state employees and restore some of the cuts made last year to state universities. It also rejects a plan to sell off the state’s interest in future tobacco settlement money and keep it in the Children’s Initiatives Fund, a politically popular practice that avoids shifting the cost of such health and education programs to the general fund.

Senate Rural Ag Caucus – Kansas wind energy update

The development of wind energy in Kansas continues to bring new jobs and economic growth to Kansas with approximately \$10 billion of new private investment and 13,000 new direct and indirect jobs across our state. While some of the economic development benefits of wind energy are experienced in urban parts of Kansas, the vast majority of benefits occur across rural Kansas whether in the form of robust landowner payments for turbine leases, new and good paying operation and maintenance jobs which provide benefits and allow local residents to stay in their home communities (or near their home communities) for employment opportunities or new manufacturing or supply chain management positions. Recently, Kansas hit a milestone becoming only the second state in the nation to produce more than 30% of its power generation from renewable energy. Iowa continues to lead the nation, but Kansas certainly is a national leader in wind energy production. Further, lawmakers received information about nationally-recognized Cloud County Community College Wind Turbine Technician certification program which boasts a 100% graduate placement rate – many of those graduates hail from rural Kansas and are returning home to stable, good paying jobs with advancement opportunities. Many industry wind development leaders have a long-standing relationship with Cloud County and they value the hard-working, well-trained graduates coming out of the training program.

Recently, Kansas Governor Sam Brownback announced his goal that Kansas be powered 50% by renewable energy by January 2019 – a goal which is a mere 1800 MW and about \$3.5 billion of new private investment away. Such a goal 10 years ago seemed only for future generations, but due to technology advancements, moving manufacturing to the United States and next-generation wind turbines, price is driving new investment from commercial and industrial customers and utilities which is rapidly expediting the development of renewable energy in Kansas.

Thank You for Engaging

Thank you for all of your calls, emails, and letters regarding your thoughts and concerns about happenings in Kansas. Constituent correspondence helps inform my decision-making process and is taken into great consideration when I cast my vote in the Kansas Senate. I hope you'll continue to engage with me on the issues that matter most to you, your family, and our community.

Non-exempt committees have wrapped up their work for the year, but exempt committees (Federal & State Affairs, Assessment and Taxation, Way & Means) will still be able to meet in the coming weeks. The Senate plans to be on the Chamber floor all week debating and voting on legislation. Current information can be easily accessed through the legislature's website at www.kslegislature.org. You are also able to 'listen in live' at this website. The Senate will gavel in at 10:00 a.m. Please do not hesitate to contact me with your thoughts, concerns, and suggestions. An email is the best at this point in the session.