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### January 12, 2018 Legislative Update

The 2018 Kansas Legislative Session commenced on Monday, January 8. Opening day was brief with only a quick gaveling in to begin the session before adjourning. The 2018 session was expected to be relatively quiet following last year's fight over the budget that included a massive tax increase to close the \$350 million dollar shortfall and put more money towards education. However, an October ruling by the Kansas Supreme Court stated that the increased funding passed in 2017 failed to meet the Adequacy portion of the Rose Standards for measuring achievement and that more money would have to be spent. This resulted in a series of interim committee meetings and cast a shadow over the upcoming session. The largest issue that must be decided this session is how the Legislature responds to the Supreme Court ruling and, if more money is to be spent, how much more and where will it come from.

On Tuesday, Governor Brownback gave his final State of the State address. Governor Brownback was re-nominated for the position of Ambassador for Religious Freedom on Monday, January 8th by President Trump and is expected to be confirmed to the post in the coming months. After he is confirmed, he will resign as Governor and hand over the reins to current Lieutenant Governor Jeff Colyer.

Governor Brownback's speech was largely a reflection on his hopes for the future of the state and a listing of strides made in several areas including a continued reduction of the unemployment rate and the dramatic increase in wind energy over the last few years. The Governor also called for \$600 million in additional spending on K-12 over the next 5 years to meet the requirements of the recent Kansas Supreme Court ruling on school finance. This proposal received a harsh reception from Republican leaders in the Senate and a cautiously optimistic response from Democrats.

On Wednesday Budget Director Shawn Sullivan presented budget information to the House Appropriations and Senate Ways and Means committees. The Budget projects a \$266 million ending balance for the current fiscal year, \$150.3 million the following year if no other changes are made beyond the \$34.5 million in additional spending this fiscal year and the \$290.3 million for next fiscal year. The Governor's budget builds on the \$1.2 billion in tax increases from last year and continues sweeps of about \$400 million a year in sales tax from the Kansas Department of Transportation.

The increase in K-12 spending called for in the State of the State speech includes the \$93 million increase budgeted last year as well as an additional \$100 million per year over the next five years. The Governor's budget puts more dollars into additional state programs: \$8 million to Corrections for increased salaries; \$1.5 million dollars in salary increases for employees of the executive branch agencies who were left out of last year's increases; \$18.1 million this fiscal year and \$30.8 million next fiscal year for KPERS; \$22.1 million to restore cuts made to Medicaid; and \$17.7 million to restore cuts to Nursing Home payments through KanCare.

Senate President Susan Wagle, R-Wichita, was critical that the Governor's budget stating the spending increases aren't affordable, and while lawmakers may be able to find \$120 million from other spending this year, once Governor Brownback is out of office, tax increases will be required. While House Speaker Ron Ryckman, R-Olathe, said he will need to study the budget to know whether the K-12 plan is doable in light of other pressing state issues. Democrats, on the other hand were less critical of the budget, and said they see a need for more spending on K-12, but want to see where how the money is found.



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The remainder of the week saw little activity with committees meeting to hear bill introductions and for brief informational hearings.

The other bit of news to come out this week was the release of the 2017 Campaign Finance Reports for statewide offices. The race for Governor is, of course, the most anxiously anticipated contest and those reports were the most closely watched. Below is a list of the top performers:

#### **Republican Candidates:**

- Lt. Governor Jeff Colyer raised \$632,067 and has \$548,802 currently on hand
- Businessman Wink Hartman raised \$1,830,661 (\$1.685 million loaned from him to his campaign) with \$1,509,150 on hand
- Former Representative Mark Hutton raised \$581,636 (\$200,000 of that his own money) with \$393,073 on hand
- Secretary of State Kris Kobach raised \$354,732 and has \$260,902 on hand
- Former State Senator Jim Barnett raised \$564,645 (\$505,000 in personal loans to his campaign) and has \$505,000 on hand
- Former Representative Ed O'Malley raised \$218,363 and has \$158,067 on hand
- Insurance Commissioner Ken Selzer raised \$713,462 (\$275,000 as a personal loan to his campaign) and has \$668,604 on hand

#### **Democrat Candidates:**

- Senator Laura Kelly raised \$155,691 and has \$154,939 on hand
- Former State Representative and Agriculture Secretary Josh Svaty raised \$192,545 and has \$66,760 on hand
- House Minority Leader Jim Ward raised \$90,534 and has \$58,883 on hand
- Arden Anderson raised \$25,600 (\$25,000 of which was a loan to his campaign) and has \$9,216 on hand
- Former Wichita Mayor Carl Brewer raised \$45,470 and has \$14,627 on hand

#### **Independent Candidates**

- Greg Orman raised \$452,931 and has \$440,700 on hand.

The Legislature is Pro Forma today, only gaveling in to introduce bills before heading home for the weekend and Martin Luther King holiday on Monday. Next week, expect to see mostly bill introductions and informational presentations by agencies, with a few bill hearings in select committees.