



# **Bright and Carpenter Consulting, Inc.**

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## **January 19, 2018 Legislative Update**

The second week of the 2018 Kansas Legislative Session was very short with the Legislature being out on Monday in observance of the Martin Luther King Holiday and Friday being pro forma. That left only three days for actual work. Most of the work was a continuation of informational briefings from the various state agencies as well as a few hearings on simple bills dealing primarily with technical matters and clarification of existing policies. Next week is a full week and committees have scheduled key bills and issues.

### **K-12 Funding**

The principle issue of the 2018 session remains the issue of meeting the Kansas Supreme Court order to address the adequacy portion of school funding. Most hearings were held this week in each of the educational committees as well as Senate Ways and Means and House Appropriations. This was largely a rehashing of the reports the interim committees received prior to the start of the session and clarification on both the history of school finance litigation as well as the steps taken to comply with the constitutional requirement. The hearings were exclusively informational with no specific action being recommended. The only concrete policy currently on the table is in Governor Brownback's budget calling for an increase of \$100 million each year for the next five years.

### **State of the Judiciary**

On Wednesday Chief Justice Lawton Nuss delivered the State of the Judiciary to a joint meeting of the House and Senate. Chief Justice Nuss stated the Kansas Judiciary will submit a budget to the Legislature calling for an increase in salaries for judicial employees. Chief Justice Nuss pointed out that Kansas ranks 49<sup>th</sup> in the nation in District Court Judge salaries and that entry level employees are barely paid more than the starting wage at Wal-Mart. These low salaries have resulted in a turnover rate of 15%, nearly 5 times the national average and that a third of judicial jobs provide salaries below the federal poverty line.

### **Federal Appointment of Governor Brownback**

On Thursday, Governor Brownback's nomination to the post of Ambassador At-Large for International Religious Freedom was passed out of the Senate Foreign Relations Committee on a voice vote and sent to the full Senate for confirmation. Governor Brownback was nominated to the same position in 2017 but the Senate failed to vote on the nomination and it was not carried over to 2018 requiring the process to begin anew. There is no timetable for when the full Senate will vote but it is expected to be in the next few weeks and it is assumed he will be confirmed at that time.

### **Budget Update**

Both budget committees continue to hold informational hearings as the 2018 session begins to ramp up. There have been a handful of bills introduced in each committee. A funding bill for community mental health centers using lottery funds was reintroduced in the House Appropriations Committee, and a bill establishing a task force to study transportation issues was introduced in Senate Ways and Means. Much of the work done by the budget committees so far has been to continue to review long established, perennial issues.

The state hospitals and Osawatomie (OSH) and Larned (LSH) have been trouble spots for a number of years now. OSH has started to resolve issues with federal certification, but the age of the facility is forcing state officials to address safety issues. Staffing issues plague both facilities, but more so at LSH. Recruiting and retaining qualified staff at LSH is an ongoing problem.

Also this week, House Appropriations heard from the Sec. of Transportation on recent funding of highways and how that's played a part in recent budget debates. The Senate Ways and Means Committee heard from the Sec. of Commerce on incentive programs the State uses to promote and attract businesses. It's likely that both committees will soon start up their budget subcommittees, and review and debate of the Governor's budget recommendations will begin in earnest.

### **Autonomous Vehicles**

The House and Senate Transportation Committees held informational hearings on the future of autonomous vehicles this week. A variety of issues were discussed including reducing accidents; licensing and registering the vehicles; the potential benefit to the elderly and disabled; who is responsible in the event of an accident; the security of the guidance system; and what laws states need to be enacting to prepare for this new technology. Susan DeCourcy, regional administrator for the National Highway Traffic Safety Administration, said NHTSA is encouraging states to take steps such as reviewing all their motor vehicle laws and identifying those that may need to be changed to accommodate driverless vehicles. But she said the agency strongly discourages states from adopting laws or regulations that could be an impediment to deploying ADS vehicles.

### **Bills This Week**

While the majority of the work done this week was on informational briefings and hearings a number of interesting bills were introduced a few of which included:

- Senator Skubal introduced a comprehensive bill to serve as a new highway plan going forward to replace the expiring ten-year-old T-Works bill.
- The Office of Legislative Post Audit introduced a bill moving the responsibility for an annual audit on KPERs and the Kansas Lottery from their office to the offices of the agencies being audited. Legislative Post Audit Director Scott Frank, who is leaving soon for a similar position in the State of Washington, explained that his office does not actually do those audits but instead hires outside firms to perform the audit, which they then charge the agencies for. His belief is that moving them into the agencies will streamline the process without making any real changes to the way they are executed.
- In House Appropriations, Representative Landwehr introduced a bill tying a portion of the Kansas Lottery earnings to increased mental health services. This is a reintroduction of a bill passed by the Legislature last session before being ultimately vetoed by the Governor.
- Senator Billinger, in Senate Ways and Means, requested a bill to amend last session's amusement park rides and tourism legislation that increased safety inspections and requirements of in response to the death of legislator's son. The first year of implementation has been difficult due to strict regulations set by KDOL and a shortage of qualified inspectors. Billinger's legislation looks to establish a grandfather clause to address inspection concerns for community pool slides and clarify the safety standards sought for the agritourism community.
- Bills were introduced on both the House and Senate side requiring the approval of the Legislature to enact changes to the state's Medicaid program, KanCare. KanCare 2.0 was intended to make changes to the existing program and was unveiled by Lieutenant Governor Colyer last fall but now looks unlikely to move forward. It will be an issue to watch going forward.

- Finally, several tort reform measures were heard this week. The first was asbestos trust reform in the House Judiciary Committee. The appeal bond cap bill was also heard in the Senate Judiciary Committee.

The Legislature will reconvene next week and continue to work on a host of issues. The focus in the early portion of the session will remain on K-12 funding until a consensus on how to meet the Kansas Supreme Court ruling. The Attorney General has requested that whatever the Legislature decides to do they complete their work by March 1<sup>st</sup> to give his office time to present their plan to the court. We will continue to monitor all these issues during the 2018 Session.