



Kansas State Council of SHRM, Inc.
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May 7, 2018

The 2018 Legislature returned for the 2018 Veto session April 26th for a truncated 8-day Veto Session due to a procedural vote taken just before the end of regular session that set May 4th as the “Sine Die” official end to the 2018 Legislative Session. Many wondered if the hard deadline would hold or if another vote could be taken to move back Sine Die. In the end the date held, and lawmakers did pass the two most important remaining issue-a school finance trailer bill and the budget. However, time ran out time to pass two bills desired by many Republicans- a tax bill to address windfalls from the 2017 federal tax cuts and economic development reforms. House members head home to begin their campaign season hoping it will not be interrupted by a special session to address education funding.

Below is a recap of the top issues taken up during the 2018 Veto Session. For a full report of all issues for the 2018 Legislative Session [click here](#).

Revenue Estimates

On April 20th the Consensus Revenue Estimating (CRE) Group increased their estimate by \$217 million for this fiscal year and an additional \$316 million for the following, which begins July 1. This increase is a result of the income tax increase bill passed during the 2017 Legislative Session. The increased revenue made it possible for budget negotiators to allow for additional money for state programs and the consideration of a tax plan. The Senate passed HB 2228, which contained several tax cuts in the final hours before adjournment in early April.

K-12 Education

The initial K-12 education bill that passed during regular session to satisfy the Kansas Supreme Court, was found to be in error by approximately \$80 million. The legislature crafted a fix and sent the trailer bill to the Governor early in Veto Session. The need for a second bill pushed the Kansas Supreme Court hearing to later this month to give attorney’s time to evaluate both bills. It is expected the Kansas Supreme Court will rule this summer and determine if the additional school funding is adequate. If the Court rules additional funding is needed, it is likely the Governor will be forced to call a Special Session to keep the schools open after July 1, 2018.

Budget Bill

When lawmakers returned for the Veto Session, the Senate had passed their budget, but the House Appropriations committee had negotiated a smaller budget bill the full House had not passed it. Once the House passed their budget bill, the Appropriations conference committee met and hammered out a budget bill with increased spending for core areas than in previous sessions. The budget bill was passed on May 3rd and has been presented for Governor Colyer’s consideration.

Highlights of the budget bill include:

- Restoring approximately \$15 million to the regent universities, which was cut in 2017;



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- \$15 million in raises for state employees;
- Reducing the amount of money transferred out of KDOT by \$62 million;
- A provision to prevent the administration from making significant changes to the KanCare program but allowing for the RFP process to continue; and,
- Increasing the social service funding for the Kansas Department of Children and Families, where the care of children in state custody.

Governor Colyer has line-item veto authority on budget items. Because of the timing of Veto Session and Sine Die, the Governor can line item veto any portion of the budget and the legislature has no opportunity to override his decisions.

The Tax Bill

The legislature failed to pass any tax bill before it adjourned. [HB 2228](#) would allow Kansans who take the newly passed higher federal standard deduction to itemize their Kansas income tax returns and accelerate the restoration of the current Kansas deductions to 100%. The bill also included expensing provision for small businesses, a tax credit for employers who purchase from certified disabled employers and other federal decoupling provisions, such as repatriation the global intangible low-taxed income (GILTI) and an FDIC provision.

The Senate initially passed the bill on a vote of 21-19, but the House remained deadlocked at 59-59 and the session expired. It is notable that a few key votes may have come from lawmakers who were absent due to personal reasons. Those opposing the measure pointed to the uncertainty of how much revenue the bill would cost the state as well as pressure from interest groups to not pass a massive argued many of the provisions of the bill did not cost the state any existing revenue, but instead returned unintended state “windfall” from the 2017 tax cuts back to Kansas taxpayer.

Economic Development

The legislature also failed to pass an economic development bill that would extend the current high-performance incentives program (HPIP), enact a new rural jobs program, known as the Ad Astra tax incentives program, and make changes to STAR bonds. The HPIP and Ad Astra bills had passed either the House or Senate this session, but the STAR Bonds provision was a newly proposed provision that would cap the state’s contribution at 85%. [SB 296](#) did pass the House but was not acted upon in the Senate.

Transportation Task Force

The Kansas Legislature voted to create a transportation task force in [House Sub for SB 391](#) that is charged with recommending the next statewide transportation plan. The bill outlines the task force members, appointment process, role of stakeholders and requires the task force issue recommendations to the legislature by January 31, 2019. The bill now goes to the governor for final approval.



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Adoption Bill

The House on a 63-58 vote and the Senate on a 24-15 passed [HB 284](#) allowing the state to continue to work with foster care and adoption providers from groups with “sincerely held religious beliefs.” The key issue was if state funds should go to providers who will not place children with LGBT persons, non-religious families or single parent homes. Legislators also expressed concerns about the discriminatory affect the bill could have and if there would be any negative business implications because of its passage.

Tele-Health

The legislature approved HB2028, which requires health insurers to cover telemedicine care, but does not set the rate of pay. This bill will expand telemedicine coverage and care in rural parts of the state, which many believe will address critical shortfalls in available health care.

Candidate for Governor Bill

The Legislature passed a bill changing the requirement to run for governor beginning in 2022. Candidates will now have to be at least 25 years old and live in Kansas. This bill was in response to a loophole in Kansas law that allowed any person from anywhere to run for governor.

Amusement Ride Act

A trailer bill was enacted during Veto Session to the Amusement Ride Act bill. SB 310 is a technical change that will change the effective date to publication upon the Kansas Register instead of the statute book. This change will require all slides and rides to be inspected before the summer season that typically kicks off Memorial Day weekend.

Gaming

Two gaming provisions were considered during Veto Session. The first was the successful passage of a bill allowing the Kansas Lottery to sell scratch tickets in vending machines [HB 2194](#). It authorizes both lottery and bingo vending machines with 75% of the proceeds going to the Community Crisis Stabilization Centers Fund and 25% to the Clubhouse Model Program Fund. This was the same bill passed last year and was vetoed by then Governor Brownback. The bill now goes to the Governor for his consideration.



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The second bill would have allowed slot machines at the racetracks in Kansas. The bill was not able to gain enough votes in the Senate and failed to pass. This proposal remains controversial at the Statehouse because the passage will trigger a clause in the contract with the management companies of the state-owned casinos and require a large payout.

Appeals Bond Requirements

[SB 199](#) imposes a cap on for the enforcement of bonds while a judgement is on appeal. The House and Senate Conference committee came to an agreement on small business provisions, that were stripped by the House Judiciary Committee. The bill allows for the bonds to be reduced if there is a showing of hardship and the defendant is a small business, with 50 employees or less. The bill did pass overwhelming in both chambers and now move to the governor for his signature.

Ban the Box

Governor Colyer on May 2nd issued an executive order that will “ban the box” for all state jobs applications and prohibit asking if the applicant has been convicted of a felony or misdemeanor in the past on employment applications, for agencies under his authority. The felony question has eliminated the opportunity for candidates with a conviction to interview for jobs and find meaningful employment. Several states (including Missouri) and cities have initiated “Ban the Box” policies as an effort to assist those with criminal convictions to re-enter the workforce and find meaningful employment.

Next

The conclusion of the 2018 Kansas Legislative Session means beginning for the 2018 election season. This year elections will be help for all statewide offices as well as all members of the Kansas House of Representatives. Campaigns will soon be in full swing and several statewide offices as well as the makeup Kansas House could look very different in 2019.

Retirements from the House

Several House members have announced that they will retire or not seek re-election this year. Many have announced their intentions and said goodbye to colleagues including:

- Les Osterman, R-Wichita
- Scott Schwab R-Olathe (who is running for Secretary of State)
- Shelee Brim, R-Shawnee
- Susie Swanson, R-Clay Center
- Erin Davis, R-Olathe
- Keith Esau, R-Olathe (who is running for Secretary of State)