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March 6, 2015

Friday, February 27th marked the "turnaround" deadline for the Kansas Legislature, which means the session is halfway over. Focus turned from committees to the floor of each chamber as bills were debated and voted on. House bills now move to the Senate while Senate bills move to the House. The legislature will be off Monday, March 2 and Tuesday, March 3. On Wednesday, they will begin working on bills in committee, and conference committees will begin meeting on bills that have been approved by both chambers.

The next two weeks, March 9th-20th, will be a critical time in the legislature. These two weeks will be the final opportunity for most committees to hear and work bill. Next week, March 9-13, there are numerous hearings in some of the highest visibility issues of the session. The recently presented school finance bill will be heard in House Appropriations and Senate Ways & Means. The SB 171, the local election issue is scheduled for hearings in the House Ethics and Elections Committee on Wednesday. Also scheduled are hearings on Concealed Carry without a permit (SB 45), two separate bills on repealing the Renewable Portfolio Standards (HB 2373, SB 253) and tax bills that make modifications to Kansas adjusted gross income relative to passive income for Kansas income tax purposes (SB 260, HB 2392).

What Has Happened in the First Half

There has been a lot of noise during the first part of the session, but a clear path to finish the session is not yet visible. Much of the first portion of the session was spent hearing bills and looking at various proposals. It seemed that education received a significant amount of attention that was not related to the budget. Local election was also a hot topic, at least in the Senate.

The budget writing committees, House Appropriations and Senate Ways & Means, had subcommittees working on the various agency budgets. The Governor proposed a two-year budget and the committees are chewing through his recommendations on the way to the full committees' work on their respective chamber's final budget bill. No one expects the budget to be in its final form before the legislature takes its annual April break. The budget work will be finalized during the Veto session scheduled to begin at the end of April.

Taxes have received some attention during the first half, but nothing major. Legislators are in the process of developing some plans to help balance the state budget. Many legislators see the challenge in balancing the budget through just spending cuts. There are a number of legislators that expect some kind of revenue enhancement (read tax increase) to pass this session. A number of legislators see the budget shortfall as the result of the tax reduction bill passed during the 2012 session. What tax changes



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are most likely to be approved are not clear at this point. The tax and spend package will all depend on what can get the needed votes to pass, and at this time, not many legislators will agree to anything.

Second Half Issues

There will be other issues that receive significant discussion in the next part of the session. The K-12 education funding formula will likely be one of the largest issues discussed. K-12 education spending accounts for over 50% of the state general fund and legislators are looking for ways to create more certainty in the annual costs. Long awaited plan was released yesterday. More information on the funding plan is below.

The budget and taxes will likely dominate the second part of the session. The state's monthly revenues, as compared to the projections, will play a major role in what the final tax/spend package will be. At this point, it is too early to hazard a guess.

Will There be Overtime

Most regular observers expect a long wrap-up session. The Consensus Revenue Estimating Group (CREG) will meet before Veto session begins at the end of April. The CREG will produce the official revenue estimates the legislature will use to create the budget for the upcoming fiscal years. If the estimate is significantly higher or lower, it will have a dramatic impact on what the revenue package looks like. The estimate likely will not have a dramatic impact on the spending side of the discussion, since the shortfall is so significant, any large increases expected by the group will likely not be in the \$700 million range. The more hard choices that have to be made, the longer it will likely take.

The other big question that could affect the length of the wrap-up is whether the Kansas Supreme Court rules on the school funding lawsuit it has before it. Most people don't expect to have any ruling from the Court until after the session adjourns. Depending on the Court's ruling, it could lead to a special session. The Special Session of 2005 was called to deal with a court ruling on education. Some observers expect to be in Topeka during the summer months to deal with a court ruling.

Session Information

The second half of the session is always significantly more focused and intense. The real and hard work begins in crafting budgets, looking at how to balance the budget, and finalize any legislative proposals. The next portion of the session only last about a month, so the amount that is accomplished is significant.

School Finance Proposal



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The proposal includes all funding for the Department of Education for FY 2015, FY 2016 and FY 2017. The proposal eliminates the existing school funding formula. The General State Aid, Local Option Budget (LOB), and Capital Outlay, as adjusted in 2014 - 2015, is the base that will be used for the subsequent school years. The bill is based on information for school year 2014 - 2015.

Not everything is known about the proposal at this time. People are currently analyzing the proposal, and over the coming days, more information will become available. The House Appropriations Committee is holding a hearing on Monday to HB 2403. The Senate Ways & Means Committee is expected to hear the bill on Tuesday.

LEGISLATIVE DEADLINES

Monday, January 12

First day of 2015 session; convene at 2:00 p.m.

Monday, February 2

Last day for member or members to submit REQUESTS to Revisor's office for bill drafts.

Monday, February 9

Last day for Committees, except House and Senate Federal and State Affairs, Senate Ways and Means, Senate Assessment and Taxation, House committees on Calendar and Printing, Appropriations, Taxation or select committees of either house when so authorized, to submit REQUESTS to Revisor's office for bill drafts.

Wednesday, February 11

Last day for Individuals to INTRODUCE bills in originating chamber.

Friday, February 13

Last day for Committees, except committees listed above, to INTRODUCE bills in originating chamber.

Friday, February 27 (Turnaround Day)

Last day to CONSIDER BILLS IN HOUSE OF ORIGIN, except by House and Senate Federal and State Affairs, Senate Ways and Means, Senate Assessment and Taxation, House committees on Calendar and Printing, Appropriations, Taxation or select committees of either house when so authorized.

Wednesday, March 25

Last day to CONSIDER BILLS NOT IN HOUSE OF ORIGIN, except by committees listed above.

Friday, April 3 (Drop Dead Day)

No bills considered after this date except BILLS VETOED BY GOVERNOR, OMNIBUS APPROPRIATIONS ACT AND OMNIBUS RECONCILIATIONS SPENDING LIMIT BILL.

Veto session is anticipated to begin on Monday, April 27.

Below is included a list of the High Profile Bills



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High Profile Bills

Bill #	Date Introduced	Current Status and Last Action	Bill Subject	Principal Bill Sponsor
SB 9	01/12/2015	In Senate Public Health and Welfare 01/13/2015 - Senate: Referred to Public Health and Welfare	Medical marijuana Enacting the cannabis compassion and care act	David Haley, D-4th
SB 28	01/14/2015	In House Elections 03/05/2015 - House: Scheduled Hearing in Elections: Monday, 3/9, 1:30 PM, Rm 281-N	Raising spending threshold for lobbyists Lobbyist defined	Senate Ethics and Elections Committee
SB 45	01/21/2015	In House Federal and State Affairs 03/05/2015 - House: Scheduled Hearing in Federal and State Affairs: Friday, 3/13, 9:00 AM, Rm 346-S	Allowing concealed carry without license Authorizing the carrying of concealed handguns without a license under the personal and family protection act	Terry Bruce, R-34th
Sub for SB 171	02/20/2015	In House Elections 03/05/2015 - House: Scheduled Hearing in Elections: Wednesday, 3/11, 1:00 PM, Rm 281-N	Timing of local elections Municipal elections; nonpartisan; fall odd-numbered years	Senate Ethics and Elections Committee (original bill by Senate Ethics and Elections Committee)
SB 273	03/05/2015	In Senate Ways and Means 03/06/2015 - Senate: Referred to Ways and Means	Education block grants Creating the classroom learning assuring student success act; making and concerning appropriations for fiscal years ending June 30, 2015, June 30, 2016, and June 30, 2017, for the department of education	Senate Ways and Means Committee
HB 2011	01/12/2015	In House Health and Human Services 01/13/2015 - House: Referred to Health and Human Services	Medical marijuana Enacting the cannabis compassion and care act	Gail Finney, D-84th