

KLPG Capitol Highlights

2017 Legislature, Week Seventeen

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EMERGENCY BUDGET TALKS

KLPG is a bipartisan, voluntary, independent, non-profit corporation comprised of elected county commissioners in rural counties interested in preserving & strengthening constitutional government.

KLPG Friday morning call-ins at 8AM during the legislative session. Call (605) 475-3235 & enter 301599#. Legislative update calls last 30 minutes. Our next call is June 9th.

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This is a summary of recent Kansas government and other statewide news, gathered and compiled independently by Pinegar, Smith & Associates from news media reports

Kansas Lawmakers will run out of money to keep working on June 2 so Senate President Susan Wagle has opened the door to the possibility of running an emergency budget bill to pay for extended Legislative time while at the same time making it clear she wants her colleagues to come together & complete their goals by that date. However, that will be difficult to accomplish since the House & Senate were unable to agree on school funding measures resulting in both their bills being sent into conference committee for mediation this week. Further complicating that issue is House and Senate Democratic leaders both claiming the school finance formula passed in their respective chamber is unconstitutional. House Minority Leader Jim Ward, lodged a protest with the Clerk of the House on Wednesday. Senate Minority Leader Anthony Hensley, announced he would file a protest in the Senate. Both agree the bills do not fund K-12 schools equitably and adequately. Lawmakers are also no closer to a meeting of the minds concerning where to find the money to pay for the court-ordered additional school funding or to pay down the state's \$900 million budget shortfall. Even if all were to finally agree on a tax bill in the remaining few hours of this week, it would have to pass by a veto proof majority - 84 House votes & 27 Senate votes - before being sent to the Governor's desk in order for them not to expect to be recalled for a special session.

THE GHOST OF OSAWATOMIE STATE

Kansas lawmakers surveyed the disrepair of Osawatome State Hospital in horror as they toured the grounds - well aware that they are the landlords. Many of the buildings on the campus are no longer safe for staff or patient use and are vacant. Some of them have been empty since the 1990s. Despite the dilapidation, the buildings remain standing because razing them would be too costly. Restoring the structures would be even more expensive. Governor Brownback would like to partner with a private company to build a new hospital and hand over its daily operations, a move he believes will save dollars and enable improvements to treatment. However, lawmakers fear this will reduce oversight of the already troubled facility. The hospital lost its federal Medicare certification more than a year ago. Federal inspectors pointed to gaps in safety that had put patients and staff at risk and to the hospital's outdated facilities. Another inspection was conducted in May after the state spent \$2.9 million upgrading its acute care unit. The physical changes range from new ceilings meant to prevent suicide attempts to new chairs that are too heavy to pick up and throw. State officials are optimistic they will regain certification for that 60-bed unit — though not the whole hospital — and recapture a portion of the monthly federal payments.

Pinegar, Smith & Associates, Inc.

513 SW Van Buren Street

P. O. Box 555

Topeka, Kansas 66601

PHONE:

785-235-6245

EMAIL

John Pinegar

jpinegar@sbcglobal.net

Doug Smith

dsmitty@sbcglobal.net

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by Pinegar, Smith &

Associates, Inc.

CRISIS BILL PASSES

Governor Brownback signed HB 2053 known as The Crisis Intervention Act that will allow people age 18 and older to be placed in a licensed crisis intervention center for up to 72 hours for emergency observation and treatment at the end of which they could be released or transferred to another facility such authorized to take involuntary admissions. The bill had passed both chambers of the Legislature by unanimous votes earlier this month, however no provisions for funding the bill were included in the passage.

LEGISLATIVE FACTIONS

Kansas' Legislature is currently made-up of three groups – conservative Republicans, moderate Republicans and Democrats. Passing any tax legislation will require two of those three groups coming to a consensus over whether to raise taxes, and by how much. Because Conservatives and Democrats are usually at odds over all things financial, which side the Moderates choose to collaborate with will affect what kind of bill ultimately passes. The conundrum for Moderates is that if they move to the right to pick up Conservative votes and placate the Governor, they lose Democratic votes. At the same time, if they move to the left to satisfy Democrats' concerns, they lose Conservative votes and likely ensure a gubernatorial veto. It will remain unclear how the Legislature

will move forward until the Moderates move one way or the other. Representative Melissa Rooker summed up the situation this way: "We still have too many people holding out for perfection when it's clear nobody is going to walk out of here with a tax plan that is their idea of perfection."

HOSPITALS MAY BE WEAPON FREE

The Senate voted 24-16 and the House affirmed that decision 91-33 to authorize special exemptions to their concealed-gun bill. The bill now keeps concealed guns out of public hospitals and mental health centers after rejecting a narrower proposal from the National Rifle Association. The Legislature felt compelled to consider this action after refusing to approve the Governor's proposal to spend \$24 million over two years on security upgrades at the facilities in question. The bill is now on the Governor's desk. Several lawmakers have voiced their concern that he will veto the measure.

REVENUE LOW AGAIN

The Department of Revenue reported Thursday that the state took in \$441 million in taxes for May - \$1.9 million less than anticipated. The state saw a small surplus in tax collections in April and the department noted that the state remains on track to meet projections for the current budget year. The state has collected about \$5.2 billion in taxes since the fiscal year began in July 2016, which brings the state's budget shortfall to \$889 million through June 2019.

CHANGE IN 82nd DISTRICT

Jesse Burris has replaced his father-in-law, Pete DeGraaf, as a state representative in the Kansas Legislature. Burris, a lawyer who worked for Secretary of State Kris Kobach until this week, was the only nominee for the position representing the 82nd House District. The eight precinct committee members who attended last week's meeting at the Derby Public Library selected him unanimously. DeGraaf, who served for nine years, has Parkinson's disease could not continue as a representative because of the stress it puts on his health.

REGIONAL ECONOMIC SCORE LOWERS

The Mid-America Business Conditions Index reports the overall regional economic index dropped to 55.5 in May from 61.4 in April. However the past several months indicate a strong regional manufacturing economy and points to healthy growth for both manufacturing and nonmanufacturing through the third quarter of this year. Strong profit growth and still low interest rates boosted the economic outlook among supply managers in the nine-state region that the survey covers: Arkansas, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma and South Dakota.

CONTENTIOUS TOBACCO SETTLEMENT TALKS

The House budget committee considered House Bill 2430, which would allow the sale of a portion of the state's annual payment from the national tobacco settlement of a lawsuit. The state could generate millions immediately for the budget by selling off about \$19 million in annual revenue for the next 30 years. Attorney General Derek Schmidt came out against the bill stating that settling for \$320 million now rather than accepting \$530 million structured settlement over time was a bad financial trade. A spokesperson for the Kansas Chamber of Commerce, testified in favor of the measure stating their support for any & all efforts that balance the state budget without requiring tax increases. Discussion ended with no action taken.

LOTTERY EXPANSION

Instead of adopting a conference committee report on HB 2313 already approved by the Senate, the House voted to send it back to committee. A key portion of the bill allows buyers to purchase lottery tickets from dispensing machines. It is expected to help spur a \$30 million increase in annual sales. The bill also outlines the use of revenues for mental health programs. The report coming out of that committee allowed organizations such as the American Legion and VFW to have up to two vending machines in their clubs that would dispense instant bingo games. The bingo language never received a hearing before a House or Senate committee.