

Legislative Update

May 5, 2018

Overview

The Legislature convened on April 26th and wrapped up the veto session by Friday, May 4th. The 4th is also “sine die,” the official conclusion of the 2018 session. Because of the resolution passed at the end of the regular session, there will be no opportunity to override any gubernatorial vetoes. The final issues to be resolved were a school finance plan to fix the flawed school bill, the budget, a revenue plan, and a few other outstanding issues. If the Supreme Court rejects the school finance plan we will be back in a special session this summer. This report will attempt to summarize the issues resolved in this last week. It will be incomplete and will be updated as necessary.

Big Picture Issues

During the break before the wrap up session the state was made aware of an \$80 million impact in the school finance bill passed on the last day of the regular session. The problem was not in the appropriation of funding, but in the expenditure authority for those funds. The fix, however, was relatively straightforward. Numerous legislators introduced bills to “fix” the issue in their own way but the final resolution fixed it with few other changes. They rejected efforts to add any additional funding. Because the Legislature needed time to fix the error, the Court granted the request from both sides to delay filing briefs until May 7th. Oral arguments in the case will still begin May 22 and a decision will be reached by June 30th.

House and Senate budget committees spent the week formulating a final budget. Both committees received the latest consensus revenue estimates that predict an additional \$217 million in new revenue for the remainder of Fiscal Year 2018 and \$316 million in new revenue for Fiscal Year 2019. The estimates were quickly increased another \$66 million when April revenue collections soared. The Governor also submitted a number of amendments to use some of the new-found revenue to expedite repayment of money the state borrowed from the KPERs—the public employee’s retirement system. Both funding committees added funding to their respective bills for various state services and programs including social services and highways. The House and Senate passed budget bills early in the wrap up session, negotiated a final agreement, and sent the bill to the Governor with a firm majority.

Some legislators believed the optimistic budget projections left enough room in the ending balance to finance a tax cut. Others believed Kansas is just bouncing back from years of budget problems and the estimates should be treated cautiously. The Senate passed a multi-year \$500 million tax cut bill but the House didn’t debate it. Many House members are interested in a chance to vote for tax relief as all 125 seats are up for re-election this fall but there is uncertainty

about the exact nature and impact of the changes to federal tax law. Very late in the session, the Senate proposed a tax package that the conference committee report on Senate Sub. for House Bill 2228. The bill would partially decouple state law regarding itemized deductions from the new federal tax policy and allow Kansans to claim state but not federal deductions; accelerated some itemized deductions restoration (medical, mortgage, and property tax). Additionally, the plan continued the tax deferred foreign income repatriated under new federal tax law, as well as some small income tax credits and exemptions. The bill would allow Kansans to take advantage of changes in federal tax policy but the bill reduced state income by as much as \$500 million over five years and the actual impact, was unclear. Combined with the potential impact of a impending trade war on crop prices and unresolved school finance issues, the Senate passed the bill, but the House faltered. The tax bill failure in the House also doomed passage of an economic development bill, Senate Bill 296, that would have limited future STAR bond projects with state approval and forced local governments to contribute more, extend High Performance Incentive Program, and implement a rural economic development known as Ad Astra. The bill did not run in the Senate after the tax bill failed in the House.

Now, the Kansas Supreme Court will hold oral arguments and make a decision and the Legislature may have to convene for a special session.

Health Issues

There were no additional health committee meetings this wrap up session and the only action happened is in the health conference committee and in the budget committee process.

- Telehealth (Senate Sub for House Bill 2028) and dental therapy (House Bill 2674 the telehealth bill and Dental Therapy SB 312) have been tied together and neither issue may advance this session.
 - Health conference committee separated out telehealth and left dental therapy to die.
 - The House was preparing to run telehealth but abortion proponent wanted to the bill sent back to conference committee to add the non-severability provisions. The House sent the report back to committee and the Senate conferees will not support the abortion provision so the bill is likely dead for the session unless abortion supporters back off.
 - Final: During wrap up session the contents of HB 2674 with modifications, including the abortion prohibition and non-severability clause. Passed the House and Senate, on way to the Governor.

- The final budget bill Substitute for Senate Bill 109 passed the Senate and the House and is on the way to the Governor. The majority of these items were heard earlier in the session during the budget process and added during the final omnibus budget review following the revised revenue estimates. Included among the items of interest are:

- Children and youth issues
 - Add \$4.2 million Children’s Initiative Funds for Pre-K Pilots.
 - Add \$1.0 million Children’s Initiative Funds for full funding of Parents as Teachers.
 - \$300,000 for juvenile crisis center pilot at Beloit Special Ed coop.
 - Add three-year old to at-risk pre-school.
- Department of Children and Families.
 - Add \$5.5 million, including \$3.3 million from the State General Fund, to increase payments for foster care kinship placements from an average of \$3 per day to an average of \$10 per day;
 - Add \$300,000, all from the federal TAN Fund, for Communities in Schools, for FY 2019. The program provides case management services to at-risk students, with a focus on improving academics, behavior, attendance, and graduation rates.
 - Add \$1.0 million, all from the federal TANF, for the Boys and Girls Club, YMCA, and municipal parks and recreation programs for FY 2019, and add language requiring the agency use half of the funding to provide funding for foster children participating programs instead of requiring foster parents to pay the fees from their daily rates and the other half for other programs.
 - Add \$1.0 million, all from the federal TANF Fund, for the Kidzlit program for FY 2019. The program is an out of school enrichment program designed to teach reading skills while teaching social development skills to children.
 - Add \$750,000, including \$375,000 from the State General Fund, for a feasibility study to study the replacement of child welfare information systems for FY 2019. The feasibility study is required for the federal matching funds and will provide information on which systems need to be replaced and the anticipated replacement cost.
 - Add \$5.5 million, including \$3.3 million from the State General Fund, to increase payments for foster care kinship placements from an average of \$3 per day to an average of \$10 per day for FY 2019.
- Medicaid Expansion. Senate Bill 38. Dead.

Children and Youth Issues

- Immunity from civil liability for damage to motor vehicle related to rescue of person or animal. House Bill 2516.
 - Civil immunity for person if locked motor vehicle with person or animal. Act must be in good faith with belief the person or animal is at risk. Required to notify law enforcement before entering.
 - Passed House and Senate approved the Governor.
- Disclosure of information in Child in Need of Care code. House Sub. for Senate Bill 336.

- House Bill 2728 and Senate Bill 295 combined in judiciary conference committee.
 - Makes accessible public information related to abuse or death of a child in state custody.
 - Dept. of Children and Families required to release information in response to an open-records request, such as the age and gender of the child, the date of the fatality, a summary of previous reports of abuse or neglect to the agency, and department-recommended services provided to the child.
 - Passed House 119-0, Senate 40-0, awaiting action from the Governor.
- Youth residential services. House Substitute for Senate Bill 179 (contains contents of House Bill 2787).
 - Rep. Blaine Finch, chair of House Judiciary Committee, introduced bill to create youth crisis services residential beds.
 - Mental health centers would control some number of short-term residential facility beds for juveniles in “mental health crisis.” Only prosecutors can refer to services, mental health centers control access to a facility. Uses funding up to \$2 million from Corrections juvenile services savings.
 - Heard in House Judiciary 3/21 and passed out with minor amendments on 3/22 and placed into House Substitute for SB 179.
 - Agreement in conference committee, passed both chambers, and headed to the Governor.

Legislation of Interest

Bills that have been published and the bill history can be found on the Legislature’s official website: http://www.kslegislature.org/li/b2017_18/measures/bills/

The conference committee reports that include the final contents of agreements between the House and Senate, whether passed or not, can be found in two locations:

<http://www.kslegresearch.org/KLRD-web/CCRB.html>
http://www.kslegislature.org/li/b2017_18/committees/conference/?page=1

All bills that did not pass are dead. The 2019 legislative session will begin a new biennium, or two year bill cycle.

KanCare/Medicaid

Prohibition against KanCare 2.0 without legislative approval. Senate Bill 300

- Prohibiting KanCare 2.0 renewal without legislative consent.
- The bill requires KanCare exactly like is as of 1/1/17. Only changes approved by the Legislature can be made to the Medicaid system or to contracts with managed care companies. A one year extension of current contracts.

- Senate Bill 300 hearing in Senate Ways and Means Committee, 1/30-31. Bill was amended and passed to the full Senate with language allowing Medicaid changes for behavioral health access.
- Died on Senate floor.

Suspension of Medicaid eligibility. Senate Bill 195/ House Bill 2508.

- Bill from 2017 session, suspends rather than terminates eligibility when incarcerated or in state hospital.
- Would eliminate months of eligible member losing coverage and having to reenroll in Medicaid.
- House Bill 2508 unlike SB 195, eliminates the duty for state agencies to notify the State when an individual enters or leaves eligibility and requires KDHE to monitor and report
- Hearing in Senate Health and passed to full Senate with amendment from HB 2508. Died on Senate floor.

General Healthcare

Establish the Kansas Telemedicine Act. House Bill 2674

- The bill creates coverage parity for insurance providers so that if a service is covered it is covered whether delivered in person or electronically.
- Does not include pay parity, meaning the payment for services can be different if delivered in person or electronically.
- There is strong focus on mental health telemedicine and physicians but bill does include mid-levels working under supervision.
- House Bill 2674 specifies professions working under supervision, removes the abortion provision, and adds 42 CFR protections for SUD providers.
- Hearing in House Health on 2/12, passed committee on 2/19, passed House floor on 2/22 on a vote of 117-0.
- Hearing in Senate Health Committee 3/19. On 3/22 Committee amended in provisions of SB 312 Dental Therapy; removed abortion severability provision, added other groups to telemedicine bill including dentists, hygienists, and therapists.
- Health conference committee separated out telehealth and left dental therapy to die.
- The House was preparing to run telehealth but abortion proponent wanted to the bill sent back to conference committee to add the non-severability provisions. The House sent the report back to committee and the Senate conferees will not support the abortion provision so the bill is likely dead for the session unless abortion supporters back off.
 - Final: During wrap up session the contents of HB 2674 with modifications, including the abortion prohibition and non-severability clause were passed. Passed the House and Senate, on way to the Governor.

Dental Therapy. Senate Bill 312.

- Creates mid-level dental hygienists position to serve in safety net clinics and with Medicaid providers.
- Senate Bill 312 is the compromise bill that Dental Association supports.
- SB 312 hearing in Senate Health 2/1, 2/5 and passed out on 2/8.
- Compromise brokered by dental association and dental hygienists expands some procedures for hygienist with additional training, clarifies supervision on premises in out of office locations.
- Passed Senate 39-0. Hearing in House Health 3/14.
- Bill remains in House Committee, but contents of SB 312 were added to HB 2674 Telemedicine by Senate Public Health and Welfare Committee.
- Telehealth removed from dental therapy and dental therapy is dead for this session.

Children/Youth

Immunity from civil liability for damage to motor vehicle related to rescue of person or animal. House Bill 2516.

- Civil immunity for person if locked motor vehicle with person or animal. Act must be in good faith with belief the person or animal is at risk. Required to notify law enforcement before entering.
- Passed House and Senate and Governor signed.

Child placement agency discrimination. Senate Bill 401.

- Allows child placement agencies to refuse services or placements, and protects their license and contract if they discriminate.
- In Senate Federal and State Affairs. Hearings 3/20-21.
- On Senate floor, provisions of SB 401 were added to House Bill 2481 and passed Senate 28-12.
- HB 2481 remains in Judiciary conference committee.
- Contents placed in Conference Committee report on SB 284. Passed House and Senate and on the way to the Governor.

Emergency medical workers as mandatory reporters. House Bill 2530/Senate Bill 311.

- Emergency medical personnel added to list of mandatory reporters for child abuse and neglect. Amended on floor to add abuse or neglect in a KDOC institution.
- House Bill 2530 Passed House Children and Seniors, passed House on 2/22 on a vote of 117 to 0. In Senate Health Committee, no hearing.
- Senate Bill 311 passed Senate 39-0, passed House 124-0, Governor signed.

Fingerprinting child care facility persons. House Bill 2639.

- Local and state law enforcement officers and agencies to assist KDHE in taking and processing fingerprints of persons residing, working or regularly volunteering in a child care facility. Allowed to charge fees for checks.
- Passed House and Senate, Governor signed.

Youth residential services. House Sub. for Senate Bill 179. (Original contents of House Bill 2787).

- Rep. Blaine Finch, chair of House Judiciary Committee, introduced bill to create youth crisis services residential beds.
- Mental health centers would control some number of short-term residential facility beds for juveniles in “mental health crisis.” Only prosecutors can refer to services, mental health centers control access to a facility. Uses funding up to \$2 million from Corrections juvenile services savings.
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- Passed House 119-0, Senate 40-0, awaiting action from the Governor.

Upcoming Activities

The legislature’s work has concluded. The Governor has a number of bills to sign or veto and everyone awaits a ruling from the Supreme Court on resolution of the Gannon school finance lawsuit.

Wrap Up

Please let me know if you have questions.

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