



## Memorandum

Date: January 7<sup>th</sup>, 2021

Re: 2022 Pre-Session Report

### **2022 Session Preview**

The 2022 legislative session will be one of the most significant in recent Kansas history and gets underway on Monday, January 10<sup>th</sup>. It will occur as our communities and elected officials navigate the future after two years of the global pandemic and the divisions and conflicts it has stirred. Kansas public policy debate will see themes both local and national related to public education and public health, economic recovery and economic development, tax policy including revenue, and the direction and role of government. Other issues framing the specific policy debate in Kansas will explore cultural and community challenges, economic opportunity and potential growth, statewide housing needs, as well as continued discussion of climate and sustainability issues.

The Kansas Legislature will contend with all these issues. At the same time, elections loom in 2022. The current Governor will face the current Attorney General in a gubernatorial contest as well as all other statewide officials. Each seat of the Kansas House of Representatives is up for election, but no State Senate seats will be contested until 2024. The 2022 primary will also see on the ballot the constitutional amendment that will allow legislators, not the court, to determine questions of control over individual health rights. A final layer of complexity on the 2022 legislative session is the requirement that the Legislature and the Governor approve maps that redraw the boundaries of all Kansas and federal districts. Redistricting can be the most partisan and difficult act in American politics and the potential impacts of redistricting can last a decade.

This report includes a few highlights of happenings in the last few weeks, but more importantly looks at issues that will be front and center this session. It also provides information on the 2022 Session schedule as well as changes in committee assignments (at the end of this report). Session begins Monday the 10<sup>th</sup> when both houses convene at 2:00 PM, but committees will not meet until Tuesday. The Governor will hold her State of the State address on Tuesday at 6:30 PM. We anticipate the Governor's budget recommendations will be public on Wednesday the 12<sup>th</sup>. The Legislature's mid-session break will be February 25<sup>th</sup> and the regular session is scheduled to conclude on April 1<sup>st</sup>. The wrap up session will begin April 25<sup>th</sup>.

We will resume our weekly legislative reports beginning next week.

### **Other Information**

**Governor Issues Disaster Declaration**

- In response to the rise in COVID cases as a result of the Omicron variant, Governor Kelly issued a 15-day disaster declaration on January 6<sup>th</sup>. The Legislature has the ability once Session begins to extend the declaration. The Governor also issued two executive orders expanding the ability of healthcare providers to respond to the crisis.
- More on the disaster declaration and emergency orders here: <https://governor.kansas.gov/governor-laura-kelly-issues-15-day-disaster-declaration-two-executive-orders-to-aid-kansas-hospital-and-adult-care-home-capacity/>

#### “Axe the Food Sales Tax” Bill Drafts Released

- A couple of weeks ago, the Governor and Democratic legislative leadership announced House and Senate bill drafts for the elimination of the state’s 6.5% sales tax on food.
- The State’s revenue surplus is generating significant support for the proposed tax reduction that benefits particularly lower-income taxpayers.
- Despite the fairly broad support, the issue faces a long and complex path final passage.
- The bill draft can be viewed here: [https://governor.kansas.gov/wp-content/uploads/2021/12/AxeTheFoodTax\\_SenateBill.pdf](https://governor.kansas.gov/wp-content/uploads/2021/12/AxeTheFoodTax_SenateBill.pdf)

#### Governor’s Tax Rebate Proposal

- On December 22<sup>nd</sup>, Governor Kelly announced a proposal for a one-time \$250 tax rebate in the form of a non-taxable direct payment to all Kansans (married and filing jointly are eligible for a \$500 direct payment).
- More on the proposal here: <https://governor.kansas.gov/governor-laura-kelly-announces-proposal-to-provide-250-tax-rebate-to-kansas-resident-taxpayers/>
- The Governor cited the state’s current budget surplus as grounds for the rebate, which requires Legislative approval. It is uncertain if the Legislature will support both this rebate, as well as the Governor’s plan to reduce the food sales tax. While state revenues are certainly the highest they have been in recent years, it is unlikely the Legislature will grant the Governor’s wishes for both of these initiatives, and the announcement of her rebate proposal may very likely complicate the process for passing the food sales tax elimination.

#### December Tax Collections

- December tax collections, as in all previous months in 2021, exceeded estimates by \$64.5 million, for a tax collection totaling \$890.3 million. The December 2021 amount surpassed December 2020’s collections by \$120 million.
- The breakdown of December’s SGF receipts can be viewed here: [https://governor.kansas.gov/wp-content/uploads/2022/01/06\\_December\\_Revenue\\_FY2022\\_01-03-2022\\_Final.pdf](https://governor.kansas.gov/wp-content/uploads/2022/01/06_December_Revenue_FY2022_01-03-2022_Final.pdf)

### Latest SPARK Task Force Actions

- In late December, the SPARK task force voted 5-2 to expend \$154 million for various projects, including for economic development, educational grants for at-risk students, and high-speed internet for school districts.
- The breakdown of the allocation is as follows:
  - \$100 million for building improvements for economic development,
  - \$50 million for \$1,000 direct grants to families with at-risk children who experienced learning loss during the pandemic, and
  - \$4 million for school districts to match funds for a Federal Communications Commission program providing access to high-speed internet service.
- Proposals approved by the SPARK committee thus far total \$256 million of the \$1.6 billion in total federal funds received by the state. (As a reminder, \$500 million of that has also been allocated for the unemployment trust fund).
- We anticipate the allocation of federal funds will be a major point of debate this session, particularly situated in the context of conversations and proposals to instead use excess funds to pay down state debt.

### Major Healthcare Related Issues in 2022

#### Vaccinations

- Undoubtedly, this will be the most debated and most controversial of all the healthcare related topics debated this session. Vaccines, both COVID and all communicable disease, are being cast as partisan and hot button issues in this election year and they will get a great deal of attention.
- During the Special Session in November, Senator Steffen introduced SB 2, similar to SB 212 from the 2020 Session, that would essentially remove KDHE's authority to control the childhood vaccination schedule and instead place that authority with the Legislature. That bill is dead, as it was only alive for the single-day special session, but it can be viewed here:  
[http://kslegislature.org/li\\_2021s/b2021s/measures/documents/sb2\\_00\\_0000.pdf](http://kslegislature.org/li_2021s/b2021s/measures/documents/sb2_00_0000.pdf)
- We anticipate this bill, or one very similar, to be introduced early in the 2022 Session. A wide variety of stakeholders across the public health and children's health community are mobilizing in opposition.

#### Medicaid Postpartum Coverage

- Extension of Medicaid funded services to qualified mothers from 60 days to one year has become a recognized benefit of the pandemic emergency. The issue received strong bipartisan support throughout the interim, from both the KanCare Oversight and Mental Health Modernization committees. We expect activity and hearings this session, particularly because it is seen as a positive alternative since Kansas has not expanded Medicaid.

- In the absence of passage of the Congressional Build Back Better Act, it is important for the state to take action in order to expand coverage from 60 days to 12 months. While the current public health emergency (PHE) guarantees 12-month coverage, that coverage reverts to 60 days when the PHE expires.
- The State Medicaid Director has estimated the cost to expand from 60 days to 12 months is approximately \$10.5 million in all funds annually, costing the State only \$4 million but generating greater savings by improving maternal health, treating needs including behavioral health, and avoiding high cost child welfare services.

#### Governor's Commission on Racial Equity & Justice Final Report

- The Commission in late December issued its 2021 Report to the Legislature. The 2021 report is focused on social determinants of health and can be viewed here: [https://governor.kansas.gov/wp-content/uploads/2021/12/CREJ-Report-December-2021\\_FINAL.pdf](https://governor.kansas.gov/wp-content/uploads/2021/12/CREJ-Report-December-2021_FINAL.pdf)
- A summary of new items added in the report can be found here: [https://governor.kansas.gov/wp-content/uploads/2021/12/CREJ-Report-New-Recommendations\\_FINAL.pdf](https://governor.kansas.gov/wp-content/uploads/2021/12/CREJ-Report-New-Recommendations_FINAL.pdf)

#### Other Issues of Importance

- **988 National Suicide Prevention Lifeline (NSPL):** The chair of House Health & Human Services over the interim has made it clear 988 is a main priority for the 2022 Session. Last year, funding for the bill stalled during conversations with telecom companies for a tax to partially fund 988 implementation and services. The 2021 Legislature did include \$3 million in its budget for start-up costs, but no further funding for the ongoing costs and services, such as mobile crisis services, the NSPL will provide in Kansas communities.
- **Telemedicine:** This topic was discussed over the interim during meetings of the Mental Health Modernization & Reform committee. The issue of payment parity has been a large barrier and it is unlikely there will be further action on this issue, beyond further discussion in an ongoing telemedicine committee recommended by the Mental Health Modernization committee.
- **Food Sales Tax Elimination for health-related products:** As mentioned above, this issue will be front and center in tax policy debate in 2022. Conversations relating to expanding the exemption have already begun, and a bill to exempt hygiene products from sales tax has already been pre-filed. That legislation, HB 2461, can be viewed here: [http://kslegislature.org/li/b2021\\_22/measures/documents/hb2461\\_00\\_0000.pdf](http://kslegislature.org/li/b2021_22/measures/documents/hb2461_00_0000.pdf)
  - As written, HB 2461 would exempt “all sales of hygiene products,” including “antiperspirants, cotton swabs, dental floss, deodorants, diapers, menstrual cups, mouthwash, panty liners, sanitary napkins, shampoo, soaps and cleaning solutions, suntan lotions, suntan screens, tampons, toilet tissues and toothpaste.”

- **KanCare 3.0 Procurement:** KDHE begins the process of renewing the State’s managed care Medicaid program. Public and provider input will be solicited in 2022 and the final bidding process will begin at the end of the year. We should be contemplating how we might want to influence the next round of KanCare contracts to benefit our clients and their needs. The one legislative issue in 2022 is the possibility that the Republican legislative majority may want to delay the current Governor’s ability to structure the next Medicaid bidding process.
- **Workforce:** There are infinite workforce issues in the healthcare field. Including COVID, retirements, exhaustion, career and life changes, the healthcare labor market has never been more fluid and difficult. It is uncertain if any solutions are on the horizon for the coming legislative session.

### KAAP Specific Issues

In addition to vaccination and public health issues, there are several policy issues to address.

- **Adrian’s Law Amendment:** KAAP, in coordination with DCF and KDHE, is seeking an amendment to the new law known as Adrian’s Law that passed in 2021. The current law requires visual observation of an alleged victim of child abuse or neglect as part of an investigation. The proposed amendment would require that the exam be conducted by a pediatrician specially trained in detecting child abuse. This structure is currently being piloted in Johnson and Wyandotte counties and Missouri has implemented a similar protocol.
- **Office of Child Advocate:** As we reported last month, the Office of the Child Advocate (OCA) as established by the Governor in an Executive Order, remains a controversial position. Legislative critics support oversight authority outside executive branch control. The Governor in December appointed Kerrie Lonard of Lawrence as the Child Advocate, but it is likely the Legislature in 2022 will formulate its own plan for the OCA.
- **Medicaid pediatric primary care reimbursement rates:** KAAP testified before the KanCare Oversight Committee in early December to discuss the need to increase the Medicaid pediatric primary care reimbursement rate. The committee recommended that the State Medicaid Director review and report on fiscal notes and historical comparisons for rates, including the pediatric primary care rate, and report back to the relevant health and budget committees. This issue could be addressed by the House and Senate budget committees.

### Upcoming Activities

*Monday, January 10th.*

First Day of 2022 Session.

*Tuesday, January 11th.*

Governor’s State of the State Address, 6:30 PM.

*Wednesday, January 12<sup>th</sup>.*

Joint Senate Ways & Means and House Appropriations Meeting. 9:00 AM.

- Overview of Fall 2021 Consensus Revenue Estimates
- Briefing on the Governor's Budget Report.

### 2022 Session Important Dates

- January 10<sup>th</sup>: Opening day.
- February 9<sup>th</sup>: Last day for individual-sponsored bill introductions.
- February 11<sup>th</sup>: Last day for non-exempt committee-sponsored bill introductions.
- February 21<sup>st</sup>: Last day for committees to meet prior to Turnaround (i.e., midpoint of Session).
- February 24<sup>th</sup>: Turnaround Day—Last day for non-exempt bills to leave house of origin.
- March 18<sup>th</sup>: Last day for non-exempt committees to meet to consider bills.
- April 1<sup>st</sup>: First Adjournment.
- April 2<sup>nd</sup>-24<sup>th</sup>: Spring Break. Legislature does not meet.
- April 25<sup>th</sup>: Veto Session begins.
- May 10<sup>th</sup>: 90<sup>th</sup> Day of Session.

### Committee Membership Changes

Some committee assignments have changed prior to the 2022 session and they are noted here.

- House Republican Committee Changes:
  - **Elections** – Rep. **Emil Bergquist**, R-Park City, is new chair, **Jesse Borjon**, R-Topeka, vice chair. Current chair Rep. **Blake Carpenter**, R-Derby, is leaving the House for the 2022 session for military duty.
  - **Federal & State Affairs** – Rep. **Adam Thomas**, R-Olathe, is appointed to the committee.
  - **Water** – Reps. **Cyndi Howerton**, R-Wichita, and **Trevor Jacobs**, R-Fort Scott, are appointed to the committee.
  - **Energy, Utilities and Telecommunications** – Rep. **Blaine Finch**, R-Ottawa, is new committee chair.
  - **Local Government** – Rep. **Bill Clifford**, R-Garden City, is appointed to the committee.
  - **Veterans** – Rep. **Bill Clifford**, R-Garden City, is appointed to the committee.
  - **Ag/Natural Resources Budget** – Rep. **Adam Smith**, R-Weskan, is appointed to the committee.
  - **Corrections/Juvenile Justice** – Rep. **Stephen Owens**, R-Hesston, is chair after the death of Rep. **Russ Jennings**, R-Lakin. Rep. **Eric Smith**, R-Burlington, is named vice chair. Rep. **Cyndi Howerton**, R-Wichita, is assigned to the committee.

- **Health and Human Services** – Rep. **Bill Clifford**, R-Garden City, is assigned to the committee.
- **Judiciary** – Rep. **Susan Concannon**, R-Beloit, is assigned to the committee.
- **Social Services Budget** – Reps. **Bill Clifford**, R-Garden City, and **Cyndi Howerton**, R-Wichita, are assigned to the committee.
- Senate Republican Committee Changes:
  - **Federal & State Affairs** -- Sen. **Rob Olson**, R-Olathe, is chair, replacing Sen. **Larry Alley**, R-Winfield, who has become Senate Majority Leader. Sen. **Alicia Straub**, R-Ellinwood, has been appointed to the committee.
  - **Agriculture & Natural Resources** – Sen. **Ron Ryckman Sr.**, R-Meade, been appointed to the panel to replace Sen. Alley.
  - **Assessment & Taxation** – Sen. **Virgil Peck**, R-Havana, has been appointed vice chair to replace Sen. **Larry Alley**, and Sen. **Gene Suellentrop**, R-Wichita, has been appointed to the committee.
  - **Financial Institutions & Insurance** – Sen. **Rick Kloos**, R-Berryton, has been appointed to the committee.
  - **Commerce** – Sen. **Renee Erickson**, R-Wichita, has been named chair, replacing Olson, who will now chair Fed & State. Sen. **Brenda Dietrich**, R-Topeka, has been added to the committee.
  - **Ways & Means** – Sen. **Larry Alley**, R-Winfield, has been added to the committee.
  - **Education** – Sen. **Gene Suellentrop**, R-Wichita, has been added to the committee.
- House Ranking Democrat Changes
  - Rep. **Lindsay Vaughn**, D-Overland Park, has replaced Rep. **Elizabeth Bishop**, D-Wichita, on the Water Committee as ranking minority.
  - Rep. **Virgil Weigel**, D-Topeka, has become ranking on the Veterans/Military Committee, replacing Rep. **Susan Ruiz**, D-Shawnee.
  - Rep. **Susan Ruiz** will be ranking on Health and Human Services, replacing Rep. **Brett Parker**, D-Overland Park.
  - Rep. **Mari-Lynn Poskin**, D-Leawood, will replace Rep. **Virgil Weigel**, D-Topeka, as ranking on the Transportation and Public Safety Budget Committee.
- Other House Democrat Committee Changes
  - Rep. **Brandon Woodard**, Lenexa, is newly appointed to Appropriations.
  - Rep. **Christina Haswood**, Lawrence, is newly appointed to Federal & State Affairs.
  - Rep. **Dan Osman**, Overland Park, is appointed to the Financial Institutions, Corrections & Juvenile Justice, Elections, and Insurance committees.
  - Representatives **Heather Meyer** (Overland Park) and **Chuck Schmidt** (Wichita) have been added to the Water Committee.
  - Rep. **Schmidt** will also serve on the Education and Taxation committees.

- Representatives **Kathy Wolfe-Moore** (Kansas City) and **Heather Meyer** have been added to the Health & Human Services Committee.
- Rep. **Meyer** will also serve on the Elections and Insurance committees.
- Rep. **Broderick Henderson**, Kansas City, has been added to the General Government Budget Committee.
- Rep. **Virgil Weigel** will serve on the Transportation & Public Safety Budget Committee