

NEWSLETTERS



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2022 LEGISLATURE OPENS JAN. 10

The 2022 Kansas Legislature opens in less than three weeks with a full agenda. After approving the state budget, the Legislature's next issue will be reapportionment. Legislative leaders want to avoid repeating the controversy from a decade ago when the Courts drew the final legislative map. The hope is to conclude the session within 90 days. The House of Representatives, statewide officers (Governor, Attorney General, Secretary of State, etc.), and a constitutional amendment are on the August primary election ballot. Getting the redistricting maps (Congressional, Legislature, and State Board of Education seats) approved and through the legislative and judicial review process is a time-sensitive priority. The key dates on the legislative calendar are: (1) April 1 – first adjournment; (2) April 25 – veto session opening date; and (3) May 10 – 90th day to conclude legislative session.

As part of the final preparations for the 2022 session, Senate President Ty Masterson announced several changes in the membership of Senate committees to reflect the election of Sen. Larry Alley to Senate Majority Leader. House Speaker Ron Ryckman announced shuffling of several House committees after the death of Rep. Russ Jennings and announced the committee appointments for Rep. Jennings' successor, Rep. Bill Clifford.

The state's positive financial picture will generate debate around budget issues, adding funding of new programs, addressing delayed projects, a rainy-day fund, or cutting taxes. When state finances are tight, it is obvious that there are no funds for addressing needs or adding new programs and contentiousness over new spending is muted. With surpluses, however, there will be a flood of requests. The budget process will have a much different dynamic in 2022 contrasted with the uncertainty of 2021. In addition to increased state tax revenues, the federal relief funding provides a unique opportunity for Kansas to address unmet infrastructure needs, current issues, and long-term economic development. Currently, Kansas has yet to allocate \$1.1 billion of the \$1.6 billion designated by Congress under the American Rescue Plan Act (ARPA). State leaders have already designated \$500 million to stabilize the Kansas unemployment trust fund. Last week, \$271 million of the federal funds was allocated to address retaining nurses in state facilities, increasing salaries for state employees in prisons, and other hard-to-fill government positions. Also, funds were allocated to support continued coronavirus testing through March 2022.

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Yesterday, state officials and business leaders unveiled a plan to spend \$154 million in federal funds on economic revitalization, internet upgrades for schools, and money to assist children struggling during the pandemic. The details are covered in the SPARK section of this issue.

DOCKING RENOVATION APPROVED

After years of controversy and debate, the fate of the 12-story Docking State Office Building was decided by the State Finance Council (a group of Republican and Democratic elected leadership and Gov. Kelly) on Dec. 9, 2021. The new building will be three stories and a combination of event space and offices. Presumably, the entire project can be funded through the \$120 million bond sales earlier approved by the Legislature.

In other action, the Finance Council moved to recommend the new lab for the Kansas Department of Health and Environment be constructed downtown, south of the Docking building and adjacent to the Kansas Judicial Center.

SPARK APPROVES \$154 MILLION

On Dec. 20, the Strengthening People and Revitalizing Kansas (SPARK) Executive Committee recommended spending \$154 million in federal pandemic funds for economic revitalization, improved internet access for schools, and providing \$1,000 vouchers to help 50,000 low-income, struggling students affected by the pandemic purchase educational materials and computers. The economic revitalization earmarks \$100 million for repair, updating, and construction of commercial buildings. The goal is to assist businesses and communities to expand building infrastructure capable of attracting and retaining jobs. Board member Greg Orman, a Kansas City businessman who was an independent candidate for governor in 2018, voted no, citing a lack of details. Orman objected to the idea of offering an economic development program to build empty buildings. Taking the opposing position, council member Lt. Governor David Toland cited a critical shortage of ready-to-lease buildings limiting opportunities for economic development. The projects require approval of the State Finance Council.

SPARK is a bipartisan committee (with advisory subcommittees) formed last summer to manage pandemic recovery efforts.

INTERIM COMMITTEES

The Joint Committee of Home and Community Based Services continued to hear quality-of-care concerns in adult care homes due to critical staffing issues. LeadingAge Kansas, an association of not-for-profit aging service providers, reported that a majority of the long-term care facilities surveyed have shut down entire units due to staff shortages and increasing costs of care. LeadingAge requested that the Legislature explore restoring use of temporary nurse aides in long-term care. Also, the Association noted that staffing agencies continue to destabilize the market for staff and drain away emergency dollars. Extending Medicaid coverage for pregnant women, restoring emergency waivers and regulatory flexibility for temporary nurse aides, and exploration of increased EMS reimbursement rates were all recommended.

The Special Committee on Mental Health Modernization is making a significant number of recommendations for next session. Recommendations include making a long-term investment to recruit and train mental health workers, improving medication-assisted treatment for addiction, Medicaid post-partum coverage, and additional funding for suicide prevention. They also recommended a committee appointed by the Legislative Coordinating Council for a Special Committee to consider Telemedicine Modernization.

DOLE REMEMBERED

On Nov. 11, Kansas said farewell to former U.S. Senator Bob Dole with ceremonies in Russell and Topeka. He was remembered for his advocacy for civil rights, the disabled, farmers, and veterans. Dole helped spearhead the effort

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for a World War II memorial in Washington, which added to his legacy. He will be remembered for his ability to work across the aisle and find meaningful compromises. If you were fortunate enough to meet with Sen. Dole, you were impressed with his sense of honor, smile, and willingness to help Kansans.

NOV. REVENUE

In early Nov., the Consensus Revenue Estimating Group (CREG) adjusted the revenue estimates update for the current fiscal year and fiscal year 2022. Interested observers were watching the Nov. Department of Revenue numbers reflecting the revised revenue estimates. The total tax collections for Nov. were \$18.9 million or 3.1% over the new estimate. In the Department of Revenue release, Gov. Laura Kelly noted the numbers continue to be encouraging but the state must maintain fiscal responsibility moving forward, which is how we will “Axe the Food Sales Tax” long term.

In terms of economic recovery from the pandemic, sales and use tax (use tax is applied to purchases outside of Kansas) were 13.8% or \$34.5 million more than last November. Individual income tax collections were 1.6% below the estimate, but the amount remitted was \$13.5 million above last November. Corporate income tax collections were \$5.4 million or 64.1% above the estimate, with \$13.7 million collected. Compared with last November, this is a \$8.5 million increase or 165.5% more than last year.

Kansas Legislative Insights is a publication developed by the Governmental Relations & Public Policy Law practice group of Foulston Siefkin LLP. It is designed to inform business executives, human resources and governmental relations professionals, and general counsel about current developments occurring in current Kansas legislation. Published regularly during the Kansas legislative session, it focuses on issues involving healthcare, insurance, public finance, taxation, financial institutions, business & economic development, energy, real estate & construction, environmental, agribusiness, employment, and workers compensation. Bill summaries are by necessity brief, however, for additional information on any issue before the Kansas Legislature, contact Foulston Siefkin's Governmental Relations & Public Policy Law practice group leader, James P. Rankin at 785.233.3600 or jrankin@foulston.com. Learn more about the authors below:

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