

MEMORANDUM

To: Interested Parties

From: John J. Federico, JD

Stephen P. Duerst, JD

Date: January 9, 2022

Re: Weekly Update - Week of January 10, 2022

Please see our Weekly Update on Kansas Legislative activities:

A Special Note on Finding Bill Language & Bill Trackers

If you need to find specific language of a bill, type the number in the box under "Bill number:" on the right-hand side of this webpage. Once you find the bill listed, click that specific bill. You will find the PDF logo under the "Documents" label - click the logo...this will lead you to the text of the bill.

If there are bills that you would like *removed* from or *added* to your bill tracker, please contact Stephen Duerst (<u>Stephen@FedericoDuerst.com</u>).

As always, our office is more than happy to send you specific language as well.

2022 Kansas Legislative Session to Begin Monday; Several Key Issues Expected to be Addressed On Monday, January 10, the 2022 Kansas Legislature will convene in Topeka.

After an extremely busy summer and fall, (filled with over 100 days of interim committees, and a Special Session) the Legislature will start the second year a two-year Session – otherwise known as a "Carryover year." This means that most bills that did not advance in 2021 will remain viable in 2022. Specifically:

- 769 bills were introduced during the 2021 Session (315 in the Senate and 454 in the House).
- 601 bills will carry over to the 2022 Session (252 in the Senate and 349 in the House)
- A total of 116 bills were considered in 2021 that became law (15.1%).

Further, the 2022 Session immediately precedes a significant election year in Kansas. In addition to all 125 members of the Kansas House of Representatives who must stand for reelection, all statewide officers (Governor/Lt. Governor, Attorney General, Secretary of State, State Treasurer, and Insurance Commissioner) are on the ballot, as well.

Kansas remains a divided state, with Democrat Laura Kelly serving as Governor and Republican supermajorities controlling both the House (86 Republicans, 39 Democrats) and the Senate (29 Republicans and

11 Democrats). And, if the last few months are any indication, both the legislature and the Governor's office will increasingly be looking for political "wins" against the other as Election Day draws closer.

As a result of our visits with lawmakers during the summer and fall of 2021, the staff at Federico // Duerst Consulting Group has compiled a list of issues and topics that we believe may be taken up by the Legislature during the 2022 Legislative Session. They include the following:

Redistricting

Redistricting will be a major issue, especially during the early part of the Session. After listening sessions throughout the summer and fall, lawmakers on both the <u>House</u> and <u>Senate</u> Redistricting Committees will now be tasked with drawing maps for State Legislative districts, Congressional districts, and districts for members of the State Board of Education. In Kansas, maps are drawn and are passed similar to any other piece of legislation and must be approved by the Governor.

During the last redistricting cycle, lawmakers could not agree on district lines and the maps were <u>drawn</u> by the <u>US District Court</u>. New boundaries were released the day before the filing deadline, leaving lawmakers to scramble in deciding whether they would run again. Many are eager to avoid that same controversy in 2022.

Food Sales Tax

Under the heading of "politics will dominate the 2022 Session", both Governor Laura Kelly and her presumptive Republican opponent next election – current Attorney General Derek Schmidt – have called for the elimination of the state sales tax on food and grocery purchase in the state of Kansas. Of the dozen or so states that impose a sales tax on groceries, Kansas holds the second highest rate at 6.5%. If enacted, a full repeal would result in roughly \$450 million per year in lost revenue. The devil will be in the details as several bills and amendments have been proposed over the last several years to deal with this issue and have often been bundled with other tax policies.

Tax Cuts, Rebates, Debt Repayment & Other Tax Issues

With an eye-popping \$2.9 billion budget surplus, there will be significant discussion by lawmakers this Session about just how to best spend – or not spend – dollars currently in the state coffers. While Governor Kelly has proposed giving Kansas residents a one-time \$250 rebate, Republican lawmakers may have other ideas. Over the summer and fall, a <u>Special Committee on Taxation</u> was established and made several recommendations may foreshadow potential legislation in 2022. These proposals included the following:

- The evaluation and possible elimination of tax credits and/or various tax exemptions that are not regularly utilized.
- Using additional revenues to offset KPERS liabilities.
- Consider implementing provisions that would require increases in overall tax revenue and spending be tied to inflation and population increases, unless larger increases are approved by referendum (depending on how this legislation is structured, it could require an amendment to the Kansas Constitution).

Other ideas include putting money into the state's rainy-day fund and paying off the state's debt.

Healthcare

Due in large part to the COVID-19 pandemic, topics such as workforce, telehealth and mental health will continue to be huge topics in the various health committees that will meet throughout the Session. Workforce issues may appear sooner rather than later, as many in the healthcare community are calling upon lawmakers to quickly extend and/or codify provisions that were part of two Executive Orders the Governor issued last week that would help ease the pressure that has been put on hospitals and long term care facilities because of the pandemic. There has also been expressed interest by several lawmaker who hope to build on various interim committees that have met throughout the summer and fall that have taken a deep-dive on telehealth and mental health issues.

Federal Stimulus Fund Distribution

Through the American Rescue Plan Act (ARPA) of 2021 Kansas has received \$1.1 billion in unencumbered funds, which is being allocated at the direction of the <u>SPARK Committee</u>. This committee of 7 – of which 4 are Republican leadership and their appointees and 3 of which are appointees of the Governor – are currently setting up a system to help distribute the funds across various areas such as economic revitalization, health & education, connectivity, and efficiency & modernization. To date, SPARK has only allocated \$107 million. Although not an "official" part of the legislative process, there will be an increased emphasis on spending these funds over the next several months. Beyond ARPA dollars, the recent passage of the Federal Infrastructure bill means Kansas will also a *significant* amount of additional federal funds for use on creating, improving or expanding broadband, electric vehicle infrastructure, roadway improvements and water/sewage systems.

Unemployment Modernization

After dropping to critically low levels due to high unemployment during the early days of the Pandemic and widespread fraud, the state's Unemployment Insurance Trust Fund has returned to financial stability after an infusion of \$250 million of federal relief funds. The Republican led <u>Unemployment Compensation</u>, <u>Modernization & Improvement Council</u> (UCMIC) and Governor Kelly's Department of Labor have come to an impasse on how to proceed with a modernization vendor, and the decision rests with the LCC, which has no deadline to make a decision. The project is likely to be advance in some form, but political positioning and procurement rules may continue to make the timing uncertain.

Increased Legislative Review of State IT Contracts

Over the last few years (and, in particular, the last several months) the Legislative <u>Joint Committee on Information Technology</u> (JCIT) has become increasingly active in assisting the state with IT and cybersecurity decisions and legislation. It is anticipated that there will be actions taken to give the JCIT oversight authority, particularly as it relates to IT related RFPs.

Medical Marijuana

Medical Marijuana legislation had the first ever hearing in Kansas during the 2021 Session. The <u>House Federal & State Affairs Committee</u> advanced the language and, late in the Session, the Kansas House passed <u>SB158</u> on a vote of <u>79-42</u>. The bill was sent to the Senate and was referred to the <u>Senate Federal & State Committee</u>, where no hearing or action was taken. Because of the Carryover year, the proposed legislation is alive and remains in the Senate Committee. It is anticipated that the Senate will continue to work on the bill and that it will likely face multiple amendments.

Sports Wagering

Lawmakers hope to take another look at passing language authorizing sports wagering in Kansas in 2022. Several options were drafted, worked and voted on last Session, but lawmakers failed to come to an agreement. Dynamics may change as the Senate Federal & State Affairs Committee will have a new Chairman, Sen. Rob Olson (R-Olathe), who has been a proponent of expanded gaming in the past.

New Members Join the Legislature

Several new members have joined the Kansas House over the past several months. These lawmakers were selected by local Democratic or Republican precinct committee members to fill the remainder of the terms of the former Legislators they replaced.

- Rep. Cyndi Howerton (R-Wichita) relaces Rep. Ron Howard (R-Wichita) (deceased). Committee Assignments: Social Services Budget, Corrections & Juvenile Justice, Water.
- Rep. Heather Meyer (D-Overland Park) replaced Rep. Brett Parker (D-Overland Park) (retirement). Committee Assignments: Elections, Insurance & Pensions, Health & Hyman Services, Water.
- <u>Rep. Dan Osman</u> (D-Overland Park) replaces Rep. Jennifer Day (D-Overland Park) (resigned).
 Committee Assignments: Elections, Insurance & Pensions, Corrections & Juvenile Justice, Financial Institutions & Rural Development.
- <u>Rep. Bill Clifford</u> (R-Garden City) replaces Rep. Russ Jennings (R-Lakin) (deceased).
 Committee Assignments: Social Services Budget, Health & Human Services, Veterans and Military, Local Government.
- <u>Rep. Chuck Schmidt</u> (D-Wichita) replaces Rep. Elizabeth Bishop (resigned).
 Committee Assignments: Taxation, Education, Water.
- Rep. Leah Howell (R-Derby) temporarily replaces Rep. Blake Carpenter (on military leave). Committee Assignments: Not yet listed.

State Finance Council to Meet; Anticipated Vote on Newest SPARK Proposal

The State Finance Council will meet on Monday, January 10 at 9:00 AM to vote on a proposal that was made just before the holiday break several weeks ago. Broadly, the proposal includes the following pieces:

- <u>Funding Request 1</u>: \$100 million for economic revitalization such as spec building development, modernization of business park and other efforts to draw business interest in the State.
- <u>Funding Request 2</u>: \$50 million in education learning loss grants, targeted at children who fell behind due to Pandemic impact on traditional education. This will provide direct grants of \$1,000 per child to low-income families to purchase educational materials.
- <u>Funding Request 3</u>: \$4 million for Broadband connectivity for the Connect and Learn Program, which uses funds for school districts to use in conjunction with federal funding for the expansion of broadband services.

Other Updates & Press Releases

- Governor Laura Kelly Takes Action to Exempt Sales Tax on Fencing Materials for Kansans Affected by Wildfires
- Governor Laura Kelly Announces Administration Appointment
- Governor Laura Kelly's Commission on Racial Equity and Justice Releases Final Report of Recommendations
- Governor Laura Kelly Announces Expanded Free, Reduced-Price School Meals in Kansas Schools
- Governor Laura Kelly Announces KDADS Plan to Lift Moratorium on Voluntary Admissions at Osawatomie State Hospital
- Governor Laura Kelly Announces \$750M in Highway Projects Added to IKE Development Pipeline

Weekly Schedule: January 10 - 14

Schedule subject to change. Daily Session calendars may be found <u>here</u>.

The Governor's State of the State Address will be held on Tuesday, January 11 at 6:30 PM. Legislative Committees will not meet until Tuesday, January 11.

TUESDAY, JANUARY 11

TIME	COMMITTEE	ROOM	AGENDA
8:00 AM	Senate Floor		Pro Forma
8:30 PM	S Agriculture	144-S	Bill Intros
8:30 AM	S Public Health &	142-S	Bill Intros; Presentation on Certified
	Welfare		Anesthesiologist Assistants
8:30 AM	S Transportation	546-S	N/A
9:00 AM	H Appropriations	112-N	N/A
9:00 AM	H Fed & State	346-S	Bill Intros; Overview of Office of Revisor & KLRD
9:00 AM	H Water	152-S	Bill Intros; Overview of Committee Rules
9:00 AM	H Utilities & Telecom	582-N	Bill Intros; KCC Report on Natural Gas cost spike
9:00 AM	H Veterans	281-N	Bill Intros, Overview of Committee Rules
9:30 AM	S Tax	548-S	Bill Intros; Overview of Committee Rules
9:30 AM	S Financial Inst. &	546-S	Bill Intros; Overview of Committee Rules
	Insurance		
9:30 AM	S Local Government	142-S	N/A
10:30 AM	S Commerce	546-S	Bill Intros; Overview of Committee Rules
10:30 AM	S Fed & State	144-S	Bill Intros, Presentation on medical marijuana
10:30 AM	S Judiciary	346-S	Bill Intros; Overview of Committee Rules
10:30 AM	S Ways & Means	548-S	N/A
11:00 AM	HOUSE FLOOR		
1:30 PM	S Education	144-S	Bill Intros, Shared Goals with KBOE
1:30 PM	S Utilities	548-S	Bill Intros; KCC Report on Natural Gas cost spike
1:30 PM	H Ag. Budget	118-N	N/A
1:30 PM	H Children & Seniors	152-S	N/A
1:30 PM	H Commerce	346-S	Bill Intros, Audit Presentations: STAR Bonds,
			Response to COVID UI Claims (Part 2)

1:30 PM	H Corrections & JJ	546-S	N/A
1:30 PM	H Education	218-N	N/A
1:30 PM	H Health & Human Ser.	112-N	N/A
1:30 PM	H Higher Ed. Budget	281-N	N/A
1:30 PM	H Transportation	582-N	N/A
3:30 PM	H Agriculture	112-N	N/A
3:30 PM	H Judiciary	582-N	N/A
3:30 PM	H K-12 Budget	546-S	N/A
3:30 PM	H Social Services	152-S	N/A
	Budget		
3:30 PM	Н Тах	346-S	Bill Intros; Presentation on Consensus Revenue
			Estimates
3:30 PM	H Transportation	118-N	N/A
	Budget		
3:30 PM	H Elections	218-N	N/A

WEDNESDAY, JANUARY 12

TIME	COMMITTEE	ROOM	AGENDA
8:30 PM	S Agriculture	144-S	Bill Intros
8:30 AM	S Public Health &	142-S	Bill Intros; Presentation on certified registered
	Welfare		nurse anesthetists
8:30 AM	S Transportation	546-S	Bill Intros; Overview of Committee Rules
9:00 AM	Joint Budget Comms	346-S	Briefing on the Governor's Budget Report
9:00 AM	H Fed & State	346-S	N/A
9:00 AM	H Water	152-S	Bill Intros; Update on Agency Mission and
			Activities
9:00 AM	H Financial Inst. &	218-N	Bill Intros; Report on JC on Fiduciary Financial
	Rural		Institutions Oversight Findings, Reports issued
			pursuant Sec. 25 HB2074
9:00 AM	H Local Government	281-N	N/A
9:30 AM	S Tax	548-S	N/A
9:30 AM	S Financial Inst. &	546-S	Bill Intros, Presentation on Overview of Kansas
	Insurance		Credit Unions
9:30 AM	S Transparency &	142-S	N/A
	Ethics		
10:30 AM	S Commerce	546-S	N/A
10:30 AM	S Fed & State	144-S	Bill Intros; Presentation on Sports Wagering
10:30 AM	S Judiciary	346-S	N/A
11:00 AM	HOUSE FLOOR		
12:00 PM	LPA	546-S	Performance Audit Review, Study of Taxation &
			Exemption, Eco Devo Presentation
12:00 PM	H Redistricting	346-S	Review of Guidelines and Redistricting Process in
			KS
1:30 PM	S Education	144-S	Bill Intros, Presentation on K-12 by the numbers
1:30 PM	S Utilities	548-S	Bill Intros; TBA

1:30 PM	H Ag. Budget	118-N	N/A
1:30 PM	H Children & Seniors	152-S	Bill Intros; Presentation on Regulations of Child and Adult Day Care Services
4.20.004	II Comment	246.6	·
1:30 PM	H Commerce	346-S	Bill Intros; Update from KDOL
1:30 PM	H Corrections & JJ	546-S	Bill Intros; Overview of Statutes of Kansas Law
			Enforcement
1:30 PM	H Education	218-N	N/A
1:30 PM	H Health & Human Ser.	112-N	Bill Intros; Presentation on: 988 Suicide
			Prevention and Mental Health Crisis Hotline
1:30 PM	H Higher Ed. Budget	281-N	Bill Intros; Overview of Committee Rules
1:30 PM	H Transportation	582-N	Bill Intros; Overview of Committee Rules
2:30 PM	S Redistricting	548-S	Review of Guidelines and Redistricting Process in KS
2:30 PM	SENATE FLOOR		Pro Forma
3:30 PM	H Agriculture	112-N	N/A
3:30 PM	H General Gov. Budget	281-N	N/A
3:30 PM	H Judiciary	582-N	Bill Intros; Overview of Committee Rules
3:30 PM	H K-12 Budget	546-S	Bill Intros; Overview of Kansas School Enrollment, Review of COVID Funding, Review of 2021 Leg. changes
3:30 PM	H Social Services Budget	152-S	Bill Intros; Overview of Committee Rules
3:30 PM	Н Тах	346-S	Bill Intros; Hearing: HB2464, providing a sales tax exemption for construction purchases related to recent wildfires; Possible Action
3:30 PM	H Transportation Budget	118-N	N/A
3:30 PM	H Insurance	218-N	Bill Intros; Update on KPERS; Overview of KS Insurance Department

THURSDAY, JANUARY 13

TIME	COMMITTEE	ROOM	AGENDA
8:30 PM	S Agriculture	144-S	N/A
8:30 AM	S Public Health &	142-S	Bill Intros; Presentation on certified
	Welfare		anesthesiologist assistants
8:30 AM	S Transportation	546-S	N/A
9:00 AM	H Appropriations	112-N	Bill Intros; Committee Overview
9:00 AM	H Fed & State	346-S	N/A
9:00 AM	H Water	152-S	Update on Agency Mission and Activities
9:00 AM	H Utilities & Telecom	582-N	N/A
9:00 AM	H Veterans	281-N	N/A
9:30 AM	S Tax	548-S	Bill Intros; Hearings: SB318- Sales tax exemption
			for construction materials, SB306- Tax exemption
			for County ambulance services
9:30 AM	S Financial Inst. &	546-S	Bill Intros; Presentation on Overview of Kansas
	Insurance		Banks

9:30 AM	S Local Government	142-S	Bill Intros; TBA
10:30 AM	S Commerce	546-S	N/A
10:30 AM	S Fed & State	144-S	Bill Intros; Review of 2021 enacted changes to election laws; Review of HB 2264- Compensation for College Athletes
10:30 AM	S Judiciary	346-S	Bill Intros, Hearing: HB 2228 – policy regarding submission of sexual assault evidence kits
10:30 AM	S Ways & Means	548-S	Presentation of Human Services & Education Consensus Caseloads
11:00 AM	HOUSE FLOOR		
1:30 PM	S Education	144-S	Bill Intros, Presentation on Higher Education by the numbers
1:30 PM	S Utilities	548-S	Bill Intros; Presentation on the state of the Kansas oil and gas industry
1:30 PM	H Ag. Budget	118-N	N/A
1:30 PM	H Children & Seniors	152-S	N/A
1:30 PM	H Commerce	346-S	N/A
1:30 PM	H Corrections & JJ	546-S	N/A
1:30 PM	H Education	218-N	N/A
1:30 PM	H Health & Human Ser.	112-N	N/A
1:30 PM	H Higher Ed. Budget	281-N	N/A
1:30 PM	H Transportation	582-N	Bill Intros; Committee Overview
2:30 PM	SENATE FLOOR		Pro Forma
3:30 PM	H Agriculture	112-N	N/A
3:30 PM	H Judiciary	582-N	N/A
3:30 PM	H K-12 Budget	546-S	N/A
3:30 PM	H Social Services Budget	152-S	General overview of the budget process
3:30 PM	H Tax	346-S	N/A
3:30 PM	H Transportation Budget	118-N	N/A
3:30 PM	H Elections	218-N	N/A