

#### MEMORANDUM

## To: Interested Parties

- From: John J. Federico, JD Stephen P. Duerst, JD
- Date: April 13, 2021
- Re: Weekly Update Week of April 5, 2021

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 righthand side of <u>this</u> 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 Katie Whisman (<u>katie@federicoduerst.com</u>).

As always, our office is more than happy to send you any additional information on bills as needed.

## 2021 Legislative Session Draws to a Close

On the evening of Friday, April 9, the Kansas Legislature officially ended its 2021 Legislative Session. Although lawmakers will return later this spring to finish up a few items of business, the bulk of their work has been completed.

There were an extraordinary number of both bill introductions and bill bundles this year. The week was particularly complicated as the various conference committees met numerous times, often late into the evening, and collectively bundled over 130 pieces of legislation into approximately 50 separate bundles that were advanced in Conference Committee Reports. Procedurally, Conference Committee Reports are unlike bills in that they cannot be amended on the floor but are subject to approval or rejection in both Chambers.

Members of the Senate and House budget committees will meet on April 26 and 27, respectively to hear an Update to the State's Consensus Revenue Estimate and the Governor's proposed Budget Amendments before discussing additional items they would like inserted into an omnibus budget bill. The K-12 education budget is likely to be a significant topic of discussion (more details on this, below). They may also begin discussing their plans to distribute the nearly \$1.7 billion in stimulus money that will be funneled into the state as a part of the American Rescue Plan Act of 2021.

Lawmakers plan to return to Topeka on Monday, May 3 for "Veto Session," when they will consider overriding any vetoes Governor Laura Kelly may make, take action on the omnibus appropriations bill, and are expected to address a few additional pieces of legislation.

## **Budget Passes Without Education Funding**

After several rounds of negotiations, the House and Senate Budget committees came to an agreement last week on the state's budget. Of note, for the first time in nearly two decades, this year's budget does not include funding for K-12 education. The money, which is guaranteed to schools because of a recent court ruling, did not pass the House and the Senate and will need to be addressed during the Veto Session.

The bill is largely a departure from the recommendations the Governor made in January. Of note, it does not reamortize the Kansas Public Employees Retirement system actuarial liability or include an increase in state employee pay (although it is expected to be addressed in omnibus budget bill negotiations).

A summary of major modifications to the budget can be found <u>here</u>.

#### Fairness in Women's Sports Act

The House and Senate passed a <u>bill</u> last week that would ban transgender girls and women from competing in interscholastic sports for females. The bill, which passed the Senate earlier this year, was placed into a gutted Senate bill and ran the legislation across both the House and Senate floor, without amendments.

Proponents noted the bill would ensure biological females can fairly participate in athletics as biological males often have distinct physiological advantages. Opponents generally noted that the bill would be harmful to transgender children by excluding them from participating in athletic activities under the gender with which they identify. Opponents also noted the bill could adversely impact national investment and events being held in the state. Similar bills have passed in South Dakota, Idaho, Tennessee and Arkansas. The bill now heads to the Governor.

## Natural Gas Bill Relief Advances Quickly

A last-minute bill to help customers of wholesale natural gas suppliers struggling to pay their bills after the February 2021 cold-snap was passed last week by both the House and the Senate. <u>SB86</u> would create the Kansas Extraordinary Utility Costs Loan Deposit Program and would allow borrowers the ability to take out a loan of up to \$500,000. These loans would need to be repaid over three years with an interest of up to 3.25%. Up to \$20 million in unencumbered funds (which was left over from the City Utility Low-Interest Loan Program, passed in SB88 earlier this year) will be used to provide the loans.

The program will be administered by the State Treasurer's office. Treasurer Lynn Rogers noted in comments made to the media that if the bill is signed, he would like the program to be established by the first week in May.

#### **UI Reform Bill Finalized**

After months of work, including bipartisan negotiations between lawmakers and the Governor, a massive unemployment insurance system <u>reform bill</u> passed both chambers unanimously last week. Highlights of the bill include:

- Establishment of the Unemployment Compensation Modernization and Improvement Council to examine and recommend changes that would need to be made to the UI system.
- Requirements that would need to be met for the Kansas Department of Labor (KDOL) as it begins its IT modernization plan.
- Changes to the employment security rate tables.
- Reemployment and work skills training changes and new provisions.
- Modifications that would need to be made to the Shared Work Program.

The bill would also permit \$500 million or more to be transferred to the unemployment insurance trust fund, which has been decimated during the COVID-19 pandemic due to both legitimate job loss, as well as fraud.

The passage of the bill comes just as the state has announced an RFP for a new KDOL IT system, and the confirmation of Amber Shultz as the new Secretary for the Department of Labor.

# Private-Public Partnerships to Provide Relief for Rural Hospitals

Both chambers overwhelmingly passed S Sub for <u>HB2208</u>, which creates the Rural Emergency Hospital Act and establishes the Rural Hospital Innovation Grant Program and Fund. The combined measure enables certain Kansas hospitals to receive federal health care reimbursement as rural emergency hospitals and provides up to \$10 million in SGF funding toward private-public partnership grants that will be made available for rural hospitals to transition to a health care delivery model more appropriate for the community it serves. It additionally requires the Kansas Department for Aging and Disability Services to establish a process to certify certain licensed Community Mental Health Centers (CMHCs) as certified community behavioral health clinics (CCBHCs) in order to provide 24-hour crisis care services for a comprehensive range of mental health and substance use disorders.

# Senate Majority Leader Removed from Post

Senate Majority Leader Gene Suellentrop (R-Wichita) was removed from his post as Majority Leader on Friday, after additional information was released about his drunk driving arrest that took place last month. Reports showed that Suellentrop made condescending and threatening statements to officers. It was also confirmed that he was driving 90 mph., in the wrong direction on a highway in Topeka.

Suellentrop refused to step down from his post, which led to Republicans voting to strip him of his leadership position. Sen. Larry Alley (R-Winfield) will take over some of Suellentrop's duties. Although he is no longer Majority Leader, Suellentrop still maintains his state senate seat. A preliminary hearing has been set for June 3 in Shawnee County District Court.

## **Other Updates & Press Releases**

- Governor Laura Kelly Signs Several Pieces of Bipartisan Legislation
- Governor Laura Kelly Announces Kansans are Receiving Critical Funds for Housing, Utilities
- <u>Governor Laura Kelly Announces \$16 Billion in Federal Grants to Support Kansas Venues Affected</u> by COVID-19
- Governor Laura Kelly Announces Kansas Selected for Child Welfare, Human Services Program

# Weekly Schedule: April 12 – April 30

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

Thursday, April 22 at 9:00 am, Room 112-N	KanCare Oversight Committee Meeting Discussion and Action, Omnibus Appropriations Items
Monday, April 26 at 10:30 am, Room 548-S	Senate Ways and Means Consensus Revenue Estimates Governor's Budget Amendments Discussion and Possible Action, Omnibus Bill
Tuesday, April 27 at 9:00 am, Room 548-S	Senate Ways and Means Discussion and Action, Omnibus Appropriations Items
Tuesday, April 27 at 10:00 am, Room 112-N	House Appropriations Consensus Revenue Estimates Update Governor's Budget Amendments
Tuesday, April 27 at 1:00 pm, Room 112-N	House Appropriations Discussion and Action, Omnibus Appropriations Items

Session will resume on Monday, May 3.