

**LEGISLATIVE E-REPORT  
LEAGUE OF WOMEN VOTERS OF KANSAS**

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**A POLITICAL PROGRESS REPORT**

The 90-day clock for the 2012 Kansas Legislature is ticking. There will not be enough time to legislate on and enact the Governor's major proposals. The Kansas Legislature has to pass a 2013 State budget and redraw the district lines for Congressional, State Senate, State Representative and State Board of Education districts. A new school finance plan is slowly being debated. A new tax policy to reduce individual and corporate income taxes has drawn mixed reviews. Privatizing the Kansas' Medicaid program via a managed care plan is happening. Several bills on water policy have been moving. The fight over immigration law has just begun.

The Governor's proposed 2013 \$14.3 Billion State Budget has been reviewed by the Kansas Legislative Research staff and will now be debated by appropriation sub-committees from the House and the Senate. After several years of budget cuts and staff reductions, the revenues to Kansas have improved developing an ending balance of \$375 to \$448 million dollars. Most state agencies are operating with 25% of their staffing unfilled because of inadequate budgets. Will this result in lax enforcement of food safety laws or child abuse reports delayed or long lines for a driver's license? Will these larger ending balances be used for adequate staffing or a struggling community mental health system or school funding or tax reductions?

The maps for redistricting have now started to appear. The Senate redistricting committee voted out a Congressional map that moves all of Douglas County into the 2<sup>nd</sup> District and Manhattan into the big 1<sup>st</sup> District. Basically the big 1<sup>st</sup> needs more population and the 3<sup>rd</sup> District in the Kansas City area has too many people while the 2<sup>nd</sup> District in eastern Kansas and the 4<sup>th</sup> District around Wichita have about the right number of people. Politically, adding all of Douglas County into the 2<sup>nd</sup> District makes this Congressional seat a little more competitive for a Democratic candidate. The Kansas House map reflects the reality that rural Kansas has lost more population while Johnson County continues to grow. There are three rural Kansas House districts where incumbents are retiring so those districts will be redrawn and three new House districts given to Johnson County. The Kansas Senate map may be the toughest to develop. There will be several

contested Republican primaries between conservative challengers and moderate incumbents so the political make-up of the district will be very important.

The Governor's school finance proposal will be debated before the Senate Education committee starting next week. The Governor's plan does not take effect until 2014 so it does not impact 2013. However the Governor's school funding proposal for 2013 is basically the same amount as 2012 and does not replace any lost funding from 2009 to 2011. The chairman from the House Education committee has publicly stated there seems little chance that fundamental revisions to the school finance formula will be made this year. In 1992 -- when the last fundamental change to school finance was made, the Kansas Legislature debated the changes exclusively for 21 days -- a time commitment probably unavailable in this election year. More than likely, the debate over school finance will come in 2013. The real question is whether a portion of the ending balances will be given over to school finance for 2013?

The tax debate has just begun. The Governor's plan has had mixed reviews. The Kansas House leadership has developed a plan that keeps the mortgage and charitable contribution deductions while lowering the state sales tax by .6 cents. This plan assumes even tighter state budgets by holding any increase in state spending to 2%. The Kansas Senate tax study commission is finishing their review now and will unveil their plan in the next week or two. Property tax is the primary funding source for local units of government while sales and income taxes are the primary sources for funding state government. The Governor's gamble is to reduce and eliminate the individual income tax assuming that increased economic development and employment will dramatically increase revenues from the sales tax thus replacing the lost income tax revenue. There are many lawmakers that are worried this gamble will not pay off and vital state programs such as public education will suffer. Another major concern is replacing a progressive income tax with a regressive sales tax that will raise taxes on lower-income working people. Kansas has a sales tax on food.

Kansas has a Medicaid program that serves over 330,000 persons. The Governor's plan is to develop a statewide managed care plan for the disabled and elderly administered by three private health insurance companies. Kansas would be the first state in the country to try this managed care approach for both the elderly and the disabled. Women and children on Medicaid have been in managed care plans for several years. 6 private health insurance companies are bidding on this Medicaid contract. Blue Cross/Blue Shield of Kansas has dropped their bid for this contract. The final decision on these bids will come on February 22. Right now the Kansas Legislature has a very limited role in this process. The Governor's plan is known as 'KanCare' and the Legislature may develop a supervisory committee to monitor the implementation of this managed care plan.

Water bills are moving through the Kansas Legislature. House Bill 2451 has now passed the Kansas House. HB 2451 reverses existing water policy that forces water right holders in closed groundwater areas to either use their water or lose their right to that groundwater. Senate Bill 272 establishes a multi-year flex account process so a water right holder can use their water rights over a five-year period more efficiently. This bill has passed out of the Senate Agriculture committee. Senate Bill 310 creates Local Enhanced Management Areas (LEMA's). LEMA's provide a process to support and implement a pro-active, locally-defined water conservation plan for a region within a Groundwater Management District. The Chief Engineer at the Kansas Department of Agriculture's Division of Water Resources must approve these plans with two public hearings held for input. SB 310 is the most significant change to the Groundwater Management District Act since 1978. All major stakeholders in water policy supported this bill.

The battle is on over immigration policy in Kansas. Four bills on immigration were introduced in the Kansas House Committee on Federal and State Affairs. HB 2575 mandates that Kansas must participate in the federal 'E-Verify' system so that all employees after January 1, 2013 must have their citizenship verified. HB 2576 is similar to the Arizona law in that it prohibits any public assistance to 'aliens', makes it a crime to falsify citizenship documents and forces local law enforcement officials to check citizenship status. HB 2577 mandates that any business entity receiving a contract or grant from government must verify citizenship of their employees. HB 2578 further mandates that all government officials, agencies and personnel will fully comply with federal immigration law and turn over 'aliens' to federal immigration officials. At the same time, a pro-immigration bill is being developed by the major farm organizations and the chamber of commerce to establish a 'guest worker' program for undocumented workers. The Kansas Secretary of Agriculture has been in Washington discussing this potential pilot program for undocumented workers with the Department of Homeland Security. The United States Supreme Court has taken a case challenging the immigration law in Arizona. It is possible that the Court may give the States some authority over immigration law. This pro-immigration bill would be the legal basis for Kansas to exercise any immigration law authority given to the states.

### **GOVERNMENTAL ETHICS COMMISSION AND POLITICAL ADS**

Senate Bill 102 is an increase in fees to fund the Governmental Ethics Commission. The Governmental Ethics Commission has a budget of \$662,900 with 8 employees. \$407,000 of this budget comes from the State General Fund and rest comes from their fee fund. Fees are collected from candidates, lobbyists and political action committees. These fees have not been raised for over 10 years and the fee fund has been declining dramatically. In addition to the fee

increases, there were some minor changes made to the reports filed by lobbyists and political action committees. This bill has passed the Senate Ethics and Elections committee and is headed for the Kansas Senate floor.

Senate Bill 309 mandates that state candidates verbally endorse the political ads on broadcast media they fund. This is similar to the requirement in federal elections where the candidate endorses the political ad at the end of the advertisement. This bill does not impact the private third-party ads run by political action committees or the super political action committees. It merely gives the voter a clear statement that a given candidate 'stands by their ad'. SB 309 has passed out of the Senate Ethics & Elections committee.