

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

Ernestine Krehbiel
President & Editor

Issue No. 10 with additions
March 2, 2012

NOTE: This issue has notes from Ernestine

2012 LEAGUE OF WOMEN VOTERS OF KANSAS E-REPORT #10

– March 2, 2012

By Paul Johnson, Robert Harder, Ks Action for Children and others

THE PUBLIC POLICY PUZZLE

So what now for the 2012 Kansas Legislature? Day 50 out of a 90 day legislative session--the midway point has been passed and now the major priorities of this session must be addressed—at least you would think so. By March 16, most committee meetings will be completed and the last two weeks of March will be floor debates along with conference committees to iron out legislative differences between the House and Senate versions of bills passed. Still pending:

- A final 2013 State budget will have to be passed by April 1st or in the veto session.
- Redrawing districts for Congress, the Senate and the House is mandatory.
- A tax battle will ensue and it will directly impact future State budgets.
- Immigration law may be at a stalemate.
- Still no education funding bill; Fundamental change to school finance will probably be put off till next year – after the elections but no increase over last year's funding.
- Medicaid and disability concerns are still up in the air,
- Kobach's fight to move up to June 15 the birth certificate requirement for voter registration is still alive and kicking—sadly.

The revenue collected by Kansas in February increased slightly, adding more dollars to the ending balances. Right now, most appropriation bills to fund State programs are tracking the budgetary recommendations of the Governor. **The budgetary reductions of the last three years are not being rescinded.** *School funding is being held at the reduced 2012 level for 2013 even though existing Kansas' law mandates certain increases in education funding.*

The basic policy decision is whether an ending balance of \$400 million will be used to cut taxes or increase education/social services or be left in the ending balances? By mid-April, the revenue consensus experts will develop a new 18-month revenue projection for Kansas. The Kansas Legislature may pass a complete 2013 State budget by first adjournment at the end of March or more likely make all of these final decisions in the Omnibus bill during the veto session. The leaders in the Kansas House and Kansas Senate have been saving legislative days for an extended veto session.

FOOD STAMPS CANCELED FOR OVER 2000 CHILDREN

The canceling of food stamps (food assistance through a debit card) for 2000-2500 children has caused some concern. The cancellation is because one or both parents are undocumented. The children have been born in USA and consequently they are citizens of the USA. The official explanation for this action is on the side of saying fairness and equity and not giving assistance to families where there are undocumented persons.

HEARING ON MOVING UP KOBACH'S PROOF OF CITIZENSHIP-MAR.14

The Kansas Senate will debate **HB 2437** - passed by the Kansas House - to force new voter registrants to prove their citizenship by June 15, 2012 instead of January 1, 2013. **Senate Ethics and Elections Committee hearing will be Wed. March 14th at 9:30 in room 159-S. The League will testify—come support us.**

Chair Senator Terrie Huntington of Johnson Co. indicated concern as to whether the DMV (technical data base) and the Bureau of Vital Statistics would be ready by June 15, including training as well as infrastructure. Women with married name change will still have to pay for marriage licenses to prove names even with free Ks birth certificate. (Out of state birth certificates will cost also.) When that piece of the law goes into effect, whether Jan. 1, 2013 or June 15, 2012, the League and many other volunteer groups who have done voter registration in the past will no longer be able to do so because of the need to photo copy personal ID documents like birth certificates to accompany the voter application. There has been no expansion, additional funding or training for county election offices when this duty falls to them entirely.

GOVERNOR'S TAX PLAN DEBATE RIGHT AWAY

There will be a House tax bill debated on the floor of the Kansas House in the next two weeks. This effort to start reducing Kansas' income taxes and capping state spending is the Governor's highest priority. The Kansas House will try and leverage any other 'must pass' legislation to force the Kansas Senate to accept some version of these tax and spending changes.

The legislative elections this year will have a fundamental impact on the outcome of these issues next year. If the Kansas Senate turns as conservative as the Kansas House, income taxes will almost certainly be reduced and Kansas will depend on more regressive sales and property tax. State government will likely be further downsized with less environmental protection as a result and further deterioration of the social safety net and public education.

There still are many questions over changing the **Kansas Public Employees Retirement System** into a defined contribution - 401K - system for new employees.

Early Childhood Funding/CIF

The education budget, including funding for Parents as Teachers (PAT) and the Pre-K Program, moved in both the Senate and House this week. The Senate Ways and Means Committee voted to restore the level of funding recommended by the Children's Cabinet for PAT and the Pre-K Program subject to sufficient to the receipt of sufficient tobacco revenues. The House Education Budget Committee voted to adopt the governor's recommendations for PAT and the Pre-K Program (reflecting about a 30 percent cut from the Children's Cabinet recommendation) but a successful motion by Rep. Ward Cassidy calls for reviewing the recommendation during the Omnibus Appropriations process after the 2012 tobacco payments have been received.

Earned Income Tax Credit Cuts in Brownback's plan

There was no movement on the EITC this week. We continue to watch for the House to work its tax proposal, in **House Substitute for Senate Bill 177**. This would both cut the EITC rate in half and make the credit non-refundable, effectively ending the credit for most families that currently receive it and cutting it in half for the remaining families. Sen. Jeff King's bill to make the EITC non-refundable (Senate Bill 445) is now available in print. Not only does the bill make the EITC non-refundable, which effectively eliminates the credit for most recipients, but it also eliminates the Homestead Property Tax Program for renters. The money freed up from cutting these provisions would go to increase the Homestead Property Tax Program for homeowners. We anticipate a hearing on the bill in two weeks.

A second important happening in state government is the consideration of Executive Reorganization Order No. 1. The thrust of this order is to dissolve SRS as an agency and re-name and re-group the various services. This Order was introduced by the Governor into the Legislature on February 2, 2012. **If neither house rejects the Order within 60 days the Order goes into effect and will be implemented July 1, 2012.** This means SRS becomes Children and Families Services. It will work primarily in the area of child welfare and eligibility for all of the various social programs. Disabilities will be transferred to the KS Department of Aging and Disabilities Services.

TURNING KANSAS MEDICAID OVER TO FOR-PROFIT COMPANIES

Massive changes are being instituted in the state's health coverage for the poor, the disabled, and the elderly. Folks in the disabled community are extremely worried about what the changes will do to how care is delivered. Right now many have a case manager who works with them on a one on one basis to make sure that they are getting the right care.

Gov. Brownback issued an Executive Reorganization Order (ERO) that will convert the state's Medicaid program to a managed care (privatized) system. The new system will issue contracts with three private providers..

The Medical Assistance Program has been transferred to the KS Department of Health and Environment. The State announced the Managed Care Organizations which will be vying for some part or all of the \$2.8 billion contract related to Medicaid. The five companies are: Amerigroup Corp. of Virginia Beach, VA; United Healthcare of Minneapolis, MN; Sunflower State Health Plan, a subsidiary of

Centene Corp. of St. Louis, MO.; WellCare of KS, affiliated with WellCare Health Plans Inc., of Tampa, FL.; Coventry Health Care of Kansas, affiliated with Coventry Healthcare of Bethesda, MD. The expectation is the State will enter into contracts with three of the companies. The announcement of the successful bidders is to be early summer. Implementation will be Jan. 1, 2013. Over a five year period of the contract there is the expectation of a savings of \$850. million.

There are not specific bills directly related to such a transfer. The legislative control is through the appropriation of funds for Medical Services. There is considerable legislative interest in slowing down the process. This might be done through the legislature wanting to ensure the legislature is active in an oversight role. To get to that role would require the legislature to exert itself and flag to the Governor this needs to done. This more indirect way is the way the legislature could have a hand in the process or totally/partially indicate they will not provide funds There are many concerns from Kansas Legislators but it is unclear what control or supervision the Kansas Legislature may have over these changes. it.

Gov. Brownback believes that the state is unable to sustain its current Medicaid program due to increasing cost. He estimates that the state could save millions of dollars if these private for-profit companies manage the \$2.9 billion program. The administration plans to issue the contracts this summer. January 31 was the deadline for contractors to submit their bids/proposals. The state's largest health insurance company, Blue Cross Blue Shield of Kansas, decided not to submit a proposal. BCBS's decision may be a very real red flag that the administration is moving too quickly on this.

Friday, Mar 2, the Appropriations Committee adopted the budget recommendations from Social Services Budget Committee for the health portion of KDHE's budget. Items in the budget, which were all **funded at the level recommended by the governor**, include newborn screening, tiny-K, Medicaid and HealthWave. The Senate Ways and Means Committee passed out favorable SB 436, which creates a stable funding source for the newborn screening program.

REDISTRICTING - REDRAWING THE ELECTION MAP OF KANSAS

Election year complications are now coming to a boil. The Kansas Senate passed a Congressional map and a Senate map that is now being openly questioned by the Kansas House. The Senate map passed 21-19 so the House leadership is questioning its authenticity. The Governor has spoken disapprovingly of the Senate's Congressional map and the Senate map. The Governor wants one Senate district in Leavenworth County that would disrupt two other Senate districts now held by Democrats. The Kansas House map passed the House with full bipartisan support but may be held hostage if the Senate map is tampered with by the Kansas House. Some of the map proposals split counties and even cities. One map splits Topeka, another map would put Kansas City in the 1st District (the 1st District covers most of western Kansas), one map would split out Manhattan from Lawrence (those two communities have a lot in common with their dealings in the research and development corridor), and yet other maps split counties and cities. The Governor will have to sign-off on these maps. Depending on how politically these districts are drawn, it seems very probable that the Kansas Supreme Court will have a final review. For the Congressional map, a federal court review may be filed

In addition to these changes, the county clerks will have to redraw precinct lines, determine new polling places, and get new voter registration cards mailed out to folks. All of these changes have to be done, at minimum, six weeks before we vote in the August primary.

Mail ballots will have to be sent out in time for our military folks to get their ballots in so they can be returned in a timely manner. If these changes are not finalized in time, look at the chaos and confusion that can happen. Candidate filing deadline is around June 10. The primary is August 8. While election officials are scrambling to implement the voter photo ID Kansas' law, they will have to notify registered voters of any changes in their legislative or Congressional district. (And Mr. Kobach, of course, is pushing to move up to June 15 the election offices having to deal with proof of citizenship voter registration.)

IMMIGRATION STATE LAW?

The immigration debate in Kansas may be at a stalemate for this session. The Kansas Senate and House leadership have expressed limited enthusiasm for a full-scale immigration debate this year. The pro-immigration 'undocumented guest worker' bills in the Kansas House and Senate committees blunted the harsh anti-immigrant proposals put forth by Kansas Secretary of State Kris Kobach. The Governor has kept his distance from his Secretary of Agriculture who has been talking to the Department of Homeland Security to develop a pilot program in Kansas for undocumented workers. Most federal officials are waiting for a ruling from the United States Supreme Court on the Arizona immigration law to clarify the role states have in immigration enforcement. There will be anti-immigrant amendments to legislation put forth on the floor of the Kansas House.

FRACKING: SB 375 AND HB 2526

SB 375 deals with the initial drilling and the sludge from this drilling. This bill allows this sludge to be land applied if the driller can get permission from a landowner. There are restrictions if the water table is within 10 feet of the surface or if there is too much salt already in the area. The KCC will administer these permits with KDHE's participation. I really worry whether KDHE can handle this extra work. They were given no new staff or funding. KCC conservation division is given 6 new positions but their total employee count statewide is only 91 with four field offices. The permit fee is only \$250. Other options to land application is an on-site pit or hauling to a land fill but only one in Harper county will take such waste. SB 375 has passed the Senate and is in House Agriculture and Natural Resources committee -- a hearing in the next 10 days.

HB 2526 -Hearing before Senate Utilities Committee NEXT TUES. March 6 (1:30 in Rm 548 S in the Capitol) This bill gives the KCC explicit rule and reg. authority over hydraulic fracturing. This is where the fracking fluids come into play and they are taken off site to deep injection wells. A couple states have mandated that these wells be listed on the website 'FRACFOCUS'.

- Should there be pre-testing of the water before the drilling and after to assess any environmental damage?

- Should the KCC provide forms for landowners to understand what they may be signing with the drillers?
- Especially concerning land spreading and possible fees paid to the land owners if damage occurs?
Good question about a local impact fee -- I need to ask if counties have such authority?

The Sierra Club is debating the oil and gas industry on March 5 at the Dole Institute in Lawrence at 7pm.

WATER ISSUES

The Kansas Geological Survey conducts an annual measurement of groundwater levels in more than 1,400 wells in 47 western and central Kansas counties. The measurements taken a month ago showed an average decline of 2.25 feet during 2011. In 2010, the average went down 1.18 feet. Since 1996, the average levels have fallen more than 12 feet. <http://www.kgs.ku.edu/HighPlains/maps/>

The Kansas Water Office commissioned a benefit and cost analysis of nutrient reduction plans for Delaware Watershed (Lake Perry) and Marion Watershed. The 32-year Delaware River Nutrient Reduction Plan has an estimated cost of \$9.01 million and is expected to generate \$49.21 million in net benefits, a 546% return over investment across the projects entire life. The 25-year Marion Reservoir Watershed has a cost estimate of \$5.51 million and is expected to generate \$5.99 million in net benefits, a 109% return over the entire project life. The evaluated benefits of the nutrient reduction plan were limited to: Saving to public water treatment costs; Savings from avoided losses in tourism; Savings from prevented lake dredging; Farm savings with nutrients staying in the fields; Value residents place on cleaner waters. The vast majority of the savings came from avoided dredging costs. Presently, the Kansas Water Office does not have the resources to commission nutrient reduction plans for other watersheds.

WATER RIGHTS and House Bill 2685. This would establish the procedures that allow eligible water right holders to create a reservoir improvement district on any particular reservoir. This bill is based on the Watershed District Act. Eligible water right holders could petition to form a district if signed by the holders of more than 20 percent of the combined quantities of water rights within the proposed district. If the petition is deemed sufficient by the Secretary of State and approved by the Kansas Water Office, an election can be held. If holders of more than 50% of the combined quantities of water rights within the proposed district vote in favor, the district would be formed. Eligible water right holders would elect a board of three to five persons. This board would develop a general plan and cost to implement. Kansas Water Office would have to approve the plan. Upon approval, the board would adopt a resolution that imposes a charge to each water right holder.

In support, the Kansas Water Office testified that storage in the federal reservoir system serves as the primary or back-up water supply for roughly two thirds of Kansas' citizens. This system is under threat from sedimentation that depletes storage capacity. Westar Energy and KCP&L's main concern was the existing water purchase contract the Wolf Creek Generating Station has with Kansas and whether

Wolf Creek would be required to pay twice if brought into a reservoir improvement district. HB 2685 passed the Kansas House 116 to 5.