

2014 LEAGUE OF WOMEN VOTERS OF KANSAS E-REPORT #11

Paul Johnson – March 28, 2014

SCHOOL FUNDING SCRAMBLE – PART II

After days of private discussions and debates, school funding proposals have been filed in the House and publicly discussed in the Senate. The Kansas Legislature has one week left in the regular session before they leave town on April 4 and reconvene the veto session on April 29. School districts right now are trying to formalize budgets that start July 1. If any of these school funding proposals involve raising property taxes via local elections, the Legislature needs to pass the school funding law by April 4 to give school boards the time to debate a property tax increase and if accepted put it before the voters. If the new school funding will primarily come from state spending, what other state programs may be reduced or how low will ending balances go to cover the new school spending? The consensus revenue experts will meet on April 15 to project state revenues for the next 18 months and that could have a direct impact on finding that balance of more budget cuts and an acceptable ending balance. Thus the final decision on school funding could come in the veto session.

The first school funding bill from the House had a dramatic expansion of charter schools that was unacceptable to the Speaker. The Speaker subsequently introduced his own bill – HB 2774 – that will be the focus of discussion next week. HB 2774 has many parts and policies. The first decision was to put into statute the statement that all funding provided is being used for the constitution's mandate of 'suitable funding'. This means all revenues for base student aid, school employee retirement contributions, transportation funds, technical education incentives to school districts and local property taxes for financing public schools. A second decision was to establish the 'Rose' standards as the constitutional basis for determining the adequate level of K-12 funding. The 'Rose' standards came from a Kentucky Supreme Court ruling that was adopted by the Kansas Supreme Court. A third decision fully funds the local option budget state aid and the capital outlay state aid with \$129 million. A fourth decision was to establish an 11-member K-12 Student Performance Commission that reviews the 'Rose' standards, measures of student performance and public school accreditation requirements. A report from this Commission will be delivered to the Legislature by January 9, 2015 with findings and recommendations. A fifth decision was to create alternative teacher licensure provisions. There are other sections that expand the number of innovative school districts, reduce transportation funding and mandate a one page public budget summary for each school district.

There are two plans being discussed in the Senate. The President of the Senate has a plan that changes the existing school funding formula so that only \$79 million in new money will be required. The changes include cutting transportation funding by \$16 million, recalibrating and lowering 'at-risk' funding plus offering districts the opportunity to increase the local option budget. The second plan comes from Senator Ty Masterson. This plan needs only \$49 million in new money. This plan reduces 'at-risk' funding even more along with the reduction in transportation funding and increasing the local option budget. In both plans, the increase in the local option budget (LOB) is from 31% to 33% but requires an election and so this law must be passed and signed into law by next Friday. The Kansas Supreme Court

was very clear that 'disparity' now exists in the funding formula for poorer districts so recalibrating the 'at-risk' formula for poorer students will be carefully reviewed by the Court in this on-going litigation.

WHAT IS THE MATTER WITH KANSAS?

The dots may not be too hard to connect. The conservative, special interest conquest of Kansas' government really began with the Kansas House elections of 2008 when several moderate members were targeted and defeated. After eight years of a Democrat in the Governor's office, the 2010 Governor's race was easy picking with plenty of special interest money for the Republican candidate. For 2012, it was time to destroy the moderates in the Senate and take complete conservative control. The agenda was already progressing. Unaffordable income tax cuts had already been shoved through while dependence on regressive sales and property taxes expanded. Underfunding and downsizing vital educational, social service and public safety services was the order of the day. It was now time to take control of the Courts through appointments, budgets and splintering a unified statewide court administration. Private special interests would happily profit from the \$3 Billion Medicaid program and the child support system for 250,000 Kansas children.

Now it was time to reverse the progress Kansas had made with renewable energy that was passed in 2009. The problem was that the special interests could not pry that renewable energy reversal out of a House committee. Even the Senate voted down a proposal last year but the special interests kept calling and demanding action. Instead of filing a bill early in the session and holding substantive committee hearings, a new bill of repeal – SB 433 - was introduced on Tuesday March 11 – three weeks before the end of the regular session. The next day - March 12 – the bill was referred to the Senate Utilities committee and set for one day of hearings the following Wednesday – March 19. The 4 proponents such as the Kansas Chamber of Commerce were given ample time to filibuster while the 22 opponents were squeezed into the remaining 45 minutes. On that same day – March 19 – House Bill 2014 - that dealt with revoking an ex-spouse's inheritance rights upon divorce – was moved from the Senate Committee on Interstate Cooperation to the Senate Utilities Committee. On Friday March 21, HB 2014 was gutted and the repeal of renewable energy standards – SB 433 – was inserted and passed from Senate Utilities.

The clock kept moving so it was time to rush this bill to the Senate floor. So four days after the 'gut and go' in Senate Utilities – March 25 - , the debate was set for the Senate floor. While a year ago the Senate defeated a change the renewable standard bill on the floor, this time maximum political pressure was applied and arms were broken. After several hours of debate on many other bills, it was time to steamroll this repeal bill. Facts and correct figures on the true impact of renewable energy – primarily wind power – were unimportant. Deceptive, untruthful radio ads by the fossil fuel industry were good enough. Why believe the Kansas Corporation Commission's report to the Legislature that renewable energy accounts for only .21 cents of the 9.55 cents per kWh retail electricity cost in 2013? (Not two cents per kWh but one-fifth of a cent). The dye was cast and the bill passed. So having passed General Orders and unable to wait a day for final action, emergency final action was declared and a final vote of 25 for and 15 against was taken that night. The repeal bill was on its way to the House.

Now it was Wednesday morning after the Tuesday Senate debacle of passing the repeal bill – Senate Sub for HB 2014. The Speaker made the political decision that this bill - changed from ‘inheritance rights upon divorce’ to repealing ‘the renewable energy standards’ - had not been materially altered so the House could just vote to concur with the Senate’s version without the House sending this amended bill to a committee for proper vetting. Thus the real political games started. A motion was made to concur with the Senate on this repeal bill but suddenly the Speaker realized he may not have the simple majority needed to pass the bill. Suddenly a motion was made to non-concur and send it to a conference committee to develop an acceptable version. The people of Kansas finally had a real vote. House members voted down the motion to send it to a conference committee and then voted 77 to 44 to kill this bill and strike it from the calendar. So this bill is eliminated and the Senate will have to co-opt another bill to pass the repeal.

In the Legislature, nothing is completely dead until the final, final gavel after the veto session. The special interests have more than enough funds to drag this fight on. For the brave House members who voted their conscience and with constituents who want to advance a safe, sane renewable energy future, this vote may come with a price in terms of a primary challenge. Given the uncontrollable corporate cash that is buying our political system, 25 House seats purchased at \$10,000 a race could further propel Kansas back to the dark ages. Next Monday, Senator Pat Apple will be confirmed by the Senate Committee on Confirmations and on the way to the Kansas Corporation Commission by the end of the week. As a KCC commissioner, he will have a direct impact on regulating renewable energy projects and enforcing regulations on the oil and gas industry in Kansas. Are the dots starting to connect?

LEGISLATION TO WATCH

S. Sub for HB 2101 – this bill is a compromise on net metering of customers who generate renewable energy. This bill passed the Senate 39-0 and may be put in a House-Senate conference committee.

S. Sub. for HB 2482 – this is the energy efficiency investment bill requested by KCP&L. The bill has been amended to be more acceptable to the natural gas companies. It passed the Senate 40 -0 and will be put into a House-Senate conference committee. Its future passage is more uncertain.

Senate Bill 323 – this bill repeals perpetual conservation easements. This bill passed out of Senate Natural Resources committee and is on General Orders. This bill has gotten a lot of negative attention so we will see if it gets debated on the Senate floor.

S. Sub for HB 2118 – this bill repeals the Kansas Non-Game and Endangered Species Act. It passed Senate Natural Resources committee and sits on General Orders. Again a question of whether it will be debated on the Senate floor?

House Bill 2381 – this bill makes several changes to election campaign finance. It passed from Senate Election and Ethics committee on Feb. 20 and has been on General Orders ever since. It passed the House last year but was significantly amended in the Senate so it will have to pass the full Senate and go to a conference committee.

S. Sub. S. Sub 2141 – this is the Senate’s version of moving spring elections to the fall. This bill is quite different from the House version and it will take some special efforts to find a compromise position.

Sub. HB 2473 – this is the gun bill that expands open carry and limits any jurisdiction by local units of government. It has taken a few weeks to amend it. The Senate has yet to debate this bill.

House Bill 2210 – This bill has been signed by the Governor and takes effect on July1, 2014. This bill prohibits a person from changing his or her party affiliation between June 1 and certification of the primary vote (Sept. 1).

WEEK OF MARCH 31 TO APRIL 4

This is the last week of the regular session. The vast majority of the time will be spent on floor action and conference committees to iron out differences between the two chambers. Normally there is one mega-budget that is debated, amended, differences settled between the chambers and passed on to the Governor. The school funding case has upset this process as extra school funding must be found. The judicial budget has been pulled out and policy changes have been added that complicates the process. School funding may end up with its own separate budget as policy proposals are added to the funding decisions. Time is getting short and many issues on General Orders or in conference committees will not be addressed. To follow the calendars, read up on the bills and even listen to the floor debates go to www.kslegislature.org.