

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

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2012 LEAGUE OF WOMEN VOTERS OF KANSAS E-REPORT #20

Paul Johnson – May 18, 2012

VETO SESSION SHOWDOWN

The Kansas Legislature continues to struggle – now in the 96th day of a 90-day legislative session. The same major tasks remain the unfinished – tax reform, the 2013 State budget and redistricting of Congressional and state legislative seats. The end may be in sight. The tax debate on a compromised, conference report will be held on the House floor today with great uncertainty if there are enough moderates to defeat the mega-tax bill now sitting on the Governor's desk. The shape of the 2013 State budget will be determined by the reduction in revenues caused by the final decision over tax reform policy. The battle over redistricting continues to worsen with no compromise in sight. The courts will force a final decision over the next three weeks.

A procedural vote of 66 to 49 in the House was necessary to even bring the new tax conference committee proposal to a floor debate today. There is no certainty that the moderates can hold these same votes to pass this less costly tax bill on to the Senate for debate. Many conservative House members are absolutely certain that all tax cuts generate even more tax revenues to the state through expanded economic development. On the Senate side, many moderates believe Kansas is giving up essential revenues for schools and state services thus guaranteeing structural deficits for years to come. It is still uncertain if there are the votes in the Senate to pass this tax conference compromise. While the new tax compromise leaves positive ending balances through 2018, there are key assumptions built into these projections. One is that the courts will not force the Legislature to fund schools at a higher level as now mandated by Kansas' statute. A second assumption is that KanCare – privatized Medicaid managed care plans – will save Kansas \$367 million over the next 5 years. A third assumption is that the federal government will not force Kansas to spend more to take clients off the waiting lists for disability services. If these three factors were fully funded, Kansas would have a \$1.5 Billion deficit by 2018.

The 2013 budget debate has come down to the funding of public schools. The House is waiting for the final decision on tax policy to determine what is available for schools and still maintain a very sizeable ending balance. The Senate is prepared to add extra funding for schools by taking it from the ending balances. The Senate has developed a new budget bill that incorporates the items agreed to by the House-Senate appropriations conference committee and took the Senate position on the items the conference committee could not agree on such

as school funding. The Senate may well pass this budget bill and adjourn for the session forcing the House to adopt this Senate budget bill. This same procedure happened in 2009 and 2010. If the House would not pass this Senate budget, the Governor might be forced to call a special session to finalize a budget. At some point exhaustion and frustration takes over with the desire to leave town overriding thoughtful, reasoned decisions.

The end of the rope has been reached with redistricting. It is assumed by most policymakers that the courts will settle this redistricting mess. A federal lawsuit has already been filed and a federal district court judge has scheduled a hearing for May 29. It seems more and more certain that a candidate filing deadline of June 10 and an August 7 primary will have to be pushed back. While the federal court will decide the congressional map, the federal court may pass on redistricting state legislative seats and that would be argued before the Kansas Supreme Court. Dozens of maps have been drawn for congressional and legislative districts. Different ones have passed either the Senate or the House so the courts will have to choose. The Kansas Supreme Court may force the Kansas Legislature into special session to finish the task. This historic battle is in uncharted terrain with legal experts speculating on multiple paths. The Kansas House will debate a new congressional map today that splits Douglas County between the 2nd and the 1st district.

http://redistricting.ks.gov/Plans/ProposedPlans/m5_kansas%20six/m5_kansas%20six.html

For a complete list of redistricting maps that have been proposed or passed:

<http://redistricting.ks.gov/>

SENATE SUBSTITUTE FOR HOUSE BILL 2597 ON 'FRACKING'

This bill would enact provisions of law to the disposal of solid waste generated by drilling of oil and gas well through land-spreading. The land-spreading would be done in accordance with best management practices and maximum loading rates developed by the Kansas Department of Health & Environment Secretary in coordination with the Kansas Corporation Commission Conservation Division. With existing law, land-spreading is not allowed and the choice is to build an on-site pit or haul the debris to a certified landfill. (Kansas has only one such landfill in Harper County.) In groundwater management districts, the groundwater management boards will have approval rights over land-spreading. In areas of Kansas with over 25 inches of rain, the land-spreading must be accomplished by incorporation of this waste into the soil. There are serious funding questions over the cost of administering this program and monitoring this land-spreading for several years. The KCC must report on the cost next session. This bill must pass the House before being sent to the Governor. For information on this bill:

http://www.kslegislature.org/li/b2011_12/measures/hb2597/

UTILITY RATE INCREASES

The Kansas Corporation Commission has decided on several electric rate increases over the past month. There are more rate increases being considered

in the next few months. The Citizens Utility Ratepayer Board (CURB) is the advocate for residential and small commercial customers. The May 2012 issue of their newsletter 'CURBside News' has detailed information on the major cases decided and issues pending before the Kansas Corporation Commission.
http://curb.kansas.gov/CURBside_0512.pdf

KIDS COLLEGE SAVINGS PROGRAM

Gov. Brownback has signed into law a bill that allows third-party contributions to KIDS higher education savings match accounts. The KIDS college savings program was utilized by 600 low-income families last year. For every dollar they put into their KIDS accounts, the state made an equal match, up to \$600. Now private donors and charitable organizations can contribute as well, giving parents an extra incentive to save for their children's education.

TAXES/EARNED INCOME TAX CREDIT

Two tax plans are circulating at the Statehouse. The first, passed last week by the House and Senate, has been sent to Gov. Brownback to sign. This plan preserves the EITC but repeals other credits utilized by a broad range of families, including those for adoption, food sales tax and child and dependent care. This plan is expected to result in a \$2 billion deficit by 2017. Brownback has urged lawmakers to compromise on a different proposal -- which may be voted on as soon as today. This compromise proposal reduces the state EITC rate to 15 percent of the federal rate. According to the Institute on Taxation and Economic Policy, this plan would reduce state tax collections by about \$680 million a year. Gov. Brownback has said he will sign the bill on his desk if the compromise plan doesn't pass.

Coming Up

We're a week past what was supposed to be the final day of the 2012 legislative session. Some lawmakers have said they hope to wrap things up by Saturday, but there's no guarantee that the session won't continue into next week. We'll keep you updated.

REDISTRICTING FOR US CONGRESSIONAL SEATS TO BE DONE BY THE FED. COURT.

State districts for legislature and school bd likely by state courts or maybe by the legislature if they are called back in special session.

Filing deadline for candidates and the Aug. Primary postponed.