



KANSAS LEGISLATIVE INSIGHTS NEWSLETTER | APRIL 26, 2019

VETO SESSION PREVIEW

The veto session starts next week, with the House Appropriations Committee and the Senate Ways and Means Committee meeting on Monday and Tuesday to review and finalize the budget. The budget conference committee adjourned for “spring break” with agreement on all but two items. Typically, the Governor’s budget amendments will be considered in order to add funding for bills passed. Also, adjustments will likely be made for social programs and agency funding requests.

The entire Legislature returns on Wednesday, May 1, 2019. The budget, Medicaid expansion, tax cuts, and a veto override are among the items on the legislative veto session agenda. The first order of business on the Senate’s agenda is to consider Sen. Anthony Hensley’s motion to pull the Medicaid expansion bill out of the Senate Public Health and Welfare Committee. The motion would require 24 votes to bring the bill out of committee and add it to the General Orders debate calendar. Twenty-seven votes are required to assure the bill is debated and voted on by the Senate. If Senator Hensley is successful, Medicaid expansion is possible.

APRIL REVENUE NUMBERS

The March Kansas total revenue receipts were 1.89% below the consensus estimate. On April 18, the Consensus Revenue Estimating Group projected a mere \$15 million increase in state tax revenues during the next three years. This reflects the \$115 million KPERS loan repayment, which eliminated a significant portion of the revenue surplus for the current fiscal year. The KPERS repayment resulted in the fiscal year 2019 revised estimate being decreased by \$73.1 million (1.0%). The overall revised budget receipts for FY 2019 are \$7.237 billion or 0.8% below 2018. The FY 2020 receipts revised estimate is \$55.7 million or 0.8% more than the previous estimate. For FY 2021, the estimate was increased by \$32.3 million or 0.4% more than the November estimate. The latest numbers serve to discourage major tax reduction and spending legislation.

The Senate version of the mega-appropriations bill indicates an ending balance of \$601 million (8.4%) for fiscal year 2019 and \$522 million (6.8%) for the new fiscal year starting July 1. Kansas law requires a positive annual budget ending balance of 7.5% of expenditures. Sometimes, however, that statutory requirement is suspended.

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BILLS SIGNED

So far this session, Gov. Laura Kelly has signed 56 bills, vetoed two, and allowed one bill to become law without her signature. On Monday, Gov. Kelly vetoed SB 67. SB 67 would have required doctors to tell pregnant patients that pill-based abortion procedures are reversible. There will be a veto override attempt next week. The initial vote was 26-11 with three senators absent. Twenty-seven Senate votes are required to override the veto. The House vote on SB 67 is veto-proof. The only bill to become law without the Governor's signature was the high-profile Farm Bureau rural health benefit bill, which was wrapped together with tangentially related legislation dealing with association health plans and other insurance-related proposals. The Governor expressed concern about individuals with pre-existing conditions being denied coverage under the Farm Bureau proposal, but she did not act to veto the bill. The House and Senate margins of approval were both veto-proof.

Kansas Legislative Insights is a publication developed by the Governmental Relations & Public Policy Law practice group of Foulston Siefkin LLP. It is designed to inform business executives, human resources and governmental relations professionals, and general counsel about current developments occurring in current Kansas legislation. Published regularly during the Kansas legislative session, it focuses on issues involving health care, insurance, public finance, taxation, financial institutions, business & economic development, energy, real estate & construction, environmental, agribusiness, employment, and workers compensation. Bill summaries are by necessity brief, however, for additional information on any issue before the Kansas Legislature, contact Foulston Siefkin's Governmental Relations & Public Policy Law practice group leader, James P. Rankin at 785.233.3600 or jrankin@foulston.com.

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PRACTICE AREAS

- Government Affairs & Public Policy Law