



KANSAS LEGISLATIVE INSIGHTS NEWSLETTER | JULY 7, 2020

July 7, 2020

OVERVIEW

Six months ago, the Kansas budget reflected a large budget surplus. In January, numerous legislative proposals were advanced to address various needs from education, foster care, infrastructure, Medicaid expansion, and tax cuts to name a few. In March, the pandemic changed the dialog to Executive Orders, business closures, budget challenges, an outdated unemployment system, budget deficits, and uncertainty. In June, Kansas saw only the twenty-third Special Session in our 159-year history, budget allotments, a contentious certificate of indebtedness debate, State Finance Council meetings, and everyone nervously watching the Kansas Department of Health and Environment reports on COVID-19 cases.

The pandemic even shaped the interim studies for this summer and fall. On June 18, the Legislative Coordinating Council approved only four new interim study committees. There were no typical House and Senate interim committees. The four committees will all be comprised of 13 members with eight House Representatives and five Senators. Each panel will have nine Republicans and four Democrats. In many ways, the four interims are a continued discussion of the issues from the Special Session. The interim topics cut across the issues addressed by key legislative committees only in the context of a pandemic. Obviously, additional interim committees are likely to be added to the list by the Legislative Coordinating Council during the summer.

For example, the Economic Recovery Study Committee will examine economic recovery, tax issues, regulatory issues, business financing, and programs administered by the Kansas Departments of Labor and Commerce. The Foster Care Oversight Committee will address child welfare, mental health services, and the Family First Prevention Services Act. The Emergency Management Act Committee will review current emergency management laws, oversight issues, and how emergency powers are handled in other states. The Mental Health Modernization/Reform Committee will study accessibility of mental/behavioral healthcare, which is vital with business closures, high unemployment, and the uncertainty created by the pandemic.

YEAR-END REVENUE NUMBERS

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In March, the Governor announced extensions for filing and paying income taxes to July 15 (not applicable to Kansas quarterly installments). This extension moves that tax revenue into Fiscal Year 2021, which started July 1, 2020. Observers were anxious to see how many taxpayers would use the extension. Last week, the Kansas Department of Revenue reported that approximately 130,000 returns were yet to be filed. The June revenue numbers were better than many expected. Individual income taxes were \$41.1 million more than the April downward projection. The \$353.1 million collected was down 9% compared with June of 2019.

Overall, the State of Kansas saw a better-than-predicted close to Fiscal Year 2020, according to the Kansas Department of Revenue. Total June tax collections were up by \$135.6 million or more than 22% higher than the estimate with \$744.4 million collected. When compared with June 2019, the collections were down by 4.8%. The total tax collected in FY 2020 was up by \$163.7 million or 2.4% higher than the estimate. This reflects a 5.7% decrease from FY 2019.

AUGUST 4 PRIMARY

How will the pandemic impact the August 4 primary? The deadline to register is July 14, advance ballots will start being mailed on July 15, and the deadline for election offices to receive advance ballot applications is July 28. Will the pandemic increase advance mail voting in the primary as many expect?

With rising COVID-19 cases and fewer community events, how will campaigning change? Door-to-door campaigning may be limited to dropping leaflets. How many voters would answer the door for a visitor? Direct mail, signage, print, radio, and TV advertising, social media, digital advertising, telephone solicitations, and virtual events may be the norm. Endorsements by various organizations will be more important. United States Senate seats always seem to attract the most media advertising and exposure. Those large media buys can limit the opportunities for candidates down the ballot to purchase advertising. It will be interesting to watch.

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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As a partner at Foulston Siefkin, Jim's practice focuses on employee benefits law relating to public, private, governmental, and tax-exempt organizations. A large part of his work involves insurance regulatory and compliance issues in many industries, including healthcare. Jim has been selected by his peers for inclusion in The Best Lawyers in America® and the Missouri & Kansas Super Lawyers® list. He is the firm's representative with State Law Resources, Inc., a national network of independent law firms selected for their expertise in administrative, regulatory, and government relations at the state and federal level.

Gary, a governmental affairs consultant to Foulston Siefkin's Governmental Relations & Public Policy practice group, provides legislative monitoring and lobbying services for Foulston's governmental relations clients. He holds a bachelor of science degree in history and political science from Southwestern College and a master's degree in labor economics from Wichita State University. Throughout his extensive career, Gary has served as CLE Director to the Kansas Bar Association and as Executive Director of the Kansas Optometric Association.

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PRACTICE AREAS

- Government Affairs & Public Policy Law