



KANSAS LEGISLATIVE INSIGHTS NEWSLETTER | JUNE 7, 2019

On Monday, June 3, the Kansas Department of Revenue released the May tax revenue numbers, which were up \$77 million. This marks the 23rd time in the past 24 months that state revenue exceeded the estimates since the 2017 repeal of the tax cuts introduced during Governor Brownback's administration. The improving financial picture will again be the focus for the tax policy and Medicaid expansion debates next session.

Tax cuts were passed by the House and Senate twice this session but vetoed by Governor Kelly.

On Tuesday, June 5, the State Finance Council met to address various items from implementing budget provisos, state employee 2.5% pay increase, corrections, and other issues. Annually in June, the State Finance Council approves a Certificate of Indebtedness to meet state cash flow requirements for the upcoming fiscal year when state expenses exceed revenue. They approved paying off the \$600 million Certificate of Indebtedness from the past fiscal year, which was significantly lower than previous years where it reached \$900 million. For the upcoming fiscal year, the State Finance Council approved a Certificate of Indebtedness of \$275 million, which is another sign of the state's improving fiscal position. The nine members of the Finance Council are the Governor, Senate President, Speaker of the House, House and Senate Majority Leaders, House and Senate Minority Leaders, Senate Ways and Means Chair and House Appropriations Chairs. The Governor is the chairperson.

In other developments this week, the Legislative Post Audit Committee had a conference call meeting to discuss a budget proviso that directed Legislative Post Audit to compare compensation with other state legislatures for state officers/elected officials, judges, etc. There were initial discussions concerning how to implement and structure the study, and the matter will be discussed again at the Committee's July meeting.

This week the Kansas State Employee Health Care Commission voted to freeze rates on health insurance premiums after four years of increases. They also announced a 6% cut in employee-paid premiums for married and married with children family plans.

*Last week, we reported incorrectly that the Senate voted to override the Governor's veto on the tax cuts. In fact, when House failed to override, a Senate vote was unnecessary and, therefore, did not occur.

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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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