Facility Assembly – Legislative Update

4/12/2017

Key Points:

- The legislature has balanced the budget for the current fiscal year while holding higher education harmless.
- They will begin working on the budget for Fiscal Years 2018 and 2019 when they return to Topeka on May 1. It appears legislators will hold us at 2016 levels, but that is subject to change.
- In order to support the budget, legislators will need to pass a tax bill to raise revenue. There is currently no consensus amongst legislators on the best way to increase taxes.
- Weapons on campus continues to be a focus in Topeka. Conversation around exempting hospitals and medical care facilities like our own is taking place; however, it is unknown if there is enough support to pass such an exemption.

Summary:

The legislature officially left for first adjournment last Friday. They will be off for the remainder of the month, returning on May 1 for the start of the veto session. Historically veto session is the time where the legislature gathers to consider only those bills vetoed by the governor, as well as pass the omnibus appropriations bill. In reality, veto session is a continuation of the regular session where nearly anything is possible. Last Thursday both chambers passed the Fiscal Year 2017 rescission bill, which balances the budget for the current year. The bill eliminates a $290 million shortfall, mainly by borrowing money from an idle funds investment account, a loan that will be repaid over the next seven years. The rescission holds higher education harmless.

With the current year shortfall now balanced, the legislature will turn its focus to the two-year budget for Fiscal Years 2018 and 2019 once they return. Both chambers have worked on the budget, but only the Senate has passed its budget bill. The bill holds higher education at Fiscal Year 2016 funding levels. The House Appropriations Committee advanced a similar bill, but it has not been taken up on the House floor. This bill also maintains higher education at Fiscal Year 2016 levels. Keep in mind that both bills are subject to change. The budget bills are not currently supported by expected revenues, meaning the legislature will have to develop a tax bill. There has been no consensus on the best way to create new revenue. Lately discussion has centered on creating a flat income tax. Last week the Senate debated a 4.6 percent flat tax on income, which only received three “yes” votes. With little support for a flat tax, we may see more bills that look similar to the tax bill the Governor vetoed in February.
Outside of the budget, the legislature has had several other important debates. Both chambers passed Medicaid expansion; however, it was vetoed by the Governor. The House failed to reach the proper number of votes to override the Governor’s veto, likely closing the door on the topic for the remainder of the year. Guns continue to remain a regular topic of conversation in Topeka. It has become clear that there is no appetite for an across the board university exemption. However there are still a number of legislators who would like to see some sort of a compromise. There seems to be some support for exempting state-owned medical buildings, but little debate has occurred outside of committees, making it is difficult to tell where the legislative body stands on the issue.

Legislators have been told to expect to work weekends when they return from adjournment. With several contentious issues looming, it will likely be a long veto session. If you have questions, feel free to contact Robert McCormack:

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