

Legislative Update
March 17, 2018

Prepared by: Dodie Wellshear, Ad Astra Government Relations

Legislative Pace Picking Up Speed

The Legislature is just three weeks out from the end of its regular session on April 6th and the pace has noticeably picked up at the Capitol. Budget committees in both chambers are finalizing their work on state agency funding and most policy committees are moving on bills that they want to advance this session.

Much of the budget discussion has been hampered, as legislators have been awaiting a school finance cost study to give them a better idea of just how much they will need to set aside for K-12 education.

Part of the budget discussion has involved Graduate Medical Education (GME) funding to participating hospitals. It has been a complicated discussion, because it's apparently not been funded since 2010 and was only recently noticed in an internal review by one of the participating hospitals.

The budget request was for \$5.9 million in the current fiscal year and in fiscal year 2019. The House has recommended \$5.9 million in FY 2018 and FY 2019. The Senate has plans to review FY 2018 at Omnibus and \$4.25 million in FY 2019.

The Senate Ways and Means Committee deferred the item completely to the Omnibus budget, but stated recognition for the valuable services provided by the funding. In particular, they mentioned the indigent services provided by residents and the success of the program in retaining physicians, especially in under-served areas of the state.

Tobacco Tax and School Finance Link

Two very different pieces of legislative policy – tobacco taxes and school finance – are suddenly seeing a potential link, as legislators grapple with a Supreme Court order indicating that the state must spend hundreds of millions more to suitably fund its schools. That pressure only increased as a school finance study commissioned by legislative leaders came back indicating the state will need to spend anywhere from \$451 million to \$2.1 billion over the next five years to improve educational outcomes of its schoolchildren.

Two bills – HB 2231 and SB 376 – that would raise the tax on a pack of cigarettes to \$2.79, an increase of \$1.50, and the tax on other tobacco products from 10% to 65%, seemed to have very little chance of passage just weeks ago. In recent days, however, some legislative leaders are looking to the tobacco tax as a way to come up with some of the needed funding for schools.

The tobacco tax is increasingly appealing because it is expected to raise \$105 million in its first year and does not face the same level of voter opposition as income and property taxes. The state two years ago hiked its sales tax to one of the highest in the nation and, last year, restored many of the income tax cuts of 2013. Many legislators are, therefore, very shy about looking at broader tax increases.

House Bill 2231 had a hearing in the House Taxation Committee on Thursday. KAFP, American Cancer Society, and numerous other anti-smoking advocates testified in support of the legislation, with only a few tobacco entities and the association representing convenience stores appearing in opposition. An identical bill, SB 376, is scheduled for a hearing in the Senate Assessment and Taxation Committee this coming Thursday.

The message from a few key legislative leaders to anti-tobacco advocates has been clearly stated: the *only* way to get the tobacco tax legislation passed is to tie the proceeds to school funding.

Family Doctor of the Day

KAFP sponsors the Family Doctor of the Day (FDOD) program during the Kansas legislative session. Licensed physicians, including residents, volunteer to provide mostly-minor health needs to legislators

and their staff. The Legislature highly values and appreciates access to these services, especially when so many are away from their hometown primary care physicians.

The following members provided services last week: **Jeremy Presley, MD**, Dodge City; **Sheryl Beard, MD**, Andover; **Ron Seglie, MD**, Pittsburg (2 days); and **Jen McKenney, MD**, Fredonia. Thank you all for your time and service to Capitol legislators and staff last week.

Committee Action the Week of March 19-23

Monday, Mar 19

9:30 am, Senate Public Health & Welfare, Room 118-N

Hearing on: [HB 2674](#) – *Establishing the Kansas Telemedicine Act*

Tuesday, Mar 20

9:00 am, House Children & Seniors, Room 218-N

Hearing on: [HB 2704](#) – *Requiring written informed consent before administering an antipsychotic medication to an adult care home resident* (Note: Link to bill is not working, so link is provided to the fiscal note, which provides a good explanation of the bill.)

Thursday, Mar 22

9:30 am, Senate Assessment & Taxation, Room 548-S

Hearing on: [SB 376](#) – *Increasing tax rates of cigarettes and tobacco products; establishing the cigarette and tobacco products cessation fund*