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06 April 2024 | Economic Security Tax and Budget Education Health Early Learning

# 2024 Statehouse Snapshot: Week 13



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**Statehouse Snapshot: Week 13**

*Kansas Action for Children*

*April 6, 2024*

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## **Legislature Agrees to Revised Tax Deal after House Firmly Rejected Compromise Tax**

# Relief Bill



Senate battled this week on a large-scale tax relief plan. **Senate Sub. for HB 2036 came together in conference committee after legislative leadership negotiated a deal that would pass the Governor’s muster.** The plan included several familiar, agreed-upon provisions as before, but decreased the rate for the top income tax bracket from 5.7% to 5.5% while leaving the two lower brackets the same. **This provision is ultimately what sunk the bill in the House after the Senate had passed it 38-1 just a few hours before.**

Any hope for a tax deal to be struck before the April break seemed lost until rumors of behind-the-scenes negotiations began to surface late Friday afternoon. **The rumors became reality with another Tax Conference Committee meeting and hashing out of a new compromise on Senate Sub. for HB 2036.**

The new deal is more complicated than the original plan, as it moves Kansas away from the three-tier income tax structure to a dual-bracket system instead. Under the bill, the current 3.1% bottom bracket would be eliminated, leaving two remaining brackets that were modified from 5.25% to 5.15% and 5.7% to 5.55%.

**To ensure low-income taxpayers would not see a tax increase under the new rate structure, lawmakers significantly increased the personal and dependent exemptions.** It’s true that the new changes benefit low- and middle-income taxpayers much more favorably than other tax packages we’ve seen this year. However, it’s not going to be easy for most Kansans to clearly understand how they’ll benefit until they complete their next tax return in spring 2025.

This version of the bill is more expensive than the plan rejected by the House. Questions remain about its fiscal impact in several years and if it might be too expensive to sustain. **The final vote counts on the bill show there's still a disconnect between the two chambers on their ideal tax relief approaches. The Governor has a tough decision whether or not to sign the bill, especially given the road it took for the Legislature's approval on this compromise.**

If lawmakers have to go back to the drawing board in three weeks, we'd encourage them to include more kid- and family-friendly items in the bill, such as a state child tax credit or exempting state sales taxes on diapers and feminine hygiene products and the back-to-school holiday (both of which were left on the cutting room floor in earlier tax negotiations this week). **But if the bill becomes law, it also represents the end to a very exhausting back-and-forth on tax relief, and Kansas families will have more money to support raising their children.**

## Senate Holds Vote on Child Care Bill until Veto Session

At the start of this week, we were anxious to see what



the conference committee process had in store for several bills. **This process for legislation can be a delicate time – only a handful of lawmakers negotiate differences between the two chambers, and the resulting deal can only be given an up or down vote in each chamber.** If either chamber rejects the deal, the bill faces a much steeper uphill climb to success.

This is the process by which [House Sub. for House Sub. for SB 96](#) (the child care bill that also includes the Office of Early Childhood) had to pass. **Last week after a last-minute compromise, lawmakers left the bill with some**

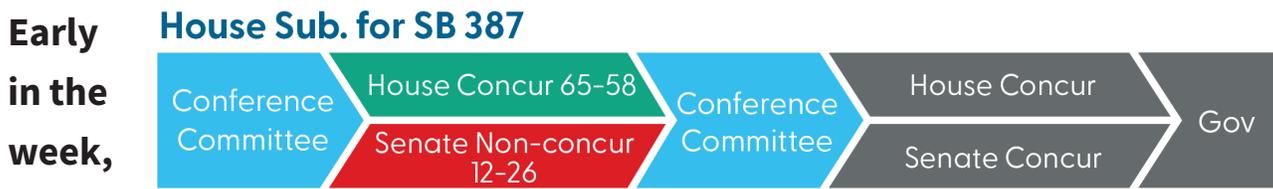
## technical items for cleanup, and this Wednesday, the Commerce Conference Committee met to hash out final details.

Of five amendments presented, four were approved by the conference committee, including one that expanded KDHE’s policy to exempt from licensure certain individuals who provide care for up to four children. **You can read more of what the conference committee did in our blog post.**

**The House passed the bill by a wide margin.** The Senate, however, is dragging its feet on the measure (perhaps as a political bargaining chip) and won’t hold a vote on it until after the Legislature is back from April break.

**While we are concerned about the licensure exemption we highlighted above, there were few options for lawmakers to even try to adjust any language without the bill falling apart.** We’re still extremely proud of the work advocates and the child care community have done to get us to this point. If the bill gets passed to the Governor in three weeks, we’re looking at a state agency focused on Kansas kids’ earliest years and streamlining a system that can be complicated and confusing. **And we’re excited at how this lays the foundation for building up the child care community in future advocacy efforts. It’s not perfect, but it’s a start.**

## Lawmakers Leave for Break without Finishing Work on K-12 Education Funding



**Budget Conference Committee agreed to leave K-12 funding out of the “mega budget” bill, leaving the only public school funding available through House Sub. for SB 387.** This split can be dangerous because it gives small committees the ability to tie bad policy items to funding bills.

The House Committee on K-12 Education Budget and the Senate Committee on Education met to discuss the biggest difference between the two chambers' approaches: the House's addition of seven policy related bills to their K-12 budget bill. **The most concerning proposals from the House were counting local option budget funds for special education to reduce the state's obligation and the treatment of at-risk funding.**

Governor Kelly's proposed budget included an increase to special education funding at a graduated rate for the next five years, until the state meets the statutorily required level of 92% of SPED excess costs. **The Conference Committee agreed to increase special education funding by \$77.5 million for FY 2025, but only if a new formula was approved that changes the way SPED excess cost funding is determined.** Kansas education advocates have described this move as a way to ["permanently underfund" special education.](#)

**The second, albeit smaller, problem with the bill was a plan to pilot a new evaluation of the academic improvements of at-risk students.** The House's bill would force schools to measure the effectiveness of their at-risk interventions through a group of at least 10 students from one grade. These students would be responsible for improving over four years, or else the at-risk funding for their school would be cut. As you can imagine, these two pieces of the bill brought out scores of Kansans to voice their disapproval.

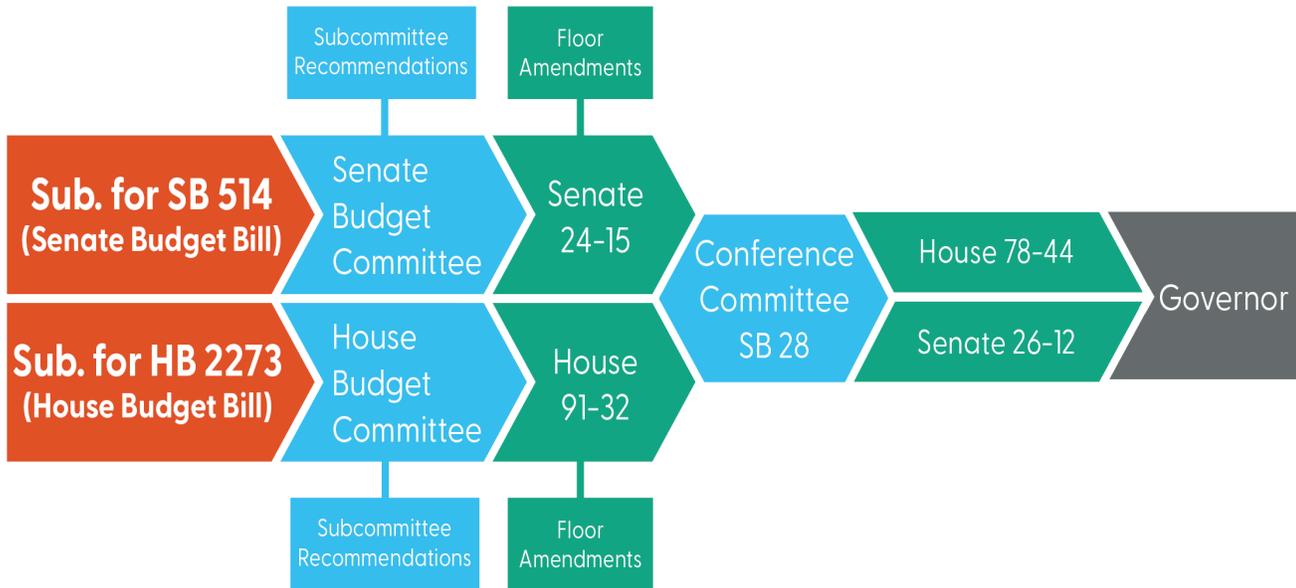
**While the school funding bill passed by [slim margins](#) in the House on Wednesday, it was [decisively voted down in the Senate](#) and sent back to Conference Committee, where lawmakers again demonstrated how the conference committee process can be dangerous.** After begrudgingly removing the new SPED funding formula, lawmakers brought up entirely new issues like KPERS funding for teachers and concerns about new state assessment testing, which almost derailed the entire package.

After a disorganized series of meetings, the new policy discussions were abandoned, and they concluded the revised K-12 funding and policy package. **But both chambers left in the wee hours of the morning without voting on**

**the new conference committee report, leaving it be finalized in late April when they return.**

## State Budget Plan Leaves out Most Child Care Funding

### Status of 2024 Session Budget Bills



**This week, the Budget Conference Committee swiftly negotiated their differences between their funding plans and passed the new agreement housed in SB 28.**

[Here's our write up](#) of the items we were watching at the beginning of the week and how they took shape through negotiations.

**The final budget included many improvements for our state, such as addressing the I/DD and PD waiting lists, increasing select Medicaid reimbursement rates, and drawing funding for the Infant and Toddler Program (Tiny-K) program from the State General Fund instead of from the Children's Initiatives Fund (CIF).** This will free up CIF dollars for other early childhood-focused programs or initiatives.

However, **we're left disappointed that nearly all other child care funding from the state was left out of the deal.** This includes \$15 million for child care

sustainability and workforce grants and \$30.0 million for child care capacity accelerator grants.

**In a budget of more than \$25 billion, other relatively inexpensive items helping many Kansans were left out.** This includes:

- \$75,000 for diagnostic breast exams for state employees
- \$4.2 million to increase Medicaid reimbursement rates for pediatric primary care
- \$2.5 million to increase Medicaid reimbursement rates for OBGYN services

**Overall, while there were priorities we wished would have been funded, this year's budget doesn't cut state agency funding and puts more money toward repaying debts, leaving the state with a status quo path forward.**

Another budget bill tying up any loose ends will be crafted after the April break, leaving one last opportunity for budget negotiators to address anything left.

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## Two Health Policies on Their Way to Become Law

In the midst of the chaos of conference committee week, two critical policies that positively impact kids' health were sent to the Governor.

**HB 2547 gives school nurses (and trained staff) the authority to stock emergency supplies of epinephrine and albuterol and administer them in emergency situations for students, staff, and the public at when present at school facilities.** In the conference committee, the Senate agreed to reinstate language that gives liability protection to those administering the injections and to schools who stock these medications. We were pleased this legislation is almost surely going to become law, as many school nurses have been pushing for the change since at least 2020.

**And, buried in the budget bill, is a small one-year proviso that continues to keep the Children’s Health Insurance Program (CHIP) eligibility at 250% of the federal poverty level.** This is the third year this proviso has been included in the annual budget bill when an error in statute dating back to 2008 was discovered.



Sometimes referred to as the “CHIP fix,” the proviso brings

the eligibility threshold for kids up to 250% of the current federal poverty level instead of tying the threshold to outdated 2008 levels. Each year, we push for a bill to make this fix permanent, but due to its potential connection to Medicaid expansion, it’s difficult to get it to a floor vote. **We are glad to see this issue addressed yet again in the budget bill and will continue to work toward a permanent fix of this issue next session.**

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## Kansas SNAP Barriers Receive National Attention

**On Monday, PBS reported on state legislative restrictions on SNAP (the Supplemental Nutrition Assistance Program).** The food assistance program, Kansas’ name for SNAP, received a lot of attention in the report.

Unfortunately, the focus on Kansas was due to the Legislature’s insistence on making food assistance one of the most restrictive SNAP programs in the country. **A Republican lawmaker, Kansas advocate, and Kansan on food assistance were all interviewed about their views or experiences with the program.** [You can find the story here.](#)

## What to Expect after April Break

The Legislature will take a two-and-a-half-week break and then come back to Topeka on April 25 to start up “Veto Session,” which is when lawmakers will finish their 2024 legislative business and attempt to override any legislation that the Governor may veto.

Policy items we know are in store for their return:



- **Medicaid Expansion:** A senator motioned to pull [SB 355](#) (Medicaid expansion) out of committee. The vote will take place on April 26 and will require 24 votes to bring it onto the floor for a vote on the actual bill. If that passes, a second motion requiring 27 votes will be needed to debate SB 355 on the floor. The hurdles for forward progress are high, but you can contact your senators in the interim to encourage them to let the vote on the bill take place.
- **Child Care:** The Senate is the only thing standing in the way of [House Sub. for House Sub. for SB 96](#) reaching the Governor’s desk. While the holdup isn’t clear, one reason could be that the Senate is holding it back for political purposes.
- **Taxes:** If the Governor vetoes [Senate Sub. for HB 2036](#), the Legislature would likely try to craft another tax plan before they leave Topeka for the year. But if the Governor vetoes and lawmakers don’t create a new plan, they could be in store for a special session, as the Governor has vowed to

bring them back if they leave without passing a tax relief bill that she can sign. Also, it’s possible the Governor will approve or let Senate Sub. for HB 2036 become law.

- **K-12 Funding and the Omnibus Budget:** Lawmakers will need to approve funding for K-12 education, which makes up around half of the state’s budget. Also, the follow-up budget bill to what was just passed this week will tie up little details and any bills with fiscal impacts this last week that weren’t accounted for.

**With the April break here, we’ll take a two-week hiatus on our Statehouse Snapshot emails.** Of course, you can reach out to us at [kac@kac.org](mailto:kac@kac.org) if you have any lingering questions on legislative policies impacting kids and families!

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