

STATE OF KANSAS)
WYANDOTTE COUNTY)) SS
CITY OF KANSAS CITY, KS)

SPECIAL MEETING, THURSDAY, APRIL 25, 2024

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Meeting, Thursday, April 25, 2024, with nine members present: Bynum, Commissioner At-Large First District; Townsend, Commissioner First District; Ramirez, Commissioner Third District; Hill, Commissioner Fourth District; Lopez, Commissioner Sixth District; Stites, Commissioner Seventh District; Davis, Commissioner Eighth District; and Burroughs, Commissioner At-Large Second District and Mayor Pro Tem; presiding. Burns, Commissioner Second District; Kane, Commissioner Fifth District; and Garner, Mayor/CEO; were absent. The following officials were also in attendance: David Johnston, County Administrator; Angela Lawson, Interim Chief Counsel; Alan Howze, Assistant County Administrator; and Monica Sparks, Interim Unified Government Clerk.

Mayor Pro Tem Burroughs said before I call the meeting to order I want to announce that some commissioners and staff and public are attending remotely via Zoom or on site. All participants joining by phone should mute your phones when not speaking to avoid background noise. During the meeting, please make sure you announce yourself by name and title every time you speak so the public that is participating knows who is speaking. Please be sure you speak directly into a microphone so that the public can hear your comments and an accurate record of the meeting is made. This is critical given the number of remote participants and is also current guidance from the Kansas Attorney General's Office.

Mayor Pro Tem Burroughs called the meeting to order at 6:00 p.m.

ROLL CALL: Hill, Lopez, Stites, Davis, Bynum, Townsend, Ramirez, Burroughs.

NOTICE OF SPECIAL MEETING of the Unified Government of Wyandotte County/Kansas City, Kansas, to be conducted in a hybrid format on Thursday, April 25, 2024, at 6:00 p.m. in the Fifth Floor Conference Room of the Municipal Office Building for a Legislative Update.

CONSENT TO MEETING of the governing body of Wyandotte County/Kansas City, Kansas, accepting service of the foregoing notice, waiving all and any irregularities in such service and in such notice, and consent and agree that we, the governing body, shall meet at the time and place therein specified and for the purpose therein stated.

Mayor Pro Tem Burroughs said tonight we are here for an update from our Legislative Representative Paul Davis. I'll ask our County Administrator David Johnston if he has any opening remarks.

David Johnston, County Administrator, said as you are aware the State Legislative Session kind of officially wound down a couple weeks ago, but today came back for a veto, override and state budget work for the next couple of days. It's a good time for us to get an update from our lobbyist to give us an idea of what transpired over the last four months and will continue to work for us over the next year as we prepare for the next legislative session. I'm going to turn it over to Alan Howze who pretty much is our bridge to Paul to give some introductory remarks and then Paul will give his update.

Alan Howze, Assistant County Administrator, said it's been a busy session and I appreciate Mr. Davis, his work, and the opportunities that I think he brought forward to the Commission to testify on matters that came before the legislature on a variety of topics. I think there was good involvement from Commission and staff during this session, which you appreciated and perhaps at a level that we hadn't necessarily done before. So, Paul, I'll turn it over to you to give us the update.

Paul Davis, UG Lobbyist, said thank you very much. I'm delighted to see all of you and give you what I think is a very timely update on the legislative session. As was mentioned by the Administrator, the legislature has returned to Topeka today and tomorrow primarily. Budget Committees are meeting the appropriators, so to speak, to work on some bills and also to be putting together the omnibus budget, which is sort of the last wave of the budget process, which will be considered during the wrap-up session. Then, the full legislature will begin work again on Monday

and the question this time of year is always how long are they going to be there and it's hard to tell.

As most of you probably know tax issues have really been at the forefront during this session. The state has a \$3B budget surplus, a position that the state has never been in before and so the question has really not been whether or not they're going to cut taxes. It's what taxes are going to be cut and to what extent and that is really where the disagreement lies between the Governor and the legislature. If you've watch the news, which I'm sure you probably have in the last 24 hours, you probably saw that Governor Kelly has vetoed the latest tax bill that has been put on her desk. The reasoning behind her veto is that the package is simply too large and she is concerned about the long-term viability of the State General Fund and she in turn has introduced an alternative package for the legislature to consider.

Before they are going to get to any type of other packages, there will be an attempt to override her veto and there are some dynamics at play that—I was trying to think about this last night, I think the probably almost 25 years that I've been involved in the legislative process in some way, shape or form, and Commissioner Burroughs may want to opine on this, there's some dynamics at play that I've never seen before. The bill that the Governor vetoed actually passed the House unanimously. I'm not sure I've ever seen a tax bill that has passed the House unanimously and you have Democrats and Republicans that supported that obviously in the House, but then in the Senate you have a split where the Democrats are more aligned with Governor Kelly. I think it's likely that an override attempt is probably going to be successful in the House, but the Senate is going to be the question mark of whether that is going to stay.

The Democrats have 11 members in the Senate and they need 14 in order to be able to prevent the veto from being overridden and so the Governor will have to pick off three Republicans, which she's been able to do so far during this session on tax issues, but whether that's going to stay the same, we'll have to see.

Really, primarily, what I wanted to talk about tonight is just the UG's Legislative Agenda and the items where we have seen action with regard to that agenda and there's been quite a bit of action. We testified on 17 bills during this past session and I wanted to especially thank those of you who have made the trip up to Topeka to testify or to talk with our local delegation or with other legislative leaders. It makes a big difference really when you're able to come up to Topeka

and people see you there. So, I just want to say again how much I appreciate that and, hopefully, we can continue to lure more of you up to the legislature in 2025.

Medicaid Expansion

For the first time in four years the issue of Medicaid expansion received a hearing in committees of both chambers. Despite an overwhelming amount of written and oral proponent testimony (including the UG), the issue did not move to the House or Senate floor. Just prior to the Legislature adjourning in early April, a procedure was set in motion in the Senate where an attempt will be made to bring Medicaid expansion to the Senate floor for a vote. Governor Kelly has been

The first issue I wanted to address is Medicaid Expansion, the issue that probably has gotten the most publicity next to the tax issue during the past session. There was a hearing that was held in both the House and the Senate. This is the first Committee hearing that has been held in four years. I think it was into the hundreds of proponent testimony that was offered and it was a standing room only crowd to say the least, but neither of those bills moved forward. However, there has been a procedural motion that has been put in motion, I guess, yeah, procedural motion that's been put in motion the last day of the regular session, which will cause the Senate to have a vote as to whether they're going to take up that issue. So, there may be a vote in the Senate.

Governor Kelly, as you were probably very aware, has been all over the state barnstorming to try to drum up support for Medicaid Expansion, but I think it is going to be a tough sell given that the legislative leadership on the Republican side has been pretty steadfast in their opposition.

Allow Flexibility for Revenue Sources

Representative Oropeza introduced House Bill 2684, which would authorize municipalities to propose an earnings tax to be put on the ballot. The revenue from the earnings tax would be dedicated to infrastructure. This bill is similar to a Senate bill that Senator Haley introduced last year. House Bill 2684 was referred to the House Taxation Committee, but no hearing was held on the bill. One of the challenges with this legislation is finding allied organizations that will testify in support.

Under the issue of Allowing Flexible Revenue Sources, the earnings tax issue has come up a couple of times. Representative Oropeza introduced a bill this session. Senator Haley introduced a bill last session that received a hearing. Neither of these bills have moved forward. Really the impediment out there is we need more advocates for this and I've talked extensively with Representative Oropeza and Senator Haley about other possibilities of other organizations or entities that may come to the table and I certainly welcome any thoughts that any of you may have about others who may want to aid our efforts in that respect.

Special Session Meeting LAVTRF Funding

Numerous Local Ad Valorem Tax Reduction Fund (LAVTRF) bills were introduced this session and several committee hearings occurred. There is some bi-partisan support for funding LAVTRF, which has not been funded for several decades, but no bills have advanced. Instead, Republican legislative leaders have advocated for a complete repeal of LAVTRF. A repeal is contained in the bill that Governor Kelly vetoed yesterday and obviously if a veto override occurs LAVTRF will no longer exist.

The Local Ad Valorem Tax Reduction Fund, we had a lot of conversation about this. We met with the delegation. Commissioner Ramirez came over and testified on a bill. There were quite a few bills that were introduced dealing with the Local Ad Valorem Tax Fund. There was a push primarily among Democrats to try to fund that. It hasn't been funded now for several decades. In turn, some Republican legislative leaders have decided to take a different approach and that is that they would like to get rid of the Local Ad Valorem Tax Reduction Fund completely. The bill that Governor Kelly vetoed did contain a provision that would eliminate LAVTRF and so if her veto is overridden, LAVTRF will be a thing of the past.

There are some discussions ongoing about perhaps looking at an alternative replacement for LAVTRF, and that may be a possibility, but we'll have to kind of see what plays out here.

Special Session Meeting Infrastructure Funding

Last year, the Legislature and Governor Kelly officially closed what has been known as the Bank of KDOT. This means that funds for the state transportation plan (also known as IKE) are no longer being diverted to fund other programs. There have been several attempts to divert money once again, but they have failed for the most part. One bill that has become law will fund airports around the State at a much higher level from transportation funds. But overall the IKE program is well funded and is continuing to add projects to the construction pipeline. One of the positive developments that occurred last session was the addition of a fund that would help local units of government with local match dollars for federal projects. This could be very beneficial to some of the pending federal requests that the UG has.

The Legislature has appropriated \$2.3 billion in FY 2025 for transportation expenditures.

Infrastructure Funding has been an issue that has received a good bit of attention over the past couple of years. Last year the Governor announced that the so-called bank of KDOT had been officially closed. For those of you who are not familiar with that term, it applies to transfers that have been made out of the State Highway Fund or the State Transportation Plan to support other programs in state government. There were a few efforts this year to try to claw back into the State Highway Fund, but most of those were rebuffed. One of the things I did insert here is about a bill that provides some support for airports, which actually are already funded out of the State Highway Fund.

One thing that is particularly applicable to Wyandotte County that I just want to mention is something that happened last year. The legislature set up a special fund that will aid in local matches for federal projects and as you know with the bridges that we have we've got a number of grant applications that are out right now and should we get those, there are some dollars that are on the table from the state to help us with the local match that is required in almost all of those expenditures.

Mayor Pro Tem Burroughs said we do have a question. Would you rather us hold questions until you finish your presentation or would you rather us ask the question dealing with the item? **Mr. Davis** said however you want to do it, it's fine with me.

Commissioner Bynum said my question is, under this Support Infrastructure Funding, the very last sentence, the legislature appropriated \$2.3B for transportation expenditures. When we say transportation, do we mean infrastructure or do we possibly mean public transit or is it all in the same bucket? **Mr. Davis** said great question. For the most part it is in the same bucket. Public Transit is part of the IKE Program, which is the 10-year Comprehensive Transportation Plan, which by the way is over a \$11B fund, but those things are included in the IKE Program.

Commissioner Davis said if we can quickly just go back to the conversation about the Earnings Tax. Where does this Home Rule kind of fall within that conversation and in our autonomy? **Mr. Davis** said my understanding, and I'm looking over at Legal Counsel a little bit here, my understanding is that in order to enact some type of earnings tax, it does require legislative approval. I think that is outside of Home Rule authority. **Angela Lawson, Interim Chief Counsel**, said I agree. **Commissioner Davis** said okay.

Funding for World Cup Operations

Governor Kelly recently signed the budget that provides \$28 million for World Cup operations in Senate Bill 28. These dollars will be distributed over a two-year period of time (\$10 million in FY 2025 and \$18 million in FY 2026). There were many legislative hearings in various committees of both chambers focusing on this topic and how Kansas could capitalize on the World Cup. Some legislators were more hesitant than others to provide funding without a more detailed plan for expenditures, but after language was inserted in the bill requiring the money to be spent in Kansas the funding advanced. The dollars will be distributed by the Department of Commerce and there is still a lot of discussion that needs to occur about exactly how the dollars will be spent. Additionally, there is an effort in Washington DC to secure federal funding for World Cup expenses that is ongoing.

Mr. Davis said some really good news about the World Cup. Obviously, everybody is very excited about the World Cup. There were a number of hearings, informational hearings, that were provided at the legislature and in the end the legislature has authorized \$28M, which is actually an \$8M increase from what Governor Kelly requested in her budget, that's going to be paid out over a two-year period of time. There certainly was a degree of skepticism about the state putting dollars into that, but I think in the end we were able to make the case that these dollars are important

given that we're going to be on the world stage and there's going to be a significant economic impact.

One of the requirements that was inserted during the process is that all of these dollars do have to be spent in the state of Kansas. I think that is a good thing for us. There was some discussion about, well gee, we could use these dollars to help transport people over to Arrowhead and we're certainly going to have increased law enforcement costs, we're going to have transportation costs, lots of things. There's going to be an evolving discussion about how these monies are going to be spent. They're going to be administered by the Department of Commerce and I think one of the things that we need to do is be pretty diligent in making sure that we outline our priorities for how we'd like to see these dollars spent so we can put them to work for Wyandotte County.

In addition to this, I just want to make you aware that there is also an effort at the federal level to get an appropriation for those cities that are going to be hosting World Cup events and so there is the possibility that there may be additional federal dollars that may come as well.

Commissioner Townsend said with regard to the money that will be dispersed in Kansas relative to the World Cup, who besides Wyandotte County might be eligible to receive this and are there any other limitations on how we spend it other than it has to be directly related to World Cup? **Mr. Davis** said the Department of Commerce is going to be tasked with coming up with rules and regulations as to how those dollars will be spent and as I said, I think there's an evolving discussion that needs to occur there and I think we need to be involved in that discussion. There are projections that there may be other base camps located in Lawrence, perhaps Johnson County, perhaps even Manhattan and so those locations were also cited. **Commissioner Townsend** said thank you.

Commissioner Ramirez said part of my question was already answered with Commissioner Townsend. So, just to clarify, with the funding that has been allocated, as you said, Commerce is going to be the one to come up with the rules and regulations, but is there any—as you mentioned, there's other base camps that may be throughout the state on other jurisdictions, how is there a formula that they're going to develop to be able to equitably pass out the funds throughout the base camps? **Mr. Davis** said that's a very good question and I think one that nobody really has an

answer to right now. I think that, once again, we need to be at the forefront of that discussion and trying to lead that discussion so that we can do all that we can to make sure that we get our piece of the pie, so to speak, and you know others are going to want to be involved in that, but I think given the facilities that we have here undoubtedly, you know, this is going to be the center of activity in the state of Kansas. **Commissioner Ramirez** said I would hope so with us having Children's Mercy Park and then the soccer training facility that we also have out there, so I'm hoping that is true.

Expanded Childcare and Universal Pre-K

Governor Kelly has made it a priority to create a consolidated Office of Early Childhood for Kansas' early childhood care and education services. This came after a study ranked Kansas as 49th in the nation in terms of efficiency and coordination of early childhood systems. After a great deal of deliberation, Senate Bill 96 was approved by the House on a 110-10 vote. Action in the Senate awaits when the Legislature returns on Monday. In addition to consolidating programs across state government, the bill also makes a significant number of updates to various child care facility requirements in an effort to expand the number of facilities and children that can be served in a facility. It also prohibits local governments from passing ordinances that are more restrictive than state standards.

The Legislature has added \$2 million to funding for the Infant and Toddler Program (TINY-K). Governor Kelly proposed adding \$56 million in early education and child development funding in her proposed budget. The Legislature is still discussing this issue, but the amount appropriated is likely to be much less than what the governor requested.

Additionally, the tax plan unveiled by Governor Kelly does increase the child care tax credit for dependent care expenses, as does this bill from 25% to 100% of the federally allowed amount.

Mr. Davis said on the issue of Childcare, the Governor made a very big push this session to try to consolidate all of the childcare functions that are across state government. There was a study done that ranked Kansas second to last in terms of efficiency and coordination of Early Childhood Programs and so the Governor with the help of a task force came up with a proposal to create an Office of Early Childhood Education. After a lot of deliberation and modifications to the bill, the bill did pass the House on a 110 to 10 vote and is expected to pass the Senate, but it has not passed the Senate yet at this time.

Included in that bill are not only the consolidation of those functions across state government, but also a number of updates to childcare facility requirements. The effort is being made to try to, I think, make laws a little bit more friendly so that more childcare facilities can exist and that more children can be served there. One thing to note here is that the bill does have a prohibition on local governments passing ordinances that are more restrictive than the state standards, so that's something to be cognizant of.

The legislature did put some additional dollars into a number of Early Childhood programs. Many of you are probably familiar with the TINY-K Program. That's one of the areas—the Governor made a very substantial request, \$56M of additional funds for a number of different childhood education programs. The legislature is still deliberating on that, but there will be—undoubtedly, that's going to be a number that's much less than \$56M.

There's also a Childcare Tax Credit increase that is part of the bill, Senate Bill 96, and also is contained in the tax plan that the Governor proposed just yesterday.

Increased Funding for Mental Health and Psychiatric beds

The Legislature has provided \$13.5 million to move a mental health intervention pilot program that began at the State Department of Education to a permanent home at the Department for Aging and Disability Services. The Legislature also increased funding for adult inpatient behavioral health services by \$5 million. Federal ARPA funds have been used to create additional psychiatric beds in Johnson County and Sedgwick County.

The area of Mental Health, the legislature provided an additional \$13.5M to make a pilot project that was contained within the Department of Education permanent and its permanent home will be at KDADS, the Department of Aging and Disabilities Services. They also increased funding by \$5M for adult inpatient behavioral health services. This is in addition to some pretty significant dollars that were put in with Federal ARPA funds to create more inpatient psychiatric beds. Some of those are in Johnson County and some of those are in Sedgwick County.

Funding for Unhoused

Funding for the unhoused is still being considered by the Legislature. Governor Keith put money in her budget for a grant program that would allow local units of government to apply for funds designated for homeless shelter construction and services. The House Committee on Welfare Reform has spent a great deal of time studying this issue and receiving presentations from national experts. A bill providing \$10 million for the grant program was coupled with a variety of enforcement provisions and advanced out of committee in the Senate. However, there doesn't seem to be a consensus among lawmakers about how to strike a balance between funding and enforcement.

The topic of Homelessness and the Unhoused, a topic I'm sure all of you are very familiar with and are dealing with on a daily basis here in Wyandotte County. The legislature has spent a good amount of time having what I would say is a healthy and robust discussion about how to address homelessness and you may not be surprised to know that they're having a hard time finding solutions that they can achieve a consensus on. The Governor put \$40M in her budget for a grant program that local units of government could access. Obviously, that's something we're very interested in. There has been a lot of angst among legislators about simply doling out money without having what would probably be classified as enforcement provisions that go along with that.

So, there was a bill that was advanced in the Senate that pared that money back down to \$10M and put a variety of enforcement provisions in it. The House doesn't seem to be terribly interested in that approach, but it is probably going to be coming up here in the next couple of days, so stay tuned for the discussion on that.

Commissioner Lopez said when you say—when the word enforcement is being used, is it enforcement of ensuring the funds are used for unhoused purposes or are they wanting enforcement of local governments enforcing our own local laws for the unhoused? **Mr. Davis** said yes, primarily the latter and Lawrence has been the center of a lot of that discussion because they have had a no camping ordinance that has not been enforced for the past couple of years. They are now beginning to enforce that, but that's where the discussion has really been centered.

Protecting STAR Bonds

With the elimination of the sales tax on groceries, STAR Bond revenue is projected to decrease. A bill that would replace lost revenue with state general fund dollars has been introduced and debated. It has passed the House but is awaiting further action in the Senate.

Mr. Davis said on the topic of the STAR Bonds, as you're aware, the sales tax on food is gradually going away and with that, that means the ability to pay off STAR Bonds is going to be decreased and the legislature is discussing replacing those funds with State General Fund dollars. That has passed the House, but has not passed the Senate, probably unlikely to pass the Senate this session, but may get discussed during the next session.

Commissioner Bynum said I'm struggling to understand that a little bit because those grocery stores where the sales tax on groceries isn't being collected or being reduced would have to be within STAR Bond Districts for that to matter. **Mr. Davis** said correct. **Commissioner Bynum** said so how many grocery stores are there in STAR Bond Districts, because it strikes me that impact is minimal. **Mr. Davis** said yeah. It was discussed that there was not a significant fiscal impact to that, but there is an impact out there. There are grocery stores located in STAR Bond Districts. Some of you may think offhand of whether they are here in Wyandotte County. **Commissioner Bynum** said I don't think we have one. **Someone** said we may have one. **Commissioner Bynum** said Target. **Someone** said Target and Walmart. **Commissioner Bynum** said so is Walmart currently within a STAR Bond District or is that a proposed expansion? **Someone** was inaudible. **Commissioner Bynum** said we've already expanded STAR Bonds over across the street to Walmart? **Someone** was inaudible.

Mr. Johnston said the Plaza area is included in a state STAR Bond that was created in 2016. At that time we chose not to participate as a UG government, but we chose to develop that area through a Sales Tax TIF project. **Commissioner Bynum** said right. **Mr. Johnston** said but it currently does reside in a STAR Bond District. **Commissioner Bynum** said yes, thank you. **Mr. Johnston** said but Target is not because that's directly across the street. It's not in that STAR

Bond, but it might be in the Legends area, so that whole part of our community is inundated with CIDs and STAR Bonds.

Mayor Pro Tem Burroughs said any sales tax generated by any unit within the STAR Bond District goes to retire the debt of STAR Bonds. The thing about the grocery stores, even though there may be a few, it will have a fiscal impact on the payout of the STAR Bonds to the bondholders, so if the state makes up that difference, it doesn't put ours at risk. The good thing is it's been slowly going away, so if anything, it might extend out a year on a STAR Bond project. It could have—depending on the amount of revenue STAR Bonds has committed to the project, could determine how much revenue we will lose in paying it off early.

Commissioner Bynum said to that—so a bill that would replace lost revenue with State General Fund dollars would all be at the state level, right? **Mayor Pro Tem Burroughs** said I would assume that the revenue that is lost, measurable loss by the Department of Revenue, that the state would write a check to—I'm hypothetically thinking it would be the bondholder for the shortness of the revenue that wasn't generated by us. **Commissioner Bynum** said got it. **Mayor Pro Tem Burroughs** said any sales tax reduction, if the state is going to pick it up for grocery sales, and I don't know if Aldi's, Target, JC Penney; however they look at those sales, because some of these small stores have consumables that are market-driven for food, so I can't tell you what the fiscal impact would be, but the state would make that difference up on our end.

Commissioner Bynum said just to circle back around to the Walmart though, as Administrator Johnston said, county and city are not participating in that STAR Bond, so that would only be the state's portion of that sales tax revenue being diverted to the STAR Bonds. I'm sorry, I don't mean to drag it out, but this is interesting to me.

Mayor Pro Tem Burroughs said, Mr. Administrator, do you want to answer that question or comment on that?

Mr. Johnston said well, the answer right now is we're not participating in that STAR Bond. There are actually no STAR Bonds that have been issued for that district. That's part of the American Royal STAR Bond District and it goes from the Plaza caddy-corner at Hutton & 110th to that property and then winds its way around State Avenue to where the American Royal is being built now. I know there has been discussions about a STAR Bond for that project, but nothing to report right now.

Commissioner Townsend said this is very interesting because at some point everybody, if you're fortunate enough, is going to buy some groceries. So, basic question number one, because I'm sure our constituents may think that wherever they go, at some point in the future, they won't have to pay sales tax on food. So, question number one, when does the elimination of the sales tax on food kick in. Do we have a date? **Mr. Davis** said we've seen—it's a three-year phase down and year one has occurred. Most of these tax plans that have been debated have a component that would accelerate the last year and have it entirely eliminated here on July 1 of 2024.

I think where you were also maybe going with this is what is the extent of—is it food, groceries, really it just extends to groceries. There was a debate about whether it extended to food. You know if you go to whatever restaurant and you don't have to pay sales tax on food or other items that would be purchased somewhere that were—it's a non-grocery store, but this really just applies only to groceries.

Commissioner Townsend said okay, so I'm at the Merc on July 5th of this year, should I expect to see a sales tax or not on my bill? **Mr. Davis** said if some plan that is some semblance of what's been debated here passes, I think it's unlikely that you're going to see a state sales tax, state sales tax also, but there will still be a local sales tax on groceries.

Commissioner Townsend said so there'll be what sales tax that we're still likely to see say July 5th? **Someone** was inaudible. **Commissioner Townsend** said local sales tax but not—**Mr. Davis** said but not state. **Commissioner Townsend** said and it doesn't matter that you're not in a STAR Bond District. Thank you.

Mayor Pro Tem Burroughs said there's already been a reduction, a minor reduction already. **Commissioner Townsend** said I thought there had been, but you know when we get to whatever the zero will be, whenever that is. **Mr. Davis** said yeah, the first step has already occurred and the second one is to occur on July 1st.

Commissioner Ramirez said I remember maybe next year the state sales tax will go to zero or it will be 2026 because I remember it was four—they're going to drop it down to four, two, and then zero. I believe July 1st of this year they'll drop it down to two and then if history repeats itself, next year, July 1, 2026 is when it'll drop down to zero if I remember correctly.

My question, and it might not be a question that can be answered, because it's just going to be depending on each district or each bond area, has the Department of Revenue estimated how much of a decrease of revenue there may be in the STAR Bonds? **Mr. Davis** said yes, and I want to—I can't recall the exact figure, but it was a couple million dollars I think. It was not a real significant amount. Whenever you say STAR Bonds, discussion ensues I know.

Expedited Partner Therapy

Bills were introduced and committee hearings were held in both the House and Senate on this issue. The UG health department took the lead in organizing a strong coalition to advocate for EPT. The House bill was advanced out of committee, but unfortunately both bills did not get to House and Senate floors in time for the turnaround deadline that occurs at the end of February. While the coalition is determined to keep working on this issue, issues related to public health face additional challenges since the pandemic. Kansas is one of handful of states that do not have laws allowing for EPT.

Mr. Davis said on to Expedited Partner Therapy. If you are not aware what Expedited Partner Therapy is, because I was not until I got involved with this issue here, it is when someone tests positive for a sexually transmitted disease and it gives a medical provider or health department the ability to provide treatment to that person's partner without having to see that person.

We are one of five states that does not have an Expedited Partner Therapy law. I want to give hats off to our Health Department that really took the lead in trying to put together a coalition of groups to advocate for this. They did a really great job at the hearings that were held in the House and Senate. We got a bill out of the House, didn't quite get it out of the Senate and we ran into the turnaround deadline and was not able to get—Commissioner Burroughs will know, I'm trying to use too much insider jargon, but we were not able to get the bill blessed, which means it stays alive outside of the turnaround deadline.

One thing I do just want to highlight with regard to this issue and we've had a number of follow-up discussions with the Health Department, post pandemic, and I'm not telling you anything you don't already know, but public health has got some real challenges post pandemic. There's certainly a lot of legislators over there that their opinions about public health departments and just public health in general has changed as a result of the pandemic and I think public health

departments have got a lot of work to do to be able to address those challenges that are definitely there.

Support Public Education Funding

Senate Bill 387 is this year's education budget bill. It has not been passed by the Legislature yet and will be one of the significant topics of debate in the wrap-up session. Governor Kelly has advocated for additional special education funding. There is bi-partisan support for this, but there is interest among Republican legislative leaders in changing the formula for how special education funding is distributed. This is still under consideration. There is also a push to link school choice proposals to K-12 education funding. The Legislature has enacted, and Governor Kelly has signed into law, legislation that would set up a program called the "Blueprint for Literacy" that aims to raise student reading proficiency. The program has been a collaborative effort between the Board of Regents and the State Department of Education.

On Public School Funding, that is one of the meteor issues that is still going to be debated during the wrap-up session. The legislature has not arrived at an education funding bill. The discussion around special education funding has been the primary sticking point. There is bipartisan agreement that there should be enhanced funding for special education, but there are some disagreements about exactly how the funding formula for special education should work. There have been some efforts to try to rework how that funding formula is structured and that's going to be discussed during the wrap-up session.

I also note here that there was a bill passed that's called the Blueprint for Literacy, which has been a project that the Board of Regents in collaboration with State Department of Education have been working on that is going to really try to focus efforts on reading proficiency and trying to improve that in our K-12 schools and that bill was just signed by Governor Kelly the other day.

Study Creation of a Riverfront Authority

Senate Haley introduced SCR 1620 this session, which would allow for the creation of a port authority should the UG Commission decide that you want to pursue this. SCR 1620 has passed the Senate. Senator Haley and I have been working to insert the resolution into a conference committee report so it can advance in both chambers and to Governor Kelly.

The issue of a Riverfront Authority or Port Authority, that has been a plank in the UG's legislative platform and Senator Haley introduced what's actually a resolution and not a bill that would allow the UG to create a Port Authority should you want to do that at any time in the future. LaVert Murray gave me a great education about the history of Port Authority's in Wyandotte County because he's pretty much lived it. That bill has—that resolution has passed the Senate and Senator Haley is looking for a vehicle to try to get that into a conference committee so that it can get on to the Governor's desk.

Increased State Community College Funding

The Legislature has provided an additional \$15.8 for student success initiatives at community and technical colleges and an additional \$5 million for the community colleges capital outlay fund.

Community College Funding. There's some very good news for community colleges. Some pretty significant increases in funding, almost \$16M for student success initiatives at community and technical colleges and also an additional \$5M for their Capital Outlay Fund.

Assault on Public Employees

House Bill 2808 was introduced this session and would create a specific crime of harming a public transit employee. Deasiray Bush, Director of the UG Transportation Department, provided testimony in support of the bill in the House Committee on Federal and State Affairs. The bill did pass out of the committee, but it has not made it to the House floor for a vote.

The issue of public employees and assaults on public employees, House Bill 2808 was introduced this past session and that bill actually had a hearing and came out of the House Federal & State Affairs Committee. It is sitting on the calendar in the House and probably is not going to be acted upon, but it would create a crime, specific crime, for someone who assaulted or battered a Public Transit official. Deasiray Bush did a absolutely tremendous job in testifying on that bill and was very, very helpful to the committee members that heard that testimony.

Cannabis Legalization

The Legislature continues to struggle with passing a medical marijuana bill. Late in the regular session, a very limited bill (Senate Bill 555) did not advance out of the Senate Committee on Federal and State Affairs after a two-hour hearing. This legislation outlined a rather conservative

pilot program for medical marijuana. Senate President Ty Masterson (R-Andover) said there were too many concerns with the bill. Similar to Medicaid expansion, an effort will be made in the wrap-up session to force a vote on the Senate floor. Three years ago, a medical marijuana bill passed the House by a 79-42 vote, but was declared materially altered by President Masterson and died in the Senate.

Additionally, there was an amendment offered to a bill on the House floor that would have removing marijuana as a scheduled substance. It failed 41-80.

Another lively talk, I'm sure, is Medical Marijuana and Cannabis. The legislature, as they have for the past several years, has struggled to try to see if they could find some consensus on this issue. As I've mentioned before, the Senate President is not a fan of medical marijuana. He did give some blessing to a pretty limited bill that actually just created a pilot project that was introduced late in the session, but then the rug got pulled out from under that bill, so the issue is still ongoing. There will be an effort much like Medicaid Expansion to pull a bill out of committee and bring it on to the Senate floor. Senator Rob Olson, who is retiring, has been a long-standing advocate for medical marijuana and he is leading the charge on that. That will be interesting to see what happens if a bill can get onto the Senate floor.

For those of you who are interested in the issue of going beyond medical marijuana to recreational, there was an amendment that was offered to just completely remove marijuana as a scheduled substance and that failed on a vote of 41 to 80. I don't think that's necessarily indicative of the support that's there. As Commissioner Burroughs knows, sometimes amendments fail for various reasons and become partisan for various reasons and so I think there's probably more support out there than 41 votes.

Expand Treatment and Harm Reduction for Substance Abuse

A Good Samaritan Law is likely to be passed that will provide immunity from prosecution for certain drug crimes when individuals seek medical assistance related to the use of a controlled substance. It currently holds a place on the Senate calendar after being moved out of the Senate Judiciary Committee. It was unanimously approval from the House. The UG provided testimony in support of this bill.

There's a Good Samaritan Law bill that is working its way through the process. It has passed the House unanimously and is waiting action in the Senate and I expect it will be acted upon that provides immunity from prosecution for certain drug crimes when individuals seek medical assistance related to the use of a controlled substance. Most of this is related to Fentanyl. Our Health Department has been involved in that effort, pretty broad support for that.

- Special Session Meeting Other issues of interest:

Plastic Bag Ban

For the second time in three years Governor Kelly has vetoed a bill barring local governments from regulating plastic grocery bags and other material. The bill passed the Senate by a 24-16 vote and the House by a 72-51. Thereby, it is unlikely that the veto will be overridden. As you may be aware, the City of Lawrence recently passed an ordinance prohibiting stores from providing single-use disposable plastic bags to customers at the point of sale.

A couple other issues I just wanted to highlight here that are not necessarily on the agenda, but I think are issues that are of interest to the UG and local governments in general. The city of Lawrence passed a Plastic Bag Ban and that has triggered several efforts that they have debated that issue over the past couple of years, but they actually passed it this year and Governor Kelly has vetoed legislation that would prohibit local governments from regulating plastic grocery bags and other related material given the vote, 24 votes in the Senate, 72 in the House. It does not look like there are enough votes to override that veto. So, local governments will continue to have the authority to do that.

Incentives for Data Centers

Committees in both the House and Senate passed bills that would provide economic development incentives for large data centers to locate in Kansas, but neither chamber has indicated that there will be a floor vote on the proposal. Legislative leaders have indicated that the issue will get more discussion next year. The proposal allowed for exemptions from state and local taxes if minimum investments and jobs are provided. Missouri, Iowa and Nebraska are among approximately 20 states that have laws similar to this proposal.

Incentives for economic development incentives for Data Centers. The reason I put this on here is we have reason to believe that some of the folks that are interested in this bill are very interested in Wyandotte County. Committees in both the House and the Senate did advance a package of economic development incentives that mostly relate to exemptions from state and local taxes for large data centers. They are requirements in terms of the number of jobs and the amount of capital investment that they have to bring.

Missouri, Iowa and Nebraska already have laws on the books. This really kind of got caught up in the larger tax discussion and legislative leadership has indicated that they want to hit the pause button on this issue, but return to it next year, so I would look for this to be an issue that's discussed next session.

No-Impact Home-Based Businesses

A bill that would limit the ability local governments to regulate home-based businesses has not advanced after a committee hearing was held. The bill defined a No-Impact Home-Based business as one where lawful goods or services are produced or sold on residential property by the owner or tenant.

There was a robust debate about home-based businesses and city and county abilities to regulate home-based businesses. This came from a Johnson County legislator who really wanted to remove the ability of local government to regulate home-based businesses. That bill ended up not going very far after most cities and counties have stated their opposition to that.

Vacant Property Registry

We have opposed efforts in the past few years to eliminate the ability of cities and counties to maintain vacant property registries. As most of you are probably aware, the UG maintains such a registry. Fortunately, no legislation in this area was advanced this year.

Vacant Property Registry. As you're probably aware, we have a vacant property registry here. There have been efforts to try to preempt the ability of cities and counties to have vacant property registries. We have had some pretty good sword fights over that over the past couple years and we did not have that fight this year, so that was nice to not have to fight that battle.

Initiative Petitions

Arising from a controversy in Prairie Village, legislation was introduced to create a process where residents can force cities and counties to enact laws through initiative petitions. The bill did not advance out of committee.

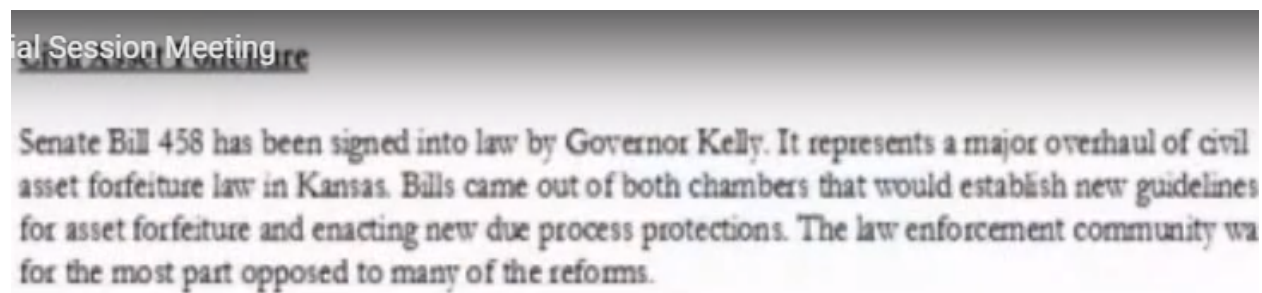
You've probably followed what's been going on in Prairie Village. There were several Prairie Village bills that came before the legislature and a lot of Prairie Village residents came up to the legislature. One of their bills would create essentially an initiative process whereby citizens could enact laws and the legislature, I think, at the end of the day just felt like this was a Prairie Village problem and not something that required state legislation.

University of Kansas Medical Center

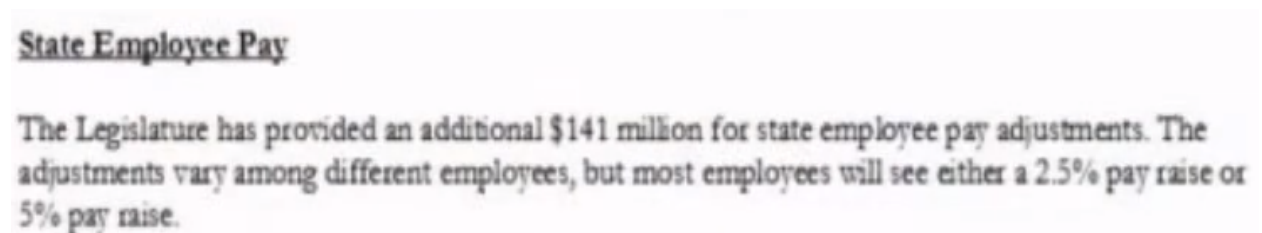
The Legislature has appropriated, and the Governor has signed into law, \$75 million to construct a new cancer research facility at the University of Kansas Medical Center. This will be coupled with federal funding secured by Senator Moran and private donations.

Some very good news for the KU Medical Center. The legislature appropriated \$75M, which may be the largest single appropriation that I've seen for something like this for the cancer research

facility at KU Med. This is going to be in addition to the significant appropriation that Senator Moran got for this project and then also some matching private dollars, so very good news for KU Med.



The issue of Civil Asset Forfeiture; this has been around the legislature for a long time. Actually, I worked on this issue in a previous life before I was even in the legislature and an interesting thing kind of happened this session. The forces came together and there were enough legislators that really felt that there needed to be some significant reform of civil asset forfeiture and so the House and Senate both passed bills and were able to marry those together and there were a lot of law enforcement concerns. Some of those concerns were satisfied and some were not, but they're going to be some significant changes related to that.



State Employee Pay; I just put this on here because I think it's always helpful, especially as an employer of the UG, to just know what's going on with the state employees. Significant dollars put into some pay increases for state employees. They're going to get between 2.5% and 5% pay increase. A lot of that is based upon surveys about whether they are under market or over market pay positions.

Open Records

The Kansas Policy Institute introduced a bill that would significantly reduce what units of government could charge for open records requests. The bill passed out of the House Judiciary Committee, but no action was taken after that point. The bill is no longer active.

Lastly, Open Records. Kansas Policy Institute which is an institute that is in Wichita that makes a lot of open records requests, came to the legislature with trying to change the costs that they would have to bear in terms of open records requests. There was a pretty unanimous opposition to that from all government entities and Angela provided some good information on that and that bill was defeated as well.

Those are all the issues that I put out here and there's many, many others, but would be happy to entertain any other questions that anybody has or comments.

Commissioner Ramirez said my question is pertaining to the last topic and it's to our Acting Chief Counsel. For our unit of government and people when they ask for open records requests, what is the cost to citizens for open records requests? **Ms. Lawson** said it is the actual cost to produce the records, so there's no markup. **Commissioner Ramirez** said there's no set number. It's just however large the request or job is. **Ms. Lawson** said right and they're provided that information ahead of time and then sometimes if they've done a very broad search and, obviously, we'll comply if that's what they want, but if they want to narrow it down so as not to expend so much, we let them know that as well.

Commissioner Davis said I may have missed this or at least it's not on here. There's been a lot of conversations, I'm sure we've all had them with constituents, regarding property taxes. We see our neighbors from across the river where they passed a bill that allows the freezing of property taxes for seniors. Mr. Davis, were there any conversations about property taxes and particularly for seniors and what can be done? **Mr. Davis** said yeah, and I'm glad you brought that up because yes, there have been a lot of conversations about property taxes. There's been discussions about a constitutional amendment that would limit valuation increases to certain percentages.

There was a program I think that many of you are aware of that was passed a couple years ago that gives some breaks to seniors that are in certain income categories, but there have been discussions about broadening that. There was a discussion this year about disabled veterans and carving out some property tax issues with regard to disabled veterans which brings in a whole host of constitutional issues because of the constitutional requirement that there be equal application of taxes. So, what I would say I think overall about that is that I think that discussion is going to be more robust next session. It probably didn't get as much attention this session mainly because of the issues related to the income tax reduction and the flat tax proposal.

Commissioner Townsend said this is kind of a follow-up to the question Commissioner Davis just asked. Were there any discussions regardless of age or any other factor like that if you were just paying property tax. Were there any discussions about limiting potential increases on appraised values or the amount that would dictate, because I know that comes from the state, what somebody pays. We have held the mill rate constant for years, but as the valuations go up, that's where these huge increases are coming from. Was there any discussion that might give us a leeway or hope for reduction based on assessed values? **Mr. Davis** said yes. There has been discussion about that. Senator Tyson who chairs the Senate Tax Committee, I believe, has proposed a 4% cap, you know, with certain exceptions. I look for a lot more discussion about that. I think this provided that the legislature and the Governor finally arrive at someplace with regard to the income tax issues. I think next session is likely to be dominated by property tax discussions.

Commissioner Hill said thank you for this report. I just have a quick question around funding for the unhoused. Do you suspect that they will bring that back up next session? **Mr. Davis** said I think that's a possibility, yes. I do think that there still could be some action on it this session. Today at the—all the city and county lobbyists meet on Thursdays and today there was some discussion about Senator Claeys who has been involved in this issue may try to push this forward in the Budget Conference Committee. So, there still could be action on that. I don't know whether the Governor will want to put dollars in her budget again if the legislature doesn't take action this session, but there has been significant interest.

Wichita and Sedgwick County really kind of started this discussion. We actually signed on to their letter to the Governor asking for funding for a grant program and so I think this is going

to be kept on the front burner and I think as all of you know the issue of homelessness and the unhoused is not going to be going away anytime soon here unfortunately.

Mayor Pro Tem Burroughs said seeing no further questions or comments—Paul, thank you for your presentation. It’s thorough as always. I do appreciate the notes to read along with your overview and a very good synopsis as to what happened this session. Thanks for your work on behalf of the Unified Government and reporting back to us. Seeing no further action, I’ll entertain a motion to adjourn.

Commissioner Ramirez made a motion, seconded by Commissioner Townsend, to adjourn. Roll call was taken and there were seven “Ayes,” Hill, Lopez, Stites, Davis, Bynum, Townsend, Ramirez.

MAYOR PRO TEM BURROUGHS AJOURNED
THE MEETING AT 6:55 p.m.

Monica L. Sparks
Interim Unified Government Clerk

dt

April 25, 2024