

Senate President Stephen R. Morris

Capitol Comments

April 2011

2011



Senate President
Steve Morris, 39th District

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A Note from the Senate President....

Dear Friends,

On Friday, April 1, we adjourned the regular session at around 3:00 in the afternoon. It has been a very busy three months. When we return on April 27th for the Veto Session, it will be even busier. Although we accomplished some good things, some of which I will outline in this newsletter, we have quite a bit of heavy lifting to do. First and foremost, we will need to resolve differences between the budgets passed by the Senate and the House.

Our respective plans are millions of dollars apart at this time. Much of the disparity can be found in the fact that the Senate version of the budget leaves an ending balance close to that requested by the Governor, but not as large as the \$80 million ending balance in the House version. That and other issues will have to be worked out in the Senate-House conference committee on the budget which will begin meeting before we come back for the veto session.

I would be remiss if I failed to mention the terrible wildfires that have plagued our part of the state recently. These wind-whipped blazes have caused a great deal of

damage and tremendous anxiety for those individuals and communities that have been in their paths. The lack of moisture is at a level I do not believe I have ever seen before. We will all need to be extremely cautious until such time as we are blessed with some rainfall.

I look forward to being home part of the time over the next few weeks, and hope to have the opportunity to visit with some of you while I am back. Let's keep working together to get Kansas back on solid economic ground and to bring some, reliable, good-paying jobs to the state and to Southwest Kansas.

Sincerely,

A handwritten signature in black ink that reads "Stephen R. Morris". The signature is written in a cursive style.



The Senate's Take on the Budget

Before the end of the regular session, the Senate voted 36-3 to pass a fiscally-responsible budget that cuts \$800 million in total spending. Key provisions in the Senate's budget bill include:

EARLY CHILDHOOD: Restores funding for Early Head Start and protects funding for Parents as Teachers.

MENTAL HEALTH: Restores funding for mental health services back to 2011 funding levels.

ELDERLY: Protects services for senior citizens, including funding for home-based nursing care so Kansas seniors can continue to stay in their own homes if they wish, and adds \$43 million for nursing home-based care for the elderly.

K-12 SCHOOLS: Minimizes the cuts to our local schools. Under the Senate plan, K-12 schools would receive \$3,786 per pupil in 2012, which is a reduction of \$151 per student.

COLLEGES & UNIVERSITIES: Stabilizes funding for Kansas universities, community colleges and technical colleges, including adding \$15 million in matching grants to support research being performed at KU Medical Center (cancer prevention), Wichita State University (aviation) and K-State (animal health).

DEVELOPMENTALLY DISABLED: Fully funds waivers for the developmentally disabled and provides \$6 million in additional funds to help alleviate the number of disabled Kansans on the waiting lists for services. The Kansas Neurological Institute (KNI) would remain in operation under the Senate's plan until adequate care can be identified to meet the needs of these vulnerable Kansans.

STATE SALARIES: Reduces salaries for judges, justices, statewide elected officials and certain agency heads by 2.5%. Reduces pay for legislators by 7.5%.

The Senate's budget differs significantly from the House version, so a conference committee will meet later in the month to begin the task of bringing the two sides into agreement.

KPERS Fix Still Being Discussed

Governor Brownback, in his state of the state address, tasked the Senate with examining the state's public retirement system and coming up with a way to fix the long existing problems that have plagued it. As Senate President, I was able to immediately create a Select Committee on KPERS, for which I served as chair.

Having long been concerned with the status of the fund, and the effect of its instability on the retirements of our good state employees and educators, I wanted to be a part of the panel that would help shape the future of this incredibly important retirement system.

The result of our work is a Senate-driven plan (passed 35-4) to address the nearly \$8 billion unfunded liability in our Kansas Public Employee Retirement System (KPERS), still under consideration by a conference committee.

In its current form, the statutory cap for the State would increase to 1.1% on July 1, 2013. The increased cap for local units of government would go into effect on Jan. 1, 2014. Employee contributions would increase by 1% on Jan. 1, 2014 and another 1% on Jan. 1, 2015. With these increases, Tier 1 employees would receive a benefit formula multiplier increase from 1.75% to 1.85% for all future years of service.

Tier 2 employees would be given a one time option to increase their contribution rate. If they choose to stay at their current 6% rate, they would lost their COLA when they retire and their multiplier would stay at 1.75%. Those who do increase their contribution rate to 8% over two years would retain the COLA and receive the 1.85% multiplier.

An 11-member study commission would be created to analyze the current system and develop a viable plan to ensure KPERS' long-term sustainability. They must consider all options including defined contribution, modified defined benefits or a hybrid plan. Before the end of this year, the commission would submit a report to the Legislature, and the Legislature would have 180 days to act on the recommendation. Provisions of the bill would not take effect until the Legislature acts on the Commission's recommendations.

Workers Compensation Act Revised

In a nearly unprecedented turn of events, the Kansas Legislature passed a major Workers Compensation measure that had the blessing of business owners, management *and* employees. The measure was the result of a year-long study and discussion by the Workforce Advisory Council, composed of 12 members appointed from various business and labor groups.

The Council negotiated the provisions of the bill, and the resulting product was endorsed by the Kansas Chamber, the Kansas Economic Progress Council, the Kansas AFL-CIO, the Society of Human Resources Management, the Department of Insurance, the Department of Labor and the Kansas Self-Insurers Association.

Recent court decisions had demonstrated to all parties that portions of the Act should be rewritten to restore some sense of balance and fairness between business owners, management and their employees.

Workers Comp is basically an insurance plan required by law for an employer to pay an employee's benefits for job-related injuries, disability or death. Some ag businesses, realtors, employers with an annual payroll of \$20,000 or less and other specific employers are exempt from paying Workers Comp.

The new law, which is to take effect on May 15, 2011, updates a number of definitions in the Workers Comp Act, and revises several key areas including exceptions from benefits, notice of injury, drug testing, administrative hearings, preexisting conditions, caps on benefits, and many others. It also updates law to require an employer to be liable to pay compensation to an employee who has suffered a repetitive trauma injury in the course of employment.



Senator Morris congratulates Dr. Tom Trigg of the Blue Valley School District, named Superintendent of the Year.



Rural Opportunity Zones can be a tool used to attract new residents and families to areas with faltering populations and/or low income. Once the secret is out about the fine quality of life and beautiful scenery offered in rural Kansas, this initiative should take off.

Rural Opportunity Zones (ROZ)

Of the eight far southwest counties in the 39th District, four qualify for the Rural Opportunity Zone initiative: Hamilton, Kearny, Morton and Stanton Counties.

Basically, the program offers a full state income tax credit for tax years 2012-2016 to certain out-of-state taxpayers who relocate to the targeted counties. The ROZ program also allows counties to participate in a state-matching program to repay student loans up to \$15,000 for qualifying persons who establish a home in an ROZ.

Fifty counties across the state qualified for the ROZ designation. To receive the tax credit, new residents must have:

- lived outside the state for five years or longer at the time they establish residency in an ROZ.
- earned less than \$10,000 from a Kansas source of income in each of the five years prior to moving into a specified Zone.
- lived in an ROZ during the entire tax year for which the credit is claimed.

Qualifying individuals would have to file for their tax credit on time and cannot be delinquent on taxes to the state or any other political subdivision.

Hopefully, these incentives will attract new people to counties whose populations are faltering. We particularly hope it will bring new medical professionals to chronically underserved areas of the state.

Brownback Declares Disaster Areas

On Friday, April 8th, Gov. Sam Brownback issued a State of Disaster Emergency for Haskell and Stevens Counties along with drought warnings and watches in response to the dry weather conditions in southwest and western Kansas.

In a statement released by his office, Brownback said, "While rainfall has been adequate for some parts of our state, there are many counties, especially in southwest Kansas, experiencing drought conditions and a high risk of fire hazards."

The disaster declaration is for Stevens and Haskell counties which were affected by a grass fire on April 3rd that burned about 9,600 acres and damaged public infrastructure in both counties, including four bridges.

Kansas National Guard Adjutant General Lee Tafanelli, director of the Kansas Division of Emergency Management, advised counties to continue to report out of control grass fires regardless of their source (natural or malicious).

The drought warning covers 20 counties and 27 surrounding counties are under a drought watch. Precipitation in western Kansas has been well below normal for the year.

The counties covered in the warning/watch include:

- **Drought Warning:** Finney, Grant, Gray, Greeley, Gove, **Hamilton, Haskell, Kearny**, Lane,

Logan, Meade, **Morton**, Ness, Scott, Seward, **Stanton, Stevens**, Trego, Wallace and Wichita.

The above list includes all eight counties in the 39th Senatorial district and nearly every one of our neighboring counties.

- **Drought Watch:** Barton, Cheyenne, Clark, Cloud, Decatur, Ellis, Ellsworth, Ford, Graham, Hodgeman, Jewel, Lincoln, Mitchell, Norton, Osborne, Ottawa, Pawnee, Phillips, Rawlins, Republic, Rooks, Rush, Russell, Sherman, Sheridan, Smith and Thomas.

The resources available due to the State of Disaster Emergency declaration will be welcome news to those who have been most affected by this awful situation. All of us who live and work in these counties need to step up our own vigilance and caution under these extreme conditions.



So often a welcome sign of spring, controlled burns or flames of any kind are now cause for great caution. Our district, suffering from prolonged drought, is now at the mercy of high winds and any random spark.

Senator Steve Morris' responsibilities include:

President of the Kansas Senate
President-Elect of the National Conference of State Legislatures

Senate Committees:

Chairman	Legislative Coordinating Council
	Select Committee on KPERS
Vice-Chair	Joint Comm. on Pensions, Investments and Benefits
Member	Agriculture Committee
	Federal and State Affairs Committee
	Natural Resources

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